

Our conflict of interest: On June 3, 2008 Galway Resources engaged our advisory affiliate John Tumazos Very Independent Opinions, LLC to advise its Victorio, New Mexico molybdenum-tungsten deposit containing up to 300 mm pounds of each mineral in situ (see www.galwayresources.com June 3, 2008 press release). We received compensation from Galway Resources, as we exercised warrants for 250,000 shares issued on June 2, 2009 at C\$0.15. On April 19, 2011 we received warrants for 100,000 more Galway Resources common shares exercisable at C\$1.24 that we exercised prior to the December 20, 2012 merger. No transactions were generated from the Victorio, New Mexico molybdenum-tungsten advisory since June 3, 2008, as both financial markets and such ferro-alloy markets run “hot and cold,” and it terminated in late-2011. It is possible in the future that we may receive revenue or be engaged by a Galway successor, and outside securities counsel advised us that the “potential for compensation” biases the independence of our research. We bought an extra 10,000 predecessor Galway Resources shares, and own 360,000 Galway Metals shares January 4, 2013.

GALWAY METALS (GLM \$0.06 on Toronto Ventures) COVERAGE INITIATED
WITH NEUTRAL INVESTMENT RATING AND PRICE TARGET \$0.04 PLUS THE
PER SHARE RESALE VALUE OF VICTORIO

Highlights:

- We have initiated coverage on Galway Metals with a Neutral investment rating and a price target of \$0.04 plus the per share resale value of Victorio.
- We assign 50% of Galway Metals cash balances in valuing their stock, because some of this cash will be required to pay corporate expenses. Galway Metals is capitalized with \$12 million in cash and based on their fully diluted share count of 151.6 million, we arrive at our minimum price target of \$0.04.
- We don't estimate a precise resale value for Victorio, because of volatility in the tungsten and molybdenum markets. It is most likely that Galway Metals “securitizes” or “monetizes” Victorio in some way, such as contributing it to an existing tungsten or molybdenum publicly traded company in exchange for shares in an existing company.
- We have not made financial models in few of likely changes in the asset bases. We doubt Galway Metals will focus on Victorio as it may seek a new gold or silver property in an effort to try and find the next or a bigger California or Vetas.
- At a \$25/ton cutoff, the total resource for Victorio is 155.5 million tons grading 0.08% Molybdenum and 0.09% Tungsten. Victorio contains 250.8 million pounds of molybdenum and 278.2 million pounds of tungsten.
- Galway Metals has not updated the prior 2008 capital and operating cost estimates from our August 19, 2008 JTVIO offering memorandum for Victorio. We continue to estimate a \$421 million capital budget for Victorio. However, all of these data need to be recalculated by third party experts such as SRK Consulting.
- We have reprinted a many charts and tables from 2008 concerning exploration opportunities and attributes of Victorio herein, even though it may be sold.

C\$0.25 RESIDUAL VALUE ATTRIBUTED TO VETAS IN GALWAY GOLD AND
VICTORIO IN GALWAY METALS

As of December 20, 2012 closing of the merger at C\$2.30 per predecessor Galway Resources share, after the C\$2.05 in cash that shareholders will receive, this leaves a C\$0.25 residual value for 0.9 share of Galway Gold (Vetas Gold Project in Colombia) and 1 share of Galway Metals (Victorio Molybdenum and Tungsten Project in New Mexico).

Since Galway Metals closed on January 4, 2013, its first trading day, at \$0.06 per Galway Metals shares, this suggests the implicit value of the Galway Gold share that has not begun trading as \$0.19 per share.

GALWAY METALS OVERVIEW

Galway Metals began trading today, 1/4/12, on the TSX Venture Exchange under the ticker GWM. The stock opened at \$0.08, and closed 1/4/12 at \$0.06. The main asset of Galway Metals is C\$12 mm in cash and the Victorio molybdenum-tungsten property in New Mexico. At a \$25 cutoff the total resource is 155.5 million tons grading 0.08% Molybdenum and 0.09% Tungsten. Victorio contains 250.8 million pounds of molybdenum and 278.2 million pounds of tungsten.

The current, November 15, 2012, Victorio technical report does not provide an updated or new estimate for capital and operating costs. However, we repeated our prior upfront CAPEX estimate of \$421 million and our estimate of \$13.78 million in average annual operating costs (mining, processing, and G+A). These estimates are unchanged from projections we had made earlier from the SRK Consulting 43-101 2008 scoping study.

We currently have a Neutral view of this spinoff. We believe that Galway Metals may use the \$12 million cash infusion to find additional precious metals assets, maybe the next California or Vetas. We believe management might be looking for something big.

Table 0: Victorio Molybdenum and Tungsten Resource

	Cutoff/ton	Tons (MM)	Mo %	Tungsten %	Moly (MM lbs)	Tungsten (MM lbs)
Measured	\$25	37.74	0.10%	0.08%	71.70	61.89
Indicated	\$25	39.50	0.08%	0.09%	64.78	72.68
Meas+Ind.	\$25	77.24	0.09%	0.09%	136.48	134.57
Inferred	\$25	77.22	0.07%	0.09%	114.29	143.63
Total	\$25	154.46	0.08%	0.09%	250.77	278.20

Source: November 15, 2012 Victorio NI 43-101

KEY HIGHLIGHTS FROM 2008 GALWAY RESOURCES DISCLOSURES ON VICTORIO MOLYBDENUM-TUNGSTEN PROPERTY

Table 1: Pretax Unlevered NPV @8% Discount Rate (\$ Mil)

Moly Tungsten	\$10	\$15	\$20	\$25	\$30	\$35	\$40
\$8	193.3	493.6	793.9	1,094.2	1,394.6	1,694.9	1,995.2
\$10	341.8	642.2	942.5	1,242.8	1,543.1	1,843.5	2,143.8
\$12	490.4	790.7	1,091.1	1,392.7	1,691.7	1,992.0	2,292.4

\$14	639.0	939.3	1,239.6	1,540.0	1,840.3	2,140.6	2,440.9
\$16	787.6	1,087.9	1,388.2	1,688.5	1,988.9	2,289.2	2,589.5

Table 2: Pretax Unlevered Internal Rate of Return %

Moly Tungsten	\$10	\$15	\$20	\$25	\$30	\$35	\$40
\$8	15.5%	24.3%	31.8%	38.4%	44.4%	49.8%	54.8%
\$10	20.1%	28.2%	35.2%	41.4%	47.1%	52.2%	57.2%
\$12	24.3%	31.8%	38.4%	44.3%	49.8%	54.8%	59.4%
\$14	28.1%	35.1%	41.4%	47.1%	52.3%	57.1%	61.6%
\$16	31.7%	38.3%	44.3%	49.7%	54.8%	59.4%	63.8%

Table 3: After tax 50% Levered NPV @8% Discount Rate(\$ Mil)

Moly Tungsten	\$10	\$15	\$20	\$25	\$30	\$35	\$40
\$8	127.7	336.7	545.7	754.8	963.8	1,172.8	1,381.8
\$10	231.2	440.2	649.2	858.2	1,067.2	1,276.2	1,485.2
\$12	334.7	543.7	752.7	961.7	1,170.7	1,379.7	1,588.7
\$14	438.1	647.1	856.1	1,065.1	1,274.1	1,482.2	1,692.2
\$16	541.6	750.6	959.6	1,168.6	1,377.6	1,586.6	1,795.6

Table 4: After tax 50% Levered Internal Rate of Return %

Moly Tungsten	\$10	\$15	\$20	\$25	\$30	\$35	\$40
\$8	Negative	8.6%	19.1%	26.3%	32.3%	37.5%	42.2%
\$10	1.6%	14.0%	22.9%	29.4%	35.0%	39.9%	44.3%
\$12	8.6%	18.5%	26.3%	32.3%	37.5%	42.2%	46.4%
\$14	14.0%	22.4%	29.4%	35.0%	39.9%	44.3%	48.4%
\$16	18.5%	25.9%	32.3%	37.5%	42.2%	46.4%	50.2%

Source: John Tumazos Advisory and Compensated Research, LLC estimates

DR. H. PETER KNUDSEN'S AUGUST 19, 2008 43-101 COMPLIANT GEOLOGIC RESOURCE

Dr. Knudsen, Dean of the Montana Tech School of Mines in Butte, calculated an updated measured, indicated and inferred geologic resource on August 19, 2008. He used 12 Galway Resources 2008 diamond core "infill" drill holes and 6 historic Gulf Resources diamond drill holes (Figure 8) not incorporated into the prior SRK Consulting inferred resource whose data cutoff had been September 2007. Galway and Gulf have collectively drilled over 85 holes for over 200,000 feet of drilling.

He calculated a 37.7 million ton measured resource containing 71.7 million pounds of molybdenum and 61.9 million pounds of tungsten, a 39.5 million ton indicated resource containing 64.8 million pounds of molybdenum and 72.7 million pounds of tungsten and

a 77.2 million ton inferred resource containing 114.3 million pounds of molybdenum and 143.6 million pounds of tungsten.

Table 5: Knudsen Inverse Distance cubed Model - \$17.50/lb Mo and \$10/lb WO3

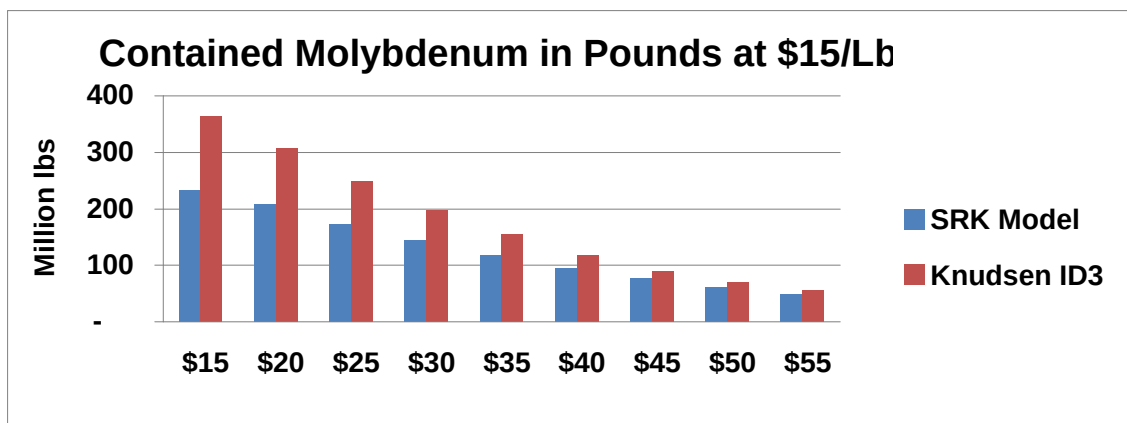
Category		Tons	Contained Metal			
			Mo	WO3	Mo (lbs)	WO3 (lbs)
Measured	\$25	47,795,427	0.086	0.074	82,208,134	70,737,232
Indicated	\$25	53,536,149	0.073	0.083	78,162,778	88,870,007
Inferred	\$25	105,199,969	0.065	0.086	136,759,960	180,943,947
	\$25	206,531,545	0.072	0.082	297,130,872	340,551,186
Measured	\$35	28,509,998	0.104	0.094	59,300,796	53,598,796
Indicated	\$35	29,110,278	0.090	0.105	52,398,500	61,131,584
Inferred	\$35	55,428,431	0.083	0.102	92,011,195	113,073,999
	\$35	113,048,707	0.090	0.101	203,710,492	227,804,379

Source: Dr. Pete Knudsen, Dean, Montana Tech School of Mines 8-18□08

This 250 million pound molybdenum and 278 million pound tungsten resource (Table 5) is consistent with the SRK Consulting earlier bulk mining resource estimate. It uses the inverse distance cubed grade estimation method, a \$15/lb molybdenum and \$8/lb tungsten price and a \$25 per ton rock value economic cutoff equivalent to about 1 pound of molybdenum and 1 pound of tungsten per ton.

He also calculated larger resources using \$17.50/lb molybdenum and \$10/lb tungsten cutoffs (Table 5 above). Dr. Knudsen also used cutoffs ranging as low as \$15 per ton, which permitted even larger amounts of resources to be calculated. Further, the U.S. SEC will permit a roughly \$29.00-plus “three year average” molybdenum price to be used to estimate reserves at year-end 2007, which gives credibility to much higher prices or lower cutoff grades down to the 0.5 pound molybdenum and 0.5 pound tungsten (\$15/ton) cutoff.

FIGURES 1-2: KNUDSEN UPDATE TO SRK CONSULTING ESTIMATES OF TONNAGE RESOURCES, MOLY AND TUNGSTEN



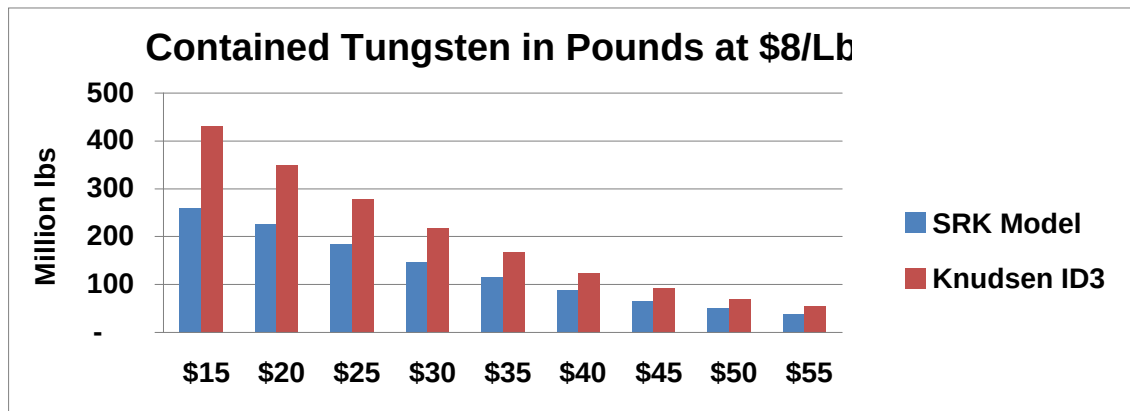


Figure 3: Area Incorporating Six of Eight Stepout Holes (red outer line) is 45% Larger Than SRK Block Cave Bulk Mineable Resource (blue line)

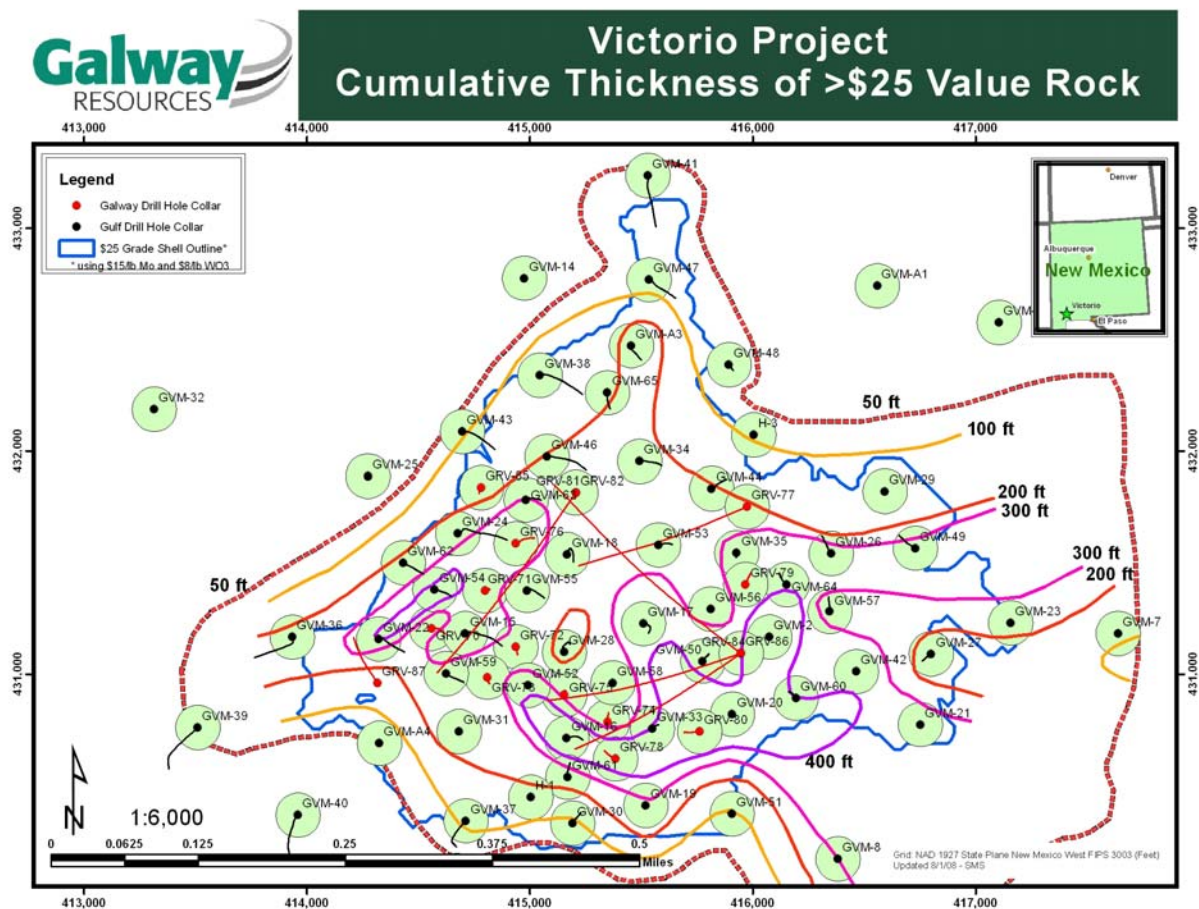


Figure 4: Victorio Project Stepout Extensions

Drill Hole #	Direction	Feet of \$50/ton	Feet of \$25/ton
GVM-7	East	50	115
GVM-8	Southeast	70	300
GVM-29	Northeast	20	150
GVM-41	North	12	227
GVM-43	Northwest	9	94
GVM-36	West	80	240
GVM-A1	Northeast	0	100
GVM-1	Northeast	10	60

Source: Galway

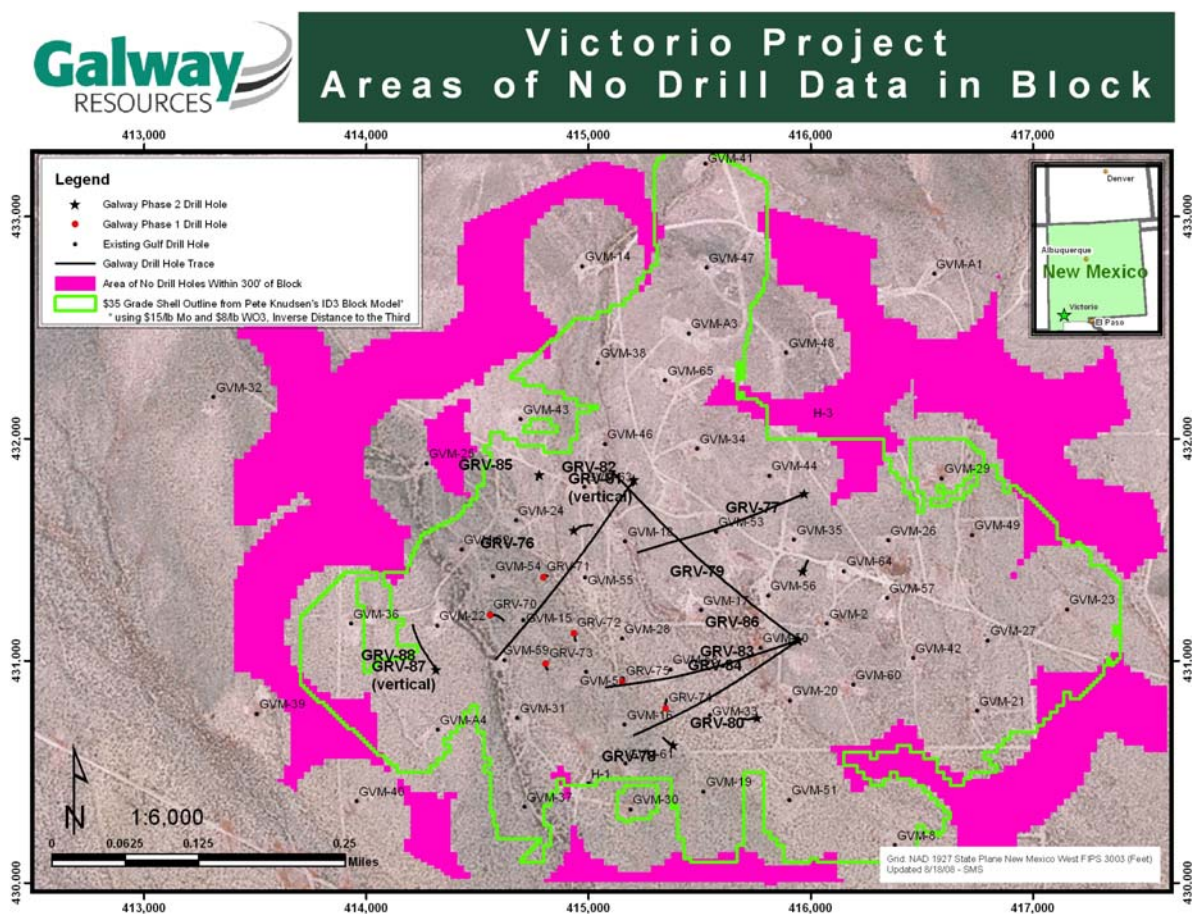
Figure 5: Area of no Information Within 300 feet (Dark Pink Shaded)

Figure 6: Only 5 holes near deposit outline have no value >\$25/ ton using \$15/lb molybdenum and \$8/lb tungsten and northeast, east, southeast, and due west are open

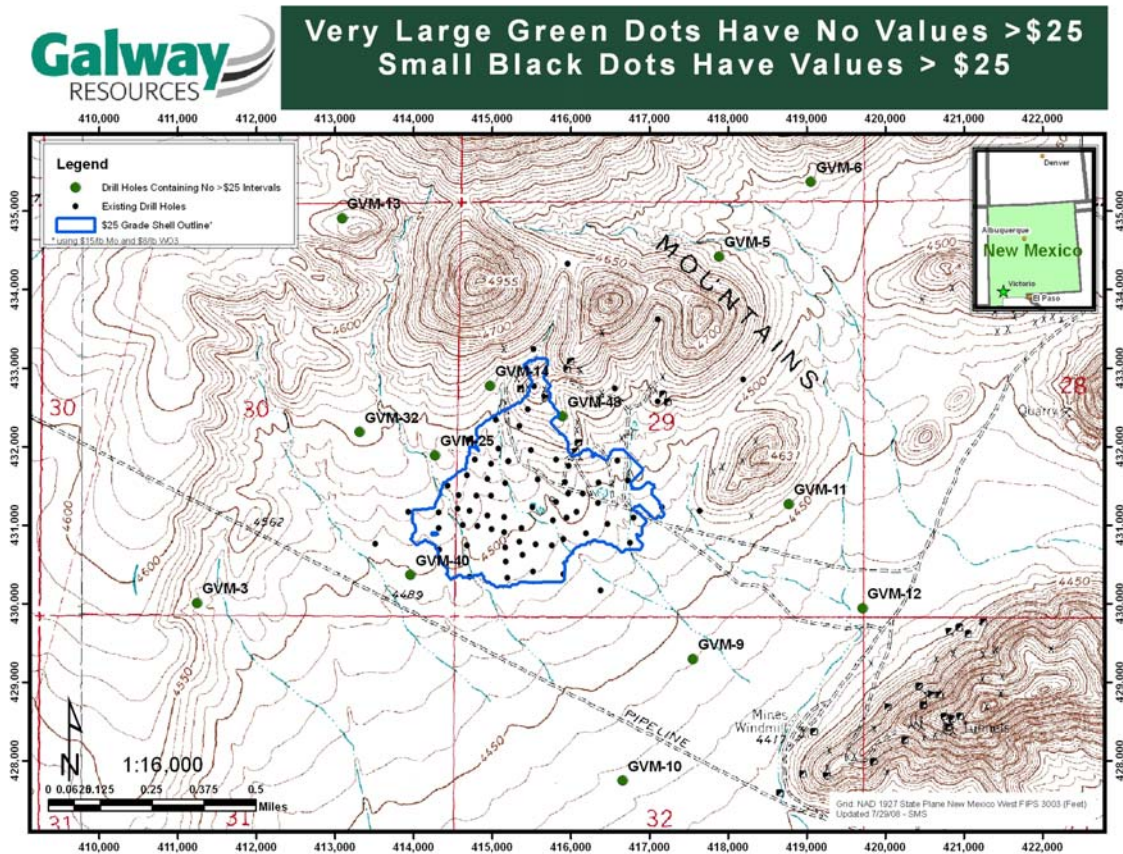
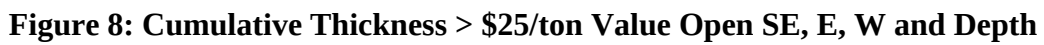
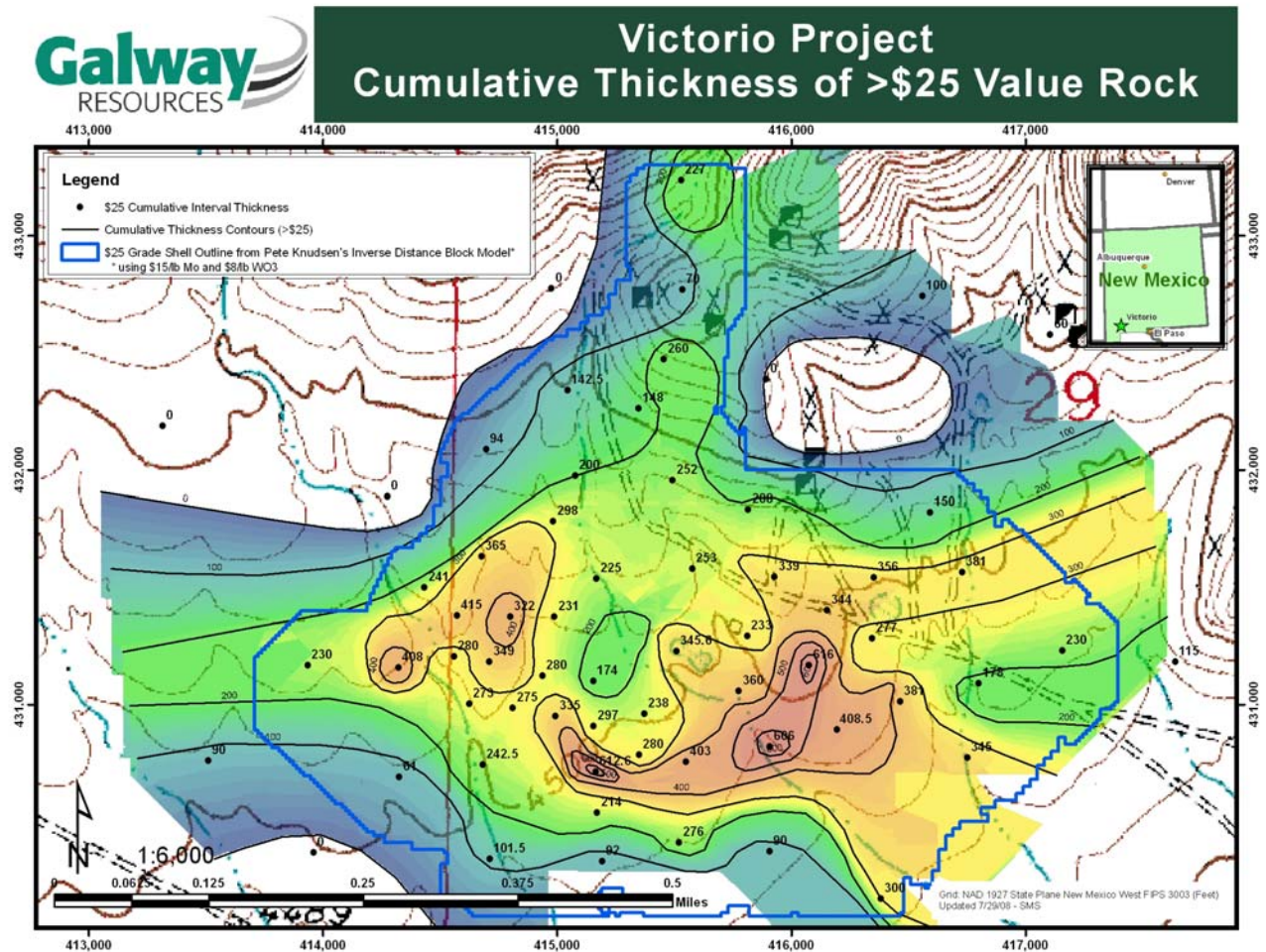


Figure 7: Proposed Exploration Holes as of August 2008





POTENTIAL DISPOSITIONS OF VICTORIO MOLYBDENUM-TUNGSTEN ASSET

It is possible that Galway Metals contributes it to an existing tungsten publicly traded company in exchange for a large fraction of the stock in such a company.

After all, it is possible that a 25,000 mtpd block cave underground bulk version of Victorio is the first or second largest tungsten mine in the world outside of China. Such candidates include the Hunter-Dickinson Group's "**Northcliff Resources**" tungsten molybdenum property in New Brunswick. Another option is **Malaga Resources** in Peru.

Another alternative would be to contribute Victorio to a molybdenum company, but this is less attractive as the molybdenum market appears in oversupply. **Thompson Creek Metals, General Moly, Roca Mines, Avanti Mines, Mercator Minerals** or many others.

Some such joint venture partners may object, however, to issuing a block of stock likely to be sold into the open market immediately by the new "partner." It is possible that such an entity would place restrictions on the sale of its stock, or prefer to offer a smaller sum

in cash. It is possible that a 1% to 5% revenue royalty could be offered to Galway Metals as another alternative consideration, which in turn could be resold to a publicly traded royalty company.

INVESTMENT RATIONALE AND PRICE TARGET

We have initiated coverage of Galway Metals with a price target of \$0.04 plus the per share resale value of the Victorio molybdenum tungsten property. We estimate that, at a minimum, Galway Metal's stock is worth half of their cash balances. Galway Metals received \$12 million in cash from AUX Canada to capitalize the company, and has 151.6 million fully diluted shares outstanding. We assign only 50% of their cash balance in valuing GWM, because of corporate expenses. This comes out to \$0.04 per share.

We do not assign a precise price target to the resale value of the Victorio molybdenum property in New Mexico because we are not sure if Galway Metals will prioritize Victorio, or focus their efforts on trying to find the next California or Vetás.

DIFFERENCES BETWEEN A "PRICE TARGET" IN A RESEARCH REPORT AND A "FAIRNESS OPINION" RENDERED TO A BOARD OF DIRECTORS

Our price target may be different than a "Fairness Opinion" rendered to a board of directors by a large investment banking firm. First, our "price target" is estimated from public information, while a transaction will likely involve an up-to-the-minute data. Second, the law firm in such a transaction may "read the riot act" to the independent directors that they may be sued if they decline a premium offer and the stock price later falls to force closure. Third, the primary investment banker will send out a brochure or perhaps a fully documented offering memorandum in search of a higher offer. The independent directors may conclude or be advised hurriedly that an offer is "fair" if the primary banker obtains no other bids or fails to have another bidder even sign a confidentiality agreement. Potential bidders may be overwhelmed by their own existing projects, opportunities, vendor non-performance or internal staff shortfalls. Investors should be cognizant of many flaws in corporate governance, advisors or timetables. Once a legal offer has been made, the CEO and board of directors have a fixed timetable to respond. The management may be consumed by shareholder, analyst, press, roadshow, in house employee communications and other time demands. A small company's legal or financial advisors may be distracted by larger transactions. Such processes are inherently less than perfect.

BUSINESS RISKS

Galway Metals is subject to commodities "macro" dynamics primarily due to fluctuations in molybdenum and tungsten prices. Fluctuations in currencies, interest rates, prospective capital costs, prospective operating costs and the global economy impact Galway Metals as well. We also believe that Galway Metals may focus their attention off of the Victorio molybdenum tungsten property, and try and find the next California or Vetás precious metal asset.

DISCLOSURES

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June **by a mining or other publicly traded company simply to write a “paid” research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any “compensation” or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as “John Tumazos Very Independent Research, LLC” if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com.

Paramount Gold and Silver, Galway Resources and Texas Rare Earth Resources have published favorable results from mineral properties, and their shares appreciated significantly after we received compensation. The purpose of JTACR is to remedy a “regulatory blackout,” where we cannot publish research as “independent” under JTVIR after accepting compensation. The creation of JTACR remedies such a “regulatory gag,” while openly communicating that we were compensated. It is possible that some institutional investors may consider it to be a “feather in the cap” of a small company that it engaged us to advise them in a transaction owing to our experience.

After receiving compensation from Paramount Gold and Silver in June 2010 for a fairness opinion in its acquisition of X-Cal Resources or Galway Resources, Tara Gold Resources, Appia Energy, Focus Gold, Texas Rare Earth Resources in 2010 or potentially other companies in the future, John Tumazos Very Independent Research, LLC (JTVIR) refrains from publishing research reports on such companies.

We define “compensation” as any consideration that creates direct pretax income for any of our businesses, research or advisory or any of our employees personally. However, we do permit companies to defray expenses, and large companies’ policies vary. Rio Tinto or Teck have invoiced us for charter aircraft. In contrast, we have accepted free air travel to mine sites from Vale within Brazil, Canada or Mozambique, from Agnico-Eagle to Finland, Chihuahua or Nunavut, Stonegate Agricom to Idaho, Fortescue Metals to its mines, HudBay Mineral to Manitoba, Peru or Michigan, Goldcorp, Brigus and VG Gold each to Timmons, Auger Gold to Swayze, Paramount Gold and Silver to Chihuahua, Goldcorp to Zacatecas, and many others. We do not define as “compensation” if Barrick Gold, Duluth Metals, Wits Gold or some other company picks up a group client lunch tab or buys us lunch alone. We do not define as “compensation” if a company charts an airplane to facilitate a research visit to a mine location without convenient commercial air service. We routinely invoice companies participating in our investor conferences \$1,000

to \$2,000 each to cover their pro rata expenses of the conference on a “Dutch Treat” basis, where we send each company a full expense accounting of our conferences as well.

The nature of the advisory services we have provided for compensation include (1) fairness opinions to the boards of directors of Paramount Gold and Silver, Tara Gold Resources, Tara Minerals Corp., and Augen Gold, (2) introductions to capital raising for Texas Rare Earth Resources and Appia Energy and (3) advisory on joint venture, strategy or capital raising for Galway Resources Victorio tungsten-molybdenum property.

As of September 30, 2011, Paramount Gold and Silver, Galway Resources, Tara Gold, Appia Energy and Focus Gold are eligible for JTACR research reports as having been “advised” and we have been “compensated.” However, Texas Rare Earth Resources, Galway Resources and Quaterra Resources are the subject of current engagements, which may restrict our ability to write on them as regulators may presume we possess non-public information. In the past we have advised Duluth Metals, the Dorado Ocean Resources former subsidiary of Odyssey Marine Exploration and a private forest products company FXX, LLC without success and without receiving compensation.

We will distribute JTACR reports to JTVIR paid subscribers free, the particular mining companies may distribute JTACR reports from time-to-time and eventually we may sell JTACR to its own subscribers for \$5,000 annually after building up a coverage list.

We will monitor the financial returns of JTACR investment recommendations over time, and compare them to JTVIR returns. We expect that JTACR recommendations will provide much more volatile returns than the larger, more established companies JTVIR covers as large as BHP Billiton, Vale or Rio Tinto. Under previous employment at Donaldson, Lufkin & Jenrette, John Tumazos participated in the sole managed IPOs of Huntco in 1993 and Reliance Steel & Aluminum in September 1994 at \$3.225. Huntco subsequently went bankrupt after speculating on inventory and operating at low utilization rates. Reliance Steel & Aluminum, however, appreciated 16-fold to \$51.32 as of May 20, 2011. It is inevitable that some companies will make better decisions than others.

CERTIFICATION OF OUR RESEARCH OPINIONS

I, John Tumazos, certify that the opinions written in all research reports are my own. I believe what we write, and from time to time I may buy or sell the shares we recommend after a 48 hour delay after publishing our reports following the advice we give. Further, I personally proofread and “click the pdf button” on virtually every report we publish except sometimes when I am abroad.

It is my management policy that any employee is welcome and encouraged to disagree with me at any time. We have active and vigorous internal debates concerning appropriate discount rates or long-term terminal growth rates to use in net present value valuations or other analytical issues. My team realizes that customers want to pay for my

30+ years of experience, but I encourage them to disagree, correct or provoke debate concerning any view to improve the quality our work.

DEFINITION OF A RESEARCH OPINION

We have target prices, investment ratings, earnings estimates and financial models for about 40 companies upon which we maintain regular research coverage.

The legal or regulatory definition of research, however, is more broad. Regulators consider any written or editorial commentary about a stock or publicly traded company to be “research.” However, a “recommendation” or “opinion” is not rendered unless there is a price target and specific buy or sell recommendation.

From time-to-time we visit very large, important global companies outside our research coverage. Our objective may be to be well informed about industry events, predict future mine output or “supply” in a particular market or to begin to learn about a complex company to begin future full research. We may need to learn and become familiar to provide inputs to our financial models. In May 2008 we published a partial report on Xstrata after visiting two of its mines in South America. In November 2008 we published a partial report summarizing our visits to the London headquarters of Xstrata and Anglo-American outside our coverage as well as Rio Tinto and Antofagasta PLC within our full coverage. In August 2009 we published two research reports on Severstal after visiting its Columbus, MS newest steel plant a second time. These “partial” reports contained no price target, investment rating, earnings estimates or financial models. Instead, they provided detailed descriptions of the important locations we visited or meetings in headquarters.

We provide research about commodities markets in general, “seminar highlights” on up to another 75 or more companies we host annually at our conferences outside our regular full research coverage and “partial reports.” We have no price target, written investment opinion, earnings estimates or financial models (production, incomes statement, cash flow or balance sheet simulations) of such companies outside our coverage that speak at our March or November conferences. Any viewpoint we have without complete financial models or careful financial analysis is “winging it.”

Our intent in writing Seminar Highlights is to provide a one page written summary of each seminar participant company’s presentation. We provide live open, public, unrestricted webcasts of each such corporate presentation at our conferences as a courtesy to each participating company, and archive each webcast under the “conferences” tab of www.veryindependentresearch.com.

Our clients should not automatically consider our invitation of a company to speak at our future conferences as a “Buy Recommendation” or complete endorsement. We may not have visited the mines or assets of some of these companies. Occasionally we invite a company to speak to learn more about them as a stage in our learning process. Knight Capital Group co-hosted our November 18-19, 2009 industry conference, providing us

with “more hands” to administer the event and share costs. Knight Capital Group invited a company to speak as well. We have been approached by other broker-dealers interested in sponsoring or co-hosting our conferences, and our small team may accept help in hosting 275 or so guests at such a program.

ORGANIZATION OF JTVIR

John Tumazos Very Independent Research, LLC (JTVIR) is organized as an investment advisor in the State of New Jersey and regulated by the NJ Bureau of Securities. We publish about 20 research reports each month covering about 35 to 40 stocks in the metals commodities markets, forest products, aluminum, steel, gold, copper and other mining sectors. We travel abroad or domestically typically each month visiting companies. We host two Metals Conferences each year in which companies make presentations, which are archived for roughly one year at www.veryindependentresearch.com under the “conferences” tab.

Currently we have over 40 paid clients in the U.S., Canada, and U.K. Three of our clients have engaged us to write “custom studies” on pre-production mining stocks without any U.S. or global research coverage, including Skye Resources (an 11 bil lb nickel resource in Guatemala), Mercator Minerals (a copper-moly restart in Arizona) and JSW Steel’s 70%-owned Minera Santa Fe (48 sq km undrilled magnetic anomaly and associated iron ore properties in 3rd Region of Chile).

JTVIO

John Tumazos Very Independent Opinions, LLC (JTVIO) is a separate company providing various services “other than” investment research sold to institutions in JTVIR. Counsel advised any other activities be organized separately.

Such other activities have involved < 5% of our time.

In general, we may provide investment banking or advisory services mostly to sub-\$100 mm mining companies that have defined a “deposit,” but need more capital after a discovery for infill drilling, bulk metallurgical testing, definitive feasibility study or the capital outlays to build a mine. The “research coverage” of JTVIR largely involves very large companies with completed steel, aluminum, forest products or mine plants with market capitalizations usually between \$1 and \$250 billion. Historic companies often over one century old, such as Alcoa or U.S. Steel or BHP Billiton, will use top ten commercial or investment banks for advisory services and we make no attempt to be engaged by them owing to their long historic relationships.

We prefer to advise companies without revenues, which large investment banks like Goldman Sachs, JP Morgan, Morgan Stanley or BMO often avoid. Such mining companies without revenues are not as competitively over-banked, and many of the geologists are quite gifted and have extremely promising projects.

We have accepted compensation from Texas Rare Earth Resources and Appia Energy, a private concern, related to introducing investors to them.

In August 2011 we advised the Board of Directors of Augen Gold that a hostile tender offer from Trelawney Mining was “inadequate by \$300 mm.” Augen Gold paid us, but retained separately Canaccord Genuity to render the fairness opinion that we did not render.

On October 6, 2010 we were engaged by Dorado Ocean Resources Limited, a privately held company. That assignment has concluded without success or compensation.

On October 9, 2010 we were engaged by Tara Gold Resources to evaluate the fairness of their September 13, 2010 proposed merger to amalgamate with Tara Minerals, which it terminated on March 7, 2011. That assignment took a different form, however, as Tara Gold Resources adapted to new developments. We delivered a “structure opinion” to Tara Gold Resources and Tara Minerals on May 20, 2011 that the cancellation of the announced September 13, 2011 merger was “fair.”

On June 24, 2010 we delivered a Fairness Opinion to the board of directors of Paramount Gold and Silver in their acquisition of X-Cal Resources, Ltd concerning the Sleeper gold mine near Winnemucca, NV formerly operated in 1986-1996 by Amax Gold and having past output of 1.66 mm oz gold and 2.3 mm oz silver plus 26,000 oz of placer gold almost one century ago. We covered Amax Gold and its parent companies, Amax Inc. and Cyprus Amax Minerals, as an analyst during its 1986-1996 former period of operation. We have received compensation from Paramount Gold and Silver.

On June 3, 2008 Galway Resources engaged JTVIO to commercialize its Victorio, New Mexico molybdenum-tungsten deposit containing over 200 mm pounds of each mineral in situ, which is JTVIO’s first activity (see www.galwayresources.com June 3, 2008 press release). We have received compensation from Galway Resources. That assignment concluded, as Galway determined to take its moly-tungsten project in Canada using a new publicly traded listed vehicle.

These past engagements pose no “conflict of interest” with JTVIR research coverage as long as JTVIR does not cover or write on Paramount Gold and Silver, Galway Resources, or other sub-\$250 mm market cap emerging companies. However, subsequently Galway Resources has documented gold occurrences on Galway grounds and begun drilling. After our November 6-12, 2009 trip to the California gold district of Colombia, we published research reports on Greystar Resources and NOT Galway Resources to avoid conflicted research. We omitted Galway Resources from our “Conference Highlights” report even though it spoke at our November 19, 2009 conference in a similar vein to avoid conflicted research.

Two other small capitalization companies, which we have not named as they have not made disclosures, engaged us to sell assets or negotiate joint ventures. These

assignments expired without success or compensation, and we forfeited one year “follow on” periods. We may have occasional discussions with others.

Knight Capital Group asked us to “introduce” capital raising clients to it, principally in the range of \$100 mm to \$1 billion market capitalization emerging mines. Knight paid us nothing, and enjoyed no success. We have terminated that relationship.

JTVIO envisions merger advisory, “second opinion” critiques of investment banking advice, strategic consulting, valuation opinions, fairness opinions, mine technical services such as “Third Party Reviews” of technical studies or other corporate services.

INVESTOR RELATIONS, CORPORATE MARKETING OR “ROADSHOW”

During 2011 several companies have asked us to schedule “roadshows” or investor meetings for them. Sometimes companies offer to pay us for such efforts. Generally these companies are small emerging mines without revenues.

Such compensation would be JTVIO business activity, as it is not “investment research” provided to institutions. However, many of our institutional investor clients in fact appreciate us bringing companies into their offices and some institutions have policy guidelines permitting them to pay for “corporate access” but not written research to research providers such as JTVIR. Thus, such “investor relations” or “roadshow” activities are inter-related to our core activities.

If we receive revenue from a company, however small, that constitutes taxable income in excess of expenses incurred, any future research we may publish will be “John Tumazos Advisory and Compensated Research, LLC” (JTACR) and not JTVIR reports.

JTACR

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June 27, 2011 as CRD # 157,606. **Under no circumstances will JTACR be commissioned by a mining or other publicly traded company simply to write a “paid” research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any “compensation” or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as “John Tumazos Very Independent Research, LLC” if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com.

During the second half of 2011 JTACR has published research reports on Texas Rare Earth Resources, Paramount Gold and Silver and Galway Resources. Thus, it was published only three reports, and represents < 10% of our personnel's company research and < 5% of our written research report output.

POTENTIAL MONEY MANAGEMENT ACTIVITIES

We manage approximately \$10 mm of my own money. Our trades conform to our published research and follow publication by a minimum of two business days. Client recommendations have first priority.

In September 2011 an investor approached us, and asked us to set up an account and legal agreement to manage money for him. We are in the process of completing such paperwork.

Money Management for clients could be another line of business, which we have thought about. However, to date we have been too busy to organize client advisory funds, but we do manage our own personal capital and intend to expand into this direction. "Mine Development Fund" is a "current" project to establish a small fund to invest in post-discovery, large resource companies (over \$2 billion in situ mineral value already defined) requiring financing to "build the mine" and grow. The target market cap of the companies in which it would invest would be \$0.1 to \$10 billion. Our detailed studies of emerging mines may prove synergistic across several applications. We have also considered creating sector ETFs, but determined there is more value-added in fund management.

Our published research of nearly 1,000 research reports to Since July 7, 2007 has concentrated on the metals commodities themselves, steel, aluminum, forest products and larger capitalization mines like Rio Tinto, BHP, Freeport-McMoRan Copper, Barrick Gold, etc. Only 7%-10% of our written research involves the "sub-\$2 billion mine" size range that would be the focus of either JTVIO or Mine Development Fund. Thus, compliance issues or conflicts of interest would occur in a smaller subset of JTVIR coverage as JTVIR coverage involves larger caps, "established processing companies" or commodities. JTVIO or the buy-side Mine Development Fund will focus on much smaller companies

POTENTIAL MINE SERVICES ACTIVITIES

We do not aspire to have a "consulting" business billed by the hour. However, as a substantial user of mine feasibility study reports or other technical reports prepared at early stages after first discovery, sometimes we are very dissatisfied.

We have not yet launched such a service, but we may from time-to-time provide "Third Party Review," critique or correct what we deem to be shortcomings in such mine scoping study or prefeasibility study reports. We do not seek to "second guess" scientific issues of mine engineering or metallurgy. However, we may differ with the mathematics

of reserve determination, capital cost estimates, “simultaneity” of price and cost assumptions, various business planning issues, the opportunity to “phase” or subcontract to reduce initial capital costs or other financial issues. The “custom studies” we have provided to several buy-side JTVIR customers may resemble “Mine Services” future products presented as “Third Party Review” of mine technical studies.

JTVIR DISCLOSURES

“John Tumazos Very Independent Research, LLC” (JTVIR) is a Delaware Corporation formed July 6, 2007 with registration effective on August 27, 2007 as an investment advisor in the state of New Jersey owing to our place of business in New Jersey.

JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide “unbundled” metals and paper industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than “day trading” sorts of near-term issues.

Except for BHP Billiton, Southern Copper, Mercator Minerals, Platinum Group Metals, Packaging Corp. of America, Domtar, Norbord, U.S. Steel, SilverBirch Energy, HudBay Minerals, VMS Ventures, Advanced Exploration Inc., Rainy River Resources Ltd, Vale, Xstrata, Anglo American, Allegheny Technologies, Worthington Industries, Capstone Mining, Tahoe Resources, Everton Resources, Majescor, Anglo Aluminum, Stonegate Agricom, Premier Gold, Wits Gold, Virginia Mines, Paramount Gold and Silver, Entrée Gold, Torex Gold, Minera Andes, Claude Resources, Kirkland Lake Gold, Magellan Minerals, Argonaut Resources, Northern Superior, Connacher Oil and Gas, Duluth Metals, Polymet Mining, URU Metals, Kalahari Minerals PLC, Focus Gold, Appia Energy, Texas Rare Earth Resources Corp., Galway Resources, Greystar Resources, Pilot Gold, Renaissance Gold, Klondex Mines, and Atna Resources, neither JTVIR, its members or its employees own or have a financial interest in any securities discussed in this report or any reports we have published recently. Our policy is full disclosure.

Our policy permits personal trading in the metals or paper industries. Our policy is that any personal trading must be consistent with our recommendation, made two business days or more AFTER a recommendation or change in recommendation and held for a minimum of 30 days or one month. We believe it is virtuous for a securities analyst to “put his or her money where his mouth is” to invest consistent with the recommendation to clients after such recommendation has been made, and we disagree with some restrictions made upon broker-dealer employees after 2000 era scandals.

To date we have declined all requests to join corporate boards as our existing business keeps us busy. However, our policy permits up to three directorships and up to five consulting projects, advisory assignments or financial advice to corporations that might supplement, backcheck or substitute for certain services of a large investment banking firm. For example, we would accept an engagement to evaluate investment banking advice on behalf of a manufacturing company concerned whether advice is sincere or intended to maximize fees.

Our policy is full disclosure of any advisory relationship or conflict going back three years, except if our corporate clients have not disclosed the asset (or company itself) is for sale.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d'Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and Grupo Imsa and offerings for AK Steel, Kaiser Aluminum, Agnico-Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thyssen Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel, the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Typically more than five investment banking assignments were evaluated, partly executed or "due diligenced" for any completed transaction. Some examples we can recall for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

ANALYST UNIVERSE COVERAGE:

John C. Tumazos, CFA as of June 2007: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny Technologies, Alcoa Inc., Inco Limited, Bowater, Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport-McMoRan Copper & Gold, and FNX Mining..

Dynatec, Alcan and Bowater are companies not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to takeovers. Smurfit-Stone Container and AbitibiBowater were dropped from JTVIR research coverage after they entered bankruptcy. Skye Resources and FNX Mining were dropped after full coverage initiation due to takeover. FNX Mining, Brett Resources, Linear Gold, Comaplex Resources, Skye Resources, Fording Coal, Gold Eagle Mines, International Royalty, Selkirk Metals, Franconia Minerals and Fronteer Gold are companies that have spoken, were scheduled or invited to speak at our conferences and later taken over, and UTS Energy successfully defended a takeover offer.

Subsequently, since September 2007 JTVIR, LLC has initiated regular coverage of new companies not previously covered in the former universe at the former Prudential Equities Group. These new companies include Teck, Agnico-Eagle Mines, Mercator Minerals, Skye Resources, General Moly, Inc., Duluth Metals, Polymet Mining, Greystar Resources, Vale, Xstrata, Anglo American, Packaging Corp. of America, Norbord, Rock Tenn, Quadra FNX Mining, HudBay Minerals, Alumina Ltd., Fortescue Metals, and Century Aluminum.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of "Overweight," "Neutral Weight," and "Underweight" most closely correspond with the more traditional ratings of "Buy," "Hold," and "Sell," respectively; however, please note that their meanings are not the same. (See the definitions above.) We believe that an investor's decision to buy or sell a security should always take into account, among other things, that the investor's particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to "balance" the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a "bottoms up" manner based on the assets of each individual company.

Price Target – Methods/Risks

The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.

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