

# Growth Stocks Weekly

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(Performance: 1995-6 **116.9%**; 1996-7 **28.1%**; 1997-8 **36.4%**; 1998-9 **39.4%**; 1999-2000 **180.9%**; 2000-1 **-50.5%**. \$Cdn. unless indicated)

Vol. 7 ~ No. 15

## Current Growth Portfolio

For the Week of August 13, 2001

Entry Dates	Units	Positions	Average Cost	Current Price	Current Value \$	%Gain/Loss
8-11/96,2/97-8/98,2/99-8/00,07/01	100,000	Crystallex International	1.664	US 1.59	245,000	50%
12/98,6/99,11/99,4/00,5/00	50,000	Amarc Resources	0.640	0.50	25,000	-22%
1/99, 6/99, 12/99	25,000	St. Jude Resources	0.569	0.24	6,000	-58%
1/01, 2/01, 3/01, 4/01, 5/01	100,000	Vantech (VRB) Tech	1.619	1.85	185,000	14%
2/01	50,000	Bell Technologies	0.600	Halted	32,000	7%
2/01	25,000	Bell Technologies-wts	0.000	Halted	0	0%
3/01, 5/01	25,000	Manhattan Minerals	0.893	0.92	23,000	3%
6/01	30,000	Anooraq Resources	0.663	0.60	18,000	-9%
		Cash Credit (Debit)			(17,553)	
		Portfolio Value			516,447	

## This Week's Buys & Sells

Company Name	Comments	Closing Price
None		

FLOTSAM AND JETSAM: THE BIG FAT EARNINGS LIE - From Dan Denning

"... Notice how companies always exceed expectations by a penny? Is that just excellent guidance and good work by the analysts? Or is it a concerted effort to manage the price of the stock by carefully manipulating earnings growth so it's viewed as positively as possible by the stock buying public? Don't answer that yet..."

...fact is, analysts have a less than stellar track record at successfully evaluating a business' reasonable rate of long term growth. How many analysts predicted that JDS Uniphase would lose \$500 million dollars and \$.30 a share in July? And that they would then write off \$45 billion in bad investments? None.

In the prior three quarters JDSU, had exceeded analyst's expectations twice (by a penny once and by two pennies), and met them once.

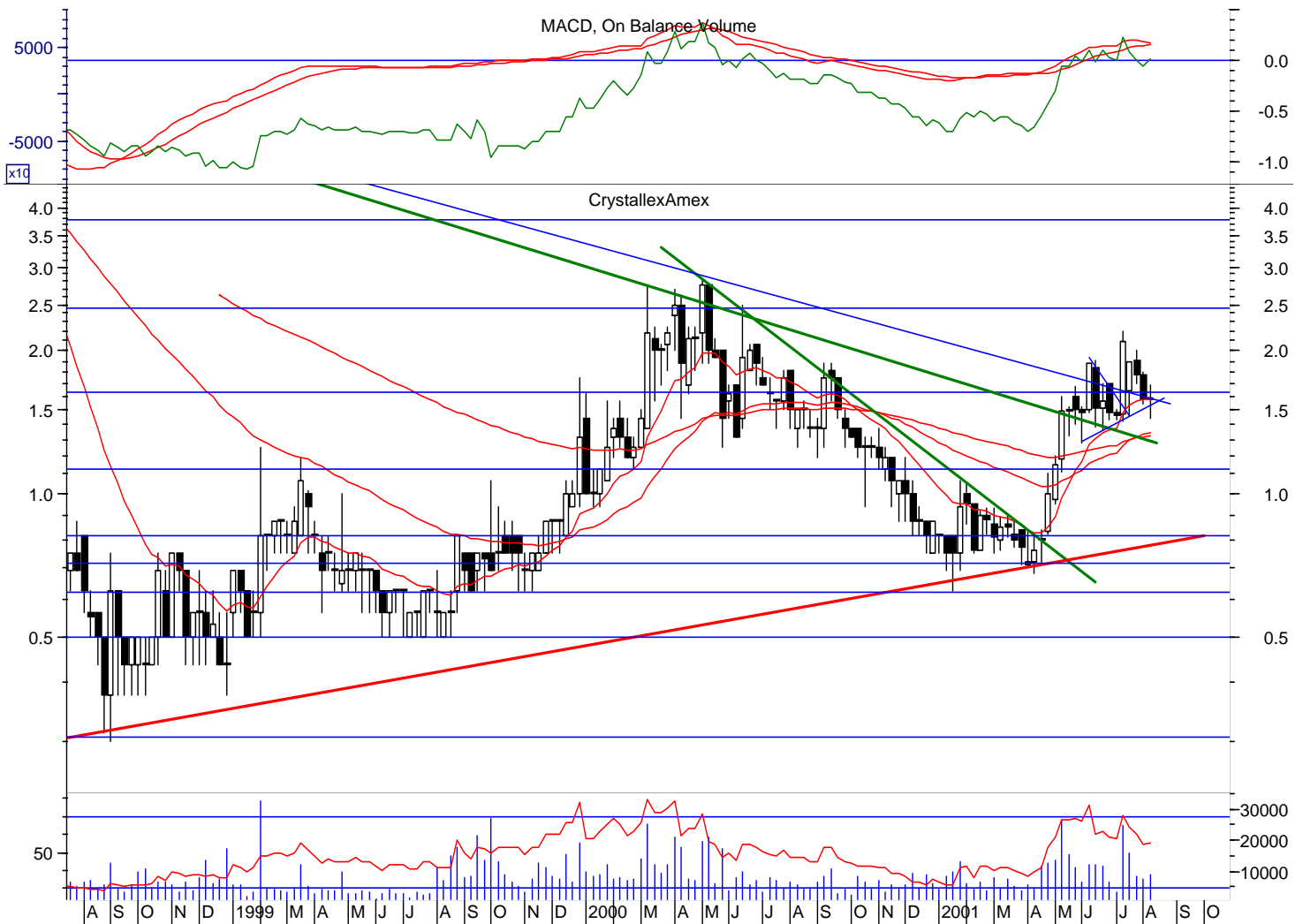
What about Lucent? It announced it lost \$1.2 billion in its most recent quarterly report. It ended up losing \$.35 a share. Meanwhile, analysts had projected Lucent to lose only \$.21 a share. They missed by 66%. And that's after under-projecting Lucent's previous quarter's loss by 60%.

Again, just bad work by the analysts? Or were they working with Lucent to try and limit the amount of bad earnings news that could drive the stock down? Hmmmm...

You can't predict the future down to the last penny. No matter how good your models and projections are, the marketplace changes, especially in technology, where it changes faster than anywhere else.

The earnings game is a racket played by Wall Street. It generates meaningless content for the knuckleheads on CNBC. If you want a better measure of what a company is worth in cold hard cash, then look at cold hard cash. Or better yet, look at dividends..."

## Crystallex Int'l (KRY-TSE) - \$US Weekly Chart - Semi-Log Scale



**Crystallex International (KRY-T,Amex):** Crystallex International Corporation (KRY: TSE / AMEX) is a profitable Canadian-based gold producer with operations and exploration properties in Uruguay, Venezuela, Brazil and Canada. The Company operates the San Gregorio Mine in Uruguay's Rivera Crystalline Island and the Tomi Mine in the El Callao Gold District of Venezuela. In September 2000, Crystallex agreed to acquire control of the Lo Increible Gold Project, also located in El Callao. Additionally, the Company has a number of interests in the gold-rich Kilometre 88 region of Venezuela. Crystallex's objective is to maintain disciplined growth through internal development of its properties and through the acquisition of producing and near-term production properties in high potential areas. Crystallex's seasoned Board of Directors works closely with its experienced management team to determine the economic feasibility of such acquisitions and to determine the Company's strategic direction.

**International Opportunities** - Crystallex understands the importance of aggressively pursuing international opportunities. In October 1998, the Company acquired the San Gregorio gold mine in Uruguay. San Gregorio was acquired for US\$29mm, which included a US\$16mm non-recourse project financing loan from the Standard Bank of London. The previous owner of San Gregorio carried these assets at a total book value of US\$68.6mm. Crystallex continues to target additional investment opportunities that will allow the Company to increase its production profile as well as its reserve base.

Uruguay is home to one of the world's last remaining unexplored greenstone belts, a common host for gold. In addition to the mine, Crystallex acquired mineral properties in the country covering approximately 150,000 hectares, which may have an impact on the extension of the mine life. The San Gregorio mine has been in production since January 1997, and is now producing at an annual rate of approximately 75,000 ounces of gold.

In July 2000, Crystallex acquired all of the Venezuelan assets of Bolivar Goldfields, which include the Tomi Mine, the Revemin Mill and 44,438 hectares of exploration lands in the El Callao greenstone belt. This has been Venezuela's most prolific gold producing area over the past 150 years, having produced over 7 million ounces of gold. The purchase price, totaling US\$20 million, includes a payment of US\$5 million, a US\$2 million note payable in 90 days from the closing of the acquisition, and the assumption of US\$13 million in existing long-term debt. Crystallex intends to restructure the current existing debt

associated with the assets as non-recourse debt.

In September 2000, Crystallex announced that it had entered into agreements to acquire control of the Lo Increible Project in Venezuela from Bema Gold Corporation. Lo Increible is a feasibility-stage gold property located adjacent to Crystallex's recently acquired Revemin Mill in Venezuela's El Callao gold district. Geological resources of the project are reported to host over 2.6 million ounces of gold and mineable open-pit reserves of 1.2 million ounces of gold. Crystallex is purchasing control through a take-over bid for all the shares of El Callao Mining Corporation (ECM), the acquisition of approximately US\$14.3 million of debt owed from ECM to Bema, and a royalty of the Project's cash flow. Bema has agreed to tender its 45% stake in ECM into Crystallex's take-over bid. Assuming all shares are tendered, and based upon a share exchange ratio of 1 Crystallex share for every 15 ECM shares, Crystallex will be acquiring the assets for an aggregate consideration of approximately US \$12 million. Approximately US\$40 million has already been spent by ECM on the acquisition and development of the Lo Increible Project to date.

Additionally in Venezuela, Crystallex is in the process of completing the engineering work to begin construction for underground mining at its Albino 1 Concession in the Km 88 region. Finalization of these studies is expected by late 2000. In addition, work with Venezuela's Ministry of Energy and Mines and the ACOMISUR Cooperative is being finalized which will allow exploration programs at the Santa Elena and Carabobo concessions to begin. Agreements in principal have also been signed to acquire an additional 5000 hectares of concessions in Bolivar State. The Company is continuing to review other projects and prospects for potential investment.

**The San Gregorio Mine** - San Gregorio consists of an operating mine and a CIL mill facility with the capacity for processing 3100 tonnes of ore per day. In 1999, mineable reserves totaled 7.87mm tonnes (447,750 oz.) of gold at an average grade of 1.77 g/t, within a mineralized deposit of 12.69mm tonnes at an average grade of 1.52 g/t. The mine plan anticipates cash costs of production to be in the order of US\$200 per ounce over the existing life of the mine.

In October 1998, Crystallex initiated a diamond drilling program at San Gregorio with the objective of expanding the resource base and extending the mine life. Interpretation of the results and the drilling program are ongoing. The Company is also conducting a regional exploration program in the Rivera Crystalline Island of Uruguay.

**Productivity at San Gregorio** - Following the completion of the acquisition, a number of changes were implemented by Crystallex to improve the productivity of the mine. These changes included a major reorganization of the operating and administrative workforce. Also, modifications to the mill were aimed at handling and recirculating the SAG mill rejects, which is expected to increase the mill throughput to 3,800 tpd in 2000. These adjustments, along with other on-going programs at San Gregorio, should continue to generate a positive cash flow from operations.

**Joint Venture in Uruguay - Diamond Exploration** - Crystallex has the right to earn a 50% interest in a joint venture with SouthernEra Resources (SUF:TSE) for ongoing diamond exploration and development of their respective concession areas for diamonds located in the Rivera Crystalline Island and the Florida Greenstone Belt of Uruguay. Crystallex will be the manager and operator, and, SouthernEra will market any diamonds produced by the venture. In March 2000, Crystallex initiated a 2,500 metre drill program on twelve kimberlitic diatremes, in which kimberlitic indicator minerals have previously been identified. This program will investigate the geology of the diatremes, extract the kimberlitic indicator minerals, and, submit them for microprobe analysis.

**The Tomi Mine** - Located in Venezuela's Bolivar State, the Tomi concession as of March 2000, reportedly contained open-pit mineable reserves of 263,000 oz. Au. The Tomi mine is producing gold at an annual rate of approximately 65,000 ounces. Current reserves are located in four pits: McKenzie, Charlie Richards, Milagrito and Fosforito. In addition to the concession's open-pit reserves, drilling conducted by Bolivar Goldfields below the Charlie Richards pit has intersected several high grade gold values of 6.06 grams/tonne over 65 metres, 17.39 grams/tonne over 21 metres and 11.25 grams/tonne over 28 metres. This suggests a strong potential for underground mining. Previous gold occurrences also indicate excellent exploration potential on other parts of the Tomi concession as well as on the Dividual and Belen concessions.

**Las Cristinas 4 & 6** - On June 11, 1998 the Venezuelan Supreme Court ruled that Crystallex's Venezuelan unit, Inversora Mael, does not have status to assert ownership rights over the contested Cristinas 4 and 6 concessions, and refused to proceed on an application to require the Ministry of Energy and Mines to recognize fully Mael's title ownership of these concessions. However the Supreme Court did not overrule its prior decisions in 1991, 1996 and 1997, confirming the validity of the transfer of the concessions to Mael. On August 4, 1999 Crystallex launched 2 legal proceedings to enforce Mael's ownership rights at Las Cristinas. They are intended to resolve the continuing uncertainty over the ownership of the concessions, which are located at one of the richest undeveloped gold reserves in the world. ( Please review entire News Releases dated August 4 and August 10, 1999 )

Crystallex believes that if the new legal proceedings are advanced successfully, it could lead to the enforcement of the Company's rights. In May 2000, the Supreme Court of Venezuela issued a decision in favor of Mael, which confirmed Mael's legal standing (Please review entire News Release dated May 8, 2000). This latest decision was approved by the majority of the justices and can not be appealed.

We are now starting to get increasing attention and coverage by both analysts and media. Even before the recent strength in the price of gold, The Northern Miner featured KRY and it's increasing production profile, and a respected west-coast-based analyst put out a buy recommendation to institutional clients. On June 14, 2001 Luis Martins of Taglich Bros., Inc. initiated

coverage of KRY with an 18-page report, giving a Speculative Buy rating. He provides an 18-month target of US\$3.53 to US\$5.69 per share and believes KRY to be a compelling gold-related investment. [www.taglichbrothers.com](http://www.taglichbrothers.com)

Shortly after the close of trading on Friday July 13, 2001 Placer Dome (PDG) announced the sale of its interest in the Las Cristinas gold property to Vanessa Ventures Ltd (VVV) of Vancouver, "subject to closing". IMO, this is just PDG's last efforts at damage control. It was announced earlier in the day by the CVG that PDG has no further rights in the MINCA joint venture. So what is going on? ...

- 1) Minera Las Cristinas (MLC) - as PDG's wholly-owned Ven corp it is likely to have significant tax losses which would only be of use against future Ven income. PDG is unlikely to incur future Ven income. VVV may have use for those losses, or become a target for someone looking to shelter future income.
- 2) MLC likely has the drill logs and other assets of some use to the developers of LC. We have all heard that a deal was being worked on, and that it had a diminishing payout schedule from KRY to PDG over time as an incentive to get a firm deal. When PDG sat on their hands too long KRY allegedly said to forget it. This may now be re-opened without PDG's direct involvement, saving some face.
- 3) The sale enhances the optics for PDG, as the loss of the contracts for no consideration would be worse than having "sold" them voluntarily. Of course shareholders will never know what they actually got for it, or the terms.
- 4) Because of past actions by PDG (too numerous to list here, but we all know many of the ridiculous media spins and postures), PDG just cannot be seen to even remotely acknowledge that KRY ever had a valid claim or position. Anything they can do to frustrate KRY or muddy the reality has to be a good thing in their way of thinking.
- 5) Through a share sale, PDG may actually "crystallize" the 100% loss of their investment in MLC. If they had held on to MLC, like an investor holding on to shares bought much higher, they may not affect a tax loss. Disposal may be required.
- 6) A final jab at KRY publicly emphasizing the worthless nature of LC to PDG, and a way of muddying the anticipated official CVG contract cancellation. Maybe affecting a delay of the awarding of LC to KRY.
- 7) Could that in turn allow certain buyers to accumulate KRY shares at a lower overall cost than if PDG had not pulled off this hail Mary pass in the last few seconds of the game? Maybe, but you can bet it wouldn't be PDG. Too much bad blood and embarrassment to turn around and pay the big dollars to try to re-acquire something they essentially lost to their arch nemesis.
- 8) Where will Minera Las Cristinas key management go after the loss of LC as of July 15? Maybe they are creating a bit of a golden parachute or soft landing for themselves with VVV by transferring the MLC assets (nebulous and real) over? After all, there aren't many options for continued gold mining work in Venezuela, except maybe at KRY - likely out of the question. Options would be rather limited if they wish to stay in the country to work.

As usual, the North American press has the story completely wrong, ignoring the CVG's earlier announcement, and picking up only the PDG spin that IR mouthpiece Brenda Radies spews forth ... "They (KRY) always were (screwed), they just didn't want to admit it. ... They've never set foot on the property, so their ability to suggest they know what to do with it might be open to skepticism." ... blah, blah, blah.

Again, the volatility of the share price continues to baffle and bewilder any less than convinced shareholders. Stop losses shake out the weak, while those with the financial strength and fortitude, having done the due diligence, continue their accumulation. A big win is very close for long suffering shareholders here - but one has to be prepared to be tested on the way. Not for the faint of heart. If it was easy, everyone would be rich.

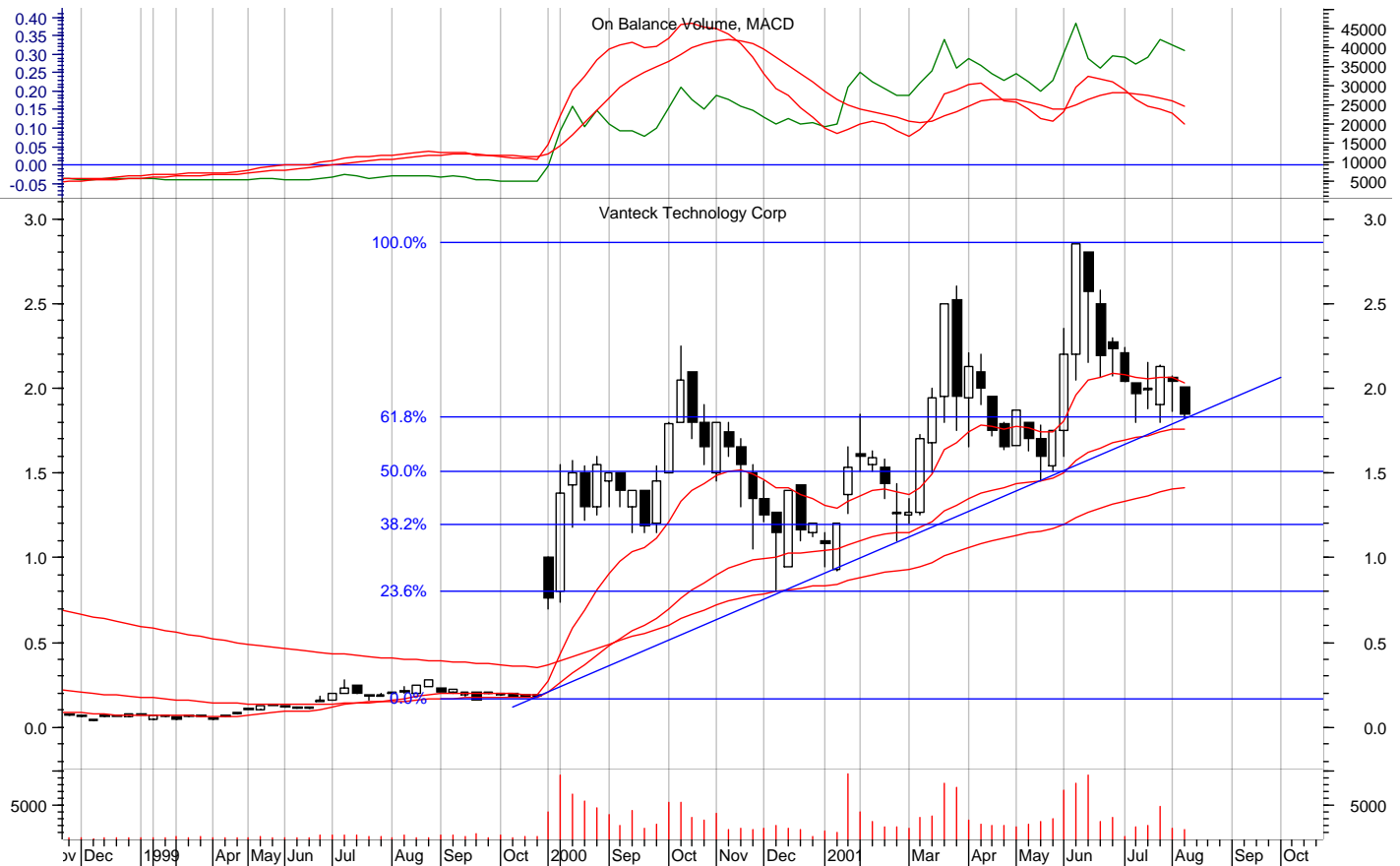
**Technically:** The recent breakout through the US\$1.65 resistance area confirmed our expectations, setting the stage for a test of the US\$2.8125 highs of last year. The last violent retest spiked below the expected new support after an opening effort to hold at US\$1.65, and actually re-tested the key support area at US\$1.45 from where the prior weeks rally commenced - a very low risk area for purchases. That the next week's close was at US\$1.90, reversing almost the entire correction and closing at the week's high was a strong endorsement that the big money expects a KRY win for LC. After this consolidation completes, the market is saying higher prices will likely prevail. **Trading should find support around the 161.8% Fibonacci Retracement and the 13-week MA around the US\$1.60 area, at or above the old down-trend line. OBV and the MACD continue to support higher price moves. The current retracement is on low volume, while the recent price gains saw accompanying volume increases. This is what is expected in a bullish market.**

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**Vantech Technology Corp (VRB-CDNX):** Vantech holds proprietary rights to the Vanadium Redox Battery (VRB) for the continent of Africa, and recently obtained certain rights to the Americas. Vantech has also announced a takeover bid for Pinnacle VRB Limited, having already engineered effective control through share purchases and board appointments. Pinnacle holds all of the Intellectual Property and Patent Rights to the Vanadium Redox Battery ("VRB") technology subject to Licences with Sumitomo Electric Industries and Mitsubishi Chemical Corporation/Kashima Kita Power Corporation.

The VRB technology provides solutions to electricity storage and lays the foundation for the development of new energy storage system architecture for power infrastructure applications. The storage flexibility of the VRB when integrated into a Vanadium Energy Storage System (VESS) offers considerable benefits to the electricity supply system. VESS utilizes expert control technology to automate the tasks of operational management, capacity management, routine maintenance and connection processes, system status monitoring and external communication. The VRB/VESS solution provides for:

## Vantech Technology Corp (VRB-CDNX) - Daily Chart



- Uninterruptible power supply (UPS) to protect against brownouts.
- Peak shaving - charging the VRB at night when rates are low and discharging during the day when rates are high, thereby reducing overall power costs.
- Maintenance of voltage and frequency stability.
- Storage for renewable alternative energy sources, e.g., wind or solar.
- A more robust market for electricity trading.

Unlike other commodities electricity is difficult to store. As a result electricity supply systems are built and operated so that production matches peak demand. Although demand for electricity fluctuates widely from season-to-season and throughout the day, power stations must nevertheless be able to deliver power over short duration peak periods. Consequently electricity power systems are required, in the absence of an electricity storage system, to generate more power than is normally required. This extra capacity is called "spinning reserve". If it is not used and cannot be stored, this additional capacity is wasted. Cost associated with spinning reserve is reflected in the price paid by all electricity consumers. Storage separates production from supply so that production can be as cost efficient as possible. As a result power systems no longer are required to maintain the extra capacity to meet peak demand. In addition constant, uninterruptible power is of particular importance to the net economy, which requires not only massive quantities of power but also reliable systems. An interruption of power as small as one-sixteenth of a second will not cause the lights to flicker but it may crash a computer.

For example, U.S. companies currently lose in excess of \$50 billion in productivity each year due to power interruptions according to the Electric Power Research Institute. Traditional electricity storage systems all suffer drawbacks that limit their commercial use. Pumped storage using connected upper and lower water reservoirs require suitable sites. Progress has also been limited in improving conventional battery performance to store electricity in bulk. Lead acid battery use also raises various environmental issues. Other storage technologies such as flywheels suffer from technical and cost weaknesses that limit their commercial potential for the bulk storage of electricity.

**The environmental advantage** - The VRB has a lower environmental impact during its life cycle, because of the materials used in its construction and for its ability to integrate with natural power sources such as wind and solar. Alternative battery systems contain heavy metals such as lead, nickel, zinc and cadmium, all of which have potentially adverse environmental impacts during production, use and disposal. The electrolyte used in VRB has an indefinite life, and there are no disposal issues.

**The operational advantage** - VRBs have no life degradation from repeated deep discharge and recharge. Standard lead acid batteries are typically capable of 300-1,500 cycles with strict charge and discharge parameters. VRBs are capable of over 10,000 plus cycles. Life cycle is a function of the Proton Exchange Membrane (PEM), which can be replaced when degradation sets in, and/or pump failure. PEM and pump replacements will further increase the life cycle. - The VRB can operate with one or more electrical inputs and outputs at multiple voltage levels - The VRB can be charged and discharged simultaneously and can be charged or discharged at any voltage. It can be overcharged with no loss of performance or

damage - The VRB is capable of rapid charge, both electrically (recharging the solution) and hydraulically (pumping out the discharged vanadium electrolyte and replacing with charged solutions or adding electrolyte). - The VRB storage capacity is scalable and flexible (the amount of power is a function of the number of cells in the stack and the amount of electrolyte). Lead acid battery systems require an increase in the number of batteries to increase the energy storage. - No chemical degradation due to corrosion. - The VRB is not limited by the packaging constraints that apply to lead-acid battery technology, which provides significant savings in infrastructure costs - Energy storage is accurately measured using a direct electrical reading (fuel gauge). - Provides power independent of the energy storage capacity. - Remains undamaged by fluctuating power demand.

**Origins** - The VRB technology was developed and patented by the University of New South Wales (UNSW), Australia. In 1993, Mitsubishi Group, Japan, obtained a license for the development of stationary applications. Mitsubishi operates a load levelling VRB system connected to the Tokyo grid. Demonstration units are scheduled to be in the field in Japan and Europe in 2001. In 1998, Unisearch Limited, the commercial arm UNSW, transferred to Pinnacle VRB Limited, an Australian public company, all right, title and interest in the VRB patents, ownership and technology, including the intellectual property subject to the Mitsubishi Group licence. Sumitomo Electric Industries Limited (SEI), Japan, was granted a license by Pinnacle in 1999 for stationary applications in Japan. SEI has built and successfully operated a grid connected load levelling VRB system at a substation on the Tokyo grid and is now building and installing VRB units in Japan. Federation Group Limited, Australia, entered into an agreement with Pinnacle in 1999 to acquire all right, title and interest to develop and utilize the VRB technology in Africa. Federation subsequently assigned all its rights to Vantack through a reverse takeover in Q4, 1999. As a result Federation holds a 50% equity interest in Vantack. The Company recently completed a brokered and non-brokered private placement through Pacific International Securities Inc. of \$2,325,000 at a price of \$1.00 per unit ("Unit"). Each Unit is comprised of one share and one non transferable share purchase warrant ("Warrant"). Each Warrant will be exercisable over a period of one year from closing at an exercise price of \$1.00. The Federation/Vantack Pinnacle share agreement which gave rise to Vantack's equity position in Pinnacle along with the Federation/Vantack Pinnacle board positions enables and facilitates a unified approach to the international adoption of the VRB/VESS technology. The market for non-traditional energy storage, particularly to electricity utility suppliers and their customers is rapidly growing. As a consequence of deregulation, restructuring and increasing demand, the opportunity to exploit the VRB/VESS technology is quickly expanding, providing the Company with an opportunity to capitalize on the markets urgent need for energy storage and quality power.

**Vantack Activities South Africa** - TSI/Eskom of South Africa agreed to trial for purposes of Uninterruptible Power Supply ("UPS") an initial 250 kW - 520 kW hour constant power VRB connected to a 400 VAC line in Cape Town, South Africa along with a range of other power utility application tests. The TSI/Eskom VRB-UPS power system application trial demonstration test is to protect sensitive load equipment against short duration dips and line interruptions and to improve line power quality. Eskom is the fifth largest power utility in the world and the dominant South African power utility supplying approximately 95% of the country's electricity requirements which amounts to more than half of the electricity generated on the African continent. Eskom has 26,461 kilometres of transmission lines, which span the entire country and also carry power to neighbouring countries. As a member of the Southern African Power Pool (SAPP), which consists of 12 national utilities, Eskom also supports the development of a southern African transmission grid to encourage co-operation and accelerate economic growth in the region. As part of Vantack's commercialization strategy for the VRB technology in South Africa and the African market Vantack (see News Release dated August 11, 2000) entered into a tripartite Heads of Agreement with TSI - Eskom and Highveld Steel and Vanadium Corporation Limited of Witbank, South Africa. Highveld is a substantial steel and ferro-alloy producer and is the largest producer of vanadium in the world. Vantack released an update on it's South African VRB/VESS trials on May 11, stating that commissioning is expected by about mid-June 2001.

Pinnacle recently granted licences to Vantack for four specific projects within the Americas. Pinnacle would not need to obtain shareholder approval of these 4 transactions. (The week of June 4) saw a dramatic surge in apparent institutional buying, likely ahead of developments with respect to the anticipated four applications in the Americas being completed, and/or Vantack's solidifying control of Pinnacle. The reaction was primarily due to the announced 1 for 4 share takeover bid launched by Vantack for Pinnacle (as emailed to the GSW List June 11). With the price spread now eliminated and Pinnacle under continued accumulation, more stability and a rising trend should resume after a consolidation period. I feel more than ever that we will see a double-digit stock price for Vantack, as it continues to receive validation for the technology and complete it's control and likely complete takeover of Pinnacle. I suspect that once Vantack has over 50% control of Pinnacle assured, the bid would be discontinued with 3 days notice being given, ensuring a last minute rush of Pinnacle shareholders tendering to avoid "orphan" status for their holdings.

The Bidders Circular has been filed with the Australian Securities authorities for approval, and **was sent** to Pinnacle shareholders **last week**. The complexity of such cross-border transactions require significant time and effort to execute, hence the quiet period. That will likely end this period of market retracement (stocks drift down, never up, due to existing shareholders constant needs to raise money, while buyers need news and motivation). Announcements of the expected Americas projects should also start to flow in the near term.

**Technically:** The recent month-long quiet period has seen retracement of the share price back to long term support, from which the price is now lifting. This is an excellent area to add to positions for those who missed the earlier opportunities. Once resistance at the \$2.00-2.10 area is breached, signalling the next leg of price appreciation, we could expect a likely retest of the old highs to follow.

**Anoraq Resources (ARQ-CDNX) - Weekly Chart - Semi-log**



**Anoroaq Resources Corp. (ARQ-CDNX)** This is one of the Hunter Dickinson (HD) group of companies. HD have invested \$300 million in 10 exploration ventures since 1985. Three of them, Golden Bear, Mount Milligan and Kemess, all in British Columbia, Canada, have been sold to major companies for development and two have become major mines. These ventures have netted investment returns of more than 1000% for shareholders.

Anoroaq is one of only three companies publicly traded in North America that provide exposure to growth investment in platinum group metals on the famous platinum belt of South Africa, the Bushveld complex. Specialized technology applications have made platinum metals more precious than gold. Anoroaq is on the way to identifying the next major platinum metals mine in South Africa.

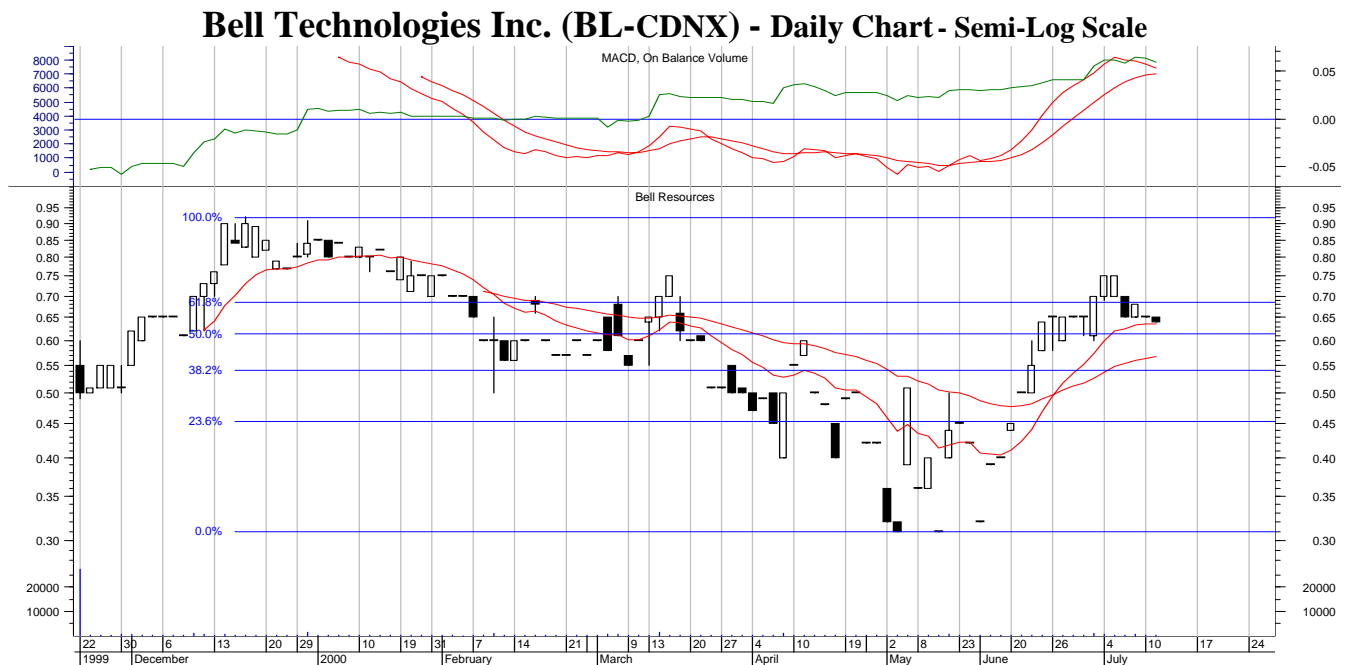
**PLATREEF PROJECT** - Anoroaq entered into an agreement with Pinnacle Resources Inc. whereby Anoroaq may acquire up to 100% of Pinnacle's South African subsidiary Plateau Resources (Pty) Ltd. Plateau holds Platinum Group Metals ("PGMs") properties totaling 7,433 hectares located on the Platreef which forms the northern limb of the Bushveld Intrusive Complex in South Africa. Plateau's property holdings are contiguous with and extend 10 kilometres north of Amplats' (Anglo American) Platreef property which hosts eight known deposits with combined resources of 55 million ounces of PGMs. Amplats' Sandsloot Mine contains platinum (43% of PGMs), palladium (43%), rhodium (3%), ruthenium (3%), gold (5%) and others (Os, Ir). The Platreef property has excellent potential to host additional major PGM deposits. The Bushveld Complex is the world's largest mafic layered intrusive complex (67,340 km<sup>2</sup>) and hosts the world's greatest resources of Platinum Group Metals (2.03 Billion ounces PGMs) with an annual production of 5.9 Million ounces of PGMs. The Complex is divided into four distinct geographical components; the farwestern, western, eastern and northern (or Potgietersrus) limbs. Plateau's Platreef mineral properties cover 74 square kms of the highly prospective northern or Potgietersrus Limb of the Bushveld Complex.

On December 13, 2000 Ronald Thiessen, President of Anoroaq, announces that Anoroaq has amended the terms of 3,774,718 outstanding share purchase warrants and 200,000 Agent's Compensation Option exercisable at \$0.85 until December 21, 2000. The term of the Warrants and the Compensation Options (inclusive of warrants issuable on exercise of the Compensation Options) has been extended for one year until December 21, 2001. The exercise price remains unchanged. This is significant in that only 6 months remain in the life of these warrants and options, and they provide an excellent source of funds upon exercise.

On June 14 the company announced a private placement of 4,923,077 Units at a price of \$0.65 to sophisticated investors and institutions, with management taking approximately 27%. Each Unit comprises one share and one warrant exercisable into one share at \$0.70 for a one year period. Interestingly, management's 27% participation is almost the exact dollar amount of the 1.5 million share cross we observed 2 weeks ago, placed at \$0.60. It would also explain the "lid" on the share price at \$0.70 as management would desire the appropriate pricing of the private placement before the stock starts any rise.

**Technicals:** (The week of June 4) saw the highest volume day, and week, in the history of this company's trading. A 1.5 million share block was placed at \$0.60, and signaled that this stock is about to come alive. Raising money by way of a positioning placement of free-trading shares often brings on board a value-added player, not interested in seeing a fresh investment wither on the vine. Downside is limited in any case from these levels, and the chart clearly shows an upside break of the 18-month downtrend. The next key area was the \$0.70-0.72 80-week moving average and Fibonacci Retracement

resistance area, which has proven to be a tough area to break through so far. The break of support on relatively low volume may be more indicative of the lack of interested buyers in this poor environment, versus a more serious long term setback. The longer term up trend remains intact.



**Bell Technologies Inc. (BL-CDNX)** is the public company resulting from Bell Resources Corporation's pending acquisition of 100% of Strategic Technologies Inc., an established international provider of leading-edge wireless RFID/GPS/Cellular Tracking & Monitoring systems. The shares of Bell are currently halted at the company's request, pending completion of the acquisition and an initial funding via private placement of \$2 million of Convertible Notes at a price of \$0.60 per Note. Each Note will be convertible into one unit comprised of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to purchase one common share of Bell for a period of 12 months from closing of the Plan of Arrangement with Strategic. Trading is expected to resume upon closing of the financing. Yorkton Securities has agreed to provide present and future assistance in the achievement of Bell's corporate objectives through retail, analytical and institutional support. The Offering Memorandum & subscription forms are now available.

Bell Technologies (Bell) consists of Strategic's three U.S. wholly owned full service subsidiaries:

- **Tactical Technologies Inc.** - Developer and supplier of Wireless Hi-Level surveillance equipment to the Law Enforcement Community.
- **Strategic Monitoring Services, Inc.** - Provides electronic curfew monitoring services for the corrections marketplace using Strategic's proprietary Software Technology Platform.
- **Capstone Technologies, Inc.** - Developer and service provider of biometric voice verification technology to the public market.

The acquisition is not a change of control, and will combine a strong venture capital financing team with an experienced, leading-edge technology group. The resulting combination of interests will accelerate growth in the company's existing markets, as well as enhancing the commercialization of newly developed sophisticated products. Bell's large, well-defined market is entering an explosive growth curve with virtually unlimited marketing opportunities for these types of applications. The highly fragmented marketplace also offers exceptional opportunities for industry consolidation and economies of scale, leveraging Bell's existing competitive advantages.

**Management team:**

- Proven success in high-tech product design & development, marketing, and cost control.
- Leaders in developing innovative & leading edge products & services.
- Developed international quality control system and achieved ISO-9001 certification in 1996.
- The Strategic team's experience includes 20 years of marketing, 54 years of corporate development, 40 years of engineering & design, and 37 years of finance, administrative, M&A and banking.
- Bell principals have been instrumental in raising capital for public companies totaling in excess of \$100 million over the prior 12 years, and are experienced in raising public awareness and market liquidity.

**Financial:**

- Achieved revenue growth record of 2,157% over past 7 years with present Strategic management.
- Unique recurring rental revenue strategy, similar to cablevision or utility companies, establishes reliable and growing revenue stream.
- Current annual revenues are approaching \$7 million per year, with increasing cash flow.

- Products allow significant portion of revenues to flow to the bottom line after breakeven, in some cases as high as 71%, where a \$1.00 increase in rentals increases the bottom line by \$0.60 to \$0.73.
- Economies of scale will allow further significant decrease in production costs, and higher profit margin.
- Innovative technology provides significant competitive advantages with high profit margins.
- Several million dollars recently invested in R&D allows an immediate marketing launch to capture market share and rapidly accelerate growth with superior products, technology and lower costs.
- User friendly core technology was successfully developed based on the principles of moveability, modularity, upgradability and ease of repair.
- Proprietary Wireless RF link using multi channel frequency transmissions enables further development and expansion of its Wireless Local Loop Solutions.
- Operates similar to Blue Tooth technology and utilizes strategic use of patents and copyrights.
- FCC, DOC and Europe type certified and approved for use.
- Software is embedded in the RF Link hardware for proprietary copyright protection.
- Compatible with existing technologies such as Palm Pilot & PDA's for wireless applications.
- Existing RFID technology can be applied to numerous niche product opportunities, including a 2-tiered electronic curfew monitoring product (Platinum & Bronze lines), a Domestic Violence Deterrent System (used as an aid to help monitor restraining orders), a Multi Unit Monitoring System (used for wandering patient and health care facilities and to monitor road work crews and halfway houses).
- GPS/Cellular products include The Shadow for covert shipment tracking (5 years experience and hundreds of units in the field); eTrac for asset tracking (the commercialization of The Shadow product for security and tracking of high value trailer shipments); eTrac PLS (Personal Location System) for monitoring children and adults at parks, playgrounds, ski slopes and other public areas.
- Software design highlights include:
  - Internet use of new relational ship software for GPS and electronic curfew monitoring.
  - Monitoring applications suitable for both asset and people compliance.
  - Location and time sensitive information providing "where is" applications.
  - Time usage billing to the customer.
  - Expandable and portable.
  - Voice biometrics database/software allows sobriety testing with RF electronic curfew monitoring.

**Marketplace:**

- Bell was recently designated as one of only three accredited bidders for US Federal contracts under the new protocols designated for the Criminal Justice system.
- Focus is on utilizing our RFID technologies in existing products and expanding to new applications currently under development.
- Expansion of current monitoring capabilities with our Internet relational ship databased software.
- The world market is rapidly expanding for GPS and Electronic Curfew Monitoring products and services, expected to increase 12% to 15% annually for the foreseeable future.
- Consolidation of the highly fragmented market in Electronic Curfew Monitoring and GPS.
- Bell has been contacted to bid on the supply of 30,000 electronic curfew-monitoring units for one international client for a five-year term.
- Bell has been contacted by a UK company wishing to become exclusive distributor of eTrac trailer tracking products, estimating a requirement for 6,000 to 8,000 units in the first year.

**Future:**

- Asset tracking and personal locating (i.e. trucks, fleets, containers, rental cars, trains, children, etc.) is a vast untapped market for present and future growth.
- The wireless market is growing exponentially.
- Consolidation of the industry: companies have been targeted, approached and are receptive to acquisition, ranging in size from \$400k to \$9 million per year in revenues.
- Use of subsidiary Tactical Technologies Inc. as a sales outlet prior to placing the products in our rental revenue stream, allowing Bell to recover R&D costs and receive valuable feed back on product performance.

Bell has a timely window of opportunity to capture significant market share. It is well established in the RFID niche market, which is poised for rapid growth. It has the technical and managerial infrastructure in place, established in-house and out-sourced manufacturing, enjoys market leadership in R&D, and offers a 2-tiered product line. The established market is entering an explosive growth curve, generally uses outdated technology and people-intensive systems, and is severely fragmented and ready for consolidation. Bell's unique and proven approach generates immediate bottom line results using a proven recurring revenue strategy, high profit margin technologies, with the competitive advantages of modularity, low maintenance and long life products (7+ years).

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**Manhattan Minerals (MAN-T):** Approximately 33.8 million shares outstanding. Back in Sept 99 MAN completed an over-subscribed 5.5 million share financing at \$5 for gross proceeds of \$27.5 million. Last sold by us in March 2000 at much higher prices, their big-deposit massive sulphide "Tambo Grande" project in Peru hosts one gold deposit and two large copper/zinc/gold/silver deposits, as well as having significant exploration potential. When Tambo Grande is in production, Manhattan states that it will become one of the lowest cost producers of base and precious metals in the mining industry. Since early 1999, the company significantly expanded the resource, which now stands at 56 million tonnes, grading 1.6 per cent copper, 1.1 per cent zinc, as well as 0.6 grams of gold and 27 grams of silver per tonne. The ore contains a higher-grade zinc phase in the middle, sandwiched between two higher-grade copper zones. On average, the sulphide ore contains a

recoverable value of just over \$40 (U.S.) per tonne, based on typical recovery rates and recent metal prices. Of even greater interest is an oxide cap situated atop the main sulphide zone, which contains a mineral reserve of eight million tonnes, grading 3.5 grams of gold and 70 grams of silver per tonne. At that grade, the cap alone would contain about one million ounces of gold, and over 16 million ounces of silver. Based on a 90-per-cent recovery rate for gold and a 65-per-cent silver recovery, the cap ore would contain a recoverable value of about \$32 (U.S.), based on a 90-per-cent recovery of the gold, and a 65-per-cent rate for silver. Manhattan's CFO, Paul Sweeney, said that the operating cost to produce an ounce of gold would be roughly \$44 (U.S.) per ounce, certainly lucrative even at current metal prices. The company also has two additional discoveries nearby that are likely to be developed as well. The TG-3 deposit is just 700 metres south of the Tambo Grande TG-1 project.

## Manhattan Minerals (MAN-T) - Weekly Chart



At last word, the TG-3 deposit contains about 110 million tonnes of ore, with a copper content of 0.7 per cent, a zinc content of 1.0 per cent, as well as 0.7 grams of gold and 19 grams of silver per tonne. The ore at TG-3 is less valuable than that contained in its TG-1 sister, but the close proximity of TG-3 could make mining profitable, and it is even possible that a portion of the deposit might be included in the expected feasibility study. At normal recovery rates and current prices, the TG-3 rock carries a value of about \$25 (U.S.) per tonne.

The deposit is deeper than TG-1, and stripping costs would be significant. As a result, it is more likely that the TG-3 deposit would sit, ultimately being mined by underground methods, once TG-1 is depleted. A third discovery was made early 2000 on the Papayo property, about 10 kilometres to the south, in which Manhattan can earn a 51-per-cent stake. The new deposit has the potential to be Manhattan's highest-grade discovery to date. Initial assay results revealed that a wide zone with interesting copper and zinc content, including a 23-metre interval that assayed at 2.0 per cent copper and 3.5 per cent zinc, with 1.0 grams of gold and 56.2 grams of silver per tonne. The result was encouraging enough to prompt Manhattan to poke several more holes into the deposit. Some of the assays also contained high-grade zones. It was one hole in particular that sparked the September 2000 rally. Hole B5-008 encountered 53 metres of massive sulphides, with a copper content of 4.6 per cent and 17 grams of silver per tonne. Included within that section was a 15m interval with copper content of 10+ per cent.

The Tambo Grande area is proving to be one of the largest massive sulphide districts ever discovered. The political situation in Peru has unnerved shareholders no doubt, but the country needs to show the world that it is not in total disarray and needs to stimulate economic development. As the company advances its exploration programs most of the news has been very good. Nevertheless, except for a brief September rally, investors seem to have soured, as they focus on a number of obligations that the company must meet in order to earn its 75-per-cent interest in the Tambo Grande concessions. Under the terms of the deal, Manhattan will earn its interest if it completes a feasibility study and financing plan for a mine on the Tambo Grande property. As well, the company must be operating a 10,000-tonne-per-day mine and possess net assets in excess of \$100-million. Furthermore, once the option is exercised, Manhattan must commit to building the mine within four years, and failure to do so would result in a substantial penalty. Another concern is the town of Tambogrande itself, part of which actually lies on top of the rich deposit. Manhattan is also required to guarantee that the mining methods to be used would not

physically affect the town, and that would of course be a tall order. As a result, it is likely that the company would be required to relocate at least a portion of the community, at its own expense. Despite the conditions imposed, the deposit remains potentially lucrative. The company now has until the end of May, 2003 to meet the first requirements. A full feasibility study was in progress but will likely now be delayed given the need to resolve the community's issues. The revision of Manhattan's underlying deal with the government may be the catalyst necessary to reverse the share price trend. We believe the company is a likely takeover candidate. A joint venture with a strong partner would also make sense, especially during this period of low prices and doubt.

**Technically:** We re-established a 25,000 share position, having already successfully traded out at higher levels in the past. The new average price \$0.893 does not reflect gains on prior trades made. Both the OBV and MACD are positive and supportive to further attempts to overcome the next resistance area. This is as much a bet on a political resolution to the relocation issue, and can come at any time without warning. The downtrend has been broken, OBV is trending up (positive divergence), and the MACD gave a buy signal Apr 20. The share price has now started to trend above the rising 13-week MA. Significant resistance will be found at the 40-week MA, now at \$1.44.

### ASPi Europe (ASPQ-OTC BB) - Weekly Chart - Semi-Log Scale

**ASPi Europe, Inc (ASPQ-OTC BB)** is a development stage company with 7.17 million shares issued and outstanding. Their website is at [www.aspieurope.com](http://www.aspieurope.com) and announced entering into a Letter Of Intent to acquire 100% of Digital Snaps Inc. on Jan 12, 2001. After reaching a high of US\$32 last year, an earlier announced acquisition of Blue Dragon Technologies GMBH and Webtech Ltd was cancelled. April 30, 2000 - ASPi announced that it has entered into a letter of intent to acquire all of the issued and outstanding equity securities of Growth Experts Group Inc. Under the terms of the letter of intent, the Company intends to acquire all of GrowthExperts' outstanding securities in exchange for 9,750,000 shares of common stock of the Company and a



commitment by the Company to raise at least US \$1.5 million in gross proceeds to the Company through a private placement of its equity securities prior to closing the proposed transaction. As part of the letter of intent, the Company has agreed to loan GrowthExperts up to US \$150,000 to be used as working capital. GrowthExperts has approximately 350 employees at its Vancouver and Nanaimo offices in British Columbia. Current and past clients of GrowthExperts include AT&T, Cingular/CellularOne, E\*Trade, VoiceStream, Bell Canada, and Direct TV.

**Technically:** In late June we exited with a US\$3.10 average, having our stop-loss triggered after riding the uptrend. The downtrend line has now been broken, and we are watching for a confirmation that the tentative bottom holds. A retest would see a higher low or at least the recent lows remain unbroken.

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