



2011 Precious Metals Summit

Junior Mining: Market Insights

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Prices as of 9 September 2011

See important disclosures in Appendix.
Source: Canaccord Genuity Ltd.

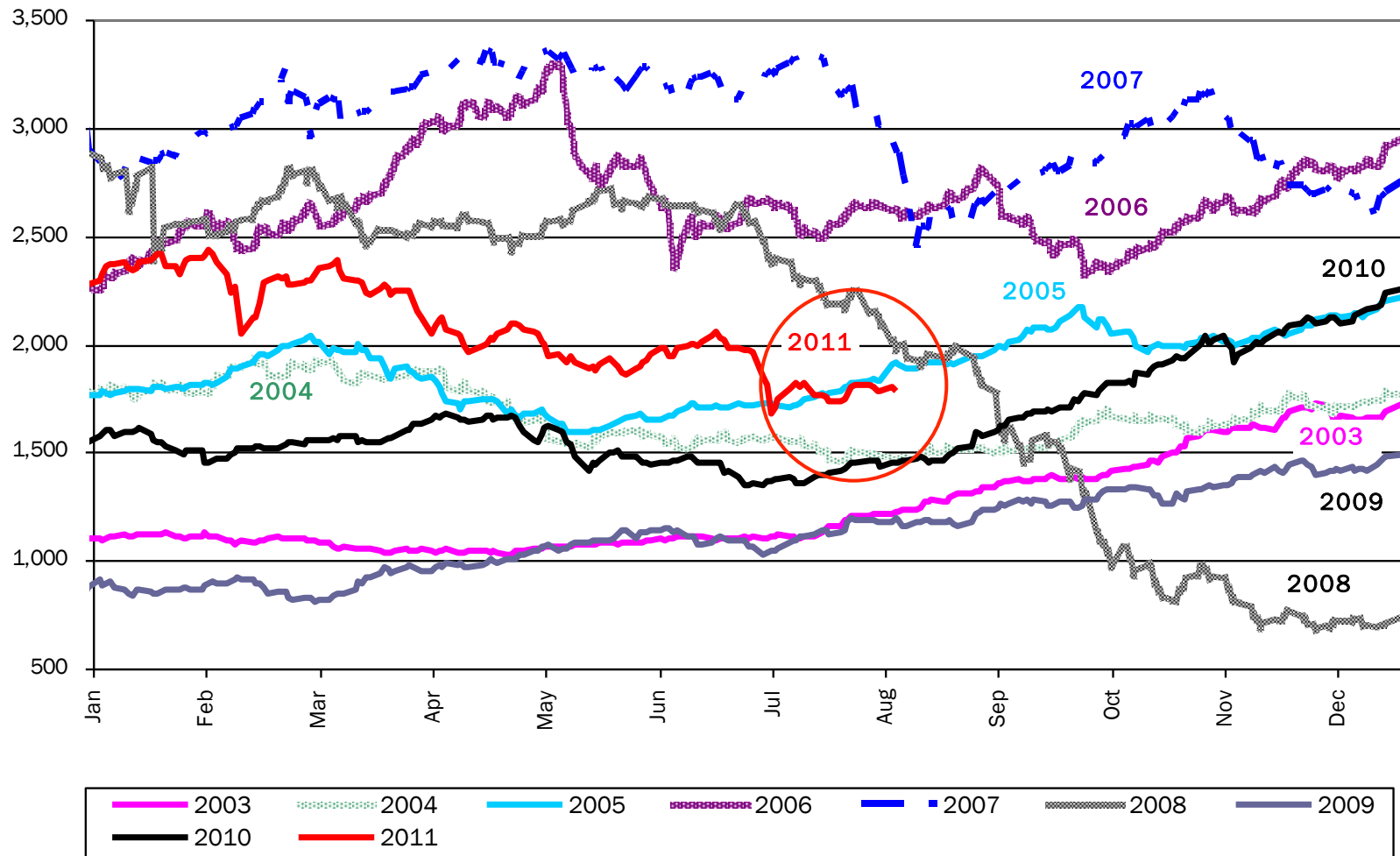
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This presentation will include a discussion of certain issues with respect to a company or companies within the Metals and Minerals sub-sectors of the Mining industry. We want to caution readers that these issues are complex and highly fact-intensive. In addition, we do not claim to be experts in these matters. Accordingly, the views expressed in this presentation are simply opinions, and should not be unduly relied upon.

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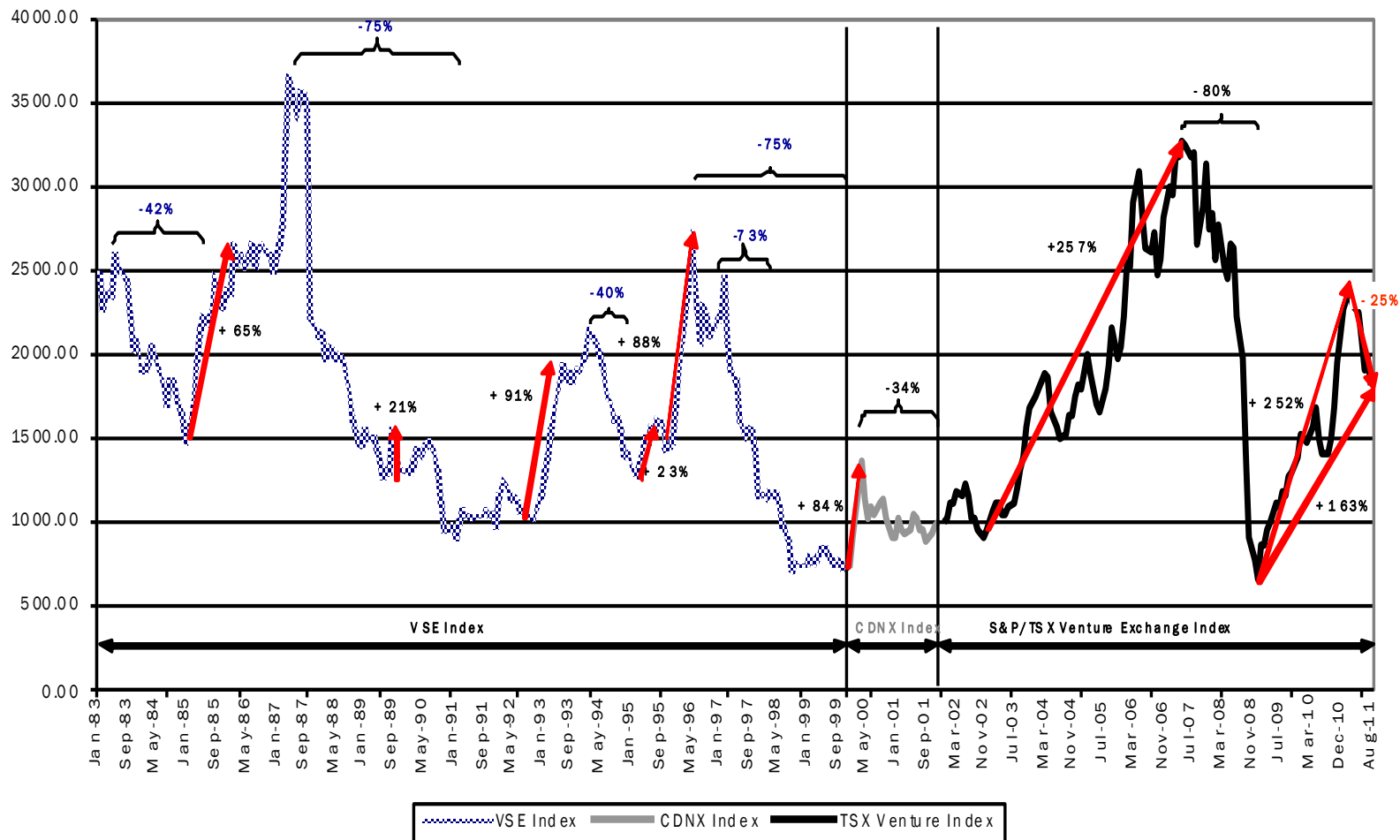
TSX Venture Index (YOY/2003-2011)



Past performance is not indicative of future results.

Source: Canaccord Genuity, TSX Datagroup.

Small cap mining rallies and corrections

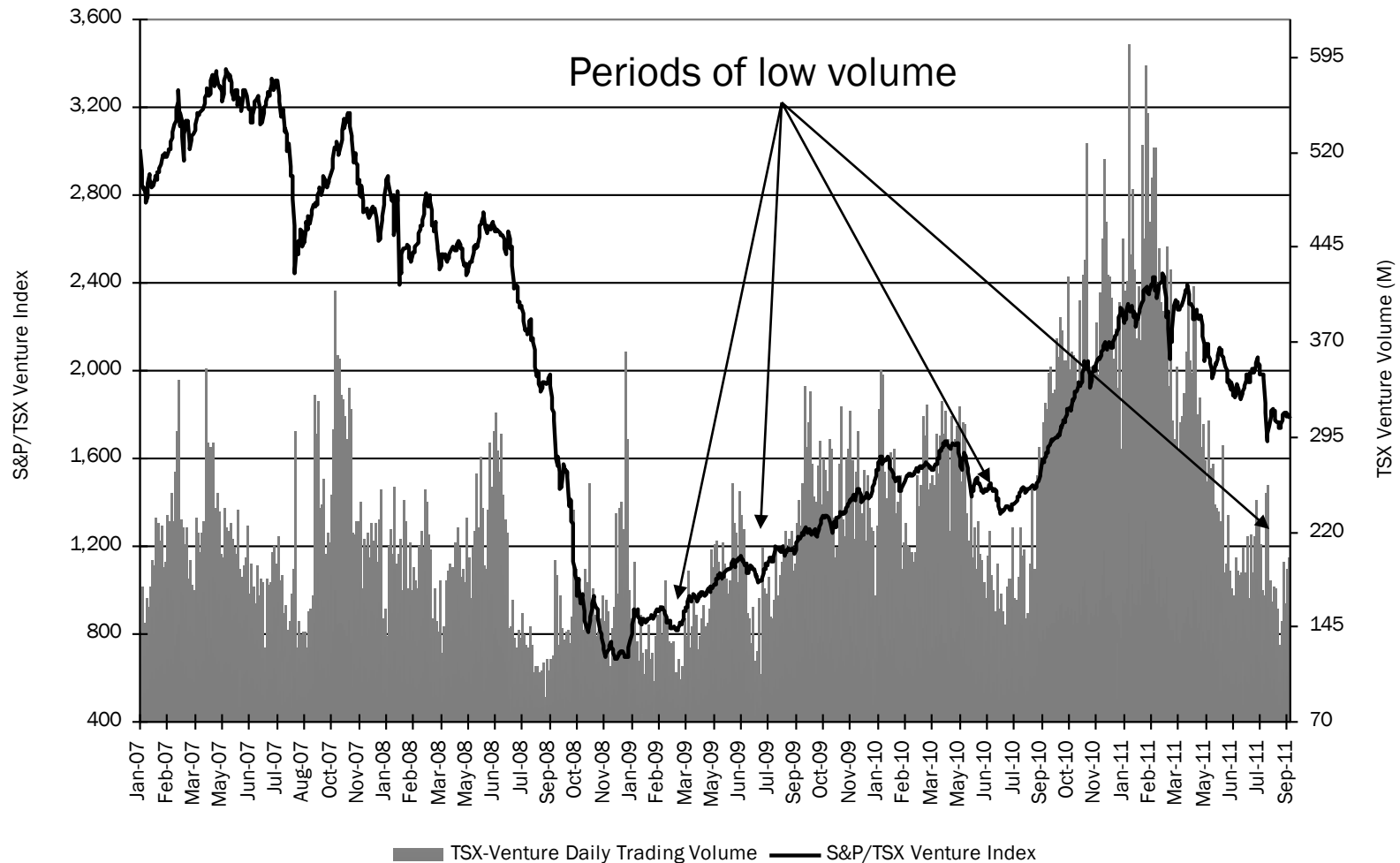


Based on monthly data.

Past performance is not indicative of future results.

Source: Canaccord Genuity, TSX Datagroup.

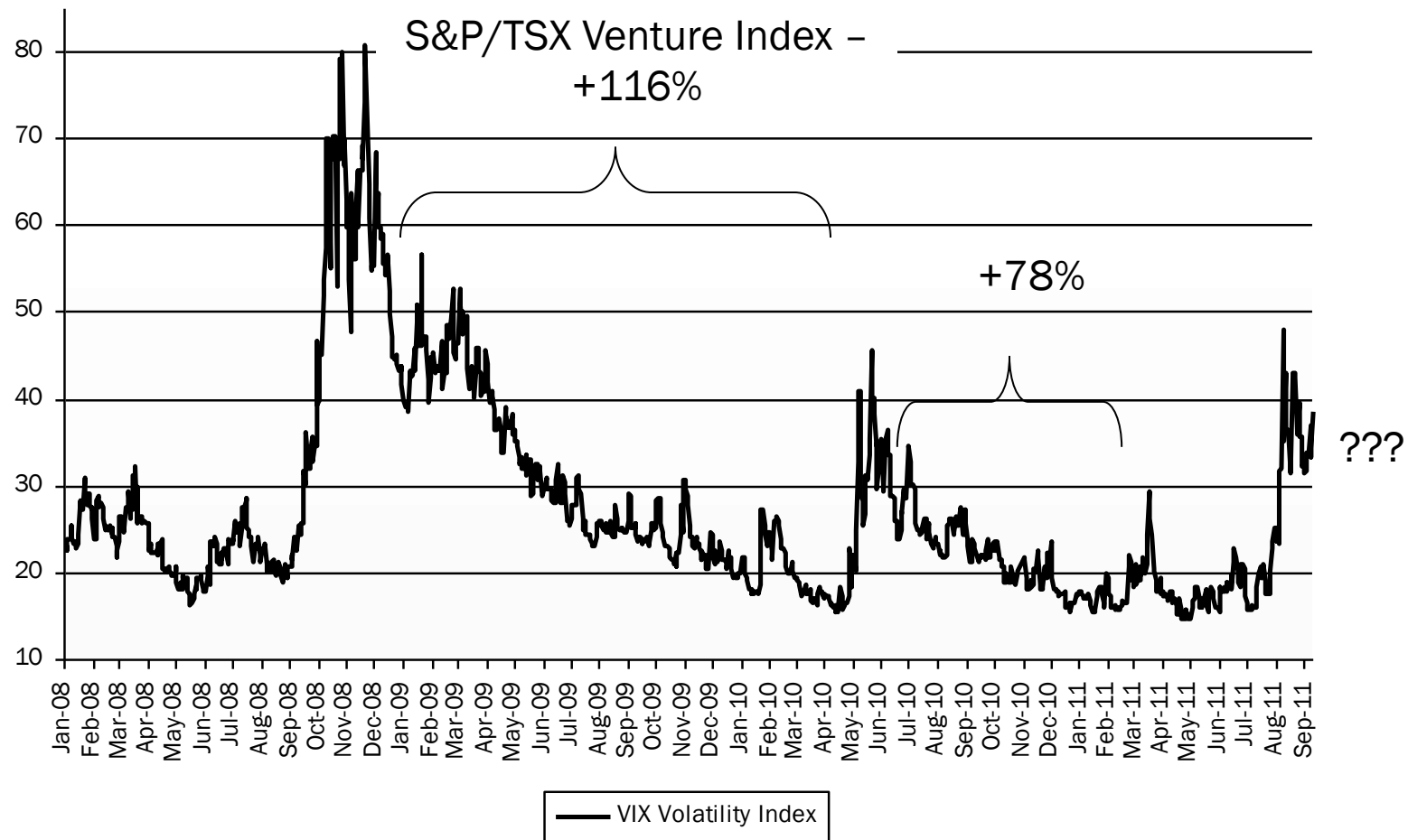
TSX Venture Index Value & Volume (Jan/07-Sep/11)



Past performance is not indicative of future results.

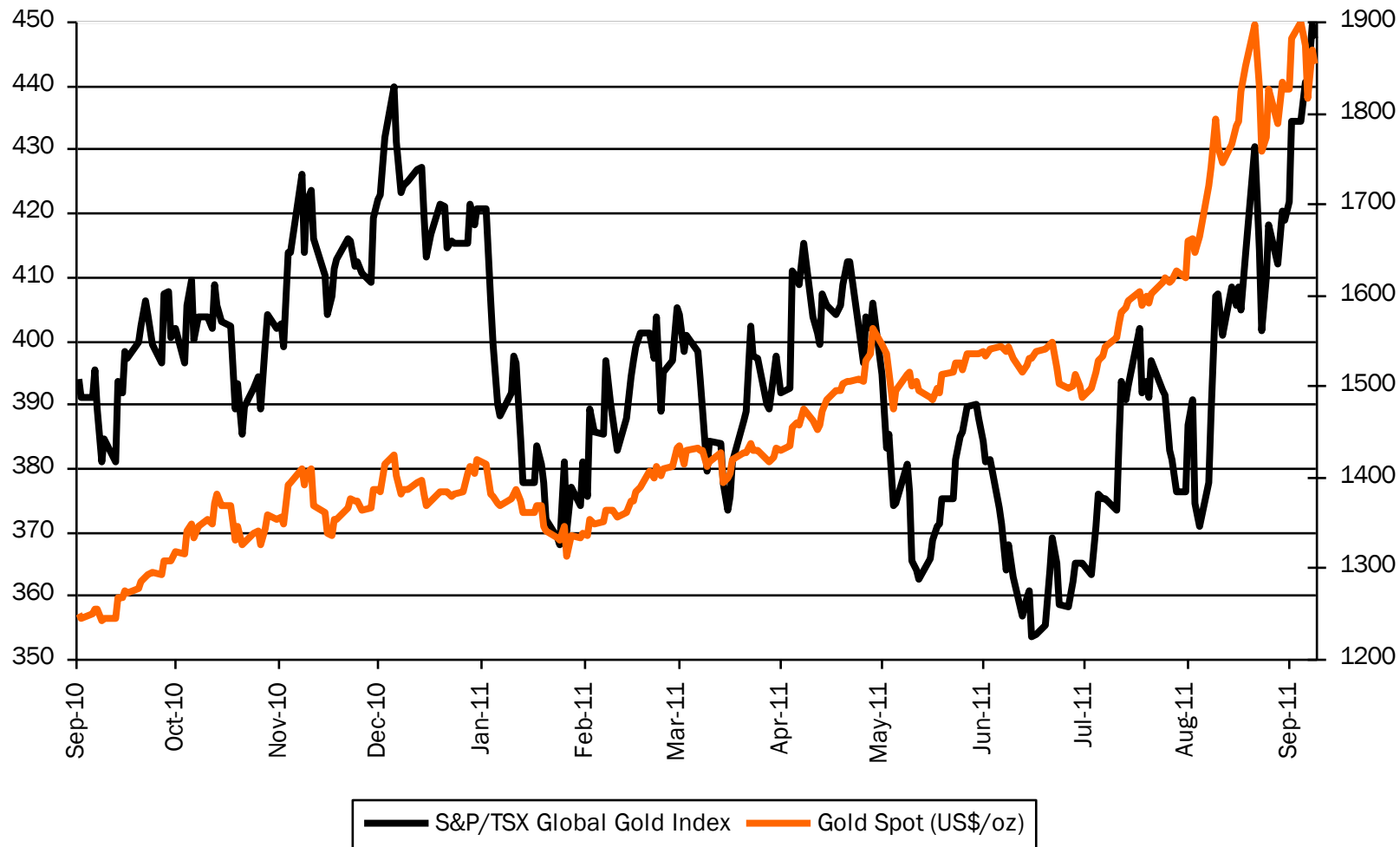
Source: Canaccord Genuity, TSX Datagroup.

CBOE Volatility Index (Jan/08–Sep/11)



CBOE – Chicago Board Options Exchange
Past performance is not indicative of future results.
Source: Canaccord Genuity, Bloomberg.

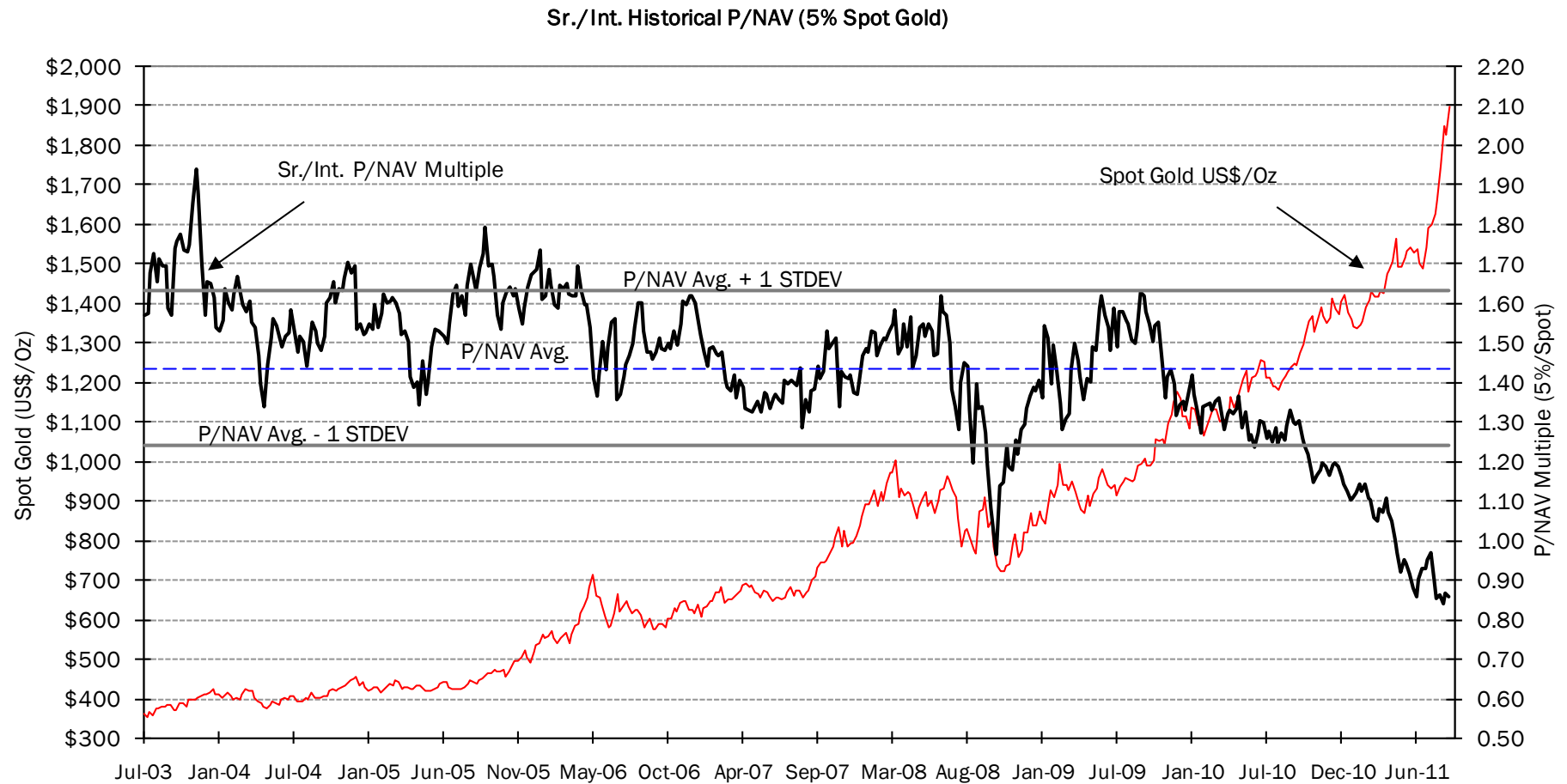
S&P/TSX Global Gold Index vs. Gold Spot (1-year)



Past performance is not indicative of future results.

Source: Canaccord Genuity, Bloomberg.

Sr./Int. historical P/NAV (5% spot gold)

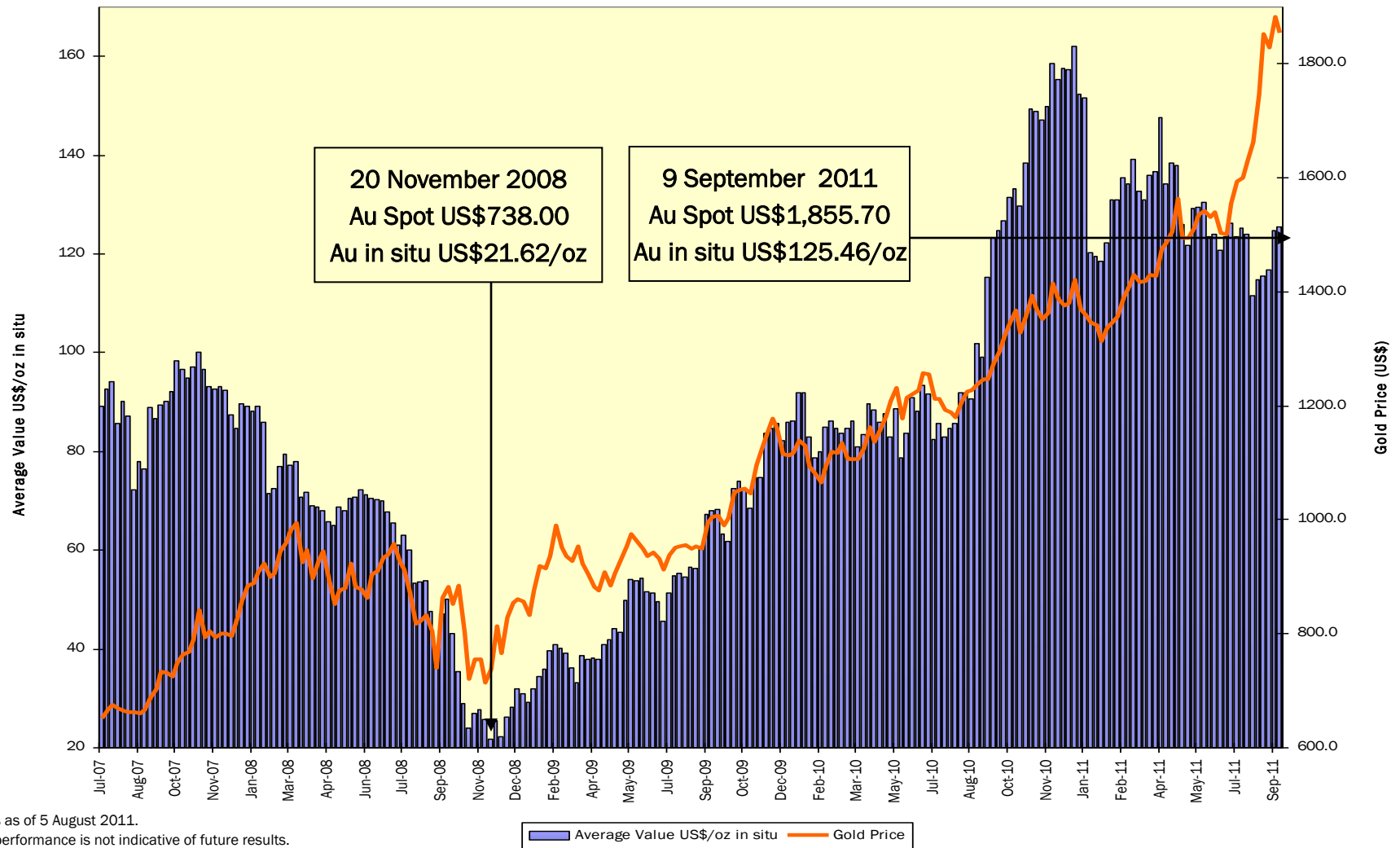


As of 9 September 2011.

Past performance is not indicative of future results.

Source: Canaccord Genuity estimates, Thomson ONE.

Gold In Situ vs. Gold Spot (Jul/07–Sep/11)



Prices as of 5 August 2011.

Past performance is not indicative of future results.

Source: Canaccord Genuity, Thomson ONE.

Small Cap Mining - Conclusions

- We have expected periods of market volatility in 2011. We view the current volatility as “normal” and overall market weakness as an opportunity for risk tolerant investors to accumulate selective equities with above-average growth potential.
- Liquidity and volumes on the TSX Venture remain below average levels. This suggests to us that speculative capital is not being significantly deployed into the small cap mining sector.
- The current market environment, prompted by sovereign debt issues in Europe and the US, as well as overall global growth concerns, has turned risk averse. Strong risk aversion is not typically sustainable. Upon a turn in market sentiment, availability of speculative capital should improve.
- Our outlook for bullion remains positive based on record global liquidity, low real interest rates, global fiscal imbalances and wavering faith in the US dollar and other fiat currencies. We see the outcome of global debt issues as a catalyst for broad currency devaluation, inflation and gold’s increased status as a reserve and investment asset.
- We expect Junior mining gold-related equities to selectively outperform in this environment.

* Past performance is not indicative of future results.

Investment risk

The commercialization risks associated with mineral exploration and development in general are high, thus, investment in the shares of all the companies included in this presentation is for risk accounts only.

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Distribution of Ratings: Global Stock Ratings as of 3 August 2011

| Rating | Coverage Universe | | IB Clients | |
|-----------------|-------------------|------|------------|-------|
| | # | % | # | % |
| Buy | 478 | 60% | 38 | 38.5% |
| Speculative Buy | 79 | 10% | 65 | 65.8% |
| Hold | 222 | 28% | 18 | 18.9% |
| Sell | 12 | 2% | 25 | 25.0% |
| | 791 | 100% | | |

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