

## Recommendation

Speculative Buy

## Target Price

\$0.90

## Risk

High

## Ave. Monthly Trading Vol.

300,000

## Quick Facts

Recent Price	\$0.29
Symbol	SML:TSX-V
Shares O/S	40.9 million
52 Wk. Range	\$0.32-\$0.04
Fiscal Year End	Nov. 30

	EPS	CFPS
2001	\$(0.03)	\$(0.02)
2002e	n.a.	n.a.
2003e	n.a.	n.a.
2004e	n.a.	n.a.

## STRENGTHS

- Dominant land position in a developing gold-copper camp
- Numerous prospects provide potential targets for discovery of a deposit
- Higher gold grades could prove attractive to Northgate

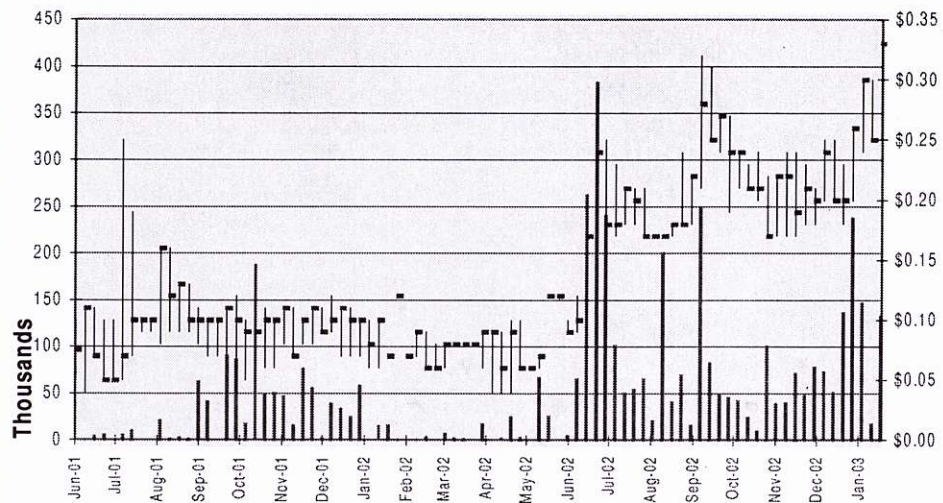
## RISKS

- Inherent exploration risk
- Ability to fund aggressive exploration programs
- Other high grade deposits are developed sooner

## CONCLUSION

- Strategic land package with numerous prospects
- Aggressive exploration program should bring results
- Strong management with financial and technical expertise

## Stealth Minerals Limited



Data Source: www.wallstreetcity.com

*Stealth Minerals has assembled the dominant land position in the highly prospective Toodoggone Volcanic belt in north central British Columbia - host of the producing Kemess Mine, three former producing high-grade gold-silver deposits and numerous gold, copper and silver prospects*

## SUMMARY AND RECOMMENDATION

We are recommending the shares of Stealth Minerals Limited as a Speculative Buy for investors who are seeking exposure to a junior exploration company with excellent discovery potential for large-scale gold, silver and copper deposits in Canada.

Stealth Minerals Limited is a Canadian based company focusing exploration on its Toodoggone Project in north central British Columbia. The Project is located about 430 kilometres northwest of Prince George. The area is one of last geologically attractive areas in BC. The Toodoggone region hosts the producing Kemess gold-copper mine as well as three former producing high-grade gold-silver mines and numerous gold, copper and silver prospects and many large alteration systems. Stealth has assembled the dominant land position in the region. The Toodoggone Project covers a 288 square kilometre contiguous land package in highly prospective geology that strategically borders the Kemess property. The Company can earn a 100% interest in the property from a private company, subject to a 3% NSR.

The property contains the low-grade Pine deposit that the Company calculates to contain 160 million tonnes with an estimated average grade of 0.50 g/t gold and 0.20% copper. Defining a higher-grade core would add value to this deposit. Additionally, 30 separate mineral showings related to three distinct mineralization and deposit styles are known: gold-copper porphyries, gold-silver in volcanic hosted structurally controlled epithermal prospects and copper-gold-silver skarns. The Company believes the area is under-explored and that disciplined, systematic prospecting will result in further important mineral discoveries. The Company is focusing on four prospects/areas: the Wrich Hill and Goat Mountain structurally controlled volcanic hosted gold-silver epithermal prospects; the VIP copper-gold-silver skarn prospect; and the Mex, a large gold-copper porphyry target. Prospecting of several other showings is also planned. An aggressive C\$3.2 million exploration program in 2003 on these targets could result in delineating one or more potentially viable deposits.

Also worth considering is the Company's strategic land position next to Northgate's operating Kemess South mine. Recently, Northgate entered into exploration and development agreements with other juniors in the region in order to locate further resources for its mine. This is coupled with its own exploration program on the Kemess North deposit and related showings. Northgate would be a natural partner for the development of any resources on Stealth's properties. The higher grades discovered on Stealth's prospects might provide an attractive means to upgrade the gold content of the South Kemess mill feed during this period of improving gold prices.

The Company has completed C\$2.0 million in financings this year and currently has over C\$750,000 available for its 2003 exploration program. As market conditions for junior exploration companies focused on gold improve we believe management should be able to fund its planned aggressive programs that could provide positive results and improve the share price.

We are valuing the Company's stock at C\$0.90 per share and see this as the potential 12-month price.

Stealth's large strategic land package containing numerous prospects, some with high gold grades, should provide the basis for a strong exploration program designed to attract the attention of other regional players and market players in an improving gold price environment.

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## THE COMPANY

Stealth Minerals Limited is a Canadian based exploration and development company with its head office in Toronto. The Company trades under the symbol SML on the TSX-Venture Exchange. Stealth is focusing efforts on its Toodoggone Project in north central British Columbia. The project property is adjacent to the producing Kemess South gold-copper mine. Stealth has put together the dominant land package in this prospective region containing numerous gold, silver and copper prospects. The Project contains the low-grade Pine Deposit, which the Company estimates at 160 million tonnes with an average grade of 0.50 g/t gold and 0.20% copper equalling over 4.0 million ounces of gold equivalent.

The Toodoggone Project covers a 288 square kilometre contiguous land package in highly prospective geology. The Company can earn a 100% interest in the property from a private company, subject to a 3% NSR. The property is situated in the southeast quadrant of the Toodoggone Volcanic Belt that trends about 30 kilometres northeast southwest by 70 kilometres northwest southeast. It is located in north central British Columbia, about 430 kilometres northwest of Prince George and 400 kilometres east of the deep-sea port of Stewart. The area is one of last geologically attractive areas in BC to be explored due historically to its location, poor access and lack of infrastructure. The area's infrastructure has vastly improved in the last five years and exploration is regaining momentum. We believe the Toodoggone region will attract a considerable amount of exploration interest in the coming years.

Management of the Company includes both financial and technical professionals with many years of experience in operating public companies. The technical management of the Company has conducted numerous exploration programs in British Columbia, Mexico and Newfoundland. They recognize the geologic potential of the Toodoggone area,

**Large land package  
with numerous  
mineralized prospects  
next to a producing  
mine**

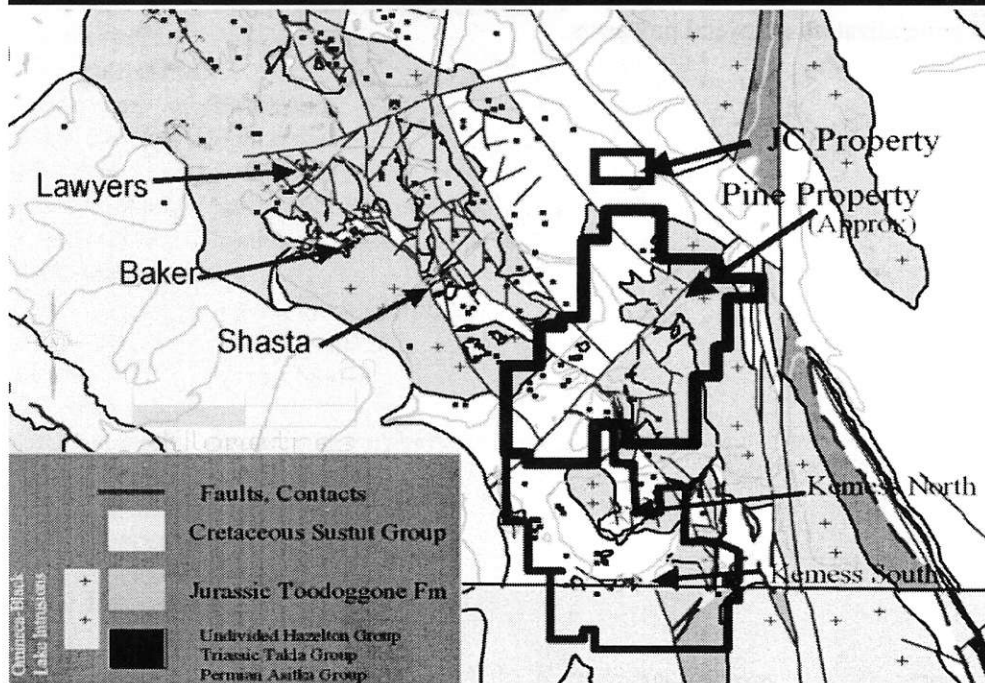
especially with the improved infrastructure provided by the Kemess Mine. Management intends to conduct sufficient exploration to define economic deposits on the property that could be attractive to larger mineral producers or as stand-alone deposits.

## PROJECTS

The Company controls a contiguous 288 square kilometre land package that has geological evidence of three deposit types. To date 30 separate mineral showings (see Table 1) have been identified with the following mineralization and deposit types: gold-copper porphyries (11); gold-silver in volcanic hosted structurally controlled epithermal prospects (16); and, copper-gold-silver skarns (3). Exploration by the Company over the past five years has established geological evidence that large-scale deposits in all these environments may occur in the Toodoggone Project. The Company believes the area is under-explored and that disciplined, systematic prospecting will result in further important mineral discoveries, particularly of the volcanic hosted epithermal-style deposit type. To conduct this program the Company will require strong exploration direction provided by its technical management and consultants. Under this direction the Company is focusing on four prospects/areas: the Wrich Hill and Goat Mountain structurally controlled volcanic hosted gold-silver epithermal prospects; the VIP copper-gold-silver skarn prospect; and the Mex, a large gold-copper porphyry target. Stealth plans to conduct prospecting on several other showings on its large land holding in 2003 that have deposit-scale potential. In addition, there are several significant gold, silver and copper soil anomalies, acid-sulphate alteration zones and stream sediment values that have to be investigated.

**Various styles of mineralization giving the Company several chances at successfully locating an economic deposit**

Figure 1: Toodoggone Project Location Map



Source: Company reports

The Company conducted regional reconnaissance in 2002 to identify and acquire by staking, significant alteration zones that were known to occur to the north and northwest west of the present claim group. The Company was successful in acquiring an additional 60 square kilometres of favourable geology that hosts several large alteration systems in the JC Area. An additional 10 square kilometres were staked to the west and adjoin the VIP claims to cover the newly discovered 343 Creek showing where a grab sample returned an assay of 2.3% copper, 94.4 g/t silver and 2.7 g/t gold. Stealth Minerals now controls the dominant land position in the Toodoggone volcanic belt.

### **Regional Geology**

The Toodoggone region is underlain by Stikinia, a large accreted terrane comprising a stacked coherent sequence of volcanic and sedimentary strata and plutons largely comagmatic with the arc-related rocks. Carbonate, sedimentary, and volcanic rocks of the Asitka Group of Permian age and mafic volcanics and sediments of the Stuhini/Takla Group of Upper Triassic to Lower Jurassic age underlie the project area to the west. In the central and eastern portions of the property locally thick accumulations of lower Jurassic age dacite-andesite volcanics of the Toodoggone Formation are present. These volcanic sequences are cut by granodiorite to monzonite intrusions of the Omineca Formation. The Omineca intrusions and equivalents are generally believed to be an important source for most of the regions gold mineralization in porphyry, skarn, VMS and epithermal deposit models. The Pine, Lawyers, Shasta, Baker and Kemess deposits are hosted by Toodoggone and Takla volcanic rocks, and associated with these gold-rich intrusions. The whole package of rocks is contained within a series of down faulted blocks within the western Cordillera. These major faults and associated structures cross the property and show some relationship to the placement of mineralization at several prospects.

Table 1. Toodoggone Project: Mineral Showings and Prospects

Name and Area Deposit Model		Gold	Silver	Copper
<b>Camp Area</b>				
Pine	Au-Cu Porphyry	X		X
Tree	Au-Cu Porphyry	X		X
Fin	Au-Cu Porphyry	X		X
Flats	Au-Cu Porphyry	X		X
Mex	Au-Cu Porphyry	X		X
5 Prospect	Au-Cu Porphyry	X	X	X
North Prospect	Au-Cu Porphyry	X	X	X
Pine West	Au-Cu Porphyry	X		X
<b>Norod Creek Area</b>				
Pine SW	Epithermal- Porphyry	X	X	X
Goat	Epithermal-Polymetallic Veins	X	X	X
Rich	Epithermal	X	X	
Wrich Hill	Epithermal	X	X	
Ricky	Epithermal	X	X	
Peak	Epithermal	X	X	
Far Southwest	Skarn	X	X	X
Name and Area Deposit Model		Gold	Silver	Copper
<b>Nub Mountain Area</b>				
Nub	Epithermal	X	X	
NW Breccia	Epithermal-Porphyry Au-Cu	X	X	X
Nub North	Epithermal Quartz Vein Au-Cu-Ag	X	X	X
Nub West	Epithermal-Porphyry Au-Cu	X	X	X
JK Prospect	Au-Cu Porphyry	X		X
<b>Electrum Area</b>				
Beaverdam	Epithermal	X	X	
Mina De Ray	Epithermal	X	X	
Electrum	Epithermal	X	X	
Concha North	Epithermal-Polymetallic Veins	X	X	X
Concha South	Epithermal-Polymetallic Veins	X	X	X
<b>VIP Area</b>				
VIP	Au-Cu Skarn-Porphyry	X	X	X
343 Creek	Au-Cu Porphyry	X	X	X
Grace	Cu-Au Skarn	X	X	X
<b>JC Area</b>				
Griz Showing	Epithermal-Porphyry Au-Ag-Cu	X	X	X
PIL	Cu-Au Porphyry	X		X

The high number of prospects in the region indicates a large mineralizing system

Source: Company reports

## Pine Deposit

The Pine deposit is 25 km northeast of the Kemess South mine. The Pine gold-copper porphyry deposit has received the most systematic large-scale exploration of all the Company's prospects. The Pine deposit has been subject to 7,889 metres of diamond drilling in 47 holes. The Company estimates the mineralized zone, as presently known, contains approximately 160 million tonnes at an estimated average grade of

0.50 g/t gold and 0.20% copper per tonne. The alteration envelope is much larger than the drilled area and there is potential to increase the size of the deposit considerably and to identify a higher-grade core, similar to the Kemess North deposit. Based on the interpretation of an IP inversion study, Company geologists suggest a similar higher-grade core may exist close to surface in an area east of previous drilling. The Company plans to drill six HQ holes in this area in 2003 as part of a C\$200,000 exploration program.

The Pine is the most advanced-stage porphyry gold-copper deposit in the Toodoggone area outside of Northgate's operations and is an important Company asset. It should be noted that the resource estimate was calculated by Company geologists and does not conform to the guidelines provided by Form 43-101.

### **Mex Prospect**

The Mex prospect is a calc-alkaline copper-gold porphyry prospect that lies 22 km northeast of the Kemess South mine. The mineralization associated with this prospect occurs near the contact between an intrusive pluton and the Toodoggone Formation volcanics. This association has resulted in other mineralized prospects in the Toodoggone Project including the Pine and potentially others in a cluster of genetically related intrusions. The Mex prospect is a zone of intense hydrothermal alteration 1,000 metres wide and 300 metres down-slope into the valley bottoms to the east and west. The prospect was identified by Cominco and worked by them in the late 1980s and early 1990s. Rock and soil samples returned values of up to 3.6 g/t gold and 0.60% copper from the large hydrothermal alteration zone and confirmed the existence of copper-gold porphyry mineralization over a large area on the property. Cominco did not follow-up on these discoveries.

In 1997 Stealth acquired the rights to this prospect from Electrum Resource Corp. No major work was conducted on the prospect until 2002 when the Company conducted geophysical surveys combined with more geological mapping and sampling. The results of this work suggest that the Mex prospect should be drill tested to identify the source of the strong geophysical and geochemical anomalies present. The Company plans a C\$400,000 program consisting of eight HQ diamond drill holes to determine the potential for a mineable deposit at the Mex prospect.

### **VIP Prospect**

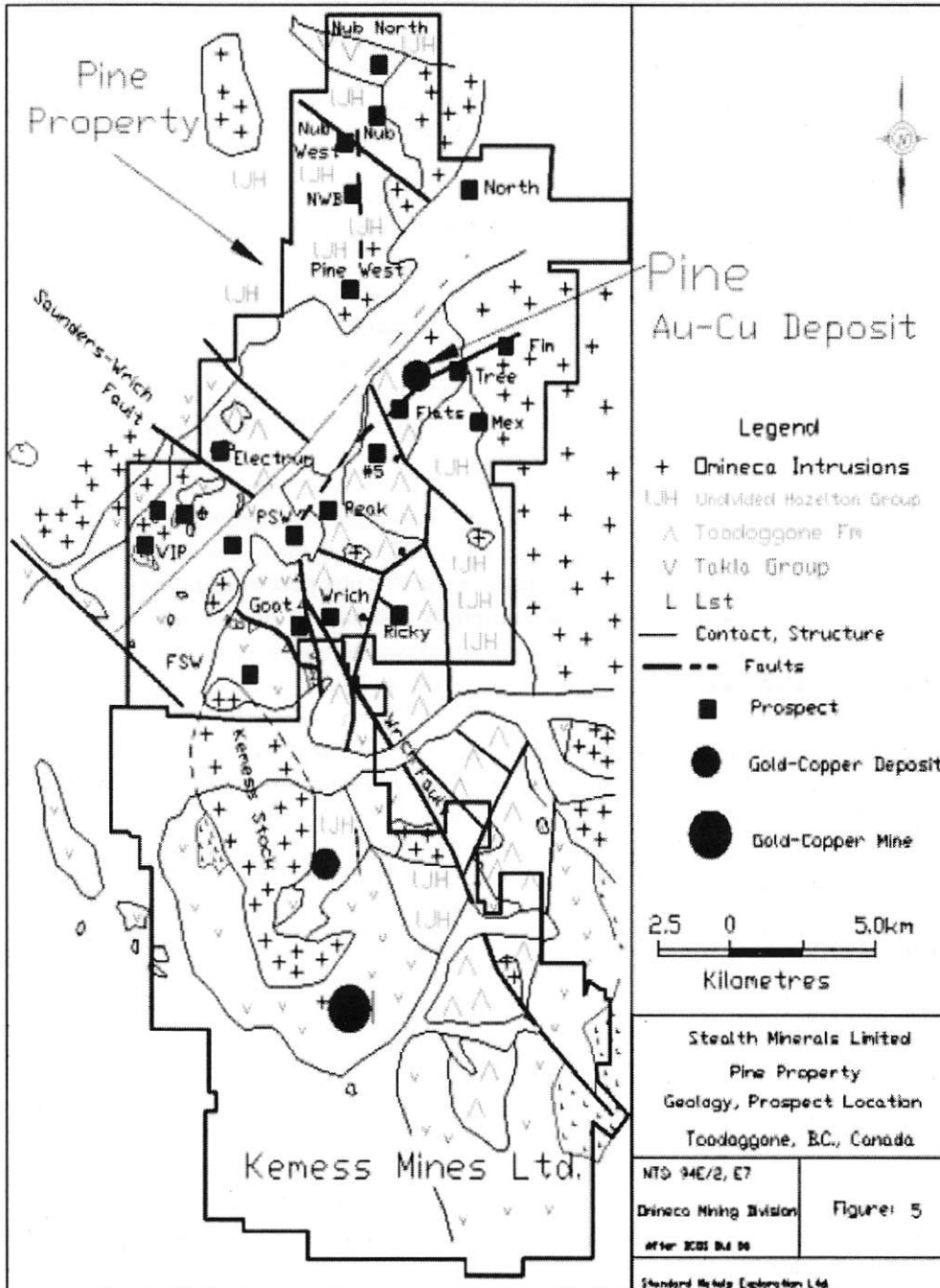
The VIP prospect is located approximately 10 km west southwest of the Pine deposit on the northwest side of the Findlay River and 20 km northwest of the Kemess South mine. The prospect occurs in skarns within marbles where the Asitka Group limestone and overlying meta-siltstones have been altered by the intrusion of the Black Lake granodiorite of the Omineca Formation. Mineralization of copper, zinc, lead, gold and silver occur in the skarns. Amax Potash originally staked the prospect in 1973 and it conducted a series of limited exploration programs consisting of prospecting, hand trenching, mapping, sampling, IP and ground magnetics that identified several skarn zones.

Asitka Resources drilled seven holes in 1983 for 291 metres with the best intersection returning values of 3.43 g/t gold, 5.77 g/t silver and 1.36% copper over 3.05 meters - well above current Kemess reserve grade. Additional work including airborne geophysics and geochemical surveys were conducted on the prospect up to 1987 and identified more targets.

Stealth Minerals collected chip samples in 2000 that confirmed or exceeded previously reported grades. In 2002, hand-trenching adjacent to the 1983 drilling returned values of 0.46% copper and 2.2 g/t gold over 1.8 metres and 2.4 metres of 0.48% copper and 2.6 g/t gold. This encouraged the Company and it conducted a large-scale program of excavator trenching in the areas of known mineralization.

**Potential for near surface high grade skarn mineralization and associated porphyry mineralization below**

**Table 2. Pine Deposit Location Map**



Source: Company reports

Excavator trenching revealed two zones in Trench 1 in the West Skarn area. The first zone assayed 0.10% copper, 2.6 g/t silver and 0.83 g/t gold over 6.0 metres and a second zone assayed 0.33% copper, 13.4 g/t silver and 3.2 g/t gold over 18.0 metres. Also in the West Skarn area, Trench 2 contained two zones. The first assayed 0.24% copper, 10.9 g/t silver and 1.53 g/t gold over 15 metres and the second, assayed 0.22% copper, 6.6 g/t silver and 2.8 g/t gold over 24.0 metres. There is a large magnetic anomaly to the north of the trenches that will be followed-up by extending both trenches to the north.

In the East Skarn area, Trench 15, which is over 1,200 metres east of Trench 1, assayed 1.41% copper, 32.6 g/t silver and 5.8 g/t gold over 6.0 metres. There is a large IP anomaly north of Trench 15, which is in a recessive area covered by swamp. In the North Skarn area, which is a new discovery about 700 metres northwest of the East Skarn, Trench 6 assayed 1.16% copper, 52.0 g/t silver and 3.6 g/t gold over 6.0 metres.

Skarns deposits are noted for being erratic and highly variable in geometry and mineralization. Company geologists are very encouraged by the apparent continuity that the VIP skarns demonstrate based on work from geological mapping, mineralization in outcrop and trenches, and chargeability and magnetic anomalies revealed by the geophysical surveys. The North, West and East skarn zones are each large areas of favourable geology and represent excellent drill targets. There is the additional possibility that the zones may be continuous and also part of a much larger underlying mineralized intrusive system that exists in an area over 2,000 metres long and 700 metres wide of favourable geology and open in all directions.

These reported copper and gold values again exceed current Kemess reserve grades, albeit over much narrower intercepts, which are expected due to the different deposit setting. A C\$900,000 program is planned for the VIP prospect in 2003. This program should further delineate the skarn and porphyry potential of this prospect.

### **Wrich Hill Prospect**

The Wrich Hill and Goat Mountain prospects are located in the southern portion of the Toodoggone property approximately 14 km north of the Kemess South mine. These showings consist of epithermal style gold-silver mineralization with a spatial relationship to a contact between the Takla Group on the west and the Toodoggone Formation on the east, and the regional scale Wrich Fault. The area was first explored by SEREM in 1980. This work included reconnaissance soil and wide-spaced rock geochemistry surveys. SEREM followed up with geophysics, rock sampling and geological mapping that identified several strong targets suggestive of epithermal gold in association with the regional structural trend.

Recent work by Stealth at the Wrich Hill prospect in 2000 to 2002 included sampling programs that collected float assaying up to 81.1 g/t gold and 109.8 g/t silver with textures suggestive of an epithermal system. Follow-up excavator trenching identified a 200-metre wide zone of intense silica, hematite, illite and smectite alteration and quartz-chalcedony brecciation in proximity to the regional Wrich Fault. These are strong indicators of an epithermal gold-silver system. Within the 200-metre wide alteration zone two gold-bearing silicified zones exist. The West Zone returned values



in Trench 2 of 2.04 g/t gold and 10.4 g/t silver over a true thickness of 32.0 metres. In the East Zone, about 20 metres east, Trench 3 returned values of 1.28 g/t gold and 10.6 g/t silver over a true thickness of 20.0 metres. All trenches and all zones are mineralized and appear continuous in all four trenches over a strike length of about 200 metres. The average true thickness of the West Zone is 28.5 metres and the East Zone is 18.0 metres. The favourable geology, alteration and mineralization are mapped and sampled on surface for a strike length of 850 metres and the zone remains open.

**High gold and silver grades and significant widths identified**

The Company has planned a C\$900,000 exploration program on the prospect for 2003 including drilling, prospecting and geophysics. This drilling could provide initial evidence of a potentially open pit mineable deposit at the Wrich Hill prospect that may be amenable to heap-leach gold and silver recovery. It is also common in this setting and deposit model to expect bonanza grade gold-silver mineralization at depth.

### **Goat Mountain Prospect**

The Goat Mountain prospect is located about one kilometre west of the Wrich Hill prospect. The Goat prospect is comprised of several outcropping sub-parallel epithermal-style quartz-carbonate polymetallic veins and breccias within a 200 metre-wide zone. This zone contains significant quantities of pyrite-chalcopyrite-galena-sphalerite mineralization and associated copper, lead, zinc, silver and gold values. The southernmost Black Vein, which has been traced on surface for 300 metres, produced the highest assays to date; a 40 cm chip sample returned 272.4 g/t silver and 297.9 g/t gold. The Goat Mountain zone is to be mapped and prospected in detail, and the veins traced and sampled along strike and down slope as part of a C\$100,000 exploration program in 2003.

### **Other Prospects**

There are numerous other prospects on the Company's Toodoggone Project that show the potential to host significant deposits. As part of the 2003 exploration program the Company plans to conduct additional C\$700,000 in prospecting at several of these sites including: Norod Creek, Nub Mountain, the JC Property and within the newly staked area.

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## **REGIONAL PLAYERS**

Northgate Exploration is another major landholder in the region and operates the Kemess South mine. The mine was commissioned in 1998 through the efforts of Royal Oak Mines and the provincial government. This resulted in a significant improvement in regional infrastructure as it created an access road to the southern part of the Toodoggone belt and an all weather airstrip. And importantly, a 380 km power line was constructed, which potentially lowers the capital required to build another green-field mine. The Kemess South mine operates at 48,000 tonnes per day. Total 2002 production was 282,300 ounces of gold and 72.9 million pounds of copper from processing 17.3 million tonnes of ore. Kemess South reserves, as of December 2001, were 146 million tonnes grading 0.653 g/t gold and 0.235% copper. At the current mill rate the mine has an approximate seven-year life. Recently, Northgate

**Strategic land position adjacent to the producing Kemess South mine where Northgate wants to upgrade its mill feedstock**

has entered into agreements with other property holders in the region, such as Doublestar Resources, to help fund the development of the Sustut Copper deposit that is 65 km by road from the Kemess South mine. The Sustut Copper deposit southeast zone resource is estimated at 5.937 million tonnes grading 1.87% copper and 6.11 g/t silver. Northgate would allow treatment of this material at the Kemess operations in order to upgrade the copper content of the mill feed. Northgate has also entered into an exploration and development agreement with Canasil Resources with respect to the Brenda gold-copper property. This property is situated approximately 25 km northwest of the Kemess South mine and hosts a potential gold-copper porphyry system similar to the Kemess area. Drilling in 2002 returned results from the Brenda property with copper and gold values below the Kemess reserve grade.

Stealth Minerals' management views its land position adjacent to Northgate Exploration as a strategic asset. The two companies share a common boundary that is about eight kilometres long. It is management's belief that Northgate is interested in upgrading the value of Kemess mine concentrate, particularly its gold content. It is also management's belief that Northgate is a logical exploration partner for properties of merit in the general area, as do we.

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## DIRECTORS AND MANAGEMENT

### **Bradley Jones, Chairman, Chief Financial Officer and Director**

Mr. Jones is a Chartered Accountant and has been Chairman since 1996. Prior to 1996 Mr. Jones was a senior member of the corporate finance group at Coopers & Lybrand following a lengthy career as a senior partner at KPMG.

### **Bill McWilliam, Chief Executive Officer and Director**

Mr. McWilliam is a senior corporate finance advisor with over thirty years experience in the investment, venture capital and brokerage industries. Mr. McWilliam has extensive direct experience in operating, financing and managing mineral exploration companies in North America.

### **David Blann, Vice President, Chief Geologist and Director**

Mr. Blann is a Professional Engineer and Geologist. Mr. Blann has been a director of the Company since 1999. He is president of Standard Metals Exploration Ltd, an independent consulting firm. Mr. Blann is the Chief Geologist on the Toodoggone Project.

### **Michael A. Denega, Director**

Mr. Denega is a Chartered Accountant and tax specialist engaged in private practice. He has extensive corporate finance experience serving both individual and corporate clients. Mr. Denega was Senior Tax Partner at Ernst & Young from 1978- 1997. He became a director of the company in 2002.

### **Russell McQueen, Director**

Mr. McQueen is an independent businessman and since 1992 he has been a prospector engaged in the exploration for precious and base metals. He has been a director of the Company since 1996.

**Management with excellent financial management abilities and strong technical experience**

**Kenneth O'Neill, Director**

Mr. O'Neill is a Chartered Accountant and Senior Partner with KPMG Peat Marwick in Hamilton Bermuda. He has been a director of the Company since 1999.

**Ken Dawson, Consultant**

Dr. Dawson is acting as the Company's consulting geologist on the Toodoggone project. Dr. Dawson has been active in geological fieldwork and research since 1963. He received his B.Sc. in Geology from UBC in 1964 and his doctorate in Economic Geology in 1972, again from UBC. From 1974 to 1996, Dr. Dawson worked with the Geological Survey of Canada with responsibility as the Regional Metallogenist for the Canadian Cordillera, an area that contains the Toodoggone deposits. He has been working with the Company since mid 2002.

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**FINANCIAL FORECAST AND VALUATION**

The Company can earn a 100% interest, subject to a 3% NSR, in the Toodoggone Project. To earn a 60% interest, the Company has to spend and make cash payments totaling \$5.0 million before November 2004. All required cash payments have been made and \$2.3 million remains to be spent to fulfill the option agreement. At that point, the Company can issue 15% of its then issued shares to acquire the remaining 40%, or require its partner, Electrum Resource Corp., to enter into a 60/40 joint venture. The Company can purchase one point of the NSR for \$2.0 million.

As of August 31, 2002, the Company had 40.9 million shares issued and 48.2 million fully diluted. The Company's current working capital stands at C\$750,000 and cash on dilution is approximately C\$1.3 million. The Company has completed over C\$2.0 million in financings this year. The administrative burn rate, which includes the Toronto office and geological staff in Vancouver, is estimated at C\$18,000 per month. The Company has outlined exploration programs totaling C\$3.2 million for 2003. This aggressive program requires the Company to sell equity of approximately C\$3.0 million in 2003. We feel that the improving financial market for gold exploration companies and management's abilities will allow the Company to meet its exploration budgets.

**A well funded company, a defined asset, and an aggressive exploration program that should provide upside for the stock price**

In valuing the Company it is apparent that Stealth has a large, strategic and highly prospective grassroots land package with 30 prospects. We believe it would be very difficult for any company to replace or duplicate this land position without incurring significant expenditures. Additionally, the Pine deposit is estimated to contain 4.0 million gold equivalent ounces. No other prospect on the property has a defined resource.

Currently the market is valuing gold ounces in the ground ranging from US\$ 10 to US\$ 30 per ounce accounting for development and processing costs. The Pine deposit resources are lower grade than Kemess South reserves or Kemess North resources. Should Stealth be able to define a higher-grade near-surface core, containing approximately 20% of the total estimated resource, similar to the Kemess North deposit, these ounces could have value in the near-term. We would value these Pine deposit ounces at the lower end of this range due the fact that the inferred resource does not yet conform to specified standards and to allow for development time.

**An aggressive exploration program on the dominant land package in the Toodoggone Project should provide results that improve the share price**

Recent exploration results from four of Stealth Mineral's properties are significant. In each case the geological setting and occurrence of mineralization suggests that the discovery of large-scale economically viable gold-silver-copper deposits is possible with relatively modest expenditures. We see significant upside associated with this exploration package. We are valuing the Company's stock at C\$0.90 per share and see this as the potential 12-month price. Positive exploration results or an agreement with a major company to explore the Toodoggone Project or one of its prospects jointly will also provide upside for the stock.

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## **CONCLUSION**

Stealth Minerals has assembled a dominant land position in the Toodoggone region in north central British Columbia. The property contains the Pine gold-copper deposit and numerous gold, copper and silver prospects. Initial sampling has indicated that these prospects could contain mineralization that could be attractive to Northgate Exploration in order to upgrade its feedstock at the Kemess South mine or to others. As gold prices continue to rise, these prospects and their indicated gold grade, which is higher than the existing reserve grade at Kemess, provide a strategic asset in this developing exploration camp. The Company is embarking on a significant exploration program designed to prove the value of its Toodoggone properties. We are rating the stock of Stealth Minerals as a Speculative Buy for risk tolerant investors seeking exposure to an aggressive gold-copper exploration story.

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**NOTES**

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### eResearch Recommendation System

- Buy:** Expected total return within the next 12 months is at least 20%
- Speculative Buy:** Expected total return within the next 12 months is at least 40%. Risk is High (see below)
- Hold:** Expected total return within the next 12 months is between 20% and the T-Bill rate
- Sell:** Expected total return within the next 12 months is less than the T-Bill rate

### eResearch Risk Rating System

A company may have some but not necessarily all of the following characteristics of a specific risk rating to qualify for that rating:

- High Risk:** Financial - Little or no revenue and earnings, limited financial history, weak balance sheet, negative free cash flows, poor working capital solvency, no dividends.  
Operational - Weak competitive market position, high cost structure, industry consolidating, business model/technology unproven or out-of-date.
- Medium Risk:** Financial - Several years of revenue and positive earnings, balance sheet in line with industry average, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.  
Operational - Competitive market position and cost structure, industry stable, business model/technology is well established and consistent with current state of industry
- Low Risk:** Financial - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends or company may actively buy back stock.  
Operational - Dominant player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

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