



Batero Gold moving towards a NI 43-101 gold resource

Canaccord Genuity Analyst Nicholas Campbell has assigned a \$10.00 price target for Batero Gold based on the potential to delineate a 10+ million ounce gold-equivalent resource at Batero-Quinchia. He assigns a value of US \$65/oz on an in-situ basis.

We last updated our readers on **Batero Gold Corp.** [BAT-TSXV] last December when we highlighted it as a Top Pick for 2011. Batero was trading at approximately \$2.60/share last December and recently went as high as \$6.57/share. As we write this, Batero is trading at approximately \$4.00/share. While this has certainly been a top performer in the markets, what has us even more excited is the swift progress Batero has realized on their 100%-owned Batero-Quinchia Project.

For those that don't know, Batero Gold is a junior gold exploration company under the stewardship of Brandon Rook, President/CEO. The company is focused on the advancement of the Quinchia gold-copper project in Colombia. With two porphyry targets and five additional exploration tar-

gets identified on the land package, Batero Quinchia has the potential to develop into a large tonnage copper gold resource.

Initial work was completed on the Batero-Quinchia Project in 2006-2007 by AngloGold Ashanti. This work comprised a 15-hole exploration diamond drill program totaling 4,090 metres with an average drilling depth of 300 metres. Through Batero's drill campaign, the La Cumbre mineralization has been extended to a depth of 600 metres. This has primarily been confirmed by drill hole 8 which returned 592 metres grading 0.72 grams gold/tonne and 0.13% copper. This essentially doubles the extension of the porphyry mineralization.

Also, within this 592-metre intercept is a 178-metre interval of 1.0 gram gold/tonne and 0.15% copper (from 8-186m) as well as a 528-metre interval of 0.80 grams gold/tonne and 0.14% copper (from 8-528m). Hole 9 returned a 460-metre interval grading 0.7 grams gold/tonne and 0.12% copper, from surface. This hole also included an 81-metre interval grading 1.4

grams gold/tonne and 0.15% copper from surface and a 261-metre interval grading 1.0 gram gold/tonne and 0.16% copper from surface.

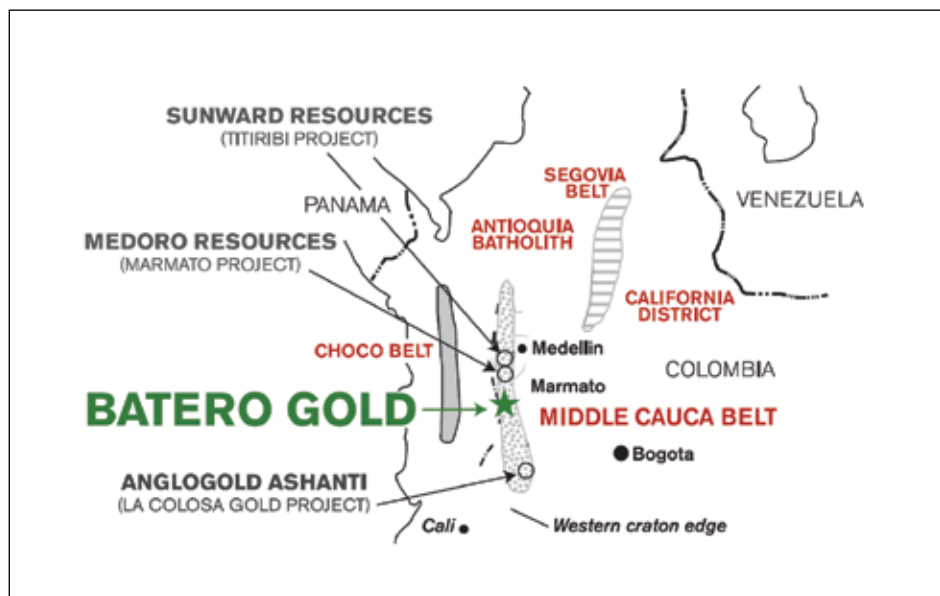
The results from holes 8 and 9 clearly demonstrate the potential for a higher-grade starter pit to be delineated at Cumbre. This could potentially improve the Batero-Quinchia economics significantly.

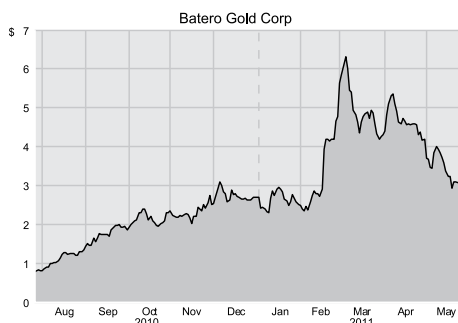
Another target on the Batero-Quinchia Project, that was previously drilled by Anglo Ashanti, is Dos Quebradas. Five historical holes were drilled here, most notably a 216 metre intersection grading 0.746 grams gold/tonne and 0.11% copper.

Batero has completed a Phase I drill program comprising of 16,000 metres. Phase II is now underway comprised of an additional 24,000 metres. Six drill rigs are currently operating with two more likely to be on site by the time this article hits the press. The focus will be to work towards a compliant NI 43-101 resource estimate for La Cumbre and Dos Quebradas for Q4 2011.

One of most important issues companies face in advancing mineral projects in Colombia is social responsibility. This is something that Batero has allocated a significant amount of resources toward. Batero has a dedicated management group that has inherited over a decade of data on the ground work and is active in the region today. They regularly host community presentations and educational workshops that promote awareness and transparency. Batero's management also regularly meets with local community leaders in order to manage the expectations of communities and families living in the region and support its successful advancement.

Rafael Alfonso Roa, founder of the Colombian Chamber of Mines, and Exploration Manager at Batero, is recognized as the pre-eminent individual in





Colombian politico-social strategies. Roa also led the exploration team that discovered Anglo's 13M-oz La Colossa gold deposit.

We would like to end off with some comments regarding the gold sector in general. Our bullish stance on gold bullion remains intact. Some influential people in this space continue to agree. The *Financial Post* recently quoted Peter Munk,

Chairman and Founder of **Barrick Gold**. Munk, who does not consider himself a gold bug, and is always reluctant to forecast prices, clearly thinks gold is heading in one direction – up. While speaking at the Bloomberg Canada Economic Summit, Munk said the world still has not found solutions to its major global crises, leaving more uncertainty for the future. For example, he cited the bailouts of debt-laden European countries as band-aid solutions. The *Financial Post* noted that while Munk is certainly bullish on gold, other industry leaders are much more outspoken. Also speaking at the conference, **Goldcorp's** Chairman, Ian Telfer, said gold will reach US \$2,000/oz by the end of the year. Earlier this week, Deutsche Bank's managing director for cross-commodity trading said in an interview that, "I'm bullish on

gold despite its current levels." Adding, "It could reach US \$2,000/oz in the next eight months." ■

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