

ALLAN BARRY REPORT ON
PRECIOUS AND BASE METALS EXPLORATION
10th EDITION

Dec.5/2006

Welcome to the 10th edition of our report on Precious and Base Metal Exploration. In the opening section of our recent 9th edition we discussed the mergers and acquisitions that have been taking place; mainly large mining companies taking over other large mining companies. We also discussed our view that there are a limited number of major miners that can take over other large miners; therefore the next phase in this consolidation story is to see more of these mergers and acquisitions in the middle level producers and junior exploration companies.

The main reason that these past mergers occurred is because of the need for major mining companies to grow. By acquiring these large mining companies adds to a company's reserves and production, although it doesn't actually add to the global reserve base of mining companies. It merely moves one company's assets to what then becomes an even larger company but does nothing to add to the overall supply of metals.

In the last five years or so we have seen the prices of metals improve dramatically after experiencing nearly a 20 year bear market with declining prices that reached dismal prices in the late 1990's. One of the main reasons for the end of this long-term bear market is the new global demand coming from developing economies of the world. China and India have had a large impact on this new demand and as these two countries continue to grow, it appears that demand will stay strong for many years into the future.

Lately, when watching interviews on business channels and reading newspapers, we have noticed a couple of issues that we think are important. One of those is until around a year ago, finding many people in the media interested in talking about commodities was quite rare. That has changed and now we are seeing more discussion about metals and commodities on television and in newspapers. We feel that it's about time. Mining is a very important industry; obviously, without natural resources we can't produce all the products we use on a daily basis. We have also noticed that the vast majority of these people feel that the movement in metals prices and other commodities is mainly a demand issue.

In our opinion these new arrivals to the commodity bandwagon only really understand part of the story – the demand side. It's almost like some of them are reluctant new arrivals but they can no longer deny the explosive global demand for commodities. This demand has emboldened many new participants to be more confident about the prices of commodities.

In our past reports we have extensively discussed supply and demand being the primary drivers of commodity prices. If we had new demand for commodities, combined with new supply, the prices would not be performing like they have been in the last five years.

However, as prices have improved from this new global demand, the supply has not really kept up with demand. Basic economic theories state that when prices increase supply will also increase to meet the new demand and then prices will moderate. The answer to why we haven't seen supply increase to keep pace with this new demand will explain the reasons we are very bullish on prices for many years into the future.

In the 1980's and 1990's when most metals prices were declining there was a dramatic under investment in exploration for new mines and the development of new mines.

An important part of finding and developing new mines is people. When prices for metals were in a long-term bear market, less and less people came into the business. Enrollment at universities for geosciences steadily decreased, as did the number of workers that are needed in the industry. In fact, it had gotten so bad that in the business this time is referred to as 'the lost generation'. The people that stayed in the business during this time are aging and over the next ten years or so will be retiring. This is affecting, and will continue to affect, the supply of people in the business and the demand for their services.

An equally important part of finding and developing new mines is funds. During the prolonged bear market less and less funds were available for these efforts. In the last couple of years, funding has improved and this has led to more discoveries but it still takes years for discoveries to turn into mines and start adding to global supply.

Meanwhile, demand for these metals has kept growing. As the demand has been growing, supply hasn't really increased as significantly; these are the main reasons that metals prices have been performing so well in the last five years.

Mining companies are running at maximum capacity to take advantage of these better prices but they have been unable to replace the depletion of their reserves with new mines. The consolidation that is happening in the mining business doesn't add new supply. As previously discussed, it just shifts current supply to a smaller group of companies.

In our opinion these factors will lead to an upcoming supply shortage that is not easily fixed and can only result in higher prices for metals.

Exploration is the key to adding more supply to feed future demand. As prices have improved, more people are coming into the industry but not nearly at the pace needed to replace the aging workers that will be retiring. More money is available for exploration but not nearly to the degree needed to replace mines that are being mined out.

As prices have improved, major and middle level producers have seen their stocks performing very well. Exploration companies' stocks have also improved but they haven't nearly kept up to the fundamentally important role they play in the mining business.

Our Favourite Treasure Hunters

This section of the report covers exploration companies that we feel have made significant discoveries and are advancing those discoveries, or companies we feel have the potential of making new discoveries. In this edition we will be adding UEX Corp. and Virginia Mines Inc. to our group of featured companies. In the next section entitled Our Report Card, we will have updates on all the companies we have featured in past reports.

UEX Corp.

UEX has made a discovery of high-grade uranium in Saskatchewan and has a major uranium mining company as a joint venture partner. This project is located in an area where some of the largest uranium mines in the world are located so they are definitely in a good area to be looking for a new mine. We are not shareholders of the company.

In 2004, the company found this new discovery, which was the same time that the price of uranium had been going up dramatically. For several years now there has been a significant deficit between the supply of uranium from mining and the global demand. This deficit has been covered by the decommissioning of nuclear weapons, which is when weapons are dismantled and the uranium is recovered. The suppliers of nuclear energy are well aware that there are only so many of these weapons that can be dismantled. When that supply is depleted, there will be an overhanging big deficit between what is mined yearly and what is consumed. To add to this, there are a lot of nuclear reactors being built throughout the world and more are planned. This kind of an outlook can only lead to much higher prices for uranium in the years to come. This is an exceptional time to be making a new discovery of uranium that has the potential of coming into production while the above scenario is playing out.

Saskatchewan is one of the world leaders in uranium production from the mines in the Athabasca Basin in the northern part of the province. The mines in the area are deep and high-grade but they need to be in order to mine them economically. UEX's discovery is on the western side of the Athabasca basin and is much like the other discoveries in the area, deep but fortunately high grade.

The past drilling has been spread out over a large area that is still open along strike and width and at depth. Based on the past drilling they appear to have a large zone that will lead to a significant resource of uranium in the ground and has the potential to get bigger because of the directions that still remain open.

Based on what they have found so far it is reasonable to believe that this project will be a mine in the future. The timing of making this discovery and the realistic potential of turning into a mine while prices look to be much higher is truly exceptional. We think they have the potential for outstanding growth for many years into the future.

UEX's stock symbol is UEX and the shares trade on the Toronto Stock Exchange. Their website is www.uex-corporation.com. Their website contains past news releases and additional information to do your own due diligence.

Virginia Mines Inc.

Virginia has been quite a success story in the last few years after discovering the Eleonore deposit, then being bought out by Goldcorp who is advancing it toward production. The sale of that discovery was a very impressive return on investment for the shareholders. We also believe that the company has a great outlook for the future. We are not shareholders of the company.

Virginia has been committed to exploration in the province of Quebec for several years for many good reasons. Quebec is one of the best areas in the world to explore due to a provincial government that not only realizes the geological potential of the province but also how to effectively promote exploration for new discoveries. They have streamlined rules and regulations that begin right from the initial staking of claims through the various exploration stages. The bottom line is the province clearly understands how important the mining business is to their economic well-being and their actions are an example that governments throughout the world should use as a model of how to do things right.

A few years ago Virginia discovered the Eleonore deposit. It was quickly advanced with an aggressive drilling program and led to the purchase of the deposit by Goldcorp for \$450 million. The shareholders of the company received one share of Goldcorp for every 2.5 shares they owned of Virginia Gold Mines. In a matter of approximately 2 years, the company went from being a low priced exploration company to a major success.

In addition to receiving shares in Goldcorp, the shareholders also received 1 share of Virginia Mines Inc. for every 2 shares they owned of Virginia Gold Mines. The new Virginia keeps all the projects it had except for the Eleonore project. As well, the treasury has \$40 million and they have a net smelter royalty on the Eleonore project. With this group of assets the company is in an exceptional position to aggressively explore their various projects.

They currently have plans in the works and are working on large exploration programs on their various projects. They have budgeted in the region of \$6 million for this aggressive amount of work. This \$6 million of exploration will be covered by the interest the company will make on the \$40 million in the treasury and the rebates they receive from the Quebec government. Thus, even after a large exploration program the treasury will stay around \$40 million. In a couple of years the net smelter royalty will kick in and start to add to the company's treasury.

This puts the company in the position to do a great deal of exploration every year and still maintain a large treasury. The team involved with this company is very motivated to try and find another Eleonore kind of success. They have an excellent portfolio of

exploration projects and have a large exploration program underway. With the strong cash position and the various projects they are exploring, we think the company is in good shape to try and repeat the success they had with their Eleonore discovery. We like their chances.

Virginia's stock symbol is VGQ and the shares trade on the Toronto Stock Exchange. Their website is www.virginia.qc.ca. Their website contains past news releases and additional information to do your own due diligence.

OUR REPORT CARD

It has been a little over a year since we started this report and we are ready to look back and assess our performance. We don't do this to boast but more as a self-evaluation of how we have done.

We have had our fair share of good results from companies featured in the reports, as well as a few that have not done so well. As a group, however, we like their collective outlook for the future.

In addition to featuring companies that we think have above average potential, we also have commentary on the industry and discuss our outlook for certain metals in the report. We think this commentary has been helpful in understanding themes that affect mining exploration companies. Because the price of metals that these companies are exploring for has a big impact on the valuations of the companies that make discoveries, we follow the general direction of metals very closely. We follow these metals because they are a barometer of the direction prices in general are going. We think our reading of the barometer has been reasonably accurate.

The fairest way to evaluate our results would be to use an equal amount invested on the dates the company was featured. We have had some of our featured companies perform exceptionally well and some that have not performed as well. As a group, using an equal amount invested on the date they were featured, it would have a theoretical return of over 25% since the start of the report. With this kind of result we think it is fair to give ourselves a passing mark. If we are able to see similar returns for several years then we will give ourselves highest marks because in our opinion the highest marks go to those who are able to get above average results over a number of years.

Before going on we would like to remind our readers of something we have all heard before: past performance is not always an accurate indicator of future returns. We feel it is very important for readers to do their own due diligence including talking to those whose opinion you rely on to make investment decisions. We cannot stress enough how important we think it is for investors to do their homework before making any investment decisions. We don't make buying and selling recommendations in our reports because those decisions are up to the investor to make. If these reports are helpful in identifying

companies that merit readers doing their own homework on we feel this report is a success.

Good as Gold

Date of first report on price of gold November 01/2005

Price of gold on that date \$460.60 USD per ounce

Call in that report 10-30% upside move

Date of second report on price of gold Jan.16/2006

Price of gold on that date \$561.70 USD per ounce

Call in that report gold between \$600.00 to \$650.00 USD per ounce by the end of 2006

Date of third report on price of gold Mar.21/2006

Price of gold on that date \$552.10 USD per ounce

Call in that report gold to reach \$650.00 USD per ounce by the end of 2006

Date of fourth report on the price of gold May.09/2006

Price of gold on that date \$700.70 USD per ounce

Call in that report gold to reach \$750.00 to \$800.00 USD per ounce by the end of 2006

Current Price of gold \$644.30 USD per ounce

In May of 2006, gold hit a multi-year high of around \$720.00 USD per ounce. Following this high, the price softened during the spring and summer months and got down to around \$560.00 in the early part of October. The spring and summer months are the softer part of the year for physical demand and the fall and winter are the stronger parts of the year. It is no surprise that prices have been improving as we are now in the stronger part of the year and this year's season has gotten off to a strong start. We feel during this season the price of gold will trade above the multi-year highs hit earlier this year. For many years now there has been a deficit between supply from mining and demand. To cover this deficit there has been a large amount of selling by central bankers; some of this selling happened when prices were below \$300.00 per ounce. This is starting to change now. Some countries such as China have been making noises in the last year or so that they are considering selling some of their foreign reserves (largely US dollars) and converting in part to gold. China has over 1 trillion US dollars in its reserves and it is logical to diversify. If China does diversify at a time when the Federal Reserve is no longer raising interest rates the dollar could be in for a very rough ride. As gold is quoted in US dollars it generally moves contrary to the moves in the dollar. The combination of US dollar weakness and the supply and demand outlook for gold is why we continue to have confidence in our bullish outlook. We no longer feel that gold will reach the \$750.00 to \$800.00 USD per ounce range by the end of 2006 but we do feel it will reach that level in the first half of 2007. If China does start diversifying their foreign reserves partially into gold and if the fed lowers interest rates in 2007, causing more downward pressure on the US dollar, we could see new record prices before the end of the 2007.

A Silver Lining

Date of report on price of silver November 01/2005

Price of silver on that date \$7.47 USD per ounce

Call in that report 50-100% upside move
Date of second report on the price of silver Jan.16/2006
Price of silver on that date \$9.22 USD per ounce
Call in that report silver to trade between \$10.00 to \$15.00 by the end of 2006
Date of third report on the price of silver Mar.21/2006
Price of silver on that date \$10.48 USD per ounce
Call in that report for silver to reach \$15.00 USD per ounce before the end of 2006
Date of fourth report on the price of silver May.9/2006
Price of silver on that date \$14.59 USD per ounce
Call in that report for silver to reach \$20.00 USD per ounce by the end of 2006
Current Price of silver \$13.92 USD per ounce

During the time frame that we just discussed for gold, silver has been following a similar path, as it always does. It would be very difficult for China to just diversify their foreign reserve holding out of the US dollar into gold because there just isn't enough gold available. Silver should benefit from a bullish move in gold and Chinese diversification. It doesn't take a lot of new buying to drive the price of silver aggressively because the supply and demand of silver is even tighter than gold. These are the main reasons we feel that silver can outperform gold in a more bullish market that we are in the midst of. In the coming months we maintain our confidence that silver will reach \$20.00 USD per ounce, possibly by the end of 2006 but most likely in the first half of 2007.

A Copper penny for your thoughts

Date of first report on price of copper November 01/2005
Price of copper on that date \$1.83 USD per pound
Call in that report for a move to around \$2.10 per pound
Date of second report on the price of copper Jan.16/2006
Price of copper on that date \$2.13 USD per pound
Call in that report for copper to trade above \$2.50 before the end of 2006
Date of third report on the price of copper Mar.21/2006
Price of copper on that date \$2.31 USD per pound
Call in that report for copper to pass \$2.50 and reach \$3.00 by the end of 2006
Date of fourth report on the price of copper May.9/2006
Price of copper on that date \$3.62 USD per pound
Call in that report for copper to reach \$4.00 USD per pound by the end of 2006
Current Price of copper \$3.22 USD per pound

Copper has also been in a supply and demand deficit for several years and this has led to record low inventories of copper at the London Metals Exchange. Due to these low levels of inventories and the global demand, the price of copper reached a high earlier this year above \$3.80 USD per pound. For the last six months copper has been in a trading range between \$3.30 and \$3.50 per pound. In the last few weeks copper prices have come off this range due to increases in inventories although these inventories are still at historically low levels. In the past year we have seen spikes in the price that was caused because of supply disruptions from a large mine in Indonesia and labour unrest. Mine workers in

South America have gone through strikes because as they have seen prices go higher they are demanding higher wages. This labour unrest is not going to stop as corporate mining profits continue to be very strong. Mining companies are not bringing new mines into production in any meaningful way so they are drawing down reserves at a healthy pace. This draw down in reserves will only add to the long-term issue of supply weakness. Speculation in the market right now is that inventories will increase in 2007 and that the supply and demand deficit will become a surplus; however, we don't agree with this outlook. In order for the deficit to turn into a surplus either supply would have to increase or demand would have to weaken. We don't feel that supply can increase much until significant mines are put into production and this does not appear to be happening. As well demand would have to slow and this is probably the main reason that copper has weakened because the market feels that demand can soften. The basic argument behind a perceived weakening of demand is due to the housing slow down in America. The statistics on housing in America are probably near bottom; however, recently there have been signs that things are improving in some areas. In our opinion the worst is over for the American housing market. With record employment rates, historically low interest rates and softening housing prices, the market can improve from current levels, especially if the Fed starts lowering interest rates in 2007. We feel that if the housing market improves and the global demand outside of America stays strong then the current pull-back is a buyer's market. We feel that it could take a few months for these issues to work their way into the market and our current call of copper to reach \$4.00 USD per pound by the end of 2006 will have a harder time of being reached so at this time we will push back that call to the first half of 2007.

Past performance of our Favourite Treasure Hunters

This section of the report is provided to present a snapshot of all the companies we have featured in past reports. We include the dates and prices only for comparison purposes; we are not making buying and selling recommendations. Our reports are designed as a resource to help investors uncover companies with good potential. Before making investment decisions it is always good advice to do your homework and consult with those advisors whose opinions you rely on.

Earlier in this report we added two new companies to our group of Favourite Treasure Hunters and in this section we will update all of the companies we have featured in past reports.

Abacus Mining and Exploration

First featured in Sept.19/2005 edition

Price on that date \$0.25 CDN

Second feature in Dec.07/2005 edition

Price on that date \$0.36 CDN

Third feature in Jan.16/2006 edition

Price on that date \$0.75 CDN

Fourth feature in Feb.7/2006 edition

Price on that date \$0.96 CDN
Fifth feature in Mar.21/2006 Edition
Price on that date \$0.73 CDN
Sixth feature in July 12/2006 edition
Price on that date \$0.59 CDN
Seventh feature in Oct.3/2006 edition
Price on that date \$0.50 CDN
Current price \$0.60 CDN

Abacus is in the midst of a very large drilling program with a focus on completing a resource calculation on its Ajax west discovery. This discovery is located under the old Ajax west pit that was mined by Teck/Cominco as part of their Afton Mining operations. This area has been brought back to life because metals prices are much higher now compared to when the Afton mine was in production. Also, New Gold Inc. drilled under the old Afton pit and found a large resource of copper and gold. It now looks like the discovery Abacus has made under the old Ajax west pit is showing significant potential similar to the old Afton pit. New Gold Inc. is a few years ahead of Abacus on their respective efforts on these historically producing projects but with aggressive drilling, Abacus is catching up. The resource calculation on Ajax west is underway and should be reported before the end of this year or early 2007. With the long intersections of copper and gold there is realistic potential that there is a significant resource under the Ajax west pit. We are shareholders of the company and a consultant to the company.

Abacus's stock symbol is AME and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.amemining.com. Their website contains past news releases and additional information to do your own due diligence.

Atna Resources

First featured in Jan.16/2006 Edition
Price on that date \$2.17 CDN
Second feature in Feb.7/2006 edition
Price on that date \$2.04
Third feature in Mar.21/2006 Edition
Price on that date \$1.95 CDN
Fourth feature in July 12/2006 edition
Price on that date \$1.40 CDN
Fifth feature in Oct.3/2006 edition
Price on that date \$1.00
Current price \$1.28 CDN

Atna is drilling their Jarbridge project in Nevada and assay results from this drilling are pending. The company's key project is their Pinson project in Nevada in which Barrick Gold earlier this year decided to exercise their back-in rights. This back-in decision came after Atna experienced much success with this discovery. In order for Barrick to earn back a 70% interest and leave Atna with a 30% interest, Barrick is required to spend the

next \$30 million to further develop the project. Since the announcement of Barrick exercising the back-in right, we have not heard anything about their development plans. Barrick only has until 2009 to spend that money to earn back a 70% interest so we think they will be starting a large amount of work in the near future. We look forward to announcements on Barrick's development plans for Pinson and the results from drilling at the Jarbridge project. We are shareholders of the company.

Atna's stock symbol is ATN and the shares trade on the Toronto Stock Exchange. Their website is www.atna.com. Their website contains past news releases and additional information to do your own due diligence.

Bear Creek Mining

First featured in Sept.19/2005 edition
Price on that date \$2.96 CDN
Second feature in Nov.1/2005 edition
Price on that date \$3.20 CDN
Third feature in Feb.7/2006 edition
Price on that date \$4.17 CDN
Fourth feature in Mar.21/2006 Edition
Price on that date \$5.96 CDN
Fifth feature in July 12/2006 edition
Price on that date \$7.17 CDN
Sixth feature in Oct.3/2006 edition
Price on that date \$9.30 CDN
Current price \$10.80 CDN

Bear Creek has been doing a great deal of drilling on their Corani project and the size of this silver and base metals discovery just keeps getting bigger. There are three main zones where the previous resource calculations come from and a recent update to the calculation continues to increase the size of the resource. The results of the drilling to date recently prompted Silver Wheaton to increase their shareholdings of Bear Creek to around 19%. Since they paid over \$9.00 per share, they obviously believe there is still a lot of blue sky left. We agree. In addition to the Corani project, the Santa Ana project, located around 115 km to the south, has seen limited drilling so far but the results to date show that this is another promising project. Drilling has encountered good grades of silver lead and zinc over good intersections. Most of these intersections are at or near surface and there is an access road that goes right beside the property. We look forward to more development work from Corani and more drill results from the Santa Ana project. We are shareholders of the company.

Bear Creek's stock symbol is BCM and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.bearcreekmining.com. On their website you can find past news releases and additional information to do your own due diligence.

Candente Resource Corp.

First featured in May.9/2006 edition
Price on that date \$1.10 CDN
Second feature in July 12/2006 edition
Price on that date \$1.06 CDN
Third feature in Oct.3/2006 edition
Price on that date \$0.81 CDN
Current price \$1.30 CDN

Candente continues to move the Canariaco project forward. They are focusing on drilling in the area where a started pit could be and expanding the size of the resource in this area. They have also been drilling deep holes to test the depth potential and it is going very well. All results continue to encounter long intersections; one recent hole was over 480 metres of a little over 0.50% copper. The intersections are near surface starting at around 10 metres below surface so it is definitely an open pit type project. The ongoing drilling is designed to add confidence to what is a large resource and expand the size in all directions. In addition to the Canariaco project, drilling is underway on other projects. Recently the company announced results from their joint venture project with Mitsui Mining and Smelting Co. of Japan. One of the holes from this project in Central Peru had a highlight hole that averaged 0.94% lead and 5.98% zinc over 22.70 metres. These encouraging results come from drilling that only tested approximately 525 metres of strike length in an area of favourable rock that outcrops for over 9 kilometres. Based on these results we feel it is reasonable to believe that there will be an aggressive amount of drilling in the future. In our opinion Canariaco is a project that could turn Candente into a producer and the other projects are a bonus if they come up with additional encouraging results. We are shareholders of the company.

Candente's stock symbol is DNT and the shares trade on the Toronto Stock Exchange. Their website is www.candente.com. Their website contains past news releases and additional information to do your own due diligence.

Exall Resources

First featured in Dec.07/2005 edition
Price on that date \$1.34 CDN
Second feature in Mar. 21/2006 edition
Price on that date \$1.68 CDN
Third feature in July 12/2006 edition
Price on that date \$2.05 CDN
Fourth feature in Oct.3/2006 edition
Price on that date \$2.32 CDN
Current price \$3.95 CDN

Exall and their joint venture partner Southern Star Resources are in the process of merging that will consolidate their Red Lake gold discovery into a 100% owned asset of

the new company Gold Eagle Mines. This merger will lead to the shareholders of both companies joining forces and will make it much easier for new investors that like the project because they will no longer have to choose which partner's stock to own. As this merger process is working its way through the steps needed, the drilling continues to indicate that this is a multi-million ounce, high-grade gold target. As they drill deeper, the grades are getting higher – this is similar to the main mines in the area. In addition to the drilling that has been completed so far, the company believes there is the potential of more discoveries on other parts of the property. What they have found to date is looking exceptional. If they keep progressing as they have been this project could definitely be something that major mining companies would be interested in taking over to develop into a mine. It would surprise us if Goldcorp would allow another major to come into their backyard and scoop up this project. We are shareholders of the company.

Exall's stock symbol is EXL and the shares trade on the Toronto Stock Exchange. Their website is www.exall.com. Their website contains past news releases and additional information to do your own due diligence.

Exmin Resources

First featured in May.9/2006 edition

Price on that date \$0.22 CDN

Second feature in July 12/2006 edition

Price on that date \$0.195 CDN

Third feature in Oct.3/2006 edition

Price on that date \$0.30 CDN

Current price \$0.55 CDN

Exmin is focused on exploration in the Sierra Madre gold belt in northern Mexico. Several mines are currently in production and others are in the development stages in this region with large mining companies active in the area. Exmin has put together a large group of exploration projects, with several of these projects having major mining companies as partners putting up the funds for the exploration work. With a lot of projects in an important region and some of those projects funded by majors, Exmin is well positioned for success. The fact that they have been able to impress majors with the quality of their projects leads us to believe that their chances of success are very good. We look forward to results from drilling and future plans to develop their various projects. We are shareholders of the company.

Exmin's stock symbol is EXM and the shares trade on the Toronto Stock Exchange Venture market. Their website is www.exmin.com. Their website contains past news releases and additional information to do your own due diligence.

International PBX

First featured in Jan.16/2006 edition
Price on that date \$0.59 CDN
Second feature in Feb.7/2006 edition
Price on that date \$0.61 CDN
Third feature in Mar.21/2006 edition
Price on that date \$0.60 CDN
Fourth feature in July 12/2006 edition
Price on that date \$0.53 CDN
Fifth feature in Oct.3/2006 edition
Price on that date \$0.43 CDN
Current price \$0.45 CDN

International PBX recently announced encouraging results from drilling on the Tabaco project and the Copaquire project. Tabaco has an, at or near surface zone with good grades and the company is evaluating a couple of methods to bring it into production. Below this surface oxide zone there is a sulphide zone that has even better grades; the combination of these zones and the potential to increase the size makes this a very attractive project. We have been very positive about the Copaquire project because of the extremely large mines in close proximity and the favourable geology on this property and the past drilling results. Recent drilling has been focused on testing a copper zone and a molybdenum zone. The next project to be drilled will be Tierra De Oro, a gold exploration property that has strong indications of the realistic potential to make a discovery as well. We look forward to more work on all these projects and feel that the company's long-term commitment to exploration in Chile is going to be rewarded. We are shareholders of the company; we have been, but are no longer, a consultant to the company.

International PBX's stock symbol is PBX and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.internationalpbx.com. Their website contains past news releases and additional information to do your own due diligence.

Kodiak Exploration

First featured in May.9/2006 edition
Price on that date \$0.97 CDN
Second feature in July 12/2006 edition
Price on that date \$0.40 CDN
Third feature in Oct.3/2006 edition
Price on that date \$0.62 CDN
Current price \$0.81 CDN

Kodiak is getting close to the winter drilling season and they have received permits to bring in larger drill rigs capable of drilling deep holes to follow up the encouraging results they have found in surface samples and in shallow drilling. Recently they have

added a 3 dimensional model on their website that shows the geophysics and shallow drill-hole locations. This 3D model makes it much easier to understand the scope of what they are looking for and what they need to do to understand the realistic potential. It is important to understand that this is a conceptual model and drilling will be the only way of knowing how realistic this model is but it definitely helps add to the understanding of what they are focused on. If this model only proves to be partially correct this project could have more than one very significant discovery. We look forward to the upcoming deeper drilling that should be started in the first couple of months of 2007. We are shareholders of the company.

Kodiak's stock symbol is KXL and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.kodiakexp.com. Their website contains past news releases and additional information to do your own due diligence.

Mountain Boy Minerals

First featured in Sept. 19/2005 edition

Price on that date \$0.71 CDN

Second feature in Mar.21/2006 edition

Price on that date \$0.59 CDN

Third feature in July 12/2006 edition

Price on that date \$0.61 CDN

Fourth feature in Oct.3/2006 edition

Price on that date \$0.60 CDN

Current price \$0.53 CDN

Mountain Boy has had a busy drilling season this year on a few of their projects. Their most advanced exploration project is the Silver Coin project and drilling continues to expand the size of the resource. They have another emerging discovery on their Barbara project that is also looking good with encouraging drill results. The drilling on Barbara has hit promising grades of silver, lead and zinc. More drilling will be needed to get a clearer picture on the realistic potential of this project but so far so good. At Silver Coin they have drilled 115 holes and have reported results from 68 of those holes. Previously the company had completed a resource calculation and the results from the 115 holes will be used to update the resource calculation. We look forward to the remaining drill holes from Barbara as this will help better understand the realistic potential of this project. We are also looking forward to the Silver Coin updated resource calculation. We are shareholders of the company.

Mountain Boy's stock symbol is MTB and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.mountainboyminerals.ca. Their website contains past news releases and additional information to do your own due diligence.

Niblack Mining

First featured in Dec. 07/2005 edition
Price on that date \$0.345 CDN
Second feature in Mar.21/2006 edition
Price on that date \$0.80 CDN
Third feature in July 12/2006 edition
Price on that date \$0.62 CDN
Fourth feature in Oct.3/2006 edition
Price on that date \$0.56 CDN
Current price \$0.93 CDN

Niblack has done a significant amount of work this year to advance their gold, silver, copper and zinc project in Alaska. That work included significant drilling and the building of a road that goes from tide water access to the portal that will enable underground drilling to expand the resource. The early results are very encouraging on two fronts: they add confidence to the historical resource and they have tested new areas that were not drilled in the past. The new drilling will provide data to update the historical resource calculation. The drilling is advancing this project and as more is understood it has shown many similarities to the Myra Falls mine. More work is needed to advance the project but it is encouraging to have a project that has realistic geological similarities to a known mine that has been in production for decades. We look forward to further drill results that will continue to increase the size of the resource on this project and the efforts to go underground that will enable year round drilling to aggressively test the economic potential. We are shareholders of the company and a consultant to the company.

Niblack's stock symbol is NIB and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.niblackmining.com. Their website contains past news releases and additional information to do your own due diligence.

Peru Copper

First featured in Nov.01/2005 edition
Price on that date \$2.00 CDN
Second feature in Dec. 07/2005 edition
Price on that date \$3.45 CDN
Third feature in Mar.21/2006 edition
Price on that date \$3.37 CDN
Fourth feature in July 12/2006 edition
Price on that date \$5.65 CDN
Fifth feature in Oct.3/2006 edition
Price on that date \$4.20 CDN
Current price \$3.95 CDN

Peru Copper has a very large-scale project in Peru called Toromocho that the company continues to assess the economics of bringing into production. A large-scale project like this needs a lot of funds and the expertise of a major mining company to bring into production because of its sheer size. Recently one of the largest mining companies in the world announced that they are looking at a couple of advanced projects in Peru. This is purely our speculation but we think if they are looking at large scale projects in Peru they have to consider Toromocho. If this project has one strike against it, it is the size and subsequent costs of bringing such a large-scale project into production, but this is a very good problem to have. Large-scale projects are what majors are after and Toromocho fits their size needs so we will watch closely for news on potential partners to develop this un-tapped world-class resource. We are shareholders of the company.

Peru Copper's stock symbol is PCR and the shares trade on the Toronto Stock Exchange. They also trade on the American Stock Exchange and the symbol there is CUP. Their website is www.perucopper.com. On their website you can find past news releases and additional information to do your own due diligence.

Premier Gold

First featured in Oct.3/2006 edition
Price on that date \$0.85 CDN
Current price \$1.32 CDN

Premier Gold is the company that was created to spin-off Wolfden's gold projects in Ontario, that include a very attractive group of projects in the Red Lake gold camp. In the last few days Premier Gold and Goldcorp announced the signing of a letter of intent to create a joint venture on several projects in the Red Lake gold camp. This new joint venture if finalized will significantly add to the projects that Premier is involved with and the technical expertise of Goldcorp. Recently Premier Gold completed over \$6 million in funding to further develop their various projects. The key projects in Red Lake are located in close proximity to the mines in the area and have had a lot of drilling in the past. Based on past drilling, these are very important exploration projects in the Red Lake gold camp and the new projects with Goldcorp as a partner will only add to Premier Gold's future potential. We look forward to results from drilling that is now underway to further advance these exciting gold projects in the prolific Red Lake gold camp. We are shareholders of the company.

Premier's stock symbol is PG and the shares trade on the Toronto Stock Exchange. Their website is www.premiergoldmines.com. Their website contains past news releases and additional information to do your own due diligence.

Redstar Gold Corp.

First featured in Nov.01/2005 edition
Price on that date \$0.12 CDN
Second feature in Dec. 07/2005 edition

Price on that date \$0.10 CDN
Third feature in Feb.7/2006 edition
Price on that date 0.25 CDN
Fourth feature in Mar.21/2006 edition
Price on that date \$0.35 CDN
Fifth feature in July 12/2006 edition
Price on that date \$0.19 CDN
Sixth feature in Oct.3/2006 edition
Price on that date \$0.13 CDN
Current price \$0.12 CDN

Redstar has recently reported results from drilling the Pine Nut project in western Nevada that was chosen using the AngloGold Ashanti geological database that Redstar has exclusive rights to use. The results from this drilling are encouraging because this was a first phase drilling program that encountered good gold grades in the drilling from a large geological structure that requires more work. Before doing a second phase of drilling they want to do first phase drilling on the Dry Gulch project that is located in close proximity to Gold Quarry a major gold mine in Nevada. Additionally they also want to do a first phase drill program at the North Bullfrog project that is in close proximity to the Bull Frog mine in southern Nevada. Drill rigs are being lined up for drilling at Dry Gulch and North Bull Frog. In addition to these three projects that are joint ventures with Strategic Nevada Resources the company has added two new projects in Nevada. All five of these projects were chosen using the Anglo geological database. We look forward to drilling on these various Nevada projects and hearing plans for additional drilling in the company's Red Lake, Ontario project. All these projects give the company good exposure to gold exploration in these two important gold camps. We are shareholders of the company and a consultant to the company.

Redstar's stock symbol is RGC and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.redstargold.com. On their website you can find past news releases and additional information to do your own due diligence.

Silvermex Resources

First featured in Oct.3/2006 edition
Price on that date \$0.80 CDN
Current price \$1.00 CDN

Silvermex is a new addition to the group of companies we feature in our reports and was added in our most recent 9th edition. Since we first featured the company, they have announced encouraging results from drilling on their Penasco Quemado silver project in Mexico. This drilling was to follow up on drilling that was completed prior to the company going public a few months ago. This new drilling found promising silver grades – one of the highlight holes hit 30 metres of 162 g/t silver that is near surface beginning at 18 metres below surface. More holes are pending from this drilling program and will be used in a resource calculation that is underway. In addition to drilling into this zone,

there is another area of interest that has found silver, gold, and copper in surface sampling and a few holes were drilled in this area. The company has recently acquired a new project called Cerro De Plata also in Mexico that has found encouraging surface sampling of high grade silver and copper. Drilling is being planned for this project in the early months of 2007. We look forward to pending drill results and upcoming drilling on the company's two projects. We are shareholders of the company.

Silvermex's stock symbol is SMR and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.silvermexresources.com. On their website you can find past news releases and additional information to do your own due diligence.

Skygold Ventures

First featured in Sept. 19/2005 edition
Price on that date \$0.65 CDN
Second feature in Nov.01/2005 edition
Price on that date \$0.55 CDN
Third feature in Mar.21/2006 edition
Price on that date \$1.50 CDN
Fourth feature in July 12/2006 edition
Price on that date \$1.49 CDN
Fifth feature in Oct.3/2006 edition
Price on that date \$1.57 CDN
Current price \$1.75 CDN

Skygold is in the process of doing an extensive amount of drilling that continues to advance this low-grade, high tonnage, near surface gold target. In these large tonnage projects it is important to stay focused on the drilling to expand the size of the discovery. So far they have outlined a zone that is 1000 metres by 400 metres that has excellent continuity of at or near surface mineralization. The ongoing drilling is focused on expanding the size of this discovery and will also be used to complete a resource calculation. Many holes are still pending from this drilling and it looks like they will have assay results to report for many months ahead. The surface sampling has been a very good indicator of what is below and new geophysical work combined with a large area of the untested surface anomaly suggests that this discovery can get much larger. We are shareholders of the company.

Skygold's stock symbol is SKV and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.skygold.ca. Their website contains past news releases and additional information to do your own due diligence.

Strategic Nevada Resources

First featured in Feb.7/2006 edition
Price on that date \$0.85 CDN
Second feature in Mar.21/2006 edition

Price on that date \$0.89 CDN
Third feature in July 12/2006 edition
Price on that date \$0.50 CDN
Fourth feature in Oct.3/2006 edition
Price on that date \$0.30 CDN
Current price \$0.48 CDN

Strategic has three projects in Nevada that they have an option to earn between 65-70% of in a joint venture with Redstar Gold Corp. The first of these projects drilled is the Pine Nut project in Western Nevada that the company recently received encouraging results from a first phase drilling program. This first pass at drilling this project encountered encouraging grades of gold in a limited amount of drilling in a large geological structure that will require more drilling. Plans are being worked on for a first phase of drilling on the Dry Gulch project that is in close proximity to the Gold Quarry mine. They are also planning a first phase drill program on the North Bullfrog project that is in close proximity to the Bull Frog mine in southern Nevada. After drilling is completed on all three projects, future drilling can then be prioritized for this group of projects. We look forward to the upcoming drilling on the Dry Gulch and North Bull Frog as these projects are near multi-million ounce gold mines and were picked because of their geological and geophysical features that are similar to the large gold mines in the area. We are shareholders of the company and a consultant to the company.

Strategic's new stock symbol is SNS and the shares trade on the Toronto Stock Exchange Venture Market. Their website is www.strategicnevadaresources.com. On their website you can find past news releases and additional information to do your own due diligence.

Wolfden Mining

First featured in Jan.16/2006 edition
Price on that date \$3.77 CDN
Second feature in Mar.21/2006 edition
Price on that date \$3.70 CDN
Third feature in July 12/2006 edition
Price on that date \$2.53 CDN
Fourth feature in Oct.3/2006 edition
Price on that date \$1.40 CDN
Current price \$2.61 CDN

Wolfden is focused on advancing a group of high-grade base metals projects in Nunavut toward production. These various projects can easily be called world class untapped resources. Operating mines in the Arctic region of Canada has challenges but due to the size of the projects and the high grade it looks like these projects have the realistic potential of becoming mines in the future. A key development that would unlock this potential would be the construction of an all weather road to the company's various projects, and plans are being worked on to accomplish this goal. We look forward to future developments to overcome the hurdles that remain to bring these projects into

production; due to the high-grade we think they have good potential of passing the test. We are shareholders of the company.

Wolfden's stock symbol is WLF and the shares trade on the Toronto Stock Exchange. Their website is www.wolfdenresources.com. Their website contains past news releases and additional information to do your own due diligence.

WHAT MAKES THE ALLAN BARRY REPORT UNIQUE

For the last 13 years, the editor of this report has had a career as a consultant to publicly traded junior exploration companies. Services provided to these companies include investor relations, corporate communications, strategic planning, and fund-raising.

As a consultant to small companies, one has to wear several hats:

- communicating the company's efforts to the investing community;
- communicating technical aspects of those efforts;
- being involved in raising funds for drilling and exploration;
- being involved in the technical analysis;
- and reporting of what has been found.

These efforts have provided a unique opportunity to learn, from an insider's perspective, the challenges that junior exploration companies face. Additionally it has opened doors to meeting a very accomplished group of people.

Spending this time as a consultant to junior exploration companies has provided a unique perspective that is an asset few analysts or newsletter writers possess.

IN CLOSING

We would like to take this opportunity to thank you for taking the time to read this report. We hope this information proves to be informative and helpful. We ask the reader not to post this report on any website for at least three days after you receive it and that if it is posted to post the entire report without any editing. We invite our readers to pass on our contact information to anybody they feel may be interested in receiving this report or future reports and we would be glad to add them to our email list for future publications.

There is no charge for this publication. In order to be added to our email list we need your name, phone number and email address. You can call us on our toll free number at 1-877-574-4575 or locally at 604-574-4575 or email allanbl@shaw.ca with the above information.

Regards,

Allan Barry Laboucan,
Editor and Writer
Allan Barry Reports

Disclaimer: The information included in this Allan Barry Report on Precious and Base Metal Exploration, is for information purposes only. No statement or expression of opinion, or any other matters herein, directly or indirectly, is an offer, solicitation or recommendation to buy or sell any securities mentioned. The information contained in this e-mail is drawn from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it does the editor Allan Barry Laboucan or his companies, or affiliated companies, assume any liability. We do not receive or request compensation in any form in order to feature companies mentioned herein. The editor may have equity positions in companies referenced in this newsletter, or offers consulting services to these companies and will notify the reader of these positions or services provided to the company in the section of the report on each individual company. The editor his personal company or affiliated companies, disclaims all responsibility and accepts no liability (including negligence) for the consequences for any person acting, or refraining from acting, on the information provided in this publication.