

January 23, 2012

A clarion is a medieval trumpet that had clear, shrill tones. Trumpets were often used to get people's attention when making announcements. We are also using "clarion" in the context of making announcements, as well as being thought-provoking when sharing our information and opinions with those people who are interested in new investment ideas.

for your Information

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We attribute this to the exposure that eResearch gets from having our Research Material available on websites around the globe.

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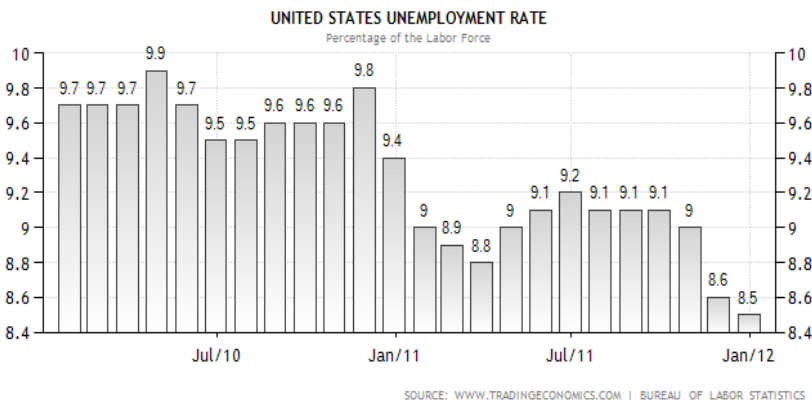
Topic: Corporate Spending and Unemployment

Numerous investment articles over the past few months have implored America's corporations to unleash their vast, burgeoning cash hoards to kick-start the economy. This may now be occurring and, if so, could provide the catalyst for a winning stock market in 2012, at least in the United States.

A Federal Reserve report released in September 2011 stated that, at the end of June, U.S. non-financial corporations held more than \$2 trillion in cash, and that excludes foreign cash holdings. This comprised 7.1% of all company assets, and was the highest level since 1963.

The subsequent quarter, ending October, saw a decided increase in corporate capital spending, which reached the highest level since 2008. This shift, with increased expenditure to upgrade property, plant, and equipment, likely marked the collective executive viewpoint that the U.S. economy will avert recession.

While weak capital spending probably has been the major reason that U.S. unemployment remained stubbornly high through 2010-2011, the increased capital spending in Q3 may be responsible for the notable drop in U.S. unemployment in the last two months.



The potential for a significant increase in the capex cycle is evident. Should there be an increase in global financial stability and continuing signs of a stronger U.S. economy, capital spending could mushroom, unemployment would fall, and stocks would reap the benefit.

Bob Weir, CFA, and Director of Research

Quick Facts

One-Year Chart (VGM)



Source: www.bigcharts.com

Price (Jan. 23/12):

\$0.205

52-Week High-Low:

\$0.45 - \$0.155

Average Daily Volume:

50-day: 27,200

200-day: 35,100

Shares Outstanding:

40.65 million

Market Capitalization:

\$8.33 million

Year-End:

December 31

Symbol: TSX-V: VGM

Website:

www.virginmetals.com

Stock-of-the-Week

Virgin Metals Inc. (VGM: TSX-V)

Virgin Metals is a junior exploration and development company focused on copper, molybdenum, tungsten, and silver projects in Mexico and the USA.

Mexico's State of Sonora is home to the Company's *Los Verdes*, *Potreritos*, *El Cobre*, *Alamos* and *Cuatro Hermanos* projects, while the *Topper* project is located in Nevada, USA.

The Company recently released the results of a Preliminary Economic Assessment (PEA) of its 100%-owned *Los Verdes* project. The PEA includes a financial analysis of the impact of the Company's recent acquisition of the *Potreritos* property, which is close to Los Verdes and of the same mineralogy. According to the news release, *Potreritos* has added "tens of millions of dollars" to the value of the project.

The PEA shows significant economic improvement and clarity compared with the Pre-Feasibility Study (PFS) that the Company received in 2008. The PEA stated that there were opportunities for additional cost savings and significant project growth. (The Company expects that the PFS will be updated in Q3/2012.)

We have updated Virgin Metals' valuation based on the new *Los Verdes* resource estimate used in the PEA, and have reached a revised target price of \$0.80 per share.

This does not take into account the potential resource of the *Potreritos* property, which is an added bonus.

Additional information on Virgin Metals Inc. is provided on our website:

www.virginmetals.com

**New eResearch
Material Since
January 9, 2012:**

1. Initiating Reports

[Bioniche Life
Sciences Inc.](#)
1/17/2012

**2. Update Reports
and Bulletins**

[Shoal Point Energy](#)
1/20/2012

[Integrated Asset
Management Corp.](#)
1/13/2012

[Virgin Metals Inc.](#)
1/12/2012

[Black Iron Inc.](#)
1/11/2012

[Monarques Res.](#)
1/10/2012

[Microbix Biosys.](#)
1/09/2012
1/05/2012

3. Analyst Articles

[Market Breadth](#)

[Technical Trends](#)

[Phases&Cycles](#)

[Stock Timing](#)

[Feature Articles](#)

In addition to these reports and articles, our full complement of research is available at www.eresearch.ca

BriefCase

NewsBytes from January 9 – January 20, 2012

Additional information on the companies featured in NewsBytes may be found at www.sedar.com, and at www.eresearch.ca.

For the latest eResearch publications, see sidebar opposite.

Source Exploration Corp. (\$0.26 - January 10, 2012; SOP-V)Source Exploration announced that its wholly-owned Mexican subsidiary, Roca Verde Exploration de Mexico, has signed an option agreement with Empresa Minera Caprice, JC, S.A. de CV to acquire up to a 100% interest in its Capricho mineral exploration concessions (high-grade gold and silver mineralization) in Sinaloa, Mexico.

Blue Note Mining Inc. (\$0.065 January 16, 2012; BNT-TSX-V) / Critical Elements Corporation (\$0.13 - January 16, 2012; CRE-TSX-V) Blue Note and Critical Elements have agreed to extend the term of the binding agreement providing for the acquisition by Blue Note of all of Critical Elements' interests in the *Croinor* gold project near Val-d'Or, Quebec.

Critical Elements Corporation (\$0.13 - January 17, 2012; CRE-TSX-V) Critical Elements has announced that, based on the robust PEA on its 100%-owned *Rose* lithium-tantalum project in Quebec (published December 21, 2011), the Company has decided to bypass prefeasibility and start the feasibility study immediately. The Company is engaged in the tendering process for the various aspects of the feasibility study.

Cadillac Ventures Inc. (\$0.16 - January 18, 2012; CDC-V) Cadillac Ventures has published results from the first eight holes of 28 drilled on the K1-1 open-pit project at the Company's Thierry mine property in northwestern Ontario. Highlights include 110 feet of 0.626% Cu (Hole KH-11-21) and 87.5 feet of 0.546% Cu (Hole KH-11-19). Once all of the assays are received, Cadillac will be updating the initial K1-1 resource statement.

Automodular Corporation (\$2.27 - January 19, 2012; AM-TSX) Automodular Corporation has increased its dividend from \$0.05 per quarter to \$0.06 per quarter. A \$0.06 regular quarterly dividend has been declared, payable February 23, 2012 to shareholders of record February 9. At the current \$2.27 stock price, the dividend yield is 10.57%. Automodular also announced that Christopher Nutt has been appointed Chief Executive Officer, following the December 31, 2011 retirement of Michael Blair. Mr Nutt will also serve on the board of directors effective immediately.

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Opportunity Knocks

At the present time, eResearch has no positions available.

If you are interested in learning more about eResearch, please contact Bob Weir at the following: bweir@ereseach.ca.

“Research is the
bedrock underpinning
all capital markets”

Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from www.ereseach.ca since December 5, 2011:

1. Canada Lithium Corp., **StockPotentials**, December 15
2. Critical Elements Corporation, **StockPotentials**, December 16
3. RBC Financial, Update Report, December 19
4. Bioniche Life Sciences Inc., Initiating Report, January 17
5. Scotiabank, Update Report, December 19
6. Analyst Article, Under Water, December 19
7. Technical Comment, Phases&Cycles, January 12
8. Dynetek Industries Ltd., December 16
9. Virgin Metals Inc., Perspective, December 27
10. Canstar Resources Inc., **StockPotentials**, December 15

Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from www.ereseach.ca since January 1, 2012:

1. Canada Lithium Corp., **StockPotentials**, December 15
2. Bioniche Life Sciences Inc., Initiating Report, January 17
3. Technical Comment, Phases&Cycles, January 12
4. Analyst Article, Copper Outlook, January 15
5. Virgin Metals Inc., Perspective, January 12

Monthly Top Videos

The top five video downloads from www.ereseach.ca since Jan. 1, 2012:

1. Canada Lithium Corp., December 21, 2011
2. Microbix Biosystems Inc., July 20, 2011
3. Monarques Resources Inc., November 4, 2011
4. Century Iron Mines Corporation, October 25, 2011
5. NSGold Corporation, January 6, 2012