

DIRECTOR OF RESEARCH: Thomas Ronk PH (800) 715-9999 EMAIL: tom@buyins.net DATE: 5-19-2010

KEY DATA POINTS INSIDE

Dally Short Volume

Naked Short Volume

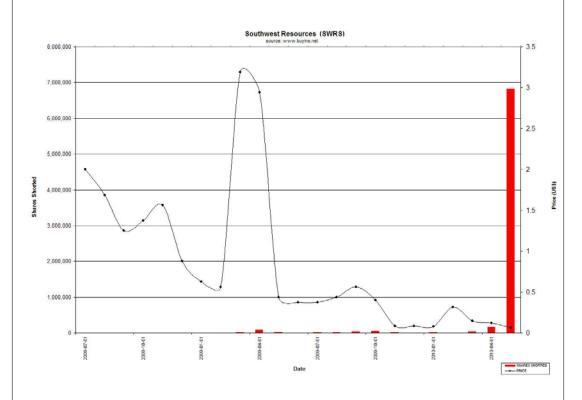
Market Maker Friction

#### **RECENT SWRS NEWS**

- Southwest Resources Provides Capital Structure Update PR Newswire(Mon, May 17)
- Southwest Resources Announces Strategic Plan to Streamline Mining Operations PR Newswire(Mon, May 17)
- Southwest Resources Executes Binding Memorandum of Understanding to Form Joint Venture for Arizona Mining Operation PR Newswire(Fri, May 14)
- Southwest Resources Acquires Mill Technology for Mining Process PR Newswire(Fri, May 14)
- Southwest Resources to Test Production Enhancement Technology PR Newswire(Wed, Apr 14)
- Southwest Resources Announces New Corporate Profile PR Newswire(Thu, Apr 8)
- Southwest Resources Appoints Chief Executive Officer PR Newswire(Wed, Apr 7)

BUYINS.NET offers a proprietary research and trading service uncovering illegal naked short selling in stocks on the NYSE, AMEX, NASDAQ, OTCBB and PINKSHEETS. For more information please visit

# SWRS SHORT SELLERS



Short sellers have only recently begun attacking shares of SWRS. The short selling began in April 2010 and has become disproportionately large in May 2010. Buyins.net will work with SWRS and the appropriate regulators to ensure Reg SHO compliance by short sellers.

# OVERVIEW OF SWRS SHORT SALE DATA

After careful analysis of SWRS short sale, naked short sale and market maker friction factor data it is clear that SWRS has recently had significant issues with short sellers which have begun to short its shares aggressively.

Short sellers have been building a sizable position in shares of SWRS and market makers have a bearishbias as of late. New evidence of daily short sellers shorting shares of SWRS has now come to light as the SEC has

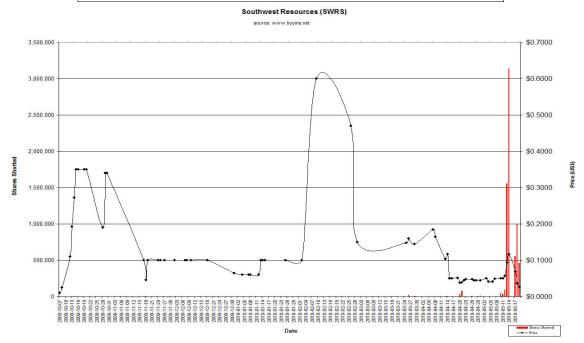
finally given Buyins.net access to DAILY short sale data which is updated every night. Protecting SWRS from abusive shorting has become a priority.

#### SECTOR VALUATIONS AND RATIOS FOR COMPARABLE VALUATIONS

Description A	1 Day Price Change %	Market Cap	<u>P/E</u>	ROE %	Div. Yield %	Long-Term Debt to Equity	Price to Book Value	Net Profit Margin % (mrg)	Price to Free Cash Flow (mrg)
Sector: Basic Materials	1.33	4953.6B	41.86	10.92	2.42	NA	3.18	6.63	-64.84
			In	dustries					
Agricultural Chemicals	0.18	140.1B	19.30	20.30	0.97	NA	5.64	14.80	203.50
Aluminum	0.77	30.7B	0.00	0.00	0.48	NA	1.97	-3.80	-16.10
Chemicals - Major Diversified	2.62	112.2B	26.20	11.10	2.60	NA	14.23	3.80	-8.70
Copper	-0.59	78.1B	18.30	32.20	2.34	NA	4.87	21.10	22.90
Gold	1.58	193.8B	0.00	0.00	0.75	NA	2.89	-1.80	-66.40
Independent Oil & Gas	1.78	684.5B	181.30	1.50	1.56	NA	2.21	1.20	90.60
Industrial Metals & Minerals	0.13	532.7B	32.90	12.80	2.13	NA	4.35	11.90	56.30
Major Integrated Oil & Gas	1.20	1436.4B	12.50	14.20	3.87	NA	1.96	6.60	-287.40
Nonmetallic Mineral Mining	1.97	7.8B	0.00	0.00	3.92	NA	1.85	-1.40	-21.50
Oil & Gas Drilling & Exploration	1.73	324.2B	18.10	14.80	3.50	NA	3.03	11.50	-106.90
Oil & Gas Equipment & Services	4.77	248.6B	28.50	7.70	1.05	NA	3.54	6.20	27.00
Oil & Gas Pipelines	1.32	163.8B	22.00	12.20	5.18	NA	2.69	7.10	-9.80
Oil & Gas Refining & Marketing	1.15	348.5B	34.70	5.20	1.18	NA	1.81	1.50	-33.90
Silver	2.98	12.5B	78.20	2.40	0.31	NA	1.96	11.20	-234.70
Specialty Chemicals	1.57	45.8B	0.00	0.00	1.29	NA	4.07	-0.90	15.40
Steel & Iron	0.76	526.7B	16.40	15.20	1.14	NA	3.84	9.80	32.70
Synthetics	1.02	66.9B	36.30	10.40	1.68	NA	7.85	4.40	152.30

Southwest Resources, Inc. is an energy and mining company engaged in the acquisition, development, exploration and production of natural gas, crude oil, placer deposits of precious metals such as gold and platinum, and other income-producing natural resources.

# **NEW DAILY SHORT SALE TRADING VOLUME STARTING 8-3-09**



Shorts have begun shorting SWRS aggressively on a daily basis. An average of 32.17% of daily trading volume is short selling.

## MARKET MAKER SURVEILLANCE SYSTEM (FRICTION FACTOR)

Date	Change	BuyVol	SellVol	NetVol	Friction
5/19/2010	-\$0.0097	1,205,000	1,094,508	110,492	Bearish Bias
5/18/2010	-\$0.0173	1,957,741	2,706,928	-749,187	-433,056
5/17/2010	-\$0.0432	1,743,021	2,008,994	-265,973	-61,568
5/14/2010	-\$0.0248	3,878,157	3,277,586	600,571	Bearish Bias
5/13/2010	\$0.0550	1,612,302	1,045,947	566,355	102,974
5/12/2010	\$0.0100	64,000	42,604	21,396	21,396
5/11/2010	\$0.0000	35,800	0	35,800	Bearish Bias
5/10/2010	\$0.0000	50,000	0	50,000	Bearish Bias
5/7/2010	\$0.0100	10,000	0	10,000	10,000
5/6/2010	-\$0.0100	0	10,000	-10,000	-10,000
5/3/2010	\$0.0010	10,000	0	10,000	100,000
4/30/2010	\$0.0010	25,000	856	24,144	241,440
4/26/2010	\$0.0000	25,000	0	25,000	0
4/23/2010	\$0.0030	5,000	0	5,000	16,667
4/22/2010	\$0.0230	10,000	0	10,000	4,348
4/21/2010	-\$0.0230	43,604	117,300	-73,696	-32,042
4/20/2010	-\$0.0050	148,300	65,000	83,300	Bearish Bias
4/19/2010	\$0.0000	6,000	20,000	-14,000	Bullilsh Bias
4/16/2010	-\$0.1000	0	2,156	-2,156	-216
4/14/2010	-\$0.0070	850	0	850	Bearish Bias
4/13/2010	-\$0.0080	2,000	1,400	600	Bearish Bias
4/8/2010	-\$0.0050	0	100	-100	-200
4/7/2010	-\$0.0200	220	350	-130	-65

The above data is used to calculate if a fair market is being made in the shares of SWRS. 35% of recent trading days are positive or bullishly biased and 65% of trading days are negative or bearishly biased. There is a bearishly-biased market being made in SWRS in the past five weeks.

Friction Factor determines if there is normal or abnormal behavior in the price action of the stock when compared to the buying vs. selling trading statistics. It calculates number of net shares of buying or selling to move price +/- one cent.

# Here is how to understand Friction Factor:

- 1. If Friction Factor is positive, more buying than selling caused SWRS's price to rise
- 2. If Friction Factor is negative, more selling than buying caused SWRS's price to fall
- 3. If Friction Factor is 0, there was no discernable activity either way
- 4. If Friction Factor is abnormal, it means that there is either a bearish bias or a

#### HOW BUYINS.NET RESEARCH REPORTS HELP FIGHT ABUSIVE SHORT SELLING

#### **BUYINS.NET Issues Uranerz Energy** B=1.76 A=2.10 2.20 SqueezeTrigger Report 2.10 2.00 GlobeNewswire Posted 8:30 AM 01/28/10 1.90 Print Text Size A A A 🔀 Email 🖪 😉 🌠 🖷 🚹 More 1.70 1.60 Approximately 1.42 Million Shares Shorted At \$1.59 SqueezeTrigger Price 1.40 NEWPORT BEACH, Calif., Jan. 28, 2010 (GLOBE NEWSWIRE) -- BUYINS.NET, www.buyins.net, a leading provider of Regulation SHO compliance monitoring, short sale trading 1.30 statistics and market integrity surveillance, has initiated coverage on Uranerz Energy 1.20 (AMEX:URZ) after releasing the latest short sale data through January 26, 2010. The total aggregate number of shares shorted in the past year is approximately 1.42 million shares. The Volume () 1,100,000 SqueezeTrigger price for all shares shorted is \$1.59. The first of several short squeezes will 700,000 begin when URZ closes above \$1.24, where approximately 204,000 shares have been shorted. To access SqueezeTrigger Prices ahead of potential short squeezes beginning, visit http://www.buyins.net.

The above report was issued on January 28, 2010 when URZ was trading at \$1.12 per share. The report included data on short selling, naked short selling and market maker friction factor and alerted investors and regulators that an unfair market was being made in shares of URZ and that a short squeeze would begin if shares were to go above \$1.24 per share. The results were immediate and dramatic with URZ going from \$1.12 to \$2.24 in only a few days, a gain of 100%.



### **WWW.BUYINS.NET**

NEWPORT BEACH, CA

Phone: 800-715-9999 Fax: 815-328-0698

Email: tom@buyins.net

# Trading Solutions to Naked Short Selling

All material herein was prepared by BUYINS.NET, based upon information believed to be reliable. The information contained herein is not guaranteed by BUYINS.NET to be accurate, and should not be considered to be all-inclusive. The companies that are discussed in this opinion have not approved the statements made in this opinion. This opinion contains forward-looking statements that involve risks and uncertainties. This material is for informational purposes only and should not be construed as an offer or solicitation of an offer to buy or sell securities. BUYINS.NET is not a licensed broker, broker dealer, market maker, investment banker, investment advisor, analyst or underwriter. Please consult a broker before purchasing or selling any securities viewed on or mentioned herein. BUYINS.NET may receive compensation in cash or shares from independent third parties or from the companies mentioned.

BUYINS.NET affiliates, officers, directors and employees have not bought shares of stock discussed in this opinion but BUYINS.NET has been paid \$995 per month by a third party for six months of data provided in this report. Market commentary provided by Thomas Ronk.

BUYINS.NET will not advise as to when it decides to sell and does not and will not offer any opinion as to when others should sell; each investor must make that decision based on his or her judgment.

All Rights Reserved. Copyright 2010

#### BUYINS.NET WILL ISSUE A VARIETY OF REPORTS ON SWRS

#### **REGULATORY & COMPLIANCE NEWS**

- Friction Factor market maker surveillance system tracking Level II market makers in all stocks to determine Price Friction and compliance with new "Fair Market Making Requirements"
- RegSHO Naked Shorts tracks EVERY failure to deliver in all US stocks and tracks all Threshold Security Lists daily for which stocks have naked shorts that are not in compliance with Regulation SHO

#### **INVESTMENTS & TRADING**

- SqueezeTrigger 27 billion cell database tracks EVERY short sale (not just total short interest) in all US stocks and calculates volume weighted price that a short squeeze will begin in each stock
- Earnings Edge predicts probability, price move and length of move before and after all US stock earnings reports
- Seasonality predicts probability, price move and length of move based on exact time of year for all US stocks
- Group Trader tracks sector rotation and stock correlation to its sector and predicts future moves in ALL sectors and industry groups
- Pattern Scan automates tracking of every technical pattern and predicts time and size of move in all stocks
- GATS (Global Automated Trading System) tracks all known trading

#### WHY BUYINS.NET IS BEST CHOICE FOR SWRS MARKET INTEGRITY

The data we provide is extremely useful for SWRS for the following reasons:

- 1. Stop naked short selling in shares of SWRS
- 2. Break the market maker hold on Level II box causing so much price friction
- 3. Our SqueezeTrigger Reports that cross newswires and are sent to our 720,000 users help break the rest of the shorts
- 4. Discourage new short sellers from shorting your stock
- 5. Stop the negative perception that dropping stock price places on normal day to day business operations
- 6. Combined all of these facets help to stop the daily drain that the short attacks have on the company.

Here is a quick technology overview:

http://www.buyins.com/centurypacificbrochure.pdf

Background information on our CEO: