

PRICE TARGET REVISION | COMMENT

FEBRUARY 19, 2008

**Mincor Resources NL (ASX: MCR)**  
Higher D&A Charges Reduce Headline Profit

**Outperform  
Above Average Risk**

Price:	3.36	Price Target:	4.00 ↓ 4.25
Shares O/S (MM):	197.8	Implied All-In Return:	22.6%
Dividend:	0.12	Market Cap (MM):	665
NAVPS:	2.44	Yield:	3.6%
BVPS:	0.93	P/NAVPS:	1.4x
ROE:	67.0%	P/BVPS:	3.6x
Float (MM):	197.8	Enterprise Val. (\$MM):	565.0
Debt to Cap:	0.0%	Avg. Daily Volume (MM):	1.38

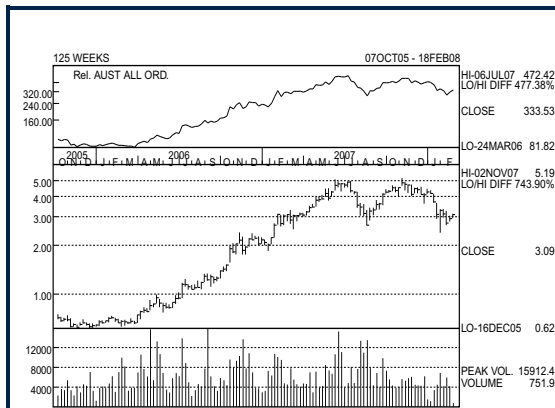
Closing share price as at February 19, 2008.

**Event**

A\$31m interim lower on higher charges and PP, but cash-rich and production guidance intact

**Investment Opinion**

- Mincor's A\$31m interim was below expectations largely due to an almost doubling of the D&A charge to A\$30m due to a one-off A\$4m for a short life mine plus A\$11m for the recently acquired GMM assets. In addition, provisional pricing (PP) was slightly more negative than we had forecast. Key inputs such as revenue and costs were as expected.
- **FY08 guidance** of 16-17kt nickel was reaffirmed at the high end (RBC estimate 16.8kt). Mincor remains in very good shape and has no debt with cash of A\$111m (A56cents).
- **Earnings** have been reduced by ~10% for each of the next three years, largely due to higher non-cash D&A. The mine cash surplus remains robust at around A\$200m pa.
- **The steady interim dps** of A6cents was as expected. Cash generation and the balance sheet would easily allow a higher payout ratio than the current ~30%. However, Mincor is a growth company and has proved successful in the past at delivering shareholder value.
- **We regard Mincor as remaining attractively valued** at a prospective 6-8x PER and 4-5x CFM, supported by A56 cent cash backing. The shares have declined from over A\$5.00, bouncing off support at ~A\$2.60. We view share price weakness as a buying opportunity.
- **Valuation: Our price target is lowered to A\$4.00** (A\$4.25) and is based on 7x P/E and 5.5x P/CF on FY08 & FY09. We have referenced RBC's global nickel universe, which has seen multiples contract in recent weeks. However, we weight more heavily to 09 for the impact of Carnilya Hill and McMahon, which is currently under construction. We retain our Outperform, Above Average risk rating.



**Royal Bank of Canada - Sydney Branch**

**Geoff Breen (Analyst)**  
(61) 2 9033-3022; geoff.breen@rbccm.com

**David Haddad (Associate)**  
(61) 2 9033-3071; david.haddad@rbccm.com

FY Jun	2007A	2008E	2009E	2010E
EPS (Op) - FD	0.52	0.41	0.55	0.45
Prev.		0.47	0.61	0.50
P/E	6.5x	8.2x	6.1x	7.5x
CFPS - FD	0.69	0.69	0.83	0.72
Prev.		0.64	0.78	0.67
P/CFPS	4.9x	4.9x	4.0x	4.7x
<b>EPS (Op) - FD</b>		<b>H1</b>		<b>H2</b>
2007		0.19A		0.33A
2008		0.22E		0.19E
Prev.		0.24E		0.23E
2009		0.28E		0.27E
Prev.		0.31E		0.30E
2010		0.37E		0.08E
Prev.		0.39E		0.11E
<b>CFPS - FD</b>				
2007		0.27A		0.42A
2008		0.37E		0.32E
Prev.		0.33E		0.31E
2009		0.42E		0.41E
Prev.		0.39E		0.39E
2010		0.51E		0.21E
Prev.		0.48E		0.19E

All values in AUD unless otherwise noted.

Exhibit 1: Mincor Mining Operating & Financial Summary

Mincor Resources																				
<b>ASX: MCR</b>	Share Price: (A\$)	<b>3.36</b>				Stock Rating:	<b>Outperform</b>	Price Target:		<b>A\$4.00</b>										
Issued Shares (m)	Mkt Cap: (A\$MM)	<b>664.6</b>	Total Return	<b>23%</b>	Risk Qualifier:	<b>Above Average</b>	NAV:		<b>A\$2.44</b>											
Fiscal Year Ended June																				
<b>ASSUMPTIONS</b>		<b>FY06</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>	<b>ATTRIBUTABLE MINE STATS</b>		<b>FY06</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>							
Exchange Rate	A\$/US\$	0.75	0.79	0.88	0.83	0.81	<b>Nickel Production (100% ownership)</b>													
Spot Nickel Price	US\$/lb	7.05	17.37	12.73	12.15	11.00	Midtel	tonnes	6,101	4,901	4,293	4,740	4,987							
Spot Nickel Price	A\$/lb	9.44	21.97	14.50	14.73	13.55	Wannaway	tonnes	641	519	512	464	464							
<b>Realised Nickel Price</b>	<b>US\$/lb</b>	<b>6.43</b>	<b>14.28</b>	<b>12.49</b>	<b>12.27</b>	<b>11.04</b>	Redross	tonnes	3,999	3,891	3,678	3,509	1,754							
Realised Nickel Price	A\$/lb	8.84	18.12	14.21	14.87	13.60	Mariners	tonnes	2,754	3,616	2,724	2,779	2,682							
Cobalt Price	US\$/lb	14.91	23.39	30.50	22.50	17.50	Carnilya Hill	tonnes			1,200	3,411	3,739							
<b>Realised Cobalt Price</b>	<b>US\$/lb</b>	<b>14.91</b>	<b>23.39</b>	<b>30.50</b>	<b>22.50</b>	<b>17.50</b>	Otter-Juan	tonnes			4,403	3,797	4,170							
Realised Cobalt Price	A\$/lb	19.94	29.64	34.63	27.26	21.57	McMahon	tonnes			45	2,373	2,802							
Hedged % of Sales	%		0%	32%	21%	0%	<b>TOTAL</b>	<b>tonnes</b>	<b>13,496</b>	<b>12,927</b>	<b>16,854</b>	<b>21,073</b>	<b>20,599</b>							
Hedged Price	US\$/lb		0.00	12.15	12.68		<b>Cash Costs (including Credits):</b>													
<b>RATIO ANALYSIS</b>		<b>FY06</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>	Midtel	A\$/lb	4.26	6.77	8.10	8.78	8.66							
Shares outstanding	MM	195	195	196	196	196	Wannaway	A\$/lb	6.83	9.64	9.63	9.73	9.99							
<b>Reported Net profit</b>	<b>A\$MM</b>	<b>29.3</b>	<b>101</b>	<b>80</b>	<b>108</b>	<b>88</b>	Redross	A\$/lb	4.68	5.24	5.42	6.23	6.43							
Significant Items	A\$MM	5	0	0	0	0	Mariners	A\$/lb	7.23	7.35	8.81	9.37	9.96							
Profit excl. one-offs	A\$MM	24	101	80	108	88	Otter-Juan	A\$/lb			4.29	6.25	5.98							
EPS	A¢	15.0	51.9	40.8	55.0	45.0	McMahon	A\$/lb			3.54	3.61	3.76							
<b>P/E</b>	<b>x</b>	<b>22.4x</b>	<b>6.5x</b>	<b>8.2x</b>	<b>6.1x</b>	<b>7.5x</b>	<b>Average Cash Costs</b>	<b>A\$/lb</b>	<b>5.11</b>	<b>6.59</b>	<b>6.20</b>	<b>6.82</b>	<b>6.82</b>							
CFPS	A¢	27.6	68.9	68.6	83.5	72.1	<b>Average Cash Costs</b>	<b>US\$/lb</b>	<b>3.82</b>	<b>5.18</b>	<b>5.45</b>	<b>5.62</b>	<b>5.53</b>							
P/C/F	x	12.2x	4.9x	4.9x	4.0x	4.7x	Cash Margin	A\$/lb	3.73	11.54	8.01	8.05	6.78							
Dividend per share	A¢	5.0	12.0	12.0	15.0	12.0	Cash Margin	US\$/lb	2.79	9.07	7.05	6.64	5.49							
<b>Dividend yield</b>	<b>%</b>	<b>1.5%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>4.5%</b>	<b>3.6%</b>	<b>Reserves &amp; Resources - Contained Nickel</b>													
Franking Level	%	100%	100%	100%	100%	100%	<i>* Resources are inclusive of Reserves</i>													
Payout Ratio	%	33%	23%	29%	27%	27%	Reserves Ni	%Ni				Rscs Ni*	%Ni							
Effective Tax Rate	%	28%	30%	31%	31%	31%	Midtel		24.7	2.5		39.9	3.8							
Book value per share	A\$	0.36	0.76	0.93	1.29	1.53	Wannaway		0.8	2.3		1.9	3.2							
P/Book value	x	9.3x	4.4x	3.6x	2.6x	2.2x	Redross		5.3	2.9		10.3	4.2							
R.O.E	%	41%	67%	43%	42%	29%	Mariners		10.6	2.7		31.1	4.5							
R.O.A	%	18%	33%	23%	26%	19%	Carnilya Hill		7.7	2.4		11.3	4.6							
							Otter Juan		11.1	3.9		19.8	4.9							
EBITDA	A\$MM	71	176	164	207	172	McMahon/Durkin +		0.0	0.0		29.9	4.3							
EBITDA per share	A\$	0.36	0.90	0.84	1.06	0.88	<b>Reserves - Contained Nickel</b>		<b>60.2</b>	<b>2.8</b>		<b>144.2</b>	<b>4.3</b>							
EV/EBITDA	x	8.8	2.8	3.4	2.4	2.5	Reserves - Contained Nickel		133			318								
EV/EBIT	x	15.4	3.5	5.2	3.3	3.7	Enterprise Value/tonne Reserve		8,275			3,457								
EBITDA Margin	%	40%	53%	48%	46%	42%	Enterprise Value/tonne Reserve		6,455			2,696								
<b>PROFIT &amp; LOSS</b>		<b>FY06</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>	<b>EARNINGS SENSITIVITY</b>		<b>FY08E</b>	<b>FY09E</b>	<b>FY08E</b>	<b>FY09E</b>								
Revenue	A\$MM	175	330	343	449	408	Nickel Price US\$/oz	+10%	14	29	12%	18%								
Operating costs	"	(96)	(124)	(157)	(219)	(213)	-10%	(14)	(29)	-12%	-18%									
<b>Mine Operating Profit</b>	<b>"</b>	<b>79</b>	<b>206</b>	<b>186</b>	<b>230</b>	<b>194</b>	Exchange Rate	+10%	(12)	(26)	-10%	-16%								
Exploration Expense	"	(5)	(10)	(12)	(12)	(12)	-10%	14	32	13%	20%									
DD&A	"	(30)	(35)	(56)	(58)	(55)	<b>NICKEL PRODUCTION PROFILE - 100%</b>													
Corporate & Other Costs	"	(4)	(20)	(10)	(10)	(11)														
<b>Operating Income (EBIT)</b>	<b>A\$MM</b>	<b>41</b>	<b>141</b>	<b>108</b>	<b>150</b>	<b>117</b>														
Net Interest	"	(0.0)	4	7	6	10	<b>SHARE VALUATION</b>													
Pre Tax Profit	"	41	145	116	156	127	<b>Projects</b>													
Tax Expense	"	(11)	(44)	(36)	(48)	(40)	<b>% Ownership</b>													
<b>Net profit - as reported</b>	<b>A\$MM</b>	<b>29.3</b>	<b>101</b>	<b>80</b>	<b>108</b>	<b>88</b>	<b>ASMM</b>													
Significant Items after tax	"	5	0	0	0	0	<b>A\$/Shr</b>													
<b>Net Profit excl one-offs</b>	<b>A\$MM</b>	<b>24.4</b>	<b>101</b>	<b>80</b>	<b>108</b>	<b>88</b>	<b>%</b>													
EPS	A¢	15.0	51.9	40.8	55.0	45.0	Midtel 100% 60 0.30 19%													
DPS	A¢	5.0	12.0	12.0	15.0	12.0	Wannaway 100% 3 0.02 1%													
<b>CASH FLOWS</b>		<b>FY06</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>	Redross 100% 47 0.24 15%													
Operating Cash Flow	A\$MM	52	201	164	207	172	Mariners 100% 23 0.11 7%													
Net Interest	"	0	0	7	6	10	Carnilya Hill 100% 62 0.31 20%													
Tax Paid	"	0	(8)	(36)	(48)	(40)	Otter-Juan 100% 95 0.48 30%													
<b>Retained Op. Cash Flow</b>	<b>A\$MM</b>	<b>52</b>	<b>192</b>	<b>136</b>	<b>165</b>	<b>143</b>	McMahon 100% 25 0.13 8%													
Exploration	"	(4)	(9)	(16)	(16)	(16)	<b>Total Operating Assets</b>													
Capital Expenditure	"	(28)	(29)	(70)	(58)	(37)	<b>ASMM</b>													
Loan Repayments	"	(1)	0	0	0	0	<b>A\$/Shr</b>													
<b>Funding Surplus/(Deficit)</b>	<b>A\$MM</b>	<b>19</b>	<b>154</b>	<b>50</b>	<b>91</b>	<b>90</b>	<b>%</b>													
Dividends Paid	"	(8)	(18)	(23)	(25)	(29)	Exploration & Other 100 0.51													
Borrowings	"	0	0	0	0	0	Debt (3) (0.02)													
Equity Issues	"	0	2	0	0	0	Cash 111 0.56													
Other	"	16	(14)	(89)	0	0	Corporate (41) (0.21)													
<b>Total Funds Provided</b>	<b>A\$MM</b>	<b>8</b>	<b>(30)</b>	<b>(113)</b>	<b>(25)</b>	<b>(29)</b>	<b>Net Asset Value - \$A</b>													
<b>Net change in cash</b>	<b>"</b>	<b>27</b>	<b>124</b>	<b>(63)</b>	<b>66</b>	<b>61</b>	<b>482</b>													
Cash at start of year	"	18	45	170	107	172	<b>2.44</b>													
<b>Cash at end of year</b>	<b>A\$MM</b>	<b>45</b>	<b>170</b>	<b>107</b>	<b>172</b>	<b>233</b>	<b>138%</b>													
Net Op. CFPS	A\$	0.27	1.03	0.84	1.06	0.88														
<b>BALANCE SHEET</b>		<b>FY06A</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>														
Cash & equivalents	A\$MM	45	170	107	172	233														
Other current assets	"	55	77	77	77	77														
PP&E & Other Mining Assets	"	63	58	155	160	146														
Other Non Current Assets	"	1	7	7	7	7														
<b>Total assets</b>	<b>A\$MM</b>	<b>165</b>	<b>311</b>	<b>345</b>	<b>416</b>	<b>462</b>														
Total liabilities	"	94	161	161	160	161														
<b>Total Net Assets</b>	<b>A\$MM</b>	<b>71</b>	<b>150</b>	<b>185</b>	<b>255</b>	<b>302</b>														
Total Debt	"	4	3	3	3	3														
Net Debt (Cash)	A\$MM	(41)	(166)	(103)	(169)	(230)														
Gearing (net debt : nd+ equity)	%	-134%	1044%	-126%	-197%	-319%														
Gearing (net debt:equity)	%	-57%	-111%	-56%	-66%	-76%														

Source: Company data, RBC Capital Markets estimates

## Valuation

**Our price target is lowered to A\$4.00** (A\$4.25) and is based on 7x P/E and 5.5x P/CF on FY08 & FY09. We have referenced RBC's global nickel universe, which has seen multiples contract in recent weeks. However, we weight more heavily to 09 for the impact of Carnilya Hill and McMahon, which is currently under construction. We retain our Outperform, Above Average risk rating.

## Price Target Impediment

Earnings are most sensitive to the nickel price and the A\$/US\$ exchange rate. Ore is processed through BHP's Kambalda concentrator under ~65% profit sharing agreement and so is not susceptible to operating plant failures. The main operational risk is mining but we do not believe head grade is high risk because of the district's long history of mining. However, a mine life based on reserves of only 4-5 years is a risk. Finally, a severe downturn in global economies, especially in China, would cause the nickel price to fall and hurt Mincor's earnings. Mines are moderate to high cost.

## Company Description

Mincor is a relatively small Australian nickel sulphide producer with four modest-sized, underground mines and sizable acreage around the Widgiemooltha Dome, south of Kambalda, Western Australia. It is the largest supplier of nickel ore to BHP Nickel West's concentrator at Kambalda and has an off-take agreement with the company. Mincor owns the Miitel, Redross, Mariners and Wannaway mines. It is debt-free and at June 2006 had resources of 2Mt grading 3.8% for 75.8kt of contained nickel metal, and reserves of 1.7Mt grading 2.7% for 44.7kt nickel. The company has a substantial exploration program. Mines were first purchased in 2001 for A\$54m and production began in 2002. Beginning April 2006, Mincor is increasing its share of Carnilya Hill to 100%, which is scheduled to be in production in January 2008. It paid A\$2m to farm into RAV 8 by spending A\$5m over 3 years for 80%. In May 2006 it paid A\$68.5m cash to private group GMM for the 3.6ktpa Otter-Juan mine and former mines McMahon & Durkin which have 29kt nickel resources .

**Required Disclosures**

**Explanation of RBC Capital Markets Rating System**

An analyst's 'sector' is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector.

**Ratings**

**Top Pick (TP):** Represents best in Outperform category; analyst's best ideas; expected to significantly outperform the sector over 12 months; provides best risk-reward ratio; approximately 10% of analyst's recommendations.

**Outperform (O):** Expected to materially outperform sector average over 12 months.

**Sector Perform (SP):** Returns expected to be in line with sector average over 12 months.

**Underperform (U):** Returns expected to be materially below sector average over 12 months.

**Risk Qualifiers (any of the following criteria may be present):**

**Average Risk (Avg):** Volatility and risk expected to be comparable to sector; average revenue and earnings predictability; no significant cash flow/financing concerns over coming 12-24 months; fairly liquid.

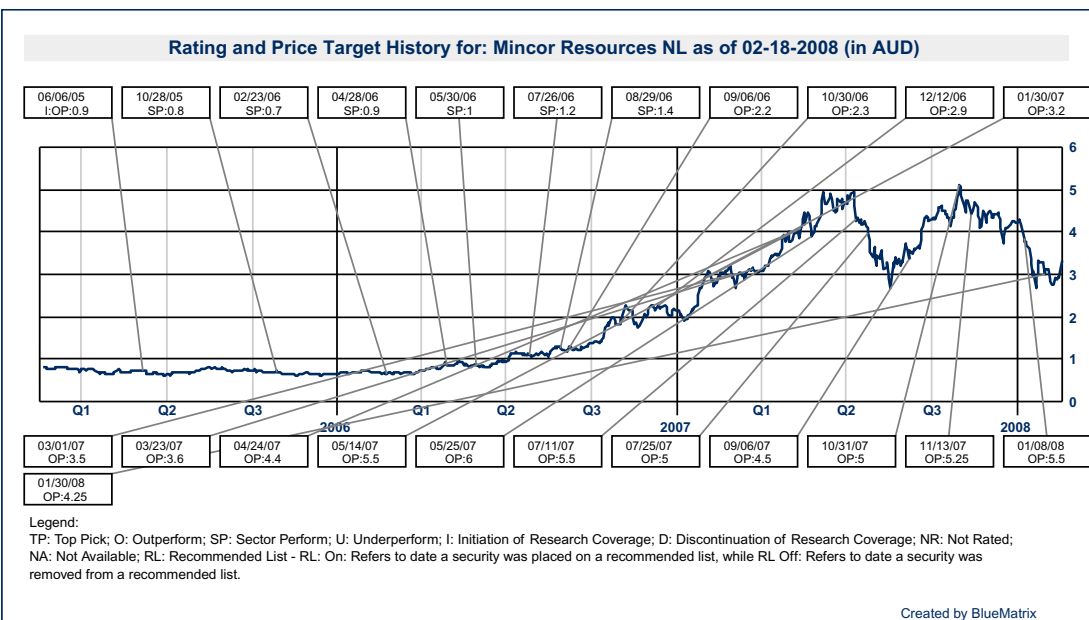
**Above Average Risk (AA):** Volatility and risk expected to be above sector; below average revenue and earnings predictability; may not be suitable for a significant class of individual equity investors; may have negative cash flow; low market cap or float.

**Speculative (Spec):** Risk consistent with venture capital; low public float; potential balance sheet concerns; risk of being delisted.

**Distribution of Ratings, Firmwide**

For purposes of disclosing ratings distributions, regulatory rules require member firms to assign all rated stocks to one of three rating categories--Buy, Hold/Neutral, or Sell--regardless of a firm's own rating categories. Although RBC Capital Markets' stock ratings of Top Pick/Outperform, Sector Perform and Underperform most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis (as described above).

Distribution of Ratings/IB Services RBC Capital Markets				
Rating	Count	Percent	Investment Banking Serv./Past 12 Mos.	
			Count	Percent
BUY[TP/O]	501	44.89	210	41.92
HOLD[SP]	527	47.22	148	28.08
SELL[U]	88	7.89	15	17.05



References to a Recommended List in the recommendation history chart may include one or more recommended lists or model portfolios maintained by a member company of RBC Capital Markets or one of its affiliates. RBC Dain Rauscher Inc. Recommended Lists include a former list called the Western Region Focus List (1), a former list called Model Utility Portfolio (2), and the Prime

Opportunity List (3) (formerly called the Private Client Selects), Private Client Prime Portfolio (4), a former list called Private Client Portfolio (5), the Prime Income List (6), the Guided Portfolio: Large Cap (7), and the Guided Portfolio: Dividend Growth (8). The abbreviation 'RL On' means the date a security was placed on a Recommended List. The abbreviation 'RL Off' means the date a security was removed from a Recommended List.

## Analyst Certification

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

## Dissemination of Research

RBC Capital Markets endeavours to make all reasonable efforts to provide research simultaneously to all eligible clients, having regard to local time zones in overseas jurisdictions. RBC Capital Markets' equity research is posted to our proprietary websites to ensure eligible clients receive coverage initiations and changes in rating, targets and opinions in a timely manner. Additional distribution may be done by the sales personnel via email, fax or regular mail. Clients may also receive our research via third party vendors. Please contact your investment advisor or institutional salesperson for more information regarding RBC Capital Markets research.

RBC Capital Markets also provides eligible clients with access to a database which may contain Short-Term trading calls on certain of the subject companies for which it currently provides equity research coverage. The database may be accessed via the following hyperlink <https://www2.rbccm.com/cmonline/index.html>. The information regarding Short-Term trading calls accessible through the database does not constitute a research report. These Short-Term trading calls are not formal ratings and reflect the research analyst's views with respect to market and trading events in the coming days or weeks and, as such, may differ from the price targets and recommendations in our published research reports reflecting the research analyst's views of the longer-term (one year) prospects of the subject company. Thus, it is possible that a subject company's common equity that is considered a long-term 'sector perform' or even an 'underperform' might be a Short-Term buying opportunity as a result of temporary selling pressure in the market; conversely, a subject company's common equity rated a long-term 'outperform' could be considered susceptible to a Short-Term downward price correction.

## Conflicts Disclosures

RBC Capital Markets Policy for Managing Conflicts of Interest in Relation to Investment Research is available from us on request. To access our current policy, clients should refer to

<http://www.rbccm.com/cm/file/0,,63022,00.pdf>

or send a request to RBC CM Research Publishing, P.O. Box 50, 200 Bay Street, Royal Bank Plaza, 29th Floor, South Tower, Toronto, Ontario M5J 2W7. We reserve the right to amend or supplement this policy at any time.

## Important Disclosures

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors, including total revenues of the member companies of RBC Capital Markets and its affiliates, a portion of which are or have been generated by investment banking activities of the member companies of RBC Capital Markets and its affiliates.

An analyst involved in the preparation of this report has visited certain material operations of Mincor Resources NL.

## Additional Disclosures

RBC Capital Markets is the business name used by certain subsidiaries of Royal Bank of Canada, including RBC Dominion Securities Inc., RBC Capital Markets Corporation, Royal Bank of Canada Europe Limited and Royal Bank of Canada - Sydney Branch. The information contained in this report has been compiled by RBC Capital Markets from sources believed to be reliable, but no representation or warranty, express or implied, is made by Royal Bank of Canada, RBC Capital Markets, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this report constitute RBC Capital Markets' judgement as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Nothing in this report constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about the suitability of such investments or services. This report is not an offer to sell or a solicitation of an offer to buy any securities. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. RBC Capital Markets research analyst compensation is based in part on the overall profitability of RBC Capital Markets, which includes profits attributable to investment banking revenues. Every province in Canada, state in the U.S., and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, the securities discussed in this report may not be eligible for sale in some jurisdictions. This report is not, and under no circumstances should be construed as, a solicitation to act as 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. To the full extent permitted by law neither RBC Capital Markets nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein. No matter contained in this document may be reproduced or copied by any means without the prior consent of RBC Capital Markets.

Additional information is available on request.

**To U.S. Residents:**

This publication has been approved by RBC Capital Markets Corporation, which is a U.S. registered broker-dealer and which accepts responsibility for this report and its dissemination in the United States. Any U.S. recipient of this report that is not a registered broker-dealer or a bank acting in a broker or dealer capacity and that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, should contact and place orders with RBC Capital Markets Corporation.

**To Canadian Residents:**

This publication has been approved by RBC Dominion Securities Inc. Any Canadian recipient of this report that is not a Designated Institution in Ontario, an Accredited Investor in British Columbia or Alberta or a Sophisticated Purchaser in Quebec (or similar permitted purchaser in any other province) and that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report should contact and place orders with RBC Dominion Securities Inc., which, without in any way limiting the foregoing, accepts responsibility for this report and its dissemination in Canada.

**To U.K. Residents:**

This publication has been approved by Royal Bank of Canada Europe Limited ('RBCEL') which is authorized and regulated by Financial Services Authority ('FSA'), 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 FSA. RBCEL accepts responsibility for this report and its dissemination in the United Kingdom.

**To Persons Receiving This Advice in Australia:**

This material has been distributed in Australia by Royal Bank of Canada - Sydney Branch (ABN 86 076 940 880, AFSL No. 246521). This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider the appropriateness of this material having regard to their objectives, financial situation and needs. If this material relates to the acquisition or possible acquisition of a particular financial product, a recipient in Australia should obtain any relevant disclosure document prepared in respect of that product and consider that document before making any decision about whether to acquire the product.

**To Hong Kong Residents:**

This publication is distributed in Hong Kong by RBC Investment Services (Asia) Limited, a licensed corporation under the Securities and Futures Ordinance. This material has been prepared for general circulation and does not take into account the objectives, financial situation, or needs of any recipient. Hong Kong persons wishing to obtain further information on any of the securities mentioned in this publication should contact RBC Investment Services (Asia) Limited at 17/Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong (telephone number is 2848-1388).

®Registered trademark of Royal Bank of Canada. RBC Capital Markets is a trademark of Royal Bank of Canada. Used under license.

Copyright © RBC Capital Markets Corporation 2008 - Member SIPC

Copyright © RBC Dominion Securities Inc. 2008 - Member CIPF

Copyright © Royal Bank of Canada Europe Limited 2008

Copyright © Royal Bank of Canada 2008

All rights reserved