



**HOODLESS
BRENNAN**

**AIM Small Companies Review
AIM Mining Companies Review Winter 2008**

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AIM Mining Companies Review Winter 2008

Dear Investor,

Welcome to this winter edition of our mining quarterly. In fact, it is the first edition of a quarterly document from Hoodless Brennan Plc, given entirely to mining companies. We produce regular work on companies in various market sectors, and combine that work into a quarterly booklet. However, this production covers only the mining sector as our coverage has expanded to the extent that there are now 25 companies represented here, and our intention is to broaden that coverage further. More on that, at a later date.

The astute amongst you will have noticed that in my first paragraph above, the word “research” does not appear. Since the 1st November the MiFID regime has been implemented (the European Union’s, Markets in Financial Instruments Directive or MiFID for short). This is our first quarterly since that date. What’s the issue? Under this new Directive, if you are an EU regulated firm, you cannot call your work “research” unless it is demonstrably independent. So is the company analysis work that most stockbroking firms undertake “independent”? Apparently not. We have trade bodies that discuss it, lawyers that pore over it, but if you really want to be in a safe haven, don’t call it research!

So what is it? Well, it’s a “marketing communication”. Who would have believed it, stockbrokers producing research (oops, I mean analysis) with a view to attracting business? How common, everyone knows how altruistic we are, and how we strive to seek out the facts and lay them before fund managers, emphasising key points with no expectation of reward.

I blame the Americans (as I do for most things) and their zeal to promote IPO’s. I don’t recall that happening in the UK or Europe. Taken literally, if these rules were extended into other industries can you imagine the profound suspicion greeting a research PhD sponsored by a pharmaceutical company as he/she produces research findings for a product. Forget the intellectual background, integrity, pride and passion of a piece of work; after all it’s only being done to sell a product, presumably to a gullible audience.

However, I digress from this particular “marketing communication” and the excellent work of its author, Roger Bade. Several very interesting situations have been identified, and for the medium to longer term investor they will hopefully record some good returns.

Enjoy,



Geoffrey Hoodless

Analysts recommendations

Hoodless Brennan's analysts are required to ensure that the ratings used in their research conform to the definitions set out below in order to ensure consistency, clarity and fair treatment of customers when publishing research notes.

Whilst we endeavour to ensure that all our research is clear fair and not misleading, and reflects our opinions at the date of publication, our research should not be viewed as wholly objective since Hoodless Brennan Plc may be acting as market makers or have taken positions as a principal in the stocks featured in the research notes.

Buy

A buy recommendation is applied to companies that have an established business that are profitable and growing. It may also be applied to a company that is trading and has revenues, but may not be profitable and the outlook is thought to be positive, either by recovery or growth.

Speculative Buy

This is applied to companies where the prospects for capital appreciation exists, but currently has very little or no revenues. The management will be trying to develop the company's assets e.g. mineral assets, biotechnology, or oil and gas exploration projects. Such companies are almost certain to require further capital and future fund raising should be expected.

Hold

The value of the company reflects its immediate prospects and stock holders should await developments.

Sell

We believe that the shares are overvalued or the company is at risk. Other factors might be the missing of key objectives such that performance might be impaired.

All research notes as at 4 January 2007.

This Communication:

- has not been prepared in accordance with legal requirements designed to promote the independence of investment research
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Mining sector outlook

Introduction

Hoodless Brennan has a mandate to search out the most interesting mining stocks that are listed on AIM or occasionally on the Official List of the London Stock Exchange. We believe at the moment there is greatest upside in companies that are capitalised at less than £50m. These tend to be at the pre-production stage with established resources reported to an international standard that are expanding those resources by exploration or by processing innovation. They may be developing old mine sites that were closed down by low prices or exploring virgin territory.

After establishing a resource base and carrying out a Bankable Feasibility Study they then need to raise considerable sums of money in order to bring their particular project into fruition. This is an area of the market that is of less interest to us as we believe the upside is less. The level of cost inflation in the mining industry is such that at this stage the venture is considerably exposed to capital expenditure overrun and delay risk. Yet this is the stage of maximum institutional interest. At the moment it is easier in London to raise £50m to put a mine into production, than it is to raise £5m to confirm that a potential resource is indeed of such an interest to perhaps develop a mine.

This review is split into a number of parts; a summary is followed by more detailed review of the outlook for the various metal and mineral commodities. This is followed by some thoughts on general sector trends which cut across markets. At the end of the text is a glossary of terms and abbreviations. Like other industries mining uses its own jargon, the glossary explains some of the more commonly used terms.

Following the text is a detailed review of 25 stocks that we currently publish research. We are hoping to expand this list to cover many more companies with market capitalisations of up to £50m that meet our criteria. As there are one hundred and fifty or more stocks listed on AIM and on the Official List, this objective may take a little while to achieve.

We tend not to issue sell recommendations as we believe that we are following stocks which we like and whose valuations are attractive. As we add coverage one could perhaps anticipate more sell or avoid recommendations. This quarter we have downgraded a number of stocks from Speculative Buy to Hold as progress appears to be stalling. These stocks need to deliver going forward. One has been upgraded from a Speculative Buy to a Buy as it has achieved producer status.

Summary

The US sub-prime crisis is starting to have negative effects worldwide. It seems likely that US consumer expenditure will be affected into 2008, and there are increasing signs of a slowdown in the UK. The US dollar having initially soared as the sub prime crisis broke has reversed and the effect of reducing US interest rates has caused considerable dollar weakness. European manufacturing industries are likely to struggle against a background of Euro currency strength.

Metals markets are performing poorly at the moment and mining markets are likely to be subdued as we go into 2008. We are not expecting any crash, and a weak US dollar and sterling should offer support. There are two areas that stand out as particular investment opportunities, Precious Metals and Coal.

Brazil, Russia, India and China (BRIC)

A major influence on mining markets has been growth in these so called BRIC economies. In addition other emerging countries have shown strong growth rates. Demographic expansion is a major cause of these enhanced growth rates; all have large populations who have pent up consumer demand. In spite of any slowdown in the US, these aspirations remain and are likely to keep growth rates at healthy levels. In addition Brazil is heavily exposed to the expected performance of agricultural commodities. In spite of some sub-prime related concerns, Russia should also continue to grow due to healthy oil prices and considerable western European demand for natural gas exports. India remains an important software and outsourcing growth story, with rapidly growing domestic consumer demand. In spite of a possible slow down in US demand, and the possibilities

of a significant currency revaluation, the outlook for Chinese growth is still positive. There is the possibility that domestic growth may exceed that provided from exports in the not too distant future.

Gold Outlook

Gold price trends appear totally dependent upon the outlook for the US dollar; gold strength this year is directly attributable to the weakness of the dollar. In spite of its recent recovery from oversold levels we would argue that the trend for the US currency is still downwards, saviours for the greenback being increases in US interest rates and improvements in the twin deficits. As all three appear likely to be slow in coming through, the outlook for gold remains positive, while safety strikes in South African gold mines will also be beneficial to the bull argument. The gold industry has been very poor at replacing reserves, and the majors have traditionally relied upon acquisition in order to maintain production or otherwise grow. This seems likely to continue, if not accelerate in 2008. On the gold consumption side of the equation India has been a force for some time; it is only in recent times that demand from China has jumped. While Indian consumption may well be down in the current year as it is somewhat price sensitive, Chinese demand is still forecast to increase.

For long term forecasts we have used £300 per ounce (/oz) for gold and £6/oz for silver. These look very comfortable at today's prices.

Within the gold sub-sector we would wish to highlight Mercator Gold (MCR) and Goldplat (GDP) as Buys. They are existing producers that trade on very attractive earnings multiples. Mercator has just entered production in Australia and is continuing to add to resources. In this publication we upgrade our recommendation from Speculative Buy to Buy. Goldplat has produced very good recent financial results, will benefit from full production in Ghana in the current year and is rapidly developing a Kenyan gold exploration project. We would also like to highlight Arian Silver (AGQ) and Metals Exploration (MTL) as Speculative Buys. Arian has an exciting exploration program mainly for silver in Mexico, whilst Metals Ex has an exciting gold exploration story in the Philippines. Amongst the larger stocks we continue to support Yamana Gold (YAU) who are busy consolidating the acquisitions of Northern Orion and Meridian Gold, which further enhance its status as a significant Latin American gold producer.

Platinum Group Metals (PGMs) Outlook

The outlook for Platinum Group Metals remains strong due to tight supply, and increased demand growth from environmental applications. However the real upside for PGM prices might be forthcoming from safety issues in South Africa. Whereas South Africa is an important producer of gold, it is absolutely dominant in the production of PGMs. With the levels of fatality and injury in the South African PGM mining industry showing no signs of improvement, there are increasing signs of political frustration. The labour unions are becoming more vocal and the Mines Inspectorate is showing increasing interest in conditions. The threat remains that underground mining areas, shafts or even whole mines could be closed while the industry sorts out its problems. Main PGM producers Anglo Platinum Mines (AMS-JSE), Impala Platinum Mines (IMP-JSE), Lonmin (LMI) and the smaller Aquarius Platinum (AQP) are equally vulnerable to these safety related shutdowns, and hence may not be beneficiaries of any price rally that production cutbacks provoke. Explorers such as Jubilee Platinum (JLP), and Platinum Australia (PLAA), who have resources, and exploration potential, but no current production, should be prime beneficiaries of any production cutbacks. Eastern Platinum (ELR) is a smaller producer, but has a good safety track record and should be a beneficiary providing this is maintained. FTSE 100 constituent Johnson Matthey (JMAT) will also continue to benefit from higher prices and further growth in environmental markets.

We wish to highlight Jubilee Platinum as a Speculative Buy. They are very attractive on a resource per ounce valuation basis, but also have an exciting platinum exploration project in Madagascar.

Coal Outlook

The coal market is international, but at the same time domestic market considerations are important. There are three main coal markets, and each has their own particular characteristics.

The thermal coal market shows the most upside potential. High oil prices, restricted supplies of natural gas and strong demand for electricity has provoked a renaissance for the thermal coal market. Realistically, in spite of environmental concerns, particularly related to global warming, coal remains a prime beneficiary of the growth in the world's demand for electricity. China has become an important consumer, particularly as it has had to close down many domestic mines due to safety and pollution concerns.

The metallurgical coal or coking coal market is dependent upon the steel industry. The base term price for coking coal contract prices set by BHP Billiton/Mitsubishi Alliance and the Japanese Steel Mills at the end of 2006 declined by 15%. Spot coking coal prices have significantly risen in the first half of 2007, driven by growing demand from steel producers and limited supply of premium quality product.

Anthracite coal markets are mainly local and domestically orientated, but again offer potential as illustrated by EnergyBuild (EBG) and Strategic Natural Resources (SNRP).

It is not yet fully appreciated by the market how much coal prices have risen. For example the BGR (the German Federal Institute for Geosciences and Natural Resources) end month spot price for Northern European deliveries of thermal coal, has appreciated from US\$79.33 per tonne (/t) in November 2006 to \$151.38/t for November 2007. Coupled with currency movements this represents an almost 90% increase in sterling equivalent prices, and a slightly more modest 70% in Euros. These dramatic price moves are starting to have an impact on long term contract prices, while there appears little pressure for spot prices to ease.

In the coal sector we would wish to highlight Churchill Mining (CHL), EnergyBuild and Strategic Natural Resources as Speculative Buys. Churchill has an exciting thermal coal project in Indonesia; EnergyBuild is re-opening a long closed Welsh anthracite coal mine, while Strategic Natural Resources is developing an electricity supply anthracite coal business to help alleviate generation shortfalls in South Africa. We also feel that ATH Resources (ATH) and UK Coal (UKC) are attractive plays on increasing UK coal prices. In contrast the power producer Drax (DRX) may continue to suffer from this trend.

Copper Outlook

Due to weak housing starts, US demand for copper has been weak for some time. In spite of this, growth elsewhere in the world, constrained production and speculative demand has seen continued high prices for copper. Of late a modest increase in stocks has been seen, and prices have been hammered by speculative selling. Recent long term analysis of supply fundamentals against mainly BRIC demand growth trends have illustrated tight conditions going forward.

For some time we have been using £3,000 per tonne as a long time price forecast for copper. In spite of price volatility and dollar weakness this still seems appropriate.

We wish to highlight Discovery Metals (DME) and Finders Resources (FND) as Speculative Buys. Finders Resources has just raised finance for a pilot copper plant in Indonesia, while Discovery has just upgraded resources at its Botswanan copper project.

Aluminium Outlook

A rising aluminium price seems to be the key determinant in Rio Tinto's (RIO) acquisition of Alcan. In dollar terms the aluminium price has remained flat, this may cause short term problems for Australian and Canadian dollar based producers (i.e. Rio Tinto). Rio's bull argument rests on Chinese demand, which so far doesn't appear to have had an impact on prices. As there are no juniors involved in the aluminium business we do not carry price forecasts.

Nickel Outlook

The Nickel price has been volatile following the sub prime crisis, it peaked during the summer at over US\$50,000 per tonne (/t) and is currently languishing at below \$30,000/t. Pricing trends are dependent on the outlook for Chinese stainless steel demand, which is forecast to remain strong, so some bounce back may be seen in 2008. Where necessary we have used £12,000 per tonne for long term pricing. This is slightly vulnerable if prices weaken even more, but as stocks remain tight this appears sustainable. Direct shipping ores (DSO) have become a significant factor in the nickel market, particularly as there are a number of AIM stocks that offer exposure. Chinese demand is the sole raison d'être for these DSO's. Chinese metallurgical plants have developed techniques to produce a nickeliferous pig iron from DSO; this nickeliferous pig iron can in turn be converted into a low quality stainless steel. Their technology has moved on such that higher quality stainless steels can now be produced.

DSO's are however very price and grade sensitive. DSO pricing is a matter of negotiation between buyer and seller. Rusina Mining (RMLA) quotes a pricing mechanism whereby the grade of nickel is multiplied by the current nickel price. Hence at US\$25,000/t, a DSO grading 1% nickel would sell for \$25/t, whereas 1.5% nickel would retail for \$37.5/t.

Metals Exploration (MTL) recently presented the following table for DSO's grading a minimum 1.5% nickel.

Nickel Price US\$/t	DSO Gross revenue US\$/t
20,000	36
25,000	45
30,000	54
35,000	63
40,000	72

Recent low prices for nickel have been compounded by increased shipping rates, as these DSO gross revenues above are pre-transportation costs. If one deducts transportation costs of up to \$20/t, one can further see the dependency on firm nickel prices. Those stocks exposed to the DSO market include Toledo Mining (TMC), Metals Exploration (MTL), Regency Mines (RGM) and Rusina Mines (RMLA).

A number of these, particularly Toledo, are looking to the heap leaching of their laterite and saprolite ores. Leaching or conventional processing does add considerable value over direct shipping, although at a high capital cost. However conventional floatation doesn't usually deliver efficient recovery from these low grade oxidised materials, whereas heap leaching is a proven extractive route. Heap leaching is usually dependant upon the acid consumption of the ore and also the availability of sulphuric acid. Discovery Metals (DME) has an interesting nickel project in Botswana which is probably too small and not high enough grade for conventional processing. The company has investigated heap leaching but appear stymied by high acid consumption and the need to import acid from South Africa.

There are a number of other interesting nickel stocks, but all suffer from the need for high capital expenditures. Albidon (ALD) has been a past favourite but capital expenditure overruns are negative to sentiment.

It is questionable whether there is much of a role for junior companies in the nickel sector, as the financing for capital expenditures appears too onerous. Direct shipping may be of greater appeal but is very vulnerable to lower prices and is dependent on grade and shipping costs.

Lead Outlook

Up until recently lead has performed well on the back of increased Chinese demand, and production cutbacks in Australia. Now these production cutbacks appear to have been reversed the price has fallen back. For the first six months of 2007 we carried a long term lead price of £950 per tonne, during the summer as lead prices rocketed this appeared too low and this was upgraded it to £1,200/t, we have now downgraded this back to £950/t.

Zinc Outlook

Zinc has been the worst performing base metal in 2007. New mine production and changes in Chinese demand patterns have caused stocks to increase and prices to fall back. For the first six months of the year we carried a long term zinc price forecast of £1,600/t, in October this was cut to £1,200/t. As the outlook for zinc has not improved this forecast looks untenable and we have cut it further to £950/t. This dramatic fall in forecasts in less than six months has to put into question a number of the zinc projects being evaluated.

Most lead projects carry significant zinc values and vice versa. In this regard we would highlight Herencia Resources (HER) as a Speculative Buy. They have an interesting early stage exploration project in Chile, where the potential of a separate copper target offset any short term concerns about zinc and lead prices. Due to these weak prices it now seems very difficult for Anglesey Mining (AYM) to raise the finance to develop their Parys Mountain mine in Anglesey North Wales. However the stock remains a Speculative Buy as they now trade at a material discount to the value of their Labrador Iron Ore subsidiary that was recently listed on the Canadian Stock Market.

Tin Outlook

The tin price has remained firm, with tough export quotas from Indonesia reducing supply. At the same time increasing demand for lead free solders (i.e. tin rich) in the European electronics industry has continued to bolster demand for the metal. With few sources of new supply short term, the tin price is likely to remain firm. Where necessary we have carried a long term tin price forecast of £5,000/t, this appears too low and we increase it to £7,000/t.

Iron Ore Outlook

There is considerable speculation concerning the price increases that are currently being negotiated between the producers primarily BHP Billiton, Rio Tinto and Vale and the consumers particularly those in China. At present, price increases of up to 50% have been mooted, although these discussions have now been rolled into consumer resistance to the proposed merger between BHP and Rio Tinto. The main logic for this particular merger is iron ore merger synergies.

Ferrochrome Outlook

Due to continued growth in stainless steel consumption, chrome demand has continued to grow. International Ferro Metals (IFL) has recently predicted that published ferrochrome prices may rise to record high levels in the first quarter of 2008. International Ferro Metals remains a pure play on ferrochrome prices. They have recently indicated that following successful rectification work full production has resumed.

Tungsten Outlook

Tungsten is an essential commodity whose unusual properties make an important contribution, through its use in cemented carbide and high-speed steel tools, to the achievement of high productivity levels in metal and wood-working, construction, mining and wear protection. In the household, tungsten is used in light bulbs, television sets, magnetrons for microwave ovens and other electrical consumer products. Other applications include chemical uses, mainly in the form of catalysts. After a decade of low prices, increased demand and reduced supplies from China provoked a doubling in concentrate prices in 2005. However in spite of strong demand and constrained supply, prices have remained at this level ever since. Tungsten miners and explorers remain very bullish on the Tungsten market, however this bullishness appears slow to feed through to higher prices and we would like to express some caution, as there are a number of new mines being developed at more or less the same time.

We wish to highlight Ormonde Mining (ORM) as a Speculative Buy. Their Spanish Tungsten exploration project benefits from high grades, and elsewhere in Spain they have exciting polymetallic and gold exploration projects.

Tantalum Outlook

The tantalum market is very difficult to analyse. Pricing is the subject of long term negotiation between consumer and producer. There is a very marginal spot market, although long term pricing often bears little resemblance to quoted prices. Due to continuing strong demand for tantalum and the long term shutdown due to liquidation of the world's major producer, spot and long term prices have recently risen.

We wish to highlight Gippsland (GIP) as a Speculative Buy. They have just signed a long term supply agreement for their Egyptian tantalum/tin project and are now looking to finance their mine development.

Diamond Sector Outlook

(Hoodless Brennan's Mining Consultant David Hargreaves has contributed towards this section of the review)

With US consumer demand representing 50% of world diamond demand and Christmas sales representing 50% of this, we are obviously at a pivotal time of the year. Retail sales are predicted to be flat, and may spill over into discounted offering of both gems and jewellery in early 2008. Debt finance is an important consideration in the rough and diamond fabrication market. With many lenders struggling due to the sub-prime crisis it seems likely that tougher lending criteria may be applied to the diamond industry.

Against this cautious background we would focus attention on those producers that offer low resource value to market capitalisation levels. In this context we wish to highlight Kopane Diamond Developments (KDD) as a Buy. An established

modest producer from a satellite pipe in Lesotho, they are just commencing a Definitive Feasibility Study on the main pipe and are attractively priced in comparison with existing producers.

Uranium Outlook

The spot uranium market has shown itself to be very shallow and volatile. After consistent rises in price in the first half of 2007 prices peaked at over US\$120 per pound (lb). A number of speculative liquidations, coupled with US Governmental offers caused a spectacular fall in price during the summer. Prices bottomed just over \$70/lb and some recent recovery has been seen as production difficulties in Kazakhstan (Uranium One UUU-TSX), Namibia (Paladin PDN-ASX) and Canada (CAMECO CCJ-TSE) have been felt. The current price is \$90/lb.

A number of submissions for new nuclear generating plants in Europe and North America have been made during the autumn, while the UK Government and British Energy have set out where they hope to build new generating plants. In spite of this bullish news for the industry, the long running questions of environmental acceptability and the sourcing of funding have shown little signs of progress. Current sentiment does appear to be positive for the sector, so some further short term upside in US dollar prices could be seen in 2008.

Democratic Republic of Congo (DRC)

The review of all mining contracts instigated by the DRC government has been an important development. At the beginning of November 2007 the delegated committee reported back with the suggestion that all contracts should be renegotiated. The DRC government appears to be trying to water down its committee's recommendations, but contract renegotiation and possible expropriation remains a distinct risk. Stocks with DRC exposure include Brinkley Mining (BRM), Central African Mining & Exploration (CME-CAMEC), Copper Resources (CRC), First Quantum Minerals (FQM), Moto Gold (MOE) and Mwana Africa (MWA). During the summer of 2007 CAMEC's bid for Toronto listed Katanga Mining was scuppered by the Government revision of one of their important mining licenses. In spite of this revision CAMEC has continued to operate the project.

In light of the uncertainty in the DRC we would avoid all stocks with exposure.

Environmental Pressures

In spite of renewed concerns about climate change, the destruction of tropical rain forests and world population growth, little impact has been seen on the mining sector. Some Governments however are becoming more interested in these issues. In 2007 Condor Resources (CNR) was prevented from drilling its gold projects in El Salvador; while Canadian listed Gabriel Resources (GBU-TSE) has been prevented from developing its Rosia Montana gold project in Romania.

Political Pressures

Zimbabwe has been a long running problem country for the mining industry. The economic situation has deteriorated over the last six months, but the new requirement of Zimbabwean ownership of mining companies appears to be settling at around 50%. The ending of this uncertainty may be slightly positive, but the industry remains in a parlous state. This was illustrated recently by Mwana Africa (MWA) who indicated that the depreciation of the Zimbabwean currency was not keeping up with inflation and translation losses were likely to impact group profitability. Central African Gold (CAG) is also exposed to Zimbabwe.

Tanzania has just joined the list of countries that are reviewing past mining contracts with a possible view of renegotiation or even expropriation.

Renewed political turmoil in Kyrgyzstan may affect sentiment at Aurum Mining (AUM).

Argentina has just unilaterally imposed an extra 10% export tax on minerals. The mining companies are contesting this imposition in the courts but coupled with environmental concerns in a number of provinces, Argentina is become less of an attractive place to do business for the mining industry.

Venezuela, Ecuador and Bolivia continue to develop left wing policies which are not conducive to successful overseas investment in the mining industry.

There are no signs of any improvement in the situation in Mongolia, where the Government wants to exert greater control over its mining industry.

With a landslide victory in the recent Russian general election, Mr Putin seems likely to remain in charge for the foreseeable future. Increased nationalisation has been a developing trend in the Russia, and it is interesting that the number of new ventures offering exposure to this geographical area has fallen away in recent years. Some such as Celtic Resources (CER) have succumbed to optimistic takeovers.

Safety Issues in the South African Gold and PGM Mining Industries

South African gold mines and platinum mines differ in terms of types of deposit and location, but both use similar mining methods and both have a high level of fatalities and other accidents. Most South African gold mines are located on the Witwatersrand close to Johannesburg. This is a very ancient series of sediments which outcrop at surface and dip to great depths. Contained within these sediments are ancient river channels comprising cemented quartz grains with minute but economic quantities of gold and uranium. This is the reef which is generally a meter thick and only shallow dipping, and so called reef mining has evolved over the years to profitably extract the ore. Reefs are situated at depth, and as the rock is pressurised at that depth, ground movements can occur during and after extraction. Just to make things worse due to the depth of rock, the so called virgin rock temperature is high.

This combination leads to very labour intensive mining methods and very dangerous working conditions. About 50% of accidents and fatalities are from falls of rock, the rest are from explosions and loading and travelling accidents. Fire is still a risk but has been considerably reduced as the use of wooden pit props to hold up the roof has been reduced. Plastic and metal props have made great inroads.

Most of the world's Platinum Group Metals (PGMs) comes from the so called Bushveld igneous complex to the north of Johannesburg. In comparison to the Witwatersrand where there are numerous payable reefs, for PGMs there are two main reefs, the Merensky and the lower UG2 chromite reef. There are other chromite only reefs within the complex. Whereas the Witwatersrand is a stack of sediments in distinct bands, the Bushveld is a stack of igneous rocks with distinct layers. The PGM reefs are as flat as those in the Witwatersrand, just as hard and abrasive, while working conditions are very similar to those pertaining in the gold fields. The PGM reefs are generally at shallower depths (1,000m rather than 3,000m), but due to residual igneous heat the temperature gradient in the Bushveld is higher than that in the Witwatersrand, so the workings are just as hot.

It comes as no surprise therefore that the PGM mines are just as dangerous as the gold mines, although for some reason the PGM per employee accident and fatality rate is almost twice that of the gold mines. Due to the shallower depths and slightly thicker reefs there have been attempts to mechanise mining operations, some successful others not. The introduction of machinery doesn't appear yet to have lowered the accident and fatality rate, just introduced more ways in which to get hurt.

The South African Mining Industry reckons that over 50% of accidents and fatalities are due to human error and can be significantly reduced. The other 50% is due to the working conditions and the only real way to eliminate accidents completely is to stop mining altogether. Hence the safety inspections underway in the gold and PGM industry will focus on those accidents that can be avoided. Sanctions could involve prosecutions, dismissals, and the closure of certain stopes or areas of working, shafts or even whole mines. The final closure sanction is ultimately unlikely as the South African Government needs the revenues, but a major shakeup is due.

A renaissance of mining in the United Kingdom?

The cradle of the Industrial Revolution the UK has a long mining history and remains attractive for the development of dormant deposits and the discovery of new ones. Skilled work forces, electricity, and water are readily available, but there are NIMBY issues, and many deposits have been fully worked out. The Welsh anthracite coal industry seems to be leading the way with EnergyBuild and its near neighbour the unlisted Unity Coal. Reopening Parys Mountain depends upon raising finance which in the current environment of weak zinc prices is likely to be a bit of a struggle. £50m has however been committed towards the reopening of the South Crofty Tin Mine in Cornwall, while Australian Wolf Minerals (WLF-ASX) has recently announced plans to spend £7m re-evaluating the Hemerdon Ball tungsten project located near Plymouth in Devon.

Recent sterling weakness, if maintained, may highlight the attraction of mineral deposits in the UK.

Recent newsflow

In early November 2007 BHP Billiton (BLT) launched an indicative bid of over £50bn for Rio Tinto (RIO). The logic behind this bid relates to cost and efficiency savings that can be made by merging the two separate Western Australian Iron Ore operations.

BHP Billiton raised the overall resource tonnage at its Olympic Dam underground copper/uranium/gold mine by 77% to 7,738 million tonnes grading 0.87% copper, 0.29 kilogram's per tonne uranium pentoxide, 0.3 grammes per tonne (g/t) gold and 1.61 g/t silver.

Xstrata (XTA) effectively put themselves up for sale at the beginning of December 2007.

NovaGold (NG-TSX) and Teck Cominco (TEKB-TSX) announced on November 2007 that they were suspending operations at the Galore Creek copper/gold project in the Northern Territory of Canada, due to escalating capital costs.

A national miners strike in South Africa on 4th December 2007 highlighted the safety issues on the gold and PGM mines.

Gem Diamonds (GEMD) sold the newly discovered Letseng Legacy diamond for US\$10.4m.

The sharp appreciation of the Australian and Canadian dollars against the US, dramatically affected the profitability of a number of Australian and Canadian mineral producers in the third quarter.

DRC copper/cobalt miners Katanga Mining (KAT-TSE) and Nikanor (NKR) are merging.

After a long take-over battle Yamana Gold (YAU) succeeded in its bid for Meridian Gold. Coupled with its agreed merger with Northern Orion, Yamana has further enhanced its position as a major South American gold producer.

Newmont Mining (NEM-NYSE) has commenced a process to become a pure gold miner and is demerging its merchant banking interests.

Lead prices have recently tumbled on the news that Magellan Metals Pty (wholly owned by Ivernia (IVW-TSX)) had received permission to restart exports from Western Australia. The local Environmental Protection Agency has given permission to export from Fremantle; previous exports from the port of Esperance were blocked due to suspected wind blown lead concentrate pollution. Exports have yet to restart as they need union approval, while the Mayor of Fremantle appears none to happy about the prospect. Hence this story may develop further in the new year.

Alexander Mining (AXM) announced good progress in the international acceptance of their novel AmmLeach™ process. Two international mining companies have commissioned metallurgical test work; seven companies have signed confidentiality agreements, while over twenty others have shown some interest.

Anglesey Mining (AYM) has created significant value in recent months by listing its Labrador Iron Mines Inc subsidiary in Toronto. Whilst the potential value of Parys Mountain has reduced due to weak zinc prices, the company trades at a 20% discount to the value of its holding in Labrador Iron alone.

Arian Silver (AGQ) has recently released encouraging drill intercepts from their San Jose silver and their Tepal copper/gold/silver projects in México.

Central African Gold (CAN) announced that due to production problems gold output for the year ending 31st December 2007 would be below expectations. Furthermore they forecast that 2008 production would also be below previous expectations at 100,000 ounces.

Discovery Metals (DME) recently reported a 45% increase in JORC compliant near surface Inferred Resources at their Maun copper project in Botswana. The company appears to be progressing towards an early production decision.

Finders Resources (FND) has just raised about £6.8m in equity and secured debt to progress a 5 tonne per day pilot plant at their Wetar copper project in Indonesia.

Gippsland (GIP) is making good progress at developing its Abu Dabbab tantalum/tin project in Egypt. After long negotiations it has recently announced that it has agreed a ten year tantalum off-take contract with major German producer HC Stark. The company is now in discussions with a number of German and English project finance banks to arrange capital finance.

Goldplat (GDP) preliminary results to 30th June 2007 from their gold recovery operations were better than we had been expecting. In addition good progress has been reported at developing a physical gold operation at Lolgorien in Kenya.

Herencia Resources (HER) has shown good progress at its 70% owned Paguanta zinc/silver/lead project in Chile. Their first statement of JORC compliant Inferred Resources was rather better than we had been expecting.

KimCor (KIM) appears to be making good progress following the scrip acquisition of Dwyka Diamonds. However a little after five months, Dwyka Resources has just sold a small line of KimCor stock, illustrating a potential overhang.

Kopane Diamond Developments (KDD) has recently entered a joint venture with Mantle Diamonds, a privately owned UK company, whereby Mantle will earn 70% of Kopane's Finnish diamond exploration assets. This will allow Kopane to focus on the development of their Liqhobong diamond mine in Lesotho.

Maghreb Minerals (MMS) has just released preliminary JORC compliant Inferred Resources at their Bou Jabeur zinc/lead/barytes/fluorspar project in Tunisia. This should be enhanced as old drill core and recent drill results are analysed.

Mercator Gold (MCR) has finally started production at its Meekathara gold project in Western Australia. The company appears to be on track to produce 120,000 ounces per annum. Exploration continues and further results are expected from their so called Euro prospect, where a new geological model for mineralisation has been developed.

Metals Exploration (MTL) has converted significant JORC compliant Inferred Resource into Indicated Resources at their Runruno gold project in Indonesia. The company has also announced the acquisition of the Waigeo direct shipping nickel laterite project in Indonesia.

Minco (MIO) is attempting to transform its prospects by obtaining a valuation for its Mexican assets by floating a portion of that business onto the TSX Venture Exchange in Canada. Funding has been obtained from Australia Group Pacific Road Capital to support those developments.

Ormonde Mining (ORM) continues to intersect encouraging widths and grades at Barruecopardo Tungsten project in Spain on a number of targets. The first hole drilled at Sierro prospect on their Salamanca gold project returned encouraging gold intercepts.

Regency Mines (RGM) has recently announced that it is in discussions with an Asean based investment group which could lead to a substantial investment in the company and its Mambare direct shipping nickel project in Papua New Guinea.

Strategic Natural Resources (SNRP) has made good progress since listing at its Elitheni coal project in South Africa. The company has signed up its Black Economic Empowerment (BEE) partner, compliant Resources have almost tripled, an application to begin mining 5.5 million tonnes of coal has been accepted by the Government and the developer of the mine mouth power station is looking to accelerate its development.

Stratex International (STI) has reported good progress at its various gold and copper/gold exploration projects in Turkey. However it has not yet been able to reproduce its initial spectacular discovery at Inlice, while at the same time Inlice is not yet proving to be a company maker.

Glossary of Terms and Abbreviations (a number have been sourced from Goldplat PLC announcements)

Adit

A near horizontal tunnel accessing an underground opening from surface. Typically they have a slight upward incline to aid drainage.

Ball Mill

As part of the process to produce fine grained minerals for the separation process, crushed ores are often ground up in a ball mill. This is a long cylindrical container in which steel balls are added with the crushed ore. As the cylinder rotates these steel balls cascade and grind against each other and the ore. The cylinder can be set up in such a way to produce a continuous flow of material, crushed ore at one end, and ground ore at the other.

Bord and Pillar

(See Room and Pillar)

The Bushveld

The Bushveld is a large 2.1 billion year old magmatic intrusion to the north of Johannesburg in South Africa. It is the source of 90% of the world's PGMs, and a source of chrome ores. There are two main PGM bearing reefs, the Merensky Reef and the UG2 chromite reef. As its name suggests the Chrome reef is a major source of chrome ores.

CIM Standard

The Canadian Institute of Mining, Metallurgical and Petroleum (CIM) provides standards of resource reporting. They are very similar to JORC and SAMREC compliant standards. Canadian listed companies are required to report CIM standard resources according to National Instrument 43-101 of Canadian securities laws. It is possible for a non-Canadian company to report to CIM standards, even if there is no requirement to report NI 43-101 compliant resources.

Carbon in Leach (CIL)

A metallurgical process by which granular carbon adsorbs gold in solution.

Carbon in Pulp (CIP)

A recovery process in which a slurry of gold ore, free carbon particles and cyanide are mixed together. This so called pregnant solution is passed counter current through a series of tanks containing activated carbon particles. Gold has a natural affinity for carbon and the carbon absorbs the gold as it passes through the circuit. Loaded carbon is removed from the slurry by screening. The loaded carbon is stripped in a caustic cyanide solution under heat and pressure prior to the recovery of the gold by electrolysis or by zinc precipitation. The carbon is treated for re-use.

Concentrates or Concs

Concentrates are generally produced from ore in a mill. They can be internationally traded commodities, which are shipped to a smelter. The ore is usually crushed and ground to form a fine powder, often water borne. This is then subject to a variety of physical or chemical processes such as gravity concentration or floatation to separate the valuable material or minerals in the form of concentrates from the waste or gangue.

Dense Media Separation (DMS)

The separation of sinking heavy from light mineral particles in a fluid of intermediate density. DMS separation is increasingly used as a pre-separation method to rapidly upgrade mineral deposits.

Floatation

Floatation is a chemical-physical method of mineral separation. Froth floatation is a selective process for separating minerals from waste by using surfactants and wetting agents. The selective separation of the minerals makes processing complex mixed ores economically feasible. Froth floatation commences by comminution (crushing and grinding) which increases the surface area of the ore for subsequent processing and breaks down the rocks into the desired mineral, and gangue which then has to be separated from the desired mineral. The desired mineral is rendered hydrophobic by the addition of a surfactant or collector chemical (for example pine oil is used to extract copper). The slurry or pulp of the hydrophobic mineral ore and hydrophilic gangue is then introduced to a water bath (the floatation cell) which is aerated, creating bubbles. The hydrophobic

grains of mineral bearing ore escape the water by attaching themselves to the air bubbles, which rise to the surface, forming a foam or froth. The froth is removed and the concentrated mineral is further treated.

FOB Price

The FOB (Free on Board price) is often quoted for bulk commodities such as coal and represents the port price for the commodity. Hence shipping, unloading and surface transportation costs need to be added before working out the delivered price.

Gangue

Gangue is waste rock.

Grammes per tonne (g/t)

In the metric system gold, silver and PGM grades are reported in grammes per tonne of material. If this number is divided by 31.1 the grade in ounce per tonne can be ascertained.

Heap Leaching

Heap leaching is a process to extract gold or copper from low grade gold and copper deposits. Mined ore is crushed and heaped on an impermeable plastic and/or clay lined leach pad where it can be irrigated with a leach solution to dissolve the valuable metals. For gold, cyanide is utilised, while for copper, dilute sulphuric acid is used. This solution then percolates through the heap and leaches out the gold or copper. The leach solution containing the dissolved metals is then collected and further processed to extract the gold or copper. The leaching process can take several weeks for maximum efficiency.

Hydrothermal

Hydrothermal veins are mobile igneous sources of mineralisation. High sulphidation and low sulphidation refer to temperature ranges. Higher temperatures may lead to so called boiling zone deposits which may be associated with porphyry deposits.

Igneous Rocks

Igneous rocks are formed when molten magma from depth rises and solidifies. Current volcanoes are still depositing igneous rocks. Granites, magmatic layered intrusions such as the Bushveld, copper porphyries and hydrothermal mineralisation are all igneous rocks.

Induced Polarisation (IP)

A geophysical exploration method utilising the electric properties of minerals.

Indicated Resources

That part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. These locations are too widely or inappropriately spaced to confirm geological and or grade continuity but are spaced closely enough for continuity to be assumed.

Inferred Resources

That part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits workings and drill holes which may be limited or of uncertain quality and reliability.

Laterite

Typically a form of tropical weathered rock. Laterites are generally of interest if they contain economic proportions of nickel.

Load Haul Dump (LHD)

A type of mechanised underground loader. Blasted ore is loaded from the muck pile by a LHD; it is transported and dumped either into an underground ore bin, out of the mine to an external ore bin or into an underground haulage truck. In certain instances waste can be stowed by LHDs in mined out areas.

JORC

The Australian Mining Industry and its professional organisations sponsor the Australasian Joint Ore Reserves Committee (JORC). The JORC Code has been incorporated in the Listing Rules of the Australian and New Zealand Stock Exchanges, and is internationally accepted as a standard for professional reporting purposes.

Measured Resource

That portion of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing gathered through rock outcrops and from drill holes. The sampling interval is close enough together to confirm geological and or grade continuity.

Metallurgy

Metallurgy is the science of metals. A metallurgist is interested in the physical properties of metals, and they tend to find employment in the smelting process where metals are extracted from concentrates. However when reference is seen to the metallurgy of the ore or resource, this refers to the efficiency of the mineral separation process (i.e. actually producing the concentrate from the ore).

Metamorphic Rocks

Any type of rock that has changed by the effects of heat and pressure. Marbles are limestones that have been metamorphosed.

Milling

The first stage of separating economic minerals from waste rock is to crush and grind the rock such that the different minerals are of a similar particle size. Then chemical or mechanical means can be used to separate the different minerals. This first stage is called milling.

Mill

Milling is obviously carried out in a mill, but the term mill now tends to refer to the whole mineral processing plant, so a mill may physically contain crushers, screens, floatation cells, CIL and CIP plants and dryers, etc.

Mineral Dressing

See milling

National Instrument (NI) 43-101

The various sections of the Canadian Securities Act which relates to the standards of disclosure for mineral projects.

Ore Reserve

The portion of the mineral resource, including dilution by waste material that would occur during the mining process, which can be economically mined at current price, cost and regulatory conditions.

Platinum Group Metals (PGMs)

PGMs are the metallic elements Ruthenium, Rhodium, Palladium, Osmium, Iridium and Platinum.

Porphyry

A porphyry is a mineralised igneous intrusion. It is often a young rock that is associated with recent volcanic activity in mountain arcs and subduction zones such as the Andes, the Rockies and the Pacific Rim of Fire.

Ramp or Decline

An inclined or more usually a declined adit which doesn't necessarily need to come to surface, connecting various underground mine workings.

Refining/Refinery

Usually part of the smelting process to produce final metal from concentrates.

Reverse Circulation (RC) drilling

A form of exploratory drilling where percussion drilling using an air cooled bit is utilised. This cuts the rock into chips which are flushed to the surface through the doubled walled well casing by air pressure. These rock chips can be subsequently analysed for mineral content.

Rise or Raise

A vertical opening designed to connect two levels in an underground working, one or either of which may be associated with a stope. They may connect to surface to provide needed ventilation.

Room & pillar

Room and pillar mining is an underground mining method widely used in the coal industry. Rooms are developed into the coal, leaving behind pillars to help support the roof. In certain circumstances at a later stage these pillars can be robbed to increase percentage extraction.

SAMREC

South African Mineral Resource Committee. SAMREC compliant resource statements are equivalent to JORC, CIM or NI 43-101 compliant resources.

Saprolite

A laterite that has been deeply weathered. In the context of DSO nickel deposits they tend to lie beneath the laterite, they tend to be higher nickel grade but they tend to be harder, hence more expensive to extract.

Sedimentary Rocks

Sedimentary rocks such as sandstones and limestones are formed by the action of wind and rain. The Witwatersrand gold deposits of South Africa are found within ancient deeply buried river channels comprising cemented quartz grains with minute but economic quantities of gold and uranium.

Shaft

A vertical or near vertical opening accessing underground workings. Internal shafts sometimes do not reach surface (these can be called sub-vertical shafts), while in some old mines inclined shafts are still evident.

Shrinkage Stopping

A common mining method for vertical narrow vein type orebodies. It is labour intensive and does not lead to full production at least initially as the miners work on top of broken ore, but it does result in lower dilution as this broken ore helps support the sidewalls of the mine opening.

Specific Gravity

Minerals and metal ores tend to be denser than waste material. Their higher specific gravity can be exploited in the various gravity separation techniques that are available.

Stope

An underground opening where ore is extracted. The extraction process is called stoping.

Strike

A horizontal line on a slanting plane. The strike direction of an orebody or vein is at 90 degrees to its dip. A vein may extend a certain distance along strike, i.e. horizontally along the ground, and a certain distance down dip i.e. into the ground.

Strip Ratio

For open pit mines this is the ratio of waste rock that needs to be extracted and removed in order to mine ore. A strip ratio of 2 to 1 (2:1) means that 2 tonnes of waste needs to be mined for every tonne of ore removed. For open cast coal mines cubic metres of material may substitute for tonnes.

Tailings

The residuals from the processing of ore, they may contain particles of unprocessed ore, processing chemicals and other deleterious elements. As ore processing techniques improve, and metal prices increase it may become economic to reprocess tailings

The Witwatersrand Basin

Most South African gold mines are located on the Witwatersrand close to Johannesburg. This is a very ancient series of sediments which outcrop at surface and dip to great depths. Contained within these sediments are ancient river channels comprising quartz grains with minute but economic quantities of gold and uranium. This is the reef, and so called reef mining has evolved over the years to profitably extract the ore. There are other gold mines elsewhere in South Africa that have the deposits and mining conditions seen elsewhere in the world, but reef mining is dominant.

Vein

Usually a near vertical break or fault in the earth's surface containing minerals, which don't necessarily have to be economic. Mineral lodes are contained within veins

Ventilation

In most countries the law stipulates that underground workings must have two means of egress. This means that fresh air can be introduced via an intake roadway while stale air can pass via a return airway. At modern mines air circulation can be encouraged by ventilation fans. In stable ends, where there is only one entrance, air will have to be forced to enter. There are rules and regulations as to how long a stable end can be, and a second exit such as a raise may have to be developed in short order.

Volcanogenic Massive Sulphide (VMS) or volcanic hosted massive sulphide deposits

Simplistically Parys Mountain is a Polymetallic volcanic hosted massive sulphide deposit. These types of deposit are still being formed today on ocean floors. The volcanic smokers of today will in the future become volcanic hosted massive sulphide deposits.

Mining companies review

Alexander Mining PLC (AXM) Market Cap. £22.20m , Price 16.50p, Speculative Buy

Alexander Mining is making good progress with its AmmLeach™ ammonia leaching process. Initially developed to process resources at its 100% owned metallurgically difficult near surface Leon copper oxide project in Argentina, the company is now trying to exploit the technology elsewhere.

There are a number of complicated oxide copper projects in the world which are held by other mining companies who can't economically develop them. Alexander is looking to use its technology to build a mining group. This will either be achieved by selling its technology outright, buying into projects or entering into a royalty arrangement. In the meantime they have the cash to defend their patent position if required. Alexander is also investigating whether the process has applications for the leaching of other minerals.

Anglesey Mining PLC (AYM) Market Cap. £28.60m , Price 18.75p, Speculative Buy

Anglesey Mining has two significant assets, Labrador Iron Mines Inc which is developing a direct shipping iron ore project in Canada, and the Parys Mountain polymetallic project on the island of Anglesey, North Wales.

Anglesey has created significant value in recent months by listing its Labrador Iron Mines Inc subsidiary in Toronto. Whilst the potential value of Parys Mountain has reduced due to weak zinc prices, the company trades at a 25% discount to the value of its holding in Labrador Iron alone. The company remains a Speculative Buy.

Arian Silver Corp (AGQ) Market Cap. £33.45m , Price 28.00p, Speculative Buy

Arian is a Mexican based silver and base metals exploration company. They have three advanced 100% optioned projects, where they hope to outline large bulk tonnage resources of over 100 million ounces of silver equivalent. San Jose is a former silver mine in Zacatecas State with a four kilometre unexplored strike extension. At Calicanto also in Zacatecas, Arian is advancing two declines to further investigate mineralised structures on multiple silver veins outlined in a phase 1 drilling program. Phase 1 drilling at the Tepal project in Michoacán State is testing four near surface polymetallic copper/gold/silver gossans.

Cambridge Mineral Resources PLC (CMR) Market Cap. £5.76m , Price 2.13p, Hold

Investor sentiment has moved away from diversified exploration plays, whose model is multi mineral and continental. The company has sound plans to operate a centralised mill fed by a number of small high grade gold mines in Colombia. However it will struggle to demonstrate significant resources and was recently only able to raise half the equity required to bring its plans to fruition. At the same time it continues to explore in Peru and Bulgaria and is attempting to resuscitate interest in a zinc/lead/copper project in Spain.

The company remains a Hold whilst its funding plans remain uncertain.

Carnegie Minerals PLC (CME) Market Cap. £3.03m , Price 5.50p, Hold

Carnegie is making good progress in developing significant heavy minerals mining operations on the coast of the Gambia and Senegal both in West Africa. We have downgraded our recommendation to Hold as there is poor earnings visibility. There is also some concern that the nickel laterite exploration project in Indonesia is an unwelcome diversification.

Central African Gold PLC (CAN) Market Cap. £29.70m , Price 28.00p, Hold

In spite of an upgrade in reserves and a buoyant gold price, Central African Gold's share price has performed poorly with a production shortfall at Bibiani in Ghana due to underperformance of the tailings operation, and management changes. Even though the company is attractive on a per ounce of resources basis, the market seems likely to continue to ignore them until they can convert those ounces into profitable mining operations. As a consequence we downgrade our recommendation to Hold.

Churchill Mining PLC (CHL) Market Cap. £36.39m , Price 55.75p, Speculative Buy

Churchill has shown great exploration success in their 75% owned East Kutai thermal coal project in Indonesia. In addition they have an interesting 70% owned coal bed methane project at Sendawar also in Indonesia, and hold 49% of Spitfire Resources which is just about to list on the Australian Stockmarket. Spitfire holds the South Woodie Woodie Manganese project which adjacent to Consolidated Minerals' (CNM) operating manganese mine.

Discovery Metals Ltd (DME) Market Cap. £34.99m , Price 27.25p, Speculative Buy

Discovery is making very good progress at its 100% owned near surface Maun copper project in Botswana. They are conducting metallurgical trials in order to improved economics at their Dikoloti nickel project also in Botswana.

EnergyBuild Group PLC (EBG) Market Cap. £19.50m , Price 15.00p, Speculative Buy

EnergyBuild and its predecessors have been developing off and on for the past ten years the underground Aberpergwm anthracite coal mine in South Wales. The recent initial Public Offering which raised £9.7m after expenses will allow their full potential of the property to be achieved.

Finders Resources Ltd (FND) Market Cap. £31.17m , Price 47.50p, Speculative Buy

Finders is making encouraging progress at its Wetar copper project and at its Ojoali gold project also in Indonesia. The company has so far earned up to 72% of the project and they are on track to earn 95% by production start up.

Gippsland Limited (GIP) Market Cap. £12.30m , Price 4.38p, Speculative Buy

Gippsland is making good progress at developing its Abu Dabbab tantalum/tin project in Egypt. After long negotiations it has recently announced that it has agreed a ten year tantalum off-take contract with major German producer HC Stark. The company is now in discussions with a number of German and English project finance banks to arrange capital finance. This is expected to occur in early 2008 at which stage the company will need to raise about £12m as its equity contribution. Post issue the company should sustain a capitalisation of almost £25m, which is attractive for a mining company with potential pre tax profits of £9m in 2011.

Goldplat PLC (GDP) Market Cap. £15.75m , Price 14.25p, Buy

Goldplat's preliminary results to 30th June 2007 were very encouraging and were better than we had been expecting. For FY 2008 further progress is anticipated from the company's gold recovery operations in South Africa. In addition the Ghanaian gold recovery operation will reach full production during the year. For FY 2008 an increase to £910,000 in pre tax profits and 0.63p of earnings is conservatively forecast.

Greatland Gold PLC (GGP) Market Cap. £3.73m , Price 1.90p, Hold

Progress at Greatland Gold's exploration projects in Australia has been very slow. In spite of solid funding, the drilling out of encouraging rock chips to delineate JORC compliant resources appears to be a very slow process. In the absence of definite progress we have downgraded our recommendation to Hold.

Herencia Resources PLC (HER) Market Cap. £9.87m , Price 1.63p, Speculative Buy

Herencia has shown good progress at its 70% owned Paguanta zinc/silver/lead project in Chile where 2.5 million tonnes (Mt) of JORC compliant Inferred Resources has been outlined. This is rather better than we had been expecting.

Jubilee Platinum PLC (JLP) Market Cap. £81.73m , Price 80.75p, Speculative Buy

Jubilee is rapidly progressing its 48% owned Tjate Platinum Group Metals (PGM) project located on the eastern limb of the Bushveld complex in South Africa, close to operating PGM mines and smelters. The recent placing, which raised £11.25m, will fund a Bankable Feasibility Study (BFS). Assuming £16.25m of cash, and 48% of the postulated 65 Million ounces of so called 4E resources (platinum, palladium, Rhodium and gold) that the company hopes to outline, Jubilee's estimated resource value is £2.25 per ounce. This is potentially a significant discount to recent transactions such as Xstrata's (XTA) acquisition of Eland Platinum (£22.5/oz), and a BFS estimate of £45/oz for the industry. In addition the company has an interesting PGM project in Madagascar.

KimCor Diamonds PLC (KIM) Market Cap. £17.44m , Price 6.50p, Hold

KimCor is making progress assimilating the Dwyka Diamonds acquisition, and is consolidating its presence in Kimberly South Africa where it now has a number of discrete diamond mining operations. The share price has weakened subsequent to the Dwyka acquisition, along with the market. The recent sale of a proportion of Dwyka Resources holding indicates a potential share overhang. However if current mining and processing activities can be converted into profitable production, 2009 earnings estimates will have to be upgraded.

Kopane Diamond Developments PLC (KDD) Market Cap. £16.99m , Price 15.50p, Buy

Kopane has just changed its name and ticker from European Diamonds (EPD) to reflect its focus on its 75% owned Lqhobong diamond mine in Lesotho, Southern Africa. The company has recently entered a joint venture with Mantle Diamonds Limited a privately owned UK company whereby Mantle will earn 70% of Kopane's Finnish diamond exploration assets by spending US\$5m on exploration and Bankable Feasibility Studies and providing to Kopane £2m of Mantle shares.

Maghreb Minerals PLC (MMS) Market Cap. £4.44m , Price 4.88p, Speculative Buy

Maghreb holds title to four former zinc/lead/barytes mines and a fluorspar mine in Tunisia. They were closed at a time of low metal prices.

Mercator Gold PLC (MCR) Market Cap. £50.94m , Price 81.50p, Buy

Mercator has finally started production at its Meekathara gold project in Western Australia. The company is on track to produce 120,000 ounces per annum. Exploration continues and resources have just been upgraded to 2.4 million ounces (Moz) of gold within which reserves of 0.5 Moz have been outlined.

Minco PLC (MIO) Market Cap. £8.02m , Price 4.75p, Speculative Buy

Minco is attempting to transform its prospects by obtaining a valuation for its Mexican assets by floating a portion of that business, now known as Orca Minerals Limited, onto the TSX Venture Exchange in Canada. Orca's Mexican assets comprise the Bilbao zinc/lead/silver/copper project and the Laguna Tailings silver project. Potentially this could value Orca at a significant premium to the current Minco share price.

Metals Exploration PLC (MTL) Market Cap. £26.79m , Price 29.25p, Speculative Buy

Metals Ex is making good progress on its Runruno gold project in the Philippines. They appear attractively priced against other gold exploration stocks. Ignoring Runruno's molybdenum value and the Waigeo nickel project, we estimate that they trade at £13.5/oz of Indicated and Inferred Resources. This is attractive particularly when compared to AIM listed Chinese gold explorers which trade at up to £50/oz of Inferred resources. In addition molybdenum comprises over 50% of Runruno in situ value, while Waigeo is potentially higher grade than other projects held by other AIM stocks that themselves are valued at £30m.

Ormonde Mining PLC (ORM) Market Cap. £22.24m , Price 11.25p, Speculative Buy

Ormonde has three advanced mineral exploration projects in Spain. Barruecopardo is an advanced underground tungsten project where high grade resources are being defined. La Zarza is a potential underground copper/gold/zinc project that is progressing to Bankable Feasibility Study. At Sierro within its Salamanca gold project recent drilling has returned very encouraging wide gold intersections.

Regency Mines PLC (RGM) Market Cap. £7.01m , Price 3.75p, Hold

Regency is exploring the Mambare nickel laterite project in Papua New Guinea.

Strategic Natural Resources PLC (SNRP) Market Cap. £20.48m , Price 31.50p, Speculative Buy

Strategic Natural Resources is making good progress in developing its Elitheni coal project in the Eastern Cape in South Africa. Coal is a well followed investment theme as South Africa continues to suffer from blackouts due to a shortage of electricity.

Stratex International PLC (STI) Market Cap. £21.36m , Price 9.13p, Speculative Buy

Stratex has reported good progress at its various gold and copper/gold exploration projects in Turkey. However it has not yet been able to reproduce its initial spectacular discovery at Inlice, while at the same time Inlice is not proving to be a company maker.

Mining stock watch list

Name	Ticker	Mid p	Mkt Cap £m	% change		Recommendation
				1 mth	1 yr	
Alexander Mining PLC	AXM	16.50	22.20	-16.46	-24.14	Speculative Buy
Anglesey Mining PLC	AYM	18.75	28.60	4.17	78.57	Speculative Buy
Arian Silver Corp	AGQ	28.00	33.45	32.53	48.65	Speculative Buy
Cambridge Mineral Resources PLC	CMR	2.13	5.76	-5.56	-36.67	Hold
Carnegie Minerals PLC	CME	5.50	3.03	-2.22	-32.31	Hold
Central African Gold PLC	CAN	28.00	29.70	0.00	-46.67	Hold
Churchill Mining PLC	CHL	55.75	36.39	14.17	263.28	Speculative Buy
Discovery Metals Ltd	DME	27.25	34.99	32.93		Speculative Buy
EnergyBuild Group PLC	EBG	15.00	19.50	3.45		Speculative Buy
Finders Resources Ltd	FND	47.50	31.17	-2.06	65.22	Speculative Buy
Gippsland Limited	GIP	4.38	12.30	-7.89	9.38	Speculative Buy
Goldplat PLC	GDP	14.25	15.75	-1.72	119.93	Buy
Greatland Gold PLC	GGP	1.90	3.73	5.56	39.65	Hold
Herencia Resources PLC	HER	1.63	9.87	-13.33	82.35	Speculative Buy
Jubilee Platinum PLC	JLP	80.75	81.73	-1.57	13.15	Speculative Buy
KimCor Diamonds PLC	KIM	6.50	17.44	13.04	-46.94	Hold
Kopane Diamond Developments PLC	KDD	15.50	16.99	-3.13	7.65	Buy
Maghreb Minerals PLC	MMS	4.88	4.44	2.63	-25.00	Speculative Buy
Mercator Gold PLC	MCR	81.50	50.94	-0.61	3.43	Speculative Buy
Metals Exploration PLC	MTL	29.25	26.79	-3.31	17.63	Speculative Buy
Minco PLC	MIO	4.75	8.02	-5.00	-44.12	Speculative Buy
Ormonde Mining PLC	ORM	11.25	22.24	0.00	-25.00	Speculative Buy
Regency Mines PLC	RGM	3.75	7.01	-11.76	77.02	Hold
Strategic Natural Resources PLC	SNRP	31.50	20.48	-1.56		Speculative Buy
Stratex International PLC	STI	9.13	21.36	-7.59	7.44	Speculative Buy

Analyst

Name: Roger Bade
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Alexander Mining PLC
16.50p
Speculative Buy

Alexander Mining is making good progress with its AmmLeach™ ammonia leaching process. Initially developed to hopefully extract resources at its 100% owned but metallurgically difficult near surface Leon copper oxide project in Argentina, the company is now trying to exploit the technology elsewhere.

Key Data

AIM Ticker AXM
Sector Mining
Broker..... Arbutnot
www.alexandermining.com

There are a number of complicated oxide copper projects in the world which face development constraints due to difficult metallurgy or shortage of sulphuric acid. Alexander is looking to use its new process to build a mining group. This will either be achieved by selling its technology outright, buying into projects or entering into a royalty arrangement. In the meantime they have the cash to defend their patent position if required. Alexander is also investigating whether the process has applications for the leaching of other minerals.

Year High 26.00p
Year Low 16.50p
No. of Shares 134.54m
Market Cap £22.20m
Results..... Finals March 2008
NMS 10,000
Bid..... 16.00p
Offer..... 17.00p
Bid/offer % 6.25%
Screen Size 25,000
No. of Market Makers 5

Year End	Revenue	Admin	Interest	Post tax loss	EPS	P/E
December	£m	£m	£m	£m	(p)	(x)
2006A	0.0	(2.5)	0.1	(3.3)	NM	NM
2007E	0.0	(2.4)	0.4	(2.6)	NM	NM
2008E	0.0	(2.5)	0.3	(2.8)	NM	NM

Source: Company reports and Hoodless Brennan forecasts.

- Two international mining companies have commissioned metallurgical test work on AmmLeach™; seven companies have signed confidentiality agreements, while over twenty others have shown interest. The company has now applied for patents covering the treatment of zinc oxides, and has completed successful preliminary tests for the leaching of nickel and zinc sulphides.

- Former Director of Business Development, Martin Rosser has been appointed Chief Executive Officer succeeding Richard Rossiter who wishes to devote more time to Sylvania Resources (SLV) where he is Chairman.

- At Leon the company has outlined JORC compliant Inferred and Indicated Resources of 9.1 million tonnes grading 0.72% copper and 18.2 grammes per tonne silver. At £3,000 per tonne copper and £6/oz silver this has an adjusted in-situ value of £145m. They are just finalising a Bankable Feasibility Study with a view of project funding with Standard Bank. Internal forecasts suggest good economics with capital expenditure of £12.5m, operating costs of £1,200/t copper and a payback of approximately 1.5 years. To progress development a project manager has recently been appointed. As Leon is scheduled to produce copper cathodes, the company may not be subject to the 10% export tax recently introduced in Argentina.

Strengths	Weaknesses
<ul style="list-style-type: none"> • AmmLeach™ appears to be gaining credibility in the international mining community. There are a number of oxide copper and zinc projects that are looking for new process techniques for viability. The company has the funds (circa£10m) to defend its AmmLeach™ patents if required. • Hold 100% of the Leon copper project in Argentina. • Exploration potential elsewhere in Argentina and Peru. 	<ul style="list-style-type: none"> • Leon is low grade and if AmmLeach™ is unavailable could be uneconomic. • The company is reasonably expensive on a pure Leon resource basis. It trades at about 8% of adjusted in-situ value which is more expensive than fellow copper explorers Discovery Metals (DME) and Finders Resources (FND) which trade at around 2% and 6.5% respectively. • No Leon production until 2009.

Income Statement

Year to December £m	2006A	2007E	2008E
Revenue	0.0	0.0	0.0
Admin expenses	(2.5)	(2.4)	(2.5)
Exploration	(0.9)	(0.5)	(0.5)
Interest	0.1	0.4	0.3
Tax	0.0	0.0	0.0
Post tax loss	(3.3)	(2.6)	(2.8)

Balance Sheet

Year to December £m	2006A	2007E	2008E
Property and Plant	0.2	0.1	0.1
Exploration assets	4.3	6.2	7.7
Investments	0.2	0.2	0.2
Receivables	0.2	0.2	0.2
Cash	14.0	9.8	6.0
Total assets	18.8	16.5	14.2
Current Liabilities	(0.4)	(0.5)	(0.5)
Net Assets	18.4	16.0	13.7

Cash Flow

Year to December £m	2006A	2007E	2008E
Operating loss	(3.4)	(2.9)	(3.0)
Depreciation	0.0	0.1	0.1
Receivable change	0.2	0.0	0.0
Liability movement	0.2	0.1	0.1
Option change	0.5	0.4	0.4
Interest	0.1	0.4	0.3
Tax	0.0	(0.1)	0.0
Exploration	(1.8)	(1.9)	(1.5)
Property & plant	(0.1)	(0.1)	(0.1)
Net cash decrease	(4.3)	(4.0)	(3.8)
Opening cash	19.0	14.0	9.8
Exchange move	(0.7)	(0.2)	0.0
Closing cash	14.0	9.8	6.0

Source data: Company reports and Hoodless Brennan estimates

Key Events

Date	Event
27th July 2007	AmmLeachTM Limited established
5th January 2007	First Leon Resource statement
4th April 2005	Admitted to AIM

Financial Calendar

Date	Event
December 31st	Year End
Mar-08	Finals
Sep-08	Interims

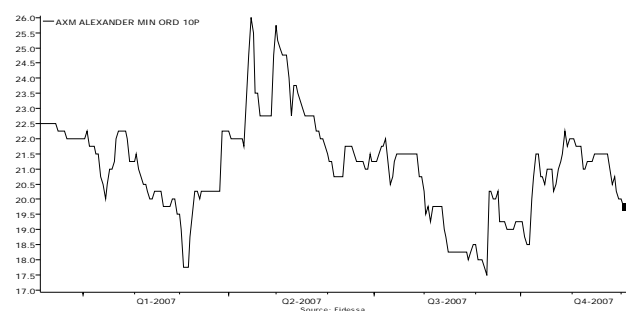
Major Shareholders

Shareholder	%
Credit Suisse	9.45
Matt Sutcliffe	8.11
JP Morgan Chase	5.95
Stephane Lamoine	5.31
Royal Mail Pension Trustees	5.10
BT Pension Scheme	4.47
Artemis	3.72

Board of Directors

Name	Position held
Dr Matt Sutcliffe	Executive Chairman
Martin Rosser	Chief Executive Officer
James Bunyan	Non Executive Director
Roger Davey	Non Executive Director
Emil Morfett	Non Executive Director

Share Price Chart



Activities

AmmLeachTM was initially developed to treat Alexander's metallurgically complicated Leon oxide copper project in Argentina, but the company is now actively examining the use of this process in the processing of other copper oxide deposits as well as for zinc oxide deposits.

Previous Recommendation

Speculative Buy 13th November 2007

Analyst

Name: Roger Bade
Tel: 020 7510 8664
roger.bade@hoodlessbrennan.com

Anglesey Mining PLC
18.75p
Speculative Buy

Anglesey Mining has two significant assets, Labrador Iron Mines Inc which is developing a direct shipping iron ore project in Canada, and the Parys Mountain polymetallic project on the island of Anglesey, North Wales.

Anglesey has created significant value in recent months by listing its Labrador Iron Mines Inc subsidiary in Toronto. Whilst the potential value of Parys Mountain has reduced due to weak zinc prices, the company trades at a 20% discount to the value of its holding in Labrador Iron alone. The company remains a Speculative Buy.

Key Data

AIM TickerAYM
SectorMining
Broker
www.angleseymining.co.uk

Year High 28.25p
Year Low 8.25p
No. of Shares 152.56m
Market Cap £28.60m
Results..... Finals July 2008

NMS 3,000
Bid..... 18.50p
Offer..... 19.00p
Bid/offer % 2.70%
Screen Size 25,000
No. of Market Makers 4

Year End	Revenue	Admin	Impairment reversal	Profit before and after tax	EPS	P/E
March	£m	£m	£m	£m	(p)	(x)
2007A	0.0	(0.4)	7.2	6.8	4.9	NM
2008E	0.0	(0.5)	0.0	(0.5)	NM	NM
2009E	0.0	(0.5)	0.0	(0.5)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Note the Impairment Reversal Credit in 2007 is once off and is not expected to be repeated.

- Labrador Iron Mines is looking to re-establish major open cast iron ore mines previously operated by the Iron Ore Company of Canada. This is based on 100 million tonnes of potential haematite resources. Although Labrador Iron Mines Inc has slipped slightly from issue price, Anglesey's 18.6m shares are currently worth over £35m. This compares to a cost of just under £540,000. In addition the net proceeds of the placing of approximately £24.5m will be added to the cash resources of Anglesey shown separately on their balance sheet. Placing proceeds will be used to develop Labrador Iron, so cannot be put towards the development of Parys Mountain. A minority interest of about £12.5m will also be recorded.

- The company is now looking to raise over £10m of equity to develop the first phase of the Parys Mountain zinc/lead/copper/silver mine, the White Rock zone. At a zinc price of £950/t JORC compliant Indicated Resources of 1.75 million tonnes (Mt) grading 7.02% zinc equivalent and Inferred Resources of 0.4 Mt grading 5.91% zinc equivalent, have an adjusted in-situ value of £87m.
- The deeper Engine Zone at Parys Mountain has potentially double the resource value of the White Rock Zone.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Trades at a discount to the market value of its holding in Labrador Iron. • Holds 100% of the Parys Mountain zinc/lead/copper/silver project in North Wales. • Engine zone at Parys Mountain offers considerable long term potential. • Full Stock Exchange listing attractive. 	<ul style="list-style-type: none"> • Zinc and lead prices have been weak. This may affect investor sentiment towards Parys Mountain. • Parys Mountain geology is complicated. • No production from Parys Mountain until FY 2009. • Diluted exposure to Labrador Iron.

Income Statement

Year to March £m	2007A	2008E	2009E
Revenue	0.0	0.0	0.0
Admin	(0.4)	(0.5)	(0.5)
Impairment reversal	7.2	0.0	0.0
Operating profit	6.8	(0.5)	(0.5)
Interest	0.0	0.0	0.0
Profit before and after tax	6.8	(0.5)	(0.5)

Note: The non cash Impairment Reversal Credit in 2007 is a one off and is not expected to be repeated.

Balance Sheet

Year to March £m	2007A	2008E	2009E
Exploration Assets-Parys Mt	13.2	13.8	19.8
Exploration Assets-Labrador.	0.5	0.5	0.5
Receivables	0.0	0.1	0.1
Cash	0.0	0.5	6.1
Cash held in Labrador subsidiary	0.0	24.5	20.0
Total Assets	13.7	39.4	46.5
Current liabilities	(0.6)	(0.6)	(0.7)
Loan	(1.4)	(1.4)	(1.4)
Minorities in Labrador Iron	0.0	(12.5)	(12.5)
Total liabilities	(2.0)	(14.5)	(14.6)
Net assets	11.7	24.9	31.9

Cash Flow

Year to March £m	2007A	2008E	2009E
Profit from operations	6.8	(0.5)	(0.5)
Impairment reversal	(7.2)	0.0	0.0
Receivables movement	0.0	(0.1)	0.0
Current liability movement	0.0	0.0	0.1
Exploration-Parys Mt	(0.9)	(0.4)	(6.0)
Share issues Company	0.1	1.0	12.0
Share issues Labrador	0.0	24.5	0.0
Labrador cash expenditure	0.0	0.0	(4.5)
Net cash movement	(1.2)	24.5	1.1

Source: Company reports and Hoodless Brennan estimates.

Key Events

Date	Event
22nd November 2007	Labrador Iron Mines start trading in Toronto
19th July 2007	Placing of 13.75m shares at 8p
5th February 2007	White Rock zone JORC Resources outlined.

Financial Calendar

Date	Event
March 30th	Year End
Jul-08	Finals
Nov-08	Interims

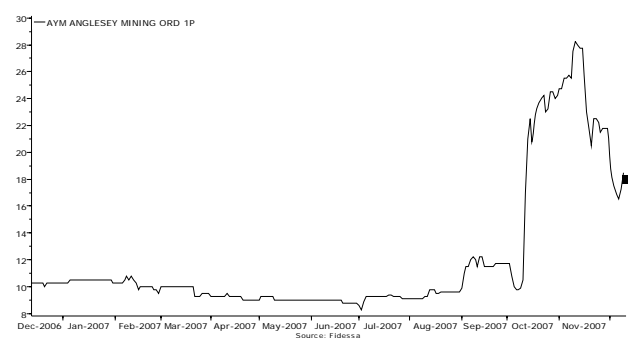
Major Shareholders

Shareholder	%
Juno Limited	37.97
Ambrian Capital	8.88
Strategic Lines Asset Management Limited	8.43
Range Global Fund	8.19

Board of Directors

Name	Position held
John Kearney	Chairman
Bill Hooley	Executive Director
Ian Cuthbertson	Finance Director and Secretary
David Lean	Non-Executive Director
Howard Miller	Non-Executive Director
Roger Turner	Non-Executive Director
Danesh Varma	Non-Executive Director

Share Price Chart



Activities

The company has a majority interest in Labrador Iron Mines Inc. which is developing Iron ore deposits in Canada. They are also trying to raise finance to start production at their Parys Mountain zinc/lead/copper/silver project.

Previous Recommendation

Speculative Buy 5th September 2007

Analyst

Name: Roger Bade
Tel: 020 7510 8664
roger.bade@hoodlessbrennan.com

Arian Silver Corp
28.00p
Speculative Buy

Arian is a Mexican based silver and base metals exploration company. They have three advanced 100% optioned projects, where they hope to outline large bulk tonnage resources of over 100 million ounces of silver equivalent. San Jose is a former silver mine in Zacatecas State with a four kilometre unexplored strike extension. At Calicanto also in Zacatecas, Arian is advancing two declines to further investigate mineralised structures on multiple silver veins outlined in a phase 1 drilling program. Phase 1 drilling at the Tepal project in Michoacán State is testing four near surface polymetallic copper/gold/silver gossans.

Key Data

AIM Ticker AGQ
Sector Mining
Broker..... Heywood Securities
www.ariansilver.com

Year High 28.50p
Year Low 16.00p
No. of Shares 119.46m
Market Cap £33.45m
Results..... Finals March 2008

NMS 500
Bid..... 27.00p
Offer..... 29.00p
Bid/offer % 7.41%
Screen Size 5,000
No. of Market Makers 3

The company is busy outlining compliant resources at three projects, any one of which could more than justify the current share price.

Year End December	Revenue US\$m	Admin US\$m	Goodwill US\$m	Net loss US\$m	EPS (p)	P/E (x)
2006A	0.0	(3.7)	(13.5)	(17.1)	NM	NM
2007E	0.0	(4.5)	0.0	(4.5)	NM	NM
2008E	0.0	(5.5)	0.0	(5.5)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. The company is a Canadian Corporation, but reports in US\$. Where necessary C\$1=US1.01 and £1=US\$2.05.

- Following recent warrant exercises and a £1m placing in August 2007 the company is funded through to early 2008.
- Recent drilling from Tepal has encountered long intercepts of good gold/copper mineralisation below and along strike from the previously defined historic resource. The company believes that these results show that previously defined resources may have significant underestimated Tepal's potential. In view of the results to date Arian has decided to extend Phase 1 drilling to 6,000m.
- Recent underground exploration at San Jose has outlined bonanza grades, whilst drilling 1.4 kilometres west of the main shaft have intercepted a wide vein system containing silver and base metal mineralisation. In addition drilling in a separate area 800m west of the shaft has confirmed silver and base metal mineralisation continuing down dip below the historic mine workings of the old mine. In light of these encouraging results the Phase 1 drill program has been twice extended from 7,500m to 12,000m.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Exciting exploration results have been recorded at 100% optioned Calicanto, San Jose and Tepal. Further drill results and resource statements are hopefully due from all three, while underground exploration continues at Calicanto. • Experienced management team. • Well followed in Canada. • Silver price appreciating. 	<ul style="list-style-type: none"> • Will have to raise exploration finance in 2008. In addition finance will be required for property option exercise and for any production decision. • Metallurgical testing required. • Any significant production unlikely before 2010. • Potential 15% dilution of share capital due to option and warrant exercises.

Income Statement

Year to December US\$m	2006A	2007E	2008E
Revenue	0.0	0.0	0.0
Admin	(3.7)	(4.5)	(5.5)
Goodwill write off	(13.5)	0.0	0.0
Finance Income	0.1	0.1	0.1
Loss before and after tax	(17.1)	(4.4)	(5.4)

Balance Sheet

Year to December US\$m	2006A	2007E	2008E
Property Plant etc	0.1	0.2	0.2
Exploration expenditure	1.2	3.9	6.9
Receivables	0.2	0.5	0.6
Cash	3.2	0.5	0.3
Total Assets	4.7	5.1	8.0
Current liabilities	(0.4)	(0.6)	(0.7)
Net assets	4.4	4.5	7.3

Cash Flow

Year to December US\$m	2006A	2007E	2008E
Loss before and after tax	(17.1)	(4.4)	(5.4)
Depreciation	0.0	0.0	0.0
Goodwill write off	13.5	0.0	0.0
Forex movements	0.0	0.1	0.0
Interest	0.1	0.0	0.0
Equity based payments	0.9	1.2	1.3
Change in receivables	(0.1)	(0.3)	(0.1)
Change in current liabilities	0.2	0.2	0.1
Exploration expenditure	(1.0)	(2.7)	(3.0)
Property plant	(0.1)	(0.1)	(0.1)
Share issues	5.5	3.5	7.0
Opening cash	1.4	3.2	0.5
Closing cash	3.2	0.5	0.3

Source data: Company reports and Hoodless Brennan estimates. Note the company is a Canadian Corporation, but reports in US\$. Where necessary CS\$=US\$2.01 and £1=US\$2.05.

Key Events

Date	Event
December	Year end
Apr-08	Finals
Aug-08	Interims

Financial Calendar

Date	Event
December 31st	Year end
Apr-08	Finals
Aug-08	Interims

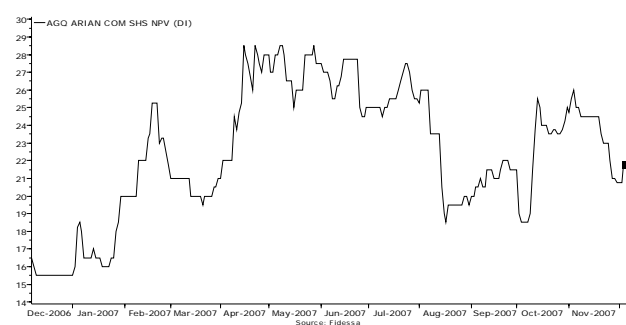
Major Shareholders

Shareholder	%
Endeavour Financial	27.0
RAB Capital	8.5
Dragon Group	7.0
Jim Williams	6.8

Board of Directors

Name	Position held
Tony Williams	Executive Chairman
Jim Williams	CEO
James Cable	Finance Director
Jim Crombie	Non-Executive Director
David Cohan	Non-Executive Director

Share Price Chart



Activities

Silver, copper/gold and zinc/lead exploration in Mexico. The company is listed on AIM, PLUS Markets, the TSX Venture Exchange in Canada and the Frankfurt Stock Exchange in Germany.

Previous Recommendation

Speculative Buy 19th October 2007

Analyst

Name: Roger Bade
Tel: 020 7510 8664
roger.bade@hoodlessbrennan.com

Cambridge Mineral Resources PLC
2.13p
Hold

Investor sentiment has moved away from diversified exploration plays, whose model is multi mineral and continental. The company has sound plans to operate a centralised mill fed by a number of small high grade gold mines in Colombia. However it will struggle to demonstrate significant resources and was recently only able to raise half the equity required to bring its full plans to fruition. At the same time it continues to explore in Peru and Bulgaria and is attempting to resuscitate interest in a zinc/lead/copper project in Spain.

Key Data

AIM TickerCMR
Sector Mining
Broker..... Ruegg & Co
www.cambmin.co.uk

Year High 4.55p
Year Low 2.00p
No. of Shares 271.12m
Market Cap £5.76m
Results..... Finals March 2008

NMS 25,000
Bid..... 2.00p
Offer..... 2.25p
Bid/offer %..... 12.50%
Screen Size 100,000
No. of Market Makers 7

The company remains a Hold whilst its funding plans and strategic direction remain uncertain.

Year End	Revenue	Interest	Admin	Loss before and after tax	Net income	EPS	P/E
December	£m	£m	£m	£m	£m	p	(x)
2006A	0.0	0.0	(0.9)	(0.8)	(0.8)	NM	NM
2007E	0.0	0.0	(1.0)	(1.0)	(1.0)	NM	NM
2008E	0.0	0.0	(1.0)	(1.0)	(1.0)	NM	NM

Source: Company reports and Hoodless Brennan forecasts.

- To support progress towards production at the Quintana gold project in Colombia, the company raised almost £1.2m in two tranches in July and October 2007. However full project debt funding has yet to be secured.
- Following results of a scoping study on its Rasuhuilca silver/gold prospect in Peru, Cambridge has recently exercised an option to acquire for US\$250,000 the remaining 50% of the Patacancha project. This comprises Rasuhuilca and a number of other prospects. The company has yet to define JORC compliant resources, but talks of over 300,000 tonnes grading 2.14 grammes per tonne (g/t) gold, and 186.4 g/t silver. This has a non-adjusted in-situ value of £17m, illustrating some potential.
- Privately held global gold exploration company Electrum is farming into Cambridge's Bulgarian gold exploration permits. To earn 80%, Electrum is required to spend US\$2.2m over five years and has invested £50,000 in Cambridge shares issued at a considerable premium to the current share price (6p).

Strengths	Weaknesses
<ul style="list-style-type: none"> • Colombian gold and silver projects are high grade. • Successfully farmed out Bulgarian gold exploration projects. • May generate value in Spain. 	<ul style="list-style-type: none"> • Need to raise project finance and possibly more equity to bring projects to fruition. • Only modest gold resources in Colombia. • Colombian political situation may deteriorate.

Income Statement

Year to December £m	2006A	2007E	2008E
Interest	0.0	0.0	0.0
Admin	(0.9)	(1.0)	(1.0)
Assets disposals	0.0	0.0	0.0
Loss before and after tax	(0.9)	(1.0)	(1.0)
Forex movements	(0.1)	0.0	0.0
Net income	(0.9)	(1.0)	(1.0)

Balance Sheet

Year to December £m	2006A	2007E	2008E
Development expenditure	6.8	7.7	8.7
Property, plant etc	0.1	0.1	0.1
Goodwill	1.1	1.1	1.1
Joint ventures	0.9	1.0	1.1
Cash	0.6	0.3	0.3
Receivables	0.8	0.6	0.7
Total Assets	10.3	10.8	12.0
Current liabilities	(0.4)	(0.8)	(0.9)
Net current assets	1.1	0.1	0.1
Net equity	9.9	10.0	11.1

Cash Flow

Year to December £m	2006A	2007E	2008E
Loss before tax	(0.9)	(1.0)	(1.0)
Receivable movement	(0.2)	0.2	(0.1)
Payable movement	0.1	0.4	0.1
Depreciation	0.0	0.0	0.0
Forex movements	0.0	0.0	0.0
Development expenditure	(1.7)	(0.9)	(1.0)
Plant movements	(0.1)	0.0	0.0
Interest	0.0	0.0	0.0
Investments	0.0	(0.1)	0.0
Share issues	1.9	1.1	2.0
Cash movement	(0.7)	(0.3)	0.0
Opening cash	1.3	0.6	0.3
Closing cash	0.6	0.3	0.3

Source data: Company reports and Hoodless Brennan estimates.

Activities

The company has a mill and a number of high grade gold projects in Colombia. They are also exploring for silver in Peru, Uranium in Bulgaria and have a gold rich polymetallic project in Spain. They have just farmed out the majority of their Bulgarian gold exploration project.

Previous Recommendation

Hold 1st October 2007

Key Events

Date	Event
23rd October 2007	Placing of 46.75m shares at 2p
6th August 2007	Placing of 5m shares at 3p
18th July-31st July 2007	Shares suspended for new Nomad and broker due diligence.

Financial Calendar

Date	Event
December 31st	Year end
Mar-08	Finals
Sep-08	Interims

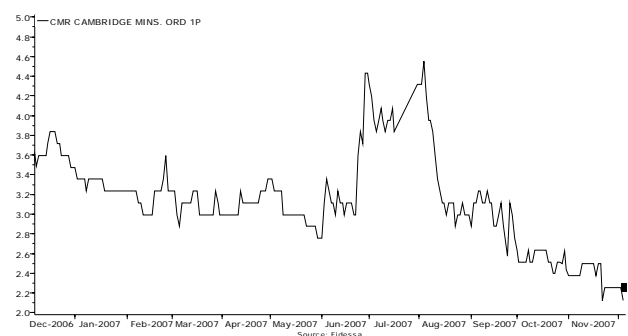
Major Shareholders

Shareholder	%
RAB Capital	14.96
Barclays	7.13
Directors	1.55

Board of Directors

Name	Position held
Neil Maclachlan	Non-executive Chairman
Colin Andrew	Managing Director
Michael Burton	Finance Director
Nevianka Mateeva	Non-Executive Director

Share Price Chart



Analyst

Name: Roger Bade
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roger.bade@hoodlessbrennan.com

Carnegie Minerals PLC
5.50p
Hold

Carnegie is making good progress in developing significant heavy minerals mining operations on the coast of the Gambia and Senegal both in West Africa.

We have downgraded our recommendation to Hold as there is poor earnings visibility. There is also some concern that the nickel laterite exploration project in Indonesia is an unwelcome diversification, and will increase funding requirements.

Key Data

AIM Ticker CME
Sector Mining
Broker..... Blue Oar
www.carnegiemin.com

Year High 9.25p
Year Low 5.50p
No. of Shares 55.00m
Market Cap £3.03m
Results..... Finals May 2008

NMS 5,000
Bid..... 5.00p
Offer..... 6.00p
Bid/offer % 20.00%
Screen Size 10,000
No. of Market Makers 4

Year End December	Revenue £m	Operating loss £m	Net Income £m	EPS (p)	P/E (x)
2006A	0.0	(0.3)	(0.3)	NM	NM
2007E	0.0	(0.5)	(0.5)	NM	NM
2008E	0.0	(0.6)	(0.1)	NM	NM

Source: Company reports and Hoodless Brennan forecasts.

- Heavy minerals comprise a number of separate minerals that occur typically in beach sands. Ilmenite and rutile are important sources of titanium dioxide used for paper colouring; zircon is an important raw material for ceramics, whilst leucosene contains a number of rare earth elements used in the electronics industry. In recent years prices for heavy minerals have increased due to increased world economic activity. Further increases are anticipated but new production from Mozambique and Russia, as well as re-established operations in Sierra Leone, may have to be absorbed.

- Carnegie has commissioned four dredges in the Gambia and it likely to build two larger dredges for its Senegal operations. In the Gambia, both exploration and production are fully funded by Astron, while all production is shipped to Astron who is the largest buyer of zircon in China. Carnegie pays an attractive shipping rate as otherwise empty containers are used. In the short term Carnegie sees no return until Astron achieves pay out. This is expected to happen mid 2008. In addition the mix of production is changing following the introduction of a concentrate upgrade plant in order to produce separate non magnetic and magnetic concentrates. As the Gambia is sensitive about its tourist potential, all operations are 200-300m off the present day beaches and full restoration is achieved to Australian standards. This is helped by the fact that heavy minerals separation is effected by non-chemical gravity and magnetic methods.

- In Senegal operations both exploration and potential production are funded 50% by Carnegie, 50% by Astron. The joint venture is working towards first production in early 2009; so far exploration has been encouraging.

- Carnegie is difficult to analyse. It has two separate joint ventures with different financial profiles; in addition the two separate products non magnetic and magnetic concentrates have vastly different sales prices (US\$380 per tonne versus \$10). Hence it is difficult to independently forecast production levels and prices.

- The company has recently entered into a joint venture, at a cost of US\$1m, to explore the Obi nickel laterite project in Indonesia.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Production in the Gambia is funded by the joint venture partner who buys all production. Once partner payout is achieved Carnegie will start to receive 50% of joint venture profits. • Senegalese exploration has the potential to significantly increase reserves. 	<ul style="list-style-type: none"> • Projects are difficult to analyse, as their financial profiles are complicated and the two separate products have vastly different prices. • No obvious synergies between heavy minerals in West Africa and Nickel laterites in Indonesia

Income Statement

Year to December £m	2006A	2007E	2008E
Revenues	0.0	0.0	0.0
Admin Expenses	(0.5)	(0.6)	(0.7)
Other Operating Income	0.2	0.1	0.1
Operating loss	(0.3)	(0.5)	(0.6)
Share of joint venture	(0.1)	0.0	0.5
Interest	0.0	0.0	0.0
Net income	(0.3)	(0.5)	(0.1)

Balance Sheet

Year to December £m	2006A	2007E	2008E
Mining Projects	0.4	0.4	0.5
Property Plant & equipment	0.1	0.1	0.1
Joint venture interest	0.7	1.7	2.2
Cash	1.2	0.6	1.7
Current assets	1.3	0.8	1.9
Total Assets	2.5	3.0	4.7
Current liabilities	(0.1)	(0.1)	(0.2)
Net assets	2.4	2.9	4.5

Cash Flow

Year to December £m	2006A	2007E	2008E
Net income	(0.3)	(0.5)	(0.1)
Joint venture	0.1	0.0	(0.5)
Interest	0.0	0.0	0.0
Working capital movements	(0.2)	(0.1)	0.0
Joint venture dividend	0.0	0.0	0.3
Other movements	0.0	0.0	0.0
Cash flow from operations	(0.5)	(0.6)	0.3
Investing activity	0.2	0.0	0.0
Share issues	1.5	0.0	0.8
Net increase in cash	1.2	(0.6)	1.1

Source: Company reports and Hoodless Brennan estimates.

Activities

The company is producing heavy minerals (mainly ilmenite and zircon) in the Gambia. They are also developing production in neighbouring Senegal.

Previous Recommendation

Speculative Buy 28th August 2007

Key Events

Date	Event
1st November 2007	Indonesian nickel exploration deal signed
5th June 2007	Senegal resource increased
27th September 2006	First shipment of heavy minerals to China

Financial Calendar

Date	Event
December 31st	Year end
May-08	Finals
Oct-08	Interims

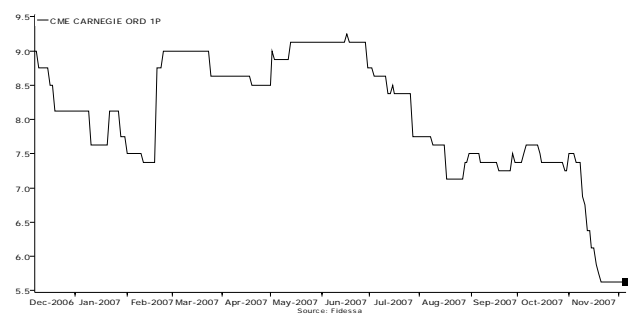
Major Shareholders

Shareholder	%
Carnegie Corporation	40.91
RAB Special Situations (Master) Fund	29.90
Directors	0.45

Board of Directors

Name	Position held
Alan Burns	Non Executive Chairman
Alan Hopkins	Managing Director
Timothy Jones	Finance Director and Company Secretary
Dr Boris Matveev	Technical Director
Grant Mooney	Non-Executive Director

Share Price Chart



Analyst

Name: Roger Bade
 Tel: 020 7510 8664
 roger.bade@hoodlessbrennan.com

Central African Gold PLC**28.00p****Hold**

In spite of an upgrade in reserves and a buoyant gold price, Central African Gold's share price has performed poorly with a production shortfall at Bibiani in Ghana due to underperformance of the tailings operation, and management changes affecting sentiment.

Even though the company is attractive on a per ounce of resources basis, the market seems likely to continue to ignore fundamentals until they can offer more clarity on operations. As a consequence we downgrade our recommendation to Hold.

Key Data

AIM Ticker CAN
 Sector Mining
 Broker RBC
 www.centralafricangold.com

Year High 63.75p
 Year Low 27.75p
 No. of Shares 106.08m

Market Cap £29.70m
 Results Finals March 2008

NMS 3,000
 Bid 27.00p
 Offer 29.00p
 Bid/offer % 7.41%
 Screen Size 10,000
 No. of Market Makers 7

Year End	Revenue	Operating profit	Gross Profit margin	Net income	EPS	P/E
December	£m	£m	%	£m	(p)	(x)
2006A	0.5	0.2	44.5	(4.0)	NM	NM
2007E	14.5	4.0	27.5	(2.0)	NM	NM
2008E	18.5	3.0	16.2	(3.5)	NM	NM

Source: Company announcements and Hoodless Brennan forecasts.

- As late as mid-November the company cut its 2007 Bibiani production forecast from 40,000 ounces (oz) to 25-30,000, citing underperformance of the tailings operation. In addition they cut 2008 production forecast to 100,000oz from 110,000. The company suffered from electric power cutbacks in Ghana, recent rains have hopefully rectified this shortage.

- JORC compliant underground proven ore reserves of 3.3 million tonnes (Mt) grading 3.52 grammes per tonne (g/t), and probable reserves of 5.9 Mt grading 3.6 g/t represent an almost 400% increase on previous numbers. All are at a 2 g/t cut-off. Overall Measured, Indicated and Inferred resources amount at Bibiani to over 3 Moz of gold, with a further 2.5 Moz in Zimbabwe. If we assume that Zimbabwean reserves and resources have nil value and they have £16m of cash post placing, Central African Gold trades at £27/oz of reserves, or £9.5/oz of resources. This remains very cheap in comparison to other Ghanaian producers.

- In Zimbabwe the Government is moving slowly towards 50% ownership of the mining industry, but sentiment has recently shown signs of improvement.

Strengths	Weaknesses
<ul style="list-style-type: none"> Bibiani is already a modest producer. An underground mine is under development to build on over 3 Moz of resources. Gold exploration potential in Mali. 	<ul style="list-style-type: none"> Company production forecasts have disappointed. They may lose 50% or more of their Zimbabwean assets. Central African Mining hold 5.87% pre-placing, this may overhang the market. Only two Executive and one Non-Executive on Board of Directors.

Income Statement

Year to December £m	2006A	2007E	2008E
Revenue	0.5	14.5	18.5
Operating Costs	(0.3)	(10.5)	(15.5)
Admin expenses	(5.4)	(6.0)	(6.5)
Fair value adjustments	0.9	0.0	0.0
Interest	0.1	0.0	0.0
Pre and post tax profits	(4.0)	(2.0)	(3.5)

Balance Sheet

Year to December £m	2006A	2007E	2008E
Property, Plant & equipment	17.1	22.5	23.5
Exploration Assets	0.6	1.0	1.5
Cash	5.1	7.6	16.6
Current assets	10.1	12.5	17.0
Total Assets	27.8	36.0	42.0
Current liabilities	(1.4)	(1.6)	(2.2)
Non current liabilities	(1.7)	(1.7)	(1.7)
Total liabilities	(3.1)	(3.3)	(3.9)
Total equity	24.7	32.7	38.1

Cash Flow

Year to December £m	2006A	2007E	2008E
Pre tax profit	(4.0)	(2.0)	(3.5)
Fair value adjustment	(0.9)	0.0	0.0
Share based payment	2.1	0.0	0.0
Working capital Movements	(1.0)	(0.5)	(0.8)
Other movements	0.0	0.0	0.0
Interest	(0.1)	0.0	0.0
Acquisitions	(16.6)	3.0	0.0
Exploration expenditure	(0.3)	(0.4)	(0.5)
New plant	(0.4)	2.4	(1.0)
Share issues	25.2	0.0	14.8
Net cash flow	3.9	2.5	9.0
Opening cash	1.2	5.1	7.6
Closing cash	5.1	7.6	16.6

Source: Company reports and Hoodless Brennan estimates.

Key Events

Date	Event
14th December 2007	Issues 60m shares at 26p
18th June 2007	1 for 5 share consolidation.
20th December 2006	Issues 35.8m shares at an adjusted price of 45p.

Financial Calendar

Date	Event
December 31st	Year end
May-08	Finals
Sep-08	Interims

Major Shareholders

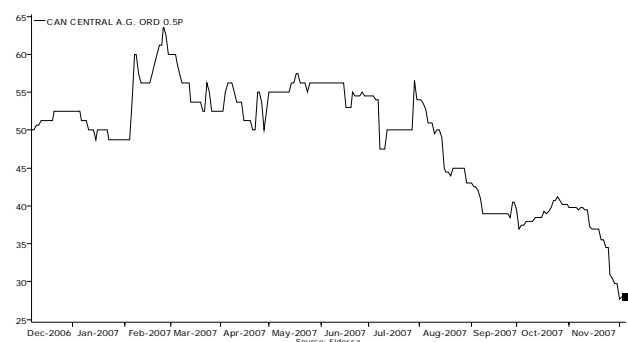
Shareholder	%
North Sound Capital	8.24
Thomas Kaplan	6.60
CGT Management	6.60
Central African Mining & Exploration	5.87
Roy Pitchford	5.66
Ospraie Management	5.49
Goldman Sachs	4.78
ENSO	3.69
Phil Edmonds	3.58
Libra Advisors	3.41
Bank Julius Baer	3.11

Note: Before recent placing

Board of Directors

Name	Position held
Greg Hunter	Chairman & Chief Executive
Charles Prentice	Chief Financial Officer
Roy Pitchford	Non executive Director

Share Price Chart



Activities

The company is mining and exploring for gold in Ghana and in Zimbabwe and exploring for gold in Mali and Botswana.

Previous Recommendation

Speculative Buy 5th September 2007

Analyst

Name: Roger Bade
 Tel: 020 7510 8664
 roger.bade@hoodlessbrennan.com

Churchill Mining PLC**55.75p****Speculative Buy**

Churchill has shown great exploration success in their 75% owned East Kutai thermal coal project in Indonesia. In addition they have an interesting 70% owned coal bed methane project at Sendawar also in Indonesia, and hold 49% of Spitfire Resources which is just listing on the Australian Stockmarket. Spitfire holds the South Woodie Woodie Manganese project which adjacent to Consolidated Minerals' (CNM) operating manganese mine.

Key Data

AIM TickerCHL
 Sector Mining
 Broker Blue Oar
 www.churchillmining.com

Year High 68.47p
 Year Low 8.56p
 No. of Shares 65.28m
 Market Cap £36.39m
 Results... Interims March 2008

NMS 3,000
 Bid 54.50p
 Offer 57.00p
 Bid/offer % 4.59%
 Screen Size 5,000
 No. of Market Makers 7

Churchill is attractively priced against potential resources of thermal coal. Thermal coal prices look to set to accelerate beyond Churchill's US\$33 per tonne base case.

Year End	Turnover	Admin	Other income and interest	After tax loss	EPS	P/E
June	£m	£m	£m	£m	(p)	(x)
2006A	0.0	(2.2)	0.1	(2.1)	NM	NM
2007A	0.0	(1.3)	0.2	(1.1)	NM	NM
2008E	0.0	(1.5)	0.2	(1.3)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Where necessary £1=US\$2.05 and £1=A\$2.30

- The company hopes to outline 500 Million tonnes (Mt) of near surface coal resources including 100 Mt of reserves at East Kutai by the end of Q4 2008. Further drill results are due imminently, while the pre-feasibility study is due to commence in January 2008. The company has already signed the first coal supply agreement with a nearby power station, but the real upside exists in regard to export sales. Churchill has been overwhelmed by offers of finance to set up coal exports. East Kutai is a mere 45 kilometres from the Pakar project where a new US\$135m coal mine using coal resources of 270Mt has just been funded by Merrill Lynch.

- The company's Woodie Woodie manganese project has recently been vended into a new company Spitfire Resources, which is about to list on the Australian Stock Exchange. £1.7m has been raised from outside shareholders valuing Churchill's remaining stake at £2.2m. There is logic in Consolidated Minerals combining these two projects.

Strengths	Weaknesses
<ul style="list-style-type: none"> Significant near surface thermal coal resources being outlined at East Kutai Indonesia. Due to increased Asian demand thermal coal prices are forecast to continue to rise. Spitfire Resources attractively priced in comparison to Consolidated Minerals. 	<ul style="list-style-type: none"> No East Kutai production until 2010. Valuation is subjective at present as they do not have JORC compliant resources or reserves. Political situation in Indonesia may deteriorate. East Kutai may attract adverse environmental comment.

Income Statement

Year to June £m	2006A	2007A	2008E
Turnover	0.0	0.0	0.0
Other income	0.0	0.0	0.0
Administration	(2.2)	(1.3)	(1.5)
Operating loss	(2.2)	(1.3)	(1.5)
Interest	0.1	0.2	0.2
Loss before and after tax	(2.1)	(1.1)	(1.3)

Balance Sheet

Year to June £m	2006A	2007A	2008E
Exploration Assets	3.3	5.3	8.4
Fixed Assets	0.0	0.1	0.1
Associate	0.0	0.0	2.2
Receivables	0.1	0.2	0.3
Cash	5.2	2.4	8.0
Total Assets	8.7	8.0	19.0
Creditors	(0.3)	(0.5)	(0.3)
Borrowings	0.0	0.0	0.0
Net assets	8.4	7.5	18.7

Cash Flow

Year to June £m	2006A	2007A	2008E
Operating activities	(0.6)	(0.9)	(1.6)
Interest	0.1	0.2	0.2
Fixed Assets	0.0	0.0	(0.1)
Exploration	(0.7)	(1.8)	(2.5)
Share issues	5.7	(0.2)	9.6
Borrowings	0.0	0.0	0.0
Net cash flow	4.5	(2.8)	5.6

Source data: Company reports and Hoodless Brennan estimates.

Key Events

Date	Event
21st November 2007	Placing of 20m shares at 50p
4th October 2007	Disposal of Woodie Woodie and proposed listing of Spitfire Resources.
15th June 2007	Coal off take signed with Indonesian Power utility

Financial Calendar

Date	Event
June 30th	Year end
Mar-08	Interims
Dec-08	Finals

Major Shareholders

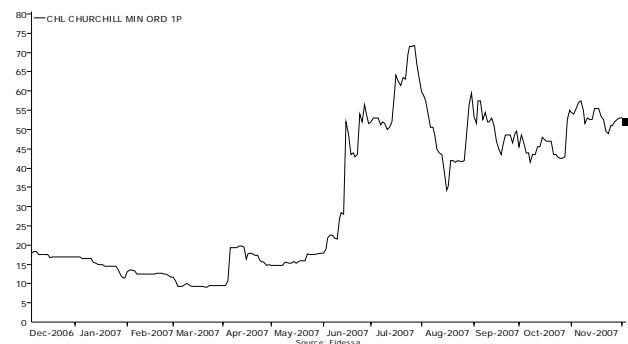
Shareholder	%
Profit Point/Andreas Rinaldi	21.61
Brown Bros Harriman	14.71
Fidelity	10.00
JO Hambro	9.49
GLG European Opportunity Fund	6.73
Williams de Broe	4.49
Morgan Stanley	4.28
JM Finn	4.13
Pershing Keen	3.50

Note: Before recent placing.

Board of Directors

Name	Position held
David Quinlan	Non-Executive Chairman
Paul Mazak	Managing Director
James Hamilton	Executive Director
Faroek Basrewan	Director (Indonesia)

Share Price Chart



Activities

The company is exploring a near surface thermal coal resource at East Kutai in Indonesia.

Previous Recommendation

Speculative Buy 27th November 2007

Analyst

Name: Roger Bade
Tel: 020 7510 8664
roger.bade@hoodlessbrennan.com

Discovery Metals Ltd
27.25p
Speculative Buy

Discovery is making very good progress at its 100% owned near surface Maun copper project in Botswana. They are conducting metallurgical trials in order to improved economics at their Dikoloti nickel project also in Botswana.

Discovery is attractively priced against the copper resources already outlined at Maun. With further exploration upside and the possibility of an early production decision these share remain very attractive.

Key Data

AIM TickerDME
Sector Mining
Broker..... Fox-Davies Capital
www.discoverymetals.com.au

Year High 27.25p
Year Low 13.00p
No. of Shares 128.40m
Market Cap £34.99m
Results... Interims March 2008

NMS 5,000
Bid..... 26.00p
Offer..... 28.50p
Bid/offer % 9.62%
Screen Size 10,000
No. of Market Makers 4

Year End	Revenue	Admin	Exploration write off	Pre and post tax profits	EPS	P/E
June	A\$m	A\$m	A\$m	A\$m	(p)	(x)
2006A	0.1	(1.7)	(2.0)	(3.6)	NM	NM
2007A	1.0	(3.3)	0.0	(2.4)	NM	NM
2008E	0.5	(4.0)	0.0	(3.5)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Note the company reports in Australian dollars. Where necessary £1=A\$2.35 and £1=US\$2.05.

- At the Plutus prospect at Maun, Discovery has outlined JORC compliant Inferred Resources of 14.5 Million tonnes (Mt) grading 1.3% copper and 13 grammes per tonne (g/t) silver at a 0.6% copper cut off. Overall JORC compliant Inferred Resources have increased by 46% to 46.1 Mt grading 1.3% copper. At a copper price of £3,000 per tonne this has an adjusted in-situ value of £1.01bn in total. If we assume they have £5.5m of cash they trade at 2% of adjusted in-situ resource value which is attractive in comparison to other emerging copper miners.
- Maun appears to be one of the simplest resources to discover and develop. Potential resources are contained within vertical layers which can be seen from outer space; furthermore they outcrop at surface and extend on strike for a number of kilometres. Two initial layers have been drilled; others give every indication that they are mineralised as well. In addition initial metallurgical tests have shown high recoveries and little deleterious content
- Discovery holds 85.3% of the Dikoloti nickel project also in Botswana, where they have outlined JORC compliant Inferred Resources of 4.1 Mt grading 0.7% nickel, 0.5% copper and 1.2g/t Platinum Group Elements (PGE). At £12,000/t nickel, £3,000/t copper and £400/ounce PGE this has an adjusted in-situ value of £250m. This is only marginally economic using both conventional and heap leach bio-oxidation. Bio-oxidation suffers from high acid consumption levels, also a shortage of sulphuric acid in Botswana.

Strengths	Weaknesses
<ul style="list-style-type: none"> • 100% owned Maun near surface copper project appears to be both geologically and metallurgically simple and should lead to low costs. • Recent management reorganisation is preparing the group for mining at Maun. • Solid Australian shareholder base. In addition over 10% of the shares are held by Botswanan institutions. • Fully funded through to Maun Bankable Feasibility Study. 	<ul style="list-style-type: none"> • Geological and metallurgical problems at Maun may become more evident as exploration continues. • Mining infrastructure at Maun is relatively sparse. This may cause unexpected delays and additional costs. • Maun development timetable is relatively lengthy with BFS only due for completion in December 2008. • Will require further funding following any production decision.

Income Statement

Year to June A\$m	2006A	2007A	2008E
Revenues	0.1	1.0	0.5
Admin expenses	(1.7)	(3.3)	(4.0)
Exploration write off	(2.0)	0.0	0.0
Pre and post tax profits	(3.6)	(2.4)	(3.5)

Balance Sheet

Year to June A\$m	2006A	2007A	2008E
Cash	1.4	2.9	9.0
Receivables	0.1	0.3	0.4
Current Assets	1.5	3.2	9.4
Plant & Equipment	0.1	0.1	0.2
Exploration expenditure	0.8	3.8	5.5
Other Financial Assets	0.1	0.2	0.3
Non current Assets	0.9	4.1	6.0
Total Assets	2.2	7.2	15.4
Current Liabilities	(0.2)	(1.2)	(1.0)
Equity	2.2	6.0	14.4

Cash Flow

Year to June A\$m	2006A	2007A	2008E
Revenues	0.1	0.3	0.1
GST receipts	0.2	0.1	0.1
Payments to suppliers and employees	(1.9)	(1.8)	(2.0)
Interest	0.1	0.1	0.1
Exploration	(1.3)	(3.1)	(3.0)
Plant & equipment	(0.1)	(0.1)	(0.2)
Purchase of investments	(0.1)	0.0	0.0
Share issues	3.0	5.5	11.0
Net increase in cash	0.1	1.5	6.1
Opening cash	1.3	1.4	2.9
Closing cash	1.4	2.9	9.0

Source: Company reports and Hoodless Brennan estimates. Note the company reports in Australian Dollars

Key Events

Date	Event
24th September 2007	Placing of 31.6m shares at 14.5p
29th June 2007	Introduced to AIM, 3.5m shares placed at 11p
Mar-07	£0.8m raised in Australia at the equivalent of 9.5p

Financial Calendar

Date	Event
June 30th	Year end
Sep-08	Finals
Mar-08	Interims

Major Shareholders

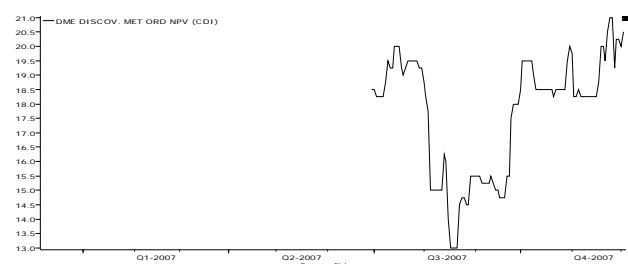
Shareholder	%
Richard Healey	11.9
Macquarie Bank	10.6
Investec (Botswana)	7.4
National Australia Bank	3.4

Board of Directors

Name	Position held
Gordon Galt	Non-Executive Chairman
Stuart Bradley	Managing Director
Jeremy Read	Non Executive Director
Karl Schlobohm	Chief Financial Officer
John Shaw	Non Executive Director
Morrice Cordiner	Non Executive Director

Note: Stuart Bradley replaces Jeremy Read as Managing Director at the end of January 2008. Jeremy Read will stay as a Non-executive Director.

Share Price Chart



Activities

The company has an advanced copper exploration project at Maun, and a less advanced nickel project at Dikoloti located close to the Selebi Phikwe nickel mine and smelter, both located in Botswana.

Previous Recommendation

Speculative Buy 24th September 2007

Analyst

Name: Roger Bade
Tel: 020 7510 8664
roger.bade@hoodlessbrennan.com

EnergyBuild Group PLC
15.00p
Speculative Buy

EnergyBuild and its predecessors have been developing off and on for the past ten years the underground Aberpergwm anthracite coal mine in South Wales. The recent initial Public Offering which raised £9.7m after expenses may allow the full potential of the property to be achieved.

Advantage should be taken of the poor share price performance since listing. This seems to be related to the IPO, rather than any deterioration in the company's prospects. UK coal prices continue to appreciate.

Key Data

AIM Ticker EBG
Sector Mining
Broker..... Seymour Pierce
www.energybuild.co.uk

Year High 24.00p
Year Low 13.50p
No. of Shares 130.00m

Market Cap £19.50m
Results..... Finals April 08

NMS 10,000
Bid..... 14.00p
Offer..... 16.00p
Bid/offer % 14.29%
Screen Size 15,000
No. of Market Makers 4

Year End	Revenue	Operating profit	Pre tax loss	Post tax loss	EPS	P/E
June	£m	£m	£m	£m	(p)	(x)
2006A	3.7	(0.7)	(0.8)	(0.6)	NM	NM
2007A	4.8	(0.3)	(0.5)	(0.5)	NM	NM
2008E	5.6	(0.5)	(0.6)	(0.5)	NM	NM

Source: Company reports and Hoodless Brennan forecasts

- From current surface and underground recovery operations they are achieving production of over 100,000 tonnes per annum. Following extensive mine development they hope to produce 440,000 tonnes of anthracite per annum within the next three years.
- The company has the potential to supply the nearby Aberthaw power station. Aberthaw is currently supplied by the Tower Colliery which is due to close following exhaustion of reserves. EnergyBuild are in a prime position to acquire Tower machinery and staff thus advancing their own development plans at a faster rate than if they were to develop the mine from scratch.
- There are a number of open cast operators in South Wales who have contracts with Aberthaw but need to buy higher quality coals, such as those from Aberpergwm, for blending to meet the power station's specifications.
- Due to the significant increase in world spot coal prices Aberthaw are very keen to take long term supplies from Aberpergwm.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Proven and probable JORC recoverable reserves of 7.6 million tonnes (Mt) of anthracite. Inferred recoverable resources of 36.2Mt. • Company in pole position to replace Tower as a major supplier to the Aberthaw. Tower will soon be exhausted. • Company is advancing drifts into coal reserves. • Experienced coal mining team who could be augmented by redundant personnel from Tower. 	<ul style="list-style-type: none"> • Geological conditions may be difficult; hence they have yet to determine a mining method. They may suffer from geological problems and may not be able to control costs. • Aberthaw are very keen to lock them into long term contracts. With a background of a buoyant world coal price this may be premature. • Pit head site is constrained, and they will have to convey spoil elsewhere • Cambrian/Coal International hold over 50% of the outstanding shares.

Income Statement

Year to June £m	2006A	2007A	2008E
Turnover	3.7	4.8	5.6
Cost of sales	(4.0)	(4.6)	(5.6)
Admin	(0.4)	(0.4)	(0.5)
Operating loss	(0.7)	(0.3)	(0.5)
Interest	(0.1)	(0.2)	(0.1)
Loss before tax	(0.8)	(0.5)	(0.6)
Tax	0.2	0.0	0.0
Retained profit	(0.6)	(0.5)	(0.6)

Balance Sheet

Year to June £m	2006A	2007A	2008E
Intangible Mining Assets	8.0	10.4	12.0
Mining plant	1.1	1.1	3.4
Stocks	0.4	0.3	0.4
Debtors	0.8	1.1	1.0
Cash	1.5	0.2	6.2
Creditors	(6.3)	(5.9)	(4.9)
Net current assets	(3.6)	(4.3)	2.7
Total Assets	11.8	13.1	23.0
Provisions	(1.7)	(1.2)	(0.6)
Accruals and deferred income	(1.9)	(2.7)	(3.2)
Total liabilities	(9.9)	9.8	(8.7)
Net assets	1.8	3.2	14.3

Cash Flow

Year to June £m	2006A	2007A	2008E
Cash from operations	1.0	0.1	(0.5)
Net interest	0.0	0.0	(0.1)
Fixed assets	(2.5)	(2.7)	(2.3)
Restoration work	(0.8)	(0.5)	(0.6)
Grants received	0.5	0.7	0.8
Share issues	0.5	1.5	9.7
Loans received	1.3	0.9	(1.0)
Increase in cash	1.0	(1.0)	6.0

Source: Company reports and Hoodless Brennan estimates.

Activities

The company is refurbishing the Aberpergwm anthracite coal mine in South Wales. Current production of almost 100,000 tonnes per annum is forecast to increase to 440,000 tonnes by 2009.

Previous Recommendation

Speculative Buy 5th September 2007

Key Events

Date	Event
8th August 2007	IPO of 75m shares at 20p
20th July 2006	Acquired the EBH Group who owned the Aberpergwm mine
12th May 2005	EnergyBuild Group plc formed

Financial Calendar

Date	Event
June	Year end
Apr-08	Interims
Dec-08	Finals

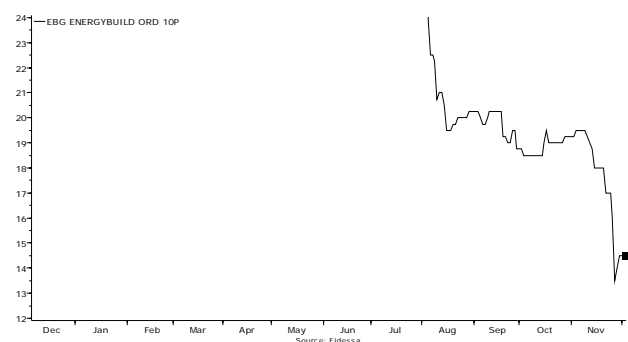
Major Shareholders

Shareholder	
Cambrian Mining PLC	27.51
Coal International PLC	23.08
GLG Partners	7.69
Lehman Brothers	5.00

Board of Directors

Name	Position held
Colin Cooke	Non-Executive Chairman
Rhidian Davies	Managing Director
Karl Picton-Jones	Finance Director
Robert Morgan	Non-Executive Director
Alwyn Davey	Non-Executive Director

Share Price Chart



Analyst

Name: Roger Bade
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Finders Resources Ltd
47.50p
Speculative Buy

Finders Resources is making encouraging progress at its Wetar copper project and at its Ojoali gold project both in Indonesia. It has farmed into Wetar and has so far earned up to 72% of the project. They are on track to earn 95% by production start up.

Finders Resources is attractively priced at 6.5% of Wetar adjusted in-situ value. The pilot plant will accelerate progress whilst exploration success at Ojoali could provide newsflow in the short term.

Key Data

AIM Ticker FND
Sector Mining
Broker..... Hanson Westhouse
www.findersresources.com

Year High 58.00p
Year Low 23.00p
No. of Shares 65.62m
Market Cap £31.17m
Results... Interims March 2008

NMS 3,000
Bid..... 45.00p
Offer..... 50.00p
Bid/offer %..... 11.11%
Screen Size 10,000
No. of Market Makers..... 4

Year End	Revenue	Loss before tax	Loss before minorities	Minorities	Net loss	EPS	P/E
June	A\$m	A\$m	A\$m	A\$m	A\$m	(p)	(x)
2006A	0.1	(1.9)	(1.9)	0.5	(1.4)	NM	NM
2007A	0.2	(8.0)	(8.0)	1.9	(6.2)	NM	NM
2008E	2.0	(8.3)	(8.3)	3.0	(5.3)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Note the company reports in Australian Dollars. Where necessary £1=A\$2.35.

- Finders Resources has just raised £6.8m in equity and debt to progress a 5 tonne per day pilot plant at Wetar. Tennant Metals Pty is providing £2.5m of this amount in the form of a secured loan facility, in return for an offtake agreement covering the whole pilot plant production, as well as 10% of full production if a mine develops.

- At Wetar, JORC compliant Measured, Indicated and Inferred Resources of 9.8 million tonnes (Mt) grading 2.5% copper and 0.38% zinc have been outlined. The company is looking to produce 20-25,000 tonnes per annum of copper cathode from mid 2009. At a copper price of £3,000 per tonne, this represents potential annual turnover of over £60m.

- Wetar resources are metallurgically difficult with high pyrite levels and deleterious arsenic and mercury values. Following extensive test work, the company will be constructing a pilot plant to help develop a heap leach solvent extraction process. The company has turned the high pyrite levels to its advantage in that during leaching the pyrite generates heat and the necessary sulphuric acid for the process. The leaching process works better at higher temperatures: mercury and arsenic are not affected by leaching and remain in-situ. The company has developed a staged encapsulation process whereby residual material does not pollute the environment.

- At Ojoali, Finders Resources is working to firm up non-JORC resources of 3.2 Mt grading 1 gramme per tonne (g/t) gold and 7.9 Mt grading 167 g/t silver and 0.67 g/t gold at Tambang. At £300/ounce (oz) gold and £6/oz silver this has a potential in-situ value of over £300m. Following poor recoveries with diamond drilling, the company has just started a 10,000m Reverse Circulation drill program using a brand new rig.

Strengths	Weaknesses
<ul style="list-style-type: none"> High in-situ Wetar copper resource value which may result in high turnover and profits. Heap leach testing has shown that copper cathodes can be produced. This is important as Indonesian Mining law changes may prevent the export of concentrates. Exciting drill program at Ojoali underway. 	<ul style="list-style-type: none"> Indonesian political situation may deteriorate. The pilot plant may encounter unforeseen metallurgical problems. If the pilot is successful they will then have to raise over £30m to achieve full production. Drilling at Ojoali may disappoint.

Income Statement

Year to June A\$m	2006A	2007A	2008E
Revenue	0.1	0.2	2.0
Employee benefits	(0.4)	(1.0)	(1.2)
Exploration write offs	(1.0)	(5.3)	(6.0)
Operating expenses	(0.6)	(1.9)	(3.5)
Net loss before minorities	(1.9)	(8.0)	(8.7)
Minorities	0.5	1.9	3.0
Net loss	(1.4)	6.2	(5.7)

Balance Sheet

Year to June £m	2006A	2007A	2008E
Cash	5.8	5.2	6.0
Receivables	0.4	0.4	1.0
Financial assets	0.8	2.3	2.3
Plant & equipment	0.0	0.1	7.0
Exploration	0.2	0.0	0.0
Total Assets	7.2	8.0	16.3
Payables	(0.1)	(0.5)	(0.8)
Borrowings	0.0	0.0	(5.5)
Net assets	7.1	7.5	10.0

Cash Flow

Year to June £m	2006A	2007A	2008E
Payments to suppliers & employees	(2.2)	(7.2)	(7.5)
Interest received	0.1	0.1	0.0
Plant purchases	0.0	(0.1)	(7.0)
Purchases of investments	(0.5)	0.0	0.0
Exploration expenditure capitalised	(0.2)	0.0	0.0
Share issues	8.0	7.0	9.8
Movement in loans	(0.1)	0.0	5.5
Net increase in cash	5.1	(0.7)	0.8
Opening cash	0.6	5.8	5.2
Currency movements	0.1	0.1	0.0
Closing cash	5.8	5.2	6.0

Source: Company reports and Hoodless Brennan estimates.

Activities

The company is developing the Wetar copper project in Indonesia, and has just started a drill program at the Ojoali gold project also in Indonesia.

Previous Recommendation

Speculative Buy 7th September 2007

Key Events

Date	Event
12th December 2007	Pilot plant financing comprising a secured loan of £2.5m and 9.1 shares issued at 48p.
26th July 2007	Confirmed intention to heap leach Wetar.
22nd June 2007	Secondary listing in Australia, 11m shares issued at 22p

Financial Calendar

Date	Event
June 30th	Year end
Mar-08	Interims
Sep-08	Finals

Major Shareholders

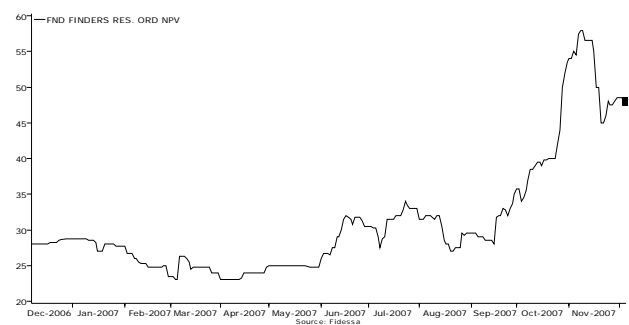
Shareholder	%
Directors and Officers	28.49
Craton Capital Precious Metal Fund	6.79
Trafigura Beheer	4.12

Note: Before recent placing.

Board of Directors

Name	Position held
Dr Russell Fountain	Executive Chairman
Dr Chris Farmer	Managing Director
Stephen de Belle	Non-executive Director
Steve Lonergan	Non-executive Director

Share Price Chart



Analyst

Name: Roger Bade
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roger.bade@hoodlessbrennan.com

Gippsland Limited
4.38p
Speculative Buy

Gippsland is making good progress at developing its Abu Dabbab tantalum/tin project in Egypt. After long negotiations it has recently announced that it has agreed a ten year tantalum off-take contract with major German producer HC Stark. The company is now in discussions with a number of German and English project finance banks to arrange capital finance. This is expected to occur in early 2008 at which stage the company will need to raise about £12m as its equity contribution. Post issue the company should sustain a capitalisation of almost £25m, which is attractive for a mining company with potential pre tax profits of £9m in 2011.

Key Data

AIM Ticker GIP
Sector Mining
Broker..... Seymour Pierce
www.gippslandltd.com.au

Year High 6.00p
Year Low 3.38p
No. of Shares 281.16m
Market Cap £12.30m
Results... Interims March 2008

NMS 10,000
Bid..... 4.25p
Offer..... 4.50p
Bid/offer % 5.88%
Screen Size 100,000
No. of Market Makers 9

Year End	Revenue	Operating costs	Provisions	Post tax loss	EPS	P/E
June	A\$m	A\$m	A\$m	A\$m	(p)	(x)
2006A	0.0	(1.6)	(2.0)	(3.6)	NM	NM
2007A	0.1	(1.9)	(2.2)	(4.2)	NM	NM
2008E	0.0	(2.1)	0.0	(2.1)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Note the company reports in Australian Dollars, where necessary £1=A\$2.35.

- The tantalum off-take agreement covers 600,000 pounds per annum of tantalum, over 90% of forecast production. Although commercial terms are sensitive, other tantalum producers have recently been discussing prices of US\$50-55 per pound (/lb). If we assume Gippsland achieve \$50/lb for 600,000 lb and the current spot price \$45/lb for the remaining 50,000 lb of production, annualised tantalum sales could amount to over \$32m. In addition revenue will be bolstered by tin production. The company expects to sell over 1,500 tonnes of tin per annum; at \$16,000/t this represents additional revenue of \$24m. Furthermore they may achieve \$10m from sales of ceramic grade feldspar from the deposit. Operating costs should remain at a modest \$20m, while if we assume 10% interest on the \$100m of debt, annualised profits may reach \$35m, 50% of which are attributable to Gippsland, equating to potential pre tax profits of almost £9m.

- Recent drilling at the near surface Abu Swayel copper/nickel project also in Egypt has been encouraging. Best hole recorded 16m grading 2.25% copper, 0.64% nickel and included 7m grading 4.41% copper and 1.17% nickel.

Strengths	Weaknesses
<ul style="list-style-type: none"> Abu Dabbab has the potential to produce at least 650,000 lb of tantalum per annum, making Gippsland one of the world's largest producers. Significant potential tin production, aided by strong prices. Good results from Abu Swayel copper/nickel project. 	<ul style="list-style-type: none"> Tantalum is not traded on visible markets. Need to raise £12m of equity to fund its share of Abu Dabbab capital expenditure. Egyptian political situation might deteriorate.

Income Statement

Year to June A\$m	2006A	2007A	2008E
Revenue	0.0	0.1	0.0
FX losses/gains	0.0	(0.1)	0.0
Exploration/ Feasibility expenses	0.0	(0.3)	(0.3)
Admin expenses	(1.6)	(1.7)	(1.8)
Provisions	(2.0)	(2.2)	0.0
Loss before and after tax	(3.6)	(4.2)	(2.1)

Balance Sheet

Year to June A\$m	2006A	2007A	2008E
Cash	3.9	2.6	1.1
Receivables	0.0	0.1	0.1
Current assets	4.0	2.7	1.3
Property & plant	0.0	0.2	0.3
Total Assets	4.0	2.9	1.6
Current liabilities	(0.2)	(0.5)	(0.5)
Net assets	3.8	2.4	1.1

Cash Flow

Year to June A\$m	2006A	2007A	2008E
Interest	0.0	0.1	0.0
Payments to suppliers and employees	(1.4)	(1.6)	(1.8)
Plant & equipment	0.0	(0.2)	(0.2)
Purchase of other assets	(2.1)	(2.4)	(2.0)
Share issues	6.8	2.8	2.5
Change in cash	3.3	(1.3)	(1.5)
Opening cash	0.6	3.9	2.6
Forex movements	0.0	(0.1)	0.0
Closing cash	3.9	2.6	1.1

Source: Company reports and Hoodless Brennan estimates. There is uncertainty in 2008 balance sheet forecasts, as the terms of the Abu Dabbab financing are unknown.

Key Events

Date	Event
13th November 2007	Ten year Tantalum contract signed with HC Starck
26th April 2007	26.7m shares placed at 4.5p
16th April 2007	Abu Swayel exploration commences

Financial Calendar

Date	Event
June 30th	Year end
Apr-08	Interims
Oct-08	Finals

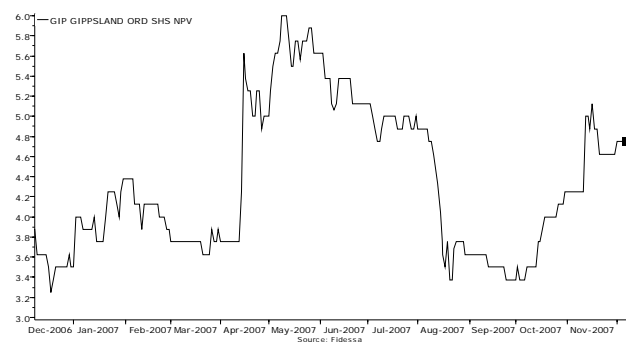
Major Shareholders

Shareholder	%
International Finance Corporation	9.63
Euroclear Nominees	7.45
Taveroam Pty	5.97
Smith & Williamson	4.80
ANZ Nominees	4.21
Situate Pty	3.93
Kings Town Holdings	3.67

Board of Directors

Name	Position held
Jack Telford	Executive Chairman and Chief Executive Officer
John Chisholm	Executive Director
Jon Starink	Executive Director
John Dunlop	Non-Executive Director
John Kenny	Non-Executive Director

Share Price Chart



Activities

The company is developing the Abu Dabbab Tantalum project in Egypt. They have gold and copper/nickel projects also in Egypt.

Previous Recommendation

Speculative Buy 5th September 2007

Analyst

Name: Roger Bade
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roger.bade@hoodlessbrennan.com

Goldplat PLC
14.25p
Buy

Goldplat's preliminary results to 30th June 2007 were very encouraging and were better than we had been expecting. For FY 2008 further progress is anticipated from the company's gold recovery operations in South Africa. In addition the Ghanaian gold recovery operation will reach full production during the year. For FY 2008 an increase to £910,000 in pre tax profits and 0.63p of earnings is conservatively forecast.

Key Data

AIM Ticker GDP
Sector Mining
Broker..... W H Ireland
www.goldplat.com

Year High 17.25p
Year Low 5.36p
No. of Shares 110.56m
Market Cap £15.75m
ResultsInterims February 2008

NMS 1,000
Bid..... 13.50p
Offer..... 15.00p
Bid/offer % 11.11%
Screen Size 3,000
No. of Market Makers 3

The company's strategy towards rapidly establishing physical gold operations is making good progress at Lolgorien in Kenya.

Year End	Revenue	Operating Profit	Gross profit margin	Pre tax profit	EPS	P/E
June	£m	£m	%	£m	(p)	(x)
2006A	3.8	0.1	2.4	0.1	NM	NM
2007A	5.0	0.8	15.5	0.8	0.6	24.5
2008E	6.1	0.9	14.9	0.9	0.6	22.9

Source: Company reports and Hoodless Brennan forecasts. Note 2006 numbers are proforma following the June 2006 AIM listing.

- The company has set out its exploration plans at its Lolgorien gold project in Kenya. This involves underground bulk sampling, drilling, and refurbishment of the existing treatment plant. So far ten targets have been identified and preliminary metallurgical testing has been encouraging with recoveries of over 90%. Tailings from colonial operations have been auger drilled sampled and a JORC compliant resource of just over 4,000 ounces of gold has been defined.
- GoldPlat has purchased two large surface stockpiles in Ghana at below previously paid prices. These are an environmental liability to the mines but are a valuable source of raw material for Goldplat.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong management team. • Good history of delivering on promises. • Processing contracts with major South African and Ghanaian gold producers. • Good progress has been reported at Lolgorien Kenya where they hope to develop a physical gold mine. • Supportive gold price. 	<ul style="list-style-type: none"> • The company is expanding into physical gold mining. This adds a new element of risk, and delays or increased costs may occur. • Production is valued more highly by the market. Any increase in long term exploration may negatively effect the valuation.

Income Statement

Year to June £m	2006A	2007A	2008E
Revenue	3.8	5.0	6.1
Cost of sales	(3.3)	(3.7)	(4.5)
Gross profit	0.5	1.3	1.6
Admin expenses	(0.5)	(0.5)	(0.7)
Operating profits	0.1	0.8	0.9
Net interest	0.0	0.0	0.0
Pre tax profits	0.1	0.8	0.9
Tax	(0.1)	(0.2)	(0.2)
Profit after tax	0.0	0.6	0.7
Earnings per share(pence)	NM	0.6	0.6

Balance Sheet

Year to June £m	2006A	2007A	2008E
Property, plant etc	1.8	1.7	1.8
Goodwill	0.1	5.0	5.2
Inventories	0.4	0.4	0.5
Receivables	0.2	0.8	0.9
Cash	0.1	1.3	1.4
Total assets	2.6	9.2	9.8
Total non-current liabilities	(0.4)	(0.4)	(0.4)
Current liabilities	(0.5)	(0.9)	(0.8)
Equity	1.6	7.9	8.6

Cash Flow

Year to June £m	2006A	2007A	2008E
Cash from operations	0.1	0.6	0.7
Net interest	0.1	0.0	0.0
Investment in plant	(0.1)	(0.4)	(0.1)
Share issues	0.0	1.7	0.0
Acquisition	0.0	(0.5)	(0.5)
Finance leases	0.0	(0.1)	0.0
Net increase in cash	0.1	1.3	0.1
Exchange rate movements	0.0	0.0	0.0
Closing cash	0.1	1.2	1.3

Source: Company reports and Hoodless Brennan forecasts. Note 2006 historical data is proforma to take into account the July 2006 AIM listing.

Activities

Gold recovery operations in South Africa and Ghana, where precious metals are recovered from mine, mill and refinery waste arisings. The company is looking to build up physical gold mining assets, their first project Lolgorien in Kenya is at an advanced stage.

Previous Recommendation

Buy 19th September 2007

Key Events

Date	Event
5th December 2007	Lolgorien update
5th July 2007	Signed further gold recovery contract with AngloGold Ashanti and Rand Refinery.
13th June 2007	Joint venture with International Gold Exploration of Sweden to develop the Lolgorien gold project in Kenya.

Financial Calendar

Date	Event
June 30th	Year end
Feb-08	Interims
Sep-08	Finals

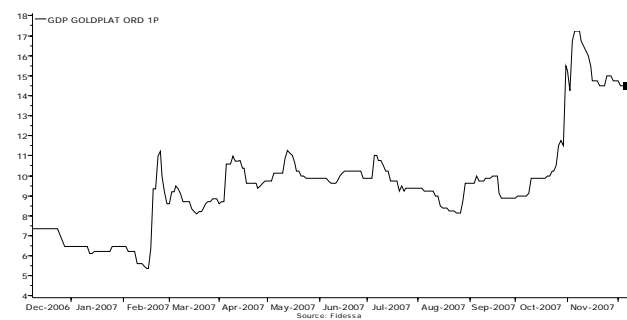
Major Shareholders

Shareholder	%
Artemis Nominees	72.64
Sirius Resources Fund	11.33
Arc Securities	3.90

Board of Directors

Name	Position held
Brian Moritz	Non executive Chairman
Demetri Manolis	Chief Executive Officer
Ian Visagie	Financial Director
John Woolgar	Non executive Director

Share Price Chart



Analyst

Name: Roger Bade
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Greatland Gold PLC
1.90p
Hold

Progress at Greatland Gold's exploration projects in Australia has been very slow. In spite of solid funding, the drilling out of encouraging rock chips to delineate JORC compliant resources appears to be a very slow process. In the absence of definite progress we have downgraded our recommendation to Hold.

Key Data

AIM Ticker GGP
Sector Mining
Broker..... Simple Investments
www.greatlandgold.com

Year High 3.43p
Year Low 1.25p
No. of Shares 196.55m
Market Cap £3.73m
Results... Interims March 2008

NMS 3,000
Bid..... 1.80p
Offer..... 2.00p
Bid/offer %..... 11.11%
Screen Size 50,000
No. of Market Makers 5

Year End	Turnover	Exploration costs	Admin	Interest	Loss before and after tax	EPS	P/E
June	£m	£m	£m	£m	£m	(p)	(x)
2006A	0.0	0.0	0.0	0.0	0.0	NM	NM
2007A	0.0	(0.3)	(0.3)	0.0	(0.6)	NM	NM
2008E	0.0	(0.4)	(0.4)	0.1	(0.7)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Note 2006 numbers are for the period 16th November 2005 to 30th June 2006.

- Recent updates from Forester and Warrentinna illustrate further encouraging soil samples and rock chips and have increased the size and number of targets.

Strengths

- Hope to deliver JORC compliant resources on two projects in Tasmania.
- Projects are based in low risk Australia, and are close to existing mining infrastructure.
- Company is well funded.

Weaknesses

- Little progress in converting encouraging chip samples into JORC compliant resources.
- Both Warrentinna and Forester contain arsenic. This may cause problems in the permitting process if resources are outlined.

Income Statement

Year to June £m	2006A	2007A	2008E
Turnover	0.0	0.0	0.0
Exploration costs	0.0	(0.3)	(0.4)
Admin	0.0	(0.3)	(0.4)
Currency gain	0.0	0.0	0.0
Operating loss	0.0	(0.6)	(0.8)
Interest	0.0	0.0	0.1
Loss before and after tax	0.0	(0.6)	(0.7)

Balance Sheet

Year to June £m	2006A	2007A	2008E
Tangible Assets	0.0	0.0	0.0
Exploration assets	0.3	0.5	0.9
Cash	1.3	1.2	1.0
Receivables	0.0	0.1	0.1
Available for sale assets	0.0	0.1	0.1
Total Assets	1.6	1.9	2.1
Current liabilities	(0.2)	(0.1)	(0.1)
Net assets	1.4	1.8	2.0

Cash Flow

Year to June £m	2006A	2007A	2008E
Operating loss	0.0	(0.6)	(0.8)
Debtor movement	0.0	0.0	0.0
Creditor movement	0.2	(0.1)	0.0
Share based payments	0.0	0.1	0.0
Interest	0.0	0.0	0.1
Exploration expenditure	0.0	(0.2)	(0.4)
Fixed assets	0.0	0.0	(0.1)
Purchase of current asset investment	0.0	(0.1)	0.0
Share issues	1.2	0.9	1.0
Change in cash	1.3	(0.1)	(0.2)
Opening cash	0.0	1.3	1.2
Closing cash	1.3	1.2	1.0

Source: Company reports and Hoodless Brennan estimates.

Key Events

Date	Event
30th July 2007	Placing raises £450,000
20th July 2007	Placing raises £675,000
14th May 2007	Placing raises £800,000

Financial Calendar

Date	Event
June	Year end
Mar-08	Interims
Sep-08	Finals

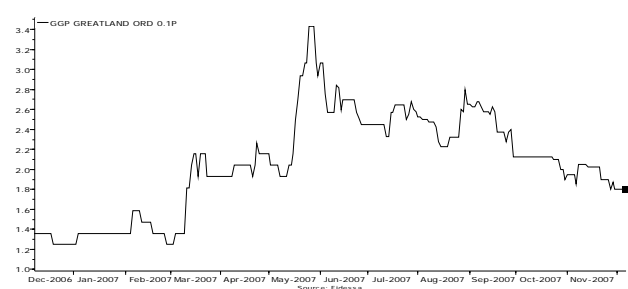
Major Shareholders

Shareholder	%
Raven Nominees	11.03
Starvest	7.12
City Equities	6.97
Pershing Keen Nominees	6.51
Sunvest Corporation	6.11
Rock Nominees	5.39
Winston Askins	4.83
TD Waterhouse Nominees	3.52
Barclayshare Nominees	3.09

Board of Directors

Name	Position held
Andrew Bell	Non-Executive Chairman
Callum Baxter	Managing Director
Paul Askins	Technical Director
John Watkins	Non-Executive Director

Share Price Chart



Activities

The company is exploring a number of gold projects at Firetower, Forrester and Warrentinna in Tasmania Australia.

Previous Recommendation

Speculative Buy 5th September 2007

Analyst

Name: Roger Bade
Tel: 020 7510 8664
roger.bade@hoodlessbrennan.com

Herencia Resources PLC
1.63p
Speculative Buy

Herencia has shown good progress at its 70% owned Paguanta zinc/silver/lead project in Chile where 2.5 million tonnes (Mt) of JORC compliant Inferred Resources has been outlined. This is rather better than we had been expecting.

Herencia is well funded, lowly capitalised and has a significant exposure to an interesting near surface zinc/silver/lead project in Chile.

Key Data

AIM Ticker HER
Sector Mining
Broker..... W H Ireland
www.herenciaresources.com

Year High 1.92p
Year Low 0.89p
No. of Shares 607.40m
Market Cap £9.87m
Results..... Finals March 2008

NMS 10,000
Bid..... 1.50p
Offer..... 1.75p
Bid/offer % 16.67%
Screen Size 25,000
No. of Market Makers 3

Year End December	Revenue £m	Admin £m	Interest £m	Loss before tax £m	EPS (p)	P/E (x)
2006A	0.0	(0.6)	0.0	(0.6)	NM	NM
2007E	0.0	(0.7)	0.0	(0.7)	NM	NM
2008E	0.0	(0.8)	0.0	(0.7)	NM	NM

Source: Company reports and Hoodless Brennan.

- At Paguanta the company has outlined near surface Inferred Resources of 2.5 Mt grading 4.12% zinc, 1.3% lead and 77 grammes per tonne silver. At a price of £950 per tonne (t) for zinc and lead and \$6 per ounce silver, Paguanta has an in-situ value of £66.2/t. Hence their 70% share has an adjusted in-situ value of £65.2m.
- The recent placing which raised £2.35m will fund a detailed geophysical program, 10,000m of reverse circulation and diamond drilling, preliminary metallurgical testing and a scoping study investigating open pit potential. This could firm up resources from Inferred to Indicated, while strike and depth extensions could bolster resources. In addition there is the possibility that metallurgical testing will allow the zinc cut-off grade to be cut from 2% to 1.4%. The nature of this project suggests that this could add another 0.5 Mt to resources.
- The exploration program will also investigate down dip extensions of current mineralisation as there is evidence of increasing gold values with depth. In addition there are a number of gold and copper targets yet to be explored on the licence.
- Herencia will also investigate their La Serena oxide copper project also in Chile, which is adjacent to Tarquin Resources' (TQN) La Pascuala oxide copper project where 29 Mt of JORC compliant Inferred Resources have been outlined.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Have earned 70% of the Paguanta project. With over £2m of cash they trade at 14% of adjusted In situ value. This compares favourably to other zinc/lead companies at a similar stage of development. • Increasing gold values with depth to be investigated by more drilling. Other gold outcrops yet to be investigated. • Strong Management team and backing from Mineral Securities (MXX) parent. • Hold two potential copper porphyry's adjacent to the La Pascuala oxide project. 	<ul style="list-style-type: none"> • Appear to have rushed to generate a resource statement and have much more testing, including metallurgical work to undertake. There is some debate as to water availability. • No production until 2010. • No drill results from the infill program until Q1 2008. • Zinc and lead price weakness may continue. • Will require further funding post feasibility to open any mine. • Mineral Securities hold 25%. • Shares are illiquid with a wide spread.

Income Statement

Year to December £m	2006A	2007E	2008E
Revenue	0.0	0.0	0.0
Admin	(0.6)	(0.7)	(0.8)
Operating loss	(0.6)	(0.7)	(0.8)
Interest	0.0	0.0	0.0
Loss before and after tax	(0.6)	(0.7)	(0.7)

Balance Sheet

Year to December £m	2006A	2007E	2008E
Fixed assets	0.1	0.1	0.1
Exploration assets	0.6	1.5	2.7
Goodwill	0.5	0.5	0.5
Cash	1.1	2.7	0.7
Receivables	0.1	0.1	0.1
Total Assets	2.3	4.8	4.1
Current liabilities	0.0	0.0	0.0
Net assets	2.3	4.8	4.1

Cash Flow

Year to December £m	2006A	2007E	2008E
Cash from operating activities	(0.7)	(0.7)	(0.8)
Interest	0.0	0.0	0.0
Purchase of plant	(0.1)	0.0	0.0
Cash acquired with subsidiary	0.5	0.0	0.0
Exploration	(0.6)	(0.9)	(1.20)
Share issues	1.7	3.2	0.0
Net increase in cash	0.9	1.6	(1.9)
Opening cash	0.2	1.1	2.7
Closing cash	1.1	2.7	0.7

Source data: Company announcements and Hoodless Brennan estimates.
Note 2006 historic numbers are proforma following an accounting date change.

Key Events

Date	Event
1st November 2007	171.333m shares placed at 1.5p
27th September 2007	47m shares issued to Mineral Securities as deferred consideration for the Paguanta acquisition. A further 3m shares were issued to Minsec's advisors.
13th March 2007	56m shares placed at 1.25p

Financial Calendar

Date	Event
December 31st	Year end
Mar-08	Finals
Oct-08	Interims

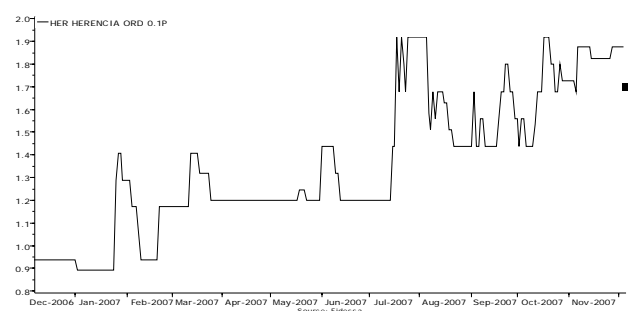
Major Shareholders

Shareholder	%
Mineral Securities	25.13
John Moore	19.32
Anglo Pacific	8.30
Australian Heritage Group	6.17

Board of Directors

Name	Position held
Hon John Moore	Non-Executive Chairman
Michael Bohm	Executive Director
Bill Adamson	Non-Executive Director
John Russell	Non-Executive Director

Share Price Chart



Activities

The company is rapidly advancing its 70% owned Paguanta zinc/lead/silver project in Chile. They also have a number of copper oxide projects also in Chile.

Previous Recommendation

Speculative Buy 5th November 2007

Analyst

Name: Roger Bade
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roger.bade@hoodlessbrennan.com

Jubilee Platinum PLC
80.75p
Speculative Buy

Although Jubilee's market capitalisation is slightly higher than our normal criteria it shows similar characteristics to smaller stocks covered elsewhere. Platinum Group Metals (PGM) is a very capital intensive industry so companies that are exposed tend to be larger.

Jubilee is rapidly progressing its 48% owned Tjate PGM project located on the eastern limb of the Bushveld complex in South Africa, close to operating PGM mines and smelters. The recent placing, which raised £11.25m, will fund a Bankable Feasibility Study (BFS). Assuming £16.25m of cash, and 48% of the postulated 65 Million ounces (oz) of so called 4E resources (platinum, palladium, rhodium and gold) that the company hopes to outline, Jubilee's estimated resource value is £2.25 per ounce (oz). This is potentially a significant discount to recent transactions such as Xstrata's (XTA) acquisition of Eland Platinum (£22.5/oz), and a BFS estimate of £45/oz for the industry.

In addition the company has an interesting nickel and PGM project in Madagascar.

Key Data

AIM TickerJLP
Sector Mining
Broker..... Investec Bank UK
www.jubileeplatinum.com

Year High 126.87p
Year Low 66.92p
No. of Shares 101.22m
Market Cap £81.73m
Results... Interims March 2008
NMS 10,000
Bid..... 80.00p
Offer..... 81.50p
Bid/offer % 1.88%
Screen Size 10,000
No. of Market Makers 9

Year End June	Revenue £m	Admin £m	After tax loss £m	Minorities £m	Net loss £m	EPS (p)	P/E (x)
2006A	0.0	(1.0)	(0.7)	0.1	(0.6)	NM	NM
2007A	0.0	(1.9)	(1.7)	0.1	(1.7)	NM	NM
2008E	0.0	(3.1)	(2.9)	0.1	(2.8)	NM	NM

Source: Company reports and Hoodless Brennan forecasts.

- Although yet to confirm SAMREC compliant Resources, Jubilee has recently announced an optimisation review which modelled base case production of 200,000 tonnes of ore per month from 47 million tonnes of resources grading 5 g/t 4E, 0.22% nickel and 0.13% copper. Using an assumed capital cost of US\$470m, the company calculated an Internal Rate of Return of 22% and a Net Present Value of \$800m. Production would amount to over 300,000 oz of 4E per annum.
- Recent drill results from Tjate included an interception of 2.21 metres grading 11 g/t 4E, 0.33% nickel and 0.23% copper, in the Main Merensky Reef, while in the underlying contiguous Footwall 2.15m of 9.12 g/t 4E, 0.28% nickel and 0.16% copper was recorded. At current prices some of these interceptions have a gross value of around £250/t. In addition the underlying UG2 Chromite reef is also mineralised with economic values approaching £150/t.
- The company has just announced a PGM discovery hole at Ambodilafa in Madagascar. Previous drilling has outlined low grade nickel with trace PGM mineralisation. This more recent hole has targeted a separate layer of the intrusion and is more encouraging.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Bankable Feasibility Study fully funded. If able to confirm attributable resources of 31.2 Moz of 4E, Jubilee potentially valued at sector discount. • Recent exploration results at Tjate indicate increasing thicknesses of reef and higher grades. • Strong Management team. 	<ul style="list-style-type: none"> • PGM mines are expensive to develop and have long lead times. First production is unlikely before end 2010. • Recent reef mining fatalities in South Africa may raise costs. • Black Economic Empowerment deal not completely finalised.

Income Statement

Year to June £m	2006A	2007A	2008E
Admin Expenses	(1.0)	(1.9)	(3.1)
Net interest	0.2	0.2	0.3
Associates	0.0	0.0	0.0
After tax loss	(0.7)	(1.7)	(2.9)
Minorities	0.1	0.1	0.1
Net loss	(0.6)	(1.7)	(2.9)

Balance Sheet

Year to June £m	2006A	2007A	2008E
Exploration Assets	4.0	5.3	8.8
Plant & equipment	0.1	0.1	0.1
Associates	2.6	2.4	2.0
Receivables	0.5	7.7	0.5
Cash	4.7	7.5	16.9
Total Assets	11.9	23.0	28.3
Convertible	(1.5)	0.0	0.0
Payables	(0.2)	(3.3)	(0.5)
Total liabilities	(1.7)	(3.3)	(0.5)
Net assets	10.2	19.7	27.8

Cash Flow

Year to June £m	2006A	2007A	2008E
Admin	(0.9)	(1.9)	(3.1)
Depreciation	0.0	0.0	0.0
Exploration write off	0.2	0.2	0.1
Debtors	(0.4)	0.0	7.2
Creditors	0.0	0.0	(2.8)
Share payments	0.2	0.5	0.5
Interest	0.2	0.2	0.3
Loan movements	1.5	(0.9)	0.0
Exploration	(1.1)	(0.6)	(3.5)
Fixed assets	0.0	0.0	0.0
Share issues	0.3	5.4	11.3
Opening cash	4.6	4.7	7.5
Closing cash	4.7	7.5	16.9
Cash movement	0.0	2.8	9.4

Source: Company reports and Hoodless Brennan estimates.

Activities

The company has 48% of an advanced Platinum Group Metals exploration project in South Africa. They also have an early stage nickel and PGM exploration project in Madagascar.

Previous Recommendation

Speculative Buy 7th November 2007

Key Events

Date	Event
7th November 2007	13m shares placed at 89p
19th July 2007	Increases Tjate interest to 48.72%
4th May 2007	1.6m shares placed in South Africa at 114p

Financial Calendar

Date	Event
June	Year end
Mar-08	Interims
Sep-08	Finals

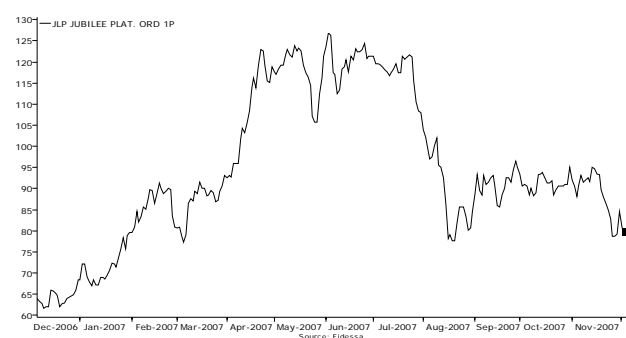
Major Shareholders

Shareholder	%
JP Morgan Chase	7.50
Best Asset Class	6.16
Fidelity	5.96
Colin Bird	3.63
Ambrian Capital	3.17

Board of Directors

Name	Position held
Malcolm Burne	Non-Executive Chairman
Colin Bird	Chief Executive
Andrew Sarosi	Technical Director
Chris Molefe	Non-Executive Director

Share Price Chart



Analyst

Name: Roger Bade
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roger.bade@hoodlessbrennan.com

KimCor Diamonds PLC
6.50p
Hold

KimCor is making progress assimilating the Dwyka Diamonds acquisition, and is consolidating its presence in Kimberly South Africa where it now has a number of discrete diamond mining operations. The share price has weakened subsequent to the Dwyka acquisition, along with the market, while the recent sale of a proportion of Dwyka Resources (DWY) holding indicates a potential share overhang. However if current mining and processing activities can be converted into profitable production, 2009 earnings estimates may have to be upgraded.

Key Data

AIM Ticker KIM
Sector Mining
Broker..... Strand Partners
www.kimcordiamonds.com

Year High 12.25p
Year Low 5.50p
No. of Shares 268.27m
Market Cap £17.44m
Results.....Finals August 2008

NMS 10,000
Bid..... 6.25p
Offer..... 6.75p
Bid/offer % 8.00%
Screen Size 10,000
No. of Market Makers 5

Year End	Revenue	Operating Profit	Interest	Profit before Tax	Profit after tax	EPS	P/E
March	£m	£m	£m	£m	£m	(p)	(x)
2007A	0.2	(1.6)	0.0	(1.5)	(1.5)	NM	NM
2008E	8.0	(4.1)	0.1	(3.9)	(3.9)	0.0	100.0
2009E	15.0	1.5	0.0	1.5	1.3	0.5	12.8

Source: Company reports, while 2008 and 2009 are Hoodless Brennan estimated proforma after the acquisition of Dwyka Diamonds.

- KimCor recently announced interim results indicate that they are rapidly assimilating the Dwyka Diamonds operations. Interim loss was £4.3m on revenues of £1.8m, as the operations and overheads ramped up. They aim to achieve an annualised output of 200,000 carats. As a consequence of higher than expected costs we have decreased our estimates and a full year loss is now expected. Due to lower than expected taxes, our 2009 forecast marginally increases, but there is scope for significant changes in that forecast due to high operational gearing.
- The company is expanding its Central Sorting Facility threefold, which should improve operating efficiency, help grade control in its mines, and improve security. Additional tailings dumps adjacent to existing operation have been bought for £195,000, via the acquisition of 26.4% of De Beers' diamondiferous tailing mineral resources. This amounts to 15.45 million tonnes from which the company expects annual production of over 100,000 carats.
- The company has recently reported encouraging underground sampling at Newlands diamond mine, while mining has recommenced at Nooitgedacht diamond mine which was closed in 2003. It came into the group via Dwyka Diamonds.

Strengths	Weaknesses
<ul style="list-style-type: none"> • They have the potential to join the ranks of the medium sized diamond producers if they are able to produce more than 200,000 carats per annum. • Diamond resource has an in-situ value of £108m. Assuming £2.5m of cash, they trade at 12% of this resource. • Projected revenues of £10m in 2009 may be exceeded. 	<ul style="list-style-type: none"> • Since listing, KimCor's Bellsbank dump retreatment operation has disappointed. Management will have a challenge to demonstrate that they can assimilate the new businesses. • There is very little short term earnings visibility. • Sector is out of favour as it is difficult to value and very opaque. • Potential Dwyka Resources stock overhang.

Income Statement

Year to March £m	2007A	2008E	2009E
Revenue	0.2	8.0	15.0
Cost of sales	(1.3)	(6.0)	(7.0)
Admin	(0.5)	(6.1)	(6.5)
Operating Profit	(1.6)	(4.1)	1.5
Interest	0.0	0.1	0.0
Profit before tax	(1.5)	(3.9)	1.5
Tax	0.0	0.0	(0.2)
Profit after tax	(1.5)	(3.9)	1.3

Balance Sheet

Year to March £m	2007A	2008E	2009E
Property & plant	0.4	3.4	5.0
Mining Properties	1.9	5.5	9.0
Non current receivable	0.2	0.2	0.2
Inventory	0.1	0.3	0.4
Receivables	0.1	1.4	1.5
Cash	0.5	4.7	6.0
Current Assets	0.7	6.4	7.9
Total Assets	3.2	15.5	22.1
Current Liabilities	(0.2)	(2.0)	(1.6)
Deferred tax	(0.4)	(1.0)	(1.1)
Borrowings	0.0	(1.5)	(1.5)
Total Liabilities	(0.6)	(4.5)	(4.2)
Shareholder's Equity	2.6	11.0	17.9

Cash Flow

Year to March £m	2007A	2008E	2009E
Profit after tax	(1.5)	(3.9)	1.3
Depreciation	0.1	5.0	5.0
Sale of investment	(1.1)	0.0	0.0
Forex movement	1.0	0.8	0.0
Capex	(0.7)	(1.5)	(5.0)
Placings	0.2	3.2	0.0
Loans raised	0.0	0.6	0.0
Net cash movement	(2.0)	4.2	1.3
Starting cash	2.5	0.5	4.7
Closing cash	0.5	4.7	6.0

Note: 2008 and 2009 are Hoodless Brennan estimated proforma after the acquisition of Dwyka Diamonds.

Key Events

Date	Event
21st August 2007	Acquires Dwyka Diamonds for 134.38m new shares and places 65.535m shares at 6.5p.
12th June 2007	Update indicates that water supply problem has been solved and Bellsbank production is increasing.
21st December 2006	Water supply problems at Bellsbank

Financial Calendar

Date	Event
March	Year end
Aug-08	Finals
Dec-08	Interims

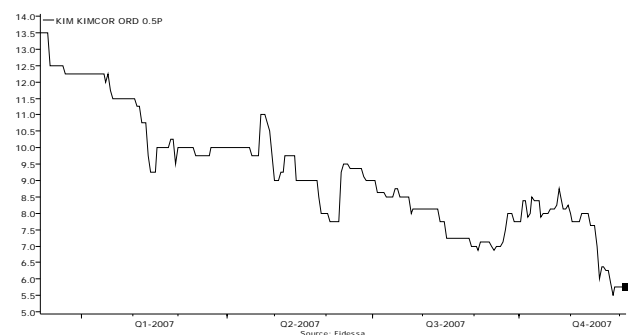
Major Shareholders

Shareholder	%
Dwyka Resources	48.20
Montagu	12.04
Coffee House Group	4.43
Martyn Churchouse	3.26

Board of Directors

Name	Position held
Melissa Sturgess	Non-Executive Chairman
Martyn Churchouse	Chief Executive Officer
Cedric Bredenkamp	Managing Director
Roger Harris	Non-Executive Director

Share Price Chart



Activities

Diamond mining in Kimberley South Africa. They also have a kimberlite exploration program in Tanzania.

Previous Recommendation

Hold 21st August 2007

Analyst

Name: Roger Bade
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Kopane Diamond Developments PLC
15.50p
Buy

Kopane has just changed its name and ticker from European Diamonds (EPD) to reflect its focus on its 75% owned Liqhobong diamond mine in Lesotho, Southern Africa. The company has recently entered a joint venture with Mantle Diamonds Limited a privately owned UK company whereby Mantle will earn 70% of Kopane's Finnish diamond exploration assets by spending US\$5m on exploration and Bankable Feasibility Studies and providing to Kopane £2m of Mantle shares.

Key Data

AIM Ticker KDD
Sector Mining
Broker..... Canaccord Adams
www.kopanediamonds.com

Year High 25.00p
Year Low 13.65p
No. of Shares 109.61m
Market Cap £16.99m
Results..... Interims April 2008

NMS 10,000
Bid..... 15.00p
Offer..... 15.75p
Bid/offer %..... 5.00%
Screen Size 50,000
No. of Market Makers..... 8

Following the farming out of their Finnish exploration assets, Kopane have a potentially exciting project at Liqhobong with a Definitive Feasibility Study (DFS) about to commence. The company appears attractively priced in comparison to other listed diamond producers and is driven by a recently revitalised management team.

Year End	Revenue	Operating Profit	Pre tax profit	Post tax post minorities profit	EPS	P/E
June	£m	£m	£m	£m	(p)	(x)
2006A	0.6	(5.8)	(5.8)	(5.2)	NM	NM
2007A	2.8	(7.2)	(7.2)	(7.2)	NM	NM
2008E	4.0	(3.9)	(3.9)	(3.9)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Although a UK PLC, they report Resources to the Canadian CIM standard.

- The company appears set to produce about 200,000 carats per annum from the Liqhobong Satellite open pit, and is about to commence a DFS on the Main kimberlite pipe which has a CIM compliant Indicated and Inferred Resource of 42.2 million tonnes grading 27.4 carats per hundred tonnes. Kopane's share of this resource amounts to 8.7 million carats. Using an indicative run of mine value of £34.7 per carat, this has an in-situ value of £300m. Assuming the company has about £2.5m of cash they trade at about 5.5% of in-situ value. This is attractive in comparison to KimCor Diamonds (KIM) which trades at about 12% of in-situ value, while the much larger Gem Diamonds (GEMD), whose largest mine is also in Lesotho, trades at about 12% of in-situ value.

- The Board and Management have recently been reorganised. Tim Read, formerly CEO of Adastra Minerals, who has considerable project finance experience, has become Executive Chairman. Stephen Lay a mining engineer with 30 years project management experience has become Chief Operating Officer.

- 154,000 carats have been sold from the Liqhobong Satellite pit since January 2006. The Lesotho licence area is held from the Government for 20 years, while the Government holds 25% of the operating company.

Strengths	Weaknesses
<ul style="list-style-type: none"> Own 75% of a CIM compliant near surface diamond resource in Lesotho. Modest current production from the Satellite pit. Revitalised management team. 	<ul style="list-style-type: none"> Need to raise £50m project finance before the full potential of the Main pipe can be realised. Full production unlikely before 2010. Newsflow may be limited as the DFS is undertaken.

Income Statement

Year to June £m	2006A	2007A	2008E
Turnover	0.6	2.8	4.0
Cost of sales	(1.9)	(2.1)	(2.5)
Depreciation	(2.1)	(2.0)	(2.1)
Admin expenses	(2.4)	(3.1)	(3.3)
Asset impairment	0.0	(2.7)	0.0
Operating profit	(5.8)	(7.8)	(3.9)
Net interest	0.0	0.0	0.0
Pre tax profit	(5.8)	(7.2)	(3.9)
Tax	0.0	0.0	0.0
Minorities	0.6	0.0	0.0
Profit after tax and minorities	(5.2)	(7.2)	(3.9)

Balance Sheet

Year to June £m	2006A	2007A	2008E
Tangible assets	6.7	4.3	2.8
Exploration assets	6.5	4.7	5.7
Goodwill	0.8	0.7	0.7
Stock	0.1	0.6	0.6
Debtors	0.3	0.1	0.2
Cash	0.3	4.4	2.0
Total Assets	14.6	14.8	12.0
Creditors	(1.2)	(0.8)	(0.9)
Long term liabilities	(0.1)	(0.1)	(0.1)
Total liabilities	(1.3)	(0.9)	(1.0)
Net assets	13.3	13.9	11.0

Cash Flow

Year to June £m	2006A	2007A	2008E
Net cash outflow from operating activities	(3.6)	(2.2)	(1.5)
Net interest	0.0	0.0	0.0
Capital investment and financial investment	(1.0)	(1.0)	(1.2)
Share issues	3.2	7.3	0.3
Other movements	0.4	0.0	0.0
Cash movement	(1.1)	4.2	(2.4)

Source data: Company reports and Hoodless Brennan estimates. Note there is potential dilution amounting to over 50% of current issued share capital from warrants accompanying earlier share issues. However the majority of these warrants are exercisable at prices from 25-30p, hence they are out of the money at the moment and may expire worthless.

Activities

Diamond production and development in Lesotho.

Previous Recommendation

Buy 24th October 2007

Key Events

Date	Event
6th November 2007	Name changed to Kopane Diamond Development PLC from European Diamonds PLC
18th July 2007	Management reorganisation
25th May 2007	25.825m shares issued at 15p

Financial Calendar

Date	Event
June	Year End
Apr-08	Interims
Nov-08	Finals

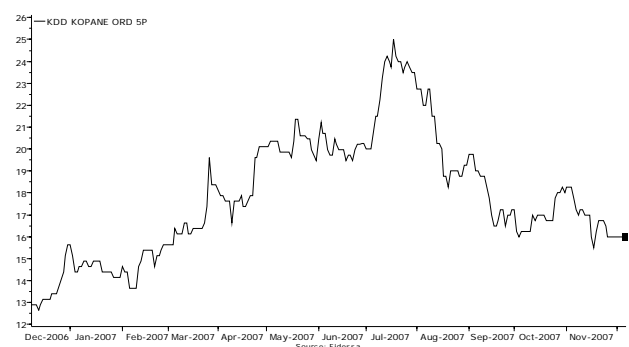
Major Shareholders

Shareholder	%
JP Morgan Asset Management	7.96
RAB Capital	6.58
Tony Williams	5.54
DKR Saturn Management	4.37

Board of Directors

Name	Position held
Tim Read	Executive Chairman
Stephen Lay	Chief Operating Officer and Director
James Cable	Finance Director
Andrew Birnie	Executive Director
Tony Williams	Non-Executive Director
Buddy Doyle	Non-Executive Director

Share Price Chart



Analyst

Name: Roger Bade
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Maghreb Minerals PLC
4.88p
Speculative Buy

Maghreb holds title to four former zinc/lead/barytes mines and a fluorspar mine in Tunisia. They were closed at a time of low metal prices.

The share price has performed poorly this autumn in spite of very encouraging progress at Bou Jabeur where re-analysis of historic core samples has suggested at least a 33% increase in zinc grades. Preliminary JORC resources should be upgraded in the spring following assessment of the historic drill core and recent drilling. We reiterate our Speculative Buy recommendation.

Key Data

AIM Ticker MMS
Sector Mining
Broker..... Hanson Westhouse
www.maghrebminerals.co.uk

Year High 14.13p

Year Low 4.75p

No. of Shares 91.03m

Market Cap £4.44m

Results... Interims March 2008

NMS 5,000

Bid..... 4.50p

Offer..... 5.25p

Bid/offer % 16.67%

Screen Size 10,000

No. of Market Makers 5

Year End	Revenue	Exploration Expenditure	Admin	Interest	Net Profit	EPS	P/E
June	£m	£m	£m	£m	£m	(p)	(x)
2006A	0.0	(0.8)	(0.4)	0.0	(1.2)	NM	NM
2007A	0.0	(0.8)	(0.9)	0.0	(1.7)	NM	NM
2008E	0.0	(1.2)	(0.9)	0.0	(2.1)	NM	NM

Source: Company reports and Hoodless Brennan forecasts.

- At Bou Jabeur Maghreb have recently disclosed JORC compliant Inferred Resources of 8.8 million tonnes grading 3.16% zinc/lead, 5.06% fluorspar and 21.66% barytes at a 1% zinc/lead cut-off. This compares to the previously reported non-JORC resource of 5.1 Mt grading 5.14% zinc/lead, 33.2% barytes and 9.3% fluorspar, presumably at zero lead zinc cut off. If higher cut offs are used tonnages decrease, but grades improve. At £950 per tonne (/t) zinc and lead, £40/t for barytes and £95/t fluorspar, JORC compliant resources have an adjusted in-situ value of £215m. The company suggests that these resource numbers can be upgraded once the historic drill core and recent drill results are analysed.

- The company estimates that the discovery of historic drill core at Bou Jabeur will save £0.8m of otherwise required drilling and core evaluation.

- Verification drilling at the former Zaghuan fluorspar has been encouraging. Drill assays are still awaited.

- Exploration at Djebba has been slightly disappointing and little has been added to existing resources, which hopefully can now be released in a JORC compliant format. This potentially has an in-situ value of almost £100m, so a small open pit zinc/lead mine is still feasible.

Strengths	Weaknesses
<ul style="list-style-type: none"> Hold title to four past producing zinc/lead mines. Each potentially could report JORC compliant resources. In Tunisia the larger cash rich Toronto listed Breakwater Resources have a mill but no ore. Maghreb potentially has ore but no mill. Maghreb hold title to a past producing fluorspar mine. Fluorspar prices have recently increased again. 	<ul style="list-style-type: none"> Need to convert historic resources into JORC compliant numbers. Will face expense and delay if they are unable to do a deal with Breakwater over the use of their mill. Tunisian political situation may deteriorate. Will require further funding for any production decision.

Income Statement

Year to June £m	2006A	2007A	2008E
Revenue	0.0	0.0	0.0
Exploration expenditure	(0.8)	(0.8)	(1.2)
Administration	(0.4)	(0.9)	(0.9)
Operating loss	(1.3)	(1.7)	(2.1)
Interest	0.0	0.0	0.0
Loss before tax	(1.20)	(1.7)	(2.1)

Balance Sheet

Year to June £m	2006A	2007A	2008E
Mine permits	0.1	0.1	0.1
Property, Plant etc	0.2	0.2	0.2
Receivables	0.0	0.7	0.1
Cash	0.6	2.0	0.7
Total Assets	0.9	3.0	1.1
Current liabilities	(0.1)	(0.2)	(0.2)
Net assets	0.8	2.8	0.9

Cash Flow

Year to June £m	2006A	2007A	2008E
Operating loss	(1.2)	(1.7)	(2.1)
Depreciation	0.1	0.1	0.1
Share option reserve	0.0	0.2	0.0
Receivables movements	0.0	(0.7)	0.6
Current liability movements	0.0	0.1	0.0
Fixed assets	0.0	0.0	(0.10)
Interest	0.0	0.0	0.0
Share issues	0.0	3.5	0.2
Opening cash	1.8	0.6	2.0
Closing cash	0.6	2.0	0.7

Source: Company reports and Hoodless Brennan forecasts.

Activities

The company is evaluating past producing zinc/lead/barytes/fluorspar mines in Tunisia.

Previous Recommendation

Speculative Buy 24th September 2007

Key Events

Date	Event
13th December 2007	Bou Jabeur Resource statement.
5th and 16th June 2007	£2.7m raised at 7p
29th March 2007	Bou Jabeur JORC verification program commenced.

Financial Calendar

Date	Event
June	Year end
Mar-08	Interims
Aug-08	Finals

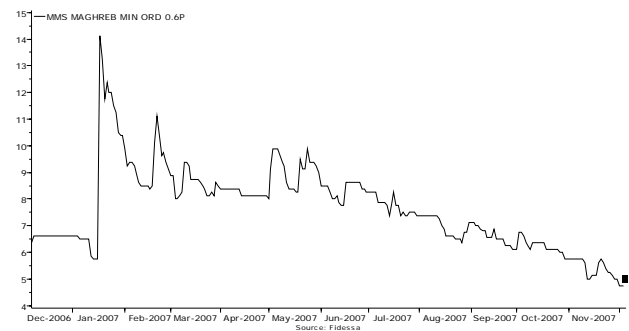
Major Shareholders

Shareholder	%
Credit Suisse Nominees	21.85
Consolidated Global Minerals	14.74
Pershing Keen Nominees	12.60
Hawkwood Group	7.67
Raven Nominees	6.22
BNY (OCS) Nominees	3.92

Board of Directors

Name	Position held
Gordon Riddler	Executive Chairman
Dr Chris Clayton	Exploration Director
Robyn Storer	Executive Director
Richard Collier	Non-Executive Finance Director

Share Price Chart



Analyst

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Mercator Gold PLC
81.50p
Buy

Mercator has finally started production at its Meekathara gold project in Western Australia, where the company is on track to produce 120,000 ounces per annum. Exploration continues and resources have just been upgraded to 2.4 million ounces (Moz) of gold within which reserves of 0.5 Moz have been outlined.

Mercator can approach annualised production of 120,000 oz of gold. At a 50% margin, full year gross profits could approach £17m, while earnings per share may approach 20p. If we assume they have £10m of cash they trade at £17/oz of resources, £82/oz of reserves. All financial metrics remain very attractive in comparison to other gold producers, these shares appear very cheap and we upgrade our recommendation to Buy.

Key Data

AIM TickerMCR
Sector Mining
Broker..... Cenkos
www.mercatorgold.com

Year High 96.00p
Year Low 64.50p
No. of Shares 62.50m
Market Cap £50.94m
Results... Interims March 2008

NMS 3,000
Bid..... 80.00p
Offer..... 83.00p
Bid/offer % 3.75%
Screen Size 10,000
No. of Market Makers 6

Year End	Revenue	Operating Profit	Gross margin	Pre tax profit	Post tax profit	EPS	P/E
June	£m	£m	%	£m	£m	(p)	(x)
2007A	0.0	(3.2)	NM	(2.8)	(2.9)	NM	NM
2008E	25.0	4.1	16.4	4.3	3.8	6.0	14.1
2009E	35.0	12.7	36.2	12.9	12.4	19.8	4.2

Source: Company reports and Hoodless Brennan forecasts

- Initial production is being sourced from the Surprise deposit which will be mined out by mid 2008. Pre-stripping of the larger and somewhat deeper Bluebird deposit has commenced and ore from Bluebird will be blended with that coming from Surprise in 2008. These open pit deposits will supply approximately 200,000 oz of gold over a 22 month period. Coinciding with production from Surprise and Bluebird the company intends to begin underground development at Paddy's Flat. These deeper deposits will be the source of production for at least two years after the depletion of Surprise and Bluebird and indeed have the potential to provide further ore for many years. Paddy's Flat is open both along strike and at depth.

- In order to maintain production more resources need to be found. Mercator is very confident of doing so and has recently reported encouraging progress with a new mineralised area at its so called Euro prospect. Drilling results received to date suggest that the structure is oriented in an east/west direction and dips to the south. This is totally contrary to all other mineralised bodies on the property which appear to orient north south. The company has remodelled the legacy data with the revised geological controls and has identified a potential ore-bearing zone some 500 metres long, 300 metres wide and 120 metres deep. Further exploration results are eagerly awaited.

Strengths	Weaknesses
<ul style="list-style-type: none"> 100% tenement ownership. Target of 120,000 oz of production in first year. Potentially low cost producer. Exciting exploration potential at Euro prospect. On a per ounce basis they are very lowly valued. 	<ul style="list-style-type: none"> Although they have commenced production, geological, mining and metallurgical surprises can still occur. First production was three months behind original schedule. This suggests they still have work to do on honing market expectations.

Income Statement

Year to June £m	2007A	2008E	2009E
Revenue	0.0	25.0	35.0
Operating Costs	0.0	(17.5)	(19.0)
Admin expenses	(3.3)	(3.5)	(3.7)
Other income	0.2	0.1	0.1
Operating Profit	(3.2)	4.1	12.7
Net interest	0.4	0.2	0.2
Profit before tax	(2.8)	4.3	12.9
Tax	(0.1)	(0.5)	(0.5)
Profit after tax	(2.9)	3.8	12.4
Earnings per share pence	NM	6.0	19.8

Balance Sheet

Year to June £m	2007A	2008E	2009E
Exploration assets	16.0	19.0	23.0
Tangible assets	6.8	7.0	7.2
Stocks	0.2	0.5	0.6
Debtors	0.4	0.6	0.7
Cash	6.6	10.6	19.6
Total Assets	30.1	37.7	51.1
Current liabilities	(1.2)	(1.3)	(1.4)
Provisions	(1.3)	(1.3)	(1.4)
Convertible	0.0	(2.6)	(2.6)
Total liabilities	(2.5)	(5.2)	(5.4)
Net assets	27.6	32.5	45.7

Cash Flow

Year to June £m	2007A	2008E	2009E
Operating activities	(3.0)	4.1	12.7
Returns on investments and servicing of finance	0.5	0.3	0.3
Capital expenditure etc	(8.9)	(3.0)	(4.0)
Financing	4.2	2.6	0.0
Net cash movement	(7.2)	4.0	9.0
Debt repayment	0.9	0.0	0.0
Exchange movement	0.6	0.0	0.0
Opening cash	12.4	6.6	10.6
Closing cash	6.6	10.6	19.6

Source: Company reports and Hoodless Brennan estimates. For Balance Sheet forecast the Convertible has been assumed to be debt.

Activities

The company is involved in gold mining at Meekathara Western Australia.

Previous Recommendation

Speculative Buy 5th September 2007

Key Events

Date	Event
17th October 2007	£2.6m of Convertible notes placed
1st October 2007	1st Gold pour at Meekatharra
20th June 2007	Reserves updated

Financial Calendar

Date	Event
June 30th	Year end
Mar-08	Interims
Nov-08	Finals

Major Shareholders

Shareholder	%
Rajhi Holdings	8.74
SVM Asset Management	5.09
Majedie Asset Management	4.80
Chasm Lake Management Services	4.78
Argus Investment Fund	4.08
AXA Framlington	3.61
Bear Stearns Asset Management	3.58
First State Investment Management	3.37
Other Directors/Officers	3.67

Board of Directors

Name	Position held
Terry Strapp	Non-Executive Chairman
Patrick Harford	Managing Director
Denis Melgard	Chief Operating Officer
Michale de Villiers	Finance Director & Company Secretary
Nick Allen	Non-Executive Director
Michael Elias	Non-Executive Director

Share Price Chart



Analyst

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Metals Exploration PLC
29.25p
Speculative Buy

Metals Ex is making good progress on its Runruno gold project in the Philippines.

They appear attractively priced against other gold exploration stocks. Ignoring Runruno's molybdenum value and the Waigeo nickel project, we estimate that they trade at £13.5/oz of Indicated and Inferred Resources. This is attractive particularly when compared to AIM listed Chinese gold explorers which trade at up to £50/oz of Inferred Resources. In addition molybdenum comprises over 50% of Runruno in situ value, while Waigeo is potentially higher grade than other projects held by other AIM stocks that themselves are valued at £25m.

Key Data

AIM TickerMTL
Sector Mining
Broker..... Collins Stewart
type website name here

Year High 46.00p
Year Low 22.65p
No. of Shares 91.57m
Market Cap £26.79m
Results.... Finals January 2008

NMS 25,000
Bid..... 28.50p
Offer..... 29.75p
Bid/offer % 4.39%
Screen Size 25,000
No. of Market Makers 7

Year End September	Turnover £m	Admin £m	Loss before tax £m	Net loss £m	EPS (p)	P/E (x)
2006A	0.0	(1.2)	(2.6)	(2.6)	NM	NM
2007E	0.0	(1.6)	(1.5)	(1.5)	NM	NM
2008E	0.0	(1.8)	(1.7)	(1.7)	NM	NM

Source: Company reports and Hoodless Brennan forecasts.

- At Runruno JORC compliant Indicated and Inferred Resources of 28 Million tonnes grading 2.27 g/t gold and 0.06% molybdenum have been outlined. At £300/oz gold and £38,500/t molybdenum this has an adjusted in-situ value of £769.5m. As the molybdenum represents over 50% of in-situ value, the company is investigating the forward sale of this metal to Chinese buyers. If successful this could ensure any mine proceeds without further shareholder recourse. However further work is required to improved molybdenum recoveries.

- For £50,000 the company has acquired the Waigeo nickel laterite project in Indonesia. The company is evaluating a non-JORC compliant resource of 35 Mt grading 1.5% nickel, 0.13% cobalt and 37.0% iron at a 1.1% nickel cut-off. At a nickel price of £12,000/t, direct shipping nickel laterites of this grade have a sales value of about £25/t, hence valuing this potential deposit at £875m. Aim listed Rusina Mining (RMLA) is capitalised at £25.5m and has in the Philippines JORC compliant Indicated and Inferred Resources of 33.15 Mt of limonite grading 0.95% nickel and 0.074% cobalt. At £20/t these lower grade resources would have an in-situ value of £660m.

Strengths

- Have 2.05 Moz of gold resources at Runruno in a small area of the 4 kilometre diameter complex which is analogous to Cripple Creek in the US which has historic production of 23 Moz.
- Have high grade potential nickel laterite at Waigeo.
- Have £4m of cash, sufficient to fund exploration and evaluation and carry out resource evaluation at Waigeo.

Weaknesses

- No Runruno production until early 2010.
- Molybdenum metallurgical tests so far inconclusive. Will require further Runruno production funding if unable to forward sell molybdenum.
- Indonesia may not allow the export of direct shipping nickel laterites from Waigeo.

Income Statement

Year to September £m	2006A	2007E	2008E
Turnover	0.0	0.0	0.0
Option and warrant fair value provision	(1.4)	0.0	0.0
Admin expenses	(1.2)	(1.6)	(1.8)
Interest	0.0	0.1	0.1
Loss before and after tax	(2.6)	(1.5)	(1.7)
Minority interest	0.0	0.0	0.0
Net loss	(2.6)	(1.5)	(1.7)

Balance Sheet

Year to September £m	2006A	2007E	2008E
Exploration assets	2.0	3.4	4.2
Fixed assets	0.1	0.2	0.2
Debtors	0.1	0.2	0.3
Cash	0.4	4.4	1.3
Current liabilities	(0.2)	(0.3)	(0.4)
Net current assets	0.2	4.3	1.2
Convertible	0.0	(2.0)	(2.0)
Total Assets	2.6	8.2	6.0
Total liabilities	(0.2)	(2.3)	(2.4)
Net assets	2.4	5.9	3.6

Cash Flow

Year to September £m	2006A	2007E	2008E
Operating loss	(2.6)	(1.5)	(1.7)
Depreciation	0.0	0.0	0.0
Debtor movement	(0.1)	0.1	0.1
Creditor movement	0.0	0.1	0.1
Minority interest	0.0	0.0	0.0
Fixed asset write off	0.3	0.0	0.0
Cash outflow from operating activities	(2.3)	(1.3)	(1.5)
Interest	0.0	0.1	0.1
Exploration	(0.8)	(1.4)	(1.7)
Fixed assets	(0.1)	(0.1)	0.0
Acquisitions	0.0	(3.9)	0.0
Share issues	2.3	8.6	0.0
Convertible issue	0.0	2.0	0.0
Increase in cash	(0.8)	4.0	(3.0)

Source: Company reports and Hoodless Brennan estimates. For Balance Sheet purposes the Convertible has been accounted for as long term debt.

Activities

The company is exploring the Runruno gold project in the Philippines, and the Waigeo nickel laterite project in Indonesia.

Previous Recommendation

Speculative Buy 4th October 2007

Key Events

Date	Event
2nd November 2007	Runruno resources upgraded
14th August 2007	Acquisition of nickel laterite rights in Indonesia
13th August 2007	Acquisition of the remaining 15% of Runruno.

Financial Calendar

Date	Event
September	Year end
Jan-08	Finals
Jun-08	Interims

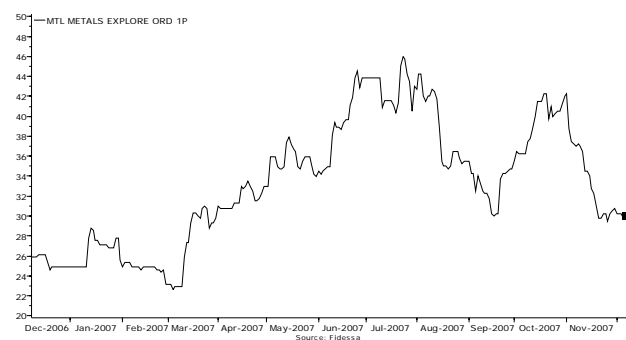
Major Shareholders

Shareholder	%
Allianz AG	10.76
Baker Steel Capital Managers	7.09
Fidelity Investments	3.95
Man Financial	3.24

Board of Directors

Name	Position held
Steven Smith	Chairman & Company Secretary
Jonathan Beardsworth	Chief Executive Officer
Gary Powell	Exploration Director
Jonathan Pearson	Non-Executive Director

Share Price Chart



Analyst

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Minco PLC
4.75p
Speculative Buy

Minco is attempting to transform its prospects by obtaining a valuation for its Mexican assets by floating a portion of that business, now known as Orca Minerals Limited, onto the TSX Venture Exchange in Canada. Orca's Mexican assets comprise the Bilbao zinc/lead/silver/copper project and the Laguna Tailings silver project. Potentially this could value Orca at a significant premium to the current Minco share price.

Key Data

AIM Ticker MIO
Sector Mining
Broker Davy Stockbrokers
www.minco.ie

Year High 8.38p
Year Low 4.25p
No. of Shares 168.84m
Market Cap £8.02m
Results Finals March 2008

NMS 10,000
Bid 4.50p
Offer 5.00p
Bid/offer % 11.11%
Screen Size 50,000
No. of Market Makers 7

Year End	Revenue	Admin expenses	Forex Gain	Net interest	Net loss	EPS	P/E
December	US\$m	US\$m	US\$m	US\$m	US\$m	(p)	(x)
2006A	0.0	(0.8)	(0.1)	0.1	(1.0)	NM	NM
2007E	0.0	(1.0)	0.0	0.1	(0.9)	NM	NM
2008E	0.0	(0.9)	0.0	0.1	(0.9)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. The company reports in US\$, where necessary £1=US\$2.05.

- Minco have signed a financing agreement with Australian group Pacific Road Capital for the funding of Orca. Pacific Road has already invested £1m for special warrants in Orca and has the option to subscribe £1.4m for additional Special Warrants in Orca. The company is looking to raise £3.55m to £5m from outside investors prior to listing. At that stage Pacific Road have another option to invest £1m to £2.5m in Orca. Pacific Road can also finance up to £7.5m and £8.75m directly into the Laguna and Bilbao projects in order to gain up to 35% and 25% of Orca Minerals' interests respectively. If we accept these values for Laguna and Bilbao, Orca Minerals' interests' could be worth approximately £39m. The percentage that Minco retains in Orca depends on investor appetite in Canada and whether Pacific Road takes up its option to subscribe to Orca's placings. It seems unlikely that Minco would wish to be diluted down to below 50% of Orca, so potentially its Mexican mining assets could be valued at £19.5m or more than double the current Minco share price.

- Recent drilling at Pallas Green in Ireland has been encouraging. Their partner Xstrata (XTA) is accelerating exploration and five drill rigs are currently active.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Have two potential company makers within the portfolio, Orca and Pallas Green. • The Pacific Road agreement provides a potential valuation for Bilbao and Laguna tailings. • Pallas Green is an exciting exploration lead, zinc and silver project in Ireland. Five drill rigs are active. 	<ul style="list-style-type: none"> • The Orca valuation and funding depends upon investor interest in Canada. • Bilbao metallurgy is difficult, more work is required. • Possible environmental concerns at Laguna tailings.

Income Statement

Year to December US\$ m	2006A	2007E	2008E
Revenue	0.0	0.0	0.0
General and Admin expenses	(1.0)	(1.0)	(0.9)
Forex loss	(0.1)	0.0	0.0
Operating loss	(1.2)	(1.0)	(0.9)
Interest	0.2	0.1	0.0
Loss before and after tax	(1.0)	(0.9)	(0.9)

Balance Sheet

Year to December US\$ m	2006A	2007E	2008E
Exploration assets	17.1	15.5	3.0
Investment in Orca	0.0	0.0	15.0
Sales proceeds receivable	0.0	3.2	3.2
Debtors	0.1	0.2	0.3
Cash	1.8	0.3	0.4
Total assets	19.0	19.2	21.9
Creditors	(0.7)	(0.7)	(0.8)
Net assets	18.3	18.5	21.1

Cash Flow

Year to December US\$ m	2006A	2007E	2008E
Outflow from Operations	(0.7)	(1.1)	(1.5)
Interest	0.2	0.1	0.1
Exploration expenditure	(4.2)	(1.5)	(1.0)
Financing	0.0	1.0	2.5
Net cash outflow	(4.7)	(1.5)	0.1

Source: Company reports and Hoodless Brennan estimates. It is assumed that Orca lists in Canada in 2008. An exceptional revaluation profit may be taken at that time.

Key Events

Date	Event
19th November 2007	Pacific Road financing for Mexican projects.
30th July 2007	Placing raises £525,000 at 7p.
15th March 2007	Bilbao pre-feasibility announced.

Financial Calendar

Date	Event
December 30th	Year end
Mar-08	Finals
Sep-08	Interims

Major Shareholders

Shareholder	%
RAB Special Situations Fund	10.46
Barclays Nominees	4.74
Danesh Varma	3.87
Juno (Associated with Danesh Varma)	3.78
LR Nominees	3.62
Roger Turner	3.55
Goodbody Stockbrokers	3.47
Credit Suisse Nominees	3.44
Other Directors/Officers	5.95

Board of Directors

Name	Position held
Roger Turner	Chairman and CEO
Terence McKillen	Director of Exploration & Business Development
Danesh Varma	CFO and Company Secretary
Jitendra Patel	Executive Director
John Kearney	Non-Executive Director
Ian Smith	Non-Executive Director

Share Price Chart



Activities

Minco is attempting to list Orca, the holding company for its Mexican zinc/lead/silver/copper and silver projects, on the TSX Venture Exchange in Canada. It is also exploring the Pallas Green zinc/lead prospect in Ireland.

Previous Recommendation

Speculative Buy 5th September 2007

Analyst

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Ormonde Mining PLC
11.25p
Speculative Buy

Ormonde has three advanced mineral exploration projects in Spain. Barruecopardo is an underground tungsten project where high grade resources are being defined. La Zarza is a potential underground copper/gold/zinc project that is progressing to Bankable Feasibility Study. At Sierro within its Salamanca gold project, recent drilling has returned very encouraging wide gold intersections.

Key Data

AIM Ticker ORM
Sector Mining
Broker..... Bell Lawrie/Davy
www.ormondemining.com

Year High 14.75p
Year Low 8.63p
No. of Shares 197.68m
Market Cap £22.24m
Results..... Finals March 2008

NMS 10,000
Bid..... 10.75p
Offer..... 11.50p
Bid/offer % 6.98%
Screen Size 25,000
No. of Market Makers 7

The company has three active exploration and evaluation programs, regular news flow is expected.

Year End	Revenue	Operating Profit	Interest	Post tax profit	EPS	P/E
December	Euro m	Euro m	Euro m	Euro m	(p)	(x)
2006A	0.0	(0.7)		(0.6)	NM	NM
2007E	0.0	(0.7)	0.0	(0.7)	NM	NM
2008E	0.0	(0.7)	0.0	(0.7)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Note the company reports in Euros.

- Ormonde continues to intersect encouraging widths and grades at Barruecopardo on a number of targets. Tungsten is a speciality metal used in steel alloys. After languishing for much of the 1990's at around £25 per metric tonne unit (MTU), due to increasing demand and a reduction in Chinese exports the price soared to over £90/MTU. Current prices for tungsten concentrates are about £85/MTU or £8,500 per tonne of tungsten trioxide (WO₃). Hence a resource with a grade of 1% WO₃ has an in-situ value of £85 per tonne. During the summer Ormonde estimated an in-situ value of £8.5m for Barruecopardo but hope to triple this over time. There has been consolidation amongst Tungsten producers: the most recent indicates an exit price of double of this value.

- During the summer of 2007 Ormonde increased its interest in Las Zarza to 100% at a cost of £1.4m. An upgrade on previously reported Indicated and Inferred Resources of 9.8 million tonnes grading 1% copper, 1.8 grammes per tonne (g/t) gold, 31.8 g/t silver, and 2.3% zinc is imminent. These resources occur in a number of distinct zones, the company is currently drilling a high grade copper zone and a zone of thick zinc mineralisation. At £3,000/t copper, £300/oz gold, £6/oz silver and £950/t zinc, current resources have an adjusted in-situ value of £470m. The Aker Kvaerner Bankable Feasibility Study is due very shortly.

- The first hole drilled at Sierro prospect on Ormonde's Salamanca gold project returned 62m grading 0.5 g/t gold within a sheeted vein system. This hole was designed to test a large gold-in-soil anomaly some 800m long by 400m wide. Step out drilling has commenced.

Strengths	Weaknesses
<ul style="list-style-type: none"> Indicated and Inferred Resources at La Zarza are due to be upgraded, while the BFS is due to be released. Drilling at Barruecopardo Tungsten project has been encouraging. Encouraging first hole at Sierro gold prospect. Further results due from Pino de Oro gold prospect. Spanish Government grants are available for capital expenditure. 	<ul style="list-style-type: none"> Old workings may generate surprises at La Zarza. In spite of producer bullishness, US dollar Tungsten prices have been flat for the last two years. Therefore in spite of strong demand, increases in supply may knock prices. Will need to raise capital prior to any production decision. No production until mid 2009.

Income Statement

Year to December Euro m	2006A	2007E	2008E
Revenue	0.0	0.0	0.0
Admin	(0.6)	(0.7)	(0.7)
Exploration write off	(0.1)	0.0	0.0
Operating Loss	(0.7)	(0.7)	(0.7)
Interest	0.1	0.0	0.0
Loss before and after tax	(0.6)	(0.7)	(0.7)
Minorities	0.0	0.0	0.0
Retained loss	(0.6)	(0.7)	(0.7)

Balance Sheet

Year to December Euro m	2006A	2007E	2008E
Tangible Assets	0.0	0.0	0.0
Intangible deferred exploration costs	5.9	9.4	12.4
Goodwill	0.2	0.2	0.2
Debtors	0.6	0.5	0.6
Cash	3.4	2.4	1.3
Creditors	(0.3)	(0.4)	(0.4)
Net current assets	3.7	2.5	1.5
Total Assets	10.1	12.5	14.5
Net assets	9.8	12.1	14.1

Cash Flow

Year to December Euro m	2006A	2007E	2008E
Net cash outflow from operating activities	(0.6)	(0.7)	(0.6)
Interest	0.1	0.0	0.0
Exploration expenditure	(2.4)	(3.5)	(3.0)
Fixed assets	0.0	0.0	0.0
Share issues	4.4	3.2	2.5
Increase in cash	1.5	(1.0)	(1.1)

Source: Company reports and Hoodless Brennan estimates. Note the company reports in Euros.

Activities

In Spain the company has an advanced copper/gold/zinc project at La Zarza, an advanced Tungsten project at Barruecopardo, and two early stage gold projects at Pino de Oro and Sierr.

Previous Recommendation

Speculative Buy 27th September 2007

Key Events

Date	Event
27th November 2007	Placing of 16m shares at 10p
17th July 2007	Placing of 12.2m shares at 10p
12th July 2007	Consolidates 100% interest in La Zarza at a cost of Euro 2m

Financial Calendar

Date	Event
December 31st	Year end
Mar-08	Finals
Sep-08	Interims

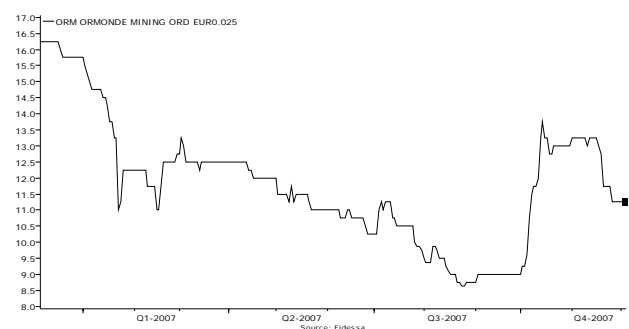
Major Shareholders

Shareholder	%
JP Morgan Fleming Asset Management	9.03
Saracen Growth Fund	6.09
Cantor Fitzgerald	5.80
Gartmore	4.38
Michael Donoghue	4.11
Man Financial	3.90

Board of Directors

Name	Position held
Michael Donoghue	Executive Chairman
Dr Kerr Anderson	Managing Director
Fraser Gardiner	Executive Director
John Carroll	Non-Executive Director and Company Secretary

Share Price Chart



Analyst

Name: Roger Bade
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Regency Mines PLC
3.75p
Hold

Regency is exploring the 75% owned Mambare nickel laterite project in Papua New Guinea.

As exploration progress has been very slow at Mambare and nickel prices have weakened, we downgrade our recommendation to a Hold awaiting drill results. The company has recently indicated that it is in discussions with an Asian based investment group which could lead to a substantial investment in the Company and Mambare. This may offer support.

Key Data

AIM Ticker RGM
Sector Mining
Broker..... Simple Investments
www.regency-mines.com

Year High 7.98p
Year Low 1.62p
No. of Shares 186.94m
Market Cap £7.01m
Results Finals December 2007

NMS 1,000
Bid..... 3.50p
Offer..... 4.00p
Bid/offer % 14.29%
Screen Size 25,000
No. of Market Makers 7

Year End	Operating income £m	Exploration costs £m	Admin £m	Loss before and after tax £m	Net income £m	EPS (p)	P/E (x)
June							
2006A	0.2	(0.1)	(0.3)	(0.2)	(0.1)	NM	NM
2007E	0.1	(0.3)	(0.5)	(0.7)	(0.6)	NM	NM
2008E	0.1	(0.4)	(0.6)	(0.8)	(0.7)	NM	NM

Source: Company reports and Hoodless Brennan forecasts.

- Exploration progress has been very slow at their Mambare laterite nickel project in Papua New Guinea. First drill assays are awaited.
- The recent fall in the nickel price and the substantial rise in shipping costs have illustrated that only those large projects with high grades (1.5% and above) and located close to major shipping lanes have potential as direct shipping projects supplying raw material for the Chinese nickel pig iron industry. Regency has not yet been able to demonstrate that Mambare laterite grades of 0.9%-1.1% nickel and saprolite grades of 1.15% nickel can be upgraded to the required specification. In addition Papua New Guinea suffers from higher shipping rates than existing projects in the Philippines and Indonesia.
- Tropical cyclone Guba has inflicted some damage on the Mambare project area; this will delay any prospect of trial trucking of direct shipping ore as a number of vital bridges have been destroyed.
- Regency has invested £100,000 in new shares of AIM listed Alba Mineral Resources (ALBA). Alba has a number of nickel exploration projects in Scandinavia and Scotland. This will be added to Regency's existing share portfolio. As a result of a placing of new shares, Regency has allowed itself to be diluted to below 50% of AIM quoted Red Rock Resources (RRR). In 2007 this share modestly appreciated and Regency's stake is now worth £2.8m.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Mambare has the potential to become a direct shipping nickel mine. • Looking to build JORC compliant resources at Mambare. • Successful track record at managing Investment portfolio. 	<ul style="list-style-type: none"> • Mambare is very sensitive to nickel prices. • Need to secure off take arrangements for direct shipping ore. Capital costs for port handling facilities and road connections will have to be funded.

Income Statement

Year to June £m	2006A	2007A	2008E
Operating Income	0.2	0.0	0.1
Exploration costs	(0.1)	(0.3)	(0.4)
Admin	(0.3)	(0.5)	(0.6)
Interest	0.0	0.0	0.1
Loss before and after tax	(0.2)	(0.7)	(0.8)
Minorities	0.1	0.1	0.1
Net income	(0.1)	(0.6)	(0.7)

Balance Sheet

Year to June £m	2006A	2007A	2008E
Fixed Assets	0.0	0.1	0.0
Exploration assets	1.7	0.6	0.8
Debtors	0.1	0.2	0.2
Cash	0.2	0.2	0.2
Current asset investments	0.0	0.4	0.4
Total Assets	2.0	1.5	1.6
Creditors	(0.1)	(0.1)	(0.2)
Minorities	(0.4)	0.0	0.0
Total liabilities	(0.5)	(0.1)	(0.2)
Net assets	1.5	1.4	1.4

Cash Flow

Year to June £m	2006A	2007A	2008E
Cash from operations	(0.3)	(0.5)	(0.7)
Capital expenditure and investment	(0.2)	(0.3)	(0.3)
Share issues	0.6	0.8	1.0
Cash movement	0.1	0.0	0.0
Opening cash	0.1	0.2	0.2
Closing cash	0.2	0.2	0.2

Source: Company reports and Hoodless Brennan estimates.

Key Events

Date	Event
22nd November 2007	Memorandum of Investment and co-operation signed with an undisclosed Asian Group.
12th September 2007	16.7m shares issued at 3.5p
12th April 2007	33.2m shares issued at 1.75p

Financial Calendar

Date	Event
June	Year end
Dec-07	Finals
Mar-08	Interims

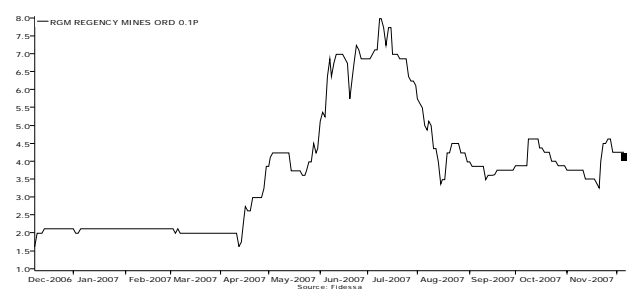
Major Shareholders

Shareholder	%
Andrew Bell	24.03
Julian Lee	16.49
BNY OCS Nominees	16.32
Starvest	13.83
Sunvest Corporation	6.73
Redstone Metals	6.53
Barclays	5.83
Midas Resources	3.21

Board of Directors

Name	Position held
Andrew Bell	Chairman
Kenneth Watson	Director
Julian Lee	Director
John Watkins	Finance Director

Share Price Chart



Activities

Regency is exploring the Mambare direct shipping nickel ore project in Papua New Guinea. In addition they have stakes in a number of other listed AIM mining stocks.

Previous Recommendation

Speculative Buy 5th September 2007

Analyst

Name: Roger Bade
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Strategic Natural Resources PLC
31.50p
Speculative Buy

Strategic Natural Resources is making good progress in developing its Elitheni coal project in the Eastern Cape in South Africa. Coal is a well followed investment theme as South Africa continues to suffer from blackouts due to a shortage of electricity.

Key Data

AIM Ticker SNRP
Sector Mining
Broker.....HB Corporate
www.snrlc.co.uk

Year High 33.50p
Year Low 31.00p
No. of Shares 65.00m
Market Cap £20.48m
Results Interims December 2007

NMS 2,000
Bid 30.00p
Offer 33.00p
Bid/offer % 10.00%
Screen Size 5,000
No. of Market Makers 3

Year End	Revenue	Operating loss	Pre tax profit	Profit on asset sale	Net profit	EPS	P/E
February	£m	£m	£m	£m	£m	(p)	(x)
2007A	0.0	0.0	0.0	0.0	0.0	NM	NM
2008E	0.0	0.5	(0.4)	3.8	2.9	NM	NM
2009E	0.0	0.5	(0.5)	0.0	(0.5)	NM	NM

Source: Company reports and Hoodless Brennan forecasts. Note 2008 forecasts included a £3.8m profit on the sale of 23% of Elitheni to a Black Economic Empowerment Group.

- Strategic Natural Resources has recently signed a deal to sell 23% of Elitheni to a broadly based Black Economic Empowerment (BEE) group of investors for approximately £4.4m. A further 3% will be sold to a trust representing the local community. The completion of these transactions is expected to give Elitheni a 26% BEE shareholder base, which is one of the final outstanding requirements for the granting of the mining licence. Strategic Natural Resources will recognise a profit of about £3.8m on this transaction. The proceeds will be used to increase the level of drilling on the newly enlarged exploration area and to fund existing working capital requirements.
- IPSA Group, the potential developer of the mine mouth Circulating Fluidised Bed Combustion (CFBC) power plant, has indicated that it is to accelerate development with a view to the early generation of half of the plant's 500MW capacity.
- Their application to begin mining 5.5 million tonnes of coal has been accepted by the South African Department of Minerals and Energy. Extraction rights are expected to be granted by November 2008 following the completion of an environmental impact study and the conclusion of the BEE deal.
- Resources have been upgraded to approximately 40 Million tonnes (Mt) of coal from 15 Mt at the time of listing. This progress indicates that resources are building such that annual production of over 3 Mt is possible.
- They have recently been granted an exploration right over the Phase 3 area which nearly doubles the acreage under licence.

Strengths	Weaknesses
<ul style="list-style-type: none"> • The company is well placed to supply coal to the South African power generation market. • May supply 2 Million tonnes per annum from 2011. • Elitheni should be cost competitive against other South African producers who currently supply the Eastern Cape market by rail. 	<ul style="list-style-type: none"> • Although low in sulphur and phosphorus run of mine coal is low quality and will achieve only modest prices. • CFBC technology is relatively new. This not only offers technology risk, but also capital expenditure and timing risks. • SNRP's BEE deal has yet to be finally consummated. Although they have booked a profit the deal appears dilutive.

Income Statement

Year to February £m	2007A	2008E	2009E
Revenue	0.0	0.0	0.0
Administration	0.0	(0.5)	(0.5)
Operating loss	0.0	(0.5)	(0.5)
Interest	0.0	0.1	0.0
Pre tax loss	0.0	(0.4)	(0.5)
Profit on asset sale	0.0	3.8	0.0
Tax on sale	0.0	(0.5)	0.0
Net Profit	0.0	2.9	(0.5)

Balance Sheet

Year to February £m	2007A	2008E	2009E
Property, plant & equipment	0.1	0.2	0.2
Drilling & exploration costs	0.9	1.5	2.2
Receivables	0.0	0.0	0.0
Cash	0.1	2.3	1.2
Trade payables	(0.1)	(0.2)	(0.2)
Borrowings	(0.5)	0.0	0.0
Total Assets	1.1	2.8	3.6
Total liabilities	(0.6)	(0.2)	(0.2)
Shareholders equity	0.5	2.6	3.4

Cash Flow

Year to February £m	2007A	2008E	2009E
Loss from operations	0.0	(0.5)	(0.5)
Net sale of asset	0.0	3.3	0.0
Changes in working capital	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0
Interest	0.0	0.1	0.0
Exploration costs	0.2	(0.7)	(0.6)
Debt finance	0.2	(0.5)	0.0
Equity finance	0.0	0.5	0.0
Net increase in cash	0.1	2.2	(1.0)
Opening cash	0.1	0.1	2.3
Closing cash	0.1	2.3	1.2

Source: Company reports and Hoodless Brennan estimates

Key Events

Date	Event
29th November 2007	Power plant development accelerated.
4th September 2007	Resources increased.
7th August 2007	IPO of 10m shares at 30p

Financial Calendar

Date	Event
February	Year end
Dec-07	Interims
Jun-08	Finals

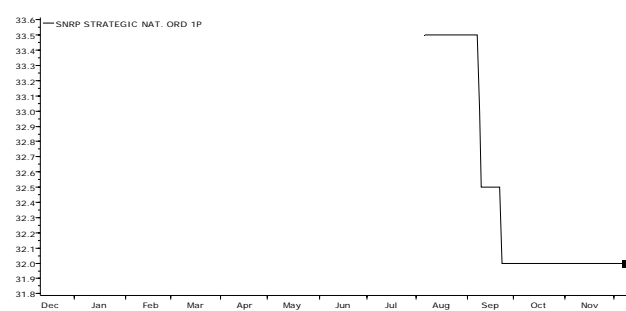
Major Shareholders

Shareholder	%
Southern Cape Corridor Power Pty	26.92
Technology Finance Ltd	6.15
Peter Earl	5.32
European Power Systems A.G.	5.13
Jeremy Metcalf	4.24
Richard Latham	4.24
Hichens Harrison Ventures	4.12
Grange Capital	3.85
Worcester College Oxford	3.85
Integrated Energy Ltd	3.85
Tudor BVI Global Portfolio	3.21

Board of Directors

Name	Position held
Richard Latham	Chairman
Jeremy Metcalf	Chief Executive
Barry Nel	Commercial Director
Elizabeth Shaw	Finance Director
Peter Earl	Non-Executive Director
Randal MacDonnell	Non-Executive Director

Share Price Chart



Activities

Strategic Natural Resources is developing the Elitheni coal property in the Eastern Cape of South Africa.

Previous Recommendation

Speculative Buy- 5th September 2007

Analyst

Name: Roger Bade
Tel: 020 7510 8664
roger.bade@hoodlessbrennan.com

Stratex International PLC
9.13p
Speculative Buy

Stratex has reported good progress at its various gold and copper/gold exploration projects in Turkey. However it has not yet been able to reproduce its initial spectacular discovery at Inlice, while at the same time Inlice is not proving to be a company maker.

Recent drilling has been encouraging at Altintepe and Muratdere, while in-fill drilling at Inlice that is converting JORC compliant Inferred into Indicated Resources increases confidence that a small open pit could be developed. The company is currently awaiting results from drilling at Doganbey.

Key Data

AIM Ticker STI
Sector Mining
Broker..... Hanson Westhouse
www.stratexploration.com

Year High 11.53p
Year Low 7.28p
No. of Shares 234.07m
Market Cap £21.36m
Results..... Finals March 2008

NMS 10,000
Bid..... 9.00p
Offer..... 9.25p
Bid/offer % 2.78%
Screen Size 25,000
No. of Market Makers 5

Year End December	Revenue £m	Admin £m	Interest £m	Net loss £m	EPS (p)	P/E (x)
2006A	0.0	(0.6)	0.1	0.5	NM	NM
2007E	0.0	(1.2)	0.2	(1.0)	NM	NM
2008E	0.0	(1.3)	0.0	(1.3)	NM	NM

Source: Company reports and Hoodless Brennan forecasts.

- Recent channel sampling at the exposed Kayatepe zone at Altintepe project has indicated strong continuity of gold mineralisation.
- At Inlice they have already outlined JORC compliant Indicated Resources of 3.2 million tonnes (Mt) grading 3.02 grammes per tonne (g/t) gold and an Inferred resource of 3.2 Mt grading 1.82 g/t. The most recent in-fill drill hole intersection at Inlice was of 23m grading 4.87 g/t gold.
- A recent deep drill hole on the Muratdere copper/molybdenum porphyry pulled 284.7m grading 0.3% copper, 0.13 g/t and 0.013% molybdenum.
- In Turkey Stratex has a strategic alliance with Teck Cominco. Teck who own just under 9% of Stratex's outstanding shares, have provided a number of projects to the company and have given access to its data base. Furthermore Teck has the option to provide additional new projects in Turkey; they retain an option to earn back into all Stratex projects and have the expertise and sources of funding to bring any successful project through to production.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Are upgrading Inferred into Indicated Resources at Inlice. • Good progress at Altintepe, and Muratdere. • Drill results imminent from Doganbey. • Strong partnership with Teck Cominco. 	<ul style="list-style-type: none"> • After initial excitement additional Inlice resources are not yet being found. • Other projects are at an early stage. • Political situation in Turkey might deteriorate.

Income Statement

Year to December £m	2006A	2007E	2008E
Revenue	0.0	0.0	0.0
Administration	(0.6)	(1.2)	(1.3)
Interest Income	0.1	0.2	0.0
Tax credit	0.0	0.0	0.0
Attributable loss	(0.5)	(1.0)	(1.3)

Balance Sheet

Year to December £m	2006A	2007E	2008E
Property, Plant etc	0.0	0.0	0.1
Exploration properties	0.7	3.7	6.0
Other long term assets	0.1	0.1	0.1
Receivables	0.1	0.2	0.2
Cash	1.6	4.2	0.4
Current liabilities	(0.1)	(0.1)	(0.1)
Non current liabilities	0.0	0.0	0.0
Total Assets	2.6	8.2	6.8
Total liabilities	(0.1)	(0.1)	(0.1)
Net assets	2.5	8.1	6.7

Cash Flow

Year to December £m	2006A	2007E	2008E
Net cash used in operations	(0.7)	(1.3)	(1.4)
Purchase of plant	0.0	(0.1)	(0.1)
Exploration expenditure	(0.6)	(3.0)	(2.3)
Interest received	0.1	0.2	0.0
Share placings	2.7	6.8	0.0
Opening cash	0.2	1.6	4.2
Closing cash	1.6	4.2	0.4

Source: Company reports and Hoodless Brennan estimates.

Key Events

Date	Event
14th November 2007	Inlice resources upgraded from Inferred to Indicated
24th July 2007	Teck Cominco farms into Konya Belt properties
4th June 2007	77.8m shares placed at 9p

Financial Calendar

Date	Event
December 31st	Year end
Mar-08	Finals
Jul-08	Interims

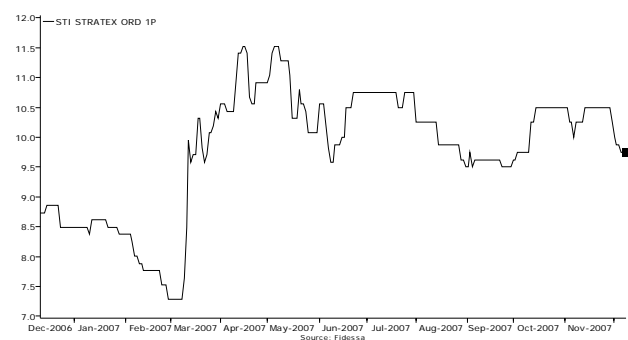
Major Shareholders

Shareholder	%
Kairos Investment Management	11.66
CSFB Nominees	10.72
RAB Special Situations	9.51
Teck Cominco	8.79
Mr NJ Graham	7.28
Orion Trust	6.64
Rock Nominees	5.14
Other Directors/Officers	6.12

Board of Directors

Name	Position held
David Hall	Executive Chairman
Dr Bob Foster	Chief Executive Officer
Perry Ashwood	Chief Financial Officer
Paul Foorde	Non-Executive Officer

Share Price Chart



Activities

Stratex is involved in a number of gold and copper/gold exploration projects in Turkey.

Previous Recommendation

Speculative Buy 5th September 2007

Disclosures of material interests

Name of company	Disclosures as defined on page 71
<i>Mining</i>	
Alexander Mining PLC	NA
Anglesey Mining PLC	3
Arian Silver Corp	NA
Cambridge Mineral Resources PLC	5
Carnegie Minerals PLC	5
Central African Gold PLC	5
Churchill Mining PLC	NA
Discovery Metals Ltd	NA
EnergyBuild Group PLC	NA
Finders Resources Ltd	5
Gippsland Limited	3,4,5
Goldplat PLC	3,4
Greatland Gold PLC	5
Herencia Resources PLC	NA
Jubilee Platinum PLC	NA
KimCor Diamonds PLC	5
Kopane Diamond Developments PLC	NA
Maghreb Minerals PLC	5
Mercator Gold PLC	NA
Metals Exploration PLC	NA
Minco PLC	NA
Ormonde Mining PLC	NA
Regency Mines PLC	NA
Strategic Natural Resources PLC	3,4
Stratex International PLC	3

Disclosures

Material Interests

Hoodless Brennan has five standard disclosures of Material Interests. For each company, the relevant disclosures as defined below are listed on the table on page 70.

1. The analyst has a personal holding of the securities issued by the company, or of derivatives related to such securities.
2. Hoodless Brennan plc or an affiliate owns more than 5% of the issued capital of the company.
3. Hoodless Brennan plc or an affiliate is party to an agreement with the company relating to the provision of corporate broking services, or has been party to such an agreement within the last 12 months. Our corporate broking agreements include a provision that we will prepare and publish research at such times as we consider appropriate.
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Quarterly Statement of Research Recommendations

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Risk warning notice

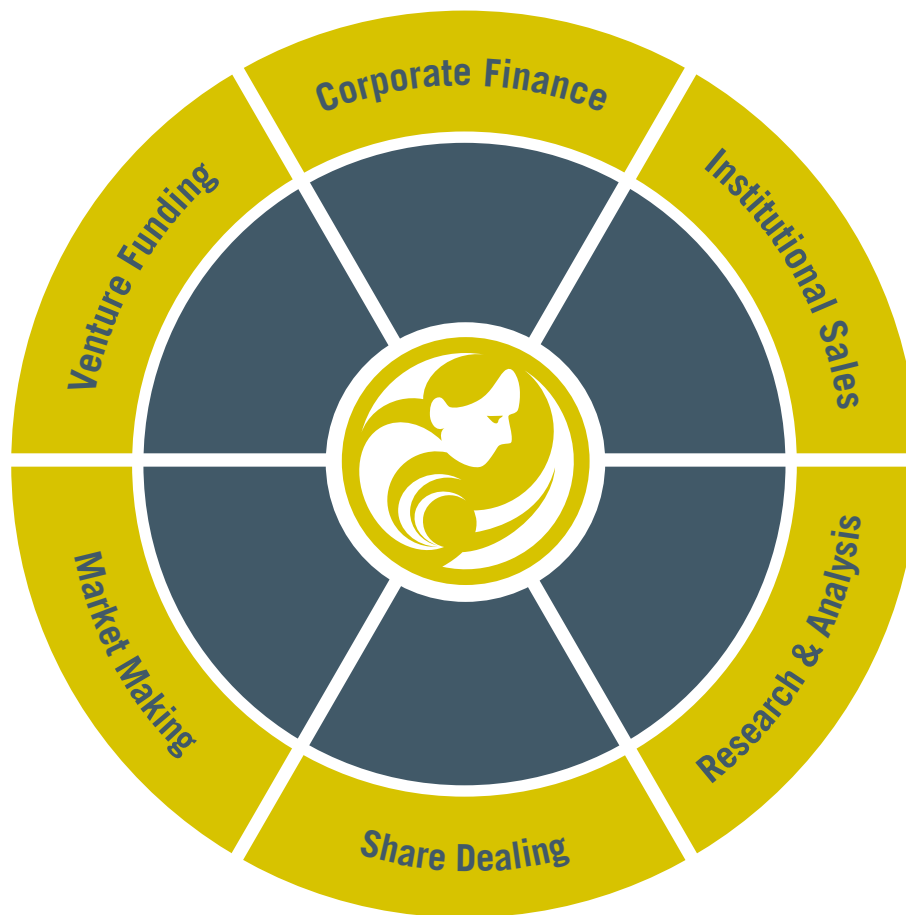
All investments are speculative and prices may change quickly and go down as well as up. Past performance will not necessarily be repeated and is no guarantee of future success. There is an extra risk of losing money when shares are bought in some smaller companies including "penny shares". There can be a big difference between the buying price and the selling price of these shares and if they have to be sold immediately, you may get back much less than you paid for them or in some circumstances, it may be difficult to sell at any price. It may also be difficult for you to obtain reliable information about the value of this investment or the extent of the risks to which it is exposed. Where a company has chosen to borrow money (gearing) as part of its business strategy its share price may become more volatile and subject to sudden and large falls. This investment may not be suitable for all investors, and clients should carefully consider their own personal financial circumstances before dealing in the stock market, particularly those on fixed incomes or approaching retirement age. If you have any doubts you should seek advice from your investment adviser or your broker at this firm.

AIM

The Alternative Investment Market (AIM) is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than those of the official List of the London Stock Exchange and therefore companies quoted on AIM carry a greater risk than a company with a full listing.

Material interest

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