

Today's Notes:

1. **Discovery**
2. **Gold**
3. **The Russians are Coming: GMV Minerals in Guyana**

1. DISCOVERY INVESTING

Chris Berry will be writing from Colombia this week. We will be publishing an article on Colombia and the investment opportunities there in Forbes (website) shortly.

I couldn't help but notice an event last week. It captured my attention. Last Thursday, at about 11 AM, Beaufield Management released the results of a drill hole (4 hole drill program). In spite of a generally soft stock market that day, the world took notice along with me. I have written on Beaufield Resources many times in the past few years, primarily because I like the management team led by Jens Hansen. The company reported its best drill results to date, hole TO-10-19 yielded superb results over 322.15 meters including 4.2% zinc, 2.72% copper, 72.02 grams of silver /ton and .53 grams of gold per ton. This more than classifies as a capital D discovery hole in my view. The interesting question is what would a ton of this material be worth at today's prices, in the ground, of course?

The values add up:

- 1) Zinc = 80 pounds per ton, worth \$ 80
- 2) Copper = 54 pounds per ton, worth \$192
- 3) Silver = ~3 ounces /ton, worth \$ 60
- 4) Gold = .5 grams /ton , worth \$ 21

Total value of a ton of this ore is therefore ~\$353.

The market reaction was stunning. More than 40 million shares traded. The shares advanced from C\$.20 to \$.68. By this AM the shares have given back about half of the gain; much of the exuberance was irrational and perhaps a knee jerk reaction. Furthermore the company does not yet know the tonnage of the deposit. Nevertheless the strength of Discovery Investing is more than adequately demonstrated by this catalyst. Here is an example of the ultimate catalyst for value creation, a world class discovery hole.

Likewise, a potential cure for cancer, such as we believe could be in store for Senesco Technologies next year, is comparable in the bio tech Discovery space. Beaufield's assays are world class, though tonnages, metallurgy and a host of other economic and valuation issues relative to Quebec's Tortigny prospect (where the discovery was made) have yet to be determined, make it clear that this is a significant discovery. Other stocks (Habanero) staking nearby properties gained 14% to 20%.

As I noted yesterday, there are a number of other interesting issues out there. For example we have been a strong proponent of SandSpring Resources and now a new name GMV

Minerals (GMV TSXV) . The Guyana gold story has developed considerable momentum. See MN # 3 below.



2. GOLD: THE TIMES THEY ARE A-CHANGIN'

**The line it is drawn
 The curse it is cast
 The slow one now
 Will later be fast
 As the present now
 Will later be past
 The order is
 Rapidly fadin'.
 And the first one now
 Will later be last
 For the times they are a-changin'.**

Bob Dylan 1968

Both gold and silver really need to take a breather. But perhaps just perhaps, the times they are a-changin'. I would certainly feel more comfortable, at least from my very traditional markets experience, if we could see a little of the pressure in this bull released. Don't get me wrong I am still a big bull on gold, even more so on silver, and an advocate of sound money. No matter what anyone says this is the key issue driving gold higher and with this the loss of control of money by the world's the Central Bankers.

Today, the central banks of many countries are buying and storing gold rather than selling. In short, believability in fiat (paper) currency is on the wane – everywhere. Mom and pop are just now catching on - everywhere.

The FT, this AM, notes that J P Morgan is reopening gold storage vaults in New York City long since closed or turned into restaurants. Many historic vaults cannot be reopened as they have been converted into restaurants: one New York vault built in 1902 for John Pierpont Morgan is now home to a steakhouse. No joke! This must certainly signal an interim top, n'est-ce pas? Perhaps not. The FT also reports that ,

“The demand for (ed: gold and silver) storage comes as investors are buying physical gold rather than investing in precious metals futures or mining equities. Private investors hold about 30,000 tonnes of gold, according to the consultancy GFMS – more than a sixth of the world’s gold and, for the first time in modern history, more than central banks.”

Private investors hold 30,000 tonnes of gold for the first time in modern history. As BD sang in another era, ***“The times they are a changin’.***” HSBC and the bank of Nova Scotia are also opening vaults. Gold ETF’s are one reason. BlackRock’s iShares Gold trust holds 100 tonnes of gold. Nevertheless individual investors are also seeking storage for physical gold and silver a trend we have not seen in the modern era.

3. THE RUSSIANS ARE COMING: GMV MINERALS

But there are several gold juniors that I have owned and been following actively. Sandspring Resources in Guyana is one that I first visited about a year ago. The SSP experience has been one of constant and increasing discovery and the share market has responded. Successive drilling has increased the resource significantly. There is the potential for increase gold resource here as well. On September 15, 2010 the company reported a 43-101 compliant resource.

“The single optimized open pit shell resource model features an Indicated mineral resource of 2.64 million oz. gold and 261.7 million pounds copper (3,293,000 ounces gold-equivalent) contained within 98,937,000 tonnes at a grade of 0.83g/t gold and 0.12% copper. An additional Inferred mineral resource of 3.42 million oz. gold and 216.1 million pounds copper (3,952,000 ounces gold-equivalent) is contained within 140,054,000 tonnes at a grade of 0.76 g/t gold and 0.07% copper.”

Sandspring (SSP.V) management has executed well and the stock is on the rise with continuous discovery dynamic. One week ago today, Sept 27th, the company announced a C\$40.04 (at C\$2.60) million bought deal with an over-allotment of C\$6 million. There is much interest in the Guyana gold rush – thanks, in part, to Venezuela’s President. But there is more happening in Guyana that merits your attention.



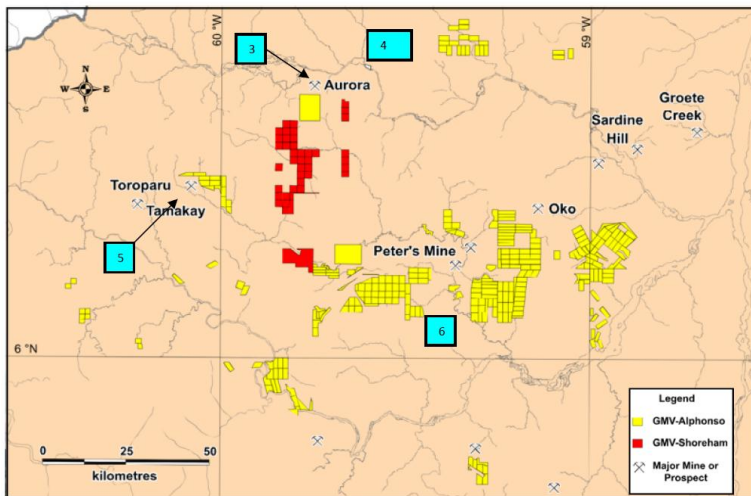
The Russians are coming. Russia's largest steel company, Severstal, is completing an IPO for its producing gold company. On September 23, 2010 Severstal entered the Guyana gold rush by offering \$1.60 for all outstanding shares of Sacre-Coeur. Severstal agreed to buy Canada's Sacre-Coeur Minerals Ltd (gold resource of 450,000 ounces) to boost its mining operations in Guyana in a deal that values the gold explorer at about C\$65 million, sending Sacre-Coeur shares to a two-year high.

Severstal offered to buy the shares it does not currently own in Sacre-Coeur for C\$1.60 per share, which is a premium of 43 % to Sacre-Coeur's Tuesday close of C\$1.12 on the Toronto Venture Exchange.

The times they are a-changin', indeed.

But I want to introduce a very interesting Canadian Junior now in the middle of the Guyana Gold Rush. **The company is GMV Minerals (GMV TSXV).** Ian Klassen runs this company. I have come to know Ian as well as his partners, the Alphonso family, who are also involved with SSP. I respect this team's capabilities. The properties that GMV has under exploration now have been mined by Mr. Alphonso's family for alluvial gold for several years yielding between 60,000 and 75,000 ounces per year. This is not dissimilar to the situation that Sandspring founders faced in their early pre-public days at Toroparu. No one yet knows if the bedrock gold deposits on GMV's properties exist, but if history is an indicator GMV has a great chance to be the next major gold company in Guyana, just as SSP has done, and to be a significant Discovery wealth generator.

Interestingly Severstal's new property position, gained in its takeover of Sacre-Coeur (see above), now surrounds GMV's properties. The shares of GMV have had a good run but this is a Discovery Incubator stock that you should seriously consider if you are interested in the Guyana gold rush and this level of higher risk and higher reward potential. The preceding map shows the size and location of GMV's land holdings in Guyana. Please stay tuned on GMV. The shares now trade for C\$.455 but they are going higher if the Guyana story discovery continues to unfold— as the SSP discovery process has shown.



I wish to give fair notice to readers. I own shares in GMV and SSP and I reserve the right to buy more shares within 48 hours.



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investments that are not registered in the U.S. He owns shares and in Goldcorp, Senesco Technologies, Horseshoe Gold, Terraco Gold, Neuralstem, Piedmont Mining, MegaWest Energy, CGX Energy, Revett Minerals and 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.