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September 23, 2007 @ 10 pm

Registration Effective August 27th and Now Operational

We hope to resume the publication of detailed graphics or data backup in coming weeks. On September 4th Joseph Reagor joined our team, and on October 1st another research addition should report. We contemplate an office manager as well.

NONFERROUS METALS PRICES AGAIN MOSTLY RISE, STEEL INVENTORIES FALL, SIX PRICE TARGETS RAISED AND INITIATE COVERAGE ON GENERAL MOLY, INC.

- Dollar weakness benefited nonferrous metals prices although a Friday selloff shaved $1 off of nickel and drove down aluminum and zinc for the week.
- We raised earnings estimates and price targets for FCX to $125, Plum Creek Timber to $80, NEM to $70 and upgraded it to Overweight, ABX to $50, Goldcorp to $32 and AngloGold to $50. We initiated coverage on GMO General Moly, Inc. (changing name from Idaho General Mines). Please excuse us as we cannot make metals price or earnings revisions fast enough and gradually are rebuilding staff in our Jersey Shore venue.
- Exchange inventory actions suggested reacceleration of world growth. Copper set a new weekly low for 2007, zinc reversed three weekly rises to set a new low, lead made a new low, nickel improved to rise just 802 tonnes and aluminum was the sole disappointment with a 20,554 tonne rise to 1.23 mmt.
- Nickel prices closed at $14.31or $2.70 per pound above the August 12th $11.61 low point five weeks ago, which sets the stage for a large rise in November stainless surcharges priced with 60 day lags after a $2,020 per ton October drop from July type 304 averages. Distributors again will buy. Our $12.50 price estimate for 2008 once again appears conservative.
- Record crude oil prices and appreciating production cost currencies create cost escalation earnings risks to nonferrous companies much as Rio Tinto and Alcan's June 2007 quarters fell short. The $C parity, $A at $0.864, $0.5355 real, $1.409 euro and other escalations create earnings risks if investors mark up price-related revenues without inflating costs. Non-U.S. operations of companies with cost increase risks include Alcan, Alcoa, Abitibi-Consolidated, WY, Louisiana-Pacific, U.S. Steel's purchase of Stelco,

Goldcorp, BHP Billiton, Rio Tinto, CVRD and most international mining companies.

- Steel distributor inventories in the U.S. fell almost to a new low at 13.0 million tons, and their excessive almost 25% drop from year ago records may set the stage for a 2008 sudden rebuild/overbuild should any important plant or import supply flow be interrupted. Moderate imports, a weaker dollar and "producer disciplines" benefit the outlooks, although underlying consumption is sluggish and SeverCorr has arrived as the first of four new sheet plants and two increments ultimately to total 14.4 million tons of sheets of which 5 million tons depend on imported slabs. Long-product expansions appear under 1.5 million tons in the U.S.
- Wood prices fell again, and despite cuts in output lumber inventories rose.

ALUMINUM PRICE GAIN MINIMAL WHILE INVENTORIES SURGE

Monthly International Aluminum Institute data was slightly bearish. Chinese output set another record for August at 1.111 mmt, the rest of the world's output set another record at 2.120 mmt and producer inventories aside from commodities exchange stocks rose 42,000 tonnes. These data points were 31,000 tonnes more output and 42,000 tonnes more inventory than expected.

Aluminum was the worst performing nonferrous metal this past week falling $0.023 to $1.067 per pound, or about $0.20 per pound below the first-quarter 2007 average. This bodes poorly for the earnings of Alcoa, Century Aluminum or the aluminum portion of diversifieds Rio Tinto, CVRD or BHP Billiton.

Commodity exchange inventories rose 20,554 tonnes to 1.23 mmt, the fifth straight weekly rise. The data suggests that output is rising 1.0 mmt more than demand WITHOUT seasonal adjustment, and perhaps half as badly considering moderately slower demand in the second-half.

Output cuts may begin to appear, but $1.067 per pound is too high to prompt very many yet. We expect a price bottom somewhere between $0.75 and $1.00 per pound, and estimate LME prices at $1.19 in 2007, $1.12 in 2008 and $0.95 in 2009.

COPPER INVENTORY BEHAVIOR ENCOURAGING

Prices rose $0.18 to $3.57 per pound. Inventories fell slightly on each of the three regional exchanges to drop a combined 5,270 to 206,805 tonnes, the lowest level of the year. Developments are highly encouraging.

Copper inventories have not risen in this seasonally slower third-quarter, and the WBMS reported 4.6% global demand growth to July even as a 172,000 tonne demand decline outside China and the U.S. offset part of the 38.60% Chinese gain. While we raised our 2008 copper price basis to $3.25 from $2.75 and 2009 to $3.00 from $2.00, current $3.50+ prices suggest more upward revisions could happen.

The September 19th 6 am email from the World Bureau of Metals Statistics reported global consumption to July up 469,300 tonnes or 4.6%, mine output 254,900 tonnes or 3.0% (heap leach up 54,300 tonnes), and refined output up 236,700 tonnes or 2.4%. Consumption in China rose 768,100 tonnes or 38.6%, the U.S. fell 118,000 tonnes and the world other than the U.S. and China fell 182,000 tonnes.

We question the degree of decline outside the U.S. and China at 182,000 tonnes, since other markets such as steel or aluminum suggest very brisk growth. Future demand revisions could be upwards towards a 5%-6% global demand growth rate.

NICKEL INVENTORIES GROW LESS, AND NOVEMBER STAINLESS SURCHARGE REVERSAL VISIBLE

Nickel prices closed at $14.31or $2.70 per pound above the August 12th $11.61 low point five weeks ago, which sets the stage for a large rise in November stainless surcharges of at least $200 per ton or $0.10 per pound for type 304 stainless priced with 60 day lags after a $2,020 per ton October drop from July type 304 averages. Distributors again will buy. Our $12.50 price estimate for 2008 once again appears conservative.

Prices rose $1.45 per pound this week despite a $1.00-plus selloff on Friday. Inventory growth slowed to 702 leaving the LME stock at 29,892 tonnes. In the prior week inventories rose rapidly by 3,258 tonnes to 29,190 tonnes, which had been the fourth week in which LME inventories rose over 3,000 tonnes including September 16th, September 2nd, August 12th, and almost that much July 29th. There is no evidence that steelmakers have enough confidence in stainless restocking among distributors or end users to buy nickel.

GOLD AND SILVER RISE

Gold closed above $700 for the third straight week and the fourth individual week other than May 15, 2006 since January 1980. The 3% rise to $731.40 from $709.60 and silver's $0.48 rise to $13.47 after last week's $0.40 rise to $12.99 per oz were encouraging.

Continued upward moves are conceivable given the size of the monetary injections from several of the world's largest central banks. It is conceivable that the U.S. Fed cuts interest rates another time in the months ahead, although it is also possible that market forces push them up too if bond buyers disappointed from the past year's event postpone purchases to force better yields.

LEAD INVENTORIES DECLINE EVEN MORE

Lead remains reasonably close to the July 22nd weekly record near $1.58 per pound, and has exceeded aluminum and zinc for the first times in history for almost three months for aluminum and one month for zinc by now. Lead rose $0.05 per pound to $1.55 as inventories fell 2,225 tonnes on the LME to 21,200 tonnes.

It is inevitable that lead inventory declines slow down as there is not too much inventory left to draw down.

ZINC INVENTORIES REVERSE TREND TO DROP AFTER THREE STRAIGHT PRIOR WEEKLY RISES

Zinc prices fell $0.01 to $1.30 per pound with the Friday week closing selloff, but inventories fell 7,736 tonnes to 96,105 tonnes or roughly the lowest level in many years. We are very pleased that three straight weekly rises have been reversed, and erased in one week.

STEEL SCRAP

Steel scrap was steady at $265 per ton for #1 heavy melt. The decline in distributor inventories to 13.0 million tons in the U.S. and steady output gains both in the U.S. last week and a 5.3% August IISI output gain all suggest continued gradual growth.

URANIUM NOT STEADY

Uranium spot prices fell $5 to $85 after four weeks in which they held constant near $90 per pound for almost a month after their sudden plunge from $136 highs.

We do not know of any reason for electric utilities around the world to change their uranium procurement patterns. World growth and electricity demand appears brisk, and climate change and carbon regulations should bias utilities towards nuclear when they have a choice.

We conclude by process of elimination that investor/speculative behavior must account for the $51 per pound uranium selloff from peak levels.

LUMBER INVENTORY BUILD SUGGESTS OUTPUT CUTS NOT ENOUGH AS PRICES FALL AGAIN

Friday evening Random Lengths reported framing lumber inventories rose to 1,266 mm board feet from 1,238 mm in the prior week. Production, orders and shipments all had been falling, but it appears output cuts have not been enough.

Last week the framing lumber composite prices again fell $4 to $274 per 000 board feet, OSB fell $5 to $160 per 000 sq ft (7/16 north central basis) and plywood fell $3 to $342.50 per 000 sq ft..

Lumber orders rebounded to 277 from 229 mm board feet in the prior week, which appeared to have included “cancellations” in view of the severity of the prior week level.

This week's "rebounded" data was one of the lowest individual weeks of 2006 or 2007. We noticed just several non-holiday data points as low as 277 mm board feet, including 9-18-06, 12-4-06, 3-12,19 and 26-07, 1-8 and 15-2007.

A combination of the seasonal slowdown in activity as winter approaches and the tighter loan standard's potential to further depress demand appears to be creating a sort of downside climax.

On the other hand, high energy and the strong Canadian dollar adversely impact the costs, which rise even more owing to diseconomies of scale as output contracts. More output cuts are plausible.

CHANGE IN THIS RESEARCH OPERATION

This report reflects research coverage by JTVIR, LLC. In no way shape or form should it be misconstrued as involving Prudential Equities Group (PEG), which shut down on June 6, 2007 as noted. The continuation of that same quarterly or full year earnings estimate for 2007 as JTVIR, LLC should not be construed or mistaken to involve PEG, which shut down on June 6, 2007. Certain data, such as the logic of the earnings model, are similar owing to the same primary author, but this coverage initiation herein involves a different entity and no employment or affiliation with the former Prudential Equity Group, LLC.

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"John Tumazos Very Independent Research, LLC" (JTVIR) is a Delaware Corporation with registration effective on August 27, 2007 as an investment advisor in the state of New Jersey owing to our place of business in New Jersey.

JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide "unbundled" metals and paper industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than "day trading" sorts of near-term issues.

Neither JTVIR, its members or is employees own or have a financial interest in any securities discussed in this report. Our policy is full disclosure.

Our policy permits personal trading in the metals or paper industries, though no positions were taken in companies within regular research coverage after July 2001 after joining

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Our policy permits up to three directorships and up to five consulting projects, advisory assignments or financial advice to corporations that might supplement, backcheck or substitute for certain services of a large investment banking firm. For example, we would accept an engagement to evaluate investment banking advice on behalf of a manufacturing company concerned whether advice is sincere or intended to maximize fees. Currently no such relationships exist.

Our policy is full disclosure of any advisory relationship or conflict going back three years. None currently exist.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d'Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and offerings for AK Steel, Kaiser Aluminum, Agnico-Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thypin Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel, the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Typically more than five investment banking assignments were evaluated, partly executed or "due diligenced" for any completed transaction. Some examples we can recall for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

ANALYST UNIVERSE COVERAGE:

John C. Tumazos, CFA: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny

Technologies, Alcoa Inc., Inco Limited, Bowater, Inc., Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport McMoRan Copper & Gold, Novelis Inc., FNX Mining.

Dynatec is a company not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to a pending takeover by Sherritt International.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of "Overweight," "Neutral Weight," and "Underweight" most closely correspond with the more traditional ratings of "Buy," "Hold," and "Sell," respectively; however, please note that their meanings are not the same. (See the definitions above.) We believe that an investor's decision to buy or sell a security should always take into account, among other things, that the investor's particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to "balance" the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a "bottoms up" manner based on the assets of each individual company.

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The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.

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