

**Today's Notes:**

1. Revett Minerals
2. Latin America: Goldcorp's Peñasquito

**1. REVETT MINERALS: ROCK CREEK DECISION VACATED**

After close of trading yesterday we were informed of Federal Judge Donald Molloy's decision to put Revett's Rock Creek mine on hold, once again. He said,

*"The Forest Service's decision to approve the Rock Creek Mine project is vacated, and the 2003 record of decision and 2001 final environmental impact statement are set aside and remanded to the Forest Service for further action, consistent with the court's forthcoming opinion."*

Revett's CEO John Shanahan countered, *"We always knew this was going to be a long and involved process. It's ... a setback but we remain optimistic."*

Revett had twice overcome objections thrown up by myriad environmental groups through actions designed to ensure environmental care and soundness. This is indeed a setback for the company but by no means is it fatal. In fact Judge Molloy threw out environmental complaints based on endangered species and clean air and water concerns. However he did claim that the U.S. Forest Service had violated National Environmental Policy in approving the mine.

Please remember the mine has been permitted by the U.S. Fish and Wildlife Service. State officials including the Governor's office support the development of the mine as well. It is the USFWS that must deal now with judge Molloy's complaints, once they are specified in writing. Until we see Judge Molloy's written decision we will not know the severity of his complaints and the ease with which they may be answered by the USFWS.

The shares may come under pressure today but the company is still making about \$1 million a month on its Troy production. Because the proposed Rock Creek copper / silver mine will be underground and offer 300 to 350 jobs in a depressed area we think ultimately it will go forward. I think this is a buying opportunity. Here are a few comments from readers of the decision in yesterday's Missoulian newspaper,

*"Typical..... Molloy has consistently used his judicial power to promote his own agenda. Once again, good paying jobs that provide benefits and a tax base are sent down the road. I guess we can always count on those fast food jobs as long as there is free health care!!"*

*"Once again Donald Molloy Made sure Montanan's will starve if they stay. Remember Max recommended this Siara club pawn. Ax Max election time."*

*"Ask the people in Whitehall if Golden Sunlight Mine was good or bad for their local environment. If the mining company thinks it can mine in Montana and obey the strictest mining laws in the country and make money; what's wrong with that? The laws were*

*intended to protect the environment while allowing mining to provide economic benefits, they weren't intended to ban every form of mining!"*

*"This is beyond insane. The mine is thousands of feet UNDER the wilderness. Never mind that even environmentalists use copper, silver and other minerals to keep their lights on. Can't wait to see what the actual written opinion entails. Should be a beauty. Again, thanks, Max Baucus, for recommending Judge Molloy to the great Bill Clinton as the one of the "best Montana minds" ever."*

There are indeed two sides to Revett's Rock Creek story even though the environmental lobby speaks perhaps more vocally. It will be most interesting to see if jobs will trump the concerns of the vocal environmental minority. Please stay tuned.

## **2. LATIN AMERICA: PENASQUITO OPENS (REVSIED)**

My first really big Discovery Investing wealth creation was Western Silver's Peñasquito in Zacatecas, Mexico. I first visited the site about 10 years ago at the beautiful little town of Mazapil. This locale had been untouched for 400 years. But the Spanish had mined lots of silver in the region in the 17<sup>th</sup> century. At the time I visited it with COO Dr. Thomas Patton and Head of Exploration Thomas Turner, there was one lone outcrop in the entire valley. Kennecott had done some exploration on the property but left it as its drill results were considered too poor. From the beginning the property contained silver, gold, zinc and lead.

Management of Western Silver (at the time called Western Copper) primarily Patton and Turner always believed in the property. When we visited the town one weathered Mexican man came up to us and asked, *"When will you begin mining?"* That was long ago. Much work and investment went into the property over the intervening decade.

In 2006 after much exploration and development Glamis Gold bought Western Silver for ~\$21.50 per share. Then Goldcorp purchased Glamis. Goldcorp's intent was to build, a "company maker." In my view they have succeeded. Today Goldcorp controls one of the largest mines in Latin America. I include two fact sheets the company recently put out.

More important, the company now employs 3,633 people from all parts of Mexico directly and 12,000 indirectly in the Zacatecas region. President Calderon attended the recent Peñasquito mine inauguration spoke eloquently about the potential for benefit to the community and to the Mexican economy. He said,

*"With Peñasquito, moreover, it will give a strong impulse to mining in the country. It is expected to produce more than a half million ounces of gold, 30 million ounces of silver, 400 million pounds of zinc on average per year, the national production of gold and silver will increase by 40 percent; the quantities that will be produced here are enormous.*

*What surprises me is how many times Mexico has indebted itself, instead of attracting investment, it was driven away, if it was not national, it was rejected, empower the bonds ... that somebody would bring and encourage investment. ...*

***In our Government, we have a distinct perspective. We know that investment generates jobs in Mexico. We know that the only word that can truly detonate economic development is investment, public or private, national or international, but in the end investment. And today we have the proof in the Peñasquito Mine that today we formally inaugurate.”***

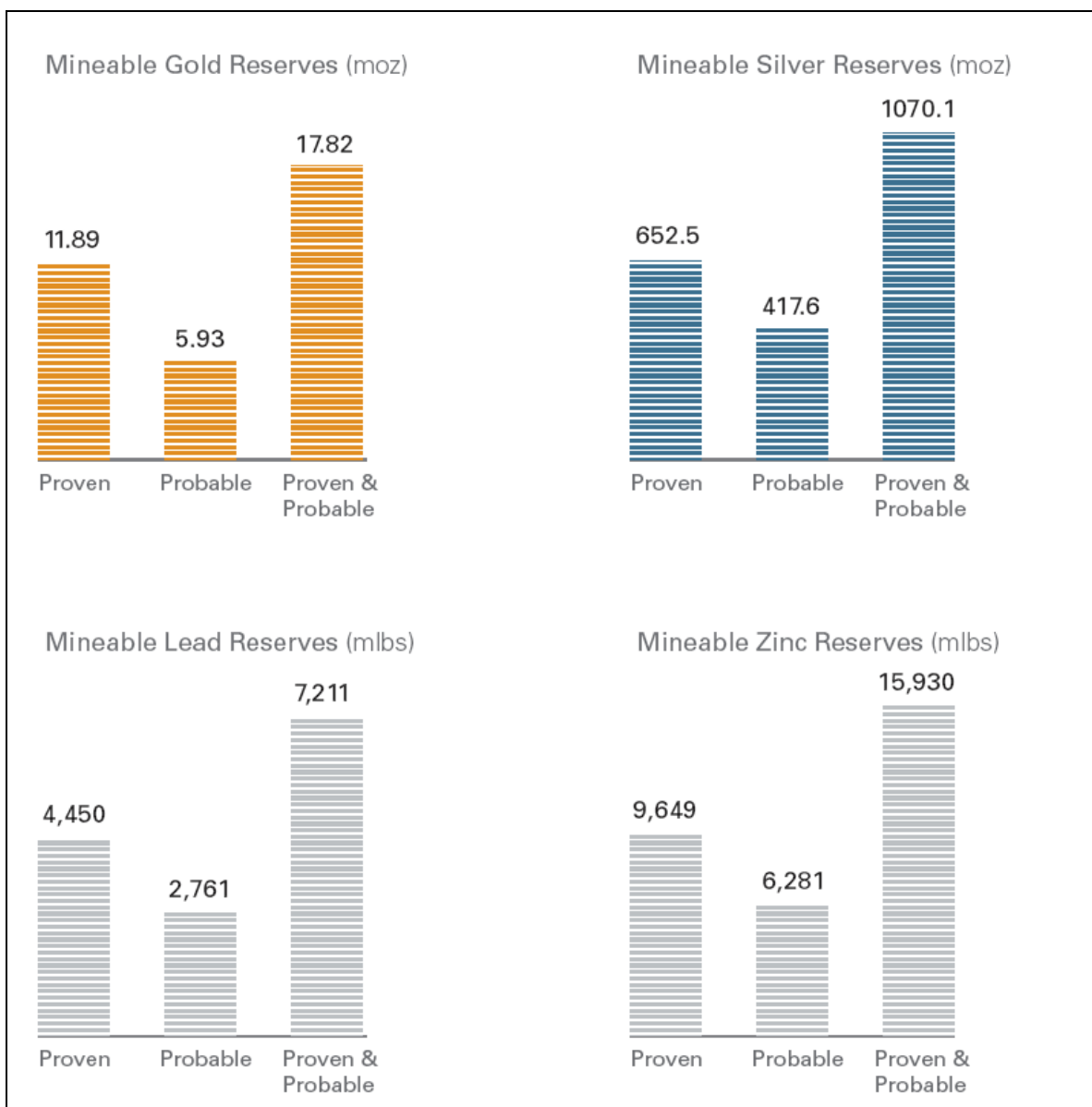
The natural resources of Latin America are going to become ever more critical to the emerging world. Think about the benefits of creating value in Latin America through gold, silver zinc and lead production. Here is a shining example of Canadian companies with Canadian, American and Mexican investment, bringing wealth to the Mexican community and perhaps most importantly jobs and a higher quality of life.

Below I show the current resources that have been developed at Peñasquito by Western Silver, Glamis and now Goldcorp. They are significant and they will continue to grow. Peñasquito will be the largest open pit mine in Latin America. Investment in the project is equally significant as you can see.

There are many more very interesting discovery opportunities in Mexico. I follow Quaterra Resources, Silver Wheaton and Endeavour Silver to name a few excellent and growing exploration and development companies. Peñasquito is the type of infrastructure project that we want to see developed in the Americas. It is a classic case study for improvement in the general quality of life.

Currently we are following exciting lithium developments in Chile (Salares Lithium TSXV), gold and coal developments in Colombia (Antioquia Gold, Horseshoe Gold, Ventana Gold) , iron ore developments in Brazil, gold and uranium in Guyana (Sandspring Resources) and uranium developments in Argentina (Blue Sky Uranium).

| <b>KEY FINANCIAL FACTS</b>   |                              | <b>US\$</b>    |
|--|------------------------------|----------------|
| Capex (YTD)  |                              | \$ 522 million |
| Exploration (2010)   |                              | \$ 11 million  |
| <b>KEY OPERATIONAL FACTS</b>   |                              |                |
| Location   | Zacatecas, Mexico            |                |
| Workforce  |                              | 3,633          |
| Project life of mine   |                              | 23 years       |
| Mining type  | Heap Leach and Merrill-Crowe |                |
| Processing method  | Flotation and Grinding       |                |
| Power usage  |                              | 161,945 MW     |
| Milling/Processing capacity  |                              | 130,000 tpd    |
| <b>Primary parameters (oz/year)<sup>1</sup></b>                        |                              |                |
| Gold production (oz/year)  |                              | 500,000        |
| Silver production (oz/year)  |                              | 28,000,000     |
| <small><sup>1</sup>After reaching full design capacity in 2011</small> |                              |                |



*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 Dr. Berry may review investments that are not registered in the U.S. He owns shares and in Goldcorp, Senesco*

*Technologies, Natural Blue Resources, Horseshoe Gold, Derek Oil and Gas, Terraco Gold, Neuralstem, Piedmont Mining, MegaWest Energy, CGX Energy, Solares Lithium and Quaterra Resources. Dr. Berry is a paid advisor to Revett Minerals. 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.*