

September 14, 2010

Creston Moly Corp (CMS—V, \$0.19)

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Rating: SECTOR OUTPERFORM; 12-Month Target: \$0.65; Risk: SPECULATIVE

Event: Phase 3 Drilling Continues to Return High Grade Molybdenum

Impact – Positive (neutral to our formal valuation)

- Creston announced additional assay results from a Phase 3 drill program at the Company's 100% owned El Creston molybdenum project in Sonora State, Mexico. The (infill) holes were drilled in close proximity to the northern boundary of El Creston's Main Zone resource. Highlights include:
 - **146.4 metres grading 0.116% molybdenum starting at a down hole depth of 45.8 metres in drill hole EC10-106**
 - 88.5 metres grading 0.045% molybdenum starting at a down hole depth of 18.3 metres in drill hole EC10-104
 - 99.9 metres grading 0.038% molybdenum starting at a down hole depth of 16.0 metres, including 18.3 metres grading 0.107% molybdenum, in drill hole EC10-103

Results from the three drill holes demonstrate that the Main Zone remains open to the north with above cut-off grade mineralization occurring within and below the proposed open pit. In particular, drill hole EC10-106 intersected significant molybdenum up to 130 metres below the proposed open pit outlined in El Creston's March 2009 preliminary feasibility study (PFS).

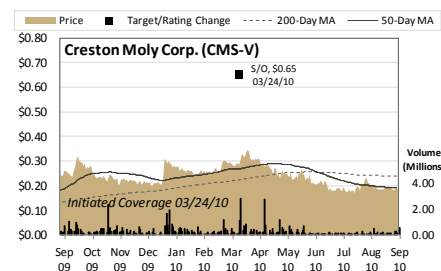
- **We note the relatively high grade nature of these intercepts, given El Creston's current National Instrument 43-101 compliant reserve grade of 0.077% molybdenum (at a 0.037% molybdenum-equivalent cut-off grade).** The Phase 3 drill program (17 holes; 2,500 metres), part of Creston's \$4.0 million 2010 work program which included successful Phase 1 and 2 drill campaigns completed earlier this year (7,200 metres combined; refer to *Radar Screen*, August 16, 2010), is designed to definition drill (infill) El Creston's Main Zone and determine the continuity of mineralization within the Red Hill Shallow Zone. Drilling to-date has traced the Red Hill Shallow Zone over 400 metres along trend, and the zone remains open to the northwest. Furthermore, the zone's width and thickness vary up to +150 metres and +90 metres respectively. Initial studies indicate that the Main Zone and Red Hill Zones could be mined from one larger open pit, potentially adding to the project's resource base and reducing waste stripping requirements.

Target Price **\$0.65**
 Current Price \$0.19
 Return 251%
 YTD Performance (14%)

Risk Profile: **SPECULATIVE**
 Forecast Risk High
 Financial Risk Moderate to High
 Valuation Risk Low to Moderate
 Political Risk Moderate

52-Week High / Low \$0.35 / \$0.16
 Shares O/S 256.4 million (basic)
 297.9 million (F/D)
 Market Capitalization \$45.9 million
 Cash \$6.5 million
 Debt \$0 million
 Working Capital (\$8.9) million
 Enterprise Value \$54.9 million
 Daily Volume (3 month average) 198,138
 Currency C\$ unless noted
 Company Web Site www.crestonmoly.com
 CEO Bruce McLeod

Price Performance



Source: Capital IQ & Haywood Securities

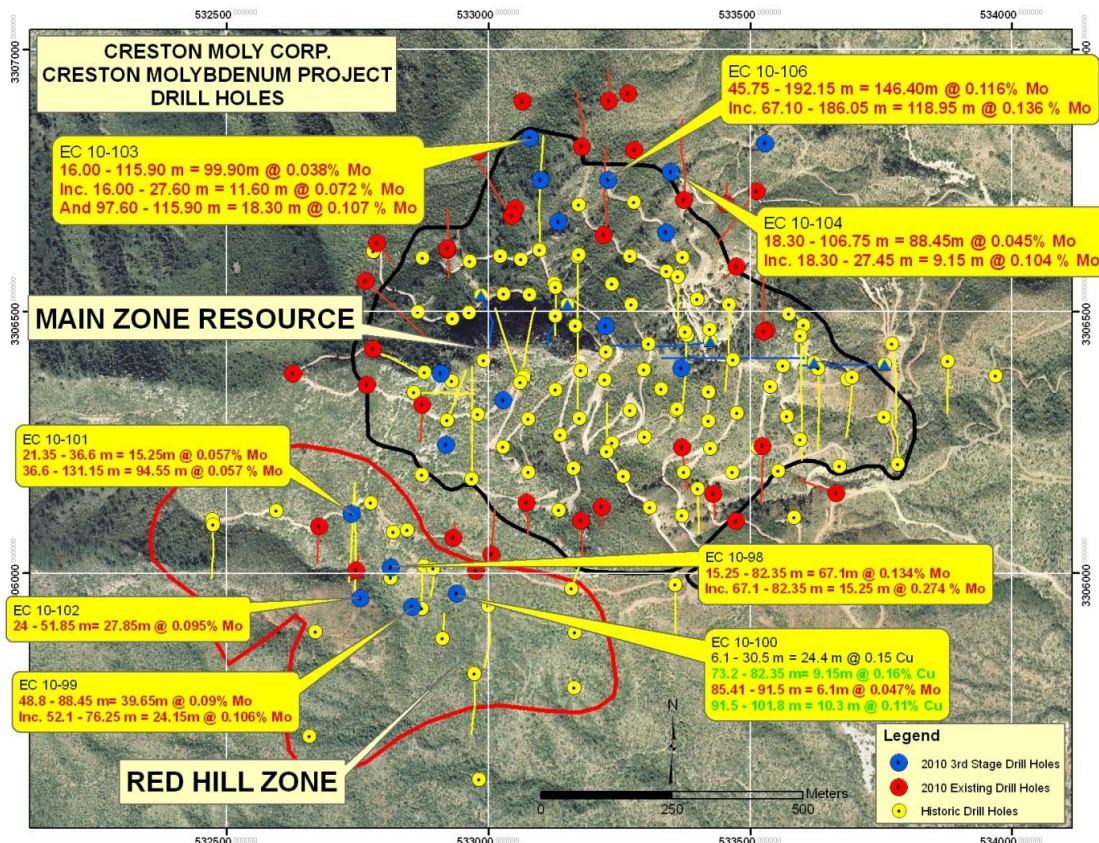


- A Phase 4 drill program (2,000 metres) is currently underway and will include two exploratory and eight structural holes to, in part, further geotechnical design of the proposed open pit. The two exploratory holes are being drilled in the Red Hill Zone to test the along strike extension to hole EC10-101 (94.6 metres grading 0.057% molybdenum starting at a down hole depth of 36.6 metres, including 12.2 metres grading 0.110% molybdenum; Refer to *Radar Screen*, September 9, 2010). The results from Creston’s 2010 drill programs will be incorporated into an updated National Instrument 43-101 compliant resource estimate expected in Q4/10, which will form the basis of a definitive feasibility study (DFS) expected to be complete in Q2/11.
- Our formal valuation is based on El Creston’s positive, albeit non-optimized, March 2009 preliminary feasibility study (PFS), which provides a robust base-case. However, numerous project optimization opportunities, including resource expansion, metallurgical optimization, etc. (refer to *Radar Screen*, March 24, 2010) offer significant upside potential. Many are not reflected in the Company’s current market valuation but will be quantified in the DFS expected in Q2/11. Regardless, the base-case operation is designed to produce approximately 20 Mlb of molybdenum and 12 Mlb of copper (in concentrates) annually over an 11-year open-pit mine life, positioning Creston as one of the largest advanced-stage molybdenum development stories on the market, backed by a relatively low operating-cost profile (LOM average total molybdenum cash cost of US\$7.00/lb net of credits; Haywood model) and strong management team. For illustrative purposes, we note that adding 35 Mt of ‘reserve’ grading 0.077% molybdenum and 0.049% copper to our base-case modeled mine plan, a modest 24% increase to our total modeled reserve tonnage, increases El Creston’s fully financed after-tax project NAV_{10%} by approximately US\$62M, or \$0.08 per fully diluted share (+13%).

Valuation: 1.0x multiple to a fully financed after-tax corporate NAV_{10%} of US\$493M or \$0.63 per fully diluted share at long-term molybdenum and copper prices of US\$15.00/lb and US\$2.75/lb respectively.

Last Research: September 9, 2010

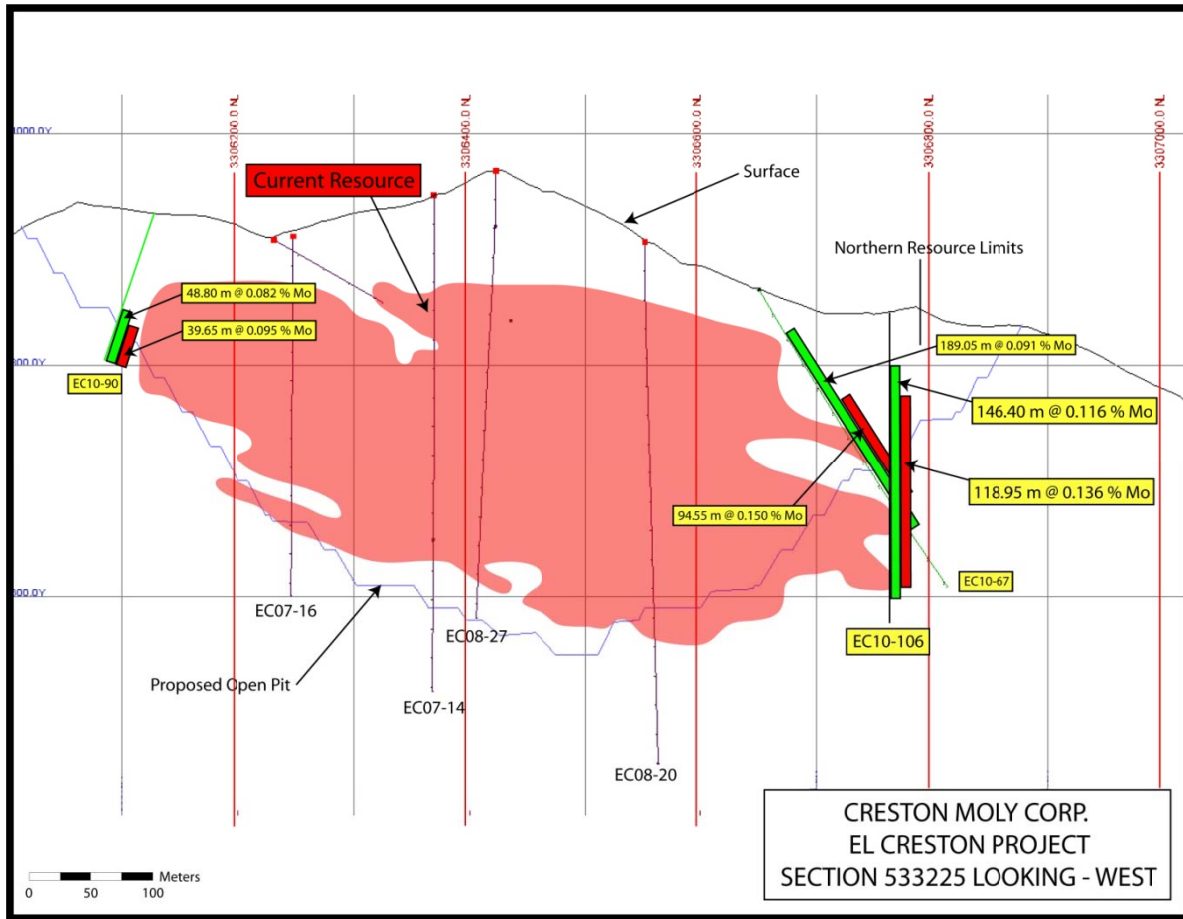
El Creston Drill Hole Location Map



Source: Creston Moly



El Creston Cross Section



Source: Creston Moly

El Creston Recent Drill Result Highlights

Drill Hole	Dip (degrees)	From (m)	To (m)	Interval (m)	Moly Grade (%)
EC10-103	-90	16.0	115.9	99.9	0.038%
incl.		16.0	27.6	11.6	0.072%
incl.		64.1	76.3	12.2	0.049%
incl.		97.6	115.9	18.3	0.107%
EC10-104	-90	18.3	106.8	88.5	0.045%
incl.		18.3	27.5	9.2	0.104%
incl.		63.7	106.8	43.1	0.053%
and		118.8	122.0	3.2	0.070%
EC10-106	-90	45.8	192.2	146.4	0.116%
incl.		67.1	186.1	119.0	0.136%
and		33.6	76.3	42.7	0.120%
incl.		33.6	48.8	15.3	0.190%

Source: Creston Moly

Creston Moly Corp. (CMS-V)		Current Price, C\$	\$0.19	Market Capitalization, US\$M	\$45.9
Rating: SECTOR OUTPERFORM		Return, %	251%	Current Cash, US\$M	\$6.5
Target Price: C\$0.65		52-Week High / Low, C\$	\$0.35 / \$0.16	Working Capital, US\$M	(\$8.9)
Target Price Metric: 1.0x After-Tax Corporate NAV		Shares O/S, million	256	Long-term Debt, US\$M	-
		Shares F/D, million	298	Enterprise Value (EV), US\$M	\$54.9

After-Tax Corporate NAV Sensitivity (C\$ per fully financed F/D share)

		Moly Price (US\$/lb)									
		\$5.00	\$10.00	\$15.00	\$20.00	\$25.00	\$30.00	\$35.00	\$40.00	\$45.00	\$50.00
Copper Price (US\$/lb)	\$0.50	(\$0.57)	\$0.03	\$0.49	\$0.92	\$1.35	\$1.78	\$2.20	\$2.63	\$3.06	\$3.49
	\$1.00	(\$0.53)	\$0.07	\$0.52	\$0.95	\$1.38	\$1.81	\$2.23	\$2.66	\$3.09	\$3.52
	\$1.50	(\$0.49)	\$0.11	\$0.55	\$0.98	\$1.41	\$1.84	\$2.26	\$2.69	\$3.12	\$3.55
	\$2.00	(\$0.44)	\$0.15	\$0.58	\$1.01	\$1.44	\$1.87	\$2.29	\$2.72	\$3.15	\$3.58
	\$2.50	(\$0.40)	\$0.18	\$0.61	\$1.04	\$1.47	\$1.90	\$2.32	\$2.75	\$3.18	\$3.61
	\$3.00	(\$0.36)	\$0.22	\$0.65	\$1.07	\$1.50	\$1.93	\$2.36	\$2.78	\$3.21	\$3.64
	\$3.50	(\$0.31)	\$0.25	\$0.68	\$1.10	\$1.53	\$1.96	\$2.39	\$2.81	\$3.24	\$3.67
	\$4.00	(\$0.27)	\$0.28	\$0.71	\$1.13	\$1.56	\$1.99	\$2.42	\$2.84	\$3.27	\$3.70
	\$4.50	(\$0.23)	\$0.31	\$0.74	\$1.16	\$1.59	\$2.02	\$2.45	\$2.87	\$3.30	\$3.73
	\$5.00	(\$0.19)	\$0.34	\$0.77	\$1.19	\$1.62	\$2.05	\$2.48	\$2.90	\$3.33	\$3.76

After-Tax EI Creston Project NAV Sensitivity (C\$ per fully financed F/D share)

		Moly Price (US\$/lb)									
		\$5.00	\$10.00	\$15.00	\$20.00	\$25.00	\$30.00	\$35.00	\$40.00	\$45.00	\$50.00
Copper Price (US\$/lb)	\$0.50	(\$0.54)	\$0.07	\$0.53	\$0.96	\$1.39	\$1.82	\$2.24	\$2.67	\$3.10	\$3.53
	\$1.00	(\$0.49)	\$0.11	\$0.56	\$0.99	\$1.42	\$1.85	\$2.27	\$2.70	\$3.13	\$3.56
	\$1.50	(\$0.45)	\$0.15	\$0.59	\$1.02	\$1.45	\$1.88	\$2.30	\$2.73	\$3.16	\$3.59
	\$2.00	(\$0.40)	\$0.19	\$0.62	\$1.05	\$1.48	\$1.91	\$2.33	\$2.76	\$3.19	\$3.62
	\$2.50	(\$0.36)	\$0.22	\$0.65	\$1.08	\$1.51	\$1.94	\$2.36	\$2.79	\$3.22	\$3.65
	\$3.00	(\$0.32)	\$0.25	\$0.68	\$1.11	\$1.54	\$1.97	\$2.39	\$2.82	\$3.25	\$3.68
	\$3.50	(\$0.27)	\$0.29	\$0.72	\$1.14	\$1.57	\$2.00	\$2.43	\$2.85	\$3.28	\$3.71
	\$4.00	(\$0.23)	\$0.32	\$0.75	\$1.17	\$1.60	\$2.03	\$2.46	\$2.88	\$3.31	\$3.74
	\$4.50	(\$0.19)	\$0.35	\$0.78	\$1.20	\$1.63	\$2.06	\$2.49	\$2.91	\$3.34	\$3.77
	\$5.00	(\$0.15)	\$0.38	\$0.81	\$1.23	\$1.66	\$2.09	\$2.52	\$2.94	\$3.37	\$3.80

2014E CFPS Sensitivity (US\$)

		Moly Price (US\$/lb)									
		\$5.00	\$10.00	\$15.00	\$20.00	\$25.00	\$30.00	\$35.00	\$40.00	\$45.00	\$50.00
Copper Price (US\$/lb)	\$0.50	(\$0.10)	(\$0.02)	\$0.04	\$0.10	\$0.15	\$0.21	\$0.27	\$0.32	\$0.38	\$0.43
	\$1.00	(\$0.09)	(\$0.01)	\$0.05	\$0.10	\$0.16	\$0.22	\$0.27	\$0.33	\$0.39	\$0.44
	\$1.50	(\$0.07)	\$0.00	\$0.06	\$0.11	\$0.17	\$0.23	\$0.28	\$0.34	\$0.40	\$0.45
	\$2.00	(\$0.06)	\$0.01	\$0.07	\$0.12	\$0.18	\$0.23	\$0.29	\$0.35	\$0.40	\$0.46
	\$2.50	(\$0.05)	\$0.02	\$0.07	\$0.13	\$0.19	\$0.24	\$0.30	\$0.36	\$0.41	\$0.47
	\$3.00	(\$0.04)	\$0.03	\$0.08	\$0.14	\$0.19	\$0.25	\$0.31	\$0.36	\$0.42	\$0.48
	\$3.50	(\$0.03)	\$0.04	\$0.09	\$0.15	\$0.20	\$0.26	\$0.32	\$0.37	\$0.43	\$0.49
	\$4.00	(\$0.02)	\$0.04	\$0.10	\$0.16	\$0.21	\$0.27	\$0.32	\$0.38	\$0.44	\$0.49
	\$4.50	(\$0.00)	\$0.05	\$0.11	\$0.16	\$0.22	\$0.28	\$0.33	\$0.39	\$0.45	\$0.50
	\$5.00	\$0.01	\$0.06	\$0.12	\$0.17	\$0.23	\$0.29	\$0.34	\$0.40	\$0.45	\$0.51

2015E CFPS Sensitivity (US\$)

		Moly Price (US\$/lb)									
		\$5.00	\$10.00	\$15.00	\$20.00	\$25.00	\$30.00	\$35.00	\$40.00	\$45.00	\$50.00
Copper Price (US\$/lb)	\$0.50	(\$0.13)	\$0.02	\$0.15	\$0.26	\$0.37	\$0.48	\$0.59	\$0.70	\$0.82	\$0.93
	\$1.00	(\$0.11)	\$0.04	\$0.16	\$0.27	\$0.38	\$0.50	\$0.61	\$0.72	\$0.83	\$0.94
	\$1.50	(\$0.10)	\$0.06	\$0.17	\$0.28	\$0.40	\$0.51	\$0.62	\$0.73	\$0.84	\$0.95
	\$2.00	(\$0.08)	\$0.07	\$0.18	\$0.30	\$0.41	\$0.52	\$0.63	\$0.74	\$0.85	\$0.96
	\$2.50	(\$0.06)	\$0.08	\$0.20	\$0.31	\$0.42	\$0.53	\$0.64	\$0.76	\$0.87	\$0.98
	\$3.00	(\$0.04)	\$0.10	\$0.21	\$0.32	\$0.44	\$0.55	\$0.66	\$0.77	\$0.88	\$0.99
	\$3.50	(\$0.02)	\$0.11	\$0.22	\$0.34	\$0.45	\$0.56	\$0.67	\$0.78	\$0.89	\$1.00
	\$4.00	(\$0.01)	\$0.12	\$0.24	\$0.35	\$0.46	\$0.57	\$0.68	\$0.79	\$0.90	\$1.01
	\$4.50	\$0.01	\$0.14	\$0.25	\$0.36	\$0.47	\$0.58	\$0.70	\$0.81	\$0.92	\$1.03
	\$5.00	\$0.03	\$0.15	\$0.26	\$0.38	\$0.49	\$0.60	\$0.71	\$0.82	\$0.93	\$1.04

Haywood model is based on a forecast Moly price of US\$15.00/lb in 2010, US\$20.00/lb in 2011, US\$15.00/lb in 2012, and US\$15.00/lb thereafter.

Haywood model is based on a forecast copper price of US\$3.25/lb in 2010, US\$3.50/lb in 2011, US\$3.25/lb in 2012, US\$3.00/lb in 2013, and US\$2.75/lb thereafter.

Haywood model is based on a forecast silver price of US\$18.50/oz in 2010, US\$19.25/oz in 2011, US\$17.75/oz in 2012, US\$16.15/oz in 2013, and US\$14.00/oz thereafter.

NAV sensitivity is based on 809M fully financed F/D shares; 2014E and 2015E CFPS sensitivities are based on 686M fully financed O/S shares.

Source: Haywood Securities



Creston Moly Corp. (CMS-V) Rating: SECTOR OUTPERFORM Target Price: C\$0.65 Target Price Metric: 1.0x After-Tax Corporate NAV		Target Price, C\$ \$0.65 Current Price, C\$ \$0.19 Return, % 251% 52-Week High / Low, C\$ \$0.35 / \$0.16 Daily Volume (100-day avg) 198,138	Shares O/S, million 256.4 Shares F/D, million 297.9 Market Capitalization, US\$M \$45.9 Company CEO Bruce McLeod Company Web Site www.crestonmoly.com
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	US\$M	US\$ / O/S Share	C\$M	C\$ / O/S Share
Market Capitalization	\$45.9	\$0.18	\$47.4	\$0.19
Current Cash	\$6.5	\$0.03	\$6.7	\$0.03
F/D Cash Adds	\$16.7	\$0.06	\$17.2	\$0.07
Working Capital	(\$8.9)	(\$0.03)	(\$9.2)	(\$0.04)
Long-term Debt	\$0.0	\$0.00	\$0.0	\$0.00
Book Value	\$85.5	\$0.33	\$88.3	\$0.34
Enterprise Value (EV)	\$54.9	\$0.21	\$56.7	\$0.22

EV = Market Capitalization - Working Capital + Long-term Debt
 C\$/US\$ FX Rate: 1.03

	2010	2011	2012	2013	2014	2015
Forecast Moly Price, US\$/lb	\$15.00	\$20.00	\$15.00	\$15.00	\$15.00	\$15.00
Forecast Copper Price, US\$/lb	\$3.25	\$3.50	\$3.25	\$3.00	\$2.75	\$2.75
Forecast Silver Price, US\$/oz	\$18.50	\$19.25	\$17.75	\$16.15	\$14.00	\$14.00
CS/US\$ FX Rate	1.03	1.03	1.06	1.08	1.06	1.06
Shares O/S, millions	236	236	630	686	686	686

Gross Sales Revenue, US\$M	\$0	\$0	\$0	\$0	\$207	\$392
Net Revenue, US\$M	\$0	\$0	\$0	\$0	\$188	\$357
Cost of Sales, US\$M	\$0	\$0	\$0	\$0	(\$80)	(\$152)
Corporate G&A, US\$M	(\$3)	(\$3)	(\$3)	(\$3)	(\$5)	(\$5)
EBIT DA, US\$M	(\$3)	(\$3)	(\$3)	(\$3)	\$99	\$193
EV / EBIT DA	-	-	-	-	0.6x	0.3x
DD&A, US\$M	\$0	\$0	\$0	\$0	(\$33)	(\$65)
Gain on Derivative Instruments, US\$M	\$0	\$0	\$0	\$0	\$0	\$0
Earnings, US\$M	(\$3)	(\$3)	(\$13)	(\$28)	\$21	\$74
EPS, US\$	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.04)	\$0.03	\$0.11
Current Price / EPS	-	-	-	-	-	1.6x
Target Price / EPS	-	-	-	-	19.7x	5.7x
Cash Flow Before W/C Changes, US\$M	(\$3)	(\$3)	(\$13)	(\$28)	\$54	\$139
CFPS, US\$	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.04)	\$0.08	\$0.20
Current Price / CFPS	-	-	-	-	2.2x	0.9x
Target Price / CFPS	0.0x	0.0x	0.0x	0.0x	7.8x	3.0x
Moly Price CFPS Sensitivity, US\$	\$0.00	\$0.00	\$0.00	\$0.00	\$0.02	\$0.05
Copper Price CFPS Sensitivity, US\$	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
Silver Price CFPS Sensitivity, US\$	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CAPEX, US\$M	\$0	\$0	(\$150)	(\$450)	\$0	\$0
Proceeds from Equity Financing, US\$M	\$15	\$0	\$240	\$0	\$0	\$0
Proceeds from Debt Financing, US\$M	\$0	\$0	\$360	\$0	\$0	\$0
Debt Repayment, US\$M	\$0	\$0	\$0	(\$72)	(\$72)	(\$72)
Free Cash Flow, US\$M	\$12	(\$3)	\$437	(\$568)	\$0	\$67
FCPS, US\$	\$0.05	(\$0.01)	\$0.69	(\$0.83)	\$0.00	\$0.10

Moly price CFPS sensitivity is based on a US\$2.50/lb change in forecast moly price.
 Copper price CFPS sensitivity is based on a US\$0.50/lb change in forecast copper price.
 Silver price CFPS sensitivity is based on a US\$0.50/oz change in forecast silver price.

	RLOM	2011	2012	2013	2014	2015
Ore Tonnes Milled, millions	146.7	-	-	-	7.3	14.6
Ore Tonnes Milled, tonnes per day	40,000	-	-	-	20,000	40,000
Moly Grade Milled, %	0.08%	-	-	-	0.08%	0.08%
Copper Grade Milled, %	0.05%	-	-	-	0.13%	0.09%
Moly Recovery, %	88%	-	-	-	88%	88%
Copper Recovery, %	84%	-	-	-	84%	84%
Moly production (in concentrate), Mlb	221	-	-	-	11	22
Copper production (in concentrate), Mlb	133	-	-	-	17	26
Silver Production (in concentrate), Moz	-	-	-	-	-	-
Payable Moly Production, Mlb	219	-	-	-	11	22
Payable Copper Production, Mlb	128	-	-	-	16	25
Operating Cost, US\$/tonne milled	\$10.50	-	-	-	\$11.00	\$10.50
Moly Cash Cost (on-site, net of credits), US\$/lb	\$5.25	-	-	-	\$3.25	\$4.00
Total Moly Cash Cost (net of credits), US\$/lb	\$7.00	-	-	-	\$5.50	\$6.00

	RLOM	2011	2012	2013	2014	2015
Forward Moly Sales, Mlb	-	-	-	-	-	-
Forward Moly Sales Price (floor), US\$/lb	-	-	-	-	-	-
Forward Copper Sales, Mlb	-	-	-	-	-	-
Forward Copper Sales Price (floor), US\$/lb	-	-	-	-	-	-

	Year	Quarter	Amount (US\$M)	Price	Shares (millions)
Current O/S Share Capital	-	-	-	-	256
Current F/D Share Capital	-	-	-	-	298
Modelled Equity Financing No. 1	2010	Q3	\$15	C\$0.25	60
Modelled Equity Financing No. 2	2012	Q1	\$240	C\$0.55	451
Total Additional Modelled Equity	-	-	-	-	511
Modelled Fully Financed F/D Share Capital	-	-	-	-	809

Haywood model assumes a 60:40 debt:equity structure to fund El Creston's US\$600 million initial capital cost.

	Number	Price	Proceeds	Expiry
Warrants	28.2M	C\$0.40	US\$10.8M	Sept 2010 - May 2012
Options	13.3M	C\$0.45	US\$5.8M	Mar 2010 - Dec 2014
Warrants + Options	41.5M	C\$0.41	US\$16.7M	

CS/US\$ FX Rate: 1.03

July 6, 2010 - \$3.0M private placement (16.7M shares @ \$0.18)
July 28, 2009 - \$1.3M private placement (13M units @ \$0.10; 1 unit = 1 share + 1 warrant @ \$0.15 for 2 years)
July 20, 2009 - \$1.7M private placement (17M units @ \$0.10; 1 unit = 1 share + 1 warrant @ \$0.15 for 2 years)
May 9, 2007 - \$40M private placement (57M units @ \$0.70 per unit; 1 unit = 1 common share + 0.5 warrant @ \$0.90 for 3 years)

	O/S (millions)	O/S (%)	F/D (millions)	F/D (%)
Rule Family Trust	18.6	7%	18.6	6%
Management and Directors	10.2	4%	10.2	3%
Total	256.4	11%	297.9	10%

	Haywood Model	\$10.00	\$15.00	\$20.00	\$25.00	\$16.38
Forecast Moly Price, US\$/lb	\$15.00	\$15.00	\$20.00	\$20.00	\$3.75	\$3.46
Forecast Copper Price, US\$/lb	\$7.00	\$13.50	\$20.00	\$26.50	\$20.33	\$20.33
Forecast CS/US\$ FX Rate	1.03	1.10	1.05	1.00	0.95	1.03
Corporate Adjustments, US\$M	(\$216)	(\$216)	(\$216)	(\$216)	(\$216)	(\$216)
Creston After-Tax Project NAV(10%), US\$M	\$524	\$120	\$500	\$871	\$1,241	\$651
Additional Exploration Credit, US\$M	\$185	\$185	\$185	\$185	\$185	\$185
Corporate NAV, US\$M	\$493	\$89	\$469	\$840	\$1,210	\$619
Corporate Adjustments, C\$ / F/D share	(\$0.28)	(\$0.29)	(\$0.28)	(\$0.27)	(\$0.25)	(\$0.27)
Creston After-Tax Project NAV(10%), C\$ / F/D share	\$0.67	\$0.16	\$0.65	\$1.08	\$1.46	\$0.83
Additional Exploration Credit, C\$ / F/D share	\$0.24	\$0.25	\$0.24	\$0.23	\$0.22	\$0.23
Corporate NAV, C\$ / F/D share	\$0.63	\$0.12	\$0.61	\$1.04	\$1.42	\$0.79
Current Price / Corporate NAV	0.3x	1.5x	0.3x	0.2x	0.1x	0.2x
Target Price / Corporate NAV	1.0x	5.4x	1.1x	0.6x	0.5x	0.8x
2014E CFPS, US\$	\$0.08	\$0.00	\$0.07	\$0.14	\$0.22	\$0.11
2015E CFPS, US\$	\$0.20	\$0.06	\$0.19	\$0.33	\$0.48	\$0.25

Model shares F/D (fully financed): 809M

	Tonnes (000's)	Mo Grade (%)	MoEq Grade (%)	Moly (Mlb)	MoEq (Mlb)	EWlb MoEq (US\$/lb)
Haywood Model Mineable (100%)	146,705	0.08%	0.09%	250	279	-
Haywood Model Payable (100%)	-	-	-	219	243	-
Proven and Probable Reserve (100%)	146,705	0.08%	0.09%	249	278	\$0.197
Measured & Indicated Resource (100%)	185,966	0.06%	0.07%	251	267	-
Inferred Resource (100%)	530,683	0.06%	0.06%	707	714	-
Total Reserve and Resource (100%)	863,354	0.06%	0.07%	1,207	1,259	\$0.044
Attributable Reserve (100%)	146,705	0.08%	0.09%	249	278	-
Attributable Reserve and Resource (100%)	863,354	0.06%	0.07%	1,207	1,259	\$0.044

Measured & indicated resource is additional to proven and probable reserve

	Analysts	Mean EPS	High / Low	Haywood vs. Cons.	Mean CFPS	High / Low	Haywood vs. Cons.
2010 Consensus Estimate	1	(US\$0.03)	(\$0.01) / (\$0.05)	45%	(Capability Needed)	-	-
2011 Consensus Estimate	1	(US\$0.04)	(\$0.02) / (\$0.07)	31%	(Capability Needed)	-	-
Consensus Valuation	3	3	-	-	US\$0.60	(\$0.40) / (\$0.80)	108%

	Price	Corp NAV	Price / NAV	2010 CFPS	Price / CFPS	2011 CFPS	Price / CFPS
Creston Moly Corp. (CMS-V)	C\$0.19	US\$0.61	0.3x	(US\$0.01)	-	(US\$0.01)	-
Ansil Mining Ltd. (AMM-T)	C\$3.35	US\$5.74	0.6x	US\$0.08	-	US\$0.75	4.3x
Capstone Mining Corp. (CS-T)	C\$2.85	US\$3.48	0.8x	US\$0.42	6.6x	US\$0.57	4.9x
Copper Mountain Mining Corp. (CUM-T)	C\$3.40	US\$4.09	0.8x	(US\$0.03)	-	(US\$0.10)	-
Coro Mining Corp. (COP-T)	C\$0.55	US\$0.82	0.6x	(US\$0.03)	-	(US\$0.05)	-
Farallon Mining Ltd. (FAN-T)	C\$0.41	US\$0.56	0.7x	US\$0.08	5.2x	US\$0.18	2.2x
First Quantum Minerals Ltd. (FM-T)	C\$67.29	US\$75.92	0.9x	US\$13.90	4.7x	US\$16.20	4.0x
GlobeStar Mining Ltd. (GMI-T)	C\$1.20	US\$1.25	0.9x	US\$0.23	5.0x	US\$0.32	3.6x
Inca Pacific Resources Inc. (IPR-V)	C\$0.21	US\$0.19	1.1x	(US\$0.04)	-	(US\$0.04)	-
Lundin Mining Corp. (LUN-T)	C\$4.62	US\$7.56	0.6x	US\$0.55	8.1x	US\$1.10	4.1x
Mercator Minerals Ltd. (ML-T)	C\$2.40	US\$5.39	0.4x	US\$0.04	-	US\$0.60	3.9x
Nevsun Resources Ltd. (NSU-T)	C\$5.10	US\$4.77	1.0x	(US\$0.04)	-	US\$0.30	16.5x
Terrane Metals Corp. (TRX-V)	C\$1.43	US\$1.28	1.1x	(US\$0.02)	-	(US\$0.11)	-
Peer-Group Average (producers)	-	-	0.7x	-	5.9x	-	3.9x
Peer-Group Average (developers)	-	-	0.9x	-	-	-	3.3x
Peer-Group Average (all)	-	-	0.8x	-	5.9x	-	5.4x

2010E CS/US\$ FX Rate: 1.03

2011E CS/US\$ FX Rate: 1.03

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	TSX:CS	Capstone Mining Corp.			X					
	TSX:CUM	Copper Mountain Mining Corp.			X	X				
	TSX:COP	Coro Mining Inc.		X	X			X		
	TSXV:CMS	Creston Moly Corp.		X	X			X		
	TSX:FAN	Farallon Mining Ltd.			X					
	TSX:FM	First Quantum Minerals Ltd.			X					
	TSX:GMI	GlobeStar Mining Corp.			X					
	TSXV:IPR	Inca Pacific Resources Inc.			X					
	TSX:LUN	Lundin Mining Corporation	X		X					
	TSX:ML	Mercator Minerals Ltd.			X	X				
	TSX:NSU	Nevsun Resources Ltd.			X					
	TSXV:TRX	Terrane Metals Corp.			X	X				

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Forecast Risk: High – Haywood forecasts are below guidance. The Company has a history of missing targets and/or Haywood expects guidance to be lowered. Limited hedging increases commodity leverage. Forecasts reflect higher commodity prices or production relative to guidance. Moderate – Haywood forecasts are generally in line with guidance. The Company has a history of meeting or exceeding guidance. Forecasts are consistent with current commodity pricing and production guidance. Hedging is in line with peers. Low – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance. Forecasts allow for modestly lower commodity pricing or production levels. Commodity hedging lowers volatility relative to peers.

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Valuation Risk: High – The current valuation is at the high end of historic levels and/or at a premium to peers. The valuation reflects considerable exploration success and/or commodity appreciation. Where applicable, the current capitalization exceeds the DCF evaluation by more than 50%. Moderate – The current valuation is within historic ranges and generally consistent with peers. The valuation reflects reasonable exploration success and/or commodity appreciation. Where applicable, the current capitalization exceeds the DCF valuation by 15% to 50%. Low – The current valuation is at the low end of historic ranges and at a discount to peer valuations. The valuation reflects limited new exploration success and no commodity appreciation. Where applicable, the current capitalization exceeds the DCF valuation by less than 15% or falls below the current market value.

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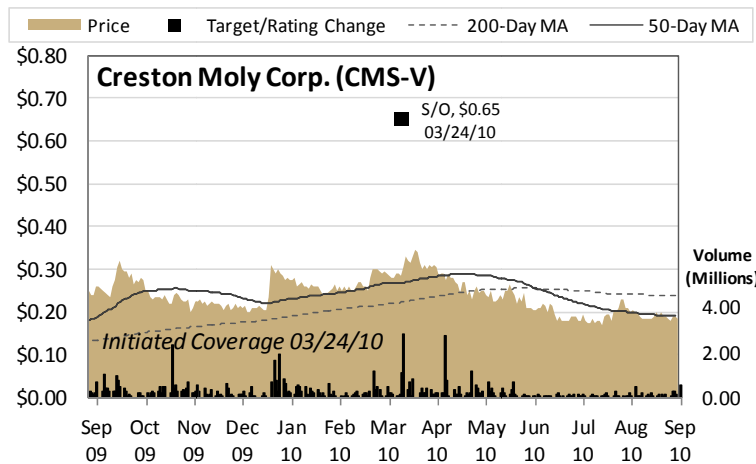
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	Distribution of Ratings		IB Clients (TTM)
	%	#	
S/O	53.3%	81	76.9%
S/P	3.9%	6	15.4%
S/U	1.3%	2	0.0%
T	2.6%	4	0.0%
UR (S/O)	5.9%	9	3.8%
UR (S/P)	3.3%	5	0.0%
UR (S/U)	0.7%	1	0.0%
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S/O: Sector Outperform; S/P: Sector Perform; S/U: Sector Underperform; T: Tender; U/R: Under Review
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