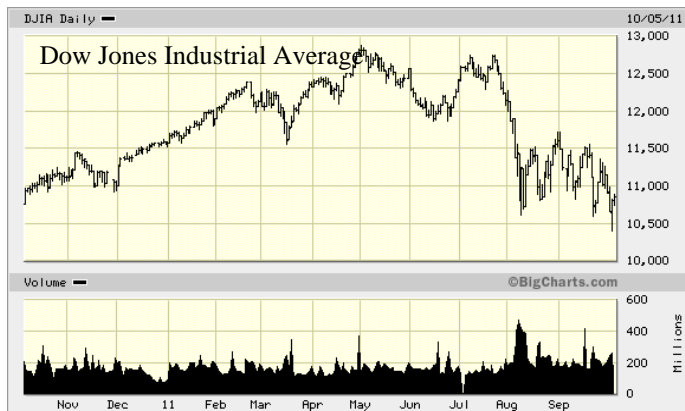


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STERLING RESOURCES (V-SLG)	\$1.27 +0.25
S&P/TSX COMPOSITE	11457.22 +279.31
DOW JONES IND. AVERAGE	10939.95 +131.24

Could this be the start of a bottoming process? Or are we just getting too hopeful? Nice to see that the authorities in Europe are getting together to make sure their big banks aren't in too much trouble, but we still haven't seen the problem of Greece solved. Some time in the next couple of weeks though, that comes to a head and then we will find out what kind of shape Europe might really be in.

In the meantime, it has been a crash in the natural resource sector of proportions going back to 2008 in the American mess. Many stories trading at a half, a third, a quarter of the price of what they used to be.

A prime example today to us is *Sterling Resources* and take a look at its chart. Once upon a time it was one of our favorite plays, but then not one, not two, but four different things went totally wrong at just about the same time: 1. They never did get to drill the potentially massive holdings in the Romanian Sea due to political problems there. 2. With France somehow basing their fracking ideas on whatever happened in Quebec (now that's a scary thought, isn't it?) the Paris basin never got drilled the way a lot of oil and gas people were hoping. Sterling is one of the biggest land holders in that potential play. 3. Then Cladhan came up with results a little bit less than expected on their drilling in the North Sea. 4. The Brits raised taxes. Sterling which had once been one of our favorite high risk/high reward plays, broke our hearts...and a long list of analysts as well.

Today there is a sign that things might be started to return (a bit) to normal as Premier Oil announces an all-cash acquisition of Encore Oil for approximately \$340 million. One of Encore's major assets is their 16% interest in Cladhan, the same field that Sterling owns a big chunk of.

Meanwhile, Breagh is the first big cash flow that Sterling has that will come on stream in less than a years time. Analyst *Kevin Shaw* of *Casimir Capital* writes, "The Breagh Alpha platform & jacket construction is in progress with expected first gas in 2012, ramping to peak production of 48 mmcf/d net to Sterling in early 2013. The second platform, Breagh Bravo is expected to have first production in 2013."

Shaw, who had previously been a big bull on Sterling continues to be hopeful for the company, although his target now is not quite the same as it used to be.

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He writes, "We view the current market price as far below the value of Breagh development, with no value provided for Cladhan, Netherlands assets nor political call options in places like Romania & France."

It's also interesting to note that Apache acquired \$1.75 billion worth of producing assets in the North Sea in early September. Maybe there is hope out there somewhere.

For those that would like to see Shaw's newest report on Sterling Resources in the new scenario, e-mail Debbie at debbie.lewis@canaccord.com.



TIREX RESOURCES	(V-TXX)	\$0.65 +0.06
COPPER MOUNTAIN	(T-CUM)	\$4.53 +0.78
COPPER		\$3.14 +0.045

The charts of *Tirez Resources* and *Copper Mountain Mining* show what has happened to so many stories over the last month or so with the crash of equities around the world caused because of the European financial crisis. There has been a nice bounce in the markets in the last day and a half as hope persists and tarp-like rescue for the European banks.

But we still have to deal with Greece and what is probably going to be its imminent default. Many are hopeful that the next few weeks is a bottoming phase for that sector, but one just wonders just how some individual commodities might be fairing, even if there is a bottoming.

The collapse in the price of copper was truly of historical proportions. To drop in just a few days from \$4.00 a pound to briefly under \$3.00 a pound might well be a telling commentary on the world economy...or not. Is Europe going into a recession? Will North America be following?

Well, we hope not and we still count on most Asian economies pumping along at 6, 7 or 8% growth, which is absolutely wonderful and good for many commodities. But the question remains, will copper be \$3.00 a pound, \$3.50, or \$4.00? That's a very important question if you're following stories like Copper Mountain Mining, a recent producer in British Columbia and up until last month, one of the huge success stories in the sector.

Tirez Resources with their joint venture in Albania with Ekin Maden of Turkey as also having a good time with their Mirdita Project in Albania—a copper/gold story that should be up and running in the next four to six months and giving Tirez some rather nice cash flow. The question remains though, what will the price of copper be?



DEB'S DITTY:

Every once in a brownish-purple moon,
I worry that I might be colorblind.

To receive the Late Edition and be on our daily circulation simply e-mail Debbie at Debbie.lewis@canaccord.com and give your address, phone number and e-mail and we'll have you on the list tonight.