

## Today's Notes:

## 1. Quaterra's Yerington

**Quaterra's Yerington Acquisition**

Smartstox's Stanley Hunt interviewed Quaterra's Dr. Tom Patton on June 7. For those of you that have lost faith or just grown tired I would suggest that you watch this interview. It lasts a short 11 plus minutes and will make you more aware. I have also included press articles detailing QMM's Yerington opportunity.

<http://www.smartstox.com/interviews/qta/>

I am still a strong supporter (and owner of shares) of Quaterra Resources and also of Tom Patton's ability to create significant value through ongoing accumulation and development of an extraordinary property pipeline. While that value has not been translated into price for QMM's shareholders yet – I believe it will realized be in due course. The recent acquisition of the Yerington Mine and surrounding properties out of bankruptcy in Yerington, Nevada is a case in point.

Please remember that point 10 of the Discovery Factor model relates to a Discovery Investor's willingness to bear upside risk in patience. Price discovery can be a long term process. The realization of price from value occurs in its own time and cannot be forced. Quaterra has developed value in spades in several of its many properties. Today two of those properties, Nieves in Mexico and Quaterra's newly formed Yerington district seem ready to bloom.

Few investors realize how painstaking and significant the many Yerington transactions have been. Anaconda began acquiring and developing this mine in 1918 and began mining it in 1953. The Patton team has jumped through all the hoops for the past 4 years to satisfy local, state and federal regulators and ensure that Quaterra shareholders were protected from any remediation liability. The Yerington district will eventually host a resource of 50 to 60 billion pounds of copper. It is perhaps the only brownfield copper district in the United States that does not have major mining company representation. Quaterra now controls 34 square miles of the district plus the core 4.2 patented square miles. The company also owns significant water rights with this acquisition.

Quaterra controls significant oxidized / acid leachable copper which could be processed in the near term. I am convinced that in the final analysis Quaterra will control 10 to 20 billion pounds of copper and the strategic land positions in the Yerington district. Any consolidator will of course want Nevada Copper and Entre Gold's land positions as well, but Quaterra now controls the district. This is an enormous accomplishment.



**Here are a few quotes and bullet points from the Stanley Hunt / Tom Patton interview on Quaterra's Yerington acquisition:**

**SH:** You have been working on that project for about three or four years. Things are really coming together and you got yourself a district!

**TP:** Yes it has always been our goal to consolidate the Yerington district ... in 2007 we announced our intention to acquire the Arimetco assets at Yerington ... I never believed it would take us 4 years to accept it but last month we officially accepted it.

**TP:** The core of the property 4.2 sq. miles so now we've got the whole district including MacArthur ... 34 sq. miles in the district.

**TP:** What really gets me excited as part of the acquisition we picked up the mineralization in and around existing pit which we think, based on historic resources, about 120 million tons of .34 percent copper ... 800 mill pounds of copper historic resource in the pit ... then Anaconda also discovered and partially delineated its large Bear deposit out to the north under the sulfide tailings. Published numbers ... show the Bear is greater than 500 million tons of +.4 percent copper ... The point is it is only partially delineated ... its got a very large footprint and we think the District is going to respond to detailed and systematic drilling, which we intend to do.

**SH:** Investors don't have to wait 3 or 4 years. You have sped up the process from going grassroots into production ...

**TP:** I believe I am correct in saying that the Yerington district is only district in the US that does not have a major (major mining producer such as RTZ) company involved right now also there are very few advanced or brownfield projects in the US. We've got a good one.

**TP:** One of the real benefits is that we were able to recover 760 holes from Anaconda data base ... twin 15 to 20 holes ... we will make the historic resource 43-101 compliant and then we will continue to move to the north and drill the Ground Hog hills and then start drilling the Bear. I am very excited about being able to move this property forward in a fairly accelerated fashion.

**SH:** This is really strong for shareholders in your company ...

**TP:** If you just take district the resources that are known in the district right now, and some are controlled by other companies, is almost 20 billion pounds. With what we know about it, it's gonna get a lot bigger. I have said publically the ultimate potential for the Yerington District as a whole is going to be in excess of 50 billion pounds of copper.

**TP:** Now delineate the extent and grade and start figuring out what the economics are ... I am excited about working around the pit first. ... There is some acid soluble copper left in the pit area we think that we can combine that material with MacArthur material ... so that we can start out with oxide copper on a pad leaching ... it while sorting out the sulfide mineralization.

**TP:** There are not many areas where you can say that there is honest chance of production in 5 years .. Certainly we think that at Yerington we could do that.

**SH:** 5 years in this time line is nothing ... Closer to 15 to 20 ..

**TP:** We have a strategic alliance with Goldcorp ... they are a great partner ... we have 2 drills running down there right now one is Sabino ... and we are drilling large copper gold system at Santa Domingo ... we've got three holes done on that.

**TP:** We also have the Nieves which is not part of Goldcorp JV ... but it is a potential open pit silver proposition ... we have done an additional 7000 meters drilling ... Nieves 45 gram cutoff, we've got 54 million ounces of indicated and inferred resource

**TP:** and at a 15 gram cutoff it goes up to 85 million ounces ... I think many of those ounces, at least half of those ounces, would be in an open pitable configuration. We are doing the resource e update now. I am very excited about the project

**SH:** You have had a fantastic win with Western Silver.

TP: I think our shareholders would emphasize the waiting part. They've been long suffering ...

TP: With all of the historic resources ... we are going to be moving into the 43-101 compliance at Yerington where we can add real asset value independent of rises in metal prices ... nothing is holding us back. So we are finally in a position to move forward the way we always thought we would

TP: I've always contended that is a lot easier in today's environment to build a mine where there is a mine.

TP: our pitch to all of the regulators local state and federal level is to let us come in and explore for a year or two when we build it we can take care of a lot of those problems in the context of building that new mining operation ... it would be a tremendous example of federal agencies and private industry working together to save taxpayers' money and so that's what we are shooting for.

TP: Anaconda operated that mine from 1953 to 1977 and it made money every year except for the last year and was .... a real point of pride in the town.

TP: if we can put it back into production ... create those good paying jobs that are going to last for 20 to 25 years.

<http://www.rgi.com/article/20110621/BIZ03/106190311>

*The material herein is for informational purposes only and is not intended to and does not constitute the rendering of investment advice or the solicitation of an offer to buy securities. The foregoing discussion contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (The Act). In particular when used in the preceding discussion the words "plan," confident that, believe, scheduled, expect, or intend to, and similar conditional expressions are intended to identify forward-looking statements subject to the safe harbor created by the ACT. Such statements are subject to certain risks and uncertainties and actual results could differ materially from those expressed in any of the forward looking statements. Such risks and uncertainties include, but are not limited to future events and financial performance of the company which are inherently uncertain and actual events and / or results may differ materially. In addition we may review investments that are not registered in the U.S. We own shares in Quaterra Resources. We cannot attest to nor certify the correctness of any information in this note. Please consult your financial advisor and perform your own due diligence before considering any companies mentioned in this informational bulletin.*