

Today's Notes:

1. Antioquia Gold

Antioquia Gold: A Confluence of Events

Despite upheaval in the global economy, we continue to stand by our thesis concerning steady and growing commodity demand throughout the world – but particularly in the Emerging World. A recent example is Eike Batista, the Brazilian billionaire, [announcing recently](#) his company's plans to sell thermal coal to other South American countries as well as on international markets. Majors like Xstrata, BHP Billiton, and Anglo American are producing and exporting coal in Colombia from Cerrejon (the world's largest open pit coal mine) with plans for major expansion, Colombia remains firmly "on the map" regarding commodity resource development as we have suggested in the past.

Just as important (and perhaps more exciting with recent events) is the story of gold and the resurgence of Colombian gold.

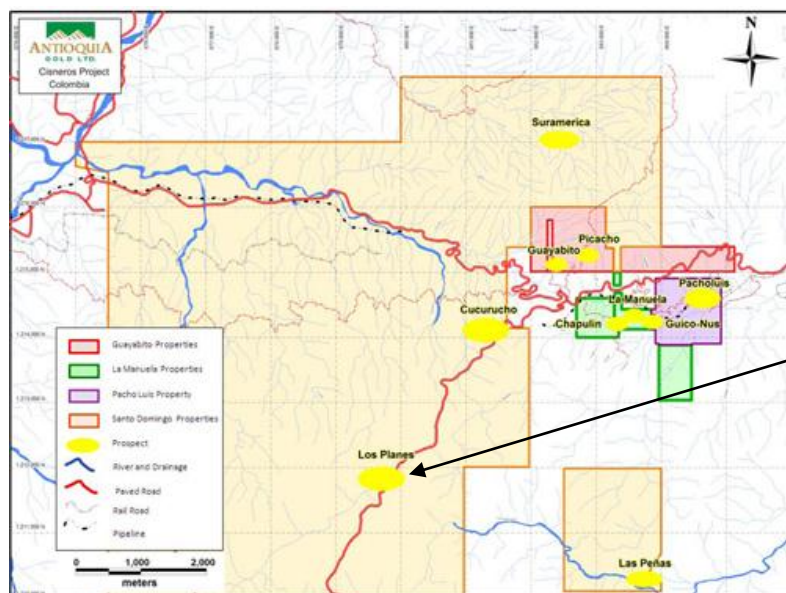


Unless you've been "unplugged", you are well aware of the ascent of gold and the reasons surrounding the move. The rapid increase in the price of gold (and other metals) has put wind in the sails of Colombia's economy and jump started employment and foreign direct investment – a positive sign for the long-term development and growth of Colombia's economy.

One company well-positioned to take advantage of this growth that we've written about in the past is Antioquia Gold (AGD: TSXV). Recent discussions with the company's CEO, Rick Thibault, have

convinced us that the company is positioning to be one of the next junior exploration stories coming out of Colombia. Though the share price hasn't followed the same trajectory as the price of gold, we think you would be challenged to find another junior who share price has a positive correlation with the price of gold. That is why we do discovery investing. There is always and everywhere serendipity in discovery.

Nevertheless, AGD has made some significant decisions recently on their flagship Cisneros project. The company has announced an additional six exploration targets similar in size to Guayabito and Manuela - two zones on the Cisneros property.



The yellow areas on the map are new exploration zones on the Cisneros property. Los Planes is “ready to drill” according to a company press release. This usually offers a faster track to “discovery”.

Source: Antioquia Gold

A second significant fact is the near completion of AGD's 15,000 meter drill program for 2011. 11,000 m is now complete. Once the drill program is completed, this data along with previous drill results (13,343 m) will be reviewed to produce a National Instrument 43-101 resource estimate. The company has a stated goal of completing this before year end 2011.

We think this will be a catalyst for a higher share price as the resource estimate will provide investors a clearer picture of AGD's “in the ground.” the gold resource. To date, the company has methodically executed its plan towards significant gold discoveries in Colombia. An independent resource estimate is the next logical step in this direction and will provide ample transparency into the ultimate “size” producer the company can become.

AGD is also compiling an internal scoping study on a potential underground gold operation which would process 350-500 tonnes per day. Metallurgical studies are underway as are planning and permitting for the construction of underground exploration tunnels. The tunnels are necessary to define the mineral resource more thoroughly as well as to provide a bulk sample for metallurgical testing. The company believes that ground work on the tunneling will begin no later than Q4 2011. This underground adit will be completed in part to better understand the Cisneros system and mineralization at depth.

So we think that the company has a vision and a plan and is making progress in the ongoing execution of the plan.

It is possible under the circumstances that we are witnessing a confluence of events that will ultimately enhance AGD's value in the marketplace. Our 2010 /11 site visits to AGD's Cisneros property verified, in our minds, the gold potential of this company. With each press release, the company is proving to the market place that they belong among the ranks of mature gold discovery companies in Colombia. We authored a research report in April 2011 on the company found [here](#) which provides background on the history of the company as well as the mining industry in Colombia.



AGD has 119 million shares outstanding fully diluted and has ~ \$6 million in cash in the treasury.

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