

Today's Notes:

1. Quaterra Significantly Advances Nieves
2. Revett Moves Forward

1. QUATERRA - NIEVES

"Behold, there come seven years of great plenty throughout all the land of Egypt:"
(Genesis 41:29 KJV)

"You Find a Mine Where there is a mine" – Old friend Ralph Rooney

It has been a long but fascinating seven years at Nieves. Today it looks as if the time of great plenty has arrived. In that time Dr. Patton and his team, led by Quaterra's Mexico ace Tom Turner, has methodically developed a significant wealth creating silver store of value at Nieves.

Seven years ago Chief Nesbit and yours truly travelled to see Nieves with QMM's Dr. Tom Patton. The visit was captivating (we have returned several times since). Kennecott had explored and drilled Nieves in 1998 and given it up even though it had made high grade discoveries on the California vein. The property is located in western Zacatecas near towns, roads, electricity, a smelter and processing infrastructure in Torreon. The property is comprised of 95 square miles with seven known vein systems and more than a two dozen shafts and dumps. We found visible gold during our stay in 2003. Nieves was first mined by the Spanish in 1540. It has many characteristics similar to Fresnillo, 90 kilometers to the south. Fresnillo hosts one of the world's largest silver mines.

This AM Quaterra reported the results of their most recent 13 hole, 2,902 meter drill program. The company will drill another 2,000 meters in this program by the end of February. We expect this to increase the resource. The drill results were excellent and defined a new view of Nieves.

Last year the company produced an NI 43-101 document that defined 17 million ounces of silver on 1/3 of 1 of Nieves' 7 vein systems. Many believed that the real resource should have been 31 million ounces. Caracle Creek International, the independent evaluator, reduced the tonnage and ounces by cutting the grade (using a higher cutoff of 60 grams / ton) because the drill holes were spaced, in several cases, more than 50 meters apart.

This current 2,900 meter drill program achieved two results. First, the 13 holes were drilled at 25 meter spacings to infill and define the grade and continuity. We do not yet have the new resource calculations, but we think these holes will increase the silver resource significantly. Second, in preparation for the drilling program, Tom Turner and his team thoroughly mapped the area under consideration. What they discovered was a very wide spread La Quinta stockwork veinlet deposit located in the hanging wall of the Concordia-Gregorio Vein system. This could extend for 1 ½ miles. We won't know that until the area is drilled. With these results, in my opinion, the potential for a near surface open pit ore body development at Nieves is possible. An open pit configuration now seems likely in addition to the exploration potential on the remainder of the veins and a number of deeper targets identified by the company's geophysicist, Joe Inman.

The La Quinta stockwork deposit remains open along strike and at depth. There are also about 30,000 ounces of gold in the resource reported last March, a number that is almost sure to increase as more drilling defines this larger silver resource. Dr. Patton has often said, “Once a mining property begins to improve with the drill – its potential tends to improve quickly.¹” Such is obviously the case with Quaterra’s 50% owned Nieves property. The QMM release said,

“Detailed geologic mapping and veinlet sampling along the Concordia-Gregorio Vein and in the San Gregorio Hill area have identified multiple mineralized sheeted veinlet systems with the potential for relatively shallow silver mineralization. These data will be used to plan additional drill tests designed to discover new mineralization similar to the La Quinta style of stockwork veinlet mineralization.”

Several of the 13 holes were impressive:

QTA-84: 32 meters averaging 212 g/t silver (6.2 oz/ton) starting at a down hole depth of 72 meters, including a two-meter interval averaging 0.98 g/t gold and 2254 g/t silver (65.8 oz/ton). This mineralization is shallow, starting about 60 vertical meters below surface.

QTA-89: 23 meters averaging 272 g/t silver (7.9 oz/ton) starting at a down hole depth of 141 meters, including 10.5 meters averaging 437 g/t silver (12.8 oz/ton). **This intercept, together with hole QTA-87, suggests additional potential to the east and at depth.**

QTA-94: 42 meters averaging 127 g/t silver (3.7 oz/ton) starting at a down hole depth of 106 meters, including 2.1 meters averaging 548 g/t silver (16.0 oz/ton).



¹ Most recently on Patton’s original discovery at Peñasquito in 2006, now 17 million proven and probable ounces of gold and more than 1 billion ounces of silver.

In our view the discovery process is just now beginning to pay dividends after 7 years and 95 drill holes. Many people forget that discovery takes time and requires the patience of Job.

With two more drill programs we think Nieves will have the potential for 100 million ounces of silver in resource. In short, these recent 13 holes confirmed the continuity of high grade as well as bulk mineable mineralization at Nieves – a most significant and value creating catalyst.

Things are definitely looking up for Quaterra's investors. In spite of a sell off last month the stock has rebounded nicely. Goldcorp CEO and President Chuck Jeannes recently said his company's key growth factor is finding and acquiring new projects that fit the company's growth strategy. Last week Goldcorp announced a major funding relationship with Quaterra in Mexico in which they will effectively finance deserving projects that the Quaterra team defines – stay tuned for more. Quaterra is now on a role.

By the way we still believe that silver has \$25 per ounce upside in the next 12 to 18 months. Therefore Nieves is becoming a real store of value for Quaterra's investors. But the company also has acquired high priority targets comprising 1,000 square miles in 14 properties in the Mesa Central of Mexico. Goldcorp is now sponsoring exploration and development of these properties with the potential for a 65/35 Quaterra carry to bankable feasibility on promising discoveries. Once the share price breaks the \$2.40 level QMM investors will be well rewarded.

Please read the entire news release and complete drill results posted on the company's web site: www.quaterraresources.com. I have owned shares in Quaterra resources for many years, have participated in the company's placements and have never sold a share.

2. REVETT MOVES FORWARD

The situation at Revett Minerals continues to improve and the market is finally beginning to voting yes (SEE Company Chart below) on the future of the company. Revett is a most interesting company. We first wrote about Revett in November 2009 after visiting Revett's Troy mine in September of 2009. Troy has about 6 years of potential mining remaining. The company is producing free cash flow from its Troy silver / copper concentrate sales. This is considered some of the best concentrate in the country. Most of Revett's past troubling issues have been solved methodically by new CEO John Shanahan.

With significant free cash flow from its Troy copper cons production, the company announced yesterday it would move forward to develop its higher grade C-Bed resources. The "C-beds" are located approximately 370 feet below current workings at the Troy Mine and contain approximately 1.9 million ounces of silver and 13.7 million pounds of copper (ore grades averaging 1.61 ounces per ton Ag and 0.56% Cu). CEO John Shanahan announced it would retain Small Mines Development to develop the C-Bed. SMD is the largest and best underground miner in the country and run by good friend and expert underground miner Ron Guill.



Perhaps more important, CEO Shanahan also announced that the company had acquired increased land holdings adjacent to Troy. The potential for additional silver / copper discovery in the Troy and Rock Creek areas is significant. The company entered into a purchase agreement to acquire 152 unpatented mining claims contiguous with the Company's current land package². These claims cover prospective mineralization trends to the east and north of the Troy Mine.

There is one more significant opportunity. Late last year Quaterra Resources (see MN 1 above) and Revett Minerals signed a memo of understanding (MOU) to seek a common value-creating relationship. The exploration potential of Quaterra Resources combined with the Troy and Rock Creek resources of Revett would certainly make for an interesting synergy in our view. We await the development of events here.

CEO Shanahan said,

“The Troy Mine has had a stellar start to 2010. Year to date production is approximately 5% above forecasted plan levels. We are also pleased to once again partner with SMD for development work, and we will continue to focus future exploration efforts on nearby targets at Troy to capitalize on our existing mining and milling infrastructure.”

The prize, of course, is Revett's Rock Creek resource. Rock Creek, 20 kilometers to the south of Troy, is wholly owned by Revett and fully permitted by the State of Montana. The mineralization at Rock Creek is identical to Troy. It contains 230 million ounces of silver and 2 billion pounds of Revett copper. The first decade of production at Rock Creek will be high grade and very profitable once the environmental barriers are overcome. Presently the company

² A claim is about 20 acres.

is awaiting a final decision from the courts on the environmental objections. We expect a positive resolution. The Governor and State of Montana is fully supportive of the Rock Creek project and the jobs it will create. This has been our best contrarian discovery opportunity. Through Harp Capital, I serve as a paid consultant to Revett Minerals.

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.