

Peregrine Diamonds Ltd.

PGD : TSX-V : C\$3.65

SPECULATIVE BUY

Target: C\$7.35

Graeme Currie 1.604.643.7405

graeme.currie@canaccordadams.com

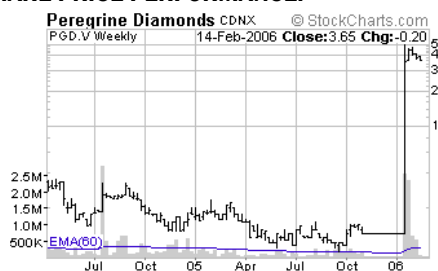
Toni Wallis 1.604.643.7551

toni.wallis@canaccordadams.com

COMPANY STATISTICS:

52-week Range:	\$5.01-3.50
Avg. Daily Vol. (000):	335.4
Market Capitalization (M):	C\$177.8
Shares outstanding (M):	48.7
Shares fully diluted (M):	63.8
Working capital (M):	(CCC est.) \$51.0
Long term Debt (M):	Nil

SHARE PRICE PERFORMANCE:



COMPANY SUMMARY:

Peregrine is a junior diamond exploration company under the stewardship of Eric Friedland. The company's primary focus is their 54.5% owned WO project in the NWT on which a bulk sample to extract plus 3000 carats from the DO-27 kimberlite is planned for 2006. Initial sampling by Peregrine from the core of this pipe confirmed a grade of 98 cpht from this large 9 hectares sized body.

All amounts in C\$ unless otherwise noted.

Mining and Metals – Junior Gold and Exploration

INITIATING COVERAGE OF PEREGRINE DIAMONDS

Overview

Peregrine Diamonds is a junior diamond exploration company under the stewardship of Eric Friedland (BSc Geology) and including as senior management Alan Carter (PhD Geology), Peter Holmes (BSc Geology, MBA) and Jennifer Pell (PhD Geology). These four combined have over 70 years experience in exploration and cumulatively the four have over 43 years experience specifically in diamond exploration.

Peregrine's primary asset is a 54.475% interest in the WO claim block located immediately south of the Diavik Mine, Lac de Gras region, NWT. The company enters 2006 having completed in 2005 a six-hole large diameter drill program of which five holes tested the chrome diopside rich facies core of the DO-27 pipe. The results of this program indicated a grade of 98 cpht and initial valuation of this small parcel of diamonds confirmed the presence of plus 1 carat stones in the parcel with an average value per carat of US\$71.

For 2006 Peregrine has initiated a program to fast-track the DO-27 project through the resource estimate, grade and diamond valuation process. The 2006 budget totals over \$16 million, of which Peregrine is required to fund just shy of \$9 million. Peregrine is the project operator. The first phase of the program will employ large diameter drilling on roughly 100-metre grid spacings to allow for the extraction of about 3,000 carats. The company then intends to have these stones sent for valuation to define a current and modelled value for the parcel. Concurrent with this work, core drilling is employed to define the size of DO-27 and to improve the geologic and geotechnical database of this pipe. A second focus of the 2006 program is to complete environmental studies and additional drilling on other targets – specifically, the company is awaiting the results of micro diamond work from the DO-18 pipe, currently out for analysis. Should these results be considered positive, the company plans to complete a mini-bulk sample on the 3.5 hectares DO-18 pipe located about 700 metres north of DO-27.

The recommendations and opinions expressed in this Investment Research accurately reflect the Investment Analyst's personal, independent and objective views about any and all the Designated Investments and Relevant Issuers discussed herein. For important information, please see the Important Disclosures section in the Appendix of this document.

Management

Peregrine has a strong management team with the top four key persons having over 70 years of exploration experience inclusive of over 43 years diamond exploration experience.

Eric Friedland (President) has plus 20 years experience in exploration and development and has guided the acquisition of Peregrine's portfolio. He previously was President of Fairbanks Gold during that company's involvement in the development and financing of the Fort Knox gold discovery in Alaska and has also built three diamond mines in South Africa.

Dr. Alan Carter (COO) has over 18 years experience in minerals exploration including seven years as exploration manager for Rio Tinto.

Dr. Jennifer Pell (VP Explorations) has over 20 years experience in kimberlite research and diamond exploration having had positions with a variety of public and private groups. Most recently Dr. Pell had served as VP Exploration for Dunsmuir Ventures, the junior public company that amalgamated with Peregrine.

Peter Holmes (Manager DO-27 Project) has over 15 years in diamond exploration experience, most recently with the De Beers group, prior to joining Peregrine, as divisional manager for Western Canada Exploration. He is also an ex-member of the De Beers Venture Capital Project Team.

Peregrine diamonds background

Peregrine was incorporated in November 2002 and was originally focused on employing, under an exclusive license from BHP Billiton, the Falcon™ airborne geophysics system. In April 2004 Peregrine focused efforts towards diamond exploration and acquired an initial 38.475% interest in the WO claims from BHP Billiton. On completion of the initial bulk sample program and additional core holes in 2005 Peregrine's interest had increased to 54.475%.

The other partnership interests in the WO claims are:

- DHK Diamonds Inc: 20.0%
- Aber Diamonds: 7.35%
- SouthernEra Diamonds 4.9%
- Archon Minerals: 13.275%.

Peregrine is the project operator and retains 92.65% of the diamond marketing rights for the first five years of commercial operation on any mine on the WO property. The project does have a 1.3% gross overriding royalty as well.

Since 2004 Peregrine had been in discussions with Dunsmuir Ventures in regards to an amalgamation which was completed concurrent with a \$50 million equity issue. For Dunsmuir shareholders they received 1 share of Peregrine for every 20 shares of Dunsmuir held. Post issue Peregrine has 48.67 million shares issued. Canaccord acted as lead agent for the equity issue.

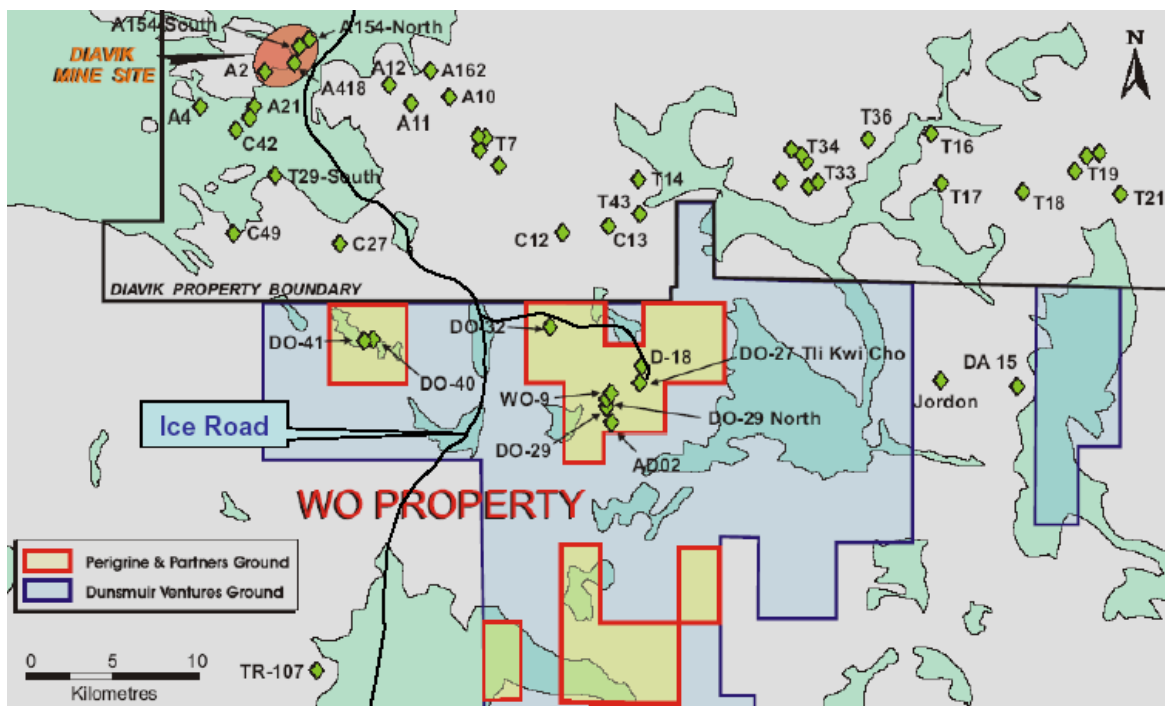
WO claims

The WO claims contain the DO-27 and DO-18 diamondiferous kimberlite pipes and the property is located about 300 kilometres northeast of Yellowknife, NWT. The property is accessed via fixed wing aircraft year-round, though in the winter months, from late

January to early April, is also accessed via the winter road that is annually constructed to allow for the delivery of supplies from Yellowknife to and from the EKATI™ and Diavik Diamond Mines and other exploration camps in the region. The road passes within 11 kilometres of the DO-27 pipe, thus a trunk road to access the camp and site is easily constructed. This service road allows for the transportation of heavy items such as fuel and drill supplies and is currently operational. The majority of DO-27 is under a small lake.

The history of the DO-27 pipe is quite well documented and for investors familiar with the early 1990's exploration history in and around Lac de Gras, DO-27, or Tli Kwi Cho, served as an early disappointment.

Figure 1: WO property location



Source: Peregrine Diamonds

In short summary:

The WO claims were originally staked in early 1992 and then optioned to Kennecott Canada.

Between 1992 and 1994 exploration conducted resulted in the discovery of a number of kimberlites. The DO-27 was identified in 1993 and follow-up drilling, employing micro diamond and indicator mineral analysis, lead to a decision to extract via underground workings a bulk sample. By April 1994 just over 5,000 tonnes was extracted and the sample was processed in Yellowknife with valuation results released in November 1994.

The net results of this work fell short of expectations with two separate geologic units yielding grades averaging 36 cpht and 13 cpht, respectively. Valuation of the parcel which made up the 36 cpht graded stones returned an average of US\$22/carat in 1994. A six tonne mini-bulk sample was also extracted from the DO-18 body and returned 9 cpht. This data resulted in Kennecott doing little additional work.

In 2004 Peregrine began to review the original data from the 1994 work and concluded that they believed that Kennecott failed to adequately test the main crater, or main vent, of the kimberlite. The review by Peregrine concluded that the initial decline plans to fully access and sample the main vent had not been carried out due to a number of engineering issues and that the decline only tested the outer portions of DO-27. Peregrine believes this work appeared to focus on hypabyssal material and not the main pyroclastic vent which is believed to comprise the bulk of DO-27. Drill data from the 1994 exploration efforts was interpreted by Peregrine to indicate the potential for higher-grade material, inclusive of larger stone sizes, in the main vent. The company also reviewed 1999 material which had resulted in an improved geologic model of the DO-27 kimberlite with at least four main rock types identified in at least three craters.

The result of this re-evaluation by Peregrine led the company to initiate a six-hole large diameter drill program conducted in H1/05 to test this theory. The holes were drilled for a cumulative total of 776 metres and all ended in kimberlite. The holes targeted primarily the central portion of the main vent of DO-27.

Mini-Bulk sample results

The results from the six holes confirmed a material increase in the average grade of the central portion of the main vent of DO-27. In total, 151 dry tonnes were extracted. From five holes which were reported to have intercepted pyrope and chrome diopside-rich facies, 108.5 tonnes yielded 106.4 carats or 98 cpht. Hole RC3 was interpreted as entering fresh olivine-rich facies and from 42.8 tonnes returned 29.9 carats or 70 cpht. In each of the six holes the largest stones were at minimum 0.50 carats in size ranging up to 2.93 carats.

Figure 2: DO-27 H1/05 Grade Results (Pyrope, Chrome Diopside-Rich Facies)

Drill Hole	Total Depth m	Sample weight Dry tonnes	Total carat weight	Carats per tonne	# of stones > half carat	Largest stones
						carats
RC1	209	45.74	47.32	1.03	4	2.93, 1.62
RC2	124	28.96	27.66	0.96	5	1.85, 0.96, 0.94
RC4	93.5	12.02	11.99	1.00	1	2.66
RC5	83	12.20	11.66	0.96	3	0.76
RC6	77	9.54	7.4	0.78	1	0.5
Total		108.47	106.03	0.98		

Source: Peregrine Diamonds

Figure 3: DO-27 Grade Results (fresh olivine-rich facies)

Drill Hole	Total Depth m	Sample weight Dry tonnes	Total carat weight	Carats per tonne	# of stones > half carat	Largest stones
						carats
RC3	190.5	42.80	29.93	0.70	7	0.98

Source: Peregrine Diamonds

The stones were sent to several different corporations for valuation. The average value per carat returned from this work was US\$71/carats. No modelled average was calculated for the small parcel.

For simple comparison, the average grade extracted by Kennecott in 1994 from a 5000 tonne underground sample nearer to the edge of DO-27 was 36 cpht versus the 98 cpht as indicated from the initial small 108 tonnes from the core of the body. The average value calculated for the diamonds recovered in 1994 was US\$21.70 per carat, whereas for the 2005 sample the value was US\$71/carat.

In both cases the value extracted by Peregrine from the central portion of the main vent material was nearly triple the value from the work completed in 1994 where the material was extracted closer to the edge of the kimberlite.

In Q3/05 Peregrine drilled 11 NQ core holes of which four were within the main vent of DO-27 and the balance were drilled into the northeast lobe of the kimberlite. This drilling was completed to better understand the internal geology of the pipe in particular to understand the two different kimberlite phases encountered in the large diameter drilling. The holes were drilled to below 200 metres to better understand the depth potential of the pipe and to also better understand the northeast lobe and its relationship to the main vent of the pipe. To date, results have been released from three holes drilled into the main vent and they too, in our view, confirmed the potential for a material grade increase. From the three holes DO-27-05-02, 03 and 08, several larger stones, given the core size, were extracted including stones of 0.42, 0.22, 0.12 and 0.10 carats. These micro-diamond results provide additional early evidence that supports the need for a larger sample to be extracted. The results from the balance of the holes are pending from the SRC lab in Saskatchewan.

2006 program

The work completed in 2005 has led the company to the conclusion that the next phase of exploration should include a larger bulk sample to extract up to 3000 tonnes from DO-27. The budget for this work is estimated at \$14 million and is to include \$10 million for drilling and direct associated costs. Concurrent with this work, core drilling is to be employed to define the size of DO-27 and to improve the geologic and geotechnical database on this pipe. A second phase for 2006 is also planned at a budget of \$2.3 million and is to be conducted during H2/06. Peregrine will be responsible for approximately \$8.9 million of the costs.

Because of the benefit of having the ability to employ the winter road access system into site, the large diameter drill program has been initiated. At present two core and one large diameter (24 inches) rigs are active. One additional core rig and one additional large diameter rig are expected to be added within the quarter. Drilling to extract up to 3000 tonnes for a bulk sample is planned and we understand this phase of the 2006 program will employ drill holes on 100-metre spacings. Typically the drilling will first use a core hole to log for geology and to be used as a directional guide. Large diameter drilling to a depth of up to 350 metres is to follow. Processing of the recovered kimberlite, which will be extracted by mid-April, 2006, is to occur at the Test Sample Plant at BHP Billiton's Ekati(TM) Diamond Mine located 50km northwest of DO-27, where the company has contracted for the completion of this work. We anticipate the results will be released as a sum on conclusion of the entire program. Should the grade be confirmed the bulk sample will result in the extraction of about 3000 carats which will then be sent for valuation as well as for modeled valuation work.

Concurrent with this phase of exploration Peregrine is also to begin follow-up evaluation of other targets on the WO claim block including the DO-18 kimberlite. This part of the

program is to include environmental studies. Regarding additional drilling, the company is awaiting the results of micro diamond work from the DO-18 pipe, currently out for analysis. Should these results be considered positive, the company plans to complete a mini-bulk sample on the 3.5 hectares DO-18 pipe located about 700 metres north of DO-27.

We estimate that by the end of Q3/06 the company will have released the results regarding grade from all of the H1/06 work at DO-27 with valuation results to follow shortly thereafter.

Figure 4: Core and large diameter rigs at site Q1/06



Source: Peregrine Diamonds

Analysis

Based on the work to date completed by Peregrine, there is good evidence that the exploration work completed in 1994 did not thoroughly evaluate the DO-27 kimberlite and in particular the main vent of the body. The surface extent and known depth potential of DO-27 implies that the pipe may contain in excess of 30 million tonnes of diamondiferous kimberlite to between 200 and 250 metres vertical. Although no formal work as recognized by current NI43-101 standards has been completed to calculate a resource, a 1994 estimate did indicate the possible resource for pyroclastic and diatreme rock types was just over 31.4 million tonnes. There are numerous examples of kimberlite pipes having multiple phased geologic events. In many cases each phase can have materially different diamond grades. The initial work by Peregrine suggests that the main vent at DO-27 appears to carry a grade far greater than the outer area of the pipe previously tested in 1994.

Should an average grade of 98 cpht be defined and average valuations of US\$71/carats or greater be replicate or improved, DO-27 could host a deposit with global in situ contained carats of up to 29.4 million. Assuming the initial bulk sample data is replicated this could result in a pipe with a value of over US\$2.0 Billion. Given the infrastructure developed in

the region, including existing diamond processing plants, such a resource could lead to the company moving into a pre-feasibility phase.

Our analysis suggests that the grade improvements and the indication of larger stones justify the current exploration program. This current phase of work will provide the data for Peregrine and the WO claim partners to make a decision as to whether a pre-feasibility study would be initiated in either late H2/06 or early Q1/07.

Figure 5: H1/05: some of the recovered stones from the H1/05 Bulk Sample



Source: Peregrine Diamonds

Recommendation

Given the data produced to date supporting the hypothesis that the core of the D0-27 could contain near to or plus 1 carat per tonne material, we believe that the speculative exploration leverage offered by this project is similar to other Canadian diamond prospects at a similar or more advanced stage. For companies at this stage of development we have calculated the pro-forma value on a per carat basis that could apply to a project. For example for Ashton Mining we employ an in situ target of C\$19.75/carat. For Shore Gold the implied value per carat in situ for the Star Kimberlite has been in the C\$20 to C\$25/carat range. For Canada's largest pure diamond producer, Aber Diamonds, the current market capitalization of the company is implying an in situ value per net resource carat of C\$50 (rounded) when long-term debt is included to arrive at an adjusted market capitalization.

We consider Peregrine could command a minimum success contingent valuation of C\$20/carat. This assumes broad replication of the initial bulk sample grade and valuation derived from the 2005 work.

To derive target we have assumed the higher end of a resource potential at 29.4 million carats. Under this assumption, Peregrines' net interest equates to 16 million carats. We

value this net in situ target at C\$20/carat to derive a sum of \$320 million. To this figure we will add that portion of working capital not allocated to the current DO-27 program. Note we have also deducted allowances for capital drawdown for G&A and other miscellaneous exploration costs for the companies other properties not mentioned herein of \$7.0 million. We will sum the excess working capital position at C\$35.0 million.

Peregrine currently has 48.7 million shares issued, thus the sum of our valuation estimate on a per share basis equates to \$7.35/share.

We initiate coverage of Peregrine with a target price of C\$7.35/share and a SPECULATIVE BUY recommendation.

Investment risks

The commercialization risks associated with diamond exploration and development are very high, thus investment in the shares of Peregrine Diamonds Ltd. and are for high risk accounts only.

An analyst has not visited the projects held by Peregrine Diamonds.

APPENDIX: IMPORTANT DISCLOSURES

Analyst Certification: Each Investment Analyst of Canaccord Adams whose name appears on the front page of this Investment Research hereby certifies that (i) the recommendations and opinions expressed in the Investment Research accurately reflect the Investment Analyst's personal, independent and objective views about any and all of the Designated Investments or Relevant Issuers discussed herein that are within such Investment Analyst's coverage universe and (ii) no part of the Investment Analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the Investment Analyst in the Investment Research.

Price Chart:*

* Price charts assume event 1 indicates initiation of coverage or the beginning of the measurement period.

Distribution of Ratings:

Global Stock Ratings
(as of 3 January 2006)

Rating	Coverage Universe		IB Clients	
	#	%	#	%
Buy	258	53%	29	29%
Speculative Buy	58	12%	40	40%
Hold	145	30%	19	19%
Sell	29	5%	14	14%
	490	100%		

Canaccord Adams**Ratings System:**

BUY: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative risk-adjusted returns during the next 12 months.

Risk Qualifier:

SPECULATIVE: Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.

Canaccord Adams Research Disclosures as of 15 February 2006

Company	Disclosure
Peregrine Diamonds Ltd.	1A, 2, 3, 7
1	The relevant issuer currently is, or in the past 12 months was, a client of Canaccord Adams or its affiliated companies. During this period, Canaccord Adams or its affiliated companies provided the following services to the relevant issuer: A. investment banking services. B. non-investment banking securities-related services. C. non-securities related services.
2	In the past 12 months, Canaccord Adams or its affiliated companies have received compensation for Corporate Finance/Investment Banking services from the relevant issuer.
3	In the past 12 months, Canaccord Adams or any of its affiliated companies have been lead manager, co-lead manager or co-manager of a public offering of securities of the relevant issuer or any publicly disclosed offer of securities of the relevant issuer or in any related derivatives.
4	Canaccord Adams acts as corporate broker for the relevant issuer and/or Canaccord Adams or any of its affiliated companies may have an agreement with the relevant issuer relating to the provision of Corporate Finance/Investment Banking services.
5	Canaccord Adams or any of its affiliated companies is a market maker or liquidity provider in the securities of the relevant issuer or in any related derivatives.
6	In the past 12 months, Canaccord Adams, its partners, affiliated companies, officers or directors, or any authoring analyst involved in the preparation of this investment research has provided services to the relevant issuer for remuneration, other than normal course investment advisory or trade execution services.
7	Canaccord Adams intends to seek or expects to receive compensation for Corporate Finance/Investment Banking services from the relevant issuer in the next six months.
8	The authoring analyst, a member of the authoring analyst's household, or any individual directly involved in the preparation of this investment research, has a long position in the shares or derivatives, or has any other financial interest in the relevant issuer, the value of which increases as the value of the underlying equity increases.
9	The authoring analyst, a member of the authoring analyst's household, or any individual directly involved in the preparation of this investment research, has a short position in the shares or derivatives, or has any other financial interest in the relevant issuer, the value of which decreases as the value of the underlying equity decreases.

10	Those persons identified as the author(s) of this investment research, or any individual involved in the preparation of this investment research, have purchased/received shares in the relevant issuer prior to a public offering of those shares, and such person's name and details are disclosed above.
11	A partner, director, officer, employee or agent of Canaccord Adams and its affiliated companies, or a member of his/her household, is an officer, director or employee, or serves as an advisor or board member of the relevant issuer and/or one of its subsidiaries, and such person's name is disclosed above.
12	As of the month end immediately preceding the date of publication of this investment research, or the prior month end if publication is within 10 days following a month end, Canaccord Adams or its affiliate companies, in the aggregate, beneficially owned 1% or more of any class of the total issued share capital or other common equity securities of the relevant issuer or held any other financial interests in the relevant issuer which are significant in relation to the investment research (as disclosed above).
13	As of the month end immediately preceding the date of publication of this investment research, or the prior month end if publication is within 10 days following a month end, the relevant issuer owned 1% or more of any class of the total issued share capital in Canaccord Adams or any of its affiliated companies.
14	Other specific disclosures as described above.

Canaccord Adams is the business name used by certain subsidiaries of Canaccord Capital Inc., including Canaccord Adams Inc., Canaccord Adams Limited, and Canaccord Adams, a division of Canaccord Capital Corporation. Clients of Canaccord Adams, in the past 12 months, may have been clients of Canaccord Capital Corporation, Canaccord Capital (Europe) Limited, Canaccord Capital Corporation USA Inc., and/or Adams Harkness Financial Group Ltd.

The authoring analysts who are responsible for the preparation of this investment research are employed by Canaccord Adams, a securities broker-dealer with principal offices located in Vancouver, Calgary, Toronto, Montreal (all Canada), Boston, New York, San Francisco (all US) and London (UK).

In the event that this is compendium investment research (covering six or more relevant issuers), Canaccord Adams and its affiliated companies may choose to provide specific disclosures of the subject companies by reference, as well as its policies and procedures regarding the dissemination of investment research. To access this material or for more information, please send a request to Canaccord Adams Research, Attn: Disclosures, P.O. Box 10337 Pacific Centre, 2200-609 Granville Street, Vancouver, BC, Canada V7Y 1H2 or disclosures@canaccordadams.com.

The authoring analysts who are responsible for the preparation of this investment research have received (or will receive) compensation based upon (among other factors) the Corporate Finance/Investment Banking revenues and general profits of Canaccord Adams. However, such authoring analysts have not received, and will not receive, compensation that is directly based upon or linked to one or more specific Corporate Finance/Investment Banking activities, or to recommendations contained in the investment research.

Canaccord Adams and its affiliated companies may have a Corporate Finance/Investment Banking or other relationship with the company that is the subject of this investment research and may trade in any of the designated investments mentioned herein either for their own account or the accounts of their customers, in good faith and in the normal course of market making. Accordingly, Canaccord Adams or their affiliated companies, principals or employees (other than the authoring analyst(s) who prepared this investment research) may at any time have a long or short position in any such designated investments, Related designated investments or in options, futures or other derivative instruments based thereon.

Some regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of investment research. This investment research has been prepared in accordance with Canaccord Adams' policy on managing conflicts of interest, and information barriers or firewalls have been used where appropriate. Canaccord Adams' policy is available upon request.

The information contained in this investment research has been compiled by Canaccord Adams from sources believed to be reliable, but (with the exception of the information about Canaccord Adams) no representation or warranty, express or implied, is made by Canaccord Adams, its affiliated companies or any other person as to its fairness, accuracy, completeness or correctness. Canaccord Adams has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this investment research constitute Canaccord Adams' judgement as of the date of this investment research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

Canaccord Adams salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desk that reflect opinions that are contrary to the opinions expressed in this investment research. Canaccord Adams' affiliates, proprietary trading desk, and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this investment research.

This investment research is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any designated investments discussed herein in any jurisdiction where such offer or solicitation would be prohibited. As a result, the designated investments discussed in this investment

research may not be eligible for sale in some jurisdictions. This investment research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of Canaccord Adams, its affiliated companies or any other person accepts any liability whatsoever for any direct or consequential loss arising from or relating to any use of the information contained in this investment research.

For Canadian Residents: This Investment Research has been approved by Canaccord Adams, a division of Canaccord Capital Inc., which accepts responsibility for this Investment Research and its dissemination in Canada. Canadian clients wishing to effect transactions in any Designated Investment discussed should do so through a qualified salesperson of Canaccord Adams, a division of Canaccord Capital Corporation in their particular jurisdiction.

For United Kingdom Residents: This Investment Research complies with of the Financial Services Authority's Handbook's chapter on Conduct of Business and is approved by Canaccord Adams Limited, which is regulated and authorized by the Financial Services Authority, in connection with its distribution in the United Kingdom. This material is not for distribution in the United Kingdom to private customers, as defined under the rules of the Financial Services Authority. Canaccord Adams Limited accepts responsibility for this Investment Research and its dissemination in the United Kingdom. The information contained in this Investment Research is only intended for distribution in the UK to persons who qualify as intermediate customers or market counterparties, as defined under the rules of the Financial Services Authority.

For United States Residents: Canaccord Adams Inc., a US registered broker-dealer, accepts responsibility for this Investment Research and its dissemination in the United States. This Investment Research is intended for distribution in the United States only to certain US institutional investors. US clients wishing to effect transactions in any Designated Investment discussed should do so through a qualified salesperson of Canaccord Adams Inc..

For European Residents: If this Investment Research is intended for disclosure in any jurisdiction other than the United Kingdom, the US or Canada, then the relevant rules and regulatory requirements of that jurisdiction will apply.

Additional information is available on request.

Copyright © Canaccord Adams, a division of Canaccord Capital Corporation 2006. – Member IDA/CIPF
Copyright © Canaccord Adams Limited 2006. – Member LSE, regulated and authorized by the Financial Services Authority.

Copyright © Canaccord Adams Inc. 2006. – Member NASD/SIPC

All rights reserved. All material presented in this document, unless specifically indicated otherwise, is under copyright to Canaccord Adams, a division of Canaccord Capital Inc., Canaccord Adams Limited, and Canaccord Adams Inc. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of the entities listed above.