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. 23

Current Growth Portfolio

For the Week of October 22, 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	US1.33	210,000	26%
12/98,6/99,11/99,4/00,5/00	50,000	Amarc Resources	0.640	0.42	21,000	-32%
1/99, 6/99, 12/99	25,000	St. Jude Resources	0.569	0.22	5,500	-61%
1/01, 2/01, 3/01, 4/01, 5/01	100,000	Vanteck (VRB) Tech	1.619	1.81	181,000	12%
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	0.82	20,500	-8%
		Cash Credit (Debit)			(1,691)	
		Portfolio Value			468,309	

This Week's Buys & Sells

Company Name	Comments	Closing Price
None		

OIL – Glut or Shortage?

"If flights are cut back 20% that will leave a lot of oil unspoken for ... it's another short-term measure with negative long-term implications ... we see natural gas trading $1.90-$4.50, averaging $2.75-$3.00 ... crude inventory data shows US stocks down 3.421 million barrels, distillate stocks (including heating oil) up 1.134 million barrels and gasoline stocks up 2.158 million barrels, in line with expectations. THE INTERNATIONAL FORECASTER financial, economic, political and social commentary, edited in the United States by Bob Chapman says that oil prices are being manipulated downward to somewhere between $18 and $22 a barrel, and adds that OPEC has to cut production 1-1.7 million barrels per day.

"The secret to lower oil prices was a US deal cut with Saudi Arabia, Mexico, Norway and Russia," Chapman reports. "Evidentially the move has been underway since oil was $30.00 ... that¹s a 25% drop in oil or a $26 billion infusion into the US economy ... we are about to get another boost with $18.00 oil that would amount to an infusion of $59 billion ... that means the US and Saudi Arabia have thrown the remaining OPEC producers to the wolves."

The next step could very well be that the US, UK, Saudi, Mexico, Norway and Russia could finally break OPEC resulting in $8-$12 oil again, according to the International Forecaster. OPEC needs to cut oil production 700,000 barrels now and 600,000 more barrels per day in January in order to just keep oil prices at $22.00 a barrel. If they don¹t cut, oil will trade in the $14-$18 range soon ... the US is forcing OPEC not to cut, to bring down prices to soften the costs of recession and to temper inflation caused by over $200 billion in fiscal and monetary stimulus. (Saturday, October 20, 2001).

Crystallex Int'l (KRY-TSE) - $US Daily – Semi-log scale

Crystallex International (KRY-TSE/Amex): Crystallex 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 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. 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.

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.

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.

As usual, the North American press appears to have 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." 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 seems very close for long suffering shareholders here fundamentally - but one has to be prepared to be tested on the way. The 90-day period (likely starting Aug 7) that the CVG has publicly declared for Placer to "set things right" has resulted in several shareholders throwing in the towel, as is obvious from the recent trading.

Technically: On the Daily Chart, OBV has leveled off and may be starting an upturn, indicating more balanced net share accumulation versus the recent distribution. The MACD is trending up since Sept 18, 2001, often an early indicator of a change in trend, but showed some signs of weakness as it approached the key "zero" line. The MACD downtrend that started in May 2001 was broken Oct 3. The 13-day MA at US$1.24, 40-day MA at US$1.30 and 80-day MA at US$1.34 are resistance points that become support once cleared, as does the Fibonacci Retracement at US$1.27. Price closed the week at a key resistance area at the 80-day MA resistance and the 13-week MA at US1.33.

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Vanteck Technology Corp (VRB-CDNX): Vanteck holds proprietary rights to the Vanadium Redox Battery (VRB) for the continent of Africa, and recently obtained certain rights to the Americas. Vanteck 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:

- 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.
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Vanteck Technology Corp (VRB-CDNX) – Daily Chart

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 scaleable 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 Vanteck through a reverse takeover in Q4, 1999. As a result Federation holds a 50% equity interest in Vanteck. 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/Vanteck Pinnacle share agreement which gave rise to Vanteck's equity position in Pinnacle along with the Federation/Vanteck 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.

Vanteck 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 Vanteck's commercialization strategy for the VRB technology in South Africa and the African market Vanteck (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.

Sept 26, 2001 - Vanteck reports that the scheduled commissioning phase of the 250 kW - 520 kWh Vanadium Redox Battery ("VRB") and Vanadium Energy Storage System ("VESS") at the University of Stellenbosch, Cape Town, South Africa for TSI/Eskom of South Africa is now completed and the VESS is working as expected.

VESS is a proprietary advancement of the basic VRB technology developed by the Company and Telepower Australia the Company's primary technical consultants. VESS integrates the VRB into a flexible energy storage system through exploiting the attributes of the VRB by optimized automated intelligent control and operational management electronics VESS allows practical energy storage for new applications not before thought cost effective or achievable with lead-acid technology as well as pending beneficial replacement options for existing DC power infrastructure. The TSI-Eskom VRB system is designed to show the versatile configuration and operation of VESS, with the single installation demonstrating applications ranging from sub-second uninterruptible power supply ("UPS") ride-through capability through to power quality and emergency power back-up.

The DC behaviour of the VRB has been measured, and the system performance characteristics will be presented at the 21st International Telecommunication Energy Conference (INTELEC 2001) in Edinburgh, Scotland in mid-October, 2001.

The interfacing of the Vanteck/Telepower VESS with Eskom's new programmable inverter technology known generically as DPQC - Dynamic Power Quality Compensator - has also been completed, and Vanteck can remotely control the operation of the system. Eskom is completing their own tests and procedures verifying the full functionality of software changes to the DPQC to accommodate the multi-mode operation of the VESS. Eskom's DPQC is a multi-function high efficiency shunt connected converter which provides power quality compensation for many applications.

Vanteck is scheduled to meet with Eskom in October, 2001 to sign-off on the Phase II performance test regime and the Phase III application demonstration schedule.

The VRB is a new cost efficient electrochemical redox flow battery that stores electricity in bulk with unique advantages that allow for totally new approaches to energy packaging and utilization. The VRB/VESS is emerging as a strong energy storage system for distributed power architectures. The TSI/Eskom VRB/VESS system is the first and largest industrial scale system outside of Japan.

Pinnacle VRB Limited ("Pinnacle") an Australian Stock Exchange ("ASX") listed company holds the Intellectual Property rights to the VRB technology subject to certain Licences and Agreements. Vanteck has made an unconditional share offer (1

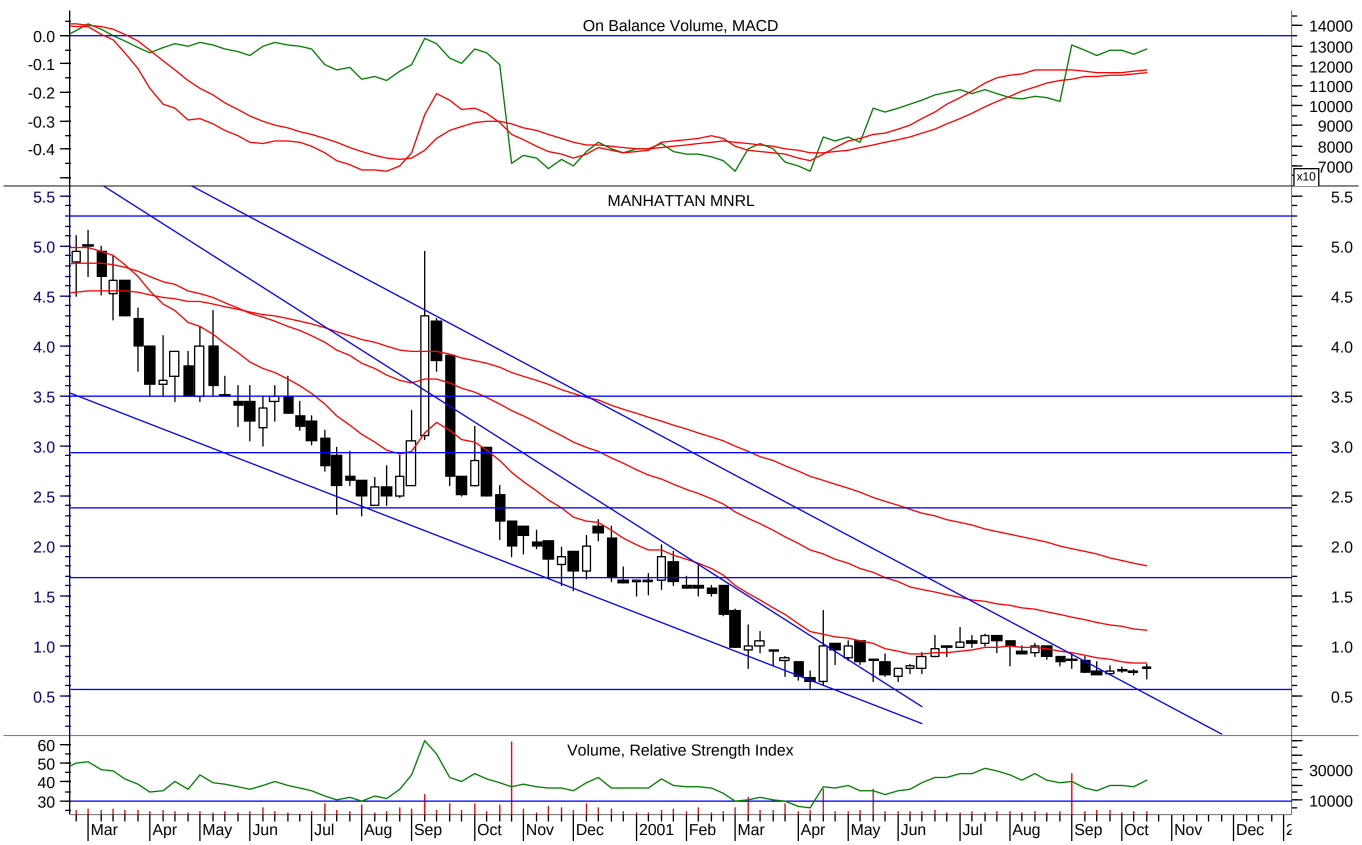
Vanteck share for every 4 Pinnacle shares) for all of the issued shares in Pinnacle. Vanteck Bidder's Statement was lodged with the Australian Securities and Investment Commission ("ASIC") on July 23, 2001 and the Offer date is July 30, 2001. Prior to Vanteck's share bid Vanteck held a 19.94% interest in Pinnacle and is Pinnacle's largest individual shareholder.

We stated that the purchase or tendering of any additional significant block to the Vanteck group would immediately change the picture, as the 50.01% control figure would then be within reach, if not exceeded, and that this could occur at anytime**. On Oct 19 Vanteck reported that its interest in Pinnacle VRB Limited has increased to 33,379,519 shares or 58.66% based on current processed acceptances as at 5:00 p.m. October 19, 2001 (Melbourne time) as a result of the Company's 1 Vanteck share for every 4 Pinnacle shares (1:4) unconditional bid. This percentage is after deducting 3.1% of disputed acceptances that were deleted from the acceptance register Wednesday October 17, 2001.**

Given the effective lock up of control, and the rally of Vanteck into a price premium over the Pinnacle share's 4-for-1 tender terms, it is likely that there will be a rush to tender before the Nov 1 expiry. Once Vanteck's bid expires, PCE will become an orphan and any remaining shareholders a rather unhappy lot, as interest in Pinnacle will be severely curtailed.

Technically: This recent decline took place on relatively low volume, accentuating the fact that there has been a buyers strike rather than a fundamental shift by investors towards the belief that value is excessive. Some panic and forced sell-outs in the face of further worldwide market declines took its toll, but obviously the large shareholders were standing firm. With the last 3 weeks' volume-supported move and breakout from the downtrend line, we are back on track for further gains. Any weakness to test support areas (the old trend line, the MA's and Fibonacci Retracements as they are left behind) would offer compelling buying opportunities. **All indicators and technical parameters support continued gains to come. Strong support exists as the 13 and 40-week MA's turn up at the $1.71 area and the 80-week at the $1.46 level. The weekly MACD turned positive from its deeply oversold level, ready to cross the "zero" line. On the daily chart (shown), OBV is particularly strong and MACD is already trending up through the "zero" reference. Volume is confirming the bullish nature of trading, and all MA's are turning up under the current trading price, and about to cross each other – a very positive indicator.**

Manhattan Minerals (MAN-T) - Weekly Chart



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.

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 Tambo Grande 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 this share position, having 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 old downtrend has been broken, OBV is trending up (positive divergence), and the MACD gave a buy signal Apr 20. The share price started to trend above the rising 13-week MA, but has recently sagged just below. Significant resistance will be found at the 40-week MA. The MACD may now be again breaking down, but the penetration of the downtrend line causes us to remain hopeful that we will see a price rally. OBV is very positive and has been divergent to price, also a positive sign. **The daily chart (2nd shown) shows a rally attempt, the first since the July 19, 2001 intermediate peak at $1.19. A move through the 13-week MA would signal a likely significant rally.**