

The following story was published on Thomson ONE:

(DJ) 08/04 12:00PM =DJ CANADA TIP SHEET: 2009 Helping Palmer Forget 2008

By Stuart Weinberg

OF DOW JONES NEWSWIRES

TORONTO (Dow Jones)--To say this year is going better than last year for Steve Palmer might be an understatement.

His AlphaNorth Partners Fund was up 63% in 2009 as of June 30. Last year, the fund finished down 53%.

Palmer said he learned last year that anything can happen, including a prolonged and deep decline in virtually every asset class. Thankfully, the market has stabilized this year and it's possible to find undervalued companies whose stocks are rewarded when the company executes.

Take Bio-Extraction Inc. (BXI.V). The company said in June that it will begin producing protein isolates before the end of the year. Bio-Extraction's original plan targeted production of protein isolates by 2011. The isolates are used in food production. Since June 23, the day the company made the isolate announcement, Bio-Extraction's stock is up about 172% to the mid-C\$1.50 range on the TSX Venture Exchange.

Palmer focuses on micro-cap stocks, companies with market capitalizations of less than C\$100 million. One advantage of targeting such tiny companies is that they fly under the radar of most fund managers, even small-cap managers, Palmer said. "We find the opportunities much better in that space," he said.

On the down side, micro-caps often lack capital and there is a risk they could run out of money before they become self-sufficient. To help mitigate that risk, Palmer often participates in private placements or share offerings that ensure - in the short term at least - that a company that he believes holds promise is adequately funded.

Private placements also allow Palmer to benefit from a stock's upside. That's because the company raising money usually sells units and warrants that can be converted into common shares at a fixed price. If the stock rises above that price, the unit holder earns a profit.

Palmer participated in the recent private placement of iLOOKABOUT Corp. (ILA.V) and the investment already looks like a winner. The company, which produces street-level imagery that can be displayed online, issued 6.25 million units at 40 Canadian cents each. The units entitled the purchaser to

The following story was published on Thomson ONE:

one iLOOKABOUT common share plus warrants that can be converted into a common share at an exercise price of 55 Canadian cents. On the TSX Venture Exchange Tuesday, iLookAbout was recently trading at 70 Canadian cents, well above the unit and warrant exercise prices.

Palmer also participated in a recent financing by Cyperplex Inc. (CX.T). The company, which provides Web advertising solutions, is increasing revenue by 100% a year, he said. Yet it has a price-to-earnings multiple in the single digits. "That's the kind of thing we like," Palmer said.

Company Web Site: <http://www.alphanorthasset.com>

-Stuart Weinberg, Dow Jones Newswires; 416-306-2026;
stuart.weinberg@dowjones.com

TALK BACK: We invite readers to send us comments on this or other financial news topics. Please email us at TalkbackAmericas@dowjones.com. Readers should include their full names, work or home addresses and telephone numbers for verification purposes. We reserve the right to edit and publish your comments along with your name; we reserve the right not to publish reader comments.

Click here to go to Dow Jones NewsPlus, a web front page of today's most important business and market news, analysis and commentary:

<http://www.djnewsplus.com/nae/al?rnd=NEQpysjVnESC%2BGfnLGdDUw%3D%3D>. You can use this link on the day this article is published and the following day.

(END) Dow Jones Newswires

08-04-09 1200ET

Copyright (c) 2009 Dow Jones & Company, Inc.

[BXI-V](#) [BXIXF](#) [CADAY](#) [CX-T](#) [CYPXF](#) [ILA-V](#) [CA09058B1076](#) [CA2329691059](#) [CA45236R1010](#) [I/CHM](#) [I/CHS](#) [I/MED](#) [I/PUB](#) [I/TSX](#) [P/70716](#) [N/DJN](#) [N/DJWB](#) [N/CDY](#) [N/CNW](#) [N/DJPN](#) [N/DJS](#) [N/DJSS](#) [N/DJWI](#) [N/FCTV](#) [N/IID](#) [N/TSH](#) [M/BSC](#) [M/CYC](#) [M/NND](#) [M/TEC](#) [R/CN](#) [R/NME](#) [R/ONT](#)