

Goldletter INTERNATIONAL

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

January 2010

SHORTLIST OF GOLD INVESTMENT RECOMMENDATIONS - as per December 31, 2009

Location of listing	Trading symbol		Share price year-end		Change in %	12 months		Net issued shares million	Market cap. million
			2009	2008		H	L		
Gold:			Cdn\$	Cdn\$		Cdn\$	Cdn\$		Cdn\$ mln.
Barrick Gold	ABX	TSX	41.46	44.71	-7	50.53	32.69	983.1	40,759
Kinross Gold	K	TSX	19.37	22.50	-14	25.22	16.52	695.9	13,480
Eldorado Gold	ELD	TSX	14.92	9.65	55	15.50	8.07	536.9	8,011
Ivanhoe Mines	IVN	TSX	15.51	3.27	374	15.85	3.20	425.3	6,596
Iam Gold	IMG	TSX	16.51	7.60	117	21.19	4.51	369.0	6,092
Jinshan Gold Mines	JIN	TSX	3.17	0.44	620	3.20	0.45	167.1	530
Fronteer Development Group x	FRG	TSX	4.13	2.38	74	5.16	2.18	119.7	494
Colossus Minerals *	CSI	TSX	5.80	0.85	582	6.35	0.88	72.7	422
Petaquilla Minerals *	PTQ	TSX	0.84	0.40	110	0.90	0.20	120.0	101
Brazauro Resources *	BZO	TSX.V	0.63	0.26	142	0.75	0.24	85.2	54
Bravo Venture Group *	BVG	TSX	0.43	0.55	-22	0.67	0.27	122.5	53
Linear Gold *	LRR	TSX	0.98	0.76	29	2.77	0.78	44.2	43
Sacre-Coeur Minerals *	SCM	TSX.V	0.85	0.42	102	1.20	0.37	30.0	26
Golden Valley Mines *	GZZ	TSX.V	0.32	0.09	256	0.43	0.07	61.1	20
<i>x incl. Aurora Energy (uranium)</i>									
			US\$	US\$		US\$	US\$		US\$ mln.
Freeport McMoran Copper & Gold	FCX	NYSE	80.29	24.44	229	87.35	21.16	429.9	34,517
			A\$	A\$		A\$	A\$		A\$ mln.
Lihir Gold	LGL	ASX	3.30	3.01	10	3.77	2.41	2368.7	7,817
Sino Gold xx	SGX	ASX	8.20	5.00	64	8.20	2.92	293.2	2,404
Korab Resources*	KOR	ASX	0.30	0.17	76	0.28	0.04	78.5	24

xx taken over by Eldorado Gold (0.55 Eldorado shares for each Sino Gold share)

* featured date and performance as per August 24, 2009

** including distribution of 107.84 million free **Uranium Australia** shares valued at A\$ 0.10 per share

Int. Wayside Gold WYG TSX 0.60 0.35 71 realised profit at September 21, 2009

2009 market performance Gold: 151%

2009 market performance featured Gold companies: 160%

Industrial metals:

			Cdn\$	Cdn\$		Cdn\$	Cdn\$		Cdn\$ mln.	
Freewest Resources **	FWR	TSX.V	0.97	0.23	*	322	0.90	0.04	214.9	208

* featured date and performance as per July 8, 2009

2009 market performance Industrial metals: 322%

* featured as a **Special Situation**



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 Project 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 on November 8, 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's position of development costs until production commences. Reimbursement of funds advanced on Coomigasp's 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.

On November 23, 2009, Colossus announced that it had 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).

On December 17, 2009, the joint venture company received approval by the Brazilian Department of Mining and Energy for the Final Exploration Report, to be followed by the application of a Mining Lease by early 2010.

The Company's Phase I drilling program at Serra Pelada (17 diamond drill holes for 5,129 metres) in 2008 focused on the Central Mineralised Zone, has been successfully completed. Hole SPD-02 intersected 60.1 metres @ 24.33 g/t gold, 8.15 g/t platinum and 10.22 g/t palladium; SPD-13 intersected 23.0 metres @ 20.68 g/t gold, 3,269 g/t platinum and 3,919 g/t palladium, and SPD-18 intersected 60.5 metres @ 14.37 g/t gold, 1.81 g/t platinum and 2.46 g/t palladium.

The Company's Phase II 10,000 metre drilling program, which commenced in December 2008, is well underway and is scheduled to be completed near the end of 2009. Colossus successfully confirmed a new mineralized zone called the Western Mineralised 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 Mineralised 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 Mineralised 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.

On September 30, 2009, Colossus completed an 11.0 million bought deal financing at a price of Cdn\$ 5.75 per share for gross proceeds of Cdn\$ 63.25 million.

After receipt of funds from 5.97 million warrants exercised in November 2009, the Company is well financed with a current cash position of approximately Cdn\$ 103 million.



Petaquilla Minerals (PTQ – TSX) is an emerging gold producer commissioning the operation of its gold processing plant at its currently 100%-owned **Molejon Gold Project** in **Panama**.

The Company has obtained approval from the Government of Panama for a multi-phase Mine Development Plan. Its concession encompasses 765 square kilometres representing more than 1% of Panama's land mass.

Mining has commenced with the first gold pour on April 7, 2009. In the fourth quarter of fiscal 2009, ended May 31, 2009 gold production was 2,973 ounces and silver production 1,109 ounces. Since the first gold pour, the Mine has produced a total of 25,699 ounces of gold.

Anticipated throughput for the Molejon Gold Project during the first year of commercial production is estimated to be 2,200 tonnes of ore per day with an estimated gold production of 100,000 ounces per year. The plant utilizes three ball mills and a carbon-in-leach processing facility. Phase 2 is focused on 5,000 tonnes per day expansion from existing foundations.

On November 18, 2009, Petaquilla announced that the Republic of Panama had granted approval for its Molejon Gold Mine to advance to the commercial production stage. The Mine is currently in its final stages of full commissioning.

On November 30, 2009, Petaquilla announced that it intends to complete a spin-out of its infrastructure company. The Company has set February 15, 2010 as the date of the special meeting of shareholders to seek approval for the proposed Arrangement.

Petaquilla intends to distribute to its shareholders 1 share of Petaquilla Infrastructure for each 4 shares of Petaquilla held on the record date for the distribution.



Brazauo Resources (BZO – TSX.V) holds a large keystone land position in the heart of one of **Brazil's** hottest gold areas, the Tapajós Gold District, which has a rich history of alluvial mining and the Company's 100%-owned **TZ Gold Project** being its key property.

In August 2008, Brazauo and **Eldorado Gold**, a mid-tier gold operator active in Turkey, China and Brazil, signed an option agreement that allows Eldorado to earn up to 75% of the TZ project for a total value of Cdn\$ 123 million.

In March 2009, Brazauo announced an upgraded resource of 2.14 million ounces of gold, of which Measured and Indicated resources make up 85% of the total resource.

A completed Scoping Study released an average annual gold production of 123,000 ounces over a mine life of 13 years at an operating cash cost of US\$ 367 per ounce. Capital expenditures are estimated at US\$ 128 million. Tocantinzinho's Net Present Value based on a US\$ 700 gold price and discounted at 5% was \$ 177 million. At the same gold price the Project's internal rate of return is 21.6%.

In September 2009, the Company announced strong drilling results from seven holes up to 2.79 g/t gold over 118.43 metres from 72.07 metres depth (TOC-140), 1.66 g/t gold over 212.00 metres from 143.00 metres depth (TOC-141) and 1.22 g/t gold over 292.62 metres from 111.38 metres depth.

On November 10, 2009 Brazauo reported that the last eight drill holes were completed by Eldorado as part of its planned 20,000-metre drilling program at Tocantinzinho. With completion of this campaign, total drilling amounts to 45,065 metres in 159 diamond drill holes. Of these, 139 holes delineate the Deposit for a total of 40,960 metres.

In summary, the Company drilled 97 holes for a total of 25,635 metres and Eldorado drilled 62 holes for a total of 19,430 metres.

On December 8, 2009, Brazauo announced an update of the resource estimate which was prepared by NCL Brasil and demonstrates Measured and Indicated resources totaling 1.9 million ounces of gold.

The resource estimate includes all drilling results executed by Brazauro and Eldorado. Not considered are 12 holes drilled by Brazauro to explore other targets in the vicinity of TZ, totaling 2,215 metres.

On December 10, 2009, Brazauro entered into a definitive Option Agreement with Talon Metals (TLO – TSX) to acquire the **Agua Branca Property** which consists of approximately 9,356 hectares of Exploration Licences in the Tapajós region of Pará State, Brazil.

Brazauro will acquire 100% of the Property in consideration for aggregate option payments of \$ 2.12 million over a period of 2 years.

In addition, and to maintain the option, Brazauro will expend at least \$ 500,000 on the Property in each of the first two years, which will include at least 2,000 metres of core drilling in the first year and will assume existing obligations on the Property. The vendor will retain a 2% net smelter return royalty which Brazauro can re-purchase for \$ 2.0 million.

Brazauro continues to explore for other promising properties in the greater Tapajós region, including the 20,430 hectare **Piranhas Property** located just 20 kilometres southwest of the TZ Property.



Bravo Venture Group (BVG – TSX) is currently active in British Columbia and Nevada. The Company's flagship property is the 100%-owned VMS/Epithermal Gold-Silver-Copper Homestake Ridge Project in northwestern **British Columbia**. To date the Project has a NI 43-101 compliant Inferred resource of 903,321 ounces of gold at a cut-off grade of 0.5 g/t gold, contained in 119 million tonnes grading 2.36 g/t gold. In addition, 5.7 million ounces of silver and 27.6 million pounds of copper are contained in the 2007 resource model of the Deposit.

The aggressive Cdn\$ 5.0 million 2009 drill program, funded by private placements for total gross proceeds of Cdn\$ 6.5 million, initially consisted of approximately 8,500 metres in up to 40 drill holes, but was extended to 48 drill holes for 13,436 metres.

In October 2009, Bravo announced that drill hole HR 09-146 intersected a 0.7 metre interval averaging 49.0 g/t gold and 9,027 g/t silver within a 3.6 metre interval of higher-grade averaging 10.6 g/t gold and 1,689 g/t silver which form part of an overall 22.6 metre interval averaging 2.1 g/t gold and 294 g/t silver.

Additional assays from drill hole HR 09-37 have expanded an earlier reported mineralized interval from 4.1 metres to 26.8 metres grading 11.4 g/t gold and 51.3 g/t silver and have identified a deeper silver-enriched interval which returned 3.5 metres grading 0.25 g/t gold and 162.9 g/t silver.

All intervals are reported as estimated true thickness.

In November 2009, Bravo reported that additional results from the Homestake Silver Zone continue to expand the on-strike and down-dip projection of higher-grade gold and silver mineralization and have intersected additional Bonanza-grade gold and silver mineralization.

Initial assays from drill hole HR 09-161 intersected an average of 51.9 g/t gold and 2,592 g/t silver, 2.8% lead and 3.0% zinc over a 1.9 metre interval within a 4.8 metre interval averaging 25.9 g/t gold and 1,358 g/t silver, which is contained within a 7.0 metre interval averaging 18.2 g/t gold and 946 g/t silver.

Hole HR 09-161 has extended the eastern projection of the gold-rich, high-grade vein, first encountered in previously reported drill holes HR 09-146 (3.6 metres of 10.6 g/t gold and 1,689 g/t silver) and HR 09-137 (4.1 metres of 6.9 g/t gold and 193.5 g/t silver) and has offset these holes 90 metres and 110 metres, respectively.

Having completed the 2009 exploration program at the Homestake Ridge Project. A total of 48 holes have been cored on the Property for 13,436 metres during this year's program. Assays from 13 drill holes are pending.

Twenty-two holes have been drilled in the Homestake Silver Zone (two lost), 22 holes on the Main Homestake Zone (four lost), and 6 holes tested other targets on the claim group (one lost).

On December 7, 2009, Bravo reported mineralized intercepts that continue to expand the width and lateral dimensions of the Homestake Silver Zone.

Drill hole HR 09-164 intersected a 10 metre interval averaging 4.49 g/t gold and 31.6 g/t silver, which included a higher grade 1.2 metre interval averaging 12.7 g/t gold, 96.1 g/t silver, 7.3% lead and 7.0% zinc.

Bravo also reported that newly received assays have expanded the mineralized zone in drill hole HR09-161 to 41.1 metres averaging 4.0 g/t gold and 176.6 g/t silver.

These results have significantly extended both the thickness and lateral extent of this newly identified gold-enriched lens of mineralization within the Homestake Silver Zone, which now projects an additional 100 metres to the northwest.

Drilling at the Homestake Silver Zone from 2007-09 has identified high-grade silver and gold mineralization in sometimes multiple veins over a 350 metre strike-length and 400 metre down-dip extension.

Drill hole HR 09-164 is the deepest test of this mineralized zone reported to date. Mineralization remains open down-dip along this full strike length.

On December 23, 2009, Bravo announced that it had entered into two agreements with two separate arms-length private vendors to purchase additional mineral claims at the Homestake Ridge Property.

Bravo also has a substantial land package of 12 projects encompassing 7,700 hectares and consisting of 946 claims in the prolific Battle Mountain/Eureka Trend in **Nevada**.

The Company has proposed to spin-out its Nevada assets to **Bravada Gold**. Initially, Bravo will own 50% of Bravada. Shareholders will retain their existing share position in Bravo.

Subject to the approval of Bravo shareholders at the Annual General and Special Meeting which is scheduled for February 9, 2010, the proposed distribution is 1 share of Bravada for each 12 shares held in Bravo.



Linear Gold (LRR – TSX) received notice from Kinross on December 29, 2009 that they will not exercise their option to acquire an initial 60% interest in the **Ixhuatan Project** in **Mexico**, thereby allowing the Company to maintain its 100% interest in the project.

Pursuant to the October 2007 option agreement between Linear and Kinross, Kinross made an initial payment to Linear of US\$ 1.0 million and was required to incur a minimum of US\$ 15 million of expenditures on the Ixhuatan Project within a 24-month period, following which they had a 90-day period to exercise their option to acquire an initial 60% interest in the Project for US\$ 45 million.

Kinross would have had a further option to increase its interest in the Project to 70% by making an additional payment of US\$ 55 million and would have been required to make a payment of up to US\$ 15 million based on the size of the proven and probable gold equivalent reserve.

Pursuant to the terms of the agreement, Kinross will pay Linear US\$ 3.39 million representing the difference between the minimum US\$ 15 million expenditure and the actual work costs incurred by Kinross during the option period.

The Ixhuatan Project covers an area of over 98,000 hectares in Chiapas, including the **Campamento Gold Deposit**, which is a high-grade, gold-silver deposit situated at or near surface.

In June 2006, Linear announced the results of a NI 43-101 compliant gold and silver resource on the Campamento Deposit that included 1.04 million ounces of gold in the Measured and Indicated categories, with an additional 703,000 ounces in the Inferred category (at a 0.50 g/t cut-off).

The total silver content in the Deposit was calculated at 4.4 million ounces in the Measured and Indicated categories with an additional 2.26 million ounces in the Inferred category.

Linear has strategically leveraged its **Dominion Republic** properties portfolio through a joint venture with Everton Resources (EVR – TSX), having granted Everton to earn an initial 50% interest in the **Amplacion Pueblo Viejo** concession adjacent to Barrick Gold/Goldcorp's Pueblo Viejo 22.4 million ounce gold deposit, and the **Loma Hueca** concession, by making cash payments totaling Cdn\$ 0.8 million, incurring total expenditures of US\$ 3.1 million and issuing to Linear 1.4 million Everton Resources common shares over a 3-year period.

In June 2009, Linear and Everton discovered a new mineralized zone west of the La Lechoza prospect on the northern portion of the Amplacion Pueblo Viejo concession.

As composite rock sample from several floats on La Lechoza West returned up to 1.0 g/t gold, 6.7 g/t silver, 0.1% copper and 0.12% zinc.

The La Lechoza West showing is situated 1.5 kilometre northwest and on stratigraphic trend to the La Lechoza prospect from which the best surface intercept in trench LT-11 returned 6.65 g/t gold and 18.8 g/t silver over 22.0 metres.

On October 8, 2009 Linear and Everton announced the results of the first phase of the drilling program (16 diamond drill holes for a total of 1,947 metres over three different targets) recently completed.

Highlights of the drilling include: 0.25 g/t gold over 49.5 m (APV 09-03) 1.5 g/t gold over 1.5 m and 1.2% zinc over 12.4 m (APV 09-11); 1.6 g/t gold over 1/0 m, 1/38% copper over 0.4 m and 1.05% zinc over 9.0 m (APV 09-13); and 1.7 g/t gold over 1.0 m, 0.43% copper over 5.55 m, 1.43% zinc over 12.0 m, including 6.42% zinc over 1.20 m (APV09-15).

The results of the program defined several target zones classified as of high priority for further follow-up with further drilling. These zones are denominated Arroyo Hondo, Arroyo Hondo North, Colorado-La Bonita and Miguel de Peña in the southern sector; North Monte Negro and Miniel at the central sector, and a newly defined area designated La Lechoza West in the northern portion of the concession.

In August 2009, Linear completed the acquisition from GLR Resources of its 100% interests in the **Goldfields Mine Development Project** located near Uranium City, Saskatchewan, Canada. The acquisition includes the Box and Athona deposits, which are located two kilometers apart and will utilize a central processing mill facility. The acquisition has expanded the Company's contiguous property holdings to over 25,000 hectares.

By the end of September 2009, Linear announced updated economic results from the Project. The results include an update of the Box Mine Feasibility Study and the initial Pre-feasibility Study for the Athona Gold Deposit, which confirm the robust economics of the Project.

The Box Mine and Athona Gold Deposit will be developed as open-pit operations with combined Proven and Probable reserves of 1.03 million ounces of gold. The mine life is expected to be 15.3 years based on an average annual production rate of 1.8 million tonnes (5,000 tonnes per day).

Pre-production capital costs are estimated at US\$ 65.7 million, with estimated open-pit Box Mine and Athona Gold Deposit operating costs per tonne of US\$ 16.01 and US\$ 15 respectively.

The combined operating cost is projected at US\$ 419 per ounce.

At a gold price of \$ 900 the Net Present Value for the whole Goldfields Project at a discount of 15% is US\$ 159.4 million. The Internal Rate of return would be 47.9%.

On December 2, 2009, Linear outlined its upcoming exploration program and highlighted the exploration potential at the Gold Fields Project. The Company's exploration program will commence in January 2010 and is expected to provide a pipeline of regional exploration opportunities with the potential to yield significant gold discoveries.

Furthermore, the exploration program will also focus on adding additional ounces to the gold resource at the Box Deposit by drilling the down-dip extension of the Box ore Zone.

Results from limited drilling below the proposed design of the Box Deposit open pit, as reported by GLR Resources during 2007, included: 2.13 g/t gold over an estimated true width of 47.81 metres; and 6.32 g/t gold over an estimated true width of 16.72 metres, including 11.47 g/t gold over 8.80 metres.

The Goldfields Project offers an excellent platform from which Linear will continue a growth and acquisitions strategy.

On November 19, 2009, Linear completed a public offering of 10.4 million units at a price of Cdn\$ 2.10 per unit and 520,000 flow-through common shares at a price of Cdn\$ 2.40 per share to raise gross proceeds of Cdn\$ 23.1 million.

The Company intends to use the net proceeds of the Offering for the exploration, development and construction of its Goldfields Development Project.

Linear has a debt free balance sheet with Cdn\$ 45 million in cash.



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 Sacred-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.

Prospect drilling on Zones 2, 3, 6 and 8 has revealed information suggesting the potential for deep seated, gold-bearing polymetallic recourse bodies. Prospect drilling on Zone 9 has revealed a complex of near-surface auriferous veins exhibiting high grades in localized instances.

In October 2009, Sacred-Coeur announced that fabrication and set-up work for its alluvial test mining plant at Million Mountain was nearing completion.

Clearing and pore-production stripping of the initial mining area is complete. The initial area prepared should provide about three months production at the anticipated target rate of 1,000 cu m/day. Site preparation will continue on an ongoing basis commensurate with production.

On December 14, 2009, Sacred-Coeur announced that setup and commissioning of its alluvial plant, at Million Mountain Alluvial Zone 2 has been completed, and successful gold production operations have now commenced. Initial results appear to exceed original expectations for metallurgical recovery, particularly with respect to recovery of very fine gold. Samples from the first operating shifts will be analyzed to characterize the size distribution and tenor of the gold recovered. Plant feed grade, concentrate, and tailings will be systematically sampled through January 2010 operations to confirm initial observations.

Gold produced will be refined and delivered for sale to the Guyana Gold Board beginning in January 2010 following its reopening after the holidays, after which calculated plant feed grade for December production will be determined.

In addition to the Million Mountain qualifying property, Sacred-Coeur holds 996 square kilometers of other mineral concessions. These are prospective for primary gold, alluvial gold and alluvial diamonds.



Golden Valley Mines (GZZ – TSX.V) holds majority property interests in 144 projects consisting of 3,884 mining titles (229,770 hectares) located in the Abitibi Greenstone Belt (AGB) of **Quebec** and **Ontario**.

On September 30, 2009, Golden Valley announced that through its in-house project generation activities, it has staked a total of 218 new 100%-owned claims covering approximately 10,526 ha or 105 km² that includes 11 new and 5 add-on properties on the ABG and northern regions of Quebec.

In September 2009 Golden Valley announced the initial results from the 2008 drill program targeting the Jeffrey Zone on the **Malartic CHL Property**, currently optioned to Osisko Mining (OSK – TSX).

The Jeffrey Zone was tested with a series of 28 drill holes for 5,601 metres. All of the holes intersected mineralization along each section drilled. The most significant near-surface drill results include 86.9 metres averaging 1.20 g/t gold (CHL 08-2079) including 6.0 metres averaging 7.35 g/t gold.

Osisko has the right to acquire a 70% interest in the Malartic CHL Property in consideration for Cdn\$ 150,000 in cash payments over a 4-year period (paid) and by complying a minimum of Cdn\$ 2.0 million in exploration work over a 4-year period.

Upon earning its 70% interest, Golden Valley will maintain a free-carried interest of 30% to production.

On December 23, 2009 Golden Valley announced the results of 18 drill holes totaling 3,203 metres from the 2008 drill program targeting the Shaft Zone and CHL Porphyry Intrusion on the Malartic CHL Project. Additional near-surface, higher grade gold mineralization has been intersected from this group of drill holes. Highlights include 10.5 metres averaging 2.56 g/t gold, with 1.5 m grading 7.69 g/t gold (CHL – 08-2113), 21.5 m averaging 0.89 g/t gold, with 7.0 m grading 1.35 g/t gold (CHL 08-2110), from the Shaft Zone; and 10.15 m averaging 0.87 g/t gold, with 0.95 m grading 2.76 g/t gold and 5.0 m averaging 3.8 g/t gold with 1.05 m grading 16.15 g/t gold (CHL 08-2139) from mineralization hosted in the CHL Porphyry Intrusion.

On November 6, 2009, Golden Valley announced that drilling activities have resumed at the Malartic CHL Prospect. The drill program is scheduled to include 19,000 metres of definition drilling on the Jeffrey Zone and 1,000 metres drill testing for extensions of the Mammoth Zone located on the southern contact of the Cadillac-Larder Lake Fault Zone.

Drilling is expected to be completed by the end of January 2010.

Golden Valley has granted White Pine Resources (WPR – TSX.V) – formerly WSK Resources – and Noront Resources (NOT – TSX.V) an option/joint venture on two of the Company's 5 100%-owned properties in the McFauld's Lake "Ring of Fire" area in northern Ontario.

The Luc Bourdon and Bourdon West properties (a combined 8,944 hectares) were staked by Golden Valley in the spring of 2008 and were subsequently optioned to White Pine and Noront in August 2008, whereas the two companies could equally earn a combined undivided 70% of the properties by incurring expenditures of Cdn\$ 5 million within 3 years. White Pine is operator of the joint venture.

In the fall of 2008, an airborne VTEM geophysics program was completed over the properties, which outlined several high-grade drill targets.

In the spring of 2009, White Pine, the program operator, initiated a drill program to test six regional VTEM anomalies on the joint venture claim group. Four of the six anomalies produced significant to anomalous zinc-copper intersections and values. The VTEM survey has identified low resistivity anomalies directly over the zone that suggest that it could also continue potentially, to greater depth at the G 1 and G 3 anomalies.

In July 2009, Golden Valley formed, in order to comply with local regulations and to operate in the **Republic of Sierra Leone**, West Africa, a subsidiary company named Calone Mining Company.

In August 2009, the first of its Exclusive prospecting Licences (EPL's) was recommended for approval by the Ministry of Mineral Resources of the Mines Division of Sierra Leone.

The two properties encompassing approximately 710 square kilometers, are located in two geographic areas referred to respectively as the Sula Mountains Property (gold project) and Sewa & Bafi River Area Property (diamond prospect), both located in the Kono District.

Golden Valley is waiting for confirmation of several additional EPL's and will continue to monitor progress of these applications.

By the end of September 2009 Golden Valley reported resumption of drilling activities on the **Perestroika Prospect** in the Abitibi Greenstone Belt in joint venture with Kalahari Resources (KLA – TSX.V) by which Kalahari can earn a 70% interest in a group of 9 properties. Golden Valley will continue to act as the operator during the joint venture phase.

Golden Valley expects to complete a 2-hole, 400-metre diamond drilling program testing for the depth and lateral extension of the historical reported gold mineralization.

As of the end of September 2009, Golden Valley holds majority property interests in 142 projects consisting of 3,720 mining titles or 242 square kilometers in Quebec, Ontario and Saskatchewan and 3 projects consisting of approximately 710 square kilometers in the Republic of Sierra Leone.



Korab Resources (KOR – ASX) is focusing its activities on four mining projects of which three are in Australia and one in the Ukraine.

In Australia's Northern Territory, the **Batchelor Project** hosts a number of nearby uranium polymetallic and gold mines and resources which include the Company's GeolSec Phosphate Rock Deposit, Winchester Magnesium Deposit and the Sundance Gold Mine.

Mine design and mine permitting process of the Company's **Melrose Gold Project** in Western Australia is expected to commence shortly.

GeolSec alone has the potential to operate for at least 5 years at a rate of 30,000 tonnes of environmentally friendly organic phosphate rock fertilized and a targeted gross profit of A\$ 26 – 27 million over 3 years. Its net profit would exceed Korab's total current market capitalization of A\$ 16 million.

The **Bobrikovo Gold Project** in Ukraine is targeted to produce 15,300 ounces of concentrate for a pre-tax profit of US\$ 3.36 million (Korab's share of profit). Korab's development plans include construction of a small gravity circuit on site to commence production. The free cash is planned to be used to gradually expand the production from 15,000 ounces to 40,000 ounces.

With the recent strengthening of the gold price, it became apparent to Korab that the value of the Bobrikovo Gold Project could be increased dramatically if the first year production could be raised to a range of 40,000 to 60,000 ounces per annum, raising to over 100,000 ounces per annum over the subsequent 3 years. This would however require a much larger processing plant and substantial additional funding.

After considering the implications of various financing options, Korab has resolved to spin-off the Company holding Korab's equity in the Bobrikovo Gold Project as an independent listed entity, which will seek dual listing in Australia and Canada, to Korab shareholders to be given free shares in the independent listed entity on a pro rate basis of 1 share in the holding company for each Korab share.

Korab has already commissioned European based geological consultants to produce an independent technical report which will include a resource estimate compliant with JORC code. The Company expects that this report will be completed in January 2010. The spin-off is planned to take place in the first half of 2010.

Korab's uranium assets within the **Rum Jungle Mineral Field**, host to several high-grade uranium deposits and mines and being part of the Batchelor Project, will be spinned-off into publicly listed **Uranium Australia** (UAU), thereby offering Korab shareholders 1.37 free shares in Uranium Australia for each Korab share held on October 14, 2009.

In total, 107.84 million UAU shares will be returned to shareholders and reduce the Company's share capital accordingly.

On September 28, 2009, Korab announced that an A\$ 2 million capital raising (10 million new shares at A\$ 0.20 each) by way of a share purchase was substantially oversubscribed.

The proceeds of the capital raising will be used to fund start-up costs and working capital requirements of GeolSec, re-commencement of mining and stockpiling at Bobrikovo Gold Mine and mine design and commencement of mine permitting process at the Melrose Gold Project.

INDUSTRIAL METALS



Freewest Resources (FRW – TSX.V) on November 23, 2009 announced that it had entered into an Agreement Arrangement with **Cliffs Natural Resources** (CLF – NYSE), whereby Cliffs will acquire all of the

shares of Freewest in a Board supported transaction with a total estimate value of Cdn\$ 150.6 million, or Cdn\$ 0.70 per Freewest share.

Under the initial terms of the Arrangement, each Freewest shareholder would receive a fraction of a Cliffs share, representing a fixed value of Cdn\$ 0.55 and one share of a new company, New Freewest, which will own the Company's current portfolio of non-chromite exploration properties estimated by Freewest to have a value of Cdn\$ 0.15, for a total estimated value of Cdn\$ 0.70 per Freewest share.

The proposed transaction represented a premium of 122% to the closing price of Freewest shares on the TSX.V on October 2, 2009, immediately prior to the announcement of Noront Resources of its unsolicited and rejected offer for Freewest shares at a premium of 27% to Freewest's closing price on November 20, 2009.

However, on November 30, 2009, Noront Resources increased its offer in shares and a 5-year purchase warrant, representing an implied value of Cdn\$ 0.86 and a 173% premium to Freewest's closing share price on the day prior to the announcement of Noront's original offer.

The final offer by Noront was countered by Cliffs under the terms of an amended agreement offering Freewest shareholders a fraction of a Cliffs share representing a fixed value of Cdn\$ 0.90 for each Freewest share, which on December 10 was further increased to Cdn\$ 1.00 in shares of Cliffs, placing a value on Freewest of approximately Cdn\$ 240 million.

The amended transaction represents a 217% premium to Freewest's closing price on October 2, 2009, immediately prior to the announcement of the unsolicited offer by Noront and a 13.6% premium to Freewest's closing price on December 9, 2009.

On December 1, 2009, Freewest completed a private placement to Cliffs for proceeds of Cdn\$ 4.1 million by issuing 6.9 million common shares to Cliffs at a price of Cdn\$ 0.60 per share. Currently, Cliffs indirectly holds 29.03 million Freewest shares representing about 12.4% of Freewest's outstanding shares.

Under the terms of the Agreement, Cliffs will acquire Freewest's interest in the Ring of Fire properties comprising 3 world-class chromite deposits; 100% of Black Thor and Black Label, and 50% of Big Daddy, an adjacent deposit held by a joint venture of Freewest, KWG Resources and Spider Resources.

The Ring of Fire is an emerging multi-metals district located in the James Bay Lowlands of Ontario, Canada.

The acquisition of Freewest will allow Cliffs to apply its expertise in open-pit mining and mineral processing to a chromite ore resource base, which would form the foundation of North America's only ferrochrome production operation.

The planned mine is expected to produce 1 million to 2 million tonnes of high-grade chromite ore annually, which will be further processed into 400,000-800,000 tonnes of ferrochromite.

Cliffs believes the Black Thor, Black Label and Bid Daddy deposits are the highest quality deposit in Canada's Ring of Fire district, and would provide a significantly long mine life and expansion potential.

New Freewest will be a well funded Canada-focused mineral exploration company with Cdn\$ 2.0 million in cash, Freewest's shares of Queen Uranium (QUC – TSX.V), and a portfolio of exploration assets that include the high-grade Clarence Stream Gold Property in New Brunswick, Canada, which currently contains Indicated resources of 235,000 ounces of gold grading 8.99 g/t and Inferred resources of 156,000 ounces of gold grading 7.35 g/t. Clarence Stream also has Indicated resources of antimony estimated at 126,000 tonnes averaging 2.3% antimony for 6.39 million pounds of antimony.

EVENTS CALENDAR - JANUARY 2010



Vancouver Resource Investment Conference January 17 & 18, 2010

<http://www.cambridgehouse.ca/index.php/vancouver-resource-investment-conference.html>



Vancouver - January 18 – 21, 2010

<http://www.amebc.ca/roundup/overview.aspx>



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