

the Break Out Report

Volume # 4, Issue # 12

April 16, 2006

Gold

Playing the Gold Bull Market

Gold futures hit \$600 on April 6th and last week closed above \$600 on three of the four trading days including Wednesday and Thursday. I even saw a prediction in the mainstream press last week that gold would top \$850 this year, passing the record high set in 1980. And yet, you won't find too many gold mining stocks in our Watched List. Just two, in fact – Goldcorp, a longtime favorite and Royal Gold.

One of the reasons is that I only include profitable companies and many gold miners are still money losers. In fact, because I am bullish on gold myself, I often look for prospective gold stocks each issue but have trouble finding any that meet my criteria - growing revenues and earnings for three years. Even an industry giant such as Newmont Mining is showing declining earnings per share from 2003 through 2005. How can that be in a gold bull market? Well, expenses are rising for mining companies as well, especially fuel costs.

But the rise in the gold price is real and it is based on real world factors such as the huge US trade imbalance, the huge US debt, and the continuing profligacy of the Bush administration. The price of gold is now being affected by investor demand and those predictions of gold topping \$850 by year end look quite reasonable.

So how do you play the gold market? One way is to buy profitable gold mining companies such as Goldcorp or royalty companies such as Royal Gold. Another is to buy indexes such as the Philadelphia Silver and Gold Index (XAU) or the iUnits S&P/TSX Gold ETF (XGD). Or if you want to invest in pure gold, you can buy the iShares Comex Gold ETF (IGT – TSX, IAU -A) which closely follows the gold price. Or check out our Power Performers for excellent gold stock funds. (page 10)

My favorite way to play gold is to buy LEAPs options on the XGD. The XAU, unfortunately, does not have LEAPs. The XGD is currently at \$76.87. There are 2008 LEAPs available (symbol – LXG) which, oddly enough, expire in March rather than January. I bought some \$58 strike LEAPs in November when the XGD was at \$55. The cost was \$10. As it rose I bought more. I bought some \$68 LEAPs in January when the XGD was around \$65 and last week I bought some \$78 LEAPs when the XGD was at \$77. Cost for those was \$11.75 and \$14.75 respectively.

Just keep buying small amounts in increments as it rises. I'm buying just out of the money myself. With each progressive buy you have a buffer of in-the-money LEAPs to backstop any unexpected rout in the gold market. A \$15 drop in the XGD would have me thinking about selling! Anything less can be ridden out as a correction.

One strategy you can follow is to sell a position when the XGD is up \$20, buy the next step up while pocketing some profits. Or if you want cash flow, buy the XGD and sell near term out of the money covered calls. There are several creative ways to play the gold bull but this is my favorite.

In This Issue: Quarterly Review of Our Watched List (see page 2)

Quarterly Review**First Quarter Review of Our Watched List**

As we do every quarter, we are reviewing our Watched List stocks to see if we want to discontinue carrying some on the list. We're dropping the stocks from our Watched List that meet all three of the following criteria:

- It did not make the Top 500 in March or dropped 5 or more RS points
- It is in a sustained downtrend (anywhere from 4 weeks to 3 months)
- It has a loss in the most recently reported quarter, its earnings per share have dropped 50% or more, or it has had two consecutive quarters of declining earnings.

We're also axing any that have been on our list for over a year and grown less than 25% or over two years and grown less than 50% unless they are in an up trend or growing earnings.

The complete details follow but first let's look at the ten best and ten worst performing stocks for the first quarter of 2006. First the gainers:

Top Ten for Q1 2006						
Name	Symbol	Date Featured	Price Then	Change Q1	Change YTD	Change Since Profiled
Garda World Security	GW	Aug. 21/05	\$12.15	54.96%	54.96%	92.84%
Melcor Developments	MRD	Mar. 2/01	\$20.30	51.90%	51.90%	786.70%
Xceed Mortgage Corp.	XMC	Jan. 16/05	\$5.05	49.21%	49.21%	86.14%
Sino-Forest Corporation	TRE	Dec. 18/05	\$4.40	32.59%	32.59%	48.86%
Cryptologic	CRY	May 15/05	\$42.05	31.96%	31.96%	-28.42%
Goldcorp Inc.	G	May 25/01	\$7.83	31.93%	31.93%	336.40%
Research In Motion	RIM	Sept. 19/04	\$94.82	28.85%	28.85%	4.29%
Centurion Energy	CUX	Ja. 16/05	\$14.45	26.22%	26.22%	-1.38%
Aur Resources	AUR	Oct. 16/05	\$8.57	25.89%	25.89%	73.05%
SNC-Lavalin Group	SNC	Mar. 23/01	\$5.42	25.40%	25.40%	488.38%

Two of our Top Ten for the quarter are repeats from Q4. Those are Garda World Security and Aur Resources. came in third was only featured in October.

Two of the stocks in this list gained over 50% in the last quarter with a third very close behind. Three of them are also among our best performing stocks ever. And two of them are in negative territory since profiled but are now finally starting to make a few waves.

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The Break Out Report

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Quarterly Review (from page 2)

And, as usual, we also take a look at the worst performers for the quarter.

Bottom Ten for Q1 2006

Name	Symbol	Date Featured	Price Then	Change Q1	Change YTD	Change Since Profiled
Great Canadian Gaming	GCD	Mar. 20/05	\$19.32	-23.44%	-23.44%	-35.09%
Calfrac Well Services	CFW	Mar. 20/05	\$36.75	-15.61%	-15.61%	-7.46%
Contrans Income Fund	CSS.UN	Oct. 12/01	\$3.63	-11.81%	-11.81%	241.60%
Big Rock Brewery Inc. Trust	BR.UN	Oct. 15/04	\$16.05	-11.35%	-11.35%	6.54%
Richelieu Hardware	RCH	Dec. 4/00	\$7.00	-7.72%	-7.72%	212.43%
Fortis Inc.	FTS	Mar. 16/01	\$9.50	-7.58%	-7.58%	136.11%
Zargon Energy Trust	ZAR.UN	Jan. 29/01	\$4.70	-5.51%	-5.51%	538.30%
Trican Well Service	TCW	Apr. 18/04	\$12.16	-4.91%	-4.91%	337.79%
Ensign Energy Services	ESI	Nov. 20/05	\$40.24	-4.31%	-4.31%	11.58%
FirstService Corporation	FSV.SV	Feb. 19/06	\$29.50	-3.46%	-3.46%	-3.46%

Great Canadian Gaming is in the Bottom ten for the third quarter running. Not surprisingly, it is also getting the boot this time as it meets our criteria for dropping a stock from our Watched List. And like last quarter when we found four stocks that were double baggers or better for us in the bottom ten, this time there are five. Contrans, Richelieu Hardware, Fortis, Zargon Energy Trust and Trican Well Service all have been superb stocks since we featured them but even the best sometimes take a breather.

And now on to our Quarterly Review. We follow the maxim that the trend is your friend. For the quarterly review we use the most recent sustained trend. This could be anywhere from four weeks to the full three months.

Our Quarterly Review

Name	Symbol	Date Featured	Price Then	Change Q4	Change YTD	Change Since Profiled	March RS Change	Recent Trend	QEPS Change	Status
Home Capital Group	HCG	Nov. 20/00	\$3.00	0.43%	0.43%	1063.33%	off list	↓	+35.10%	Keep
Peyto Energy Trust	PEY.UN	Feb. 22/02	\$2.58	3.07%	3.07%	916.31%	off list	↑	T	Keep
Melcor Developments	MRD	Mar. 2/01	\$20.30	51.90%	51.90%	786.70%	+0.14	↑	+60.44%	Keep
Alimentation Couche-Tard	ATD.SV.B	Dec. 4/00	\$2.88	8.55%	8.55%	783.48%	+3.99	↑	+44.44%	Keep
Reitmans	RET.A	July 6/01	\$2.53	16.17%	16.17%	686.17%	-0.14	↑	+27.78%	Keep
TransForce Income Fund	TIF.UN	Jan. 18/02	\$3.02	14.24%	14.24%	545.36%	off list	→	+39.39%	Keep
Zargon Energy Trust	ZAR.UN	Jan. 29/01	\$4.70	-5.51%	-5.51%	538.30%	off list	→	211.76%	Keep
SNC-Lavalin	SNC	Mar. 23/01	\$5.42	25.40%	25.40%	488.38%	-8.61	→	+26.67%	Keep
Stantec Inc.	STN	Apr. 20/01	\$8.25	8.55%	8.55%	423.03%	-3.03	→	-30.77%	Keep
Canada Bread	CBY	May 18/01	\$13.00	-2.12%	-2.12%	344.23%	off list	↑	-1.33%	Keep
Trican Well Service	TCW	Apr. 18/04	\$12.16	-4.91%	-4.91%	337.79%	-0.87	↑	+95.35%	Keep

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Quarterly Review (from page 3)

Name	Symbol	Date Featured	Price Then	Change Q4	Change YTD	Change Since Profiled	March RS Change	Recent Trend	QEPS Change	Status
Goldcorp Inc.	G	May 25/01	\$7.83	31.93%	31.93%	336.40%	-1.68	↑	+237.5%	Keep
CCS Inc. Fund	CCR.UN	May 18/03	\$10.15	-0.41%	-0.41%	263.23%	-10.59	→	+46.81%	Keep
Contrans Income Fund	CSS.UN	Oct. 12/01	\$3.63	-11.81%	-11.81%	241.60%	off list	↓	0.00%	Keep
GSW Inc.	GSW.B	May 16/04	\$34.73	3.38%	3.38%	230.41%	-1.98	→	+215.18%	Drop
Richelieu Hardware	RCH	Dec. 4/00	\$7.00	-7.72%	-7.72%	212.43%	off list	→	+9.52%	Keep
BMTC Group	GBT.SV.A	Aug. 20/02	\$6.98	18.75%	18.75%	172.40%	new	↑	-14.29%	Keep
Niko Resources	NKO	Nov. 17/02	\$22.20	6.85%	6.85%	165.77%	off list	↑	-72.50%	Keep
Steepleback Industrial Grp.	SID	Jan. 18/04	\$2.95	6.34%	6.34%	155.93%	-3.42	↑	+100.00%	Keep
CML Healthcare IF	CLC.UN	Apr. 12/02	\$5.85	1.46%	1.46%	149.74%	off list	→	-21.43%	Keep
AlarmForce	AF	Sep. 21/03	\$1.92	15.19%	15.19%	136.98%	off list	↑	0.00%	Keep
Fortis Inc.	FTS	Mar. 16/01	\$9.50	-7.58%	-7.58%	136.11%	off list	↓	0.00%	Keep
Finning Intl.	FTT	May 11/01	\$16.40	3.93%	3.93%	135.37%	off list	↑	+73.91%	Keep
TSX Group	X	Jan. 18/04	\$22.50	12.15%	12.15%	133.42%	-2.07	↑	+48.15%	Keep
Cameco Corp.	CCO	Nov. 19/04	\$18.44	13.84%	13.84%	127.83%	-3.61	→	+109.52%	Keep
Pason Systems	PSI	May 16/04	\$15.00	8.24%	8.24%	108.53%	-3.22	→	+50.00%	Keep
Falconbridge	FAL.LV	Mar. 14/04	\$19.63	18.46%	18.46%	108.20%	-3.47	↑	+57.45%	Keep
Garda World Security	GW	Aug. 21/05	\$12.15	54.96%	54.96%	92.84%	+0.05	↑	+38.89%	Keep
Western Lakota Energy Services	WLE	July 17/05	\$9.45	3.69%	3.69%	90.48%	-0.05	→	+111.11%	Keep
Xceed Mortgage Corp	XMC	Jan. 16/05	\$5.05	49.21%	49.21%	86.14%	-3.94	→	+54.55%	Keep
ZCL Composites	ZCL	Jun 20/04	\$2.05	-1.06%	-1.06%	82.93%	off list	→	0.00%	Keep
RONA Inc.	RON	Nov. 16/03	\$12.78	3.92%	3.92%	74.48%	off list	↑	+23.08%	Keep
Aur Resources	AUR	Oct. 16/05	\$8.57	25.89%	25.89%	73.05%	-0.58	→	+22.22%	Keep
BlackRock Ventures	BVI	Jan. 16/05	\$8.92	21.30%	21.30%	56.39%	new	↑	+300.00%	Keep
March Networks	MN	Nov. 20/05	\$22.50	5.94%	5.94%	52.22%	off list	↓	+40.91%	Keep
Sino-Forest Corporation	TRE	Dec. 18/05	\$4.40	32.59%	32.59%	48.86%	+2.16	↑	+33.33%	Keep
Savannah Energy Svcs.	SVY	Feb. 20/05	\$19.35	-2.10%	-2.10%	44.70%	+1.16	↑	+60.71%	Keep

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Quarterly Review (from page 4)

Name	Symbol	Date Featured	Price Then	Change Q4	Change YTD	Change Since Profiled	March RS Change	Recent Trend	QEPS Change	Status
Le Chateau	CTU.SV.A	Jun 19/05	\$39.06	17.24%	17.24%	44.01%	+1.45	↑	+19.32%	Keep
Pareto Corp.	PTO	Aug 21/05	\$1.13	16.79%	16.79%	41.59%	-2.89	↑	+33.33%	Keep
La Senza	LSZ.SV	Apr 17/05	\$14.65	7.11%	7.11%	38.91%	-6.89	↑	+64.00%	Keep
McCoy	MCB	May15/05	\$4.65	1.59%	1.59%	37.63%	-8.47	→	-16.67%	Keep
Gildan Activewear	GIL	Sep 18/05	\$42.01	10.48%	10.48%	31.49%	-2.70	→	+92.86%	Keep
Teck Cominco	TEK.SV.B	Dec 18/05	\$57.75	21.10%	21.10%	30.11%	-3.18	↑	+76.06%	Keep
Kingsway Financial Svcs.	KFS	July 20/03	\$18.60	0.85%	0.85%	27.42%	off list	→	+15.63%	Keep
Royal Gold	RGL	Sep 18/05	\$33.50	4.77%	4.77%	26.54%	+0.20	↑	0.00%	Keep
easyhome	EH	Dec 17/04	\$12.93	3.48%	3.48%	26.42%	off list	→	0.00%	Keep
Killam Properties	KMP	Jan 18/04	\$2.36	3.13%	3.13%	25.85%	off list	→	L	Drop
Sherritt Intl.	S	Nov 19/04	\$8.66	5.45%	5.45%	22.98%	off list	↑	+60.00%	Keep
Stella-Jones	SJ	Feb 19/06	\$15.75	17.46%	17.46%	17.46%	+0.43	↑	+125.00%	Keep
Ensign Energy Services	ESI	Nov 20/05	\$40.24	-4.31%	-4.31%	11.58%	+2.02	↑	+58.33%	Keep
Big Rock Brewery Income Trust	BR.UN	Oct. 15/04	\$16.05	-11.35%	-11.35%	6.54%	off list	→	+31.82%	Keep
Intrawest Corporation	ITW	Mar 19/06	\$37.58	6.12%	6.12%	6.12%	-1.16	↑	T	Keep
Research In Motion	RIM	Sep 19/04	\$94.82	28.85%	28.85%	4.29%	off list	↑	T	Keep
Aber Diamonds	ABZ	Jan 15/06	\$46.77	0.51%	0.51%	0.51%	off list	→	-49.02%	Keep
Centurion Energy	CUX	Jan 16/05	\$14.45	26.22%	26.22%	-1.38%	off list	↑	+30.77%	Keep
Ritchie Bros.	RBA	Mar 19/06	\$59.30	-2.53%	-2.53%	-2.53%	-1.88	↑	+24.24%	Keep
FirstService Corporation	FSV.SV	Feb 19/06	\$29.50	-3.46%	-3.46%	-3.46%	off list	→	+14.29%	Keep
Calfrac Well Services	CFW	Mar 20/05	\$36.75	-15.61%	-15.61%	-7.46%	off list	↓	+17.19%	Keep
Potash Corp.	POT	Jun 19/05	\$119.85	10.42%	10.42%	-14.23%	off list	→	+23.86%	Keep
Cryptologic	CRY	May15/05	\$42.05	31.96%	31.96%	-28.42%	off list	↑	+59.26%	Keep
Great Cdn. Gaming	GCD	Mar 20/05	\$19.32	-23.44%	-23.44%	-35.09%	off list	↓	L	Drop
Average Gain				9.44%	9.44%	176.01%				

(continued on page 6)

Quarterly Review (from page 5)

Dropped (with YTD and Total Gain in brackets) are GSW Inc. (+3.38%, +230.41%), Killam Properties (+3.13%, +25.85%), Great Canadian Gaming (-23.44%, -35.09%)

GSW Inc. has been delisted after being taken over. It leaves our Watched List after having gained 230.41% since profiled. Killam Properties has been on our list for over two years but only gained 25.85% and is not currently in an up trend nor has growing earnings so we're dropping it. And Great Canadian Gaming ran into a few snags and has not done well for us. It's gone!

For the year-to-date our Watched List is up 9.44%. All the stocks on our Watched List are up an average of 176.01% since profiled with 27 up over 100%. That's out of a Watched List of 61 stocks. Seven are in negative territory but four have been on our Watched List less than a year and have not had time to prove their mettle yet. Some of our picks are a little slower out of the gate than others so we continue to cut them some slack.

All in all, we're quite pleased with our Watched List's performance.

The Venture Portfolio as of Apr. 14, 2006

Stock	Symbol	Date Bought	# of Shares	Price Then	Price Now	Amount Invested	Current Value	Change
Asian Television Network	SAT	Aug. 22, 2005	3000	\$0.33	\$1.05	\$1017.00	\$3150.00	+209.7%
Twoco Petroleums Ltd.	TWO	Aug. 22, 2005	185	\$5.35	\$6.45	\$1016.75	\$1193.25	+17.4%
Andean American Mining	AAG	Sept. 19, 2005	725	\$1.32	\$1.47	\$1020.25	\$1065.75	+4.5%
Anterra Corporation	ATR	Sept. 19, 2005	1800	\$0.58	\$0.50	\$1071.00	\$900.00	-16.0%
Commercial Solutions	CSA	Oct. 14, 2005	270	\$3.75	\$6.25	\$1080.00	\$1687.50	+56.3%
CV Technologies	CVQ	Nov. 21, 2005	215	\$4.59	\$2.87	\$1013.85	\$617.05	-39.1%
Zapata Energy	ZCO	Nov. 21, 2005	76	\$13.05	\$14.45	\$1018.80	\$1098.20	+7.8%
Solium Capital	SUM	Dec. 18, 2005	900	\$1.10	\$1.14	\$1017.00	\$1026.00	+0.9%
Grand Petroleum	GPP	Dec. 18, 2005	200	\$5.01	\$4.70	\$1029.00	\$940.00	-8.6%
Wrangler West Energy	WX	Jan. 16, 2006	125	\$7.96	\$9.45	\$1015.00	\$1181.25	+16.4%
Choice Resources	CZE	Feb. 20, 2006	1000	\$0.94	\$0.89	\$960.00	\$890.00	-7.3%
Taseko Mines	TKO	Feb. 20, 2006	450	\$2.20	\$3.28	\$1010.00	\$1476.00	+46.1%
Divestco Inc.	DVT	Mar. 20, 2006	200	\$5.10	\$6.25	\$1040.00	\$1250.00	+20.2%
Humboldt Capital	HMB	Mar. 20, 2006	200	\$4.80	\$5.40	\$980.00	\$1080.00	+10.2%
Totals						\$14,288.65	\$17,555.00	+22.9%

We launched the Venture Portfolio on August 21, 2005 with our first two picks, Asian Television Network and Twoco Petroleum. We launched it with the goal of selecting TSX Venture Exchange stocks that had the potential to make the move to the larger TSX Exchange where increased exposure and liquidity would help the stock to rise even more.

Since we launched it, three of our picks have, in fact, made the move. CV Technologies, Commercial Solutions and Taseko Mines are all now TSX stocks. We are keeping them in the Venture Portfolio, however, until they've been in the portfolio at least a year. Two of them have done quite well with Taseko up 46.1% in just two months and Commercial Solutions up 56.3% in six months. CV Technologies has run into some bad press and is down 39.1% even though sales are still strong.

Our best performing stock remains Asian Television Network which is up a staggering 209.7% and has gone as high as \$1.40 a share.

The performance of our portfolio is excellent despite the fact that it is a cumulative portfolio to which new stocks are added every month. Each addition waters down the gains of the portfolio to date yet our Venture Portfolio is up 22.9% with 10 of 15 stocks in positive territory.

TSX Venture Pick

Uruguay Mineral Exploration (UME - V) \$5.35

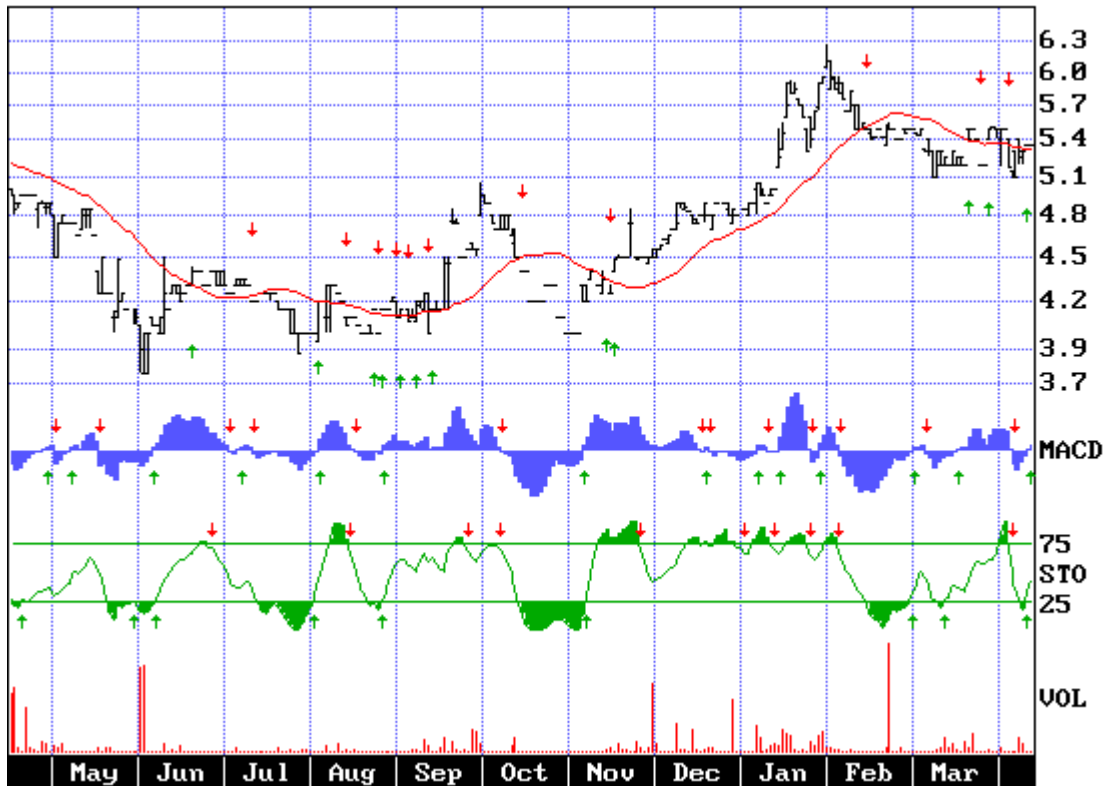
website: www.uruguayminerals.com

In 2003, Uruguay Mineral Exploration discovered the Arenal deposit, the largest known gold resource in the South American country of Uruguay. It also operates the only producing gold mine in the country at San Gregorio. A mid-tier producer, the company last year met its target of producing 100,000 ounces of gold a year.

The company is also active in mineral exploration for such base metals such as copper, nickel, lead and zinc. And it is active in diamond exploration as well. It maintains a full-time staff of 17 geologists.

Unlike many junior exploration and production companies, Uruguay Minerals is profitable. The quarter ended Feb. 28, 2006 saw 25,451 ounces of gold produced at an average cost of \$203 and ounce. With gold nosing past \$600 recently, things are looking good for Uruguay Minerals!

Year	2003	2004	Change	2005	Change	Quarter	2004	2005	Change
Rev.	\$0	\$13,998	n/a	\$30,417	+117.3%	Q Rev.	\$7,874	\$12,167	+54.52%
EPS	-\$0.01	\$0.01	turnaround	\$0.03	+200.0%	Q EPS	\$0.02	\$0.05	+150.0%
Relative Strength			45.72	P/E Ratio		53.50	P/S Ratio		5.30



From a low of around \$0.35 a share in the Spring of 2002, Uruguay Mineral Exploration soared to \$1.40 by mid-summer that year. It meandered back for a year to the \$0.70 level before taking off like a rocket to over \$4 by the end of 2003. It has moved largely sideways since then. With improved revenues and earnings and a rising gold price, Uruguay Mineral Exploration could be on the verge of breaking its two year range to the upside. We're buying around \$1000 worth for our portfolio.

Technology Sector Pick

MacDonald Dettwiler & Associates (MDA–TSX)

(website: www.mdacorporation.com)

Information is king and MacDonald Dettwiler is one of the leading suppliers of information solutions to business and government in the world today. It operates in two divisions – Information Products and Information Systems. The former consists of information services including data compilation and organization through vast databases. The latter consists of high tech space age manufacturing which includes MDA's most famous product, the Canadarm used on the space shuttle.

The Information Products division is focused primarily on property information supplying essential data to real estate appraisers, banks and lawyers to facilitate conveyancing, mortgage financing and insurance. It includes six subsidiaries.

These include Marshall & Swift/Boeckh, the largest supplier of property valuation solutions to the insurance industry in North America.

NLIS is the United Kingdom's National Land Information Service. A public-private partnership, NLIS electronically provides essential information to lawyers for the conveyancing of properties. Millar & Bryce is the primary source of title and legal information in Scotland.

BC Online is a public-private partnership providing electronic access to information derived from Government of British Columbia databases. This includes property assessments, legal title, environmental information and tax records.

Another subsidiary of the Information Products division is Geospatial Services. This includes data gathered from satellites for mapping, resource management, environmental monitoring, surveillance and intelligence.

The Information Products division includes earth observation systems, Radarsat-2, small satellites, defence, security and surveillance systems, airborne systems and advanced robotics.

Defence applications include one of the most advanced sonar and mine detection systems in the world, secure communications systems, naval combat training systems, and police information solutions used by police at both fixed and mobile workstations to retrieve police records. Yeah, when that cop pulls you over for a speeding and checks your license on the police car's computer, chances are MDA is providing the data.

And of course, the Robotics subsidiary is heavily involved in the space program developing the Canadarm as well as the new two-armed robot known as the Special Purpose Dexterous Manipulator.



The famous Canadarm

Quarterly Earnings per Share

To Dec. 31st	2004	2005	% Change
EPS (continuing operations)	\$0.35	\$0.49	+40.00%
Revenues (000s)	\$200,100	\$204,800	+2.35%

Annual Earnings per Share

To Dec. 31st	2003	2004	% Change	2005	% Change
EPS	\$1.12	\$1.35	+20.54%	\$1.72	+27.41%
Revenues (000s)	\$627,309	\$751,855	+19.85%	833,403	+10.85%

(continued on page 9)

MacDonald Dettwiler (from page 8)

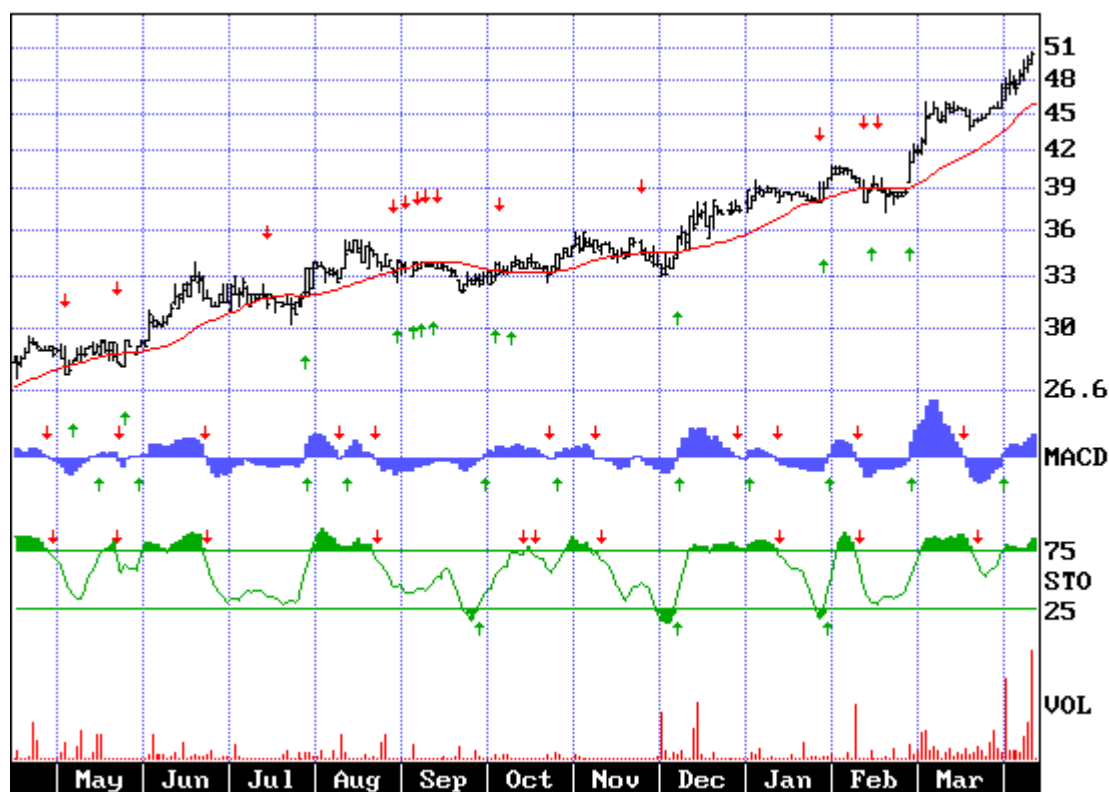


Chart Analysis: MacDonald Dettwiler shows a very nice chart with the stock almost doubling in the last year. Corrections have been minor. Looking at a long term chart we see that MDA climbed from its IPO price of \$14 in July 2000 to a high of \$28 in January 2002 even as other tech stocks were hitting the skids. The stock corrected back to \$20, was flat in 2003, gained modestly in 2004 and really started to take off in 2005. The last month has seen a couple of strong volume days with volume rising steadily in the last week. We expect to see growing strength in this stock.

Stats as of 04/14/06	Phase 2 Analysis
▪ Hi/Lo Ratio: 1.86	▪ Price Pattern: A+
▪ RS: 88.78	▪ Volatility: A+
▪ Shares: 40,448,683	▪ Estimates: A-
▪ P/E: 29.30	▪ Snapshot: A
▪ Price: \$50.40	▪ News: A+

Phase 2: We give MDA an A+ for price pattern and an A+ for volatility as the up trend is solid and corrections are minimal. Estimates are up across the board with an average 2.4or buy rating. We give it an A-. The snapshot is solid with growing revenues and earnings and a solid return on equity rising from 19.07 to 21.95 over the last three years. An A. News is solid as well with a merger in the UK, an acquisition in Ireland, a training contract with the British Navy, and the start of work on a new satellite system. An A+ in our books

All charts courtesy of Investools. Visit their website at <http://me.investortoolbox.com> for more information on their courses and online tools.

Mutual Funds**Marco's Power Performers**

(for March 2006)

Definitions

Power Performers – Mutual Funds returning better than 20% in each of the one year, three year and five year time periods.

Super Power Performers – funds returning better than 25% in the three relevant time periods.

Performers – funds returning better than 15% in each of the time periods.

Markets did well in March and the number of Super Power Performers doubled to 45 from 21 in February. The number of Power Performers also climbed to 37 from 26. And the number of Performers soared to 98 from 69. That gives us a grand total of 175 funds making our tables, the most we've seen in years.

Precious Metals and Resource Funds clearly dominated the pack, making up most of the Super Power Performers. Canadian small caps and growth stocks made up the bulk of the Power Performers and the Performers.

Super Power Performers (45)

Fund Name	1 yr	3 yr	5 yr	Fund Name	1 yr	3 yr	5 yr
RBC Precious Metals	66.71	35.24	47.94	AGF Glob. Res. Cl. (US\$)	57.76	54.13	29.26
Resolute Growth	90.71	66.05	44.89	Mackenzie Cundill Recovery 'C' (US\$)	42.21	45.38	28.94
Mackenzie Universal Precious Metals (US\$)	76.49	36.89	43.75	Northwest Specialty Equity	23.77	33.84	28.86
AGF Precious Metal	67.83	40.12	42.31	CI Glob. En. Corp Cl. (US\$)	49.46	57.26	28.56
Mackenzie Univ Cdn Res (US\$)	49.15	53.86	38.54	iUnits Energy Sector Index	55.91	43.53	28.33
Altamira Prec. & Strat. Metal	46.67	33.96	37.18	London Life Cdn. Res. (MF)	42.74	41.26	28.33
Dynamic Precious Metals	69.18	31.35	37.10	Ethical Special Equity	28.74	31.16	27.86
CIBC Precious Metals	67.47	36.67	37.09	Clarington Cdn. Small Cap	29.14	30.31	27.51
Sprott Canadian Equity	44.26	39.47	36.73	AGF Canadian Resources	53.71	46.82	27.47
Mackenzie Univ. Prec. Metals	70.42	26.81	35.37	EnerVest Nat. Res. Fund	28.02	38.31	27.44
Front Street Special Opp. Cdn.	47.00	59.03	35.16	BMO Resource	52.40	39.06	27.28
Mackenzie Universal World Precious Metal Cap	72.05	28.98	34.09	CIBC Energy	34.16	44.05	27.08
Epic Limited Partnership	38.54	40.74	32.82	GWL Cdn. Res. (A) DSC	50.54	44.60	26.70
Friedberg Diversified (US\$)	277.43	60.66	32.29	GWL Cdn. Res. (A) NL	50.22	44.29	26.43
TD Precious Metals	68.82	28.14	31.78	Excel India	51.74	58.77	26.36
London Life Prec. Metals (MF)	68.94	25.62	31.46	Trimark Cdn. Resources	34.65	33.62	26.16
Sentry Precious Metals Growth	100.34	36.90	31.09	Sentry Canadian Resource	63.01	44.66	25.87
Sceptre Equity Growth - A	40.53	45.72	30.74	TD Latin Amer Gro. (US\$)	73.53	58.50	25.67
Mackenzie Universal Canadian Resource	44.02	42.53	30.46	CI Signature Canadian Resource	52.47	42.03	25.64
TDK Resource Fund Inc.	52.85	44.55	30.43	Fidelity Latin America-B (US\$)	77.76	60.17	25.28
Dynamic FocusPlus Resource	56.09	41.36	30.26	Fidelity Latin America-A (US\$)	77.53	60.05	25.22
Front Street Small Cap Cdn.	51.54	49.51	29.88	TD Energy	49.98	41.58	25.09
Norrep Fund	35.58	42.87	29.39	Power Performers © Marco den Ouden			

(continued on page 9)

Marco's Power Performers (from page 10)

Below are our Power Performers.

Power Performers (37)							
Fund Name	1 yr	3 yr	5 yr	Fund Name	1 yr	3 yr	5 yr
BMO Precious Metals	68.27	20.87	26.98	Vertex Fund - A	32.09	36.04	21.79
RBC Energy	40.43	41.95	24.90	AGF Global Res. Class	52.25	42.75	21.71
Altamira Resource	38.31	42.69	24.76	GGOF Mo. High Inc. Classic	27.69	28.10	21.54
Acuity All Cap 30 Canadian Equity	24.77	35.63	24.38	Elliott & Page Growth Oppor.	25.96	29.91	21.52
Maritime Life Canadian Growth-R	29.96	34.74	24.28	Bissett Small Cap-F	30.82	30.76	21.45
TD Resource	45.14	36.56	24.00	Mackenzie Cundill Recov. 'C'	37.32	34.67	21.42
Dominion Equity Resource	20.62	34.62	23.96	CIBC Canadian Resource	45.42	39.51	21.34
Clarica SF CI Sig. Cdn. Res. A	51.07	39.83	23.66	CI Global Energy Corp Class	44.35	45.70	21.08
Clarica SF CI Sig. Cdn. Resource	51.07	39.87	23.62	GGOF Mo. High Inc. Mutual	26.87	27.48	20.86
Sentry Canadian Energy Growth	37.27	33.93	23.57	National Bank Nat. Res.	38.23	33.18	20.76
iUnits Gold Sector Index	53.84	23.00	23.49	Renaissance Cdn Small-Cap	39.58	33.49	20.73
Mackenzie Universal World Resource Cap Class	38.53	38.32	23.25	Legg Mason Canadian Growth Equity	23.69	37.68	20.63
Desjardins Financial Pool Bissett SmallCap	32.19	32.27	23.03	Renaissance Canadian Income Trust	26.96	25.49	20.36
Montrusco Bolton Cdn Sm Cap 'B'	27.65	35.73	22.98	Acuity Pooled High Income	22.08	26.58	20.35
Hillsdale Cdn Performance Eq. A	23.28	32.97	22.37	Templeton Em. Mkts. (US\$)	37.59	40.64	20.35
Fidelity Emerg. Markets-B (US\$)	59.49	47.14	22.17	Bissett Small Cap-A	29.46	29.44	20.26
Fidelity Emerg. Markets-A (US\$)	59.26	47.00	22.10	Assumption/MB Cdn SmCap	24.61	32.41	20.05
AGF Emerging Markets Value (US\$)	61.93	50.16	22.05	Synergy Extreme Global Equity (US\$)	26.90	33.29	20.02
R Canadian Smaller Companies	26.55	30.66	21.79	Power Performers © Marco den Ouden			

Below and on the next page are our Performers.

Performers (98)							
Fund Name	1 yr	3 yr	5 yr	Fund Name	1 yr	3 yr	5 yr
Sprott Hedge L.P.	28.35	18.26	29.27	StandardLife Ideal Cdn Small Cap	35.71	29.40	17.07
Bissett Microcap-F	19.60	25.70	26.05	Hillsdale US Perform. Eq. (US\$)	37.26	33.95	17.03
Adaly Opportunity-A	19.45	30.91	25.99	Standard Life Ideal-NL Canadian Small Cap	35.48	29.19	16.95
Mawer New Canada	18.18	28.86	25.29	CIBC Canadian Real Estate	25.16	23.19	16.85
Bissett Microcap-A	17.96	24.05	24.48	McElvaine Investment Trust	18.49	19.04	16.82
Saxon Small Cap Fund	25.55	30.59	19.90	AGF European Eq. Class (US\$)	28.84	37.41	16.80
KEYSTONE Saxon Smaller Companies	24.03	29.41	19.89	CI Emerging Markets Corporate Class (US\$)	51.90	38.93	16.74
RBC Global Resources Sector	53.45	39.43	19.82	Dynamic Canadian Value Class	36.56	39.37	16.66
Montrusco Bolton Enterprise	27.73	35.30	19.75	Thornmark Enhanced Equity	35.62	32.29	16.59
Lutheran Life Canadian Small Cap	28.53	28.52	19.64	IG Beutel Goodman Canadian Small-Cap-C	17.25	24.35	16.58

(continued on page 12)

Marco's Power Performers (from page 11)

Performers (continued)							
Fund Name	1 yr	3 yr	5 yr	Fund Name	1 yr	3 yr	5 yr
Acuity Pooled Cons Asset Alloc	21.61	27.20	19.62	AGF Canada Class (US\$)	25.06	31.85	16.57
Millennia III B Small Cap 3	28.68	28.68	19.47	Trimark Glob. Endeavour (US\$)	17.65	29.10	16.55
Bissett Income-F	20.14	23.20	19.45	CI Emerging Markets (US\$)	51.49	39.04	16.47
Canada Life Gens Small Cap Equity (Biss)	28.45	28.43	19.45	Dynamic FocusPlus Small Business	25.41	37.82	16.45
Concordia Special Growth	27.86	30.32	19.40	Trimark Europlus (US\$)	19.93	42.13	16.34
United-Canadian Eq Value Pool	26.41	27.72	19.37	United-Cdn Eq. Small Cap Pool	24.88	31.79	16.33
Millennia III B Small Cap 4	28.55	28.54	19.35	Dynamic Power Cdn. Growth	37.42	35.78	16.30
AGF Global Real Est. Eq. (US\$)	34.92	30.40	19.19	GGOF Emerging Mkts. Mutual	44.56	35.96	16.27
CI Harbour Corp. Class (US\$)	28.73	31.01	19.00	AGF Global Hi. Yld. Bond (US\$)	14.26	16.82	16.24
DMP Resource Class	60.31	43.16	18.93	Highstreet Canadian Equity	30.59	29.66	16.23
ABC Fundamental Value	19.10	26.84	18.89	Assumption Cdn. Equity Plus	17.89	25.47	16.22
All-Canadian Resources Corp.	37.34	20.63	18.89	AGF China Focus Class (US\$)	27.78	34.59	16.21
Montrusco Bolton Cdn Eq. Plus	20.44	28.43	18.84	CI Signature High Income	17.58	20.72	16.21
Mackenzie Growth	18.19	23.36	18.81	AGF Global Fin. Services (US\$)	26.42	38.64	16.14
Investors Cdn. Nat. Resource-C	41.12	32.54	18.65	TD Emerging Markets-A	45.47	36.72	16.07
BluMont Hirsch Performance	19.94	23.79	18.62	HSBC Small Cap Growth-I	30.18	29.16	16.05
Empire Small Cap Equity	26.07	28.84	18.60	iUnits Financial Sector Index	28.17	25.78	16.05
Talvest Millennium High Income	28.28	21.23	18.60	Dynamic Power Cdn Growth CI	35.51	34.74	16.04
Scotia Latin American Growth	64.77	44.89	18.46	TD Emerging Markets	45.50	36.39	16.02
CI Can-Am Sm Cap Corp Class	22.60	37.57	18.43	Leith Wheeler Cdn. Equity B	23.48	27.04	15.89
Beutel Goodman Small Cap	19.00	25.99	18.38	Mackenzie Cundill Val. 'C' (US\$)	17.18	32.76	15.89
TD Latin American Growth	67.40	46.70	18.33	CIBC Cdn. Emerging Company	26.02	29.80	15.80
Bissett Income-A	18.87	21.92	18.20	Sentry Select REIT	27.60	22.53	15.77
Trans IMS Canadian Small Cap	38.18	41.82	18.10	Middlefield Income Plus	20.18	20.73	15.75
IA Group Dividends	30.95	27.87	18.09	Assumption/MB TSX 100 Mom.	38.73	43.34	15.72
Hillsdale Cdn. Aggr. Hedged A	20.51	26.56	18.08	Northwest Specialty Innovations	15.45	31.78	15.69
Dynamic Power Small Cap	28.78	41.97	18.04	IA Ecflx Dividends	28.14	25.14	15.57
Acuity Pooled Canadian Equity	26.40	33.17	18.02	IAP Dividends	28.14	25.14	15.57
Fidelity Latin America-B	71.80	48.38	18.00	APEX Cdn. Value (Dynamic)	35.73	37.79	15.54
Fidelity Latin America-A	71.32	48.24	17.94	Thornmark Dividend & Income	27.32	25.31	15.35
SEI Emerging Market Equity-O	40.84	36.33	17.75	CIBC Latin American	54.81	40.86	15.31
Dynamic FocusPlus Real Est.	23.64	25.86	17.59	Sceptre Canadian Equity Pooled	31.53	30.01	15.24
Middlefield Enhanced Yield	23.91	24.09	17.59	Goodwood Fund-A	25.51	30.61	15.22
Acuity High Income	19.42	24.15	17.58	Acuity Pooled Cdn. Balanced	17.24	21.83	15.21
Montrusco Bolton TSX100 Mom	40.82	45.61	17.40	Mavrix Strategic Small Cap	87.83	59.70	15.15
Standard Life Cdn. Small Cap-A	35.79	29.55	17.21	RBC O'Shaughnessy Cdn. Eq.	20.26	26.86	15.15
BMO Special Equity	38.61	29.65	17.17	Halcyon Hirsch Opport.Cdn.	24.70	28.08	15.06
Genus Biosphere Plus Cdn Eq.	37.78	30.43	17.17	Altamira Global Discovery	38.89	34.86	15.04
Acuity Social Values Cdn Equity	25.10	29.00	17.10	Fidelity Emerging Markets-B	54.12	36.29	15.04

Our Model Portfolio

Initial Position: \$50,000 (Jan. 11, 2002)

Current Position: \$168,766.83 (Up 237.53%) Up 7.60% YTD

Our largest holding, GSW Inc., has now been taken over by A.O.Smith at a takeover price of \$115. We are considering it sold at the last quoted price of \$114.75. Because the position was so large, we are using this opportunity to rebalance the portfolio. To that end, we are adding shares of our new featured stock, MacDonald Dettwiler, and adding to our positions in Kingsway Financial, Aber Diamonds, Fortis Inc., Stella Jones and FirstService Corporation. Now we have between \$16,000 and \$18,500 in each stock. The dates noted below are for the first purchase. The price paid is the blended price and the gain reflects the blended price as well. Our cash position is \$53.91.

Aber Diamonds (ABZ – TSX)		FirstService Corporation (FSV.SV – TSX)	
# of Shares: 355	Bought: Jan. 16/06	# of Shares: 585	Bought: Feb. 20/06
Price Then: \$46.76	Price Now: \$46.70	Price Then: \$29.28	Price Now: \$28.78
Gain: -0.14%	Stop: \$41.34	Gain: -1.72%	Stop: \$25.87
Notes: Aber Diamonds has a 40% interest in the Diavik Diamond Mine in the Northwest		Notes: FirstService is a major property management firm with offices in twenty	
Fortis Inc. (FTS – TSX)		Goldcorp (G – TSX)	
# of Shares: 795	Bought: Oct. 24/05	# of Shares: 500	Bought: Aug.15 & 22
Price Then: \$22.88	Price Now: \$20.98	Price Then: \$21.67	Price Now: \$34.56
Gain: -8.29%	Stop: \$20.32	Gain: +59.50%	Stop: \$28.28
Notes: Newfoundland based electric company Fortis Inc. has expanded into other regions of Canada including British Columbia.		Notes: Goldcorp is Canada's leading low cost gold mining company. It recently merged with Wheaton River.	
Intrawest Corp. (ITW – TSX)		Kingsway Financial (KFS – TSX)	
# of Shares: 447	Bought: Mar. 20/06	# of Shares: 683	Bought: May 24/04
Price Then: \$37.58	Price Now: \$39.28	Price Then: \$15.75	Price Now: \$23.88
Gain: +4.52%	Stop: \$33.90	Gain: +51.58%	Stop: \$19.77
Notes: Intrawest is the world leading resort operator with many ski resorts and golf courses under management including Whistler.		Notes: Kingsway Financial is a leading supplier of alternative insurance services. The stock has been flat for a while but has not hit a stop loss.	
MacDonald Dettwiler (MDA-TSX)		Ritchie Brothers (RBA – TSX)	
# of Shares: 335	Bought: Apr. 17/06	# of Shares: 282	Bought: Mar. 20/06
Price Then: \$50.40	Price Now: \$50.40	Price Then: \$59.30	Price Now: \$64.36
Gain: +0.00%	Stop: \$42.84	Gain: +8.53%	Stop: \$54.71
Notes: MacDonald Dettwiler & Associates is a leading data manager and also involved in space technology. It built the Canadarm.		Notes: Ritchie Brothers is the world's leading auctioneer for industrial equipment. It has 110 offices in 25 countries worldwide.	
SNC Lavalin (SNC – TSX)		Stella-Jones Corporation (SJ – TSX)	
# of Shares: 510	Bought: Oct. 17/05	# of Shares: 838	Bought: Feb. 20/06
Price Then: \$24.49	Price Now: \$31.89	Price Then: \$16.06	Price Now: \$19.30
Gain: +30.20%	Stop: \$26.14	Gain: +20.18%	Stop: \$17.00
Notes: SNC Lavalin is one of Canada's largest engineering contractors and also does a lot of business outside of the country.		Notes: Stella-Jones is a leading manufacturer of poles – yes poles. Hydro poles, railway ties, piles for wharves and so on.	