

...Discovering value in natural resource stocks

Quarterly Review Issue

Editorial

Metal prices, both base and precious metals, are at or near all-time record highs. In spite of that strong showing, prices of many of the exploration and development companies continue to languish.

The reasons are clear enough for the decoupling of equity prices from metal prices. The most basic explanation is the uncertainty with regard to the equity markets in North America. Investors are generally scared as they are deluged by bad news about the U.S. economy from all sides. In a nervous market, higher risk investments such as exploration and development companies are the least popular.

The record high gold price is seen by some as part of an on-going shift of wealth toward the safe haven of a hard asset. That shift is propelled by the growing unease about the U.S. dollar, paper currencies in general as well as scepticism about financial assets that don't have much of a tangible backing.

The larger gold producers have responded to the strength in bullion; the mid-tier producers somewhat, but less so. Many of the juniors have so far been left out of the action. The story is similar for silver, now trading at the highest level since the Hunt brothers tried to corner the market in 1980.

For both gold and silver, investor interest will continue to percolate down to the smaller companies as investors grow more comfortable with the rising bullion prices. In time, more investors will recognize that the small companies offer value, growth potential and exceptional leverage to the precious metals markets.

The base metal story is somewhat different from the precious metals, in that there is a widespread belief, in North America at least, that the sagging U.S. economy will pull down the world and metal prices will head lower.

The reality is that, even as concern within the U.S. intensifies, base metal prices are at or near record highs.

Earlier this month, copper hit an all time record high, touching \$4 a pound, and has settled in just a few pennies below that level. Cobalt has passed \$50 a pound, far into record

territory. Platinum, palladium and rhodium are all soaring, driven by tight supplies and strong demand from the automotive industry. Tin is at an all time record high.

In the next issue, we will explain why metal prices are soaring even as the U.S. economy continues to sag. That enormous disparity between the soaring metal markets and the low equity prices creates an exceptional opportunity.

This issue is mainly devoted to the quarterly review table.

We would very much like to reduce the length of the list. However, there are no companies that are out and out failures. There are several cases where patience has run out and we have downgraded companies for that reason. Some of the companies that have been downgraded will undoubtedly achieve success in the fullness of time.

Subsequently, we have ranked the companies we follow and are going to focus on the companies with management teams most able to advance projects on a timely basis and those who are capable of maintaining momentum in the face of tough markets. The companies with the lowest ratings will be further evaluated over the coming weeks and some will be dropped where appropriate.

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Initial discoveries generate the greatest upside potential.

Companies pursuing early stage projects also carry the highest risk. At this time of nervousness in the markets, it is harder for companies to raise money for early stage exploration. Early stage companies with cash in the bank, and those that follow the joint venture model of funding are well positioned at this time. There is a shift in our coverage toward companies that have projects that are further advanced.

The following was released as an Instant Alert to our email subscribers on February March 12th, 2008. It has been reprinted here for the benefit of our mail subscribers.

Initiating Coverage:

ATW recently purchased a past-producing gold mine in Western Australia and expects to be back in production around mid-year.

The Burnakura mine, which last operated a year ago, consists of an underground mine and a mill capable of producing about 40,000 ounces per year in the near term, with plans to enhance that production level over time. The management team, which has considerable experience in Western Australia, intends to acquire other mines in the region to build the company to a multi-mine, mid-tier gold producer.

The company is led by Brent Butler, an Australian-based geologist with 20 years of experience, including discoveries in Western Australia. He is backed by a strong technical team and a board with considerable mining industry experience

Burnakura is located in the Western Yilgarn region, which has produced 17 million ounces of gold. A couple of large mines and several smaller ones are hosted along a regional structural trend. The gold is hosted

along veins developed by shearing associated with the regional structure.

Production at Burnakura in the 1990s came from several small open pits. The fairly low grade ore was trucked 22 kilometers to a processing plant. With the low gold price, the operation went broke in 1998. Another small company bought it from the receiver, brought in a 50% partner, and resumed trucking ore from open pits.

It wasn't until 2005 that a mill was built on site, with ore coming from an underground mine beneath one of the pits. About A\$28 million (about C\$25 million) was spent for the mill and the underground development over a couple of years. The operation was never properly capitalized and faced on-going operational difficulties. It was shut down in April 2007, with the partners wanting a divorce. ATW completed a purchase of the entire operation in December 2007 for A\$4 million and 5 million shares and warrants.

ATW is presently drilling to better understand the ore deposits to support a mine plan. They intend to rebuild the crushing circuit in the mill, which was the source of much of the earlier difficulty. After only a couple of months of work on the project, plans are not yet formalized, but the general sense at this time is that the mine could be operating around the middle of the year, barring any unexpected delays.

I toured the operation in early February in the company of the project manager, a mining engineer who previously worked at Burnakura. The trip included a fly-over of the trend, showing the site and numerous small pits along the trend as well as a couple of larger operations.

The mill, the 90-person camp and the ancillary facilities and equipment are all in good repair. It was easy to understand why the previous operators had difficulties and how the

operation could be turned into a profitable producer. For instance, the crushing circuit in the mill was intended to process the near-surface, soft, oxidized ore. Once they got deeper into the ore, the harder material caused excessive wear and frequent breakdowns. ATW plans to rebuild the crusher to handle the hard ore.

The underground mine is also in good condition and appears to be well designed. Past mining and future plans involve a combination of mechanized mining as well as conventional equipment in order to optimize recoveries and minimize dilution.

Having an operation where most of the capital cost has already been spent and permits are already in place gives ATW an extremely valuable asset. They avoid the long delays needed to secure permits and the risk of cost overruns in developing a new mine.

At this time, the project has only a minimal resource, being the amount left behind when the mine closed. An independent technical report identified 236,946 tonnes grading 8.28 grams per tonne gold, suitable for about 2 years of production.

There is excellent potential to greatly expand that resource. Drilling has identified extensive areas of gold mineralization near surface – both between the existing pits, and immediately beneath the pits.

As a meso-thermal deposit, there is considerable depth potential at Burnakura. Yet, all of the earlier work was focused on the near-surface area. Most of the mining was done by open pits. With the need to truck the ore for 22 kilometers, only the higher grade portions were mined. Large areas remain to be explored that have potential to be mined as open pits with the ore to be processed locally.

Heap leaching was never implemented, even though there is a considerable amount of material that is oxidized and would appear to be amenable to that low-cost recovery technique. In fact, there is a stockpile of oxidized material that was mined but not trucked to the process plant.

Prospects are good that ATW will be producing gold this year, ramping up to the 40,000 ounce a year level. That operation would justify a share value well beyond the current level. In addition, there is considerable upside potential as management acquires other producing mines and/or near-term producing projects.

ATW is on track to develop into a multi-mine, mid-tier producer. Burnakura is a solid basis on which to continue to build a growth story that has the potential to add enormous value.

Price March 12, 2008: C\$1.00
Shares Outstanding: 43 million
Shares Fully Diluted: 62 million
Market Cap: C\$43 million
Contact: Investor Relations
(604) 662-8184
www.atwventure.com

ATW Ventures

Update at March 17, 2008:
 ATW announced on March 13 that it has signed a letter of intent with Batavia Mining Limited to purchase 100 % of the Gullewa gold-copper mine in Western Australia. The project is located 300 kilometers southwest of the company's Burnakura gold mine. ATW is restricted from publishing details about the mine until the information has been presented to the Canadian regulators in appropriate form. Some information is available from the vendor's published information and is presented here. Please note that this information may not have been independently reviewed and may not be compliant with Canadian reporting standards. It is presented here to give

a sense of the impact of this acquisition on ATW.

According to Batavia, Gullewa has 3.3 million tonnes of material with a grade of 5.3 grams per tonne gold, 0.76% copper and 5.18 grams per tonne silver at its primary deposit (the Deflector deposit). Those figures imply nearly 600,000 ounces of gold in the ground at Deflector, with significant credits of copper and silver. Other deposits on the property for which figures have been published add more than 10% to those totals.

The project includes a large land position, underground mine development as well as a processing facility, a 50-person camp, offices and workshops. The processing plant has crushing and grinding circuits with gravity and carbon-in-leach circuits for gold recovery. The mine is currently under care and maintenance.

Even without seeing the details, it would appear that the recovery circuits in place would not work effectively with the high copper values. Some capital costs would be required to implement floatation recovery of copper plus gold and also to boost the throughput to a level that would be more effective. That need for further capital is likely the motivator for the vendor to sell the project to ATW for A\$13 million (about C\$11.5 million) and a 2 million share stake in ATW.

At the existing throughput capacity, Gullewa could produce about 40,000 ounces of gold a year, together with significant copper and silver. The upgrade and expansion could potentially be done within months.

This second mine, together with Burnakura, could see ATW producing nearly 100,000 ounces of gold a year once the two mines are back in operation with modest expansions. More importantly,

purchase of a second mine in rapid succession adds credibility to the corporate objective of building a mid-tier producer.

There are still many questions to be resolved about this second mine, but the indications point to a positive development that will add value well beyond the current share price. We will provide further details as they are available. The current share price looks very attractive for those willing to take it on faith that the second project will pan out.

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Summary Table

The accompanying table summarizes the companies that we have been following in Resource Opportunities and presents my relative ranking of those companies. The list is extensive, as it presents a range of companies from early stage explorers to large producers and it also covers the full range of metals. Readers can select suitable companies based on the metals and on the stage of development. Subsequent issues will provide more updates.

Description of the Categories

Each company has been assigned to a category based on its dominant focus. Note that some of the companies are involved in more than one category.

Producers: These are companies that have at least one mine in production. The producers followed in Resource Opportunities all have active exploration and/or development projects that provide upside potential of a magnitude that can drive the share price independent of moves in the metal prices.

Feasibility Study or

Pre-Feasibility Study: This category encompasses companies that have a defined deposit and that are already moving toward the start of commercial production. In some cases they already have processing facilities and other infrastructure in place. Even though the companies have a defined deposit, there is still considerable risk in developing a mine. That risk is offset by the potential for large gains as the companies advance their projects toward the start of production.

A resource has been outlined: The earliest stage of defining a metal deposit – known as an inferred resource – attracts a low valuation. As a deposit moves through the exploration and development cycle, and the uncertainty is lessened, the value can be expected to increase. Not all deposits will be successfully advanced, but I put a lot of effort into assessing the ones that I believe have the best prospects. The value of a company can rise substantially as its deposit is successfully advanced toward production.

Outlining a resource: These companies have identified potentially economic mineralization through surface sampling (for example, trenching), widely spaced drilling and perhaps some underground tunnels. Companies in this classification are those for which I believe there is a reasonable expectation that the next phase of drilling will produce sufficient information on which to estimate a resource.

Companies in this category still carry a risk, in that the value depends on getting favourable drill results. That risk is mitigated by existing evidence for the presence of mineralization of a size and concentration that are potentially economic. The value of the company can be expected to increase substantially if the

company is successful at defining a resource.

Prospect generators: These are companies with considerable geological talent that acquire interests in numerous early stage exploration properties, often by simply staking open ground. By focusing on a particular region, they can develop a leading edge of geological understanding that allows them to see opportunities before others and inexpensively accumulate numerous prospects.

Prospect generators typically use joint venture partners to help fund their exploration programs.

Bringing a partner into a project to fund the high risk early stages of the exploration program is generally preferable to giving away part of the company by way of an equity financing. If managed well, the prospect generators should have a continual flow of projects that should eventually result in a significant discovery and a big gain in value.

Exploration companies: These are companies that have one or more early stage exploration projects. The companies in this category intend to fund the work on the projects themselves. They take on the exploration risk and in return, they retain their interest in the projects. While this approach is highly speculative, Resource Opportunities covers several exploration companies that have an exceptional management and geological team and have high-quality projects. Ideally the projects have already had the benefit of at least some prior work. The high level of risk of these companies is offset by the potential for big payoffs from exploration success.

Ranking the Companies

The ranking within each category is simple and subjective. It is important to note that the ranking will change

with moves in the share price. That is, a high priority company can be downgraded as the share price moves upward toward an expected target level.

Priority 1 is assigned to those companies which I believe have the best balance of risk and potential reward and where there is an immediate prospect of large near term gains.

Priority 2 are other companies that I like. They have been subdivided to

“a” (highest), “bb” (high medium), “b” (medium) and “c” (low).

2a- companies that merit accumulation.

2bb- look for pullbacks as buying opportunities.

2b-a longer term investment horizon, we will only provide occasional updates. Readers should seek other sources of ongoing updates.

2c- we will no longer provide regular updates on these companies. Readers should seek other sources of ongoing updates.

Priority 3 companies are those which have less favourable risk/reward profiles and which Resource Opportunities will no longer be following.

RESOURCE OPPORTUNITIES

Company	Symbol	First Introduced	Initial Price	Current Price	Category	Metal	Rating
Acadian Gold	ADA.V	Aug 07	C\$0.52	C\$0.60	Production	zinc, gold	2a
Almaden	AMM.TO	Sept 07	C\$0.20	C\$2.50	Prospect Generator	various	2bb
Altius	ALS.TO	Jan 07	C\$0.40	C\$14.49	Prospect Generator	various	2b
Animas	ANI.V	Oct 07	C\$.79	C\$1.60	Outlining a Resource	gold	1
Amanta	AMH.V	July 05	C\$0.395	C\$0.20	Exploration	gold/tungsten	2b
Arian Silver Corp.	AGQ.V	April 07	C\$0.67	C\$0.40	Outlined Resource	silver/gold/copper	2bb
Atna	ATN.TO	Nov 99	C\$0.30	C\$1.30	Outlined Resource	gold	2b
ATW Venture	ATW.V	Mar 08	C\$1.00	C\$1.04	Development	gold	1
Aurcana Corp	AUN.V	Feb 06	C\$0.13	C\$0.86	Production	base metals/silver	2bb
Baja	BAJ.TO	Oct 05	C\$0.30	C\$1.37	Development	copper/cobalt	2a
Barker	BML.V	June 07	C\$0.27	C\$0.15	Exploration	various	3
Bayswater	BAY.V	Aug 05	C\$0.35	C\$0.44	Exploration	uranium	2bb
Bear Creek	BCM.V	June 05	C\$0.74	C\$9.08	Outlined Resource	silver/gold	2bb
Bell Resources	BL.V	Feb 05	C\$0.25	C\$0.39	Exploration	copper	2a
Bravo	BVG.V	Aug 05	C\$0.45	C\$0.48	Exploration	gold	2bb
Canadian Royalites	CZZ.TO	Aug 06	C\$1.95	C\$1.93	Feasibility Study	nickel/copper/ platinum	2a
CanAlaska	CVV.V	Jan 02	C\$0.23	C\$0.33	Exploration	uranium	2b
Canasil	CLZ.V	Oct 07	C\$0.41	C\$0.38	Exploration	gold/silver	2a
Candente	DNT.TO	Nov 01	C\$0.12	C\$1.64	Outlined Resource	copper/gold	2bb
Capstone	CS.TO	Dec 06	C\$1.77	C\$3.38	Production	copper/silver/zinc	2a
CGA Mining	CGA.TO	Sept 07	C\$0.87	C\$1.85	Development	gold	2a
Continental	KMK.V	June 05	C\$1.16	C\$1.36	Development	copper/gold	2b
Copper Fox	CUU.V	Feb 06	C\$0.30	C\$0.47	Outlined Resource	copper/gold/moly	2a
Copper Ridge	KRX.V	Feb 06	C\$0.145	C\$0.11	Exploration	copper/gold	2b
Cornerstone Capital	CGP.V	Sept 06	C\$0.56	C\$0.33	Prospect Generator	various	2b
Crosshair	CXX.V	Nov 04	C\$0.24	C\$1.01	Exploration	uranium/gold	2b
Dia Bras	DIB.V	June 07	C\$1.20	C\$0.54	Production	various	2c
Dynasty Metals	DMM.TO	March 06	C\$3.50	C\$7.48	Development	gold	2a
Eagle Plains	EPL.V	Mar 04	C\$0.55	C\$0.34	Exploration	various	2a
Endeavour Mining Capital	EDV.TO	Sept 02	C\$2.40	C\$7.74	Fund	various	1
Endeavour Silver	EDR.TO	July 05	C\$1.73	C\$3.89	Production	silver	2a
Exmin	EXM.V	Jan 06	C\$0.18	C\$0.27	Exploration	gold/silver	2bb
Exeter	XRC.V	Aug 04	C\$0.99	C\$4.35	Outlined Resource	gold	2a
Farallon	FAN.TO	Oct 04	C\$0.80	C\$0.78	Development	various	2bb

Fjordland	FEX.V	March 06	C\$0.20	C\$0.19	Exploration	gold/copper	2bb
Fortuna Silver	FVI.V	Sep 05	C\$0.95	C\$2.35	Production	silver	2a
Freegold	ITF.TO	Oct 02	C\$0.22	C\$1.54	Outlined Resource	gold	2bb
Freewest	FWR.V	Mar 07	C\$0.175	C\$0.39	Exploration	various	2a
Fronteer	FRG.TO	Sept 02	C\$0.60	C\$6.59	Outlined Resource	gold/uranium	2b
Full Metal	FMM.V	June 04	C\$0.59	C\$1.72	Exploration	gold/various	2bb
Galway	GWY.V	April 06	C\$0.75	C\$0.52	Outlined resource	Base metals	2bb
Galore	GRI.V	April 07	C\$0.51	C\$0.34	Exploration	various	2b
Geodex	GXM.V	Jan 07	C\$0.42	C\$0.76	Outlined Resource	gold/base metals	1
Geovic	GMC.TO	Dec 06	C\$2.50	C\$1.36	Development	cobalt	2a
Global Copper	GLQ.TO	May 06	C\$2.10	C\$8.73	Outlined Resource	copper	2a
Gold Port Resources	GPO.V	Aug 06	C\$0.43	C\$0.30	Exploration	gold	2b
Golden Valley Mines	GZZ.V	Jan 06	C\$0.315	C\$0.29	Exploration	gold/base metals	2a
Great Basin Gold	GBG.TO	June 07	C\$1.29	C\$3.54	Development	gold	2a
Great Panther	GPR.TO	July 04	C\$0.45	C\$1.40	Production	gold/silver	2bb
Hard Creek Nickel	HNC.V	June 07	C\$2.20	C\$0.70	Outlined Resource	nickel	2b
Hathor	HAT.V	Feb 07	C\$2.17	C\$1.88	Exploration	uranium	2a
International KRL	IRK.V	Jan 06	C\$0.39	C\$0.09	Exploration	gold/various	2b
Jinshan	JIN.TO	May 02	C\$0.69	C\$2.58	Production	gold	2bb
Kaminak	KAM.V	March 07	C\$0.67	C\$0.72	Prospect generator	various	2a
Keegan	KGX.V	Feb 05	C\$1.17	C\$5.18	Outlining a resource	gold	2a
Logan	LGR.V	Sept 06	C\$0.28	C\$0.13	Exploration	various/uranium	2b
Luna Gold	LGC.V	Jul 07	C\$0.55	C\$1.39	Outlined Resource	gold	1
Maestro Ventures	MAP.V	Feb 08	C\$0.30	C\$0.36	Exploration	copper/gold	1
MAG Silver	MAG.V	Sep 05	C\$0.77	C\$13.90	Exploration	silver	2bb
Mansfield Minerals	MDR.V	June 05	C\$0.41	C\$3.00	Outlined Resource	copper/gold	2a
Mantle	MTS.V	May 07	C\$1.35	C\$0.99	Outlined Resource	zinc	2bb
Marifil Mines	MFV.V	April 06	C\$0.40	C\$0.60	Exploration	various	2bb
Maxy	MXD.V	Nov 03	C\$2.10	C\$0.33	Exploration	gold	2bb
Midway	MDW.V	Dec 06	C\$3.05	C\$3.11	Exploration	gold	2b
Minterra	MTR.V	Aug 05	C\$0.19	C\$0.11	Exploration	gold	2b
Miranda Gold	MAD.V	Aug 05	C\$0.85	C\$0.67	Prospect Generator	gold	2b
Moneta Porcupine	ME.TO	Feb 06	C\$0.12	C\$0.20	Exploration	gold	2a
Nautilus	NUS.V	March 06	C\$4.50	C\$2.45	Outlined Resource	various	1
New Pacific Metals	NUX.V	Jan 05	C\$0.61	C\$1.56	Exploration	various	2a
NioGold	NOX.V	July 07	C\$0.53	C\$0.20	Exploration	various	2c
Northern Dynasty	NDM.V	Feb 02	C\$0.60	C\$10.57	Feasibility	copper/gold	2bb

RESOURCE OPPORTUNITIES

Northern Peru Copper	NOC.TO	June 05	C\$0.05	C\$13.70	Outlined Resource	copper	2b
Northland	NAU.V	March 05	C\$0.26	C\$2.78	Outlined Resource	gold/iron	2bb
NovaGold	NG.TO	April 01	C\$0.35	C\$9.48	Development	gold	2a
Oriel	ORL.TO	May 05	C\$0.70	C\$2.00	Production	nickel	2b
Oro Silver	OSR.V	Nov 07	C\$1.02	C\$0.86	Exploration	silver	2a
PACE Energy	PCE.V	April 06	C\$1.96	C\$0.27	Outlining a Resource	coalbed methane	3
Pacific Ridge	PEX.V	April 06	C\$0.25	C\$0.09	Exploration	uranium	2b
Pacific Northwest Capital	PFN.TO	Mar 07	C\$0.39	C\$0.47	Outlined Resource	platinum	2b
Peak Gold	PIK.V	Jan 08	C\$0.57	C\$0.65	Production	gold	2a
Pediment	PEZ.V	Dec 06	C\$0.51	C\$2.96	Exploration	gold/copper/silver	2bb
Pele Mountain	GEM.V	Nov 06	C\$0.38	C\$0.39	Outlined Resource	uranium/gold	2b
Phoenix Matachewan	PMM.V	Feb 06	C\$0.115	C\$0.09	Exploration	gold/base metals	3
Portal	PDO.V	March 04	C\$0.75	C\$0.30	Exploration	gold/uranium	2b
Quaterra	QTA.V	Aug 01	C\$0.16	C\$3.60	Exploration	silver/uranium	2bb
Rare Element	RES.V	Nov 05	C\$0.19	C\$1.02	Exploration	gold/rare elements	2bb
Riverside Resources	RRI.V	Nov 07	C\$0.91	C\$1.08	Prospect Generator	various	1
Roca Mines	ROK.V	April 06	C\$0.60	C\$2.65	Development	molybdenum	2bb
Romios Gold	RG.V	Feb 06	C\$0.20	C\$0.43	Exploration	gold	2bb
Rusoro	RML.V	Nov 06	C\$3.95	C\$1.75	Production	gold	2bb
Selwyn	SWN.V	Aug 06	C\$0.59	C\$0.20	Outlined Resource	zinc	2bb
Serengeti	SIR.V	Feb 06	C\$0.14	C\$0.63	Exploration	copper/gold	2a
Silver Wheaton	SLW.TO	Dec 04	C\$3.40	C\$9.02	Production	silver	2bb
Silvercorp	SVM.TO	Jan 03	C\$0.18	C\$8.25	Production	silver	2bb
SNS Silver	SNS.V	July 07	C\$1.23	C\$0.85	Exploration	silver	2b
Southern Silver	SSV.V	June 07	C\$0.60	C\$0.25	Exploration	various	2bb
Sprott Resources Corp	SCP.TO	Feb 08	C\$2.30	C\$2.13	Fund	various	1
Staccato Gold	CAT.V	Dec 05	C\$0.08	C\$0.185	Exploration	gold	2b
Starcore	SAM.V	Jul 04	C\$0.33	C\$0.475	Production	gold/silver	2b
Strathmore	STM.V	April 07	C\$0.58	C\$1.64	Outlined Resource	uranium	2a
Target Exploration	TEM.V	Feb 08	C\$0.66	C\$0.63	Exploration	uranium/gold	2a
Tenajon	TJS.V	Feb 05	C\$0.28	C\$0.43	Outlined Resource	gold/moly	2b
Terraco	TEN.V	Dec 06	C\$0.37	C\$0.26	Exploration	gold	2b
Terrane	TRX.V	Mar 07	C\$0.70	C\$0.455	Feasibility	copper/gold	2a
Tri-Gold	TAL.V	Feb 06	C\$0.135	C\$0.075	Exploration	various	3
Virginia Mines	VGQ.TO	Jan 00	C\$1.03	C\$6.88	Exploration	gold/various	2bb
Wealth	WML.V	Dec 06	C\$2.59	C\$0.75	Exploration	uranium	2b

