



Ticker Trax

By Thom Calandra

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The tooth of the matter

This Issue: Lithium ... light oil ... & love

Welcome to [*Ticker Trax*](#)[™].

In this, our eighth full issue (*plus numerous interim updates*), we run a lithium CEO's comments directly to subscribers.

We update our strong and steady Planetary Prospects: Central Fund, Great Basin Gold, Avanti Mining, Endeavour Silver and BioCryst

Pharmaceuticals. (*Please see sidebars and main text*).





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Plus, for those of you who like fast trading – something we here at *Ticker Trax* do not participate in -- we post the latest speculation about **Ivanhoe Energy**, the heavy oil exploration company. (*We here at home do not own shares of Ivanhoe Energy or Ivanhoe Mines.*)

Finally, I wanted to say the [Bahamas investment conference](#) was a cozy event that got me up to speed with a Mexico silver company I was not aware of: **Paramount Gold & Silver**. I also got to witness a tonne of secular and specific charts, charts and graphs ... and to digest (no, not the conch) an array of global economics from a classy panel of presenters. I spent time with David Skarica, Mike Swanson of Wall Street Window, Bill Murphy of GATA, Joe Martin of Cambridge House, Peter Aitken of Union Securities in Toronto, Tom MacNeill of 49



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North Resource Fund in Saskatchewan ... and even a brother, Michael, who took that picture of me at **The Atlantis**, the resort where the conference took place.

Avanti, as we say. Avanti.

Endeavour Silver (EXK and EDR)

We here at home now own shares of Planetary Prospect No. 5, **Endeavour Silver**, at a price of U.S. \$1.50 a share. I will be visiting the company's producing **Guanajuato** mines, at the southern end of Mexico's Sierra Madre, in early May. **Brad Cooke, CEO of Endeavour Silver**, is searching for a third property in Mexico. The company is on track to produce nearly 3 million ounces of silver in 2009. We believe the company will benefit from a silver boom. Mexico's silver belt runs from **Chihuahua** to **Mexico City** and contain epithermal ore bodies.

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The latest: Starting this week, *Ticker Trax* subscribers receive [ThomWatch](#) articles first - via electronic mail. The public will view the articles on **Stockhouse** one to three days later.

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[Ticker Trax](#) is not a market timing service. We research, buy, research some more and hold.

Prechter details Richard Russell dinner

We'll get into the **tickers** in a second. (*This time next month, our **Planetary Prospects**, five of them now, will have served us well, we believe. We here at home own shares of all five. Those who want to pitch a prospect for a **Ticker Trax** probe can mail information by post, by United Parcel, by courier and by electronic mail.*)

I wrote the other day about the **Richard Russell** dinner this past weekend in San Diego. **RR** is a stock market commentator whose **Dow Theory Letters** is in its 51st year. In the [article](#), I missed my deadline for adding a comment **Elliot Waver Robert Prechter** made to me. Mr. Prechter said, "The [Russell dinner](#) was a great success. His daughters gave highly memorable and entertaining tributes, the highlight of the evening. (The only lowlights were subscribers asking him about his current market opinion, including one who challenged him on some comment he deemed 'contradictory,' and also a self-promotional comment by a publisher.) Russell seemed pleased, and he was as sharp as ever on the podium, receiving several rounds of applause for some *right on* statements. **John Mauldin** is to be commended for holding this tribute while one of our heroes is still alive. Personally, I had a great time celebrating Richard, talking with my old newsletter buddies and meeting new people. It was also a privilege to donate copies of my book of Russell's Elliott Wave writings to certain attendees." Thanks Bob Prechter.

Central Fund sells new 'A' shares

Central Fund of Canada ([CEF](#) and [CEFA](#)) is selling almost 20 million new shares at \$10.50 or so each to boost its repository of gold and silver. In a so-called overnight issue of shelf-registered shares, a company's common stock - the stock being added to - usually discounts itself to the offering price. I see that as a buying opportunity for the gold and silver repository, which was our first **Planetary Prospect**. **Ian McAvity**, a board member of the Canada company and a newsletter writer (*Deliberations*), told me this morning: "I can't be discussing stock market aspects or my opinions about CEF (or CEF.A in Canada) shares in the midst of an overnight offering. (But) If you read the press releases on past issues, they are always closed and priced on a basis that is accretive to the net asset value of all shares. Any relevant use of the word dilution might relate to the fact the issues are typically priced at a discount to the last market close, but an adequate premium above NAV to cover all related issue costs, and add value to NAV." Thanks Ian McAvity, whose name rhymes with

Bonus babies: Ivanhoe Energy

The mention of a company or commodity or investment strategy in these pages does *not* mean we endorse or own it or them. The one gating item for subscribers is **PLANETARY PROSPECT STATUS**. Of those, there currently are five.

Case in point: Ivanhoe Energy (IVAN on NASDAQ and IE in Canada). We here do not own shares of Ivanhoe Energy or its Mongolian cousin, Ivanhoe Mines, or its Australian unit. It is not a *Ticker Trax Planetary Prospect*. Still, having followed the company for six years, and having known its CEO, **Robert M. Friedland**, for twice that long, I believe **IE** has a shot at becoming a mid-sized petroleum producer, much like **Occidental Petroleum** did in the '50s and '60s. Currently, a top executive, **David Martin**, is in Brazil. We expect the company is: A) Looking for a partner to help fund its heavy-to-light oil production process and its exploration efforts in Canada and Ecuador; or B) Arranging an exploration contract in **Venezuela** or **Brazil** along the lines of the one Ivanhoe Energy sealed with **Ecuador's** mining officials; or perhaps both. Ivanhoe Energy, by the way, has indicated in filings that the Ecuador property it soon will be drilling might yield light (as in relatively clean) oil with an **API** grade near 20. The cleanest, "sweetest" crude oil - from the Middle East - is about 30 API. Ivanhoe Energy has the option of getting \$37 a barrel for any Ecuador oil it finds or keeping the crude. *More in ThomWatch.*

gravity (*Sorry, I could not resist that.*) Of great note, Central Fund added 950,000 shares to the offering, indicating decent to strong demand for the new issue. It sells now for about US\$11 a share.

Yet more on Avanti Mining? It is Italian for onward, forward! **Avanti Mining** ([TSX: V.AVT](http://tsx.v:AVT) in Canada) is our fourth **Planetary Prospect** and an exploration company for specialty metal molybdenum, which is found in and around copper deposits and sells cheaply at present. The company's **Cheryl Martin** tells us today (Wednesday), "We are moving forward with the pre-feasibility (on the British Columbia moly property) by appointing the lead engineering company, Wardrop Engineering, to do the work. Hopefully, people will realize that we aren't moth-balling things. We are moving forward and will continue to do so, hopefully catching up to the other development projects (**General Moly**, primarily)." Ms. Martin adds, Right now, we are also trying to find a JV partner to pay the bridge loan which is due July 15. Time is getting short, but we have a couple hopeful prospects." Craig J. Nelsen, CEO of the company, told me in a recent New York City visit of his that he is focusing his strategic partner search on Asia, and primarily China.

Avanti Mining this week updated the size of its moly property in British Columbia, Canada. Avanti said it came up with a measured resource of 54 million tonnes. The molybdenum grade averaged 0.112 percent -- approximately 133 million pounds of molybdenum. In addition to the measured resource, an indicated resource of 153 million tonnes with a grade of 0.088 percent and an inferred resource of 26 million tonnes with a molybdenum grade averaging 0.069% were found. This all comes to 297 million and 40 million pounds of moly. Some 33 holes were drilled into the ground. *Ticker Trax* subscribers should know that unless the tiny Avanti raises money from a strategic partner in its **Kitsault** property, all the pounds in the world will mean little ... or even less.

Nothing but the tooth

True, as always. This week, a back tooth of mine, a molar, got chipped, or cracked. When I went in, the dentist said I needed a crown. Right off the bat, just off a breakfast meeting with a friend who had a gold crown in the back of his mouth, I said, "You know, Doc, tell me about gold fillings. They're soft, they look great. How come you don't see more of them?" My dentist, in Corte Madera, California, said, "Yup. I was afraid you were going to be the three-quarters of my patients who

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- [Personal holdings](#) updated always. We here at home are not traders or market timers, but like most folks we do purchase and sell once in a while. So please click here for [portfolio](#).

Thank you!

--- www.tickertrax.com (i.e., me!)

don't want gold in their mouth. I tell them it is the perfect element for a crown - feels great, works great, lasts a lot longer than ceramics and plastics. We keep the cost the same, for now, anyway." So go figure. Naturally, I went for the gold. When I go back in a couple of weeks, the gold crown will be ready ... and just my luck (having no dental insurance!), the other side of my mouth has a cracked back tooth, too. That is the tooth.

The Bahamas

Overrated! No, not the [conference](#), which was actually and truthfully terrific. **The Atlantis** resort sessions were in a subterranean hall with sharks and other fishie-types swimming in and out of our view in aquarium tanks. The speakers were terrific - starting with David Skarica and Mike Swanson. I spoke, too. The food, excellent. And so on. The gold companies presenting: not bad, not great. One is worth a look. But Nassau, the island, well, if I were to use the language our 13-year-old uses (and no, I went alone), Nassau "sucks." Sorry folks. The people are lovely ... yet jaded by the fact that half of all the new people in their lives are there for three days or fewer. Too much concrete hiding the beautiful beaches. Too many sharks in the hotel waters - levying ridiculous fees and horrendous prices for food, services, cabs, and so on. Oh yah, and **The Atlantis**, which by the way was just featured in the new **Julia Roberts/Clive Owens** flick, sorry folks: too much concrete, too many rules. Nice lap pool, though.

Lithium CEO speaks to us

This just in from **Jay Chmelauskas**, president and CEO of **Western Lithium**. I have known Jay for several years, from when he was working at a gold mine in China. I want to keep subscribers hooked into the world of lithium - which like moly is a specialty element that might become potent in coming years in both its industrial usage and its investment potential. Both lithium and moly right now are very cheap. Western Lithium (TSX: *V.WLC in Canada*) is not a Planetary Prospect, and I own no shares of the company. Says Jay, "Lithium seems like it is everywhere. Warren Buffett's lithium battery/car company based in Shenzhen, China, is looking to Detroit to sell their battery technology. Mercedes Benz launches hybrid buses with the world's largest portable lithium-ion batteries. **Morgan Stanley's** Japanese Division predicts an 18 percent adoption rate for hybrids by 2018. Hey, that's only 10 years away for 18 percent of a very big market. Once the market goes to plug-in cars, which in my opinion is simply 'better technology' vs. 'green technology,' it

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If I intend to purchase or sell any investment discussed in *Ticker Trax*, you will be first to know. (I currently am considering **Endeavour Silver** as our next prospect.)

Ticker Trax is *not* a market timing service. It is a service for people who believe they can learn how to improve their portfolios and their lifestyles.

As stated earlier, my family and I own shares of planetary prospect **Central Fund of Canada** at a price of \$10.81 per share as of Thursday Jan. 29. We selected **Great Basin Gold** as our third prospect, after No. 2 prospect **Biocryst Pharmaceuticals**, of which we own shares. We own **Great Basin Gold**, whose CEO, **Ferdi Dippenaar** in South Africa is now managing two gold mines in two countries. On the BioCryst front, I expect new trials in the USA and elsewhere for its influenza anti-viral to bring more attention to the drug discovery company.

won't look back. The buzz in the market is we are embarking on a 'cultural push' towards new adoption for this technology." Jay continues, "What more can I say ... we are in the right place. I've been in NY, Boston, Toronto marketing. Off to talk to our Japanese friends at the end of this month, and to attend the Shanghai auto show to see the latest technology." Is Jay a lithium fan? A: Yes; B: Very Yes C: It Is Written.

By the way, Western Lithium, a Canada company with a property in Nevada, is raising money via a private placement at **Haywood Securities**. The company hopes to raise as much as \$5 million. The units for the placement have a four-month hold. The shares sell for about 60 cents Canadian right now.

Our Ticker Trax Is Your Ticker Trax

As we here at **TT™** complete our investment research, we expect over the course of a year to locate a handful of prospects, primarily in but not confined to the commodities and life sciences. We also intend to present strategies for investing sensibly in high-risk candidates.

I am at your service, as is the staff of **Stockhouse**. You can expect to be heard here and on our *Ticker Trax* [community postings](#), available at Stockhouse.com. The Stockhouse team in Canada and the USA, and I in Tiburon, California, look forward to meeting all of you.

Need technical help? Please contact support@TickerTrax.com. **Stockhouse** in Canada has capable folks tending the garden. Need to reach me? Feel free to send a note addressed to *Thom Calandra, 80 Harriet Way, Tiburon California 94920* in the USA. If you need instant satisfaction, please zing me: Thom.Calandra@Stockhouse.com. That's all for now!

-- Thom in Tiburon

Thom Calandra is a writer and a researcher living in Tiburon, California, and traveling the planet in search of prospects. He is not an investment adviser.

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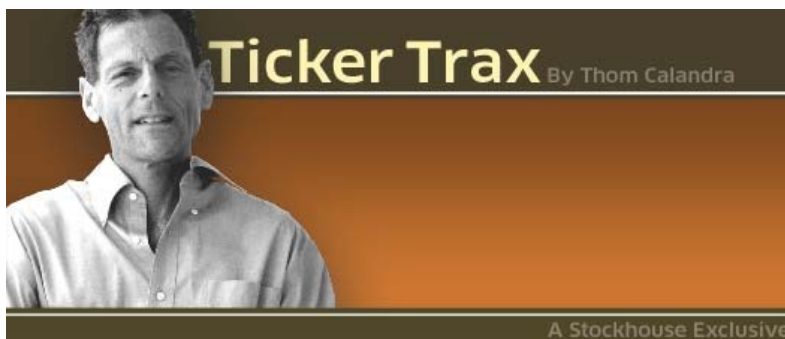
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Thom also writes [ThomWatch](#) for Stockhouse.

About Thom Calandra

Thom Calandra during the past 27 years has helped investors negotiate a quagmire of choices. Thom co-founded and was the editorial spirit of CBS MarketWatch, MarketWatch.com and FT MarketWatch in Europe. As the voice of **Thom Calandra's StockWatch** and The Calandra Report, Thom fancied \$300-ounce gold before that metal became an investment rage. Thom visited scores of bioscience companies and metals mines in a search for knowledge. Thom's novel **PABLO BY NUMBERS** was completed in summer 2008.

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