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POTASH CORP OF SASK.	(T-POT)	\$154.86 +3.11
AMAZON MINING	(V-AMZ)	\$5.65 unch.
GREAT QUEST METALS	(V-GQ)	\$1.43 +0.02

Amongst the interesting people we've gotten to know over the last while, there is one who stands out and that's former *Sprott* mining analyst *Jed Richardson*. He left the job with *Sprott* to take over the Vice President role at *Amazon Mining* and over the last year or two, he's given us some interesting stock picks.

Of note, is that when he was doing some research for Amazon, he came across Great Quest Metals, a company he helped a bit and ended up becoming a director on after he had given it as a stock pick. That stock pick has since become a four-bagger since he suggested it.

He finally has time to e-mail us a comment from Brazil, this is what he writes:

"Life has comeback in a strong way to the fertilizer and agriculture sectors. My two favourite companies Amazon Mining and Great Quest Metals have begun to benefit. The catalysts are more macro than the achievement of company specific milestones, though our successful nutrient availability test at Amazon is good reason for renewed investor confidence. Drought in Russia, has prompted that government to halt exports of wheat to ensure the country can feed its populace, with Ukraine threatening to curtail export quotas for the same reason. By 2009 estimates Russia was the world's third largest exporter of wheat and Ukraine was the 6<sup>th</sup> largest. To add insult to injury Australia the world's 4<sup>th</sup> largest wheat exporter announced lack of rain could reduce their wheat for export by 33% this year. Share prices across the sector have climbed, as savvy investors gobbled up their favourite agriculturally related investments to help them pay for groceries this fall. Prompting the most exciting development of all BHP's bid for Potash Corp.

This is great news for Amazon and our shareholders. BHP was planning to build the largest new potash project in the world, the capital investment a staggering \$10BB with production expected late this decade. I see BHP's bid as an admission that building a new conventional mine is not a feasibly economic way to enter this sector as a major player. Confirming what Bill Doyle, CEO of Potash Corp has been saying all along and our thinking at Amazon, that new conventional potash mines are not good investments, the thinking that lead us to embark on our lower CapEx shorter build time Cerrado Verde ThermoPotash project. I do expect BHP will be successful in acquiring Potash Corp, but they will have to increase the bid.



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However don't hold out for a white knight Vale is the only company that has the firepower and appetite to compete for PCS and after the mess their takeover of Inco has caused Prime Minister Harper would be committing political suicide if he didn't stop a Vale takeover of another major Canadian asset. While investors may be rooting around for the next takeover, the surest way to make money after one these multi-billion dollar pure plays are gobbled up is to position yourself for the back draft created in the Canadian market. Upwards of \$43 billion of capital is currently tied up in Potash Corp all of it wants to be invested in fertilizer and exposed to agriculture. After the company is swallowed into BHP a diversified mega-miner most of that capital will be looking for a new home. The purchase of Inco made Sherritt and FNX Mining must have equities for institutional investors across Canada, in the same Rio Algom then Noranda/Falconbride, was a boon for shareholders of First Quantum and Teck Resources. Even more recently Red Back Mining's merger with Kinross has institutions scrambling for a new exposure to West African gold in names like Semafo, Keegan and Golden Star. At Amazon we want to position ourselves as an emerging potash producer worthy of some of that capital as investors look for new ways to participate in fertilizer and agriculture."



PRIMARY PETROLEUM (V-PIE) \$0.395 -0.005



I'm always looking for excitement from my stocks, even in a very lacklustre junior oil market. *Keith Schaefer*, editor of *Oil and Gas Investments Bulletin*, says to look at *Primary Petroleum*, a large grassroots oil play in the Montana Bakken. He told subscribers about it three months ago at 16 cents. Yesterday, the stock is up 20% on over a million shares to 38 cents. The reason, he says, is because of a new research report out by Clarus Securities, with two paragraphs that appeals to one's sense of greed:

**Over 10x Potential Value:**

- Based on data from Rosetta and similar economics to SE Sask and North Dakota Bakken plays, PIE could have 127 mmbbls of un-risked recoverable resource on its two land blocks in Montana (assuming a 50% WI farm-out). On a risked basis, PIE has a potential NPV10 of \$3.00 per FD share. (Exhibit 4).
- High prices at recent land sales suggest significant value for Primary's land. At the July 7/10 land sale price of \$1,450/acre (Exhibit 1: land near the Alberta/Montana border), Primary's land position in western Montana alone results in a value of \$160 million (\$1.34/ FD share)."

Schaefer does point out there are more than 40 million shares from an eight cent financing coming free trading in September, each with a full warrant. But with that kind of geological upside, there could be volume in the stock to absorb it.

**Disclosure:** Potash Corp. of Sask: Canaccord Genuity covers this stock and has a Buy rating on it. (Buy: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.)

**DEB'S DITTY:**

My boyfriend has no trouble committing...adultery.

E-mails were sent to clients holding Equal Energy today.