Growth Stocks Weekly

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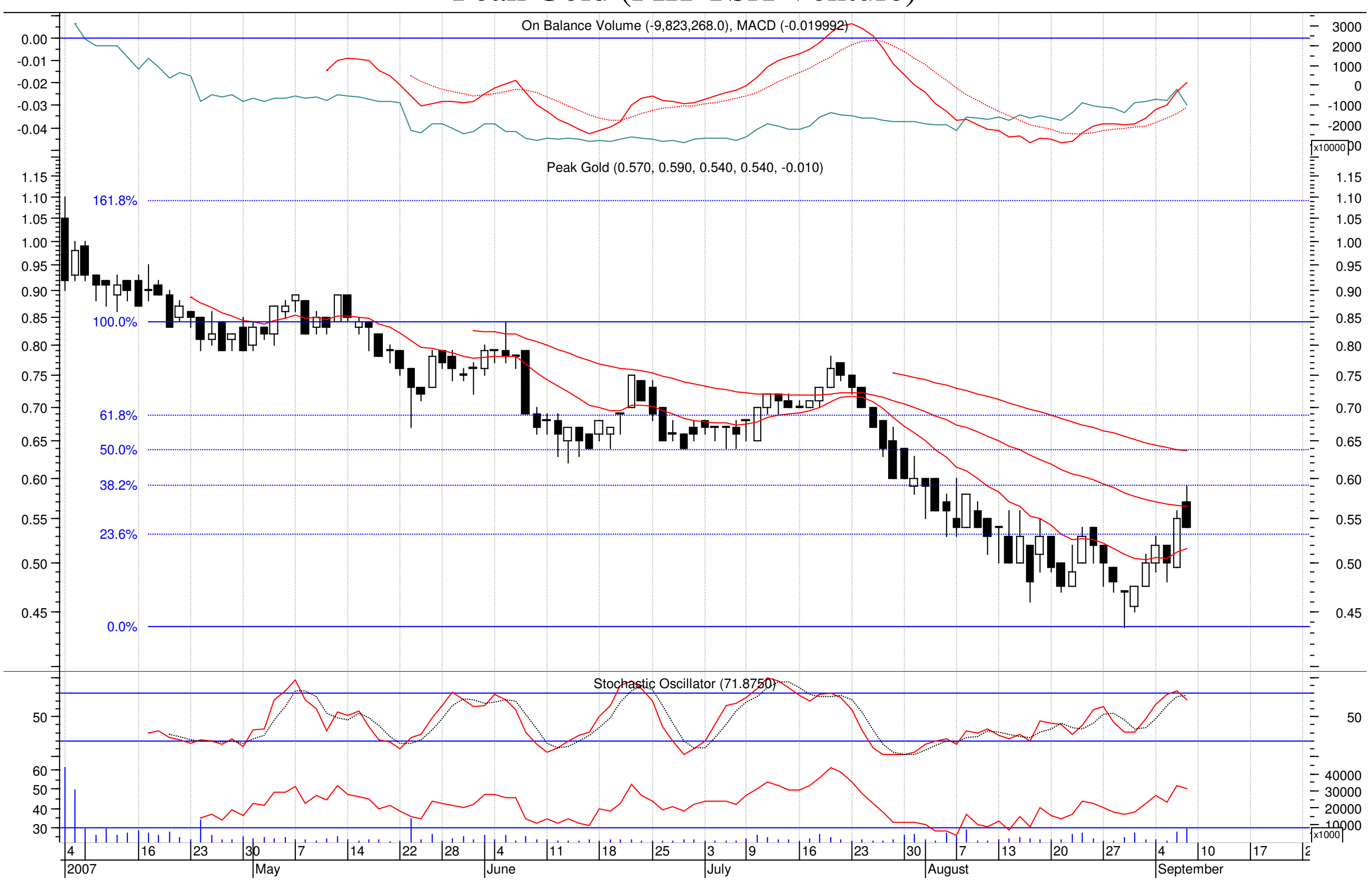
Performance: Year ended April 1996 **116.9%**; 1997 **28.1%**; 1998 **36.4%**; 1999 **39.4%**; 2000 **180.9%**; 2001 **-50.5%**; 2002 **18.7%**; 2003 **28.8%**; 2004 **166.7%**; 2005 **28.2%**; 2006 **153.3%**; 2007 **8.8%**

Junior Gold and Natural Resource Sector Report
September 9, 2007

Emerging Intermediate Gold Producer

(The Return of the Wheaton River Team)

Peak Gold (PIK-TSX Venture)



Daily chart, High CDN$1.10, Low $0.435, Last Trade $0.54

Growing production from 220,000 to 500,000 oz/yr over 2 years

Company Profile

Formed in early 2007, Peak Gold raised an initial CDN$326 million in equity. US$200 million cash and US$100 million in shares was used to acquire two mines from Goldcorp – the Peak mine in Australia, and the Amapari mine in Brazil – essentially a spinout of Goldcorp's non-core assets following the Glamis acquisition. 2007 production is forecast at 220,000 ounces of gold for 2007, at a cash cost of US$340 per ounce. The company does not hedge their production, leaving them fully exposed to gold's upside.

Peak Gold has an aggressive growth strategy, targeting annual production of 500,000 ounces of gold for 2008 through both acquisitions and organic growth. Cash-on-hand is approximately US$70 million with no asset-backed commercial paper held.

The management team has great depth of experience, headed up by President and Director Julio Carvalho, formerly Goldcorp's Executive VP for Central & South America and a 33 year veteran of Rio Tinto in Brazil. He is joined by Jim Simpson, previously Goldcorp's general manager at the Peak mine, as Peak Gold's Chief Operating Officer. These two come from Goldcorp with detailed knowledge of the recently acquired assets.

Mr. Carvalho is also supported by one of the top finance and M&A teams in the industry, key players in both Endeavour Mining Finance and Endeavour Financial. The Board of Directors includes Frank Giustra, Ian Telfer, Robert Cross and Gordon Keep. Former Newmont and Franco Nevada CEO Pierre Lassonde is on the company's Advisory Board. Endeavour Financial was advisor to the acquiring company and is also represented on the board by its chairman, Frank Giustra.

Because Peak Gold's initial mining assets were acquired from Goldcorp for cash and shares, Goldcorp became Peak Gold's largest single shareholder with 22% of the company. Essentially Goldcorp agreed to trade two non-core assets for significant exposure to Peak Gold's upside, and the man who knows these assets best, Julio Carvalho, left Goldcorp to head up the new vehicle with the backing and market power of the Endeavour team.

Both the Amapari and Peak mine have upside potential that is being underestimated by the market. Goldcorp took a US$170 million write-down upon its sale of these assets to Peak Gold, with first year results at Amapari falling well short of initial expectations. All the bad news is already out in the market with the stock down substantially from its financing price, and looking forward there is significant upside likely already baked in the cake.

Market insiders believe Peak Gold is destined to become the next Wheaton River. Key members of this team took Wheaton from a $0.40 junior in 2001 to its merger with Goldcorp at about $4.25 by 2005, and ultimately to $11.50-equivalent post-merger with Ian Telfer at the helm and Endeavour's Frank Giustra behind the scenes.

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Current Price: C$0.54
12 month Target: C$1.00
52 Week Range: C$0.435 - C$1.10
Shares O/S: 726 million basic
Shares O/S: 965 million fully diluted
Market Cap: C$392 million
Working Capital: C$125 million
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Operations
In 2006, its first year of operation, the **Amapari** open-pit mine produced 84,200 ounces of gold at total cash costs of $524 per ounce. This was well below expectations of more than 180,000 ounces at less than US$210/oz. Torrential rains left operating costs higher than projected and production and recoveries less than expectations, severely impacting results. Heap leach operations were simply not designed for the weather experienced over the last few years in this region of the world.

Despite a difficult start, Amapari's Q4/06 and Q1/07 results showed marked improvement as optimization efforts in 2006 have begun to have a positive impact. Management has made significant improvements to existing open pit operations, which should expand profit margins and lower operating costs. Reducing mining costs in turn lowers the cut-off grade, thereby adding significant ounces to production and resource numbers.

Reserves at Amapari are sufficient to support a life of three years, although there is strong potential for the discovery of additional oxide material from extending the known mineralization and following up the large gold anomalies in the mine area. Exploration of both oxide and sulphide material on the mine site and in the wider region is a priority. A budget of US$3.0 million for mine site and regional exploration was established. There are currently 6 drill rigs on the property.

Numerous sulphide zones have been discovered at Amapari that were not included in the purchase price. These zones could add significant resource ounces to the mine and justify building a conventional **carbon-in-leach (CIL) plant** capable of a mixed (oxide-sulphide) ore feed, which could double production. We note that an operation of 3,000 tpa capacity would cost approximately US$100 million, and could potentially produce around 250,000 oz per annum of gold. Not only could a CIL plant be expected to lead to an improvement in the recoveries from oxide material, it would provide a processing route for the underlying sulphides. Current sulphide resources total 690,000 oz at a grade of 3.3g/t, and are not included in the current mine plan. To justify a development such as this, additional resources would have to be defined. Management expects to have conducted sufficient exploration and to have undertaken a scoping study that should allow a decision to progress the project by Q4/07.

In addition to process improvements, the company is employing other means to reduce costs at Amapari. It is expected that improvements in employee training and streamlining of operations at Amapari will allow a significant reduction in personnel requirements. A new rail line from the state capital of Macapa will provide a quicker (three hours vs. approximately six hours by road), more reliable (poor road conditions impassible at times), less expensive means of transportation between the mine site and the port. Also, Peak Gold is negotiating an agreement with iron ore producer MMX that management believes could see MMX mine iron ore on the Amapari property, paying Peak Gold and also literally stripping off overburden at their cost to the benefit of Peak's own operations.

In 2006 the **Peak** mine in Australia, an underground operation, produced 122,600 ounces of gold and 6.6 million pounds of copper. The company is lowering costs by putting in a new ramp between orebodies, removing a bottleneck to production. In 2007 production of 120,000 ounces of gold and approximately 3 million pounds of copper is expected. Cash costs net of by-product copper credits are forecast to be between $200-$220 per gold ounce.

The primary focus for the Peak mine is reserve growth, as the operation only has a two-to-three-year mine life based on current proven and probable reserves alone. Current resources support an 8-year mine life with many of the deposits open at depth. Peak Gold expects mine life will be closer to 10 years. The mine has had a good historical track record of replacing mined ounces and discovering new resources, and comes with over 850 square kilometers of prospective ground surrounding the operations.

Management
Officers
Peak Gold management team has a great deal of experience in the mining industry, backed by a strong Board of Directors with a history of growing and developing new mining ventures. It is important to note that the company's key officers were previously with Goldcorp and have detailed knowledge of the two mines that were purchased from Goldcorp.

Julio Lameiras Carvalho (President and CEO) – Mr. Carvalho has extensive mining experience having spent over 30 years in various roles with Goldcorp, Rio Tinto and Canico. Most recently he was Executive Vice-President, Central and South America of Goldcorp. Prior to that Mr. Carvalho was CFO of one of the four operating companies of Rio Tinto. Mr. Carvalho is a CA and holds an MBA from Queens University in Canada.

James (Jim) Bruce Simpson (Executive VP & COO) – Mr. Simpson has extensive experience is the Pacific Rim and previously served as a Director of Goldcorp Asia Pacific, and was the general manager at the Peak mine. Prior to then Mr. Simpson was mine manager at various mining companies including Goldcorp Inc, Normandy Mining and MM Holdings. Mr. Simpson has over 20 years of experience in the mining industry and holds a Bachelor of Engineering (Mining) from the University of New South Wales, Australia.

Directors
Ian Telfer – Mr. Telfer is well known for his involvement in several successful mergers in the mining sector. He is currently Chairman of Goldcorp, having retired as its President and CEO following the merger with Glamis Gold. Mr. Telfer was previously CEO of Wheaton River Minerals and retained his role as CEO when the company merged with Goldcorp. While at Wheaton River, Mr. Telfer also played a key role in the successful spin-off of silver assets into Silver Wheaton.

Frank Giustra - Frank Giustra is Chairman of Endeavour Financial. Mr. Giustra was central in the launch of several successful resource companies including Wheaton River Minerals (with Ian Telfer) and more recently UrAsia Energy. In addition, Mr. Giustra founded Lions Gate Entertainment Corp., one of the world's largest independent film companies. In the 1990s, he was Chairman and CEO of Yorkton Securities and was active in raising equity for resource companies.

Pierre Lassonde (Special Advisor) – Pierre Lassonde, Vice Chairman of Newmont Mining Corp., was recently named as a special advisor to the Board. Mr. Lassonde recently stepped down as President of Newmont and was previously President and CEO of Franco-Nevada Mining Corp Ltd.

Gold Exposure
Peak Gold is predominantly exposed to fluctuations in the gold price, but also has some exposure to the copper price. The Amapari mine is entirely gold with some minor unpaid silver credits, and the Peak mine is composed of several zones with varying gold/copper content. In 2006 over 90% of metal sales from the company's assets were derived from gold, with the remaining sales from copper. Depending on which zones are being mined at Peak, and the prevailing gold and copper commodity prices, the level of copper exposure can vary. However, we expect the company will continue to blend ore and maintain a gold/copper ratio near historical levels. With a primary focus primary on gold, Peak Gold's share price is highly levered to movements in the gold price and will benefit in an increasing gold price environment, which we expect to continue for some years.

Conclusion
Acquisitions will be key to Peak's future growth strategy. It is well funded, cash flow positive, and is back-boned by a very creative finance team. The company is targeting high quality assets worldwide that can produce at least 100,000 to 200,000 ounces of gold per year for at least 10 years with a cash cost under US$300 per ounce. Management is reportedly in discussions with several parties.

Meanwhile, the two mines provide Peak Gold with an operating base from which to build a significant intermediate gold company. There already exists 2.6 million ounces of gold in total resources at the two mines, including reserves of 920,000 ounces. Over the next few years we can expect gold production of around 220-250,000 oz at a total cash operating cost of US$340/oz before any potential acquisitions.

The company has an aggressive exploration program to test highly prospective land holdings around the existing mines, with a view to increasing resources and reserves further. We can expect reserve and resource updates on both the Amapari and Peak mines. At the Peak mine, the key to success is the delineation of additional reserves and extension of the current mine life. At

Amapari, the focus is on cost reduction, with plans to reduce costs to below $400/oz through the optimization of operating and processing practices.

An announcement of plans to proceed with the construction of a mill at Amapari and a reclassification of sulphide material into proven and probable reserve categories would be a potential catalyst for share price appreciation.

Website: *http://www.peakgold.com*

Postscript
Peak Gold is our old Imperial Plastech Inc. (IPG.H-TSXv) which then became GPJ Ventures (GPJ.H) for a short time, originally accumulated by us as a shell with 650,000 shares at an average cost in the low $0.30's. We were originally attracted by its structure and strong sponsorship in the form of Endeavour Mining Finance, which at the time appeared to have acquired control of the shell through some nominees. The payoff came within the year with us selling as it ran up through the $1.10 area, was halted, and subsequently came back to trade after announcing the acquisition and financing.

Given the exceptional management group and our need for exposure to gold, we recently started accumulating again at the $0.55 level, adding 50,000 shares to the portfolio already holding 150,000 units bought in the private placement. Similar to Wheaton River leading to its take-over by Goldcorp, this company intends to build up its value through accretive acquistions.

On August 29th 2007 we put out an alert pre-market-opening suggesting that the prior day's closing price of $0.48 is likely to be looked at as a bargain once we leave the recent investor fear and summer months behind. We added 100,000 shares to the portfolio that week, to hold a total of 300,000 shares and 175,000 of the 5-year warrants.

For those seeking leverage and higher risk, those 5-year warrants (PIK.WT-TSXv) trade at about $0.20, and are exercisable at $1.50 (deep out of the money, but long life).