

Our conflict of interest: On June 3, 2008 Galway Resources engaged our advisory affiliate John Tumazos Very Independent Opinions, LLC to commercialize its Victorio, New Mexico tungsten-molybdenum deposit containing up to 300 mm pounds of each mineral in situ. 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, which we have not yet exercised.

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.” It is possible in the future that we may receive revenue or be engaged by Galway Resources either concerning the molybdenum-tungsten property, defensive mergers and acquisition advice, fairness opinion, capital-raising introductions or investor relations “roadshow” work. Outside securities counsel have advised us that the “potential for compensation” biases the independence of our research.

GALWAY RESOURCES (GWYRF \$1.51, rated Overweight with price target over \$3) COMMENTS FROM VISIT TO VICTORIO TUNGSTEN-MOLYBDENUM DEPOSIT IN NEW MEXICO ON NOVEMBER 3RD AND 4TH

No earnings estimates or financial models as no production likely prior to 2015.

- We changed our estimated asset valuation to \$3.11-\$6.58 from \$2.96-\$7.62 per Galway Resources share, raising the lower limit by \$25 mm larger minimum value for Vetas gold and cutting the New Mexico tungsten-moly valuation to \$100-\$300 from \$100-\$500 mm owing to slow permitting.
- On November 4th Galway released Vetas drill hole #12 containing 15.3 g/t Au and pending g/t silver (Ag) over 11.44 meters, including 112.3 g/t Au and 34.2 g/t Ag over 0.92 meters, and 12.8 g/t Au over 7.2 meters, including 67.2 g/t Au and 34.4 g/t Ag over 1.12 meters. Vetas drill hole #14 contained thinner intercepts. Galway announced its surface drill rig at Vetas will begin to drill the continuation of CB Gold’s “Stockwork” discovery on Galway ground.
- Galway Resources expects to drill ten diamond core “infill” holes into the Victorio tungsten-molybdenum deposit in coming months at a cost near \$1 mm. It will upgrade “inferred” resources into “measured or indicated” resource categories in its initial priority. In mid-2008 a plan existed to drill up to 81 infill, stepout and exploration holes.
- After it drills more holes, the next 43-101 resource report will use closer to the current \$24 per lb tungsten price rather than the prior \$8 tungsten estimated long-term price, which may increase the pounds it reports slightly. Probably the same \$15 long-term molybdenum price will be estimated.
- For 24 to 30 months between November 2008 and April 2011 Galway Resources deliberately starved the Victorio tungsten-molybdenum project to conserve cash and focus on lucrative California-Vetas gold and silver

properties in Colombia. The Victorio property in New Mexico suffered from diversion of staff to Colombia, U.S. layoffs, the lapsing of New Mexico exploration permits, minor damage to the Deming, New Mexico office and records put away without sufficient “care and maintenance.”

- The State of New Mexico increased the financial bonding requirement in new drill hole environmental permits to \$80,000 from about \$20,000, increased filing fees fivefold to \$500 from \$100 each, increased documentation demands and has not yet granted the drill hole permits that Galway applied for in May 2011.

Figure 1: Victorio Mountain from the East



Figure 2: Note Coloration on “Tungsten Hill”



Figure 3: Over 100 such steel casings signify past Gulf Resources drilling from 30 years ago; ten wood survey sticks signify sites of pending Galway holes #19 to 28; NOTE: the tungsten-molybdenum deposit lies beneath the plain and does not occur in the mountains; “Gold Hills in background



VICTORIO PROJECT REACTIVATION DUE TO \$24 PER LB TUNGSTEN PRICE, BUT WITH DELAYS

In mid-2008 the “sum” of tungsten and moly prices was $\$46.50 = \$12.50 + \$34.00$, which fell to a “sum” of $\$16 = \$8 + \$8$ in early 2009. Currently the “sum” = $\$37 = \$24 + \$13$, where tungsten has roughly doubled from its prior 2008 cycle peak. Thus, the NPV based on the 2008 SRK Consulting scoping study has rebounded towards \$1 billion after tax from nil.

However, project resumption may be delayed by up to a year from the May 2011 decision point by environmental permitting, physical maintenance and personnel changes. Galway Resources let the prior drill hole permits lapse, and the State of New Mexico revised its processes in 2009 to require more documentation, fees and delays. The part-

Figure 4: Surface Mine Trench from decades ago, where White Quartz as commonly hosts free gold visible seen held in the outstretched hand. We observed over 30 small old artisanal sites nearby.



-time local employee charged with custody of the Deming, New Mexico office was not conscientious or trustworthy concerning the key to the gate for security or keeping the office. A truck was stolen, damaged and recovered. Minor vandalism occurred. Pigeons entered the building, nested and much of the office was covered with droppings. A large regional aeromag survey map that we had admired in May 2008 was gone. Five personnel changes occurred, including personnel moved to Colombia or departed. Thus, project resumption is not “like a light switch,” but tedious and gradual initially.

Figure 5: One of about a dozen historic old shafts seen around the property, which now are routinely filled as a safety precaution



COMPETING WATER USES, AND EVIDENT DRY IDLE FARM FIELDS

Galway Resources does not possess the water rights to operate either an 8,500 ton per day “selective mining” or 25,000 ton per day “block cave” bulk mining scenario considered in the early 2008 SRK Consulting scoping study. These do not have to be negotiated and bought until after permitting, but they could prove politically sensitive.

Dry farm fields are evident seen on both sides from Interstate 10 in the 50 miles east of the Victorio deposit. The recent construction of an electric power plant, whose output is sold into Southern California, involved the purchase of water rights and reduction in water available to agriculture. Population growth and other uses compete as well.

Large tracts of pecan tree plantations, two wine vineyards near the town of Deming, peppers, pumpkins, cotton, hay, alfalfa, sorghum, and other crops could be observed within 25 miles of the deposit. Vast dairy farms 10 to 20 miles west of the Texas state line in New Mexico consume the hay, alfalfa and sorghum. Agriculture could ally itself with doctrinaire environmentalists to oppose the mine’s permitting in the future.

ANTI-MINING ENVIRONMENTAL ATTITUDES AT STATE OF NEW MEXICO

No changes in documentation or other requirements have happened with the federal Bureau of Land Management. No delays stem from the federal level.

The State of New Mexico changed its permitting fees and documentation requirements in 2009, and the past nearly six months of delays in obtaining ten reasonably “innocent” drill hole permits alarm us. The fivefold increase in filing fees to \$500 each and fourfold increase in bonding requirement to \$80,000 give evidence of a lack of encouragement or sympathy for job creation. Galway Resources must file an “abandonment plan” for each individual hole, including revegetation and cement or bentonite clay caps to the holes. And the paperwork has not been processed promptly.

Galway Resources also rented a water truck to do its own watering sprays to reduce dust. We do not know why such dewatering is desirable, as there is nothing else out there. There is one house about two miles to the east on the other side, east, of the mountains that reportedly belonged to a nephew of the law enforcement officer “Wyatt Earp.”

As we checked into the “Grand Hotel,” the other person checking in identified his affiliation as the “American Environmental Group.” I told him he creates poverty and destroys jobs.

DRILL STRATEGY BETWEEN “INFILL,” “STEPOUT” AND OTHER EXPLORATION

The nearly 2,000 feet drill holes involve a combination of cheaper reverse circulation drilling for the first 1,250 feet or so followed by diamond core drilling for the final several hundred feet whether mineralization may be encountered. Each hole totals 1,500 to 2,000 feet at a cost of \$100,000 to \$125,000 per hole.

Previously up to 81 drill holes were being considered (See Figure 6 below). These involve a combination of “infill” holes to upgrade inferred resources into “measured and indicated” categories suitable for a definitive feasibility study, infill into the periphery of the deposit where drill information is least and “stepout” holes beyond the periphery of the deposit.

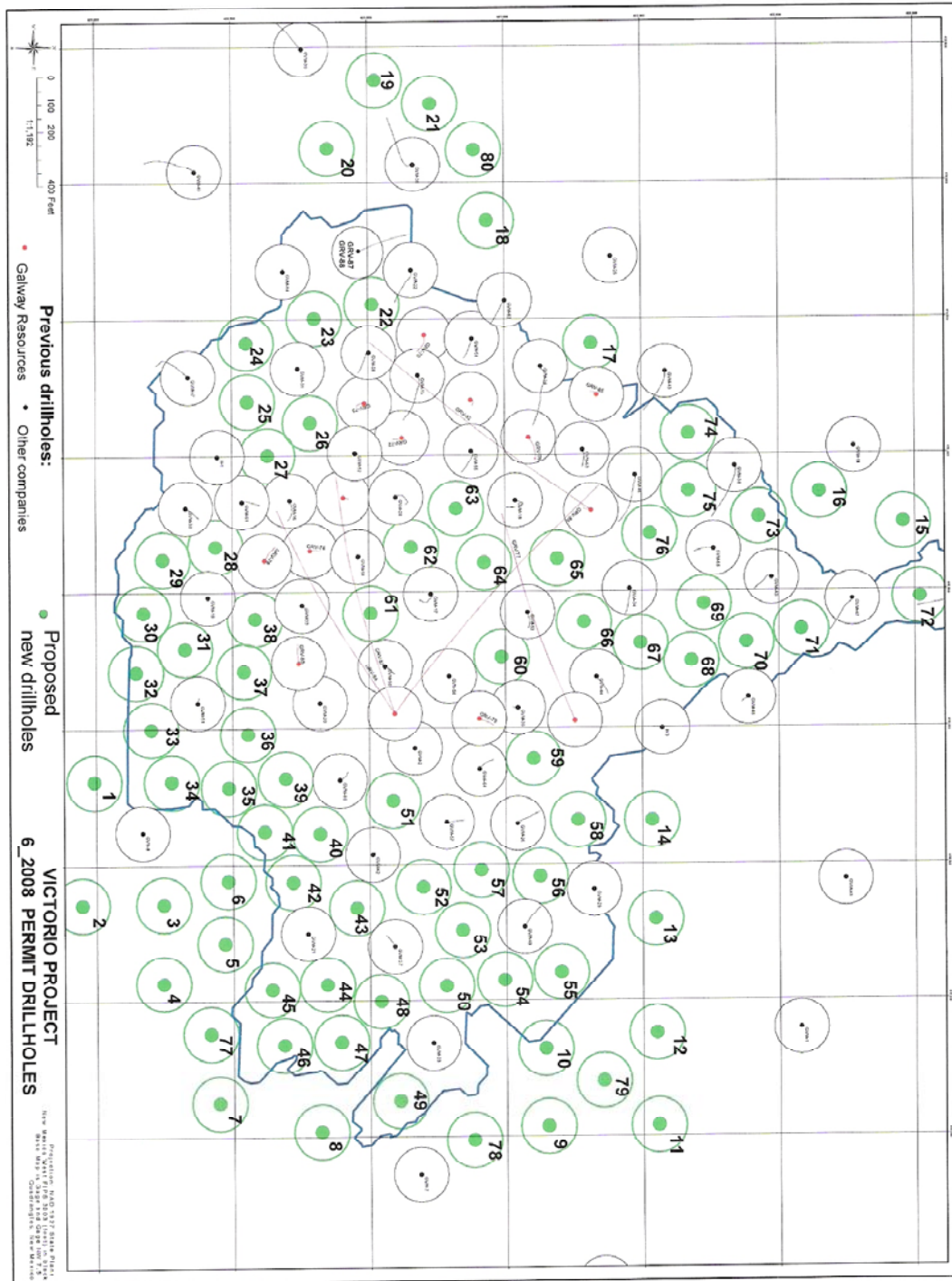
The project geologist debates whether to complete the infill drilling program from an underground ramp rather than surface drilling, which might add up to \$10 mm of underground costs but save nearly 1,250 to 1,500 feet per hole or 30 km of infill drilling as the minerals occur between 1,250 and 2,000 feet down.

DEFINITIVE FEASIBILITY STUDY BUDGET ISSUES

The definitive feasibility study’s cost and budget involves a series of important topics, including (1) infill drilling of existing inferred resources, (2) stepout drilling to define more resources, (3) detailed engineering of the tailings disposal estimated at \$160 mm in

the life-of-mine in the SRK Consulting scoping study, (4) detailed study of autoclave, roaster, gravity, optical sorting and various combinations for tungsten recovery, (5) bulk metallurgical testing, (6) rock competence studies, (7) baseline data collection for environmental permitting and (8) dozens of individual optimization or detailed engineering studies.

Figure 6: 81 Proposed Exploration Holes in 2008 Signified by Green Dots



The feasibility study cost will vary as to whether Galway Resources opts for the 8,500 ton per day selective mining or the 25,000 block caving bulk mining method. The latter may involve more drill definition, more detailed rock competence studies and a three times larger tailings impoundment to design.

We estimate the definitive feasibility study will cost about \$15 million, where \$10 mm will be resource definition, \$2 mm bulk metallurgy tests, \$1 mm tungsten optimization, \$0.25 mm tailings impoundment design, \$0.25 mm rock competence studies, \$0.5 mm for a “contingency” and \$1 mm for detailed engineering, substudies and economic modeling integration.

It is possible to bypass \$5 mm in resource definition, and go forward with a smaller, partly defined deposit without the stepout drilling. It is possible to do the drilling at a roughly \$5 to \$7 mm savings if Galway Resources were to construct an exploration decline or ramp, which might be used anyway later in commercial construction. However, this will require up to \$10 mm in up front outlays.

ESTIMATED ASSET VALUATIONS

Galway Resources has reported two 43-101 studies for the tungsten-moly property in New Mexico, which ranges up to 297 mm lbs of moly and 340 mm lbs of tungsten. We expect a first 43-101 study to be released in 2012 for California, where 136 drill holes have been released. Galway is not as close to completing a study on Vetás, where the ore grades are highest as noted in the November 4th press release, as it has just 13 drill holes plus several thousand trench or underground channel samples.

We raised our asset valuation of Vetás by \$25 mm to \$150-\$300 mm from \$125-\$300 mm due to drill holes #12 and #13, channel samples and continuation of CB Gold’s “Stockwork” discovery onto Galway ground.

Table 1: Galway Resources Asset Valuation (US \$ Mil.)

	Low End	High End
"Slivers" parallel Ventana Gold up to 0.5 mm oz au + 3 mm ag	\$ 75	\$ 100
California estimated 1-5 mm oz au + 6-30 mm ag	\$ 150	\$ 500
Vetas estimated 1-3 mm oz + 3-10 mm ag	\$ 150	\$ 300
Galca district thermal coal jt vt with Glencore	\$ 25	\$ 45
Victorio up to 300 mm lbs each tungsten + molybdenum	\$ 100	\$ 300
Fine Management teams in Colombia and USA	\$ -	\$ -
Other gold, silver or tungsten exploration opportunities	\$ -	\$ -
Other magnetic anomalies near Victorio in New Mexico	\$ -	\$ -
Current cash balances	\$ 25	\$ 25
Subtotal	\$ 525	\$ 1,270
Discount Reflecting Contemporary Public Market Valuations	20%	30%
Shares Outstanding	135	135
Valuation per share	\$3.11	\$6.58

Source: John Tumazos Very Independent Research, LLC estimates

We lowered our tungsten-moly valuation to \$100-\$300 mm from \$100-\$500 mm, despite its \$1 billion after tax NPV per the SRK Consulting 2008 scoping study, because of the opposition and time delays evident in drill hole permits. We believe drill hole permits are hogwash, as drilling is the initial step in value creation with minimal surface impacts from dirt or unpaved roads at the most.

Table 2: California Au Assays above 1 g/t

California Au Assays >= 1 g/t

Total Drill Holes	Total Assays	# Assays > 1 g/t	Avg. Thickness (m)	Mean grade
131	1175	463	10.15	4.94

Sources: Galway Resources press releases and JTACR, LLC estimates strictly from Galway data

Table 2: California Assays Database of Galway Resources Since Aug. 2009

Assays > 2g/t Au:

Total Drill holes	Total Assays	Assays Au > 2(g/t)	Avg thickness (m)	% assays Au > 2 g/t
131	1175	183	10.21	15.57%

Economic cutoff g/t	# observations or assays	mean ore grade	standard devn	CV	Avg Thickness (m)	grade-thick
0.0	1175	2.36	9.47	4.01	NM	NM
0.5	1159	2.39	9.53	3.99	6.34	15.14
1.0	463	4.94	14.73	2.98	10.15	50.13
1.5	260	7.85	19.17	2.44	10.89	85.53
2.0	183	10.44	22.37	2.14	10.21	106.53

California Assays Grade thickness

0-50 (g/t)*m	1094
50-100 (g/t)*m	39
100-150 (g/t)*m	18
150-200 (g/t)*m	10
200-250 (g/t)*m	3
250-300 (g/t)*m	3
300-350 (g/t)*m	2
over 350.0 (g/t)*m	6

Grade Thickness	<93	93 to187	>187	Total
# Assays	1128	33	14	1175
% Assays	96.00%	2.81%	1.19%	100.00%

California Assays Geostats (through hole GWY-131)

	Mean grade (g/t)	Std. Dev.	C.V.
Au	2.36	9.47	4.01
AuEq	2.68	9.59	3.57
Ag	14.60	42.43	2.91

Silver-to-gold ratio = 6.2

Sources: Galway Resources press releases and JTACR, LLC estimates strictly from Galway data

Table 3: Vetas Assay Database Compiled over the past year**Vetas Assays > 2 (g/t) Au**

Total Drill Holes	Total Assays	# Assays > 2 g/t Au	Avg. width (m) Au > 2 g/t	% Assays Au > 2 g/t
13	80	80	1.44	100.00%

Vetas Assays Grade thickness (g/t)*m

Grade thickness	<93	93 to 187	>187	Total
# Assays	77	3	0	80
% Assays	96.25%	3.75%	0.00%	100.00%

Vetas Assays Geostats through drill hole GWY-V014 (13 holes)

	Mean grade (g/t)	Std. Dev	CV
Au	12.84	20.03	1.56
AuEq	14.08	21.99	1.56
Ag	43.87	137.36	3.13

Silver-to-gold ratio = 3.42

Vetas Assay Grade thickness (g/t)*m

Grade Thickness (g/t)*m	Frequency
0-50	72
50-100	5
100-150	2
150-200	1
200-250	0
250-300	0
300-350	0
350+	0
Total	80

Source: Galway Resources press releases and JTACR LLC estimates strictly from Galway Data

SUMMARY AND CONCLUSION CONCERNING OUR ASSET VALUATIONS AND PRICE TARGET

We express a \$3.11 to \$6.58 per share price target as a wide range, both because the gold-silver, tungsten-molybdenum and coal properties are not fully delineated, the values will rise as definition, engineering and permits advance and because the various commodity prices have ranged between x and up to 4x in the past three years. Values increase with infill drilling, definition of measured and indicated resources, definitive feasibility study permits and higher metals prices.

VICTORIO TUNGSTEN-MOLYBENDUM PROPERTY IN NEW MEXICO

Galway Resources did extensive work in 2007 and 2008 on the Victorio tungsten-molybdenum property located 2 miles south of Interstate 10 and 20 miles west of the town of Deming, New Mexico (population 2,000). Galway drilled 18 holes to reconfirm a circa 1982 definitive feasibility study done by Gulf Resources with 111 drill holes totaling 166,000 feet and metallurgical work from Hazen Labs. SRK Consulting completed a 43-101 compliant scoping study with mineral resources, estimated capital costs, estimated operating costs, either a 8,500 ton per day selective mining or 25,000 ton per day block cave underground scenario and estimated rates of return (Table 4 below). Dr. Peter Knudsen, Dean of the Montana Tech School of Mines, updated the 43-101 resources in Table 5 below.

Table 4: 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 5: Knudsen Inverse Distance cubed Model - \$17.50/lb Mo and \$10/lb WO3

		Contained Metal				
Category	Tons	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	

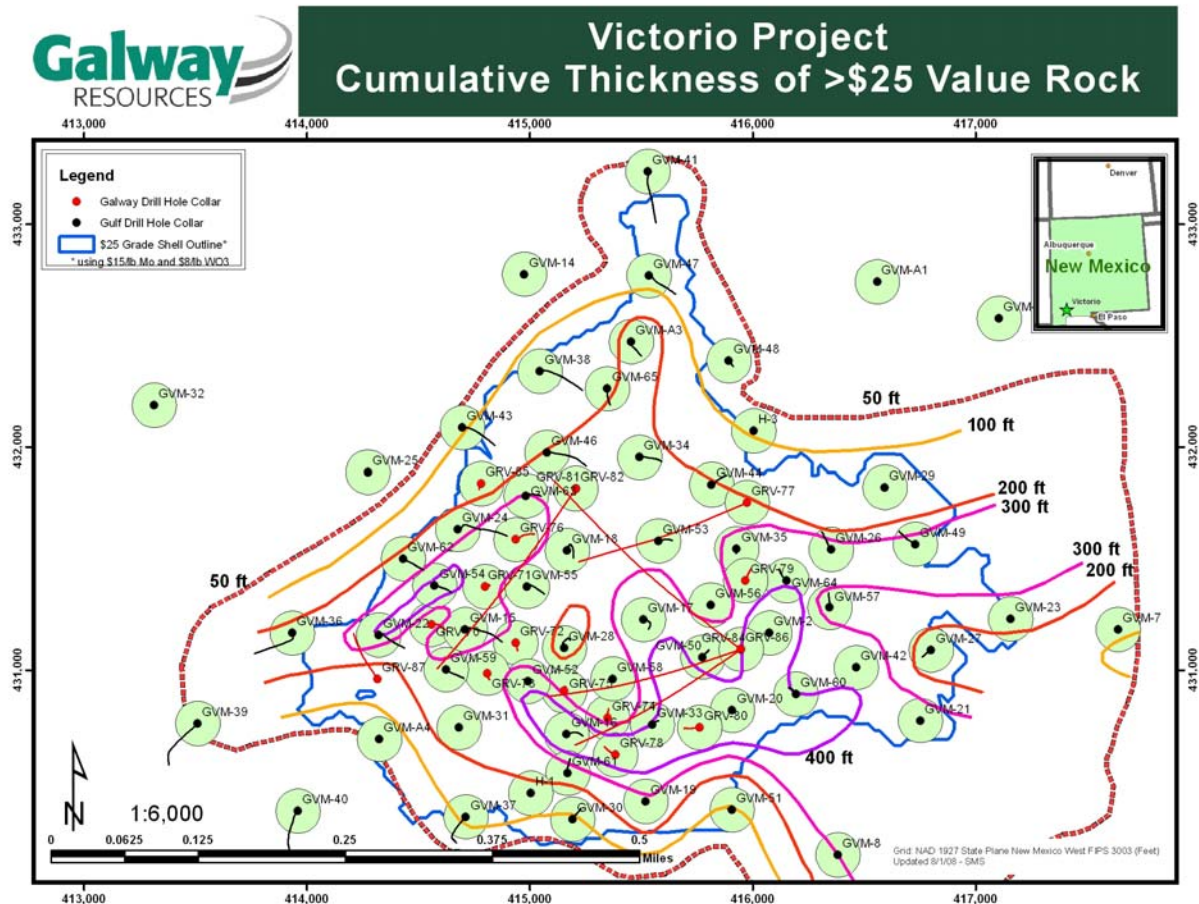
Source: Dr. Pete Knudsen, Dean, Montana Tech School of Mines 8-18-08

Galway Resources did most of its work near the peak in molybdenum prices, when Mo was near \$34 and tungsten near \$12.50 per pound, or a “sum” of \$46.50. In late 2008 molybdenum and tungsten prices collapsed to \$8 each, a “sum” of \$16.00, which rendered the project marginal in economics. Galway Resources shifted gears, cut back staff, dropped two less robust pure tungsten projects in Nevada and began to work on the Galca coal district and California gold district both in Colombia.

Today tungsten prices have entered a boom, averaging near \$24 per lb or nearly twice 2008 highs and three times 2009 lows. Tungsten, the second hardest material in nature, is widely used in diamond drill bits both for energy, hard rock minerals, water and other exploratory drilling. It is also used for metal working cutting tools, such as used in the growth of the world auto industry, capital goods or Chinese manufacturing.

Molybdenum prices are depressed, and range near \$13 currently. Thus, the “sum” of tungsten and moly has rebounded from \$16 at the cyclical trough to almost \$37 per lb currently, or a rebound recapturing 70% of the prior peak economics from 2008 when the “sum” was \$46.50.

Figure 7: Area Incorporating Six of Eight Stepout Holes (red outer line) is 45% Larger Than SRK Block Cave Bulk Mineable Resource (blue line)



Based on \$15/lb molybdenum and \$8/lb tungsten.

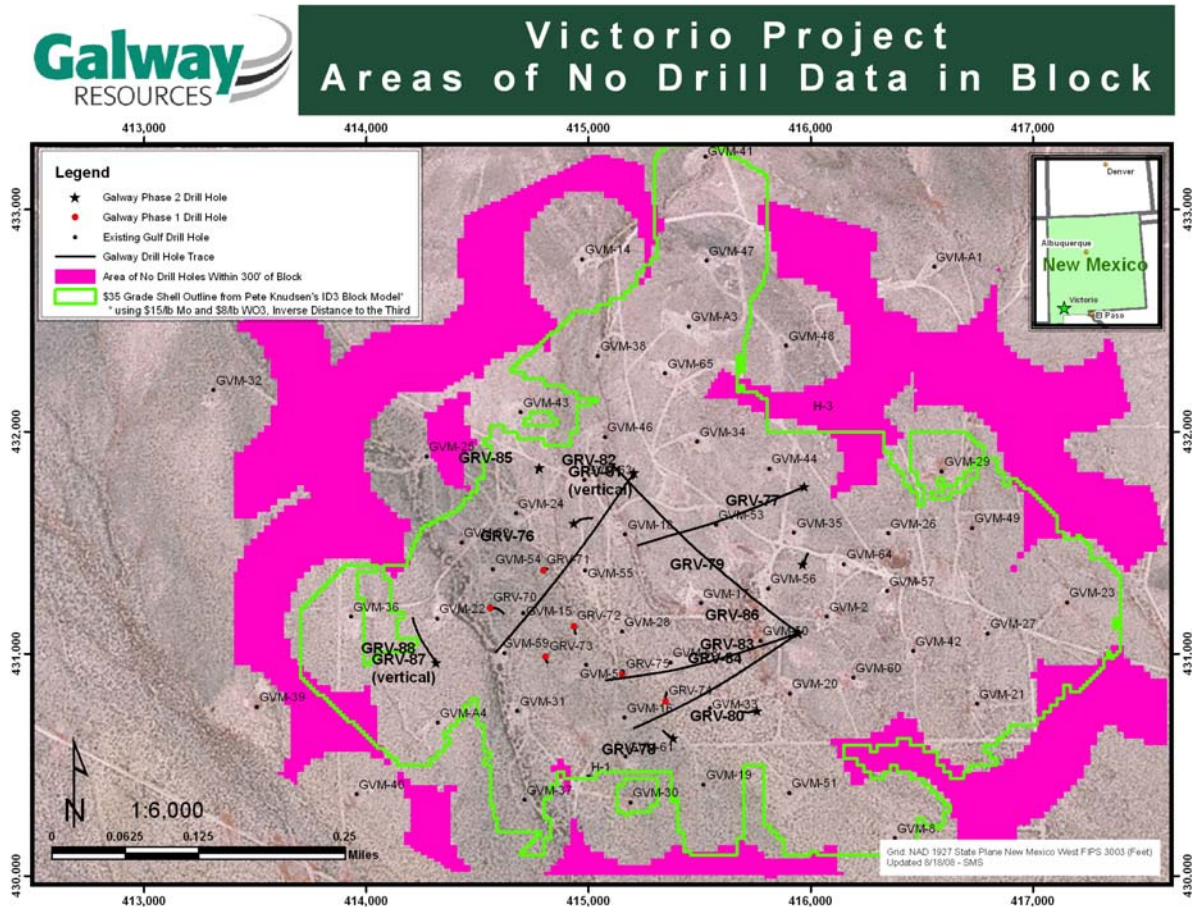
SRK Consulting omitted drill holes more than 400 feet from another hole.

Red line shows Galway Resources 50' cumulative thickness contour of >\$25/ton rock compared to Blue line outlining smaller SRK Consulting prior resource using 6 fewer Gulf Resources and without 2008 Galway Resources 12 additional holes.

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

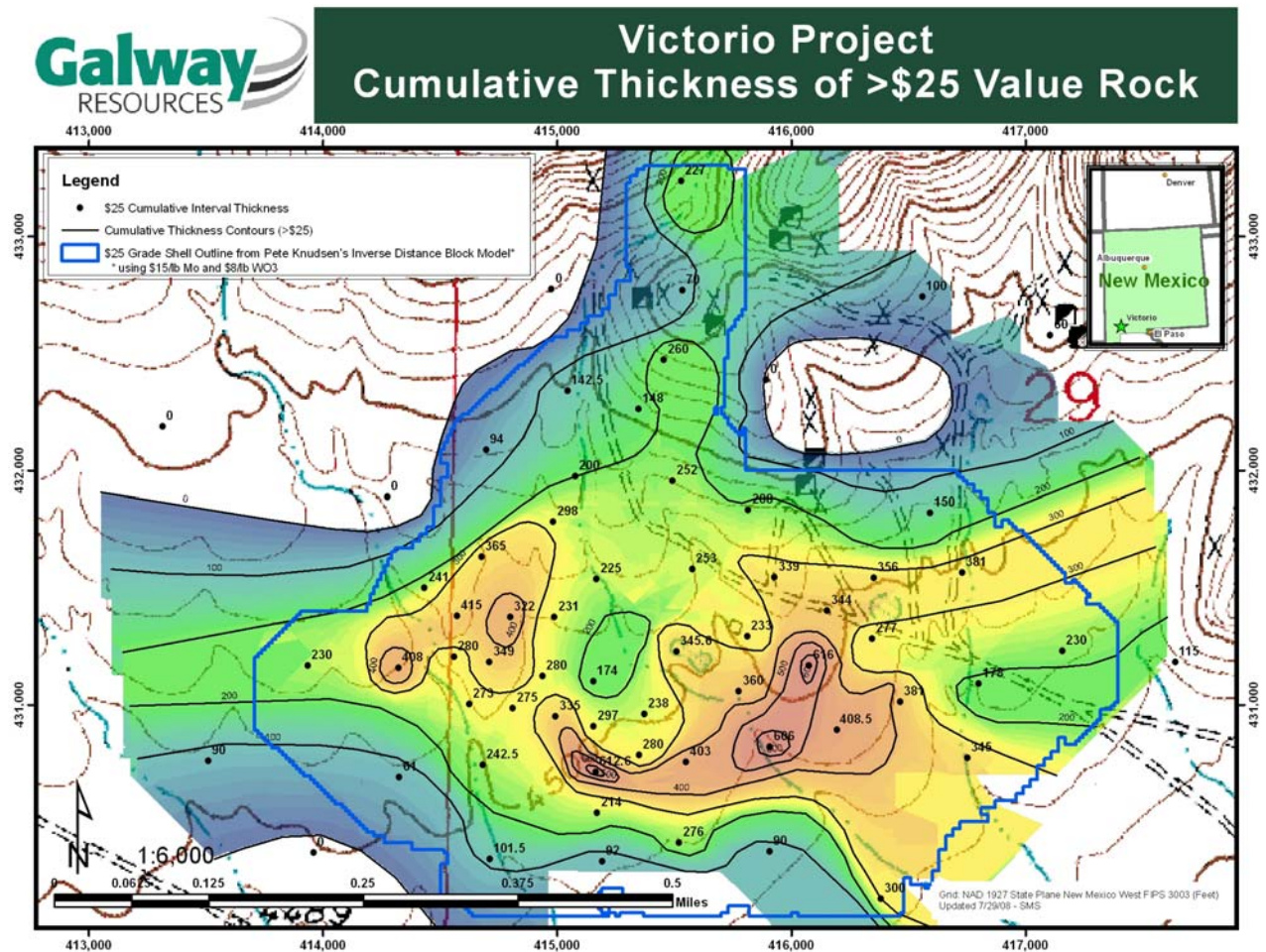
Source: Galway

Figure 8: Area of no Information Within 300 feet (Dark Pink Shaded)

We estimate the pretax NPV (from Table 4) to be between \$1.4 and \$1.5 billion at current prices, or near a \$1 billion after tax NPV at an 8% discount rate for Victorio at a 25,000 ton per day block mining scenario. This estimate does not consider exploration opportunities in virtually all directions laterally and to depth, which we document in Figures 3, 4 and 5. Dr. Peter Knudsen already calculated in August 19, 2008 an inferred resource of 297 mm lbs of moly and 341 mm lbs of tungsten (Table 5), which has in “in situ” future revenue of roughly \$9 billion.

Several key elements are necessary to advance the work done earlier in 2007 and 2008 to a definitive feasibility study. These include infill drilling from a 400 to 100 foot grid where 1,500 deep diamond drill holes cost nearly \$150,000 apiece, bulk metallurgical tests, detailed tailings dam design and tungsten recovery optimization. We do not want to suggest “doubt,” but rather opportunity.

We believe FOUR separate techniques may be practical for tungsten recovery either separately or in combination, including autoclaves recommended by SRK Consulting, roasters such as Thompson Creek uses in Langeloth, PA, gravity separation often used in the Third World or optical sorting. The 2008 SRK Consulting study recommended ten

Figure 9: Cumulative Thickness > \$25/ton Value Open SE, E, W and Depth**Based on \$15/lb molybdenum and \$8/lb per pound tungsten.**

The potential extensions to the west, north and east of the “block cave” bulk mine resource herein truly are massive. The stepout holes in Figure 1, GVM #8, #36 and #43, with thicknesses of 227, 240 and 300 feet could make very large additions to bulk mine tonnages.

Separate bench scale autoclaves each producing about 1 pound per day of tungsten. It is possible that 1 or 2 larger vessels will have smaller capital, operating and maintenance costs. We queried Allan Moran, a geologist and the SRK Consulting Galway project leader in its Tuscon office, who told me that the technical person who did the metallurgy had left SRK Consulting and Allan could not explain the recommended flow chart.

SRK Consulting also estimated a \$160 mm tailings dam cost over the life of the project, where we believe there is opportunity for the costs to be smaller. We noted that we are able to buy “overflow” material at a local Home Depot in half cubic yard sacks for similar costs as SRK Consulting estimated. We had a representative of the major tailings liner company, formerly called Gundel Environmental Systems, visit the site and it made bids

for various components 11% to 20% below the SRK Consulting capital cost estimates. The former CEO of the tailings liner company had been a classmate of mine in graduate school, and an affiliated partnership of my former employer from 1981-1988, Oppenheimer & Co., Inc., had done an LBO and later IPO of the tailings liner company. Thus, we had some familiarity. We believe the capital costs will not necessarily rise in proportion to industrywide escalations as the 2008 projections near \$440 million were generous.

We are optimistic that the exploration drilling will increase the size of the Victorio tungsten-moly resource as well. However, exploratory drilling is not the first priority, as the existing \$9 billion in situ resources are reasonably large. It is a judgment call whether to drill 20 exploratory holes outside the perimeter of the deposit for \$3 million in addition to the \$10-\$15 mm definitive feasibility study infill drilling, bulk metallurgical tests, detailed engineering, detailed tailings dam engineering and detailed autoclave/met process engineering.

Galway Resources is eager to find a financial investor or strategic partner to advance the project. Galway Resources hesitates to use public offering proceeds at its corporate parent level, where some of the gold investors may object to base metals investment.

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

Our price target in Table 1 may be different than a “Fairness Opinion” rendered to a board of directors by a large investment banking firm.

First, our “price target” is an objective, and is estimated from public information. A valuation in a transaction will likely involve an up-to-the-minute description of drill holes not yet published, the last impressions of site geologists, a site visit or other nonpublic information.

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 the offer and the stock price falls back down to or below the pre-takeover levels. We are aware of transactions in which the largest shareholder made such phone calls to the independent directors and counsel. Thus, the directors will look at downside risks should a transaction dissolve in addition to upside targets, and they often “take a bird in hand” rather than hold out for more.

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 that an offer is “fair” if the primary banker obtains no other bids or fails to have another bidder even sign a confidentiality agreement. In our opinion, a banker’s inability to obtain a better bid does not guarantee an offer is fair. The banker may be diverted by holidays or other transactions, or simply assign junior personnel unable to identify or access key decision makers within mining companies. Potential bidders may be overwhelmed by their own existing projects, opportunities, vendor non-performance or

internal staff shortfalls. About half of the companies we contacted in a recent transaction were too busy to consider another project, and some refuse “competitive bid” situations.

Thus, 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 is subject to the same commodities “macro” dynamics as other mining companies involving fluctuations in gold, silver, tungsten and molybdenum prices. Fluctuations in currencies, interest rates, prospective capital costs, prospective operating costs and the global economy impact it.

Environmental issues appear more sensitive in Colombia than in the U.S. Opponents to AngloGold’s La Colosa and Eco Oro’s open pit Angostura project delayed both of those > 10 mm oz projects. Spanish-language national publications claimed that Eco Oro’s (formerly known as Greystar Resources) Angostura would poison 4 mm people with arsenic and cyanide, which no national official clarified or corrected. Last month President Santos sacked both the environmental minister and the minister of mines and energy last month, which gives us hope of change.

Our greatest worry is a “take under,” where a hostile bidder takes advantage of recent stock market crises, Galway’s low valuation and the absence of any 43-101 compliant disclosure of its Colombian gold and silver resources. From the standpoint of “process,” we worry that a “White Knight” or counter bid could be difficult if Eike Batista’s AUX makes a hostile bid for Galway, as mining companies are timid, busy and reluctant to bid against the richest man in Brazil. From the standpoint of “process,” there is a risk that any small company’s own banking or legal advisors could be insincere, and bargain on behalf of the larger future potential client owned by the richest man in Brazil.

ABSENCE OF FINANCIAL MODELS OF INCOME STATEMENT, CASH FLOW, BALANCE SHEET, YEAR-BY-YEAR OUTPUT AND DEFINITIVE

We have not constructed income statement, cash flow, balance sheet and mine production models because we expect the company to be taken over or to merge with neighbors. Further, Galway has not yet reported 43-101 compliant gold and silver resources or definitive feasibility study for gold, silver, tungsten, moly or coal resources, which creates uncertainty as to future ore grades, throughput rates, capital costs, operating costs and related data.

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 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.

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 none-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.

Because of Texas Rare Earth Resources June 10, 2011 disclosure of a financing upon which we had advanced knowledge and introductions, the June 28, 2011 disclosure that its S1 registration statement was effective with the SEC, and a subsequent June 30, 2011 8K filing with the SEC describing both our advisory relationship and that no mergers and acquisition discussions currently are ongoing, we treat July 2011 as an “open window” in which JTACR may write on TRER and during which a group of our employees or outside sales representatives may buy an approximately 40,000 share block of TRER.

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 Thypin 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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There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange rate fluctuations, and limited availability of information on international securities. John Tumazos Very Independent Research, LLC, and its affiliates, make no representation that the companies which issue securities that are the subject of their research reports are in compliance with certain informational reporting requirements imposed by the Securities Exchange Act of 1934.

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Additional information on the securities discussed herein is available upon request. The applicable disclosures can be obtained by writing to: John Tumazos Very Independent Research, LLC, 11 Yellow Brook Road, Holmdel, NJ 07733 Attn: John C. Tumazos.