

SHARES RISE

Peregrine finds diamonds on its Chidliak property in Nunavut

Peregrine Diamonds has found diamonds at its six-hectare Chidliak exploration property in the northern Canadian territory of Nunavut. The company, which also has properties in Canada's Northwest Territories and Manitoba, discovered the presence of possibly diamond-bearing kimberlite at Chidliak in July. Peregrine said yesterday processing of a 94.9-kilogram surface sample had yielded 146 diamonds larger than 0.075 mm, while a 100-kg sample yielded 44 diamonds. It also said it discovered

a second outcropping of kimberlite — or rock that often contains diamonds — about 1.5 km from the initial deposit. Peregrine said the discovery is 700 kilometres from the nearest known deposit of kimberlite. The property is about 150 km northeast of Iqaluit on Baffin Island, and has direct access to tidewater that connects to the Atlantic Ocean, the company said. Peregrine's shares were up half a cent at 23.5¢ yesterday on the Toronto Stock Exchange, after earlier jumping as high as 25¢. Reuters

COMMENT

Egyptian investor's new Lingo



Barry Critchley  
Off the Record

Until a few months ago it's unlikely the average Canadian had heard of the Orascom Group, an Egyptian-based entity headed up by the Sawiris family that holds a portfolio of businesses ranging from contracting to railways and navigation services to manufacturing.

But that presumably changed when Orascom, which also maintains significant holdings in telecommunications, information technology, and networking, was the key backer for Globalive Communications, the company that emerged as one of the winners in the recent wireless spectrum auction conducted by the federal government.

Now comes word that the Orascom Group has become a major investor in Lingo Media, a TSX venture listed company. (Anthony Lacavera, chief executive at Globalive, has been a director at Lingo Media since April.) The Orascom Group has agreed to invest \$5-million in the company that has been publishing and distributing school text books in China since 1999. Orascom bought special warrants at \$1.75 a warrant, which will give it a 23% stake in the company that was started by Michael Kraft. Given that the special warrants come with share-purchase warrants, Orascom could end up investing \$17.9-million in the company for a 34.3% stake.

"We view it as a massive endorsement," said Mr. Kraft, adding that the Orascom investment comes with a two-year hold, or six times the length of a normal hold period for such financings.

Orascom's investment will help with the development of Lingo Media's newest pursuit, the teaching of English in a number of countries, particularly China, but also presumably those countries where Orascom has a major presence. (It operates GSM networks

We view [Orascom's investment] as a major endorsement

in Algeria, Pakistan, Egypt, Tunisia, Bangladesh and Zimbabwe with almost 100 million subscribers.)

Lingo Media moved into the area of teaching English last year when it bought Speak2Me Inc. (It raised \$1-million to help fund the purchase.) That company had developed software combining speech recognition and avatar technologies. It believes teaching English in China will be a US\$4.3-billion business in two years — up from US\$1.9-billion in 2004.

But unlike others who have tried to teach English in China, Lingo Media is planning to offer its service for free and have companies pay for what it refers to as conversational advertising. (The companies include Starbucks and Adidas.)

And that service will be provided over the Internet because China has more Internet users than any other country, 75% of whom have access to broadband.

Lingo Media believes its avatar technology will help solve one key problem for those Chinese who want to learn English.

"The Chinese excel in reading and vocabulary memorization, but they lack the ability to speak English," said Mr. Kraft, adding the avatar, named Lucy, requires that the students provide the correct response before moving on.

Financial Post  
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CHART OF THE DAY

GLOBAL ECONOMY WATCH: G7 AND EUROZONE

How GDP, inflation, deficits and jobs compare for G7 countries and the Eurozone

	GDP*	Consumer prices*	Federal budget**	Current account balance**	Jobless rate
United States	1.8%	5.6%	-3.6%	-6.4%	5.7%
Euro Region	1.5%	4.0%	-2.0%	0.0%	7.3%
Japan	1.0%	2.0%	-5.2%	3.6%	4.1%
Germany	1.7%	3.3%	-3.0%	4.1%	7.8%
France	1.1%	3.6%	-2.2%	-1.6%	7.2%
Italy	1.5%	4.1%	-3.4%	-1.6%	6.5%
United Kingdom	1.4%	4.4%	-3.2%	-2.2%	5.4%
Canada	0.6%	3.4%	1.8%	2.3%	6.1%

\*Year-over-year percentage change \*\*As a percentage of GDP  
SOURCE: BLOOMBERG NEWS

NATIONAL POST

LIVE COVERAGE

BANK EARNINGS

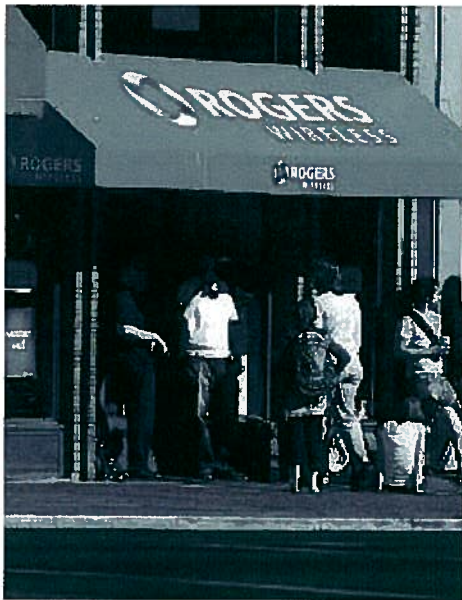
BMO and Scotiabank report third quarter earnings today. We'll bring you the numbers [financialpost.com](http://financialpost.com)

MOST POPULAR

LEASING DEMAND EVAPORATES

Auto reporter Nicolas Van Praet examines the collapse of the leasing business [financialpost.com/most\\_popular](http://financialpost.com/most_popular)

BLOGS



ROGERS HAS 2ND FASTEST 3G NET

Wired says Canadian high-speed wireless speeds are well ahead of their U.S. counterparts [financialpost.com/fpposted](http://financialpost.com/fpposted)

THE 'MINIMAN' TURNS 30

Lego celebrates the 30th anniversary of the birth of its so-called Miniman characters. [financialpost.com/fpposted](http://financialpost.com/fpposted)



TOYS ARE NICE AND MATURE

UBS thinks the toy business is mature enough to weather the economic slowdown [financialpost.com/tradingdesk](http://financialpost.com/tradingdesk)

FROM PORN STAR TO LAW STUDENT

California law student Traci Bryant pays the bills by making movies you wouldn't show kids [financialpost.com/legalpost](http://financialpost.com/legalpost)

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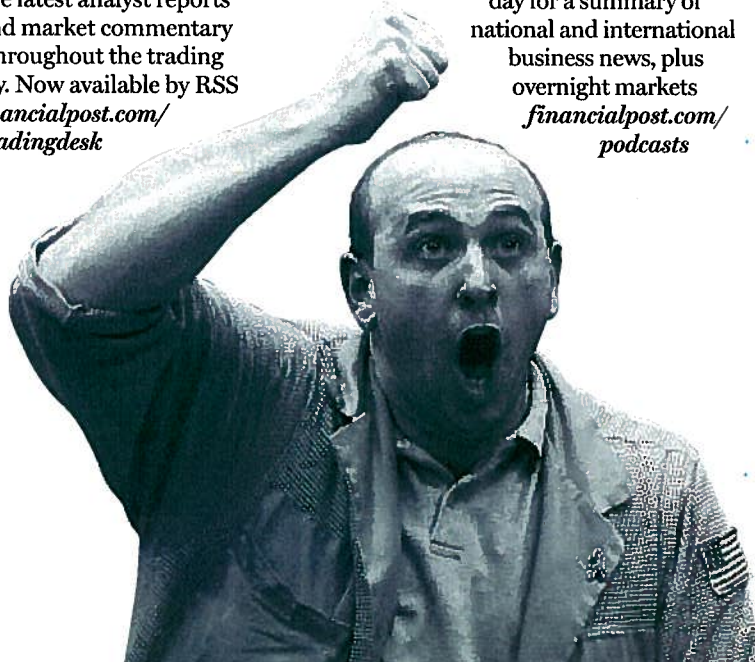
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FP SUMMARY

MINING

The fortunes of several Canadian miners could ride on a state-wide ballot question that effectively asks Alaskans to choose today whether they want a future built on salmon or gold.

See Page FP1

SOLAR POWER

The allure of ultra-cheap electricity helped Quebec win another major investment yesterday, as Norway's Renewable Energy Corp. announced plans to spend more than US\$1.2-billion on a silicon manufacturing facility in the province. The plant will be built in the industrial park of Bécancour, a massive manufacturing hub that also houses an Alcoa smelter and a plant belonging to high-profile silicon company Timminco Ltd.

See Page FP1

Q9 NETWORKS

After Q9 Networks Inc. announced that it agreed to be acquired by a U.S. private equity firm for \$361-million yesterday, it not only gave shareholders a big payday, it cast a spotlight onto the maturing Canadian data centre industry. With Canada facing both a lack of localized online storage capacity and the increased demand for companies to access Web-specific software applications, analysts are predicting a boom time for the still-nascent sector here.

See Page FP1

ALCAN

Ownership of the prized assets of former Canadian miner Alcan continues to hang in the air after regulators approved the Chinese acquisition of a stake in Rio Tinto — the company that bought Alcan last year — a move that threatens to block a rival US\$143-billion takeover bid for Rio Tinto.

See Page FP1

CANADIAN DOLLAR

Canada's strong dollar has contributed to a more than sixfold increase in Canada's travel deficit, and there's no relief in sight, a report prepared for the Canadian Tourism Commission suggests. "The gap between spending in Canada by foreign residents and spending in foreign countries by Canadians is steadily growing at Canada's expense," the report by the Conference Board of Canada says.

See Page FP3

DIANE FRANCIS

Robert Amsterdam is an outspoken lawyer who defended Mikhail Khodorkovsky, the jailed oil oligarch in Russia who last week lost his bid for parole. Amsterdam (of Toronto law firm Amsterdam & Peroff) warns that Canadian corporations, like Magna International or Petro-Canada, that do business in Russia or with Russian entities are endangering their shareholders by so doing.

See Page FP3

AGRICULTURE

Surging grain and oilseed prices continue to put more money in the hands of Canada's farmers, with cash receipts in the first six months of 2008 rising 12.4% to a record \$19.9-billion, Statistics Canada reported yesterday.

See Page FP4

COMPANIES IN THE NEWS

Aby Partners . . . FP1	La Capitale Financial Group . . . . . FP3
AIG Inc. . . . . FP6,7	Labrador Iron Ore
Apple Inc. . . . . FP6	Royalty Inc Fnd FP6
Asia Pacific Fund FP6	Lehman Bros. . . . . FP6,11
Bank of Montreal FP6	Lingo Media . . . . . FP2
Barrick Gold . . . . . FP6	Manulife . . . . . FP6,7
Blue Note Mining FP4	Meschel Co. . . . . FP3
BP PLC . . . . . FP3	MGM Inc. . . . . FP11
Chinalco . . . . . FP1	National Bank . . . . . FP6
CN Railway . . . . . FP4	Orascom Group . . . . . FP2
ConjuChem Biotechnologies . . . . . FP9	Peregrine Diamonds . . . . . FP2
Devon Energy . . . . . FP7	Precision Drilling FP2
EnCana Corp. . . . . FP7	Q9 Networks Inc. FP1
EOG Resources . . . . . FP7	Renewable Energy Corp. . . . . FP1
Ford Motor . . . . . FP4	Rio Tinto . . . . . FP1
Franco-Nevada . . . . . FP6	Rogers Comms . . . . . FP4
Freddie Mac . . . . . FP6	Scotiabank . . . . . FP6
Google Inc. . . . . FP6	Virgin Media . . . . . FP4
Grey Wolf Inc. . . . . FP5	Yukon-Nevada . . . . . FP9
Kingsway Financial Services . . . . . FP3	Zazu Metals . . . . . FP9