



Stateside Report



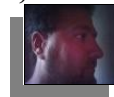
“A Unique Report Service for the Intelligent Resource Investor”



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Re-introducing 2 stocks not to buy.....yet



Metalore Resources (MET.TO)



New Oroperu (ORO.V)

Summary

February has been an extremely busy month for me with several projects being reviewed and researched for upcoming issues. On those rare occasions where I've had a minute to turn on some sports to watch, I've noticed several commercials on TV marketing “throw back” or “old school” products that were popular 20 years ago and they are bringing them back to the market. In the spirit of “throw back” mania, the February 28th edition of the *Stateside Report* will take a re-look at two “throw back” companies that should **not be bought** right now. You might suggest I've been working too hard and I have been but I'm not kidding. These two stocks **should not be bought** right now but they should go on your watch-list to be bought the day specific events unfold unique to both companies. As you'll see below, the reasons I recommended them in 2007 still exist today. Most readers know that I try and uncover undervalued situations before the rest of the investment world catches on and I tend to be early. With these two companies, I was way too early so we won't make that mistake again. You'll have time to get in once certain situations unfold. You may not catch the exact bottom, but you'll be early enough to profit before others understand the significance of the announcements. These two situations are highlighted on the following pages.



Metalore Resources (MET.TO)

I highlighted Metalore Resources twice in 2007, one initial report and one update. They can be accessed here:

http://www.statesidereport.com/2007_-_July_-_Stateside_Report.pdf

http://www.statesidereport.com/Metalore_Resources_-_Aug_2007_Update.pdf

Metalore still has the lowest number of shares for any resource company on the TSX (1.8 million shares). Their market cap is under \$13 million. George Chilian is still the president. If you look at the insider buying, he still buys almost all shares traded. Yes, he still treats Metalore like his private company. They have a profitable natural gas business but the reason I recommended the stock was for the highly under-promoted Cedartree gold property. As you'll see in the attached reports, they have hit high grade gold over significant widths within 100 meters of surface. In my opinion, they have a Rainy River-like multi-million ounce high grade gold deposit. Unfortunately, George won't step up the exploration using equity offerings. He only uses cash from the natural gas sales to fund exploration. At that rate, I may be writing to you in 2020 stating the same things here.

They did a small drill program to trace the high grade gold to 200 meters depth (which I mentioned in my 2007 reports) and then followed with a small program in 2008 to follow it to 300 meters depth. Both programs were successful in tracing the gold deeper but the detailed results have not been released. Not one word on the gold drilling since my 2007 reports were issued. George says he wants to attract a major and I tell him you have to let the majors know what you are doing for them to be attracted to you. Heaven forbid it appears promotional to release results.

They are starting a bigger drill program this Spring/Summer which was mentioned in their recent MD&A but don't hold your breath on any press release noting the start of drilling or any mention of assays. Too promotional George would say.

Based on the above, put Metalore on your watch-list for any news related to George stepping down or retiring (he's nearing 75). The stock would probably not move on this news but I will be buying like crazy (adding to my small position). George's son Arman would most likely take over, do a \$5 million equity offering, split the stock 15-1 to improve liquidity, and do a major drill program to increase shareholder value and prove my point that this is another Rainy River..

When you read the reports linked above, you'll be amazed like me that this gold property hasn't received the focus it deserves. It willbut only after George relinquishes control of the company.



New OroPeru (ORO.V)

Just like Metalore, we haven't heard a peep from New Oroperu since my 2007 report was issued. The report can be viewed here: <http://www.statesidereport.com/New-Oroperu-Sept2007.pdf>. New Oroperu (ORO) still has 18 million shares outstanding and a \$9 million market cap, still has the Tres Cruces project optioned to Barrick (30% ORO, 70% Barrick with ORO carried through to production) and still receive \$250,000 option payments from Barrick each year until Barrick decides to get off their asses and develop this project.

As most know, Barrick eliminated most of their production hedges and appear to be moving aggressively now on the exploration front. Unfortunately for New OroPeru, Barrick has until hell freezes over (2018 I believe) before they lose the option. As you'll see in the report, the Tres Cruces project has 1.7 million gold ounces in the M&I category which should go for at least \$125/ounce once (if) Barrick decides to go into production. Drilling in 2006/2007 probably increased the ounces to 2.5 million but Barrick hasn't released that information. I purchased stock in 2007 figuring New Oroperu's share of 2.5 million ounces would be worth at least \$80 million or over \$4 per share. I thought in a rising gold market, Barrick would develop the project considering it is only 10 km away from their 10 million ounce Lagunas Norte property that went into production in 2005. I thought wrong.

Based on the above, put New Oroperu on your watch-list for any news that shows Barrick is moving forward with the project. It probably won't draw much investor attention immediately, but I'll be buying on any news concerning the project. Don't buy now and let your money sit.....wait until Barrick tells you it's time.

Until next time,

Vince "stateside" Marciano

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Vince Marciano does own shares in Metalore Resources as of the date of this report.

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