

# Goldletter INTERNATIONAL

the international independent information and advice bulletin for gold and related investments

**October 2010**

## SHORTLIST OF GOLD INVESTMENT RECOMMENDATIONS - as at September 30, 2010

Location of listing	Trading symbol		Share price		Change in %	12 months		Net issued shares million	Market capitalization
			current	Year-end 2009		H	L		
			Cdn\$	Cdn\$		Cdn\$	Cdn\$		Cdn\$ mln.
Barrick Gold	ABX	TSX	47.55	41.46	15	50.65	36.01	985.7	46,870
Kinross Gold	K	TSX	19.30	19.37	0	24.59	15.34	1,130.8	21,824
Agnico Eagle Mines	AEM	TSX	73.15	56.92	29	76.65	53.16	167.4	12,245
Eldorado Gold	ELD	TSX	19.02	14.92	27	21.35	11.35	547.4	10,412
Iam Gold	IMG	TSX	18.22	16.51	10	21.95	13.17	372.5	6,787
Golden Star	GSC	TSX	5.07	3.26	56	5.40	2.78	258.2	1,309
Endeavour Mining	EDV	TSX	2.77	2.52 1)	10	0.61	0.24	367.2	1,017
<b>Colossus Minerals *</b>	CSI	TSX	8.02	5.80	38	9.14	0.04	85.7	687
<b>Continental Gold *</b>	CNL	TSX	6.95	2.45 2)	184	7.19	1.89	86.3	600
Brigus Gold	BRD	TSX.V	1.61	1.61	0	2.48	1.11	140.7	227
<b>Sacre-Coeur Minerals * 3)</b>	SCM	TSX.V	1.56	0.85	84	1.57	0.57	38.7	60
<b>African Queen Mines *</b>	AQ	TSX.V	0.67	0.51	31	0.74	0.28	43.3	29
<b>Bravo Gold *</b>	BVG	TSX.V	0.19	0.30 4)	-37	0.52	0.16	147.9	28
<b>Astur Gold *</b>	AST	TSX.V	0.92	0.73 5)	26	1.25	0.10	27.3	25
			A\$	A\$		A\$	A\$		A\$ mln.
Lihir Gold 6)	LGL	ASX	4.48	3.28	37	4.51	2.57	2368.7	10,612
<b>Gold One Int. *</b>	GDO	ASX	0.29	0.26 7)	12	0.38	0.20	806.3	234
<b>Alkane Resources * 8)</b>	ALK	ASX	0.70	0.35	100	0.77	0.23	249.0	174
<b>Citigold *</b>	CTO	ASX	0.13	0.14	-7	0.18	0.08	964.5	125
			pence	pence		pence	pence		£ mln.
<b>Red Rock Resources *</b>	RRR	AIM	6.00	6.00 9)	0	7.48	1.20	653.4	39
<b>Realised as at July 31, 2010 :</b>									
<b>Brazauro Resources *</b>	BZO	TSX.V	1.23 10)	0.63	95	1.46	0.47	93.7	115
<b>Korab Resources *</b>	KOR	ASX	0.50 11)	0.17	194	0.50	0.14	79.0	40
<b>Realised as at Sept. 15, 2010:</b>									
Etruscan Resources 1)	EET	TSX	0.46	0.43	7	0.61	0.24	367.2	169
<b>2010 market performance to date: 45.5%</b>					<b>2009 market performance: 151%</b>				
<b>2010 market performance featured companies to date: 65.5%</b>					<b>2009 featured companies : 160%</b>				
<b>* featured as Special Situation</b>									

- 1) Endeavour Finance Corp takes over not-owned 45% of Etruscan shares for total consideration of Cdn\$ 0.46 per share; name change to Endeavour Mining as at September 15, 2010
- 2) included as at April 30, 2010
- 3) take over offer as at September 26, 2010 by Severstal Gold at Cdn\$ 1.60 per share
- 4) included as at April 1, 2010
- 5) included as at August 1, 2010
- 6) take over offer by Newcrest Mining valued at A\$ 9.5 billion (US\$ 8.7 billion)
- 7) included as at March 1, 2010
- 8) also major rare earth metals sector
- 9) included as at October 1, 2010
- 10) share price as at July 16, 2010; acquired by Eldorado Gold
- 11) including value of entitlement to free shares in spun-off companies Lugansk Gold and Melrose Gold Mines



**Colossus Minerals (CSI – TSX)** is currently focusing its efforts on the high-grade gold-platinum-palladium **Serra Pelada Deposit** in Para State, located in **northern Brazil** and discovered in 1979. The Project is host to the largest precious metals rush in Latin American history between 1980 and 1986.

From 1980 to 1996, Vale drilled over 200 holes into the deposit and encountered some astounding assays up to 4,709 g/t gold, 204 g/t platinum and 1,174 g/t palladium.

In 2007, Colossus entered into an agreement with COOMIGASP, under which the Company can earn up to a 75% interest in the 100 hectare Project (Area A) by spending R\$ 18 million (US\$ 8.9 million) in exploration and paying COOMIGASP a premium for the gold reserve established by the joint venture.

The agreement was amended in November 2009 pursuant to terms of which Colossus will be required to make a monthly payment to COOMIGASP of R\$ 350,000 (US\$ 206,000) and will finance COOMIGASP position of development costs until production commences. Reimbursement of funds advanced on COOMIGASP behalf by Colossus will commence in the second year of production and will be payable in equal quarterly installments over a two-year period.

With regards to the premium to be paid Colossus will make a life-of-mine premium payment to Coomigasp per kilogram of precious metal sold from mine production in Brazilian Real's.

In November 2009, Colossus completed its earn-in for a 75% interest in the joint venture company. Total expenditures on exploration and development for this interest in the Project now amount to R\$ 18.0 million (approximately US\$ 10.6 million).

Colossus successfully confirmed a new mineralized zone called the Western Mineralized Zone during its Phase II drilling program, which in hole SPC-012 intersected 4.15 metres @ 8.04 g/t gold, 154.5 g/t platinum and 245.8 g/t palladium, including 3.0 metres at 14.05 g/t gold, 304.6 g/t platinum and 488.5 g/t palladium.

Drilling at Serra Pelada is continuing unabated with four drill rigs turning. The aim of the program is to continue delineation and step-out drilling in the Central Mineralized Zone, deep drilling (circa 450 metres) to test the potential of an Eastern Zone, and to test for additional mineralization below the historic Serra Pelada pit.

Early November 2009, Colossus announced that metallurgical test work has been initiated on the Central Mineralized Zone. Two representative drill-core samples are undergoing initial metallurgical testing: SPD-020A: 22.70 metres grading 22.52 g/t gold, 8.98 g/t platinum and 15.75 g/t palladium and SPD-033: 26 metres grading 21.32 g/t gold, 3.98 g/t platinum and 5.70 g/t palladium.

Colossus received a Final Exploration Report for Serra Pelada in December 2009, which has been approved by the Brazilian Department of Mining and Energy. This was followed by the official signing of a Mining Licence on May 7, 2010.

In order to further define the Serra Pelada Deposit, underground exploration development will be implemented starting in mid 2010. The purpose of this underground development will allow Colossus to better define the deposit through underground diamond drilling. The development will also allow for a bulk sample to be collected and sampled to better define the gold and PGM grades of the deposit and will eventually be used for production.

In May 2010, Colossus and COOMIGASP ratified their agreement to jointly (75/25 respectively) acquire a 100% interest of the precious metals rights from a 700 hectare land package ("Area B") contiguous to the existing 100 hectare Serra Pelada Project ("Area A") currently being developed by Colossus and COOMIGASP. As well, a similar joint-venture arrangement was reached on a 74 hectare concession ("Area C").

In June 2010, Colossus reported the results of four geochemical diamond drill holes in the Central Mineralized Zone, which were cored for a total 1,203 metres and intersected up to 20.36 g/t gold, 3.44 g/t platinum and 4.92 g/t palladium over 50.85 metres (SPGT-004).

In July 2010, the Company announced the commencement of drilling for the extension of the recently expanded land package located to the southwest of Mining Permit 850.425/1990. The first drill holes of the 5,000 metre drill program are targeting the down-plunge projection of high-grade gold-platinum-palladium mineralization in the Central Mineral Zone. The folded meta-siltstone is interpreted to extent for at least one kilometre to the southwest of the Mining Permit.

Ongoing drilling on Mining Permit 850.425/1990 is aimed at more closely delineating gold-PGE mineralization which may extend into the new ground.

On September 2, 2010, Colossus announced that development of a 3,500 metre underground decline has officially commenced. The decline will provide access for underground exploration and definition drilling, allow extraction of a bulk sample to evaluate the geostatistics of the bonanza-grade zones to facilitate a better understanding of the potential resource, and provide access for eventual underground production.

The cost of the decline is estimated to be Cdn\$ 15 million and is expected to take 12 to 18 months to complete. However, underground drilling will commence in 2011, well ahead of the decline completion.

Colossus has also started earth works on other site infrastructure, including a future plant site, camp site, maintenance facilities, offices and the tailings impoundment and has already completed earth works for the underground portal and upgrades to the road into Serra Pelada.



**Continental Gold (CNL – TSX)** is one of the major gold exploration companies focused on Colombia, Latin America's next gold mining frontier. The Company's flagship project is **Buriticá**, an emerging high-grade gold deposit with first gold sales resulting from exploration work and drifting in ore at the Project amounted to Cdn\$ 1.93 million in the first quarter of 2010.

On June 2, 2010 Continental Gold announced that it had begun a 2010 drill program. This includes a minimum of 23,000 metres of drilling on previously defined high-grade vein systems and a mineralized breccia body. The Company's mandate is working towards a mineral resource estimate in early 2011.

Continental's **Berlin Gold Project** includes the historical Berlin Mine which has operated from 1930 to 1946 and produced 413,000 ounces of gold.

An exploration budget of Cdn\$ 1.11 million has been allocated for the Berlin Project for the remainder of 2010.

Continental Gold also has a joint venture with major gold provider AngloGold Ashanti on its **Dojura Project**.

On September 16, 2010, Continental Gold announced that it closed a Cdn\$ 68.4 million private placement consisting of 12 million units at Cdn\$ 5.70 per unit.



**Bravo Gold (BVO –TSX.V)** is focused on exploring its precious and base-metal-rich **Homestake Ridge Project** in British Columbia, Canada, an epithermal/VMS related system within Eskay Creek/Sibak-Premier stratigraphy

An independent Technical Report for the Homestake Ridge Gold-Silver Deposit in April 2007 estimated a NI 43-101 compliant Inferred resource of 903.231 ounces of gold and 5.75 million ounces of silver.

Since acquisition Bravo has completed 168 drill holes on the Project for a total of 4,812 metres of drilling at a cost of approximately Cdn\$ 18 million, focused on identifying and upgrading the mineral resources at the Main Homestake Deposit exploration in the delineation of the newly identified Homestake Silver Deposit.

In May 2010, Bravo announced an updated resource estimate at a higher cut-off grade of 3 g/t gold (previously 0.5 g/t), which includes drill results from the Homestake Silver Zone (1.2 million tonnes grading 4.25 g/t gold, 158 g/t silver and 0.05% copper).

Total global ounces (Measured, Indicated and Inferred) now total 539,000 ounces of gold (of which 191,000 ounces in the Indicated category), 9.3 million ounces of silver and 10.5 million pounds copper or 717,500 gold equivalent ounces at price assumptions of US\$ 850 per ounce gold, US\$ 13.75 per ounce silver and US\$ 2.25 per pound copper.

Bravo is concluding an aggressive +Cdn\$ 6.5 million, 15,000 metre drill program up to 50 drill holes before the end of the 2010 season that will focus on expanding the resources in the Homestake Silver Deposit, exploring the region between the Main Homestake and the Homestake Silver deposits and conducting initial drilling on 6 geophysical exploration targets identified in the 630-line km airborne geophysical program conducted last season.

Thirty-six drill holes for a total of 13,141 metres have been completed to date. Complete assays have been received for 16 drill holes.

On September 23, 2010, Bravo announced a potential new discovery at the Fox Reef exploration target. Highlights intersected are an average 2.7 g/t gold and 2.2 g/t silver over 4.0 metres (hole HR 10-184) and an average of 3.4 g/t gold and 0.9 g/t silver over 3.0 metres (hole HR 10-189).

In the 2010 exploration program for the Homestake Silver Deposit, Bravo has completed 18 holes, for a total of 8,260 metres. Highlights include 4.1 metres averaging 2.3 g/t gold and 3.6 g/t silver (HR 10-170), 15.4 metres averaging 2.2 g/t gold and 2.6 g/t silver (HR 10-175) and 4.9 metres averaging 2.4 g/t gold and 174 g/t silver (HR 10-185).

In February 2010 Bravo shareholders approved the proposed terms of a Business Agreement where under the Company has transferred its US properties in Nevada to a new publicly listed company **Bravada Gold** (BVA – TSX.V), and Bravo having retained a 44% controlling interest.

In May 2010, Bravada Gold reported that it had signed an agreement with Nulegacy Gold, whereby Nulegacy can earn a 70% interest in Bravada's HO Property within the Battle Mountain - Eureka Gold trend in north-central Nevada.

Nulegacy will issue to Bravada 50,000 shares and spend US\$ 1.5 million in property expenditures over the next 5 years to earn its 70% interest.

On September 23, 2010, Bravo Gold announced that it had completed a non-brokered private placement of 16.1 million units at a price of Cdn\$ 0.20 per unit for gross proceeds of Cdn\$ 3.22 million.

Net proceeds from the private placement are intended to be expended on a planned expansion of the Company's current 12,000 metres to approximately 15,000 metres drill program at the Homestake Ridge Project.



**Sacred-Coeur Minerals' (SCM – TSX.V)** exploration activities are focused on **Guyana, South America**, where it holds the country's largest land position comprising of 850 square miles of mineral properties. The Company's key project is the **Million Mountain Project** in north-central Guyana which has been previously drilled by the Guyana Geology and Mines Commission, Golden Star and Heritage Mines and has a historic Inferred resource estimate of 132 million tonnes grading 3.78 g/t gold, containing 158,760 ounces of gold being established in 2001 by Heritage Mines.

Since Sacre-Coeur commenced drilling of the Project in December 2005, the Company has been very successful with its ongoing exploration and drilling program and reported high-grade results from its first prime Northwest Project target area.

This culminated in September 2008, in the release of a NI 43-101 compliant interim resource estimate of 451,397 Measured and indicated ounces of gold contained in Zone 1 near surface, with potential for expansion.

The current phase of resource expansion drilling has included slightly more than 4,660 metres drilled to date in 9 holes. The goal of this phase of drilling is to better understand the plumbing of the mineralization system to identify key structural controls, both pre and post mineralization, and to develop drilling data for the expansion of the NI 43-101 compliant resource.

In July 2010, Sacre-Coeur has initiated geophysical survey programs that will cover portions of Zone 1 and Zone 9 of the Million Mountain Gold Project. These programs are aimed at expanding high probability drill targets and enhancing currently identified drill targets on both zones.

Zone 9 is located 20 km west-southwest of Zone 1 on the Million Mountain structural trend.

On September 22, 2010, Sacre-Coeur announced that it had entered into a binding agreement with **Severstal Gold** of Russia, an affiliate of Severstal one of the world's leading integrated steel and mining companies, for the sale of all of the Company's outstanding shares for cash consideration of Cdn\$ 1.60 per share.

The purchase price represents an 88% premium over Sacre-Coeur's average closing price preceding an earlier related press release of September 8, 2010.

The transaction is expected to close in November 2010.



**African Queen Mines (AQ – TSX.V)** is engaged in the acquisition, exploration and development of properties for the potential mining of gold, metals and diamonds in **Africa**, focusing on exploration for gold and other metals in **Mozambique, Kenya and Ghana**, and diamonds in **Namibia**.

In October 2009, African Queen entered into an earn-in and joint venture agreement with Alkan Exploration covering exploration, development and exploitation of the Novem Gold Project, located within the Birim North District, at the northwestern end of the well-known gold producing Ashanti Gold Belt in Ghana.

In July 2009, African Queen signed an earn-in and joint venture agreement with Swiss-based Opti Metal Trading covering exploration, development and exploitation of a prospecting licence, which covers an area of approximately 230 sq.km in the centre of the Fingoe Belt in Mozambique, including the **King Solomon Gold Project**.

The licence is adjacent to permits which are the subject of existing earn-in and joint venture agreements between African Queen and Manica Minerals and African Eagle Resources, respectively covering an aggregate of 1,359 sq.km.

In January 2010, assay results of 7 chip samples independently taken by PAC Geological Consulting, were received in conjunction with preparation of its initial Technical Report on the King Solomon Gold Project in accordance with NI 43-101.

The samples, which include one gold value as high as 41 g/t gold, copper values as high as 6%, zinc values as high as 12%, as well as strong silver credits, corroborate the results of African Queen's own grab samples and confirm prospectivity of the three main target zones at King Solomon.

The three key target areas, Mankombiti, Eiland and Kazito, have revolved the moist anomalous sample results, as well as strong geophysical characteristics, and will be the focus of the Phase 2 core drilling program set to commence as soon as practicable.

In March 2010, African Queen received the initial Technical Report in accordance with NI 43-101 on the King Solomon Project. The Report contained a detailed overview of the history, geology and prior work program on the Project, concluding that it is a property of merit and recommending a 3,000 metre reconnaissance drilling program covering a number of key targets.

The recommended work program comprises a first phase of 2,000 metres drilling together with induced polarization ground geophysics, related laboratory and other exploration work; with a second phase of 1,000 metres of follow-up drilling on a result contingent basis.

On October 4, 2010, African Queen announced that it had received from Genalysis Laboratories of Johannesburg analytical results from the first three reconnaissance drill holes from the ongoing core drilling program at the King Solomon Project. All three holes reported significant copper, gold and silver mineralization at depths less than 120 metres and suggest a robust polymetallic system.

Results include 7.73 metres of 1.51% copper, 1.32 g/t gold and 27.6 g/t silver.

In May 2010, African Queen entered into an Earn-in and Joint Venture Agreement with Kenyan private company Abba Mining, covering exploration, development and exploitation of the **Rongo Gold Field Project**, located in the Kanango gold mining area in southwest Kenya near Lake Victoria, subject to a Special Licence granted by the government of Kenya.

The Licence grants full and exclusive rights to prospect and explore for all minerals for an initial period of 2 years with an area of approximately 112 square kilometers.

Under the terms of the Agreement with Abba, African Queen can earn up to an 85% interest in the Project by funding prescribed optional stages from exploration through feasibility.

In July 2010, African Queen announced that it has commenced its Phase I exploration program on the Rongo Gold Field Project, which will include comprehensive rock and chip sampling; trenching and pitting over the Licence area; geological mapping and evaluation; and airborne geophysical studies.

The objective of the Phase I exploration program is to assess the overall geological structure of the Licence area and the likelihood of a commercially viable gold deposit within the Licence area, as well as to identify discreet drill targets for a Phase 2 core drilling program.

The costs for Phase I are estimated at up to US\$ 300,000 and are being paid for by African Queen.

In August 2010, African Queen announced that it had commenced a detailed airborne geophysical survey on the Rongo Gold Field Project, which covers an area of approximately 112 sq.km. The survey is anticipated to highlight areas of structural interest such as faults and shear zones.



**Astur Gold (AST – TSX.V)**, formerly Dagilev Capital, is engaged in the acquisition, exploration, development and operation of precious metal assets in Western Europe.

The Company's primary focus is the recently acquired advanced exploration **Salava Gold Project**, located near Tapia de Casariego, Province of Asturias, northern **Spain**, which is one of the largest and highest-grade undeveloped gold deposits in Western Europe.

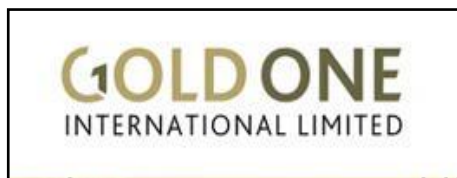
The Salava Gold Project, on which has been spent over € 40 million to date, was formerly owned by Rio Narcea Gold Mines, a subsidiary of Lundin Mining, has a current NI 43-101 compliant mineral resource estimate containing 1.68 million ounces in the Measured and Indicated category (17.94 million tonnes grading 2.9 g/t gold and 338,000 ounces in the Inferred category).

There is an excellent exploration potential with four of the principal high-grade zones of mineralization open at depth and additional exploration areas to the west that have never been tested.

In July 2010, Astur Gold announced that it had retained Golder Associates to conduct a Scoping Study for the gold project, which will validate and update a Scoping Study that was initiated by Rio Narcea in 2004.

The Company is finalizing plans for an exploration program which will include drilling around hole RN-70, which in 2005 intersected high-grade mineralization assaying 33.9 g/t gold over 39.8 metres in two zones.

Astur Gold is seeking reversal of a decision of the Regional Government of Asturias before the Supreme Court of Spain to halt open-pit development of the Salave Gold Project, which was not based on environmental factors but due to the introduction of certain zoning legislations.



**Gold One (GDO – ASX)** was created via inward listing of Gold One – formerly BMA Gold – on the Johannesburg Stock Exchange and the subsequent acquisition by Gold One of all the issued ordinary shares in Aflease by way of a scheme of arrangement.

The Company's flagship property is **Modder East**, the first new gold mine built on the East Rand in the Gauteng Province of South Africa in 28 years.

The Project is located approximately 30 km to the east of Johannesburg in one of South Africa's richest historic gold mining districts and consists of the Modder East and UC prospect areas, where the Black Reef and UK9a Kimberley Reef have been identified.

The Modder East Mine encompasses a shallow underground mine (300 metres to 530 metres below surface) with a dedicated gold treatment facility with a production capacity of 70,000 tonnes per month.

Modder East started gold production in June 2008. Commercial and continuous production was declared on December 1, 2009. In 2009, Gold One produced 17,040 ounces of gold.

The current annualized production is 72,000 ounces of gold, which positions the Company well to achieve its production target for 2011 of at least 100,000 ounces of gold.

As per January 2010, Modder East has a JORC/SAMREC compliant Probable reserve of 7.65 million tonnes grading 5.51 g/t gold for 1.36 million ounces of gold.

The JORC/SAMREC Indicated resource (inclusive of reserves) is 28.83 million tonnes grading 2.94 g/t gold for 2.63 million ounces of gold.

At **Ventersburg** in the Free State region the drilling program was completed in December 2009, with a total of 12,814 metres drilled at the Project. The exploration program will continue in 2010 and modeling using available data is continuing.

Current drilling is part of a campaign of 16 drill holes aimed at delineating the Ventersburg payshoot extensions, which remain open to the north and the south.

In June 2010, Gold One announced that it has executed a mandate and term sheet for a US\$ 65 million debt facility with two leading international banks, ABS Capital and BNP Paribas. The final legal agreements are expected to be executed in the third quarter.

The US\$ 65 million debt facility will ensure Gold One has the capacity to refinance all its convertible bonds, should some or all the bondholders exercise their once-off put option in December 2010.

The current Indicated resource estimate for Ventersburg is 4.38 million ounces of gold equivalent contained in 40.54 million tonnes grading 3.36 g/t gold and an Inferred resource of 1.84 million ounces of gold contained in 13.48 million tonnes grading 4.24 g/t gold.

In May 2010, Gold One announced that the Company had been granted a further prospecting right at the Ventersburg Project, which brings the total prospecting area to 13,510 hectares (135 square kilometres).

Gold One's Megamine portfolio includes several well known areas, namely: Vlakfontein, West Vlakfontein, Spaarwater and portions of Sub Nigel.

The areas have SAAMREC/JORC compliant resources of 5.58 million ounces of gold in the Inferred category and 310,000 ounces in the Indicated category.

The East Boundary Project includes the shallow (less than 500 metres below surface) portions and extensions of the historically mined Main Reef on the Company's New Kleinfontein, Turnbridge and Modder North properties.

The existing Inferred resource at Turnbridge is 280,000 ounces of gold and at New Kleinfontein 550,000 ounces of gold.



**Citigold (CTO – ASX)** is producing gold from Australia's richest goldfield at Charters Towers in northeastern Australia. The Company controls 100% of the **Charters Towers Goldfield** where a JORC compliant mineral resource of 10 million ounces (331 tonnes) at an average grade of 14 g/t gold has been defined by drilling.

Citigold has invested over A\$ 160 million to develop the goldfield and has commenced commercial production from its underground **Warrior Gold Mine**. Gold produced for the financial year (ended as at June 30, 2010) totalled almost 16,000 ounces.

Additional mines will begin gold production in stages with output planned to increase towards 300,000 to 400,000 ounces annually, at a cash cost of A\$ 375 per ounce at full production by the end of 2012.

This production is planned from two adjacent underground mines comprising the "City" mine. The "City" includes the major Sunburst Brilliant and dawn reefs to be developed together as one "super mine" and to be separated from the 100%-owned Imperial Mine.

The development of the City "super mine" operations are expected to deliver commercial gold production as early as the end of 2012.

As at June 30, 2009 Indicated Mineral Resources are estimated at 740,000 tonnes grading 15 g/t gold at a cut-off grade of 7 g/t gold containing 470,000 ounces of gold, which include 330,000 ounces of Probable Ore Reserves at a grade of 13 g/t gold.

Inferred Mineral Resources are estimated at 23 million tonnes grading 14 g/t gold at a cut-off of 3 g/t containing 10.0 million ounces of gold.

The exploration areas around Charters Towers have high potential to increase the current gold resource to 18 known gold targets identified that await drilling.

During the December 2009 Quarter an additional Exploration Permit for Minerals, EPM 16979 was granted by the Department of Mines and Energy. This EPM is 300 square kilometres in size and adjoins existing tenure.

Citigold continues to increase its holdings of exploration interests around Charters Towers. The Company now controls nearly 1,400 square kilometres of exploration tenure through four granted Exploration Permits and four applications.

The Warrior Zone has an overall length of 2 kilometres. The Inferred Mineral Resource for the Warrior area is 4.4 million tonnes at 14 g/t gold containing 1.9 million ounces of gold.

In July 2010, Citigold advised that it has received an investment of A\$ 2.0 million through the issue of 20 million shares at A\$ 0.10 per share from Zhaojin Mining Industry Company of China.

Negotiations are continuing for a larger deal that may see Zhaojin take a more substantial position in Citigold.

On September 15, 2010, Citigold advised that it had successfully completed a capital raising of 35 million shares at A\$ 0.10 per share, taking the total raised in September to A\$ 5.5 million.



**Alkane Resources (ALK – ASX)** is a multi commodity explorer and miner, focused on the Central West of New South Wales, Australia about 40 kilometres northwest of Sydney.

Over several years, including experience in developing the Peak Hill Gold Mine, Alkane has built a substantial resource base and is proceeding towards several developments.

On June 4, 2010, Alkane reported that the TPG Definitive Feasibility Study proceeds to finalization and is showing improvements in the project's economics from extended mine life and more robust returns from higher gold prices.

The open pit mining review has an Indicated recovery of approximately 300,000 ounces of gold over a 5-year period. A preliminary feasibility study for underground mining below the open pit at Wyoming One has demonstrated potential of recovery of about 80,000 ounces over 30 months.

On August 16, 2010, Alkane announced that RC drilling at the Caloma Two (South Caloma) Deposit has confirmed its potential to host an open-pit resource. The results include: 15 metres grading 4.27 g/t gold from 39 metres, including 2 metres grading 27.2 g/t gold from 46 metres (hole PE 654); 6 metres grading 8.07 g/t gold from 132 metres (hole PE 655).

The TPG feasibility study is in its final stages and is based on open-pit mining of the Wyoming One, Wyoming Three and Caloma deposits, plus an underground operation at Wyoming One to recover approximately 400,000 ounces of gold over a 7-year mine life.

Further RC drilling will be programmed to define resources at Caloma Two.

In Orange, Alkane has a joint venture (ODEJV) with Newmont Australia, which resulted in the discovery in 2006 of a potentially significant gold deposit at **McPhillamys** within the **Moorilda Project**.

Early March 2010, Alkane announced that Newmont Australia had advised that they will proceed to increase their interest in the ODEJV to 75% by completing a Bankable Feasibility Study on the McPhillamys Gold Deposit.

Drilling programs have defined a 600 metre long by 200 metre wide +0.5 g/t gold mineralization envelope at the Deposit. The system remains open at depth.

Preliminary modeling of the mineralized envelope has defined a conceptual exploration target of 2 to 4 million ounces of gold with 50,000 to 100,000 tonnes of copper.

Regional exploration has defined several targets with McPhillamys type stratigraphy and mineralization over a strike length of at least 6 kilometers.

The 2010 program will include drilling of regional targets and deeper drilling of the Deposit as well as further metallurgical and conceptual mining studies.

On July 5, 2010, Alkane released its first resource estimate for the McPhillamys gold discovery. An independent resource assessment has defined an initial Indicated and Inferred resource at a 0.3 g/t gold cut-off of 91.94 tonnes grading 1.00 g/t gold and 0.07% copper for a cumulative total of 2.96 million ounces of gold and 60,000 tonnes of copper.

Alkane's **Dubbo Zirconia Project** (DZP) developments located 30 kilometres south of the large regional centre of Dubbo, is one of the world's most advanced zirconium, niobium, yttrium and rare earth elements in-ground resources.

A Demonstration Pilot Plant (DPP) has been operating at the laboratory facilities of ANSTO Minerals since May 2008 and to date has recovered 1,300 kg of zirconium chemicals and nearly 300 kg of niobium concentrate. Initial light rare earth and yttrium heavy rare earth products have recently been recovered.

Data from DPP and Letters of Intent from future customers will be incorporated in the current Definitive Feasibility Study.

A development decision for the Project is anticipated late 2010, with production possible early 2012.

On August 17, 2010, Alkane reported that it had started larger scale production of an yttrium-heavy rare earth concentrate from the new rare earth circuit at its DPP at ANSTO.

The yttrium and heavy rare earth distribution in the ore body is unusual with 25% in the heavy category (standard distribution 95% light and 5% heavy) with this generating a higher than average return for the rare earth product.

In April 2010, Alkane raised approximately A\$ 9.7 million (less costs) by the sale of its remaining investment in BC Iron.



**Red Rock Resources (RRR – AIM)** is a mineral exploration and development company focused on iron ore and manganese, uranium and rare earths and gold. The Company is operating in **Australia** and **East Africa (Kenya)**.

The principal operational focus of Red Rock in 2010 is its gold assets in Kenya and gold investments in Columbia.

Red Rock 's currently largest asset is a 22.6% equity asset in Australia-listed **Jupiter Mines** (JMS – ASX), representing a current market valuation of A\$ 22.5 million.

Jupiter is fast tracking the development of its Mount Ida Magnetite Project with a near-surface resource potential of the Deposit currently estimated to be in the order of 1.1 to 1.3 billion tonnes at a grade of 30-40% iron (Fe). The Mount Ida budget is A\$ 3 million.

Jupiter Mines has also acquired a 49.9% interest in the Tshipi Manganese Project in **South Africa** for a consideration of A\$ 255 million (including assumption of A\$ 10.2 million in debt). The Project has a SA-MREC/JORC resource of 163 million tonnes at a grade of 37% manganese. The resource has been the subject of a feasibility study in respect of 62 million tonnes, which envisaged mining 2 million tonnes of ore per annum for a period of 28 years at a development cost of up to A\$ 200 million. The development time from a decision to mine is estimated at approximately 2 years.

As a result of the acquisition, the number of Jupiter's shares outstanding will increase by 1,232 million to 1,602 million, in which case Red Rock's interest in the company will decline to 5.2%.

Red Rock's second largest asset is its interest in the Mid-Migori Mining Company (MMMC) in **Kenya**. Currently, this comprises a 15% direct holding in the company, plus an effective 35.2% interest in Canada's Kansai Mining Corporation (KAN – NEX), which holds the remaining 85% of MMMC.

MMMC owns five assets with JORC-compliant resources, namely KKM, Gori Maria, MK, Nyanza and Macalder tailings.

Historically, the sum total of MMMC's resources was estimated to be 1.24 million ounces of gold which 1.23 million ounces were in the Indicated category and 9,164 ounces were in the Measured category.

In August 2010, the estimated resource at Macalder in the Indicated category according to JORC standards was increased from 67,042 ounces to 75,000 ounces of gold.

Red Rock's interest in its **Columbian** gold assets is via a US\$ 2 million loan extended to Mineras Four Points (MFP), plus options to acquire up to 51% of the company's equity.

The Company is working closely with MFP with a view to implementing an investment program to increase throughput of the latter's El Limon Mine and to bring its La Aurora (Machuca) Mine into production.

Red Rock also holds a 24.8% equity interest in Australia-listed **Resource Star** (RSL – ASX). This company recently confirmed the presence of significant levels of uranium in outcrop at the Tennysons Prospect at its Edith River Uranium Project in **Australia's Northern Territory**.

Red Rock optioned up to an 80% interest in the Machinga Rare Earth Project in southern **Malawi** to Globe Metals & Mining (GBE – ASX).

A maiden RC drilling program has been completed with 1,688 metres drilled in 16 holes that tested four different zones of REE mineralization.