

Weekly Mining Exploration Roundup

What a roller coaster ride this week!

Industry Rating

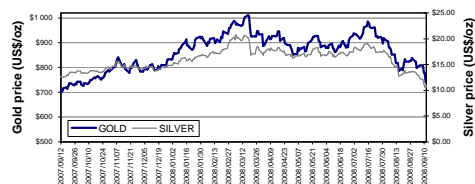
Gold: Market weight
Precious Metals & Minerals: Market weight
Coal & Consumable Fuels: Market weight
Diversified Metals & Mining: Underweight

(NBF Economics & Strategy Group)

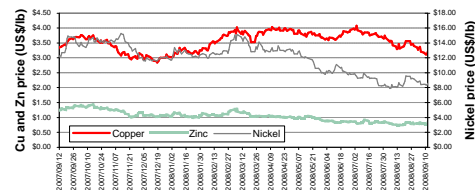
Commodity	Last price	1-week	1-mth	3-mth	12-mth	Yr High	Yr Low
<small>(all prices quoted in US\$)</small>							
Gold	US\$/oz	\$863	16.5%	8.4%	-2.8%	20.7%	\$1 011 \$725
Silver	US\$/oz	\$11.89	9.3%	-10.2%	-31.5%	-8.1%	\$21.35 \$10.27
Uranium	US\$/lb	\$62.00	-3.9%	-3.9%	8.8%	-27.1%	\$93.00 \$57.00
Copper	US\$/lb	\$3.14	0.5%	-6.7%	-16.4%	-8.1%	\$4.08 \$2.85
Nickel	US\$/lb	\$7.64	-8.6%	-6.9%	-28.6%	-42.3%	\$15.27 \$7.64
Zinc	US\$/lb	\$0.77	-0.4%	4.5%	-9.9%	-38.4%	\$1.43 \$0.74
Platinum	US\$/oz	\$1 109	-8.3%	-18.4%	-45.9%	-15.1%	\$2 302 \$1 054
Palladium	US\$/oz	\$234	-5.3%	-18.5%	-50.7%	-29.6%	\$595 \$217

Source: Bloomberg, Ux Consulting

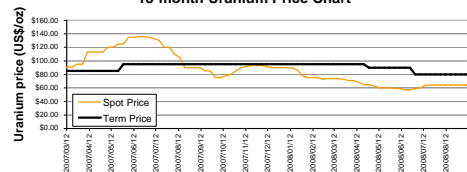
1 year Gold and Silver price chart



1 year Copper, Zinc and Nickel price chart



18-month Uranium Price Chart



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Key events

After gold broke through \$750, hitting a low of \$740/oz last week, the yellow metal ended up at \$887/oz up 20% on the week (hitting an intraday high of \$902/oz on Wednesday (Sept. 17). Investors fled to gold this week amid the tumultuous markets marked by the Lehman Brothers' bankruptcy filing and Bank of America's buyout of Merrill Lynch followed by the Fed's emergency \$85-billion bail out of AIG.

The Dow Jones Industrial Average lost over 500 points on the day Lehman filed the biggest bankruptcy in U.S. history. It lost another 450 points on Wednesday before gaining most of it back yesterday on the back of the announcement that the Fed and other central banks will inject \$180 billion into the global financial system. And despite the Fed maintaining the benchmark rate at 2%, traders see a 78% chance of a quarter-point reduction in the coming months.

Crude oil also had a rocky week touching almost \$90/bbl, a level it hasn't been at since early February. The commodity rallied back over \$100/bbl as investors also looked to oil as a safe haven.

The Ux Consulting spot price for uranium dropped this week to \$62/lb (from \$64.50/lb) breaking its two-month holding pattern as some sellers were reported to have pressing sales needs. As reported by Ux Consulting, activity on the term market is expected to pick up over the next couple of months. There are a number of utilities entering the market in the near term which could be positive for the term price, currently at \$80/lb.

Note: With the exception of Osisko Mining, we do not cover the following companies at this time and hence do not provide any stock rating or price target.

Companies in the News

■ Keegan Resources Inc. (KGN:TSX-VEN ♦ Cdn\$2.11 ♦ 28.4 mln shares o/s)

Sept. 18, 2008 – Excellent Results From Drilling South of Esaase Gold Resource

Keegan Resources Inc. announced additional results from step out drilling up to 900 metres south of the boundary of the existing 43-101 resource at the Esaase property. Highlights include 23 m @ 4.2 g/t Au, 26 m @ 2.51 g/t Au, and 26 m @ 1.49 g/t Au. Keegan is continuing to test mineralization in the south extension of the A-1 zone both down and up dip of previous drilling. The drill holes in this area continue to consistently intersect significant grade-widths in the moderately west dipping basal zone of mineralization, and to date, all intercepts have been encountered at a relatively shallow depths. Results are presented in the following table:

Keegan Resources - Drill results from Esaase				
Drill Hole	From	To	Width	Au
	(m)	(m)	(m)	(g/t)
KERC474	64	75	11.00	1.57
KERC474	110	144	34.00	0.54
KERC474	186	198	12.00	2.35
KERC475	138.00	152.00	14.00	2.21
including	139.00	140.00	1.00	19.70
KERC476	240.00	245.00	5.00	4.20
including	242.00	243.00	1.00	16.20
KERC479	33.00	44.00	11.00	1.51
KERC479	198.00	224.00	26.00	1.27
KEDD480	111.00	116.00	5.00	3.54
including	113.00	114.00	1.00	16.30
KEDD480(i)	163.00	189.00	26.00	1.49
KEDD480	235.00	245.00	10.00	2.00
KERC481(i)	35.00	58.00	23.00	4.20
including	41.00	44.00	3.00	15.92
including	48.00	49.00	1.00	10.10
including	57.00	58.00	1.00	13.40
KERC481	109.00	119.00	10.00	1.07
KERC482	82.00	92.00	10.00	2.97
KEDD483(i)	141.00	167.00	26.00	2.51
including	162.00	163.00	1.00	53.20
KERC484	240.00	249.00	9.00	1.75

Source: Company Reports

■ San Gold Corporation (SGR:TSX ♦ Cdn\$1.23 ♦ 222.3 mln shares o/s)

Sept. 15, 2008 – Hinge Zone Intersected From Rice Lake Mine Over 1500 Metres Below Surface

The company reported that exploration drilling from the 4980 Deep East exploration drift (5,000 ft depth) of the Rice Lake Gold Mine has intersected mineralization identical to the new Hinge zones that are currently being drill tested from surface. Drill hole #498-08-07 encountered 2.7 metres of 51.4 g/tonne while hole #498-08-02 ended in mineralization and will be deepened. The underground Hinge intersections are located over 1,500 metres down dip and below the current surface drill program. Numerous new zones were also discovered within the mine host gabbro unit and are listed below. This program was designed to explore untested ground between the Rice Lake Mine and the Deep East zones which were discovered and partially drilled in 1994. Results from the new holes are tabulated below:

San Gold drill results							
Hole #	From	To	Length		Gold	Zone	
	(m)	(m)	(m)	(ft)	(g/tonne)	(oz/ton)	
498-08-07	78.3	81.0	2.7	8.9	51.4	1.50	Hinge Deep
498-08-02*	239.8	243.9	4.1	13.5	5.2	0.15	Hinge Deep
498-08-01	149.5	151.8	2.3	7.5	8.0	0.23	Deep East
and	193.8	195.2	1.4	4.6	21.0	0.61	Deep East
498-08-02	155.6	157.0	1.4	4.6	41.8	1.22	Deep East
498-08-03	209.3	211.1	1.8	5.9	21.6	0.63	Deep East

*hole ended in mineralized zone

Source: Company reports

Recent drilling has extended the Hinge zones to mine depths and is also filling in the area between the main

mine and the Deep East zones, effectively doubling the strike length of the Rice Lake Mine. These deep intersections indicate that there is potential in the unexplored volcanic rocks. There are also numerous other surface Hinge targets that have been identified.

■ **Stingray Copper Inc. (SRY:TSX ♦ Cdn\$0.40 ♦ 58.7 mln shares o/s)**

Sept. 15, 2008 – Mineral Resource Update at El Pilar

Stingray Copper Inc. reported an updated mineral resource at the El Pilar Oxide Copper Project in Sonora, Mexico. A summary of the new resource is presented in the following table:

Stingray - El Pilar Mineral Resource									
Resource Class	Tonnes (000's)	Cu grade (%)	Cu (mln lbs)	Tonnes (000's)	Cu grade (%)	Cu (mln lbs)	Tonnes (000's)	Cu grade (%)	Cu (mln lbs)
	<i>(0.25% cutoff)</i>			<i>(0.20% cutoff)</i>			<i>(0.15% cutoff)</i>		
Measured	68 777	0.366	553	87 690	0.335	646	103 819	0.311	710
Indicated	129 787	0.335	956	188 694	0.300	1 245	241 088	0.273	1 447
Total M&I	198 564	0.346	1 510	276 384	0.311	1 891	344 907	0.284	2 158
Inferred	22 806	0.341	171	42 556	0.287	268	72 848	0.240	384

Source: Company reports

The estimated tonnage and grade of the Measured and Indicated Resources will form the basis for the feasibility study, which is expected by the end of Q1 2009.

The updated Mineral Resource at El Pilar has confirmed, reclassified and expanded on the previous work conducted by Magri Consultants for Normex. The updated Mineral Resource, which is principally now a Measured and Indicated Mineral Resource was calculated by IMC of Tucson. This reclassification gives Stingray geoscientific confidence for the feasibility study that is ongoing. It is also worthy to note that the El Pilar Mineral Resource is still open in two directions and that the source for this copper mineralization has not been identified and represents a future exploration target.

■ **CanAlaska Uranium Ltd. (CVV:TSX ♦ Cdn\$0.13 ♦ 137.2 mln shares o/s)**

Sept. 15, 2008 – CanAlaska intersects uranium zone at Fond du Lac project

CanAlaska Uranium Ltd. has received assay results for uranium-mineralized sections of three drill holes and cores from the Fond du Lac project located on the northern portion of the Athabasca Basin, Saskatchewan.

The uranium mineralization at Fond du Lac is principally within the Manitou Falls Formation of the Athabasca Sandstone sequence, and is characterized by strong fracturing, intense silicification, zones of hematization and minor clay alteration. In the current area of drilling, zoning is apparent, with a central highly mineralized-core. The mineralization is evident as disseminations and replacement, both in the sandstone and near the surface. Selected assays are presented in the following table:

CanAlaska - Selected assays from Fond du Lac				
Hole No	From (m)	To (m)	Width (m)	Grade (% U3O8)
FLC02	17.20	20.40	3.20	0.22
FLC03	18.54	21.10	2.56	0.31

Source: Company reports

Across the project, there are multiple other zones, currently only loosely-defined by mineralized boulder trains. These other targets have been prospected during this summer's work, and will be now be evaluated for drill programs over the coming months and during the winter.

■ **Nayarit Gold Inc. (NYG:TSX ♦ Cdn\$0.65 ♦ 67.7 mln shares o/s)**

Sept. 16, 2008 – 6.26 g/t Gold and 649.70 g/t Silver Intercepted Over 16.64 Metres

Nayarit Gold Inc reported additional drilling results from its ongoing 30,000-metre Phase II drill program at the Orion District in the State of Nayarit, Mexico.

The company has continued step out drilling east of the discovery zone, and has encountered a broad section of high grade gold and silver mineralization. The company is currently evaluating data recently received from step out drilling on Sections 1079 and 1159, and anticipates this may significantly expand the strike length of the mineralized target zone.

The company noted that drilling has succeeded in extending mineralization at Orion along strike to the east and down-dip. In addition, mineralization at Orion exhibits good strike and dip continuity and continues to exhibit positive grades and width. The focus of the exploration program will be on infill and step out drilling

moving towards a resource calculation.

Highlights from the most recent drilling campaign on Sections 919 and 959 are as follows:

Orion District Drill Hole Intercept Summary						
Hole #	Section	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
100	919	82.97	84.36	1.39	0.88	211.20
101	919	99.40	106.00	6.60	6.32	571.90
102	919	123.25	139.89	16.64	6.26	649.70
103	959	56.90	70.75	13.85	0.41	54.80
	Including	57.40	61.35	3.95	0.76	140.00
104	959	104.10	117.70	13.60	2.28	198.54
	Including	106.90	109.22	2.32	2.67	240.96
105	959	220.80	240.17	19.37	4.35	430.90
	Including	231.95	240.17	8.22	9.70	942.00
	Including	234.10	240.17	6.07	12.54	1 223.10

Source: Company reports

The company's ongoing exploration program through the summer focused on drill testing along strike over 40 metre intervals moving east from Section 786 to Section 959. The company has mobilized one of its two drill rigs 1.5 kilometres West on the San Francisco zone, and will drill test the zone as part of its Phase II drill program along the 4 kilometre target area.

Further drill testing will also be performed on the Pantaleon area, and infill drilling and step out drilling will be completed over the coming months. The Company remains on track for a resource calculation slated in early 2009.

To date, a total of 46 drill holes have been completed on the Animas-Del Norte system during this Phase II program, with two holes in progress. Assays are pending for 6 holes. Nayarit is drilling with two rigs, with one testing the eastern extension of the target area and the second at the San Francisco target zone.

■ **Freegold Ventures Limited (ITF:TSX ♦ Cdn\$0.52 ♦ 63.6 mln shares o/s)**

Sept. 16, 2008 –High-Grade Mineralization Extended at Rob with 4.5 m of 18 g/t Gold

Freegold Ventures Limited announced that it is continuing to intersect high-grade gold mineralization at its 100% controlled Rob property. Holes 19 and 20 were collared from the same pad as Hole 18 which recently intersected 2.4 m (metres) grading 62 g/t gold. These holes encountered the main Grey Lead vein along with numerous other veins within the hanging wall that may either represent stacked veins, or possible eastern dipping off-shoots of the main westerly dipping vein.

Hole 19 was drilled to the east at angle of -75 degrees and was designed to intercept the vein 15 to 25 m down dip from the intercept in hole 18 that was drilled at a -45 degree angle. The veins in hole 19 contained banded to disseminated arsenopyrite and pyrite which varied from mottled grey vitreous quartz to pure sugary white quartz. These veins look identical to the vein material which contained high-grade gold mineralization from the 2007 drilling, which intersected the main Grey Lead vein from pads located a further 100 and 250 feet to the north. Quartz stockwork, which has not yet been seen in any of the previous holes, was also found in the footwall below the vein. Select intervals from two of the veins were submitted on a rush assay basis. The thicker Grey Lead vein included an interval of 4.5 m grading 18 g/t, while a smaller vein approximately 9 m above the Grey Lead vein included a 0.4 m section grading 86.4 g/t.

Hole 20 was drilled vertically, and was designed to intercept the vein a further 15 to 25 m down from the vein intersected in hole 19. The veins and stock work mineralization in this hole appear similar to those seen in hole 19.

Selected intervals from holes 19 and 20 are presented in the following table:

Freegold Ventures - selected assays from Rob property				
From	To	Interval	Gold Grade	Gold Grade
(foot)	(foot)	(feet)	(g/tonne)	(oz/ton)
Hole #19				
57.90	59.20	1.30	86.40	2.52
87.80	88.80	1.00	10.30	0.30
88.80	91.80	3.00	26.00	0.76
91.80	95.20	3.40	53.70	1.57
Hole #20				
48.60	51.80	3.20	4.70	0.14
51.80	56.70	4.90	1.90	0.05
79.10	81.70	2.60	18.80	0.55
81.70	82.70	1.00	1.30	0.04

Source: Company Reports

Drilling at Rob has now been completed. A total of 12 holes were drilled from six different pad locations. These holes were designed to further test the strike and depth extension of the high-grade, near surface gold mineralization intersected in last year's program. In addition to further tracing the Grey Lead vein along surface, prospecting and sampling in the Grey Lead area has also identified two parallel gold-bearing veins to the east, suggesting that the Grey Lead vein may be one of a series of veins, comparable to the multiple vein system which is currently being mined at the nearby Pogo Mine.

■ **Paramount Gold and Silver Corp. (PZG:TSX ♦ Cdn\$0.81 ♦ 48.6 mln shares o/s)**

Sept. 16, 2008 – 10.3 g/t Gold Across 10.3 metres reported at Clavo 66

Paramount Gold and Silver Corp. announced assay results from hole LU-21 in Clavo 66, a new high-grade gold-bearing zone in the southern portion of its San Miguel Project, in the Guazapares Mining District, part of the Sierra Madre Occidental gold-silver belt of Mexico.

LU-21 intersected 10.28 g/t Au and 17 g/t Ag over 11.9 metres (true width of 10.31 metres) from 120.6 metres below surface. LU-21 was drilled at the southeastern margin of Clavo 66, and intersected the vein 125 metres below the surface. LU-21 is 50 metres below LU-16 and 70 metres west of LU-15. The longitudinal section of Clavo 66 shows that Clavo 66 appears to plunge to the left on the section and LU-21 is the deepest and furthest down-plunge hole in the mineralized zone.

Clavo 66 has grown to dimensions of at least 250 metres along strike and 150 metres vertically. It remains open down plunge to the southeast and with depth. The deepest hole to date, LU-21, has the best combination of thickness and grade of the 13 holes in the Clavo.

In light of the results of hole LU-21, the company indicated that Clavo 66 appears to improve with depth.

■ **Kinbauri Gold Corp. (KNB:TSX ♦ Cdn\$0.43 ♦ 48.7 mln shares o/s)**

Sept. 16, 2008 – More High Grade Gold Intersected At El Valle in NW Spain

Kinbauri Gold Corp. has completed its successful in-fill drilling program at El Valle. The results received to date will form the basis for a new 43-101 compliant technical report and Scoping Study, both of which are presently underway. Assays for the latest 11 in-fill holes are summarized as follows:

Kinbauri Gold - select assays from infill drilling								
HOLE	From	To	Interval	True			Zone/Section	
				Thickness	Au	Ag		Cu
	(m)	(m)	(m)	%	(g/t)	(g/t)	(%)	
08KV1166	80.20	81.55	1.35	34	15.75	86.30	1.98	BSN/12.5
08KV1163	207.00	219.60	12.60	"	3.83	33.18	1.46	BSN/12.5
08KV1161	191.00	209.10	18.10	97	13.74	5.22	0.37	A107/9.5
including	201.70	209.10	7.40	"	26.59	9.92	0.51	
08KV1161	224.30	238.40	14.10	"	11.76	0.20	0.09	
including	234.90	238.40	3.50	"	41.85	0.24	0.29	
08KV1160	64.95	88.40	23.45	67	5.81	30.29	1.36	A107/9.5
including	70.40	84.65	14.25	"	8.60	45.46	2.02	
08KV1151	193.20	196.10	2.90	88	7.51	6.98	0.04	A 107/8.5
including	194.70	196.10	1.40	"	12.65	7.60	0.06	
08KV1146	298.60	303.45	4.85	99	2.81	4.07	0.75	A 107/10
including	301.45	303.45	2.00	"	4.08	6.40	1.09	

Source: Company Reports

■ **Osisko Mining Corporation (OSK:TSX ♦ Cdn\$2.95 ♦ 160.4 mln shares o/s)**

Sept. 18, 2008 – 258 Metres Averaging 2.13 g/t Au Intersected at Barnat

Osisko Mining has announced new results from the definition drill program currently under way at South Barnat, a separate gold mineralized zone located approximately 1,200 metres northeast of the centre of the Canadian Malartic deposit. **Significant results include 3.22 g/t Au over 83.5 metres (BA08-3039) and 2.13 g/t Au over 258.5 metres (BA08-3061). Higher grade intercepts include 12.49 g/t Au over 4.0 metres (BA08-3048) and 10.43 g/t Au over 4.9 metres in hole BA08-3049.** Assay results from further holes at South Barnat are also pending.

The definition drill program is focused on an 850 metre-long grid oriented northwest-southeast with drill sections spaced 50 metres apart. All holes on this grid are inclined 45 to 75 degrees to the northeast or southwest. True widths of the mineralized intersections reported above are 40 to 70 percent of the drilled intersections.

Drilling to date suggests that the minimum strike length of the South Barnat Zone is 850 metres with a true width between 20 and 160 metres. The mineralized zone is open along strike to the southeast, where it merges with the old East Malartic Mine. It extends to a minimum depth of 250 metres in the southeastern portion, where the system is still open at depth. Drill hole BA08-3061 suggests the system may extend as deep as 400 metres below surface. Estimated depth in the northwestern third of the deposit is 130 to 200 metres.

Mineralization in the South Barnat Zone is located to the north and south of the old Barnat and East Malartic mine workings, largely along the southern edge of the Cadillac fault. The gold mineralization comprises multiple subvertical, tabular subzones hosted both in silicified greywackes of the Pontiac Group south of the fault contact and in schistose, carbonated and biotitic ultramafic rocks north of the fault contact. Porphyry dykes on both sides of the fault contain disseminated mineralization as well as late quartz veins containing visible gold. Gold mineralization in the South Barnat Zone likely extends to the east along the north and south walls of the past-producing East Malartic mine.

These results are encouraging as drilling continues to prove up the potential higher grade resource at South Barnat. In our valuation, we have assumed an average grade of 1.5 g/t from South Barnat. We currently rate the shares Outperform with a \$6.00 target price.

■ **Metanor Resources Inc. (MTO:TSX-VEN ♦ Cdn\$0.54 ♦ 73.5 mln shares o/s)**

Sept. 18, 2008 – 6.12 g/t Au Over 37.8m intersected 25 metres from surface

Metanor Resources Inc. announced results from its drilling campaign on the Barry property, located in the Urban-Barry greenstone belt approximately 65 km southeast of the Bachelor Lake mine northeast of Val D'Or, Quebec. Diamond drill hole MB-08-297 intersected a wide mineralized zone grading 6.12 g/t Au over 37.8 m. This mineralized zone is located 80m to the south of the open pit, at 25m below surface and results obtained confirm the significant potential for additional resources in this gold bearing zone. A summary of the latest results are presented in the following table (true widths are ~95% of core length):

Metanor - Summary of selected drill results					
Hole #	From	To	Length	Au	Gold Zones
	(m)	(m)	(m)	(g/t)	
MB-08-297	34.5	72.3	37.8	6.12	Zone 43
MB-08-299	30.0	63.0	33.0	2.31	Zone 43
including	30.0	36.0	6.0	6.14	
including	59.1	63.0	3.9	7.93	
MB-08-264	40.5	62.0	21.5	2.77	West Zone
including	40.5	53.0	12.5	3.97	
MB-08-265	39.0	54.0	15.0	4.85	West Zone
MB-08-266A	4.7	12.0	7.3	4.52	West Zone
MB-08-285	18.0	31.5	13.5	4.55	West Zone
MB-08-268	28.5	47.3	18.8	2.90	East Zone
MB-08-281	19.5	27.0	7.5	3.18	East Zone
MB-08-262	117.0	124.5	7.5	3.48	Gap East&West
MB-08-263	169.5	174.0	4.5	2.46	Gap East&West
MB-08-287	114.0	117.0	3.0	2.39	SW extension

Source: Company Reports

Diamond drill holes in the Western Pit confirmed the continuity of mineralized zones close to surface and also showed a potential for new resources. Significant intersections were obtained between 5 and 29m below surface and the best intersections include 4.85 g/t Au over 15.0m in hole MB-08-265 and 4.55 g/t Au over 13.5m in hole MB-08-285.

The continuity at depth of the gold-bearing zones between the Western Pit and the East Pit was confirmed with Holes MB-08-262 which returned intersections of 3.48 g/t Au over 7.5m creating potential new resources. Zone 45 (West Pit) was extended towards the south-west by approximately 115m with hole MB-08-287 which intersected a mineralized zone made of disseminated pyrite more than 30m thick. Further results are still pending.

■ **Nevada Copper Corp. (NCU:TSX ♦ Cdn\$1.18 ♦ 40.5 mln shares o/s)**

Sept. 18, 2008 – 773 Feet (236 Metres) of 1.03% Copper in the Open Pittable North Deposit

Nevada Copper Corp. announced significant high grade drilling results from its 40,000-metre drill program, at its 100% owned Pumpkin Hollow Copper Development Property located in Nevada. Drilling continues to define continuity, thickness and expand the high grade copper mineralization. Specifically, following are the latest drilling results from the North Deposit.

Nevada Copper - Selected assays								
Drill Hole #	From	To	Length	Length	Copper	Gold	Silver	Mo
	(m)	(m)	(m)	(ft)	(%)	(g/t)	(g/t)	(%)
NC08-20	155.4	391.0	235.6	773.0	1.03	0.088	0.6	0.004
Including	188.1	196.4	8.3	27.5	2.12	0.122	4.8	0.024
Including	343.8	374.3	45.7	150.0	2.99	0.232	8.3	0.001
Including	302.7	328.7	26.0	85.5	0.73	0.087	2.2	0.018
NC08-06	229.5	248.4	18.9	62.0	0.68	0.031	2.5	0.003
	259.0	295.6	36.6	120.0	0.41	0.035	1.4	0.003
	315.5	333.8	18.3	60.0	0.55	0.046	1.5	0.007
	345.0	383.4	38.4	126.0	0.78	0.119	3.4	0.002
NC08-08	219.5	289.0	69.5	228.0	0.45	0.036	1.2	0.004
	332.2	346.8	14.6	48.0	0.31	0.043	1.0	0.004

Source: Company reports

NC08-20 was drilled as a step out along the southern boundary of the open pitable North Deposit, where drill density was sparse or too shallow. The drill hole confirmed the extension of the shallow copper mineralization and much more. Within this large zone of copper mineralization a new high grade zone of skarn breccia was encountered, 45.7 metres (150 ft) averaging 2.99% copper, 0.232 g/t gold, and 8.3 g/t silver. In addition, NC08-20 contained a 26 metre (85 ft) zone within the copper mineralization averaging 0.018% molybdenum. This result is expected to substantially expand the existing resource and any future open pit configurations including the potential merging of the proposed North and South Deposit pits.

Drill holes NC08-06, 7, 8, and 9 were also drilled in the open pitable North Deposit. The drill holes were designed as infill holes to establish continuity and convert inferred resources to measured and indicated resources. The holes encountered several large zones of open pitable grade mineralization.

COMPANY OF THE WEEK

FACT SHEET

September 19, 2008

KGX (TSX-V) Cdn\$ \$2.11

www.keeganresources.com

52-week range (Cdn\$) \$1.46 - \$5.85

Shares Outstanding (mln) 28.4

Shares Fully Diluted (mln) 36.8

Market Capitalization (Cdn\$ mln) \$60.0

At June 30, 2008

Cash (Cdn\$ mln) \$12.72

Total Debt (Cdn\$ mln) \$0.00

Net Cash (Cdn\$ mln) \$12.72

Reserves & Resources AEV / oz gold (Cdn\$)

Total Resources 1.67 M ozs Au \$43.55



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Keegan Resources

Company Profile (all dollar amounts in Cdn\$ unless noted)

Keegan Resources is an advanced gold exploration company with two gold projects located in Ghana, West Africa. The flagship project is the Esaasa gold project. The company is also exploring the 1000 square kilometre Asumura property.

Investment Highlights

The 90%-owned Esaasa property currently has a 43-101 resource estimate of 1.67 million ounces at an average grade of 1.4 g/t (grams/tonne) mainly in the Inferred category (0.6 g/t cutoff grade). The deposit lies within a 73 sq. km. property which has seen 85,000 metres of exploration drilling to date.

Initial metallurgical studies indicate recoveries for the open pitable resource in the 91% range. The project has good infrastructure with access to power, water, roads and is within an established mining district.

The company plans to upgrade the inferred resource to measured and indicated by year-end. With two active drills, the company intends to extend the resource along strike as well as exploit the potential at depth. Recent results include:

- 12 metres averaging 11.6 g/t Au from 45 metres along strike north of the defined deposit,
- 69 metres of 1.83 g/t from 166 metres along strike south of the defined resource, and
- 23 metres of 4.2 g/t from 35 metres even further south of the deposit.

The Asumura property is located along strike, 65km south west of the 18 million ounce Ahafo deposit. The company currently has a 100% interest in the exploration licence, which will ultimately convert into a 90% ownership upon conversion into a mining lease. The initial discovery hole drilled earlier this year intersected 4.47 g/t gold over 14 metres.

The company is well financed with cash and equivalents of \$12.7 million in cash and cash equivalents at June 30, 2008.

Risk Factors

The company is exposed to normal risks associated with any mining company. These include permitting, commodity price, technical and financial risk. Some of the technical risk may be mitigated by management experience. In addition, Ghanaian mining companies have recently been impacted by a hike in power costs, which is currently under negotiation. There has also been discussion around the possibility of increasing the government royalty which currently sits at 3.5% NSR (net smelter return).

Advanced Gold Development Projects - Comparative valuation and historical performance													
Company	Ticker	Last price (Cdn\$)	Shares o/s (mln)	Comparative valuation			Share price performance						
				EV (US\$ mln)	Total Gold Resource (mln ozs)	EV/Oz of Resource (US\$/oz)	1-wk	1-mth	3-mth	12-mth	52-wk	52-wk	
											High	Low	
												(Cdn\$)	(Cdn\$)
Allied Nevada Gold	ANV	\$6.00	43.0	\$191.4	10.30	\$18.59	-22.4%	-25.1%	-33.1%	-8.8%	\$9.85	\$3.16	
American Bonanza Gold	BZA	\$0.05	115.7	\$1.4	1.17	\$1.22	-20.0%	-33.3%	-52.9%	-81.4%	\$0.27	\$0.04	
Anatolia Minerals	ANO	\$1.40	83.1	\$0.1	6.33	\$0.02	-19.0%	-8.6%	-46.5%	-70.5%	\$6.60	\$1.52	
Andina Minerals	ADM	\$1.03	79.4	\$54.7	9.38	\$5.83	-31.4%	-46.9%	-62.6%	-52.8%	\$5.50	\$1.12	
Atlanta Gold Inc.	ATG	\$0.65	29.3	\$16.7	2.10	\$7.95	-11.0%	-7.1%	-9.7%	-7.1%	\$1.44	\$0.30	
Atna Resources	ATN	\$0.51	83.3	\$32.9	2.18	\$15.07	-33.8%	-15.7%	-43.4%	-74.1%	\$1.94	\$0.42	
Axmin Inc.	AXM	\$0.26	245.6	\$51.9	3.50	\$14.82	0.0%	-33.3%	-70.2%	-84.9%	\$0.97	\$0.13	
Banro Corporation	BAA	\$2.28	40.5	\$72.2	11.44	\$6.31	-35.3%	-55.3%	-77.9%	-82.4%	\$13.00	\$1.05	
Canarc	CCM	\$0.13	71.7	\$8.7	1.27	\$6.88	-9.7%	-39.1%	-44.0%	-70.5%	\$0.54	\$0.14	
Carpathian Gold	CPN	\$0.21	132.3	\$14.9	3.11	\$4.79	-27.1%	-35.2%	-56.3%	-83.0%	\$1.07	\$0.17	
Centamin Egypt Limited	CEE	\$0.82	654.7	\$284.2	11.76	\$24.16	-6.4%	-4.3%	-27.3%	-17.2%	\$1.60	\$0.82	
CGA Mining	CGA	\$1.04	108.0	\$61.0	4.80	\$12.72	-23.7%	-35.7%	-51.1%	38.5%	\$2.14	\$0.64	
Coral Gold Resources	CLH	\$0.35	25.0	\$5.1	2.32	\$2.20	-11.1%	-40.0%	-55.0%	-64.0%	\$1.49	\$0.36	
Crystallex	KRY	\$0.92	294.7	\$279.0	27.46	\$10.16	-3.7%	34.6%	40.0%	-65.6%	\$3.37	\$0.56	
Detour Gold	DGC	\$12.05	44.8	\$447.5	13.22	\$33.86	-19.6%	-37.3%	-53.4%	44.2%	\$25.40	\$6.67	
Etruscan Resource	EET	\$0.70	132.8	\$75.2	2.73	\$27.50	-24.7%	-39.0%	-67.0%	-80.3%	\$3.47	\$0.58	
Fronteer Development	FRG	\$2.72	83.2	\$81.1	6.17	\$13.15	-26.1%	-24.3%	-55.0%	-74.9%	\$12.86	\$1.93	
Gabriel Resources	GBU	\$1.94	255.4	\$357.2	14.09	\$25.35	-28.0%	-30.9%	-38.0%	-57.7%	\$0.04	\$0.01	
Gold Reserve	GRZ	\$1.13	56.8	\$47.4	15.02	\$3.16	-23.6%	-8.7%	-34.7%	-74.8%	\$0.06	\$0.01	
Golden Queen	GQM	\$0.44	85.6	\$30.6	2.68	\$11.43	-24.4%	-27.9%	-65.9%	-59.7%	\$0.01	\$0.00	
Greystar	GSL	\$1.14	46.1	\$13.5	13.55	\$0.99	-39.5%	-53.3%	-75.3%	-82.8%	\$0.08	\$0.01	
Guyana Goldfields	GUY	\$2.35	52.1	\$89.8	4.65	\$19.32	-28.1%	-30.5%	-47.7%	-78.6%	\$0.11	\$0.02	
International Minerals	IMZ	\$4.05	96.0	\$334.5	8.81	\$37.98	-12.2%	-17.7%	-24.0%	-31.3%	\$0.07	\$0.04	
Kinbauri Gold Corp.	KNB	\$0.43	48.7	\$18.8	2.15	\$8.75	-11.2%	-20.9%	-55.6%	-11.2%	\$0.01	\$0.00	
Klondex Mines	KDX	\$0.92	25.1	\$19.9	1.05	\$19.04	-25.2%	-32.8%	-43.8%	-61.8%	\$0.03	\$0.01	
Linear Gold Corp	LRR	\$1.06	27.9	\$4.5	1.23	\$3.68	-25.7%	-32.7%	-52.4%	-66.9%	\$0.03	\$0.01	
Metallic Ventures Gold	MVG	\$0.39	52.0	\$7.6	5.61	\$1.35	-8.0%	-25.0%	-48.9%	-63.7%	\$0.03	\$0.01	
Midway Gold	MDW	\$0.89	51.4	\$38.6	1.79	\$21.52	-1.8%	-26.7%	-44.4%	-60.7%	\$0.05	\$0.01	
Moto Goldmines	MGL	\$2.13	89.2	\$122.8	15.10	\$8.13	-8.1%	-24.1%	-44.6%	-16.9%	\$0.06	\$0.02	
Novagold Resources	NG	\$6.68	105.2	\$625.2	25.94	\$24.10	-16.5%	-24.5%	-37.5%	-69.0%	\$0.20	\$0.04	
Orezone Resources	OZN	\$0.91	357.2	\$292.8	6.34	\$46.22	-10.6%	-17.4%	-38.2%	-59.6%	\$0.02	\$0.01	
Osisko Exploration	OSK	\$2.95	161.9	\$322.3	8.64	\$37.33	-22.1%	-37.2%	-38.7%	-57.6%	\$0.07	\$0.02	
Pacific Rim Mining Corp	PMU	\$0.25	116.9	\$21.4	1.55	\$13.80	-17.9%	-28.1%	-72.0%	-78.9%	\$0.01	\$0.00	
Pediment Exploration	PEZ	\$1.32	40.9	\$31.4	1.45	\$21.66	-26.4%	-36.2%	-46.0%	-50.0%	\$0.04	\$0.01	
Rainy River Resources	RR	\$1.80	57.6	\$63.2	3.62	\$17.46	-15.0%	-12.8%	-61.4%	-59.7%	\$0.06	\$0.02	
Seabridge Gold	SEA	\$18.40	37.3	\$629.6	49.83	\$12.63	-1.3%	-13.8%	-37.0%	-56.8%	\$0.39	\$0.13	
Sulliden Exploration	SUE	\$0.79	80.1	\$57.7	1.50	\$38.42	1.3%	-13.2%	8.2%	119.4%	\$0.01	\$0.00	
Verena Minerals	VML	\$0.17	97.3	\$11.3	2.03	\$5.58	-26.1%	0.0%	-37.0%	-64.6%	\$0.01	\$0.00	
Vista Gold	VGZ	\$2.25	34.4	\$39.2	14.70	\$2.67	-35.6%	-36.0%	-40.7%	-56.7%	\$0.07	\$0.02	
Average						\$15.02							

Source: Bloomberg and Company reports

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