

Fundamental

Research Corp.

Investment Analysis for Intelligent Investors

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Adanac Moly Corp. (TSX-V: AUA; Frankfurt: A9N) – Update Including Positive Feasibility Study

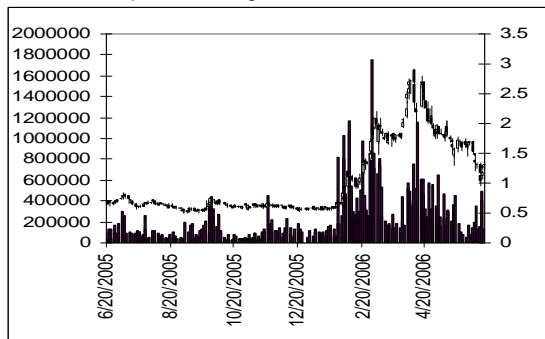
Sector/Industry: Junior Mining / Molybdenum

www.adanacmoly.com

Market Data (as of June 26, 2006)

Current Price	\$1.05
Fair Value	\$3.00
Rating*	BUY
Risk*	5 – Highly Spec
52 Week Range	\$0.50 – \$2.90
Shares O/S	52,009,234
Market Cap	\$54.6 million
Current Yield	N/A
P/E	N/A
P/B	4.95
YoY Return	56.7%
YoY TSX-V	50.3%

*See back of report for rating and risk definitions



Highlights

- A feasibility study for the company's flagship Ruby Creek Molybdenum project was positive. Consultants, Wardrop Engineering Inc., have recommended continuing development of the project through detailed engineering, which is expected to commence during the 2nd quarter of 2006.
- The feasibility study indicates an increase in tonnage of measured and indicated resources, decrease in capital and operating costs and a higher NPV.
- Good support from the community, as the development of the project will significantly benefit both the First Nations and local communities as well as provide a source of income to the B.C. Government.
- AUA filed an Environmental Assessment Certificate (EAC) Application with the BC Environmental Assessment Office, which is expected to be completed in 180 days.
- Production expected to commence by Q2-2008.
- Fundamentals (supply and demand) of Molybdenum look promising for prices to stay higher than historic lows.
- Based on our valuation models, the stock remains undervalued. We believe declines from highs are due to general market conditions and a "post-feasibility, pre-construction" pullback.

Key Financial Data (C\$)

	2002	2003	2004	2005	Q3-2006(9 mo)
Total Assets	41,674	87,744	196,749	5,901,377	11,507,681
Total Liabilities	569,862	679,053	30,154	419,014	469,745
Working Capital	(4,750,172)	(4,869,793)	(5,183,307)	921,768	2,254,971
Net Loss	(154,062)	(119,621)	(313,514)	(1,187,083)	(2,680,528)
EPS	(0.01)	(0.05)	(0.04)	(0.05)	(0.07)

Adanac Moly Corp. ("Adanac" or "AUA") is a British Columbia based junior mining company that is focusing its molybdenum mining efforts in British Columbia, Canada. The company aims at becoming the first successful publicly traded primary molybdenum producer in 20 years.

Positive feasibility study for Ruby Creek

The results of the feasibility report on Adanac's flagship Ruby Creek Molybdenum project, prepared by Wardrop Engineering Inc, and based on work done by consultants Golder Associates Ltd. (Golder), Wardrop Engineering Inc. (Wardrop), SGS-MinnovEX (MinnovEX) and Klohn Crippen Berger Consultants (Klohn), were positive. Wardrop has recommended continuing development of the project through detailed engineering, which is expected to commence during the 2nd quarter of 2006.

The feasibility test was developed for a 20,000 tonnes per day conventional mill process fed from an open pit mine.

Key Project Data

The table below shows some key data from the feasibility study compared to the previous estimates made in 2005.

	2006	2005	Changes	Comments
Mine Life	21 years	22 years	↓	Revised Mine Schedule
Milling Rate	20,000 tpd	20,000 tpd	-	
Strip Ratio (waste / ore)	0.95	0.6 (first 5 years); 0.8 (rest of the life)	↑	
Molybdenum concentrate	75.9 million kgs	80 million kgs	↑	
Pre-production capital	\$434.4 million	\$414 million	↑	Increase was due to the slight increase in capital required for all the processes
Average Operating Costs	11.25/tonne (first 5 years) & \$8.05/tonne (rest of the life)	\$10.93 / tonne	n.a	Added \$0.72 owner cost & Hydro power from year 5 leads to savings of \$2.02/tonne
IRR	24.42%	28.49%	↓	Due to the decrease in exchange rate & Increase in capital expenditures
Base-Case NPV(Pre-Tax)	222,200,997 @ 8%	207,241,000 @ 10%	↑	Base-Case Discount Rate of 8% indicates lower risk
Payback Period (base case)	3.1 years	3.5 years	↓	Increased production in the initial years
Commencing	Q2-2008	Q4-2007	n.a	Revised Mine Schedule
Exchg. Rate (\$US/\$Cdn)	1.20	1.25	↑	Unfavourable change in exchange rate
Ore Reserves				
I & M (0.04% cut off)	206.4 @ 0.063% Mo	205.1 @ 0.062% Mo	↑	Increases are due to the 2005 drilling programs
Mill Feed	143.7 Mt (avg grade 0.059% Mo)	150.8 Mt (avg grade 0.06% Mo)	↓	
Waste	134.5 million	121.3 million	↑	

Positive Effect

Negative Effect

Neutral

The calculated mining cutoff grade was 0.042% Mo and the processing cutoff grade was 0.032% Mo, based on a molybdenum base price of US\$7/lb. This is a very conservative estimate compared to the current Mo price of \$26.25/lb as of June 20, 2006.

Mineral Reserve Estimate: Reserve estimates, which were based on the mining cutoff and production plan and schedule, decreased to 143.705 million tonnes (0.059% Mo) compared to the earlier estimate of 150.8 million tonnes (0.06% Mo). The following is the reserve composition: Proven Reserves: 38.904 million tonnes (0.077% Mo) and stockpiles of 1.183

million tonnes (0.035% Mo). Probable Reserves: 73.538 million tonnes (0.060% Mo) and stockpiles of 30.080 million tonnes (0.034% Mo).

Mineral Resource Estimate: Based on the updated resource estimates, total measured plus indicated resources increased from 205.1 million tonnes (0.062% Mo) to 206.4 million tonnes (0.063% Mo). The estimate of molybdenum content in the resources (measured + indicated) increased from 278.1 million pounds to 285.6 million pounds. Increases are attributed to the 2005 drilling programs that increased the confidence in the resource and increased tonnage at depth. These increases in contained pounds molybdenum occur mostly in the measured category. Molybdenum content increased from 56.2 million to 67.82 million in measured resources, decreased from 221.9 million to 217.8 million in indicated resources and increased from 26 million to 43.74 million in inferred resources.

Estimated molybdenum production of 68 million lbs in the first 6 years: In order to increase molybdenum production in the initial years and facilitate rapid payback of capital costs, the open pit design (proposed by Golder) increased the cutoff grade from 0.040% Mo to 0.060% Mo for the first 6 years of operation. According to the data, this increase in cutoff will lead to an average mill feed grade of 0.079% Mo and an annual average production of 11.3 million lbs Mo (18.83 million lbs MoS₂) during the first 6 years of production.

Reduced Capital and Operating Costs: Processing, infrastructure and general administration operating costs are estimated to be \$7.76/tonne (first 5 years) and \$5.20/tonne (rest of the mine life) compared to previous estimates of \$7.99/tonne (first 5 years) and \$7.99/tonne (rest of the mine life). The first five-years is based on diesel generated power, while the rest of the production is based on grid power.

Average total operating costs are expected to be \$11.25/tonne (first 5 years) and \$8.05/tonne (rest of the mine life) compared to the previous estimate of \$10.93/tonne. The increase in operating cost during the first 5 years is mainly due to the added owner's cost of \$0.72/tonne. However, the hydropower savings of \$2.02/tonne from year 5 offsets the increase in costs due to owner's cost and thus, the project has lower operating costs after year 5.

However, the pre-production capital costs increased from \$414 million to \$434.4 million. The increase was attributed to the slight increase in capital required for all the processes: mining open pit, process and infrastructure, tailing dam and working capital.

NPV, IRR & Payback Period: The estimated base-case NPV was \$222,200,997 (@8%) compared to our previous estimate of \$207,241,000 (@10%), correspondingly, the pay back period decreased from 3.5 years to 3.1 years. The lower base-case discount rate of 8% indicates the lower risk estimate of the project. The base-case IRR of the project was slightly lower at 24.42% compared to the previous estimate of 28.49%. The reduction in IRR was mainly due to:

- increase in capital expenditures of approximately \$20 million
- inclusion of contingency funds for capital expenditures
- decrease in the exchange rate from 1.25 to 1.20 (US\$/C\$)
- addition of \$0.72/tonne milled for owner's cost

Commissioning and Start Up: Based on the revised schedule, mine production is expected to commence in Q2-2008 compared to the previous estimate of Q4-2007.

Additional positive aspects the study

- The financial model in the feasibility report has included contingency amounts for initial and sustaining capital that were not included in the preliminary report in 2005. The initial capital contingency amount of \$31 million actually reflects a reduction in initial capital of \$11 million from the 2005 report and reflects a more conservative estimate of the IRR of the project.
- The company is conducting a diamond drill program to investigate the fact that the bulk sample grade was higher than the estimated grade from the diamond drill holes. In our opinion, this would have a very positive impact on the project.
- The connection to hydro-power in year 5 will result in a decrease in operating costs of \$2 per tonne milled.
- The project has positive cash flows in the final years of the project, whereas in the 2005 study, there was a projection of negative cash flows after year 17.

Potential to reduce power consumption

Adanac extended its contract with Wardrop to include definitive engineering work in support of high pressure grinding rolls (HPGR) technology for the Ruby Creek Project. The company believes that the HPGR technology has the potential to reduce power consumption in the proposed 20,000 tpd concentrator by 30% or more when compared with conventional SAG milling.

Based on SGS-Minnovex's process design, minor amounts of liberated copper, lead and zinc minerals will be eliminated through the use of a depressant and precise control of floatation variables through on-line analyses, continuous visual monitoring/recording by the use of cameras linked to computer control and design of particle size measurements to effectively control the floatation process. Management believes that this process is cost effective and reliable, as it will lead to higher grades (90-94% MoS₂) and increased recovery (90-92%) by minimizing over-grinding.

Filed EAC Application

The company initiated the permitting process by submitting an Environmental Assessment Certificate (EAC) Application to the BC Environmental Assessment Office, which is expected to be completed in 180 days. The Environmental Impact Assessment was developed by a working group consisting of government agencies and the Taku River Tlingit First Nations (TRTFN), under project specific terms of reference. We expect the environmental consequences related to the project to be minimal.

Adanac Strengthens Board

Since our last report, Adanac strengthened its board by adding two more senior mining engineers to the team.

Dr. David Stone, is a mining engineer with a career that spans 25 years of consulting to the metal mining industry. His expertise is in mining rock mechanics where he has provided designs and operational advice for both open pit and underground operations worldwide.

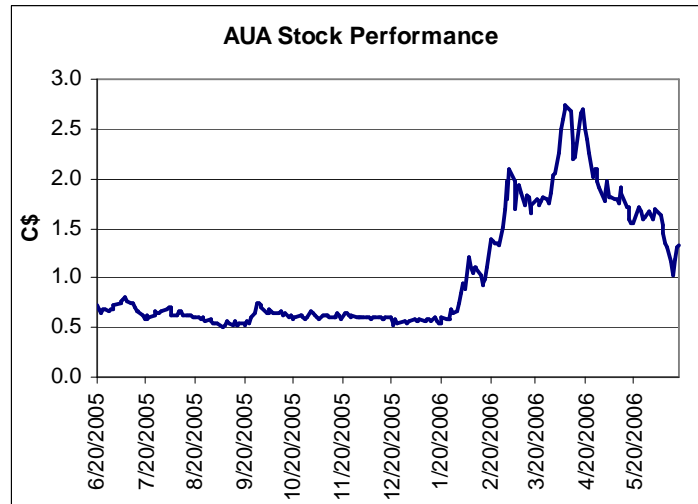
Mr. Roger Taylor, P.Eng, F.I.M.M., is a mining engineer with 45 years experience having held

senior positions in many operations. He has experience with acquisitions and feasibility studies performed for various major mining companies.

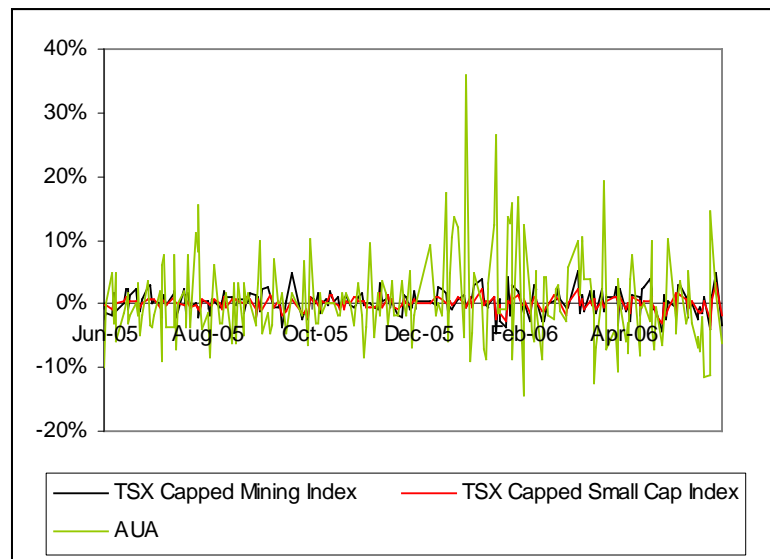
We believe that Adanac’s strong management team and board is one of its greatest assets.

The chart below shows the performance of AUA shares from June 2005 to present. As of June 20, 2006, the stock was trading at \$1.18.

Stock Performance



Adanac’s shares have been highly volatile in 2006 as evident by the high Beta of 1.5. The chart below shows the high variation of AUA compared to the TSX Capped Mining Index and TSX Capped Small Cap Index. The 52-week range was \$0.50 to \$2.90 and the year to date average closing price was \$1.52.



We believe the stock has come off its highs for a number of reasons including: an overall decline in mining stocks and due to the “typical” cycle that junior mining companies exhibit.

Junior mining stock prices usually decline during the post-feasibility and financing stages, and begin to rise again during the construction, start-up, and production phase. As a result, we believe that it is a good time for investors to take positions in AUA.

Ownership Adanac Management's equity ownership structure is as shown in the table below.

Capitalization Summary	
Float	96.21%
Inside/Stake Ownership	3.79%
Fully Diluted Insider Ownership	3.79%
Price as of 19/06/2006	\$1.11

Holders				
Name	Position	O/S	Market Value	Report Date
Johnston Elston	922,694	1.80%	1,021,422.26	14/09/2005
Reaugh Larry W	821,021	1.60%	908,870.25	14/09/2005
Kovich Daniel	188,000	0.37%	208,116.00	14/09/2005
Lee ED/BC/	16,900	0.03%	18,708.30	14/09/2005

Source: Reuters

Company Outlook

Adanac has applied for permits to drill 26 NQ diamond drill holes (8,000-10,000 Meters) to commence in June 2006. Although the permitting phase is behind schedule, mine production is expected to commence in Q2-2008. We believe that, in order to obtain the schedule that the company has outlined, it will be necessary for the company to commit to advanced design and procurement prior to receiving their approval from the Environmental Assessment Office. Once approval is received, construction should be started immediately. This requires a very aggressive building schedule if they are to get construction to a stage that will allow building to continue through the winter for a summer start up.

Industry Outlook

Existence: Molybdenum occurs mainly as molybdenite (MoS₂) in porphyry deposits in the USA, Canada, Chile, China and Greenland both as a primary deposit and also associated with copper. Most mines produce and sell MoS₂ concentrate (50 to 55% Mo), which is roasted to produce technical grade molybdic oxide (MoO₃ or TMO) and which in turn is converted to ferro molybdenum (FMO) or molybdenum metal for use as an alloying metal. Based on Mo production in 2004, Canada was ranked 5th in the world behind the U.S, Chile, China and Peru. Canada's production was 6% of the global production.

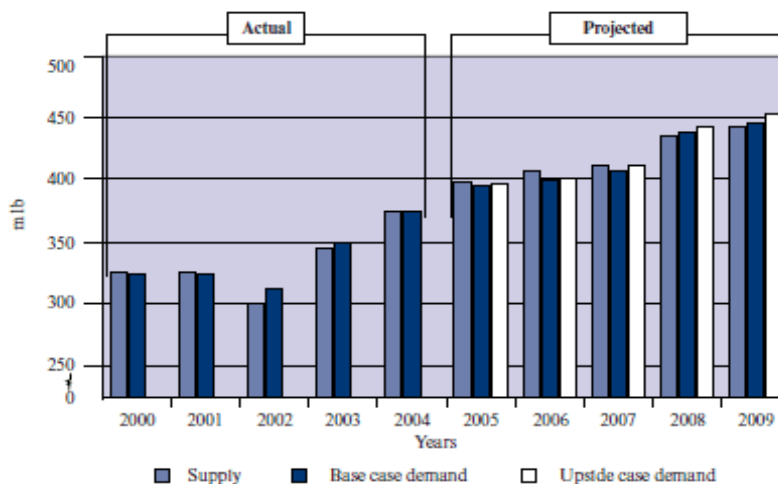
Unique Characteristic: The unique physical characteristic of Molybdenum is that it has a very high melting point (fifth highest melting point among all elements), of about 2,610 degrees celsius, making it ideal for alloys used in aircraft engines, missiles and petrochemical plants. In order to put this in perspective, the melting point of Molybdenum is about 2,300 degrees celcius higher than lead (which is used in car batteries), 2,000 degrees higher than the melting point of steel, and 1,000 degrees higher than the melting temperature of most rocks.

Global Demand: Demand for molybdenum comes primarily from the steel industry, which on a global basis, accounts for about 75% of total consumption. Within this sector, the largest

single application is in stainless and specialty steels, but consumption in low alloy steels is not far behind. Demand for molybdenum has also increased because of its use as a reducer of sulfur in crude oil.

According to Roskill (*Roskill Information Services provides information on international metals and minerals markets*), the global market for molybdenum is estimated to have grown from about 100kt in 1990, to 181kt in 2005, an average yoy growth rate of 4.3%, compared to a world GDP growth rate of 2.9% per year.

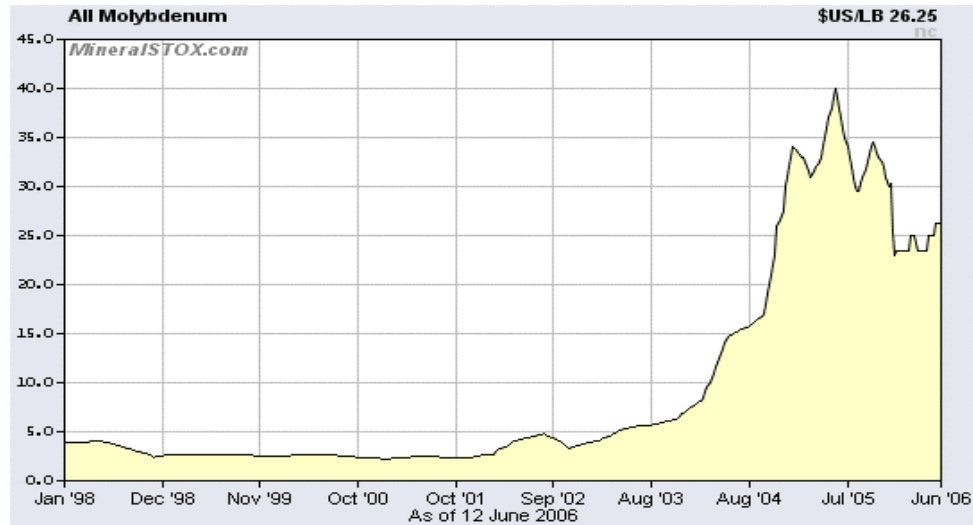
The chart below shows historic world molybdenum supply and demand for the period 2000 to 2004, along with CRU's projections. As the chart shows, demand is expected to exceed supply in 2008, and 2009. CRU projects a molybdenum deficit of 6million lb by 2009 in the base case scenario.



Source: <http://www.internationalmolybdenum.com/>

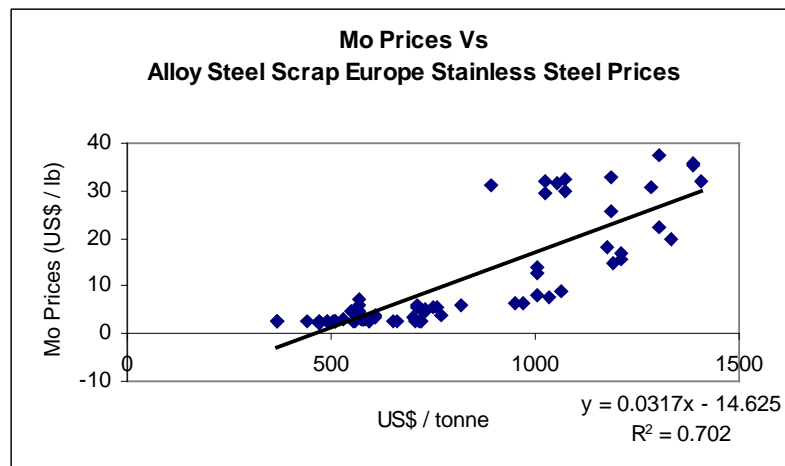
Chinese Demand: China is scheduled to significantly expand its stainless steel capability by at least 2.4 million tones in 2006. The rapid growth in stainless production in China is expected to push demand for nickel higher. According to Goldman Sachs, stainless steel production in China will increase by 32%, 33% and 23% in 2006, 2007 and 2008 respectively. As there is a high cost advantage for Chinese producers, we believe that, as stainless steel production in China increases, it might discourage producers in other countries from producing stainless steel. This would lead to lower global stainless steel production and hence lower demand for molybdenum in the near future. However, based on the forecasted supply crunch on a long-term basis, we do not expect Mo prices to hit its historical lows.

Molybdenum Prices: The chart on the next page shows the drastic increase of Molybdenum prices since 2004. Prices peaked in June 2005 (average price in June: \$37.611/lb) and have dropped since then, but they are still well above the 5-year average price of \$13.18/lb. As of June 20, 2006, Molybdenum is trading at \$26.25 / lb



Major reasons for the rapid rise in price during late 2004 and early 2005: China is one of the largest producers of Molybdenum. In 2003, Chinese authorities shut down all the mines in the key molybdenum-producing region of Liaoning Province for safety inspections after two accidents, which led to a reduction of Chinese exports by about 6 million lbs. We believe that, the abruptly reduced supply and the surging demand from the U.S. and China, supported by increasing demand from the oil sector, created the rapid rise in Mo prices.

Molybdenum Vs Steel Prices: Since 75% of the global demand for molybdenum comes primarily from the steel industry, we analyzed the correlation between the price movements of both metals. The coefficient of correlation between the average monthly prices during December 1999 to date was 0.84. Regressing steel and Mo prices, gives a high R-square (70.2%) and the coefficient is highly significant (above 95% significance). Like the earlier case, we caution that since the data are heteroskedastic, we cannot determine from the analysis, the relation between the metals's prices precisely. (Heteroskedasticity occurs when the variation around the line of regression varies for different values of x. Linear regressions normally have errors if the data are heteroskedastic.)



Source: Bloomberg & FRC Research

Although demand factors, as discussed above, are expected to have a positive influence on Mo prices, there is one supply side factor we have identified as potentially having an adverse effect on Mo prices.

Threat from secondary producers (copper-moly producers): As mentioned earlier, since Molybdenum is commonly associated with copper porphyry deposits, it is often produced as a byproduct of copper mines. Production of Molybdenum as a byproduct is comparatively easier than primary production as both Cu and Mo are processed by flotation, which implies that producers have the luxury to stop production if Mo prices go below a desired range, and start production if prices go higher. As a result, we believe that, like other primary molybdenum producers, Adanac will be exposed to competition from secondary Molybdenum producers.

Price forecast: Molybdenum prices used for the economic model in the feasibility report were based on an average price of US\$22/lb in 2008, US\$20/lb in 2009 declining at US\$2/lb for the following two years and thereafter declining at \$1 per year to reach \$8/lb in 2020. We believe that these price forecasts are conservative and are almost in line with the price estimates in our previous report.

Conclusion: Overall, based on our review of the above factors, we believe that Mo prices, though expected to gradually decline throughout our forecast period, will stay higher than historical lows due to the following:

- Strong demand from China and the global market for stainless steel which we have shown to have a positive correlation to Mo prices.
- Increasing demand from the oil sector
- Longer lead times to build new molybdenum mines
- Limited roaster capacity
- Not easily substitutable due to its unique characteristics, availability and versatility

Financial Analysis

Net Assets at the end of Q3-2006 were \$11.5 million compared to \$5.9 million at the end of FY2005, an increase of 95%. The increase was mainly attributed to the increase of mineral rights from \$3.35 million to \$8.46 million. Cash flows for investing activities were (\$5.2 million) compared to (\$2.4 million), an increase of 116%.

Working capital at the end of Q3-2006 was \$2,254,971 compared to \$1,961,019, an increase of 15%. The increase was due to an increase in cash from \$2.15 million to \$2.55 million. Adanac suffered a net loss of \$2.68million (loss per share of \$0.069) during the first 9 months of FY2006, compared to \$0.656million (loss per share of \$0.03) during the same period last year.

Stock Options: In January 2006, Adanac announced that it would grant incentive stock options to purchase an aggregate of 1,000,000 shares in the capital stock of the company. The options will be granted for a period of five years commencing January 26, 2006, at \$0.60 per share.

Private Placement: In March 2006, Adanac closed its private placement with Sextant Strategic Opportunities Hedge Fund LP. The placement was for the purchase of 625,000 units at a price of \$0.80 per unit raising gross proceeds of \$500,000. Each unit consists of one common share

and one non-transferable share purchase warrant, were each warrant will entitle the purchaser to purchase one additional share exercisable up to February 24, 2008, at a price of \$0.95.

In addition to the Ruby Creek Molybdenum project, Adanac has three other properties in Nevada. However, since all of them are at early exploration stages, we believe that only the Ruby Creek Molybdenum project should be considered to value AUA shares.

Valuation NPV Valuation Model

We estimate the fair value of AUA shares, based on the pre-tax NPV estimates from the Ruby Creek project feasibility study. Net Asset Value estimates were determined by adding the current working capital of \$2,254,971 to the NPV estimates. The value per share is based on our after-tax NPV estimates

Bases on the NPV valuation model, the fair value of AUA's shares have increased from our previous estimate of \$3.49 before-tax to \$3.57 after-tax as the table on the next page summarizes.

NPV Valuation Model					
Case Description	IRR%	Payback	NPV @ 8%	NAV	Value
		Period (yrs)	(pre-tax)	(pre-tax)	per Share
Base Case	24.42	3.1	222,200,997	224,455,968	4.32
Sensitivity Analysis					
Increasing Mo price by 5%	29.43	2.9	323,452,017	325,706,988	6.26
Decreasing Mo price by 10%	10.49	4.4	19,698,957	21,953,928	0.42
Capital cost + 15%	18.66	4	164,763,161	167,018,132	3.21
Capital cost - 15%	32.07	2.7	279,638,832	281,893,803	5.42
Operating Cost + 15%	19.62	3.5	135,036,984	137,291,955	2.64
Operating cost - 15%	28.56	2.9	309,365,010	311,619,981	5.99
Specific Economic Activities					
Mine operation with hydroelectric power starting earlier from year 4 onwards	25.96	3.1	246,077,670	248,332,641	4.77
Increase in in-situ grade by 15%	35.03	2.6	405,177,897	407,432,868	7.83
Inclusion of Phase 5 mine expansion to base case	24.26	3.1	223,508,728	225,763,699	4.34
Effect of replacing the SAG circuit with a HPGR circuit	28.85	2.9	305,121,528	307,376,499	5.91
Replacing SAG circuit with an HPGR circuit and Inclusion of Phase 5 mine expansion	28.57	2.9	308,443,267	310,698,238	5.97
Average Value per Share (pre-tax)					\$4.76
Average Value per Share (after-tax)					\$3.57

(Tax @ 35%)

Real Options Valuation Model

Although pre-production capital increased by about \$20 million, our real options valuation model yielded a higher fair value per share of \$5.77 compared to our previous estimate of \$4.19.

Real Options Valuation Model	
Estd. Mineral Reserves & Half of Resources (lbs)	329,714,602
Estd. Value of Mo if extracted today	\$1,125,432,604
Estd. Average Protected Gross Margin	\$3.8 / lb
Initial Development Cost	\$434.4 million
Annualized Standard Deviation of Mo Prices	33%
Project Life (years)	21
Riskfree Rate	4.26%
Value per Share	\$5.77

The increase was due to:

- An increase in our estimates of the minerable reserves and resources tonnage. We have used total reserves plus half of the resource estimates for our calculation.
- An increase of gross margins to \$3.8/tonne compared to our previous estimate of \$3.3/tonne.

Rating

Both the NPV and Real Option models only account for the potential of the Ruby Creek project and do not consider the potential value of any of the other three properties in Nevada. We believe that company is undervalued at current levels. Based on the positive feasibility study of the Ruby Creek property, and our revised valuation models, **we are increasing our fair value estimate of AUA to \$3.00 per share (previous estimate: \$2.50) and reiterating our BUY and Risk 5 (Highly Speculative) rating.**

Risks

The following risks may cause our estimates to differ from actual results (not exhaustive):

- The company will have to continue to rely on equity and /or debt financing to carry out its exploration and development activities. The company's ability to raise capital will depend on its share price. The lower the share price, the lower the capital raised and/or more shares have to be issued.
- Like other junior mining companies, Adanac's success will be dependent on the development of key projects, and is subject to risk related to mineral grades and recovery.
- Like other primary molybdenum producers, there exists the threat of competition from secondary Molybdenum producers (copper – moly producers)
- As with all junior mining companies, the share price is highly correlated to the price of molybdenum. Although the price of moly has recovered from its lows of the past few years, a significant long-term drop in the price of moly would negatively affect the value of AUA's shares.

Fundamental Research Corp. Equity Rating Scale:

Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk

Hold – Annual expected rate of return is between 5% and 12%

Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk

Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:

1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

Disclaimers and Disclosure

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