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“Hume with a View” Jan. ’08

Barbara Bury Uses Perfectly Legal “Inside” Information to Build Wealth

...and you, too, can capitalize on her “common sense” “investment strategy



Ron Hume, Publisher

Recently widowed, Barbara Bury inherited enough money to pay off her mortgage. She had about \$100,000 left over, and this she decided to add to an already existing investment portfolio that she and her husband had established during his lifetime.

After some careful thinking, she liquidated her current portfolio and invested half of the available funds with a reputable fund manager. The other half she decided to manage herself. Here’s why:

Barbara is a medical writer/editor. As such, she provides written support and documentation for clinical trials run by both big and small pharmaceutical companies. Over the years, she noticed a phenomenon common to small-cap pharmaceutical companies. Barbara describes this phenomenon.

Publicly Available Information Worth its Weight in Gold

“When press releases from small-cap pharma companies report that a drug trial is going well, a delay of days or weeks might occur before the news reaches the mainstream media — if it does at all. Clinical trials of drugs are divided into three

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With Eyes on the Ground in Mexico, Soltoro is Attracting Senior Partners to the Fiesta

This junior Canadian exploration company operating in Mexico has an impressive formula for success that includes local mining expertise, senior geologists in the field, and blue-chip joint-venture partners.

Pure exploration company Soltoro Ltd. (SOL: TSX-V) is betting that plenty of gold, silver and copper strikes are still to be found in Mexico. This Canadian junior has set its sights on the Pacific coast state of Jalisco, which has long been ignored despite good geology great infrastructure, and strong economic underpinnings. The company was set up in September of 2005. Then after assembling a package of promising mining properties in Jalisco, Soltoro went public in August 2006.

Jalisco’s promise has been recognized by experts. Independent consulting geologist Dave Fitch rated the Mexican state as “one of the most mineralized states in Mexico.” Fitch elaborates: “To date the region has been largely ignored by exploration companies, despite the area’s vast potential. I predict the discovery of world-class polymetallic or gold deposits at some future date.”

Today, Soltoro is well-financed with \$1.5 million in cash, holds the best land positions in Jalisco State, has two major polymetallic/porphyry copper-gold-silver properties under joint venture, and an experienced Mexican geological team focused on finding large tonnage, open-pit deposits.

Canadian, But All the Action Is In Mexico

“Eyes on the ground’ is our motto, and our geologists aren’t sitting in an office, but are in the field actively staking, acquiring, and exploring district scale property positions. As a result, we’re spending a large portion of money raised in the ground,” says Soltoro’s co-founder and President Andrew Thomson. “We’re actively drilling properties to find world class deposits. These include programs being funded by partners and operated by partners.

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With Eyes on the Ground in Mexico, Soltoro is Attracting Senior Partners to the Fiesta

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There are many different models out there, but ours is to build an experienced team, support them with the right equipment, and tie up properties that have district scale potential and continue to move these forward by finding the appropriate partners to bring them to production."

Proven Joint-Venture Partners Are on Board

"We did a fair amount of staking early," explains Thomson. "Our model is to get majors involved with us... and in the last year we did just that, completing two fairly substantial joint ventures."

This past August, Soltoro inked a joint-venture deal with Sumitomo Metal Mining Co., one of Japan's leading copper mining and manufacturing companies, for its 11,526 hectare La Tortuga Copper Gold Porphyry project.

Soltoro will be the operator of the project until Sumitomo has earned a 51% interest. Sumitomo has committed to US\$500,000 in the first year and will earn its controlling stake

by spending another US\$3.5 million over the following four years. Sumitomo ultimately can raise its stake to 70% by completing total expenditures of US\$20 million or by delivering a bankable feasibility study. "It puts a US\$28-million valuation on the property so it's a substantial joint venture," says Thomson. **"Soltoro's deal with Sumitomo demonstrates its belief in Mexico's potential to host world class copper gold porphyry deposits and Sumitomo's belief in our ability to successfully operate in Mexico."** At La Tortuga, the first phase of drilling is underway and is designed to test a minimum six targets within the main porphyry zone.

Soltoro's other joint-venture, the Quila Copper Gold Porphyry project, was established at the beginning of 2007 with Southern Silver Exploration Corp. Southern Silver must spend US\$3 million on exploration and provide Soltoro 500,000 shares of Southern Silver over five years to earn a 51% stake in the project. Directors and management of Southern Silver were part of the team that discovered Penasquito, Mexico's largest bulk tonnage deposit.

"In our particular case, we've managed to partner with one of Japan's leading copper mining and smelter companies and also partner with the group that found the largest bulk-ton deposit in Mexico," notes a clearly satisfied Thomson. "Jalisco is an area that has

seen little drilling, and we have got, I think, two of the best partners."

Thomson contends, "Major players such as Sumitomo are now looking to exploration companies to provide eventual supply to their smelters because mid-tier producers are all being acquired and expansion through acquisition is becoming limited. Mexico can be considered unique in that it is part of NAFTA, yet most of its producers are Mexican. As a result, Mexico is becoming more attractive to the majors over other Latin American mining hot spots such as Chile and Peru as the perception is that it will be much more difficult for Mexico to introduce onerous royalties. Soltoro's strategy of tying up district-scale bulk tonnage potential properties is designed to meet that demand."

A Golden Flagship With a Silver Cargo

Soltoro's flagship property is its El Rayo project. At this property, the company is exploring for bulk mineable silver-lead-gold deposits and already has significant surface and drill intercepts within the historic, seven million ounce silver resource area and along the strike in both directions. "We have identified five kilometres of mineralized strike with bulk tonnage potential for both gold and silver," says Thomson. "Drilling to the north west and north east has identified exciting new gold and silver zones beyond the historic silver resource area."

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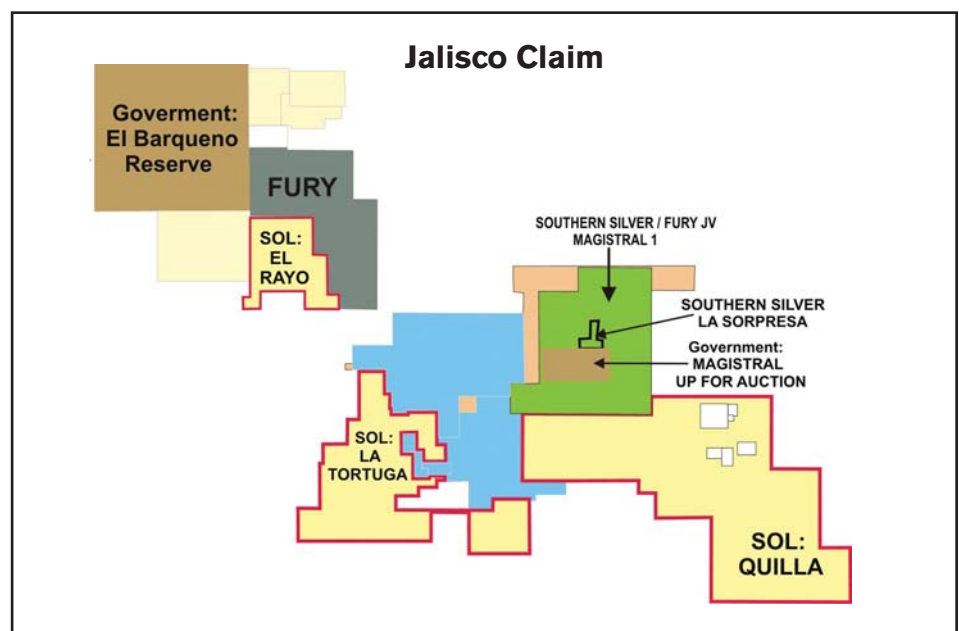
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The Hume Report.



Using Breakthrough Technology, MicroPlanet, a Clean Tech Company, is Transitioning from Research & Development to Large-Scale Commercialization

Common sense is not always common practice. For example, you wouldn't want your dental x-rays taken on a machine designed in the 1800s. You would probably argue, and with some conviction, that science has evolved significantly since then, and you would want to benefit from that evolution.

Here's the rub: The electricity that is powering the light you are now using to read this text — as well as every other electrical device in your office or home — is being delivered to you via a “grid,” *the design of which has remained essentially unchanged since the days of Edison.*

The grid system didn't even have a very efficient design to start with. Essentially, it works not unlike those massive “water parks” for kids you see everywhere today in urban centres. To make sure that the very last attraction on the pipeline has proper pressure, the attractions earlier in the circuit get *more* pressure than they actually need. So, as long as the very last system works correctly, or at least *adequately*, the design is considered satisfactory.

But *satisfactory* is not the same as *optimal*. And delivering precious electricity to an entire planet is not the same as pumping water into a kid's park.

[**Note:** The fine print on your monthly hydro bill likely contains a disclaimer pointing out that some of the electricity sent along the grid to you every single day *disappears* on route — as a result of the “overpressuring” referred to above — *but you are being charged for it anyway!*]

A “Pure Play” that Improves the Efficiency of the Electrical Grid

With wastage of this magnitude going on for over a century, planet wide, you would expect that the electrical grid would be substantially more efficient today than it is. Although the utilities

have certainly made improvements over the years, there are still huge gains to be realized, according to Bruce Lisanti, CEO of MicroPlanet Technology Corp. (MP: TSX-V) — a *“pure play” that reduces energy consumption and, improves power quality.*

Lisanti is an experienced, “get-things-done” sort of guy who boasts former stints at Electronic Data Systems and General Electric — where he was instrumental in growing the Computer Services Division from start-up to over \$1.2 billion in revenue. He explains, “MicroPlanet is offering extremely cost-effective solutions for our commercial, residential, and utility customers. Our products typically reduce electrical consumption by 5% to 12%, with no behavioral changes required by the customer. We believe MicroPlanet is the only company that can make this claim — a claim backed by hundreds of successful on-site tests carried out around the globe.”

Lisanti explains further, “Our *commercial* and *residential* products are all about energy conservation. Our technology monitors the incoming

voltage every few cycles and dynamically manages it, up or down, exactly as needed. Most customers are getting more voltage than they actually need — the excess is usually dissipated as heat. You end up paying for something you are not using and wasting electricity.”

Major Utilities Also Interested...

According to Lisanti, the real proof of the pudding lies in the increasing demand for MicroPlanet's products by the utilities themselves:

“Our products for the utilities improve power quality by raising voltage at the end of feeder lines as needed. **This reduces flicker, brownouts, and other symptoms of low voltage. We help to provide consistent steady power at an economic price point.**”

Lisanti sums up, “MicroPlanet's products **make the grid more efficient by optimizing voltage at the point of consumption.** That's the key! **For every kWh of energy you save on the consumption side, according to the U.S. Department of Energy, you save**

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**Contact Rudy DeCorte at 416-644-0041
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Using Breakthrough Technology, MicroPlanet, a Clean Tech Company, is Transitioning from Research & Development to Large-Scale Commercialization

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up to three kWh on the production side. That is due to the inefficiencies of generating energy from fossil fuels and losses in the distribution grid. **Our products can save substantial amounts of energy on a global scale."**

In Transition: From Testing to Large-Scale Production

Lisanti underscores that investors might want to keep a close eye on MicroPlanet in 2008 as his company undergoes a transition from research and development to production, and ultimately to very-large-scale commercialization.

He explains, "The large order from Ergon Energy in Australia, based on their successful lab and field testing, represents a true milestone for MicroPlanet — the first step toward major production. We have some \$6 million of orders from utilities in the pipeline now, and this is merely the beginning. MicroPlanet is now working with twenty other utilities in Australia

and around the world, which are showing considerable interest.

"In 2008 we also expect to be transitioning many of our commercial customers, who have been doing tests with us, to large scale rollouts. **These customers have consistently seen savings of 5% to 10% on the kilowatt side, in addition to a dramatic improvement in power quality.**

Our work at the Kapalua Resort in Hawaii, for example, proved energy savings over 12% in a retail store. We have successful pilots running with large chains in grocery stores, fast food restaurants, and convenience stores, etc. in California, Hawaii, Colorado, and New England in addition to multiple locations outside the U.S."

Lisanti underscores, "Power **quality** is a key issue. To commercial customers with specific production goals to meet, the challenge is not merely to reduce costs, **but also to provide consistent power that works optimally with their equipment to maximize throughput.**

For example, if you are boiling water in the coffee business and you are not getting optimal power, your ability to boil water quickly and predictably suffers. At the other extreme, if you are in the ice business and your voltage is low or fluctuates, the water does not freeze as hard or as quickly as it needs to, and productivity is

reduced. **These are the types of productivity improvements that MicroPlanet technology can address, and many others as well.**

"Plus," Lisanti adds, "The useful life of a client's machinery is extended with optimal voltage levels. The equipment runs cooler, more efficiently, and lasts longer. That's another **quantifiable** benefit that customers are happy to pay for."

Potential \$35.0 Billion Market Size...

"We like to be cautiously optimistic in making projections," says Lisanti, "but with 2008 as the turning-point for us, we believe the future growth of MicroPlanet could be spectacular.

"Take, for example, residential, **it will ultimately be the biggest market for us.** We have been working with large builders and property managers, companies that build and manage tens of thousands of properties. These companies are running pilot programs, which are now testing our equipment in their specific environments. These pilot programs are producing extremely good results and should lead to very large deployments. The potential market for us in residential conservation is huge." ■

MicroPlanet Technology Corp. trades on the TSX-V under the symbol (MP). At the time of this writing, the company's shares were trading at \$0.84. For further information, contact Gerry Wimmer by email at gwimmer@investorfile.com or by phone at 416-360-8895 or toll free at 1-888-894-8222. MicroPlanet's website can be accessed at www.microplanet.com.

Did you enjoy "Hume with a View?"

If so, we are interested in hearing from others who have established their own unique investment philosophy that yields wealth generating results. Please contact me at r.hume@hume-media.com with a brief explanation of your personal wealth building strategy, and if your ideas seem applicable to other private investors, we will feature your story in a future issue of **The Hume Report**.

Note: This article may contain forward-looking information. Actual future results may differ materially from those contemplated. The risks, uncertainties, and other factors, both known and unknown, that could influence actual results may be substantial and include those described in documents filed with regulatory authorities, such as the company's most recently filed annual and quarterly results and annual information form. Accordingly no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the company will derive therefrom.

Cuervo Resources High on Iron in Peru

Junior exploration company Cuervo Resources believes that Canadian mining talent overlooked Peruvian iron ore and that resources-hungry China is a recipe for riches.

Toronto-based iron ore exploration company Cuervo Resources Inc. (CNO: IRON; FWB: CRR) may have gone public only last May, but its management points out that it has patiently been building itself into an impressive outfit with local and international expertise for more than three years. The company is currently using the same patient approach in the Andean highlands of Peru, where it is drilling to ascertain the size of ore deposits on some of its total 12,000 hectares of 100%-held properties.

While Peru is famous in mining circles for its extensive gold and copper deposits, Cuervo's management decided from the outset to concentrate on iron ore. ***It turned out to be a shrewd strategy: prices for the main ingredient of steel has soared to record prices in recent years — a result of the voracious demand from developing countries such as China and India.***

"We focused on iron ore and no one cared so we staked and purchased the lands for next to nothing," says Brian Berner, Cuervo's Chairman, a 30-year investment industry veteran. Initially, the company flew under the mining establishment's radar, but this has changed as hunger for iron ore has grown. "The demand for iron is huge" Berner reiterates.

"Picky" in a Buyer's Market

When Cuervo president John Siriunas went searching for iron ore properties in Peru, he was highly selective. His 30-plus years in the mining business, and with degrees in geological engineering and applied geology, helped him find what he was looking for — what is now the Cerro Ccopane iron property in southern Peru. Located 65 kilometres from the regional capital of Cuzco, 600 kilometres southeast of Lima, the site

is close to road and rail transportation and local population centres.

Perhaps more importantly, Siriunas zeroed in on lands with extremely high-grade, easy-to-mine iron deposits. "With this grade of iron ore, we don't have to pelletize it," enthuses Berner. "Our processing costs could be inexpensive; the iron ore can most likely be separated by magnets. Many iron mines in Canada are 25% to 40% grade; we're in the mid-50% to 60% range. Steel mills like to have their iron ore in about the mid-60% level so you can see that very little processing is needed to get our iron ore up to that level. It is almost 'mill-ready.'" The "impurities" among the iron ore include sulphur (which has some industrial uses) and copper. "The copper is the wild card," says Berner. ***"If the copper comes into play, I have no idea where the stock will end up!"***

Size Really Matters in the Iron Business

Cuervo intends to spend the balance of 2008 proving the size of its iron deposits in five known zones on the Cerro Ccopane property. By spreading fixed costs over a bigger resource base, a deposit of 500 million tons of iron ore is worth far more than twice what a 250 million-ton deposit would be to a potential buyer. Cuervo believes it can identify 250 million tons of iron ore in the ground. "Our goal is to find one billion tons of iron, and that would be a world class project," says Berner. If Cuervo's Cerro Ccopane lands turn into a billion-ton property, the math is compelling. With iron selling for \$150 spot price a ton on the docks of Shanghai, the company's management team conservatively forecasts that the world's major iron miners would pay Cuervo \$2.00 per ton for iron in the ground.

Cuervo Has an Exit Strategy

While the company has world-class geologists currently proving its Peruvian deposit, Cuervo has no interest in developing the property. "We are not going into production. Our goal, our strategy, is find it, prove it and sell it," explains Berner. "The goal is by the end of 2009 to have found and proved the full extent of our iron deposits. Then, we will be in a position to sell the company to an established producer with the facilities to mine the iron deposits that Cuervo has discovered." He believes there are plenty of potential buyers: "BHP Billiton or Rio Tinto, CRVD or the Chinese government, the South Koreans, an Indian steel company, an Arabian steel company, any steel company." Whereas precious metals producers get most of the attention from investors, the world is increasingly built of steel and concrete. "Iron ore is not well understood," Berner adds. "It is an industrial metal, it is under a cartel, and pricing is protected. ***All we have got to do is find it and prove it and someone is going to buy us.***"

Just Do the Math

At Cuervo's conservative takeout price of \$2.00 per ton, the company would be worth \$1 billion for a proven deposit of half a billion tons and \$2 billion at the world-class size of one billion tons. "Right now there are 33 million fully diluted shares outstanding," said Berner. "If we issue more stock to fund the whole exploration program for the next two years and have 50 million shares outstanding, that is \$20.00 a share in a takeover in two years." With a half-billion ton discovery, Cuervo's stock has had a good run on the CNO

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Cuervo Resources High on Iron in Peru

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exchange since September, running from the 50 cents per share range to as high as \$2.60 a share more recently.

Drilling at the Top of the World

Cuervo has a “massive” drilling program planned for 2008 on its property, which is perched on elevations between 11,000 and 15,000 feet. Three diamond drills will be working full out to determine the size of deposits on its first Peruvian target area by the end of May, before moving on to the other two-

thirds of its property. “We are planning to do geophysical (magnetic and gravity) surveys on the other two thirds of our property and identify targets so then the drills will move,” says Berner.

“We are spending, we are looking to hire a metallurgist specialist so we expect to be announcing a regular stream of news during the coming year,” enthuses Berner. “Really big news every quarter, March, June, and September. **We have stumbled onto something that everyone only dreams of.**” ■

Cuervo Resources Inc. trades on the CNQ under the symbol (IRON) and on the FWB under the symbol (CRR). At the time of this writing, the company's shares were trading at \$1.80. For further information, contact Cuervo Resources Inc. by email at investors@cuervoresources.com or by phone at 416-203-3957. Cuervo Resources Inc.'s website is at www.cuervoresources.com.

Note: This article contains forward looking statements about material factors or assumptions that may impact the future success of Cuervo Resources Inc. These factors include the success of testing new technologies; the granting of patents; political factors in areas where the company is operating; and the company's ability to raise the capital necessary to fund its exploration activities. Cuervo's management believes a reasonable basis exists for making the statements set out in this article.

With Eyes on the Ground in Mexico, Soltoro is Attracting Senior Partners to the Fiesta

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Thomson is excited as the strike of the mineralization has been expanded significantly and a 5,000 metre drilling program has just been completed and will start to define a resource in 2008. It could be Soltoro's anchor asset. “The potential of El Rayo has yet to be realized and results from previously undrilled areas provide us with encouragement that a much larger system may be driving the known mineralization to date.

Soltoro is also investigating for a bulk tonnage gold deposit at its Bacanora copper gold project. The company has found gold contained in intrusive rock and believes the property is the gold source feeding placer deposits downstream along the Yaqui river.

In total, the company has 13 projects that have been acquired and staked to hold over 100,000 hectares “We managed to acquire these land positions prior to the current boom and are starting to see substantial prices paid for quality exploration plays” says Thomson. “As we move into our second year we expect to complete subsequent joint ventures with senior firms to bear out the value of our properties.”

For Soltoro, the World Has Changed for the Better

World metal prices are more conducive

to mining in Mexico than at any other time since the country opened itself up in the early 90s. “In the last round of Mexican mining development, copper was at 65 cents (a pound), silver was at \$5.00 (an ounce) and gold was at tops \$365 (an ounce),” underscores Thomson. “You now have \$850 gold, \$15 silver and \$3 copper. What really has happened in Mexico is that a lot of the polymetallic deposits, which have the tonnage potential that the majors need to expand, are suddenly very economic and substantial assets. The market has been slow to react, but as the majors continue to look further down the pipe for tonnage, the companies holding these assets will reap the rewards.”

Couple that with world-class infrastructure, nearby Pacific ports, and proximity to U.S. markets and you have a winner. “You would be hard pressed to find anywhere else in the world that has as good an infrastructure and is close enough to North America that you can fly ten analysts down and get them onto your property,” adds Thomson.

A World-Class Management Group

Soltoro believes it has the top team of geologists in the country in the quartet of Chris Lloyd (a former senior geologist with Minera Cominco); Alvaro Lopez Picos (geologist with Western Silver,

Cominco and Kennecott); Illeana Camacho Guerrero (Western Silver, Cominco and Cyprus Minerals); and Feliciano Barrios Rodriguez, a former geologist with Consejo de Recursos Metalicos. All have spent the balance of their careers working in Mexico.

Andrew Thomson has been a mining entrepreneur since 1993, and the company's directors, including former Geomaque Explorations executive Phillip Walford, are “a working board and management team with a median age at about 48 so that we are all at a pivotal moment in our careers,” concludes Thomson. ■

Soltoro Ltd. trades on the TSX-V under the symbol (SOL). At the time of this writing, the company's shares were trading at \$0.66. For further information, contact Soltoro Ltd. by email at contact@soltoro.com or by phone at 416-987-0722.

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“Hume with a View” Jan. '08 Barbara Bury Uses Perfectly Legal “Inside” Information to Build Wealth

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phases before a drug goes to market and should news of a successful outcome at any of these phases reach the general public, the pharma company usually enjoys a substantial run up in share price.” Barbara continues, “My investment strategy is really very simple. I buy shares of small-cap pharma companies on good news available on company websites — before it reaches the mainstream business press. I am very conscientious, and I track my companies regularly and carefully.” (Editor’s Note: Usually, when a large pharma company with a wide range of products releases good trial results, its shares do not enjoy the same kind of dramatic increase in value as small-caps because taking one more successful drug closer to market does not increase the companies overall profits as dramatically as is the case with the small pharma companies, which have a much more limited line of products.)

Here is how Barbara describes what happened when she put her personal investment strategy into practice: “In 2006, my professional investment manager did very well. He generated a return of almost 12% on the investments he managed for me.” She smiles, “but I did very much better. I enjoyed a return of over 28% from the stocks I managed myself.”

Think Like an Investor When You Encounter Something New

“It’s not that I throw a dart at a board when I pick stocks.” Barbara adds, “My job allows me to follow trends. Now that the boomers are aging, it makes sense to focus on therapeutic areas concerned with cardiovascular issues, ophthalmologic ones, orthopedic innovations, and so forth. I call them my boomer stocks.” Barbara adds, “I picked my very first small pharma company when I was working up a case history from case notes for a client. The subject was suffering from pulmonary fibrosis. At one point during his illness, he developed a cardiac arrhythmia called atrial fibrillation (AF). He was given a drug to reinstate a normal heart rhythm. As is my habit, I checked the drug for its efficacy and its adverse effects only to find one of these was to cause pulmonary fibrosis!

“I checked this out with my client and was told that this drug was the only one that could be used in this case, and that from a risk-benefit point of view, no better alternative was available. Shocked, I searched the web and found one small-cap pharma company that was developing a much safer competitive drug. I bought a bunch because AF is reaching epidemic proportions amongst boomers. It is estimated that uncontrolled AF will contribute hugely to increasing the incidence of stroke amongst aging baby boomers five-fold. So it’s easy to see that a safe drug would be blockbuster of immeasurable proportions.

“My small-cap company is expecting to disclose interim analysis results of the 2B phase of its clinical trial next month, and I am expecting a significant kick-up. If it does do well in phase three, it may be a take-over target by one of the big pharma companies — then I’ll sell. Big pharma does not move fast enough for me!”

A Common Sense Approach to Building Wealth

With the confidence that comes with success, Barbara now uses her reasoning powers to uncover other investment opportunities in areas outside the pharmaceutical industry. She describes two investments that paid off handsomely for her in 2007:

“Early last year, I was driving down the 401 surrounded by tractor trailer trucks. I was listening to an economist on my car radio explain why the price of oil was almost

certain to break through \$100 per barrel within the upcoming year. At that same moment, my car passed a train hauling hundreds of shipping containers, and it occurred to me that it must be much cheaper to ship goods by train rather than by trucks and that an increase in oil prices would almost certainly result in more business for the railways.” She adds, “It’s just common sense, really.”

The next day, Barbara did some checking into railway stocks and concluded that two high profile companies were probably undervalued and had not yet factored in the impact that higher oil prices would have. She bought shares in each of these companies. At the time of this writing, she enjoys a return of 27% on one of these and 26% on the other.

How You Can Capitalize on Barbara’s Investment Strategy

The moral to Barbara’s story is pretty clear. Without knowing it, you may be sitting on valuable “inside” information that comes to you though your job or simply by observing how changing lifestyles or new technologies can impact significantly the fortunes of companies in a particular industry. A little thinking about your own world may also reveal investment opportunities that you have not realized are yours for the taking. Just remember, the next time one of your children brings home that hot new toy or electronic gadget, you may be looking at a lucrative investment opportunity. ■

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Less Than a Year Old, Victory Nickel Boasts Top Management and a Billion Pounds of Sulphide Nickel Resource

Victory Nickel Inc.'s (NI: TSX) CEO René R. Galipeau gets right to the point: "To say that we are flying under the radar is an understatement. Our firm was created only months ago, in February of 2007. Victory Nickel has in excess of 660 million pounds of measured and indicated resource, plus another half-billion pounds of 'inferred' resource. And, that's just the beginning..."

Three Major Projects in Play

Victory Nickel, spun off from the nickel assets of Nuinsco Resources Limited (NWI: TSX) is proud that it has three significant sulphide nickel projects on the go, each with significant upside:

Minago, Manitoba: 100% owned by Victory Nickel and located 225 kilometres south of Thompson, Manitoba, with a power line, highway and rail access close by the site. As it now stands, Minago is **one of Canada's largest undeveloped nickel deposits** with a measured and indicated (M&I) resource of 49 million tonnes grading 0.516% nickel (10.3 million tonnes measured grading 0.593% nickel and 38.8 million tonnes indicated grading 0.496% nickel), plus an additional inferred resource of 44 million tonnes grading 0.528% nickel.

"But that's not the whole story," insists Galipeau. "All this resource is concentrated in what we call the 'Nose' deposit. We have just recently started looking at another target area called the 'North Limb'. Our first drillhole at that location suggests **an additional resource of similar magnitude could be there or an extension just waiting to be found.** The scoping study economics — which shows a Net Present Value of \$334 million at an 8% discount rate using a \$7.43 per pound nickel price — are robust, and the definitive feasibility study is expected to be completed in October of 2008."

Mel, Manitoba: A Joint Venture with industry superweight Vale Inco, Victory Nickel has already earned a 100% ownership interest, subject to its partner's contractual right to "back-in". This **near-surface resource** is 4.3 million tonnes of indicated resources grading 0.875% nickel, which translates to 83.0 million pounds of nickel. Additionally, an inferred resource of 1.0 million tonnes grading 0.839% nickel (which translates to about 19.0 million pounds of inferred nickel resource) has been identified. "We will be talking to our partner in early 2008 to determine next steps," says Galipeau. "**Near-term production is a distinct possibility.**"

Lac Rocher, Quebec: Located in northwestern Quebec, some 140 kilometres northeast of the village of Matagami and about 50 kilometres east of paved Highway

109, this is a high-grade discovery with significant near-term cash-flow potential. 'M&I' resource totals 1.2 million tonnes grading 0.93% nickel (849,000 tonnes measured grading 1.05% nickel and 341,000 tonnes indicated grading 0.64% nickel), for a total potential deliverable of about 25.0 million pounds of nickel. "**Testing confirms that a highly marketable concentrate can be produced from the massive sulphide discovery here. Our goal is to begin extracting Phase One, approximately 50,000 tonnes grading about 4% nickel, prior to the end of 2008,**" adds Galipeau.

An Aggressive Game Plan...

"All three projects are moving forward," notes Galipeau, "**and we are confident that the next few months will move us closer to our goal of being a nickel producer.**"

He explains, "While Minago appears to be getting the most attention, Mel and Lac Rocher have a different — and potentially very rewarding — geology. The mineralization is closer to the surface, and we can reach it more quickly, perhaps only in a matter of months. **Translated into dollars and cents, this gives us a major advantage on a go-forward basis.**"

The Minago "Frac Sand" Connection = More \$\$\$

Adds Galipeau, "Another aspect of Minago that deserves some attention is the fracturing or hydraulic 'frac' sand that we have to remove to get to the nickel. To be perfectly honest, at first we thought this was merely **overburden** — no more than an obstacle to be removed at our cost as we moved forward to make a mine.

"However, our engineers flagged the real story for us. Frac sand is used to enhance recoveries in the oil and gas industry, and a significant percentage of this material is of 'frac sand' quality. Sand that is not frac sand quality is also potentially saleable. Even the limestone that overlies the sand layer and the nickel mineralization may have a market as aggregate used for road or railway beds. Far from being a nuisance, **it turns out that these products are the equivalent of a cash crop for us, a true prize, a bonus.** And here is the upside: it may make much of our development work at Minago self-financing.

Early data suggest that up to 43% of the sand 'overburden' has been identified as potentially saleable to selected buyers who, by the way, have already expressed interest."

Talent Talk...

Nor is Victory Nickel shy on the second most important asset for any mining company — human capital! Galipeau himself boasts over 30 years of extensive experience in the sector, including senior positions with Hudson Bay Mining, Breakwater Resources, Lac Minerals, and Rio Algom. And Company Chairman Warren Holmes is a mining engineer who spent 38 years with Noranda and Falconbridge, most recently as Senior Vice President of their Canadian Mining Operations. "This is serious, hands-on experience," Galipeau notes.

A Major Re-Pricing Opportunity

Galipeau's final observation: "I was looking at the market caps of other juniors in our class, with our quality and quantity of resource, and **I could not help but notice that, per pound of resource, Victory Nickel trades at the lowest market cap in the industry.**

"In fact — and I emphasize these are my own observations only — **the competing company that most closely resembles us currently has a market cap almost ten times ours.** Granted, they are about a year ahead of us schedule-wise, but I sincerely believe that the market will ultimately take note of this seeming undervaluation and adjust our value accordingly." ■

Victory Nickel Inc. trades on the TSX under the symbol (NI). At the time of this writing, the company's shares were trading at \$1.05. For further information, contact Victory Nickel Inc. by email at admin@victorynickel.ca or by phone at 416-363-8527. Victory Nickel Inc.'s website is at www.victorynickel.ca.

Note: This article contains forward looking statements about material factors or assumptions that may impact the future success of Victory Nickel Inc. These factors include the success of testing new technologies; the granting of patents; political factors in areas where the company is operating; and the company's ability to raise the capital necessary to fund its exploration activities. Victory Nickel's management believes a reasonable basis exists for making the statements set out in this article. Carry out your own due diligence before investing in any publicly traded company.