

## ROCK TALK

### SUMMARY

In this edition, we introduce three gold companies. We have also included a sector update on M&A activity in the junior gold space and recent developments pertaining to companies currently on our radar screen.

### SECTOR UPDATES

- **GOLD AND PRECIOUS METALS** – On September 3, 2010, Goldcorp (TSX-G; NYSE-GG) announced a friendly takeover offer of Andean Resources (TSX-AND) for \$3.6 billion.

### COMPANY DEVELOPMENTS

- **FISSION ENERGY CORP. (TSX-FIS)** – Summer Drilling Program Yields Step Out Intersect of 12 Metres of 5.95% U3O8.
- **VOLTA RESOURCES INC. (TSX-VTR)** – Drilling Confirms and Extends KHZ in Kiaka Deposit.

### RADAR SCREEN ADDITIONS

- **BRIGUS GOLD CORP. (TSX-BRD)**
- **CLIFTON STAR RESOURCES INC. (TSXV-CFO)**
- **MINERA IRL LTD. (TSX-IRL)**

### COMMODITY PRICE PERFORMANCE

		1 Week	1 Month	3 Month	6 Month	YTD
Gold <sup>1</sup>	(US\$/oz)	1.2%	4.9%	2.1%	13.7%	14.8%
Silver <sup>1</sup>	(US\$/oz)	3.3%	9.0%	10.2%	17.4%	18.5%
Copper <sup>2</sup>	(US\$/lb)	0.5%	2.9%	20.5%	2.7%	3.6%
Nickel <sup>2</sup>	(US\$/lb)	7.3%	-1.0%	17.2%	4.9%	21.9%
Zinc <sup>2</sup>	(US\$/lb)	4.3%	3.5%	26.9%	-6.4%	-13.1%
Iron Ore <sup>3</sup>	(US\$/t)	-1.0%	1.0%	-0.3%	9.5%	35.0%
USD:CAD		-0.9%	1.3%	-0.4%	1.5%	-1.2%

Notes:

1. Spot Price

2. LME 3-Month Price

3. Iron Ore Fines (63.5% Fe) CIF China

4. Source: Bloomberg

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### JCI COVERAGE LIST

Ticker	Recommendation	Target Price	Close Price	Return To Target
TSX-AQL	BUY	C\$1.50	C\$0.61	146%
TSX-BIM	SPEC. BUY	C\$0.90	C\$0.57	58%
TSX-CGC	BUY	C\$5.75	C\$3.52	63%
TSX-CLM	SPEC. BUY	C\$13.00	C\$8.87	47%
TSX-CMK	SPEC. BUY	C\$3.00	C\$1.65	82%
TSX-CPN	SPEC. BUY	C\$1.25	C\$0.44	184%
TSX-CUM	SPEC. BUY	C\$4.40	C\$3.51	25%
TSXV-DDN	SPEC. BUY	C\$3.00	C\$0.18	1567%
TSXV-EGD	BUY	C\$4.00	C\$2.75	45%
TSX-FAR	BUY	C\$3.50	C\$2.14	64%
TSX-GMI	SPEC. BUY	C\$1.70	C\$1.21	40%
TSX-GSL	SPEC. BUY	C\$7.75	C\$4.14	87%
TSX-IMN	BUY	C\$80.00	C\$53.45	50%
TSX-LIF.UN	BUY	C\$62.50	C\$48.82	28%
TSX-LIM	SPEC. BUY	C\$12.00	C\$5.38	123%
TSX-MDI	BUY	C\$36.00	C\$24.60	46%
TSX-MFL	SPEC. BUY	C\$15.00	C\$9.64	56%
TSX-NEM	BUY	C\$6.50	C\$4.11	58%
TSX-NGD	BUY	C\$8.25	C\$6.72	23%
TSXV-NML	SPEC. BUY	C\$1.40	C\$1.05	33%
TSX-OGD	BUY	C\$7.00	C\$3.60	94%
TSX-RBI	TENDER TO OFFER		C\$30.95	N/A
TSX-SMF	BUY	C\$9.50	C\$9.46	0%
TSXV-SVL	SPEC. BUY	C\$1.40	C\$1.15	22%
TSXV-TGX	SPEC. BUY	C\$2.00	C\$0.09	2253%
TSX-TKO	BUY	C\$7.00	C\$4.61	52%
TSXV-TMM	SPEC. BUY	C\$2.75	C\$2.14	29%
TSXV-TRR	SPEC. BUY	C\$2.75	C\$0.99	178%
TSX-WDO	SPEC. BUY	C\$2.75	C\$2.43	13%

Source: Jennings Capital Inc; Thomson Reuters

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**RADAR SCREEN**

Company	Ticker	Market Cap (MM)	Close Price	Date Added
Advanced Explorations Inc.	TSXV-AXI	C\$17	C\$0.19	10-Aug-10
African Aura Mining	TSXV-AUR	C\$88	C\$1.25	18-Aug-10
Alderon Resource Corp.	TSXV-ADV	C\$48	C\$1.34	29-Jul-10
Aurix Gold Corp.	TSX-AYX	C\$114	C\$0.90	10-Aug-10
Brigus Gold Corp.	TSX-BRD	C\$190	C\$1.35	8-Sep-10
Canaco Resources Inc.	TSXV-CAN	C\$456	C\$2.80	10-Aug-10
Clifton Star Resources Inc.	TSXV-CFO	C\$120	C\$4.05	8-Sep-10
Coalspur Mines Limited	ASX-CPL	A\$304	A\$0.84	25-Aug-10
Champion Minerals Inc.	TSXV-CHM	C\$55	C\$0.91	10-Aug-10
Erdene Resource Development	TSX-ERD	C\$31	C\$0.35	10-Aug-10
Extorre Gold Mines Ltd.	TSX-XG	C\$396	C\$5.23	1-Sep-10
Guyana Goldfields Inc.	TSX-GUY	C\$796	C\$10.29	25-Aug-10
Helio Resource Corp.	TSXV-HRC	C\$33	C\$0.42	29-Jul-10
Macarthur Minerals Ltd.	TSXV-MMS	C\$46	C\$1.54	29-Jul-10
Minera IRL Ltd.	TSX-IRL	C\$94	C\$1.17	8-Sep-10
Northland Resources S.A.	TSX-NAU	C\$277	C\$2.49	18-Aug-10
Sandspring Resources Ltd.	TSXV-SSP	C\$176	C\$2.03	18-Aug-10
Volta Resources Inc.	TSX-VTR	C\$225	C\$1.70	29-Jul-10

Source: Thomson Reuters

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## SECTOR UPDATES

### GOLD AND PRECIOUS METALS

#### M&A Heats up in Junior Space

On September 3, 2010, Goldcorp (TSX-G; NYSE-GG) announced a friendly takeover offer of Andean Resources (TSX-AND), trumping one announced the previous night by Eldorado Gold (TSX-ELD; NYSE-EGO; ASX-EAU). The offer would see Goldcorp exchange 0.14 of a share, including an option for up to \$1 billion of cash, for an implied value of \$6.50/share, or a 35% premium to the prior day's close. The deal, which has unanimous approval by both boards, requires 75% approval from Andean's North American shareholders and 50% of its Australian shareholders. Accounting for cash, the offer values Andean's proven and probable reserves (2.07 million oz gold), at \$1,585/oz gold, and its total resources (3.06 million oz gold), at \$1,072/oz gold. The deal is subject to a break fee of 1%, or approximately \$35 million. The announcement follows the August 2, 2010 proposed takeover of Red Back Mining (TSX-RBI; TENDER TO OFFER) by Kinross Gold (TSX-K; Not Rated). Based on the proposed terms, that deal valued Red Back's proven and probable reserves (8.2 million oz) at \$829/oz and its total resources (12.7 Million oz) at \$538/oz.

## COMPANY DEVELOPMENTS

### FISSION ENERGY CORP. (TSX-FIS \$0.61), NOT RATED

#### Summer Drilling Program Yields Step-out Intersect of 12 Metres of 5.95% U3O8

On September 7, 2010, Fission released the first set of assay results from its ongoing summer drilling program on the J-Zone of its joint-venture (KEPCO) Waterbury project. The Company noted that the hole (WAT10-083B) “demonstrates the continuity of high grade uranium mineralization with exceptional widths at the J-Zone.”

The summer drilling program, which includes 5,000 metres from 16 holes, should finish early this month, and assay results are to be released as they become available. We expect the Company to drill aggressively this winter.

Our thesis of a bottom-forming process underway in the uranium space is supported by positive developments in the market. Spot prices rose this week by \$3/lb to \$48/lb, with long term prices remaining flat at \$60 and the most recent tick ‘up’ (July 2010) for the first time since May 2007.

### VOLTA RESOURCES INC. (TSX-VTR \$1.70); NOT RATED

#### Drilling Confirms and Extends KHZ in Kiaka Deposit

On September 2, 2010, Volta released results from 16 new holes drilled at its **Kiaka** gold project in Burkina Faso. The holes targeted mineralization in the hanging wall of the known deposit, confirming its continuity and its extension to the north, or approximately 200 metres beyond the current resource envelope.

Drilling has defined the zone over a total strike length of 750 metres. From south to north, select results include:

- Hole 122, which intersected 32 metres grading 1.0 g/t gold (starting at 54 metres), including 7 metres at 1.26 g/t and 2.8 metres at 4.61 g/t;
- Hole 126, which intersected 27 metres grading 0.70 g/t (starting at 42 metres) and 30.76 metres grading 0.57 g/t (starting at 99.4 metres and bottoming in mineralization);
- **Hole 123, which intersected 49 metres grading 4.3 g/t (starting at 67 metres), including 11 metres grading 16.83 g/t; and**
- Hole 127, which intersected 31 metres grading 1.19 g/t (starting at 69 metres), including 13 metres grading 2.27 g/t.

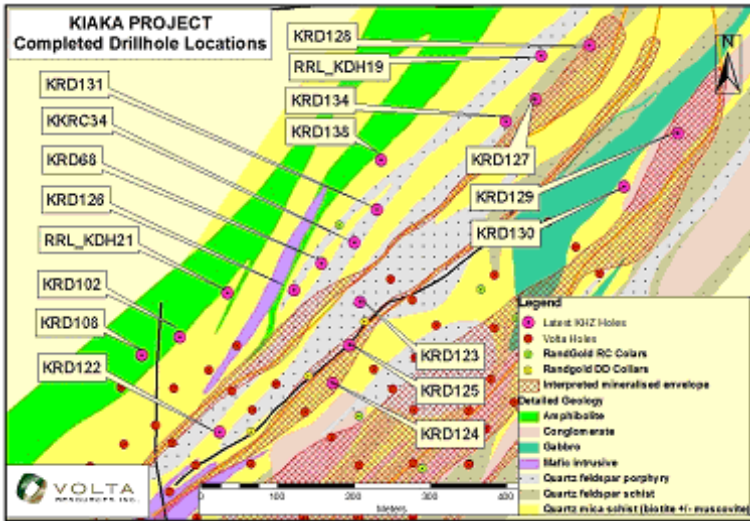
The most northern holes, 128 and 129, each intersected similar mineralization to the others. The former averaged 0.71 g/t over 27 metres (starting at 59 metres), including 9 metres at 1.66 g/t, while the latter hole cut three separate intervals averaging 0.98 g/t over 27 metres (starting at surface), 0.52 g/t over 33 metres (starting at 33 metres) and 0.66 g/t over 15 metres (starting at 76 metres). All three intervals contained higher-grading sub-zones, one of which averaged 3.84 g/t over 3 metres. Both holes were collared on section 6100N, or 200 metres north of the resource envelope.

None of the reported holes were incorporated in the preliminary resource estimate. Furthermore, on a combined basis, the results suggest an average grade of 1.04 g/t for the KHZ, in line with the known resource. However, higher-grading sub-intervals averaged 3.0 g/t, or twice as much as the so-called mineralized bands, suggesting good potential to augment existing resources and enhance the overall project economics by reducing the potential strip ratio.

On June 29, 2010, Volta released an independent preliminary resource estimate for the **Central Area** of the **Kiaka** deposit, reporting **Indicated Resources** of 41.25 million tonnes averaging 1.04 g/t and **Inferred Resources** of 15.9 million tonnes grading 0.90 g/t, for a combined 1.86 million oz contained gold. Both estimates are based on a cut-off grade of 0.5 g/t gold.

The resource extends over a strike length of approximately 1 kilometre and down to a maximum vertical depth of 230 metres, where it remains open. Higher-grading “mineralized bands” have been outlined with the resource and range

from 5 to 20 metres in width, along 100-400 metres in strike and 50-200 metres down-dip. Combined, they total nearly 21 million tonnes grading 1.42 g/t, accounting for approximately 52% of the deposits' contained ounces. The estimates are based on a cut-off grade of 1.0 g/t, and 79% is categorized as indicated.



Source: Volta Resources Inc.

## BRIGUS GOLD CORP. (TSX-BRD \$1.35); NOT RATED

**Brigus Gold** started production at its Black Fox open pit mine in June 2009. The Black Fox mine is located near Matheson, Ontario, approximately 60 kilometres east of Timmins. Brigus was formed in a merger between Apollo Gold and Linear Gold in June of this year. Brigus has been ramping up production at Black Fox and reports it is on track to produce 85,000 oz Au in 2010 and 110,000 oz in 2011. The Company is just now starting up production from the underground portion of the mine.

### RECENT EVENTS:

- June 24, 2010: The Company was formed by a merger between Apollo Gold and Linear Gold. Apollo financed Black Fox with a US\$70 million project facility from Macquarie and RMB Australia. This was done at the nadir of the economic meltdown of 2009. With credit being so tight at that time, terms of the facility were not favourable for the Company. As usual, start-up was slower than expected, and while Apollo continued to make interest payments, it missed two principal payments in September and December of 2009. Linear Gold had significant cash on its balance sheet that would help alleviate Apollo's problems, so the two companies merged.
- As a result of the project facility, 50% of Black Fox production through 2011 is hedged at US\$876/oz. Beyond 2011, approximately 140,000 oz remain on the hedge book.
- August 31, 2010: On the back of a C\$14 million flow through financing, the Company announced that its had expanded its exploration program at the Black Fox Complex to include a minimum of 15,000 metres of surface drilling as well as underground drifting and drilling.

### KEY PROJECT:

#### Black Fox, Matheson, Ontario (100%)

- The Black Fox complex consists of an open pit mine, an underground mine beneath the pit and a 2,000 tpd mill located approximately 30 kilometres to the west along a paved highway.
- Reserves for the open pit are 727,000 oz at 5.2 g/t with another 597,000 oz in reserves for the underground mine at 8.8 g/t.
- Until now, the mill has been entirely fed with ore from the open pit. Life of mine strip ratio – including overburden removal – is 7.6, but increases to 24 over the next few years due to overburden removal. However, overburden removal is considerably less expensive than waste removal since it is "free digging" and does not require drilling and blasting.
- The underground portion of the mine, which is the former underground workings of the Glimmer Mine, is presently being re-established. With production from a small number of working faces, production is initially expected to be approximately 200 tpd.

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#### Company Statistics

52 Week Range	\$1.11 - \$2.48
Basic Shares (MM)	140.70
Fully Diluted Shares (MM)	186.00
Market Cap (MM)	\$189.95
Cash (MM)	\$30.00
Total Debt (MM)	\$42.00
Enterprise Value (MM)	\$201.95
Average 100 Day Volume	160,570

#### Major Shareholders

Linear Gold Corp.	11.1%
Baker Steel Capital Managers LLP	4.5%

#### Valuation

EV/Total Reserve	\$83.08
EV/Total Resource (Mt)	\$81.57

#### Website & Contact Info

www.brigusgold.com +1.902.422.1421



#### Reserves and Resources (attributable)

Black Fox (Gold)	Mt	Au (g/t)
P+P Reserve	6.46	6.40
M+I Resource	0.47	6.40
Inferred Resource	3.51	6.60

Goldfields (Gold)	Mt	Au (g/t)
P+P Reserve	25.39	1.23
M+I Resource	1.99	1.40
Inferred Resource	5.91	0.83

Ixhuat �n (Gold)	Mt	Au (g/t)
P+P Reserve	-	-
M+I Resource	9.37	3.00
Inferred Resource	7.13	1.70

Totals		Au (koz)
Contained Reserve		2,337
Contained Resource		2,380

- As the number of underground faces increases, the Company expects to reach 800 tpd at steady state in 2011.
- Grade control has been a key issue for Black Fox. The open pit reserve grade is 5.2 g/t Au, but the Company has never been able to achieve this in any quarter since production began. Best ever grade from the pit was 4.1 g/t Au in Q3/09. The Company is guiding to 4.7 g/t in H2/10.
- Despite grade control problems, which we note are typical in greenstone deposits and tend to be “nuggety”, recovered grades ranging from 2.85 g/t to 4.1 g/t are still very good grades for an open pit mining operation.

#### OTHER PROJECTS:

##### Grey Fox / Pike River (100%)

- Grey Fox / Pike River are located on ground that is contiguous with Black Fox. The Company has previously reported good grades over narrow widths at Grey Fox and intends to deliver an NI 43-101 resource estimate on the so-called “contact zone” on this property in Q4/10. We expect this to be a small resource in the order of 100,000 to 200,000 oz.
- Pike River is a key piece of ground, located between Black Fox and Grey Fox, which the Company acquired last year but has not yet explored. Pike River makes the total land package contiguous.
- Brigus plans to conduct a Titan 24 geophysical survey over the land package in September of this year.

##### Goldfields Project, Uranium City, Saskatchewan (100%)

- The Goldfields project came into Brigus via Linear Gold. It consists of the Box project which has a feasibility study filed on it.
- Box was studied as an open pit with a capital cost of approximately US\$100 million. The feasibility projected a cash cost of US\$400 to US\$425 per oz at an annual production rate of 5,000 tpd.
- Box has a reserve grade of 1.4 g/t Au.

#### CATALYSTS:

- Improving production profile in the Black Fox open pit.
- Exploration results from Grey Fox, Pike River and Black Fox.

#### RISKS:

- Grade control problems may not be “solvable”, resulting in a write-down of open pit reserves.
- Grey Fox and Pike River are early stage exploration projects and results could be less than expected.
- The Company’s hedge book is not onerous but is currently scheduled to expire well past 2011.

#### Balance Sheet (FYE: Dec 31)

As at June 30, 2010		(US\$MM)
<b>Assets</b>		
Cash		4.73
Restricted Cash		17.52
Prepays		1.32
Inventories		5.28
Receivables		1.45
Current Assets		30.31
Inventories		4.58
Long-Term Investments		4.48
PP&E		174.78
Investment in Montana Tunnels JV		14.65
<b>Total Assets</b>		<b>228.80</b>
<b>Liabilities</b>		
Accounts Payable & Accrued Liabilities		11.74
Derivative Instruments		19.37
Current Portion of Long-Term Debt		27.15
Current Liabilities		58.26
Accrued Long-Term Liabilities		1.88
Derivative Instruments		39.99
Long-Term Debt		32.02
Equity Linked Financial Instruments		21.00
Accrued Site Closure Costs		5.62
Future Income Tax Liabilities		9.95
Common Stock		281.00
Additional Paid-in Capital		53.04
Deficit		(273.99)
<b>Total Liabilities and Equity</b>		<b>228.80</b>

#### Management

Wade K. Dawe	President, CEO, Chairman
Brian MacEachen	Executive VP
Mel Williams	CFO, Senior VP
Richard Allan	COO, VP
Howard Bird	VP Exploration

#### Most Recent Financing Activity

Date	Jul 30, 2010
Type	Private Placement
Number of Shares (MM)	10.00
Price	\$1.40
Gross Proceeds (MM)	\$14.00
Warrants	
Number of Warrants	-
Exercise Price	-
Term (months)	-

#### KEY PROPERTY LOCATIONS:



Source: Company Reports

**CLIFTON STAR RESOURCES INC. (TSXV-CFO \$4.05); NOT RATED**

**Clifton Star** is currently involved in an extensive drilling program on its Beattie property, located at Duparquet, in northern Québec. Duparquet lies on the Porcupine-Destor Fault Zone, just east of the provincial boundary with Ontario, approximately 30 kilometres north of Rouyn-Noranda. The current drilling program is being funded by Osisko (TSX-OSK), who is earning a 50% interest in the property for C\$70 million in exploration expenditures plus C\$31 million in loans to Clifton. The loans to Clifton are to help the Company make its staged purchase payments from the original property owners for C\$60.5 million.

**RECENT EVENTS:**

- Osisko is in the final stages of completing a 120,000-metre drill program on the properties including 100,000 metres on Beattie-Donchester and 20,000 metres on Duquesne.
- Drilling is being done on 100 metre sections on Beattie and 200 metre sections on Donchester covering approximately 3.2 kilometres of strike length. It is understood that Osisko may have increased its drilling budget by 3,500 metres on both Beattie and Donchester to infill certain areas to 50 metre spacing at Beattie and 100 metre spacing at Donchester.
- Osisko is the operator of the project and has kept a very tight lid on news flow. All core is boxed and transported off-site to Malartic, Québec where it is logged and sampled. There is little in the way of communication between geologists and technologists on site, with geologists logging and sampling core at Malartic. Osisko appears to share only the minimum amount of information on the program with Clifton management.
- With such a large drilling program, and holes being sampled from collar to toe looking for the “low grade halo” around the known deposit, a significant amount of assay results remain to be released. Over the last few months, Osisko has released the following “highlight” assay results:
  - 2.96 g/t Au (cut) over 108.5 metres (April 22, 2010)
  - 2.65 g/t Au over 31.0 metres (April 22, 2010)
  - 4.19 g/t Au over 27.5 metres (June 17, 2010)
  - 1.12 g/t Au over 58.2 metres (June 17, 2010)
  - 1.85 g/t Au over 22.5 metres (July 2, 2010)
  - 1.54 g/t Au over 34.1 metres (July 2, 2010)
  - 4.10 g/t Au (cut) over 25.2 metres (August 5, 2010)
  - 1.51 g/t Au over 38.0 metres (August 5, 2010)
  - 3.38 g/t Au over 27.0 metres (September 1, 2010)
  - 1.81 g/t Au over 42.8 metres (September 1, 2010)
  - 1.83 g/t Au over 27.5 metres (September 1, 2010)

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Company Statistics	
52 Week Range	\$1.65 - \$8.25
Basic Shares (MM)	29.50
Fully Diluted Shares (MM)	35.80
Market Cap (MM)	\$119.48
Cash (MM)	\$3.79
Total Debt (MM)	\$0.00
Enterprise Value (MM)	\$115.69
Average 100 Day Volume	198,410
Major Shareholders	
Pathway Investment Counsel Inc.	35.3%
Libra Advisors LLC	10.3%
Valuation	
EV/Total Reserve (US\$/oz)	-
EV/Total Resource (US\$/oz)	\$53.23
Website & Contact Info	
www.cliftonstarresources.com	+1.604.688.4706



Reserves and Resources (attributable)		
Beattie (Gold)	Mt	Au (g/t)
P+P Reserve	-	-
M+I Resource	-	-
Inferred Resource	9.80	3.13
Donchester (Gold)		
	Mt	Au (g/t)
P+P Reserve	-	-
M+I Resource	-	-
Inferred Resource	12.13	2.83
Totals		Au (koz)
Contained Reserve		-
Contained Resource		2,090

**KEY PROJECT:**

**Beattie, Duparquet (100%)**

- The Beattie project consists of a contiguous land package hosting six past producing mines: Beattie, Donchester, Dumico, Hunter, Cat Lake and Central Duparquet.
- The focus of the current program is Beattie and Donchester. Donchester is the eastern extension of Beattie.
- Together, Beattie and Donchester host a measured and indicated resource of 2.1 million ounces grading approximately 3 g/t.
- The total strike length of the prospective geology is approximately 6.5 kilometres and is the focus of Osisko's drilling program.
- Past exploration work on the properties focussed on sampling the zones known to host mineralization, whereas the current program is sampling the entire length of core looking for a low-grade envelope which is presumed to surround the core zones.
- At present, seven or eight distinct, sub-parallel zones have been identified, but assaying on the intervening material – which will be critical to the success of the project – continues.
- It is significant to note that approximately 70% of the ore previously processed at Beattie was refractory and required roasting prior to conventional processing. The roaster remains on site. Metallurgical testing to assess potential flow sheets and recovery will be an important aspect of this project going forward.

**OTHER PROJECTS:**

**Duquesne, Duparquet (100%)**

- Duquesne is located in the same general area as Beattie, approximately 10 kilometres southeast.
- Like Beattie, it too was the site of a past producing mine.
- The property is part of Osisko's option agreement, but Clifton is the operator of the drilling program.
- Current measured and indicated resources at Duquesne are approximately 450,000 oz Au at 7.6 g/t. Clifton hopes to increase this to a 1 million oz deposit under the current drilling program.

**CATALYSTS:**

- Ongoing release of drill results from Osisko's very large drill program on Beattie-Donchester and on Duquesne.
- Clifton has said that it intends to prepare its own resource estimate on Duquesne for release before the end of Q1/11.
- Osisko's future commitment to the project (positive or negative).

**RISKS:**

- Drill results may lead Osisko to pursue other opportunities.
- Processing of refractory ore may negatively affect project economics.

**Balance Sheet (FYE: June 30)**

As at March 31, 2010	(CAD\$MM)
<b>Assets</b>	
Cash	3.79
Prepays	0.53
Receivables	0.07
Current Assets	4.38
PP&E	0.00
Mineral Properties & Deferred Exploration Costs	22.55
<b>Total Assets</b>	<b>26.94</b>
<b>Liabilities</b>	
Accounts Payable & Accrued Liabilities	0.03
Current Liabilities	0.03
Future Income Tax Liability	2.12
Capital Stock	28.10
Contributed Surplus	11.20
Share Subscriptions Received in Advanced	0.13
Deficit	(14.64)
<b>Total Liabilities and Equity</b>	<b>26.94</b>

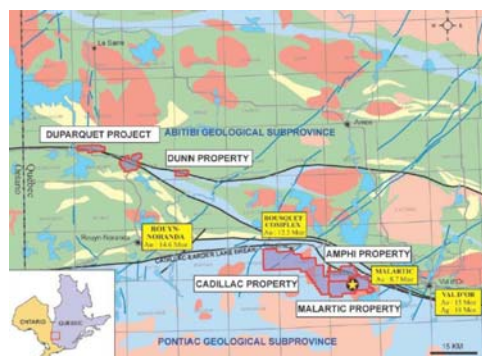
**Management**

Harry Miller	President, CEO, Chairman
Ian M. Beardmore, CA	CFO
Fred Archibald P. Geo, OGQ	VP Exploration, Director
Dean S. Rogers P.Geo, O	Senior Geologist, Director

**Most Recent Financing Activity**

Date	Jan 05, 2009
Type	Private Placement
Number of Shares (MM)	1.32
Price	\$1.25
Gross Proceeds (MM)	\$1.66
<b>Warrants</b>	
Number of Warrants	1.32
Exercise Price	1.35
Term (months)	24

**KEY PROPERTY LOCATIONS:**



Source: Company Reports

## MINERA IRL LTD. (TSX-IRL \$1.17); NOT RATED

**Minera IRL** is a junior producing gold, development and exploration company focused on expanding annual production rates to approximately 200,000 oz from its current rate of 30,000 oz. The Company is focused on Latin America, specifically Peru and Argentina, where it operates a small open-pit, heap-leach mine and is advancing two gold systems having what we view as excellent expansion potential. The company is also listed on the **AIM** and **BVL** under the ticker **MIRL**.

### RECENT EVENTS:

- On August 16, 2010, Minera provided a quarterly corporate update, noting that ongoing pre-feasibility and feasibility studies at its **Ollachea** and **Don Nicolas** gold projects in Peru and Argentina remain on schedule for completion in 2011. Meanwhile, the Corihuarmi gold mine, produced 8,098 oz at a cash cost of \$365/oz, contributing to Q2/10 EPS of \$0.02 (\$1.6 million) and CFPS of \$0.05 (\$4.1 million, before changes in non-cash working capital).
- On July 14, 2010, Minera announced that it had paid an additional \$3.8 million as part of the process to acquire a 100% interest in the **Ollachea** project, in Peru, from Rio Tinto Mining & Exploration SAC. The announcement followed an earlier update on an ongoing prefeasibility study, including results from recent infill drilling in an **Inferred Resource** of 8.9 million tonnes grading 4.5 g/t gold. **Highlights included: 15 metres grading 5.69 g/t gold; 13 metres grading 6.81 g/t gold; 15 metres grading 4.16 g/t gold; and 22 metres grading 3.90 g/t gold, including 6 metres at 6.27 g/t gold.**
- On May 12, 2010, Minera announced the discovery of a new gold zone at its **Ollachea** project. Five wide-spaced exploration drill holes intersected the so-called **Concuayoc** zone over a strike length of 500 metres, returning **20.9 metres grading 3.07 g/t gold, 14 metres grading 2.91 g/t gold and 8 metres grading 5.08 g/t gold.** The zone lies 300 metres along strike from the main **Minapampa** zone. A total of 2 kilometres of the favourable sedimentary host rocks have been mapped, providing good targets for future drilling.
- On May 10, 2010, Minera provided a project update for its **Don Nicolas** project in Santa Cruz Province, Argentina. The Company noted that it has two drill rigs focused on extending and in-filling the main **Sulfuro Vein** and **Martinetas** zones. It also noted that surfacing mapping had identified a new breccia zone known as **Escondido**. Outcrop samples returned up to 2.4 g/t gold and 84 g/t silver over an area measuring 700 metres long by up to 100 metres across. The showing lies immediately south of the **Las Calandrias** gold-silver project of **Mariana Resources** (AIM-MARL), where a recently initiated 10,000-metre drill program is following up low-sulphidation epithermal gold-silver targets. **Immediately north of Escondido**, Mariana is following up a breccia target that has returned several wide intervals, including 106 metres grading 1.6 g/t gold and 27 g/t silver. The discovery lies close to surface and is being viewed as a potential open-pit, bulk-mining scenario.

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#### Company Statistics

52 Week Range	\$0.95 - \$1.17
Basic Shares (MM)	86.80
Fully Diluted Shares (MM)	100.40
Market Cap (MM)	\$101.56
Cash (MM)	\$10.90
Total Debt (MM)	\$3.50
Enterprise Value (MM)	\$94.16
Average 100 Day Volume	34,120

#### Major Shareholders

Blackrock Group of Funds	14.0%
Milton AM	9.0%
JP Morgan Asset Management	7.0%

#### Valuation

EV/Total Reserve (US\$/oz)	\$846.76
EV/Total Resource (US\$/oz)	\$49.99

#### Website & Contact Info

www.minera-irl.com	+511.418.1230
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#### Reserves and Resources

<i>Corihuarmi (Gold)</i>	<i>Mt</i>	<i>Au (g/t)</i>
P+P Reserve	5.10	0.65
M+I Resource	5.33	0.60
Inferred Resource	3.77	0.45
<i>Ollachea (Gold)</i>		
P+P Reserve	-	-
M+I Resource	-	-
Inferred Resource	8.91	4.55
<i>Don Nicolas (Gold)</i>		
P+P Reserve	-	-
M+I Resource	1.08	5.80
Inferred Resource	1.08	4.60
<i>Totals</i>		<i>Au (koz)</i>
Contained Reserve		106
Contained Resource		1,794

**KEY PROJECT:**

**Corihuarmi, Peru (100%\*)**

*\*Subject to a 1%-3% government royalty and a 3% vendor royalty.*

- **Corihuarmi** is a small, heap-leach mine located in Central Peru, 160 kilometres southeast of Lima. The property covers 9,315 hectares.
- Production began in March 2008, at a capital cost of \$20 million and is now running at a steady state of 30,000 ounces per year. Reserves are sufficient to support planned production rates for three years, and cash costs are expected to average \$350-400/oz.

**OTHER PROJECTS:**

**Ollachea, Peru (100%\*)**

*\*Subject to 1-3% statutory royalty, 2% NSR and 5% equity interest to local community.*

- **Ollachea** covers approximately 9,000 hectares of the Andes Mountains, located 250 kilometres north of Lake Titicaca in southern Peru. In 2006, Minera acquired an option to earn a 100% interest from a subsidiary of **Rio Tinto**, subject to staged payments totalling \$6.25 million (\$3.5 million remaining) and a final payment to be determined by the outcome of a positive bankable feasibility study.
- Drilling began in October 2008, followed by a positive scoping study in November 2009. Based on an Inferred Resource of 8.9 million tonnes grading 4.5 g/t gold, the project was projected to produce an average of 117,000 oz gold per year over nine years, at a cash cost of less than \$400/oz. **A prefeasibility study is now well underway.**

**Don Nicolas, Argentina (100%\*)**

*\*Subject to 3% provincial royalty, 2% NSR and \$3/oz royalty (capped at \$2 million)*

- **Don Nicolas** covers 2,560 square kilometres of the prospective **Deseado Massif** of southern Argentina, making it the **third largest project in this emerging mineral district**. Infrastructure is excellent, with the paved National Route 3 and a parallel gas pipeline located a short drive from direct-access private roads.
- Minera acquired the project in late 2009 through the takeover of Hidefield Gold Plc. The Company immediately began a feasibility study aimed at following up a 2008 scoping study that indicated the property's potential to produce 50,000-70,000 oz from two vein systems. Management is focused on firming up those projections, while testing other nearby epithermal vein and breccia targets.

**CATALYSTS:**

- Ongoing drilling and exploration results, including initial drilling results from the **Escondido** project in September.
- Updates on **Ollachea** (H1/11) and **Don Nicolas** studies (H2/11).

**RISKS:**

- Among the high risks associated with junior producing, development and exploration companies are insufficient cash flow, unreceptive capital markets and deleterious social or political developments.

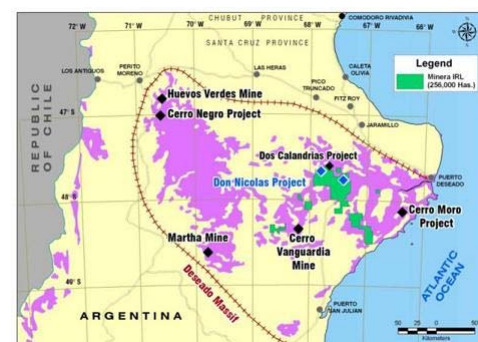
**Balance Sheet (FYE: )**

As at Jun 30, 2010 (US\$MM)	
<b>Assets</b>	
Cash and Equivalents	6.57
Other Current Assets	7.18
Current Assets	13.75
Mineral Interests	43.40
PP&E	24.00
Other Assets	5.07
<b>Total Assets</b>	<b>86.22</b>
<b>Liabilities</b>	
Current Portion of Long-Term Debt	2.50
Other Current Liabilities	13.09
Current Liabilities	15.59
Long-Term Debt	1.58
Other Liabilities	1.92
Shareholders Equity	67.13
<b>Total Liabilities and Equity</b>	<b>86.22</b>

**Management**

Courtney Chamberlain	CEO, Executive Chairman
Dr. Diego Benavides	President
Richard Mitchell	CFO
Donald McIver	VP Exploration
Stuart Smith	Technical Manager

**KEY PROPERTY LOCATIONS:**



Source: Company Reports

**GOLD AND PRECIOUS METALS: PRODUCERS**

Company	Ticker	Close Price	Annual High	Annual Low	Shares O/S (MM)	Market Cap (MM)	Cash (US\$ MM)	Debt (US\$ MM)	EV (US\$ MM)	P&P Reserve (000oz)	Total Resource (000oz)	EV/Reserve (US\$/oz)	EV/Resource (US\$/oz)	P/'11 CF	P/'12CF	P/'11 EPS	P/'12 EPS
<b>TIER I PRODUCERS</b>																	
AngloGold Ashanti Ltd.	NYSE:AU	44.39	47.52	34.11	362	16,084	864	1,667	16,753	71,572	202,516	234	83	8.7x	14.2x	18.1x	24.5x
Barrick Gold Corporation	TSX:ABX	47.93	50.65	43.82	986	47,243	3,851	7,038	48,282	140,393	234,062	344	206	9.9x	9.6x	14.0x	13.9x
Gold Fields Ltd.	NYSE:GFI	14.78	14.84	14.61	706	10,433	496	1,110	11,004	80,510	234,510	137	47	6.9x	6.1x	14.7x	11.9x
Goldcorp Inc.	TSX:G	44.32	48.37	35.12	736	32,622	520	733	31,332	48,699	91,137	643	344	15.4x	13.5x	24.5x	20.2x
Harmony Gold Mining Co. Ltd.	NYSE:HMY	10.82	12.05	8.73	429	4,640	101	156	4,686	48,150	215,727	97	22	8.9x	6.9x	15.2x	9.3x
Kinross Gold Corporation	TSX:K	17.95	25.22	15.34	704	12,635	695	717	12,087	50,553	83,436	239	145	11.0x	10.0x	22.2x	18.3x
Newcrest Mining Ltd.	ASX:NCM	37.98	39.75	29.73	483	18,363	545	361	16,597	42,756	79,367	388	209	13.4x	11.7x	20.8x	18.2x
Newmont Mining Corp.	NYSE:NEM	62.07	63.38	40.70	492	30,562	3,671	4,575	31,466	91,979	129,931	342	242	9.4x	9.0x	15.7x	15.3x
<b>TIER II PRODUCERS</b>																	
African Barrick Gold plc	LSE:ABG	5.99	6.85	5.21	410	2,456	334	-	3,425	16,764	25,973	204	132	8.4x	8.0x	13.1x	12.5x
Agnico-Eagle Mines Ltd.	TSX:AEM	69.08	77.32	53.16	167	11,559	302	743	11,455	18,405	34,814	622	329	14.7x	15.3x	25.9x	24.4x
Centerra Gold Inc.	TSX:CG	15.77	16.21	6.95	235	3,708	400	-	3,152	7,226	13,258	436	238	11.1x	8.1x	15.4x	11.0x
Eldorado Gold Corp.	TSX:ELD	20.18	21.35	10.99	547	11,042	333	180	10,422	15,357	29,591	679	352	19.7x	17.8x	28.6x	25.5x
IAMGOLD Corp.	TSX:IMG	20.13	21.95	12.41	372	7,485	103	-	7,066	14,508	28,824	487	245	12.4x	14.0x	18.0x	20.3x
Randgold Resources Ltd.	NASD:GOLD	92.56	99.67	55.06	91	8,409	508	3	7,950	15,547	27,323	511	291	18.5x	15.9x	23.5x	22.0x
Red Back Mining Inc.	TSX:RBI	30.95	31.93	10.83	257	7,948	732	-	6,880	8,282	15,993	831	430	21.5x	18.6x	32.0x	27.0x
Yamana Gold, Inc.	TSX:YRI	10.92	15.00	9.47	741	8,092	262	505	7,993	17,577	41,104	455	194	9.8x	9.1x	15.4x	15.1x
<b>TIER III PRODUCERS</b>																	
Alamos Gold Inc.	TSX:AGI	17.62	18.09	8.53	116	2,040	176	-	1,778	2,389	7,129	744	249	17.4x	13.5x	25.0x	19.1x
Allied Gold Ltd.	TSX:ALG	0.40	0.45	0.24	1,040	416	96	6	329	2,127	7,779	155	42	14.3x	3.9x	28.6x	7.2x
Allied Nevada Gold Corp.	AMEX:ANV	25.59	25.75	8.79	89	2,267	346	5	1,926	2,401	17,777	802	108	36.1x	21.1x	46.4x	34.1x
Aura Minerals Inc.	TSX:ORA	3.70	5.17	2.62	207	766	87	64	711	1,551	5,020	458	142	5.3x	5.1x	7.7x	7.7x
Aurizon Mines Ltd.	TSX:ARZ	6.99	7.42	3.81	160	1,116	118	1	952	1,010	6,322	943	151	11.4x	10.4x	21.0x	16.6x
Avocet Mining plc	AIM:AVM	1.27	1.40	0.64	196	249	47	90	424	1,371	4,865	309	87	4.2x	3.3x	11.2x	5.1x
Cluff Gold plc	AIM:CLF	0.83	1.05	0.57	123	102	2	6	160	256	2,514	624	63	3.2x	3.1x	7.0x	5.2x
Gammon Gold, Inc.	TSX:GAM	7.38	13.19	5.42	138	1,022	103	35	911	1,424	4,395	640	207	7.8x	7.0x	13.1x	12.2x
Golden Star Resources, Ltd.	TSX:GSC	5.16	5.24	2.28	258	1,332	181	132	1,221	3,463	6,727	352	181	6.7x	7.1x	14.2x	19.6x
High River Gold Mines Ltd.	TSX:HRG	1.05	1.09	0.36	800	840	87	30	746	2,116	4,231	353	176	-	-	8.1x	10.5x
Jaguar Mining Inc.	TSX:JAG	6.69	14.18	6.02	84	563	64	144	619	4,338	8,122	143	76	7.3x	3.9x	18.6x	6.3x
Kingsgate Consolidated Limited	ASX:KCN	10.49	10.98	7.01	101	1,057	42	9	934	1,475	3,102	633	301	10.4x	6.3x	13.1x	8.0x
Minefinders Corp. Ltd.	TSX:MFL	9.64	12.49	8.51	66	636	21	75	663	2,458	4,206	270	158	7.3x	8.4x	10.3x	11.2x
Minera Andes Inc.	TSX:MAI	1.01	1.20	0.60	265	267	8	32	280	175	2,642	1,597	106	-	-	-	-
New Gold, Inc.	TSX:NGD	6.72	6.97	3.37	392	2,632	376	210	2,354	8,124	20,348	290	116	14.6x	12.0x	22.8x	19.8x
Northgate Minerals Corp.	TSX:NGX	3.25	3.70	2.25	291	946	204	52	755	3,751	13,151	201	57	7.7x	6.1x	37.9x	19.7x
OceanaGold Corporation	TSX:OGC	3.65	3.69	2.63	228	833	37	165	919	3,588	9,181	256	100	4.8x	5.2x	9.6x	11.0x
Resolute Mining Ltd.	ASX:RSG	1.03	1.30	0.60	393	405	16	104	457	2,215	10,340	207	44	2.9x	2.0x	10.5x	4.7x
Semafo, Inc.	TSX:SMF	9.46	9.47	2.49	271	2,564	179	24	2,301	2,381	6,651	966	346	15.9x	17.9x	23.3x	26.3x
Average - Tier I Producers												303	162	10.5x	10.1x	18.1x	16.5x
Excluding Max & Min												<b>281</b>	<b>155</b>	<b>10.2x</b>	<b>10.1x</b>	<b>17.8x</b>	<b>16.3x</b>
Average - Tier II Producers												528	276	14.5x	13.4x	21.5x	19.7x
Excluding Max & Min												<b>532</b>	<b>275</b>	<b>14.4x</b>	<b>13.4x</b>	<b>21.1x</b>	<b>20.0x</b>
Average - Tier III Producers												523	143	10.4x	8.0x	18.2x	13.6x
Excluding Max & Min												<b>482</b>	<b>137</b>	<b>9.2x</b>	<b>7.5x</b>	<b>17.2x</b>	<b>12.9x</b>

Note: All P/CF and P/EPS multiples based on consensus estimates

Source: Jennings Capital Inc.; Company Documents; Bloomberg; Capital IQ

**GOLD AND PRECIOUS METALS: JUNIOR PRODUCERS**

Company	Ticker	Close Price	Annual High	Annual Low	Shares O/S (MM)	Market Cap (MM)	Cash (US\$ MM)	Debt (US\$ MM)	EV (US\$ MM)	P&P Reserve (000oz)	Total Resource (000oz)	EV/Reserve (US\$/oz)	EV/Resource (US\$/oz)	P/'11 CF	P/'12CF	P/'11 EPS	P/'12 EPS
<b>JUNIOR PRODUCERS</b>																	
Alexis Minerals Corp.	TSX:AMC	0.15	0.49	0.13	301	44	2	6	46	181	1,344	254	34	-	-	-	-
Argonaut Gold Ltd.	TSX:AR	3.00	3.75	2.32	56	168	47	7	120	752	2,171	160	55	6.1x	2.6x	9.7x	3.7x
ATNA Resources Ltd.	TSX:ATN	0.50	0.91	0.43	83	42	6	17	51	408	2,785	126	18	-	-	-	-
ATW Gold Corp.	TSXV:ATW	0.09	0.58	0.05	93	8	1	6	13	-	649	-	20	-	-	-	-
Avion Gold Corporation	TSXV:AVR	0.55	0.83	0.27	356	196	31	0	157	-	3,251	-	48	2.8x	1.9x	3.9x	3.6x
Avoca Resources Ltd.	ASX:AVO	3.30	3.45	1.48	291	960	36	56	897	1,307	6,635	686	135	5.8x	5.1x	10.4x	9.3x
B2gold Corporation	TSX:BTO	1.87	1.97	0.68	312	583	14	17	561	793	2,997	707	187	8.5x	9.5x	12.3x	14.5x
Brigus Gold Corp	TSX:BRD	1.35	2.48	1.11	141	190	5	59	236	2,358	4,739	100	50	-	-	-	-
Capital Gold Corp.	AMEX:CGC	3.35	4.28	2.10	61	205	9	5	201	1,504	1,880	134	107	7.1x	9.1x	8.3x	10.5x
Centamin Egypt Ltd.	TSX:CEE	2.86	2.95	1.42	1,029	2,943	31	-	2,799	7,119	14,534	393	193	16.2x	10.6x	17.1x	12.6x
Century Mining Corp.	TSXV:CMM	0.40	0.87	0.15	367	147	0	6	146	1,321	5,928	111	25	-	4.0x	-	5.7x
Claude Resources, Inc.	TSX:CRJ	1.25	1.46	0.64	131	164	1	13	170	208	1,992	817	85	6.0x	5.2x	13.9x	9.6x
Crew Gold Corp.	TSX:CRU	4.26	12.20	2.00	107	455	29	102	510	2,996	5,219	170	98	-	-	-	-
Crocodile Gold Corp.	TSX:CRK	1.04	2.40	0.99	203	212	21	0	182	545	5,038	334	36	4.0x	2.9x	7.5x	4.2x
Dominion Mining Limited	ASX:DOM	2.63	4.60	1.86	103	272	13	0	235	731	1,164	321	202	3.4x	3.2x	7.1x	6.9x
Dynasty Metals & Mining Inc.	TSX:DMM	3.92	6.38	3.15	42	164	8	-	149	-	5,955	-	25	4.3x	3.3x	4.9x	3.9x
European Goldfields Ltd.	TSX:EGU	10.51	10.60	3.60	182	1,917	85	-	1,751	9,138	11,680	192	150	37.0x	17.5x	188.5x	29.3x
Great Basin Gold Ltd.	TSX:GBG	2.50	2.51	1.36	348	871	37	172	961	5,143	22,735	187	42	7.4x	5.4x	11.1x	7.6x
Imperial Metals Corp.	TSX:III	16.80	21.00	4.65	37	618	25	2	570	2,791	6,690	204	85	9.3x	11.7x	15.3x	32.3x
International Minerals Corp.	TSX:IMZ	4.45	4.70	3.50	115	513	32	37	497	683	15,287	727	32	43.1x	36.8x	19.3x	18.0x
Intrepid Mines Limited	ASX:IAU	0.95	1.00	0.21	430	409	20	-	354	163	1,160	2,166	305	-	-	-	-
Kirkland Lake Gold Inc.	TSX:KGI	8.29	10.96	6.25	68	561	59	0	479	1,397	3,669	343	131	14.2x	7.3x	23.9x	10.3x
La Mancha Resources, Inc.	TSX:LMA	2.02	2.25	1.12	142	287	19	3	260	766	3,355	339	77	4.4x	4.9x	7.5x	-
Lake Shore Gold Corp.	TSX:LSG	3.78	4.37	2.48	351	1,327	66	13	1,218	820	1,499	1,486	813	12.7x	9.3x	17.7x	13.1x
Luna Gold Corp.	TSXV:LGC	0.57	0.81	0.35	418	238	26	19	221	731	1,312	303	168	-	-	-	-
Medusa Mining Limited	ASX:MML	4.38	4.89	2.55	188	822	36	-	715	504	2,146	1,419	333	6.7x	7.0x	7.8x	7.6x
Minera IRL Limited	TSX:IRL	1.17	1.17	0.95	87	102	11	4	83	106	1,794	784	46	-	-	-	-
Nevsun Resources Ltd.	TSX:NSU	5.43	5.45	1.94	194	1,051	82	58	982	1,439	1,861	682	528	4.3x	3.7x	5.8x	6.2x
Olympus Pacific Minerals Inc.	TSX:OYM	0.35	0.44	0.23	324	113	27	24	106	260	3,148	408	34	-	-	-	-
Orvana Minerals Corp.	TSX:ORV	1.95	1.99	0.82	116	226	27	6	195	1,043	3,080	187	63	-	-	-	-
Richmont Mines Inc.	TSX:RIC	5.06	5.46	2.80	31	156	35	-	114	446	1,690	255	67	4.2x	5.6x	5.3x	6.9x
San Gold Corporation	TSXV:SGR	3.80	5.00	2.43	301	1,142	17	3	1,079	334	2,980	3,228	362	15.8x	11.8x	22.5x	16.5x
Silvercrest Mines Inc.	TSXV:SVL	1.15	1.20	0.60	60	69	12	7	61	339	687	180	89	-	-	-	-
St Andrew Goldfields Ltd.	TSX:SAS	1.25	1.37	0.39	360	450	17	38	453	745	3,950	607	115	10.0x	7.8x	13.2x	9.3x
Timmins Gold Corp.	TSXV:TMM	2.14	2.14	0.64	124	265	3	18	269	611	1,051	439	255	4.7x	5.5x	7.4x	6.8x
Troy Resources NL	ASX:TRY	2.89	2.92	1.85	87	253	14	1	218	550	1,542	396	141	2.8x	1.7x	5.1x	3.6x
Wesdome Gold Mines Ltd.	TSX:WDO	2.43	2.89	1.81	101	245	20	13	228	188	1,767	1,208	129	14.7x	9.7x	486.0x	34.7x
Average - Emerging Producers												590	143	10.2x	7.8x	37.3x	11.5x
Excluding Max & Min												523	127	9.1x	6.9x	19.2x	10.8x

Source: Jennings Capital Inc.; Company Documents; Bloomberg; Capital IQ

**GOLD AND PRECIOUS METALS: EXPLORATION & DEVELOPMENT**

Company	Ticker	Close Price	Annual High	Annual Low	Shares O/S (MM)	Market Cap (MM)	Cash (US\$ MM)	Debt (US\$ MM)	EV (US\$ MM)	P&P Reserve (000oz)	Total Resource (000oz)	EV/Reserve (US\$/oz)	EV/Resource (US\$/oz)	P/'11 CF	P/'12CF	P/'11 EPS	P/'12 EPS
<b>EXPLORATION &amp; DEVELOPMENT</b>																	
Anatolia Minerals Development Ltd.	TSX:ANO	7.81	7.87	2.01	139	1,084	49	80	1,069	2,166	6,171	494	173	17.3x	9.5x	22.6x	13.2x
Andean Resources Ltd.	TSX:AND	6.39	7.33	1.56	541	3,459	70	-	3,413	2,072	3,064	1,647	1,114	-	38.3x	-	68.6x
Andina Minerals, Inc.	TSXV:ADM	1.45	2.18	1.05	109	158	33	-	118	-	10,586	-	11	-	-	-	-
AuEx Ventures, Inc.	TSX:XAU	5.70	6.20	2.48	42	238	13	-	215	-	754	-	285	-	-	-	-
Auryx Gold Corp.	TSX:AYX	0.90	0.97	0.44	127	114	17	-	93	-	1,930	-	48	-	-	-	-
Banro Corporation	TSX:BAA	1.98	3.37	1.60	173	343	146	-	182	4,533	11,234	40	16	-	-	-	-
Carpathian Gold Inc.	TSX:CPN	0.44	0.48	0.24	287	126	3	-	117	-	8,456	-	14	-	-	-	-
Chesapeake Gold Corp.	TSXV:CKG	8.80	10.00	4.00	38	337	13	4	314	-	19,766	-	16	-	-	-	-
Clifton Star Resources, Inc.	TSXV:CFO	4.05	8.25	1.65	30	120	4	-	111	-	2,094	-	53	-	-	-	-
Crystallex International Corp.	TSX:KRY	0.40	0.82	0.22	365	144	32	96	201	16,870	27,105	12	7	-	-	-	-
Detour Gold Corporation	TSX:DGC	31.39	32.71	10.22	83	2,590	273	-	2,208	11,396	21,112	194	105	-	-	-	-
Exeter Resource Corporation	TSX:XRC	7.36	9.32	4.00	76	557	38	-	496	-	24,340	-	20	-	-	-	-
Extorre Gold Mines Limited	TSX:XG	5.23	5.50	1.30	76	396	17	-	363	-	1,805	-	201	-	2.4x	-	9.2x
Fronteer Gold Inc	TSX:FRG	7.75	8.41	3.77	121	935	172	-	724	-	4,464	-	162	-	-	-	-
Gabriel Resources, Ltd.	TSX:GBU	5.05	5.55	1.79	342	1,729	113	-	1,543	8,094	14,495	191	106	-	-	-	-
Greystar Resources Ltd.	TSX:GSL	4.14	7.17	3.03	84	349	110	-	224	-	15,016	-	15	-	-	-	61.8x
Guyana Goldfields Inc.	TSX:GUY	10.29	10.30	3.82	77	796	67	-	695	-	4,579	-	152	-	48.3x	-	91.1x
Inter Citic Minerals Inc.	TSX:ICI	1.55	1.89	0.65	106	164	17	-	140	-	2,864	-	49	-	-	-	-
International Tower Hill Mines Ltd.	TSX:ITH	6.52	8.35	4.12	67	438	42	-	378	-	8,299	-	46	-	-	-	-
Keegan Resources Inc.	TSX:KGN	7.10	7.98	3.60	46	324	42	-	268	-	3,922	-	68	-	-	-	-
Medoro Resources Ltd.	TSXV:MRS	1.97	2.70	1.29	140	277	39	-	226	-	10,766	-	21	-	-	-	-
Midway Gold Corp.	TSXV:MDW	0.58	1.09	0.38	90	52	6	-	44	-	4,706	-	9	-	-	-	-
Northern Dynasty Minerals Ltd.	TSX:NDM	7.61	10.38	6.50	94	714	39	-	645	-	50,017	-	13	-	-	-	-
NovaGold Resources Inc.	TSX:NG	7.97	9.25	4.16	225	1,796	169	118	1,669	17,278	30,031	97	56	-	-	-	-
Oromin Explorations Ltd.	TSX:OLE	1.38	1.40	0.59	103	142	6	-	130	1,422	2,985	92	44	-	-	-	-
Osisko Mining Corporation	TSX:OSK	13.25	15.00	6.90	370	4,904	521	180	4,356	8,970	24,950	486	175	18.4x	9.9x	25.2x	12.8x
Pediment Gold Corp.	TSX:PEZ	1.63	1.98	0.81	48	78	10	-	65	-	2,838	-	23	-	-	-	-
Perseus Mining Ltd.	ASX:PRU	2.94	3.07	1.07	421	1,238	76	-	1,056	2,141	7,409	493	143	43.9x	12.3x	183.8x	15.5x
Premier Gold Mines Limited	TSX:PG	5.95	5.97	2.50	102	608	41	12	554	-	1,028	-	539	-	-	-	-
Queenston Mining Inc.	TSX:QMI	4.30	6.70	3.20	68	293	38	-	243	-	1,381	-	176	-	-	-	-
Rainy River Resources Ltd.	TSXV:RR	8.01	8.05	1.95	73	581	58	-	498	-	5,035	-	99	-	-	-	-
Romarco Minerals Inc.	TSXV:R	2.32	2.32	1.00	469	1,089	158	-	885	1,339	3,261	661	271	-	-	-	-
Sandspring Resources Ltd.	TSXV:SPP	2.03	2.18	0.70	87	176	10	-	159	-	3,801	-	42	-	-	-	-
Seabridge Gold, Inc.	TSX:SEA	31.50	40.00	20.91	41	1,277	48	-	1,175	30,402	64,532	39	18	-	-	-	-
Sulliden Gold Corporation Ltd.	TSX:SUE	0.81	1.06	0.50	156	126	18	3	107	-	1,340	-	80	-	-	-	-
Terrane Metals Corp.	TSXV:TRX	1.39	1.80	0.25	459	638	0	17	628	6,020	7,640	104	82	-	-	-	-
Trelawney Mining and Exploration Inc.	TSXV:TRR	0.99	1.35	0.29	90	89	12	0	73	-	404	-	181	-	-	-	-
Tyhee Development Corp.	TSXV:TDC	0.15	0.29	0.09	222	33	2	-	30	-	2,216	-	14	-	-	-	-
VG Gold Corp.	TSX:VG	0.37	0.59	0.21	179	66	4	-	60	-	1,164	-	51	-	-	-	-
Victoria Gold Corp.	TSXV:VIT	1.04	1.13	0.35	234	243	20	-	213	1,750	3,933	122	54	-	-	-	-
Volta Resources Inc.	TSX:VTR	1.70	1.80	0.17	132	225	42	3	176	-	2,937	-	60	-	-	-	-
Average - Exploration & Development												334	117	26.5x	20.1x	77.2x	38.9x
Excluding Max & Min												251	95	18.4x	17.5x	25.2x	34.4x

Note: All P/CF and P/EPS multiples based on consensus estimates

Source: Jennings Capital Inc.; Company Documents; Bloomberg; Capital IQ

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IRON ORE

Company	Ticker	Close Price	Market Cap (C\$ MM)	Cash (C\$ MM)	Debt (C\$ MM)	EV (C\$ MM)	P&P Reserve (M t)	Total Resource (M t)	Inferred (M t)	% Fe	DMTU	TPA	Capex (C\$ MM)	EV/Reserve (C\$/t)	EV/Total Resource (C\$/t)	EV/DMTU (C\$/t)	EV/TPA (C\$/t)
<b>EXPLORERS</b>																	
Adriana Resources Inc.	TSXV:ADI	0.30	26	2.3	8.6	33	-	6,260	1,970	68.0%	5,600	-	-	-	0.01	0.01	-
Advanced Explorations Inc.	TSXV:AXI	0.19	17	2.2	-	15	-	357	357	25.0%	179	-	-	-	0.04	0.08	-
African Aura Mining Inc.	TSXV:AUR	1.25	88	18.1	3.2	73	-	415	157	37.6%	215	-	-	-	0.18	0.34	-
Alderon Resource Corp.	TSXV:ADV	1.34	48	15.4	-	33	-	-	-	-	-	-	-	-	-	-	-
Champion Minerals Inc. <sup>1</sup>	TSXV:CHM	0.91	55	16.8	-	38	-	974	974	29.5%	575	-	-	-	0.04	0.07	-
Macarthur Minerals Ltd.	TSXV:MMS	1.54	46	1.5	0.1	45	-	1,118	1,118	28.7%	641	-	-	-	0.04	0.07	-
New Millennium Capital Corp. <sup>2</sup>	TSXV:NML	1.05	155	26.3	-	129	4,900	6,000	1,960	30.2%	3,880	-	-	0.03	0.02	0.03	-
Northland Resources S.A.	TSX:NAU	2.49	277	41.2	-	235	-	471	96	34.2%	194	-	-	-	0.50	1.21	-
<b>AVERAGE</b>			<b>89</b>	<b>15.5</b>	<b>5.9</b>	<b>75</b>	<b>4,900</b>	<b>2,228</b>	<b>947</b>	<b>36.2%</b>	<b>1,612</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.12</b>	<b>0.26</b>	<b>-</b>
<b>AVERAGE (LESS MIN &amp; MAX)</b>														<b>-</b>	<b>0.06</b>	<b>0.12</b>	<b>-</b>
<b>DEVELOPERS</b>																	
African Minerals Ltd. <sup>3</sup>	AIM:AMI	3.84	1,683	124.5	-	1,559	-	10,500	4,400	29.0%	4,321	25	2,600	-	0.15	0.36	62.4
Baffinland Iron Mines Corp.	TSX:BIM	0.57	195	37.5	-	158	365	865	448	65.1%	1,092	3	400	0.43	0.18	0.14	52.7
Labrador Iron Mines Holdings Ltd. <sup>4</sup>	TSX:LIM	5.38	234	41.0	2.3	195	-	26	126	54.4%	83	4	40	-	7.60	2.36	48.8
New Millennium Capital Corp. <sup>5</sup>	TSXV:NML	1.05	155	26.3	-	129	13	13	1	58.7%	16	1	300	10.06	9.61	7.94	161.2
<b>AVERAGE</b>			<b>567</b>	<b>57.3</b>	<b>0.6</b>	<b>510</b>	<b>189</b>	<b>2,851</b>	<b>1,244</b>	<b>51.8%</b>	<b>1,378</b>	<b>8</b>	<b>835</b>	<b>5.25</b>	<b>4.39</b>	<b>2.70</b>	<b>81.3</b>
<b>AVERAGE (LESS MIN &amp; MAX)</b>														<b>-</b>	<b>3.89</b>	<b>1.36</b>	<b>57.5</b>
<b>PRODUCERS</b>																	
Cliffs Natural Resources Inc. <sup>6</sup>	NYSE:CLF	66.78	9,371	559.6	910.7	9,722	926	1,066	93	34.4%	718	54	-	10.50	9.12	13.55	181.5
Consolidated Thompson Iron Mines Ltd.	TSX:CLM	8.87	2,065	60.1	252.7	2,258	435	1,256	99	29.7%	532	6	-	5.19	1.80	4.24	376.3
Fortescue Metal Group	ASX:FMG	4.88	14,440	1,310.9	3,174.2	16,303	1,603	6,959	4,330	52.5%	6,770	42	-	10.17	2.34	2.41	388.2
<b>AVERAGE</b>			<b>8,625</b>	<b>643.5</b>	<b>1,445.8</b>	<b>9,428</b>	<b>988</b>	<b>3,094</b>	<b>1,507</b>	<b>38.9%</b>	<b>2,673</b>	<b>34</b>	<b>-</b>	<b>8.62</b>	<b>4.42</b>	<b>6.73</b>	<b>315.3</b>
<b>AVERAGE (LESS MIN &amp; MAX)</b>														<b>10.17</b>	<b>2.34</b>	<b>4.24</b>	<b>376.3</b>

Notes:

1. Includes Historical Est. 578 Mt @ 30.04% Fe
2. LabMag & KeMag
3. Close price in AUD
4. Includes Historical Est. 124 Mt @ 53.56% Fe

5. DSO
  6. Close Price in USD
- BOLD:** Under Coverage  
*Italics:* Included in Rock Talk

• Reserves, Resources and Production are Attributable to one Company (ownership).

Source: Jennings Capital Inc.; Company Documents; Capital IQ

**MINING SERVICES**

Listing	Company	Ticker	Close Price	Annual High	Annual Low	Market Cap. (C\$MM)	Cash (C\$MM)	Debt (C\$MM)	EV (C\$MM)	Fleet Size (approx.)	Trailing 12-Month		EV/Sales		EV/EBITDA		P/E		Price / Tang. BV	EV/Rig (C\$000s)	Net Working Capital / Share	Net Net Working Capital / Share	
											Revenue (C\$MM)	EBITDA (C\$MM)	2010E	2011E	2010E	2011E	2010E	2011E					
North American Listings	Major Drilling International	TSX:MDI	\$24.60	\$30.66	\$19.50	\$584.2	\$30.2	\$23.9	\$577.9	525	\$307.9	\$36.1	1.5x	1.1x	8.1x	4.2x	22.4x	8.0x	2.1x	\$1,101	\$4.37	\$0.46	
	Layne Christensen (US\$)	NASDAQ:LAYN	\$24.77	\$35.14	\$22.97	\$500.7	\$49.2	\$26.7	\$477.2	770	\$968.7	\$99.0	0.5x	0.5x	5.0x	4.8x	20.4x	16.6x	1.3x	\$620	\$5.64	(\$6.05)	
	Foraco International	TSX:FAR	\$2.14	\$3.08	\$1.44	\$157.7	\$0.0	\$0.0	\$183.0	176	\$112.3	\$27.1	1.5x	1.1x	5.5x	3.8x	8.0x	4.8x	2.1x	\$1,040	\$0.46	(\$0.46)	
	Orbit Garant Drilling	TSX:OGD	\$3.60	\$4.25	\$2.17	\$117.9	\$11.5	\$3.6	\$110.0	150	\$105.1	\$27.9	0.9x	0.8x	3.5x	2.6x	7.7x	5.1x	1.9x	\$733	\$1.18	\$0.53	
	Energold Drilling	TSXV:EGD	\$2.75	\$2.82	\$1.80	\$96.1	\$11.1	\$0.0	\$77.9	94	\$34.6	\$0.9	1.5x	1.0x	8.5x	3.4x	16.6x	6.0x	1.6x	\$829	\$1.28	\$0.67	
	Aeroquest International	TSX:AQL	\$0.61	\$0.85	\$0.43	\$22.6	\$5.7	\$0.3	\$17.2	26	\$28.4	(\$5.1)	0.5x	0.2x	nmf	1.2x	nmf	6.0x	1.6x	\$661	\$0.20	\$0.07	
	Cabo Drilling	TSXV:CBE	\$0.17	\$0.28	\$0.09	\$9.1	\$0.4	\$6.7	\$15.5	114	\$27.0	\$1.3	0.5x	0.4x	7.0x	3.4x	nmf	16.5x	0.5x	\$136	\$0.10	(\$0.07)	
Landrill	TSXV:LDI	\$0.20	\$0.26	\$0.07	\$9.8	\$0.2	\$5.1	\$14.7	33	\$21.4	\$2.5	na	na	na	na	na	na	1.5x	\$446	(\$0.00)	(\$0.17)		
Australian Listings	Boart Longyear (A\$)	ASX:BLY	\$3.14	\$4.10	\$2.43	\$1,190.9	\$92.1	\$205.7	\$1,309.4	1194	\$1,251.7	\$170.0	0.9x	0.8x	6.0x	4.5x	18.6x	12.5x	2.0x	\$1,097	\$0.85	(\$0.36)	
	Ausdrill (A\$)	ASX:ASL	\$1.94	\$2.34	\$1.46	\$484.1	\$144.4	\$242.9	\$578.0	225	\$603.3	\$145.2	0.9x	0.8x	3.6x	3.4x	8.5x	8.8x	1.1x	\$2,569	\$0.59	(\$0.32)	
	Swick (A\$)	ASX:SWK	\$0.36	\$0.69	\$0.32	\$66.2	\$8.8	\$35.5	\$91.6	73	\$94.9	\$21.4	0.8x	0.8x	3.5x	3.0x	nmf	10.6x	0.8x	\$1,255	\$0.08	(\$0.17)	
												Average (Raw)		1.0x	0.7x	5.6x	3.4x	14.6x	9.5x	1.5x	\$953	\$1.34	(\$0.53)
												High		1.5x	1.1x	8.5x	4.8x	22.4x	16.6x	2.1x	\$2,569	\$5.64	\$0.67
												Low		0.5x	0.2x	3.5x	1.2x	7.7x	4.8x	0.5x	\$136	(\$0.00)	(\$6.05)
												Adjusted Average		0.7x	0.5x	3.9x	2.6x	9.0x	6.7x	1.2x	\$649	\$0.76	(\$0.04)

**Notes:**

(1) MDI has an April fiscal year. OGD, CBE, ASL and SWK have June fiscal year ends. Valuation ratios are adjusted (i.e. 2010E = average of MDI's FY2010 and FY2011) to enable comparability with other companies.

(2) LAYN has a January fiscal year end. Valuation ratios above are shown so that LAYN's fiscal 2011 is reflected in 2010E, etc. to enable comparability.

(3) AQL has September fiscal year end. EPS are raw (i.e. not adjusted for amortization of acquisition intangibles).

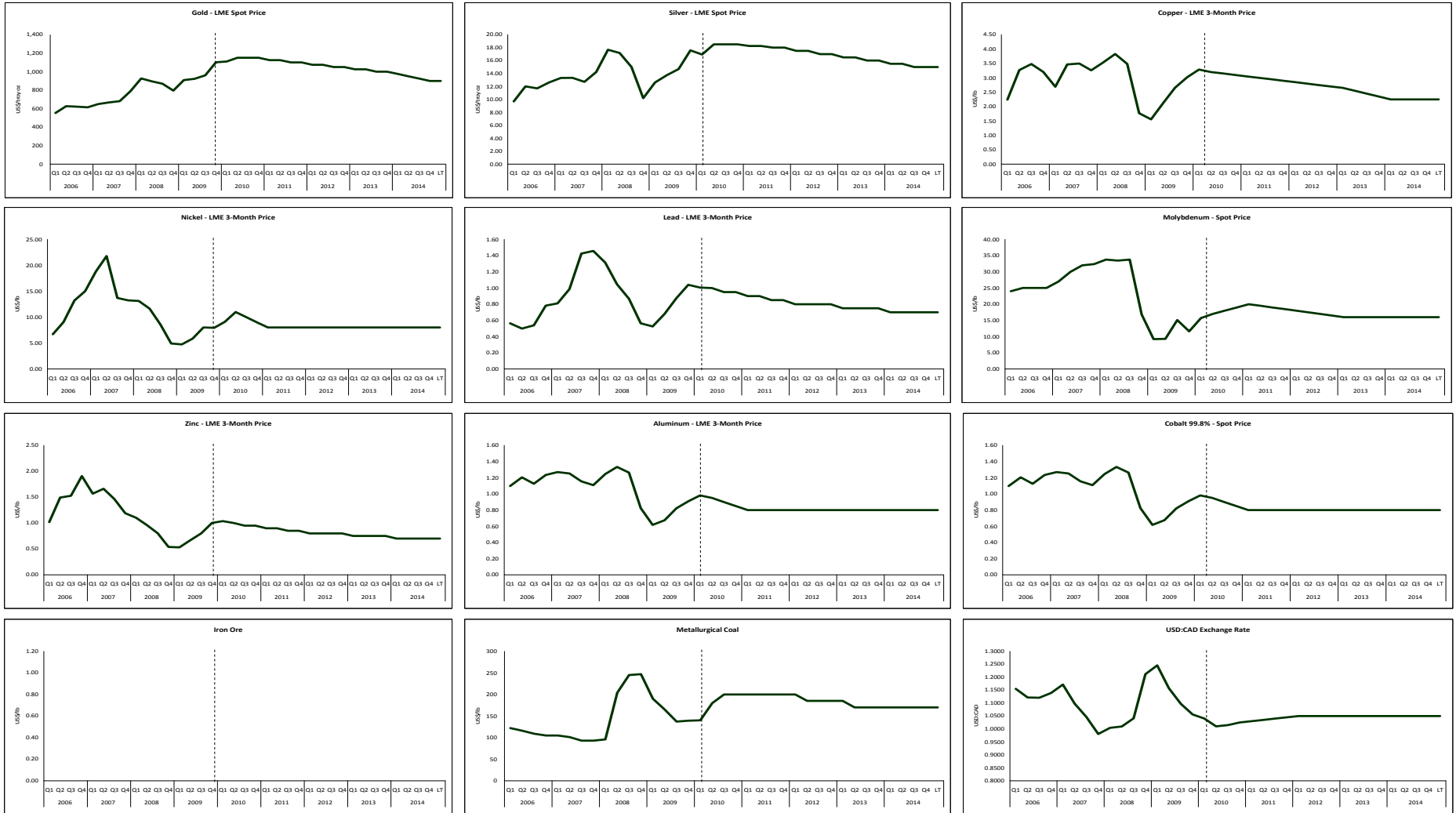
(4) Certain figures (as indicated above) are presented in C\$ to enable comparability.

(5) Forward estimates used in valuation ratios are based on consensus estimates from Bloomberg, except for MDI, FAR, EGD, OGD and AQL, where Jennings' estimates are used.

(6) EGD ratios adjusted for value of IMPACT Silver (TSXV-IPT) and excess cash.

Source: Jennings Capital Inc.; Company Documents; Bloomberg

JCI COMMODITY PRICE AND CURRENCY FORECASTS



Source: Jennings Capital Inc.; www.metalprices.com

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**Speculative Buy:** The stock is expected to provide a total return in excess of 10% over the current trading price over the next 12 months; however, there is material event risk associated with the investment.

**Buy:** The stock is expected to provide a total return in excess of 10% over the current trading price over the next 12 months.

**Hold:** The stock is expected to provide a total return of 0% to 10% over the current trading price over the next 12 months.

**Sell:** The stock is expected to provide a negative total return over the next 12 months.

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**Low/Average Risk** — Stocks with less volatility than the market as a whole, with solid balance sheets and dependable earnings.

**Above Average Risk** — Stocks with more volatility than the market. Financial leverage is considerable but not threatening, earnings are more erratic, or other quality concerns regarding accounting, management track record, and similar issues.

**Speculative** — Stocks of unproven companies or ones with very high financial leverage, suspicious accounting, or with other significant quality concerns. A speculative risk rating implies at least the possibility of financial distress leading to a restructuring.

**Distribution Ratings:** Out of approximately 77 stocks in the Jennings Capital Inc. coverage universe, the ratings distribution is as follows:

<b>BUY</b>	48%
<b>SPECULATIVE BUY</b>	47%
<b>HOLD</b>	4%
<b>TENDER TO OFFER</b>	1%
<b>RESTRICTED</b>	0%
<b>UNDER REVIEW</b>	0%
<b>SELL</b>	0%

*Revised Monthly*

**Security Abbreviations:** NVS (non-voting shares); RVS (restricted voting shares); RS (restricted shares); SVS (subordinate voting shares); MV (multiple voting shares).

**Quarterly Recommendation Hierarchy:** Is a ranking distribution identifying the percentage of total, number, and the investment banking relationship (%) for all recommendation categories that can be found on the Jennings Capital Inc. website ([www.JenningsCapital.com](http://www.JenningsCapital.com)).

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Company Name	Ticker/Exchange	Discl.
Aeroquest International Limited	TSX-AQL	1,3
Baffinland Iron Mines Corporation	TSX-BIM	2,3
Capital Gold Corporation	TSX-CGC	2,3
Carpathian Gold Inc.	TSX-CPN	3
Cline Mining Corporation	TSX-CMK	2,3
Consolidated Thompson Iron Mines	TSX-CLM	
Copper Mountain Mining Corporation	TSX-CUM	2,3
Diamonds North Resources Ltd.	TSXV-DDN	
Energold Drilling Corporation	TSXV-EGD	1
Foraco International S.A.	TSX-FAR	
GlobeStar Mining Corporation	TSX-GMI	3
Greystar Resources Ltd.	TSX-GSL	2,3
Inmet Mining Corporation	TSX-IMN	3
Labrador Iron Mines Holdings Ltd.	TSX-LIM	2,3
Labrador Iron Ore Royalty Income Fund	TSX-LIF.UN	
Major Drilling Group International Inc.	TSX-MDI	1
Minefinders Corporation Ltd.	TSX-MFL	3
Neo Material Technologies Inc.	TSX-NEM	3
New Gold Inc.	TSX-NGD	3
New Millennium Capital Corporation	TSXV-NML	3
Orbit Garant Drilling Inc.	TSX-OGD	3
Red Back Mining Inc.	TSX-RBI	3
SEMAFO Inc.	TSX-SMF	2,3
SilverCrest Mines Inc.	TSXV-SVL	
Taseko Mines Limited	TSX-TKO	3
Timmins Gold Corporation	TSXV-TMM	3
Trelawney Mining and Exploration Inc.	TSX-TRR	2,3
True North Gems Inc.	TSXV-TGX	
Wesdome Gold Mines Ltd.	TSX-WDO	3

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- 3 The Analyst has had an onsite visit with this Company. (The extent to which the Analyst has viewed the material operations of this Company is available on request.)
- 4 The Analyst has been compensated for travel expenses incurred as a result of an onsite visit with this Company.
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- 7 Jennings Capital Inc. is restricted on this company at the time of publication.