

# 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%**

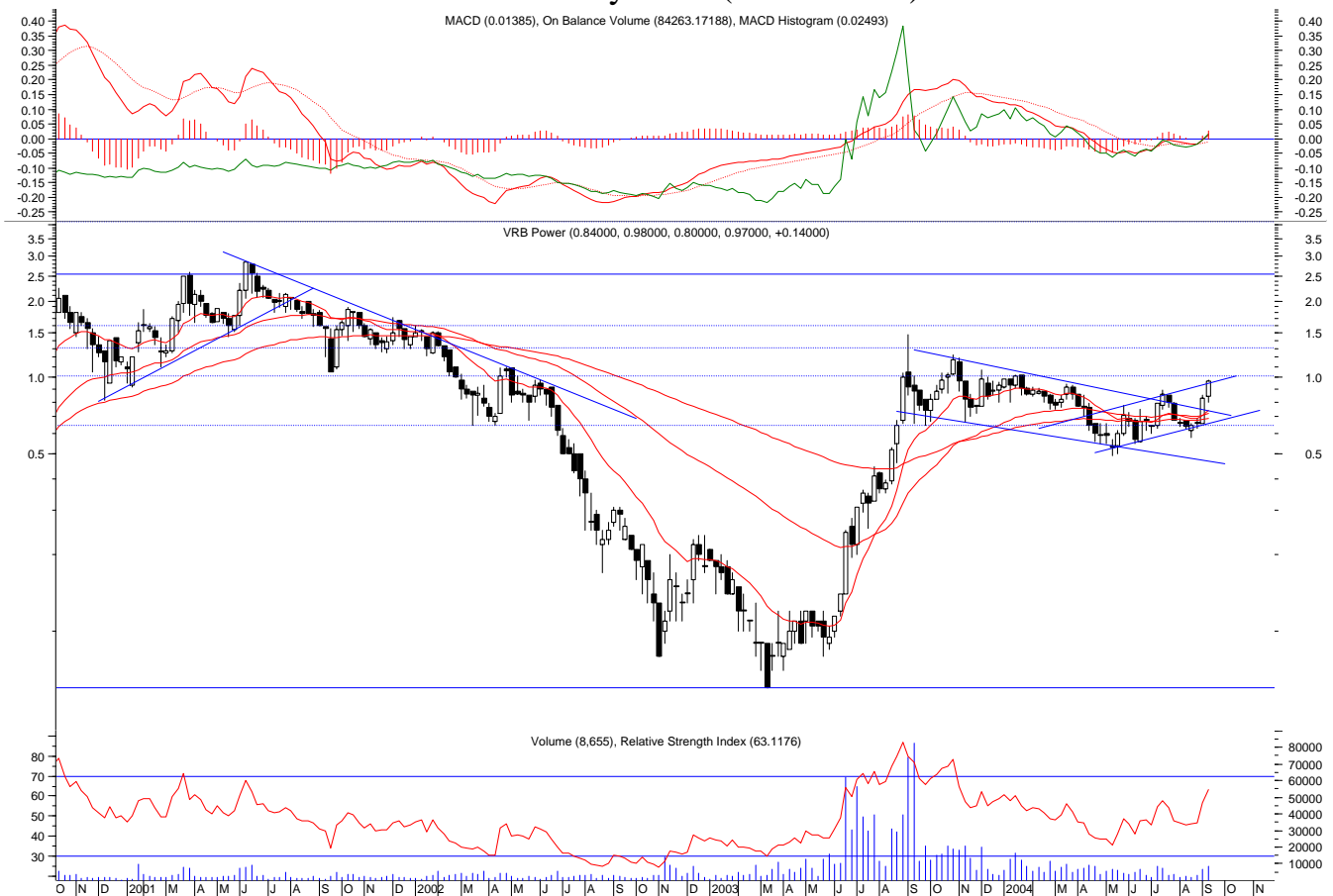
## Junior Gold and Natural Resource Sector Analysis

*(A supplementary report to the Growth Stocks Weekly newsletter)*

August 10, 2004

### UPDATE

#### VRB Power Systems (VRB-TSXv)



*Weekly chart, Semi-log scale, High C\$2.85, Low C\$0.06, Last Trade C\$0.97 (Sept 10 close)*

**Please see important disclaimers at the end of this report.**

#### **Technicals**

Price has remained in a relatively tight downward-sloping channel since the meteoric record-breaking volume rise from the ashes in the spring and summer of 2003. A false breakdown in mid-May 2004 (low of \$0.49) was quickly followed by a rally and false breakout (high of \$0.89) in mid-July, causing many investors to react with emotionally-driven sales at the lows, and buys at the highs. The recent higher-low of \$0.58 in mid-August confirms a new uptrend and tentatively forms what may be a new uptrending channel. This was quickly preceded by a strong rally on rising volume that has now definitively punched through several old resistance lines. Momentum is building and the psychologically and technically important \$1.00 level seems but a minor obstacle in the way of a test of last year's highs. MACD, OBV, RSI and all the EMA's are now supportive of a bullish trend, albeit it's always good to remember that these moves often suffer occasional and necessary corrections.

VRB Power is our largest held GSW model portfolio position by far. We control 1,766,666 shares of VRB Power with average cost of C\$0.155 each. I suspect there are not too many shareholders left who participated in both the November 2002 C\$0.10 unit financing and the June 2003 Convertible Debenture financing (issued at C\$0.15 per CD and converted into units with one share and one warrant).

**About VRB Power Systems**

Based in Vancouver, B.C. Canada, VRB Power Systems Inc. is an electrochemical energy storage company that has commercialized the patented Vanadium Redox Battery Energy Storage System ("VRB-ESS"). The VRB-ESS is a new enabling technology that can effectively store electricity on demand. The VRB-ESS can provide direct economic benefits to utilities and end users in terms of improved power quality, reliability and energy efficiency. The VRB-ESS is particularly well suited to load leveling (peak shaving), electrical power arbitrage, grid stability enhancements, capital deferral and Remote Area Power Supply (RAPS) applications. It is primarily focused on stationary power sources such as utility substations, commercial buildings, production facilities, telecommunication operations, cellular radio sites, and renewable resource generation such as wind farms - creating the ability to provide "firm" capacity. As a "green" technology, the VRB is characterized by the lowest ecological impact of all energy storage technologies and is unlike most other conventional energy storage systems that rely on toxic substances such as lead, zinc or cadmium.

VRB Power is publicly listed on the TSX Venture Exchange ("VRB") and the OTC Pinksheets ("VRBPF").

Website: <http://www.vrbpower.com>



Daily chart, Semi-log scale

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