

Vena Resources Inc.

VEM-BVL; VEM-TSX: \$1.24

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Speculative BUY

Fair Market Value: \$2.10

Initiating Coverage

- ▶ Vena is a junior mining and exploration company that has all of its assets in Peru. It has divided its assets into four business units: Mining, Uranium, Precious Metals, and Base Metals.
- ▶ Vena is currently producing zinc concentrate that it sells to Glencore, from a 50 tpd pilot mill at its 100%-owned Azulcocha zinc mine.
- ▶ Vena expects to commission a 1,400 tpd mill in Q1 2008. Initial production is scheduled to be 500 tpd with near-term expansion to 1,000 tpd.
- ▶ It has exploration joint venture agreements with Glencore at Azulcocha West and with Cameco in Vena's Uranium Division. In both cases, these mining giants are earning in on Vena's assets.
- ▶ Vena has a large portfolio of active exploration projects including gold, copper, zinc and uranium, at varying stages that will provide continual news flow. Many of these projects are either currently being drilled or are scheduled to be drilled in the near future.

Share Data

52-Week Range	\$1.91 - \$0.50
Mkt. Cap. Basic (mm)	\$76.18
Basic S/O (mm)	71.24
Diluted S/O (mm)	91.31
Cash (mm)	\$17.2
Enterprise Value	\$59.1
Fiscal Y/E	Sept. 30

Major Projects

Azulcocha Mine	Zinc & Lead
Macusani, Munani & Lagunillas	Uranium
Azulcocha West	Zinc, Copper, Lead
Esquilache	Silver (Polymetallic)
Pucara	Gold & Silver (Polymetallic)

Company Profile

Vena Resources is a Canadian junior resource company with an exploration program focused solely in Peru. The Company is currently developing its Azulcocha zinc mine and continues to advance its exploration projects for U₃O₈, Ag, Cu-Mo, and Au resources.

(Website: www.venaresources.com)

Price Chart



Source: stockwatch

See important disclaimers on page 2 of this report.

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LOM has acted in an underwriting and/or financial advisory capacity for Vena Resources Inc. in the past 24 months.

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Executive Summary

Vena Resources Inc. (“Vena” or “The Company”) is a junior resource company with an exploration program focused solely in Peru. The Company operates through four strategic divisions: Mining, Uranium, Precious Metals, and Base Metals. The locations of Vena’s projects, illustrated by division, are shown in the exhibit below.

Exhibit 1: Location map showing Vena’s project locations throughout Peru



Source: Vena Resources

At present Vena’s value is derived primarily from the Azulcocha zinc mine. A 50 tpd pilot mill became operational in August of this year and began processing a 10,000 tonne stock pile of ore averaging 10% zinc. By Q1 2008, Vena expects to commission a 500 tpd scalable mill and will begin processing the estimated 2.1 million tonnes of historical (NI43-101 non-compliant) zinc resource producing zinc and lead concentrate. Vena plans to increase mill capacity to 1,400 tpd in 2009 with expansion to 2,000 tpd dependant upon exploration success at the Azulcocha West property.

Significant additional value lies within Vena’s diverse exploration portfolio. In 2006, Vena undertook a joint venture (“JV”) with Glencore International AG, Switzerland (“Glencore”) to explore Vena’s Azulcocha West project. Glencore has an earn-in option totalling US\$3.75 million for 51% ownership of the project. Vena is awaiting the completion of an 8,000 m, 40 hole drill program on the property that commenced in late August of this year.

In September 2007, Vena's Uranium Division and Cameco Corporation ("Cameco") executed a strategic JV partnership which was first announced in January 2007. Under the terms of the agreement, Cameco has the option to invest up to US\$10 million for 50% interest in Vena's Uranium Division. Importantly, over the next four years, any further investment in Peruvian uranium assets, by either party, must be made via the JV. Cameco and Vena geologists are expected to commence a first phase drill program consisting of 40-50 holes on the properties in Q4 2007.

The following exhibit lists Vena's projects and the current stage of exploration or development.

Exhibit 2: Vena's current projects and stage of development

Project	Stage	Comments
Mining Division		
Azulcocha Zinc Mine	Production (Initiating)	2.1 mill tonne of historic zinc ore (NI43-101 non-compliant)
Azulcocha West	Exploration	Currently drilling 40 holes, 8,000 meters
Uranium Division		
Macusani, Munani, Lagunillas	Exploration	Drill program of 40-50 holes to commence Q4 2007
Precious Metals Division		
Esquilache	Early Exploration	Conducting 125 line-km geophysical survey
Pucara	Exploration	Currently drilling 21 holes, 4,400 meters
Las Princesas	Early Exploration	Geophysical and geochemical work completed
Inca Gold	Preliminary Exploration	Conducting surface sampling programs
Tantar	Preliminary Exploration	-
Base Metals Division		
Aurora	Exploration	Geochemical and surface sampling work completed
Granja Nueva	Preliminary Exploration	Gathering historical information

Source: LOM; Vena Resources

While Vena is not a commodity pure-play, its geographic operation is focused purely on Peru. Peru contains many world class mineral resources and is considered one of the world's most significant mining countries. Vena's CEO and Chairman, Mr. Juan Vegarra, who previously has been a director of worldwide sales and marketing at Microsoft Corporation, is a native Peruvian and has fostered significant relationships with the Peruvian government and mining industry. We expect Vena to draw upon its in-country management expertise to take full advantage of its projects and the favourable mining environment.

We are initiating coverage on Vena Resources Inc. with a SPECULATIVE BUY recommendation with a fair market value of \$2.10 per fully diluted share.

Investment Thesis

- **Near Term Zinc Production** – A 50 tpd pilot mill is fully operational at the Azulcocha mine and has begun processing a 10,000 tonne ore stockpile averaging 10% zinc. Engineering has been completed and construction contracted for a scalable 500 tpd mill, planned to begin production during Q1 2008 and ramped-up to 1,400 tpd in 2009.
- **Strategic Partnerships with Cameco and Glencore** – Vena has developed two important strategic exploration partnerships. The recently executed partnership with Cameco is a significant development for Vena's Uranium Division. Cameco's earn-in option on Vena's uranium prospects has brought additional exploration expertise and capital to the Vena team. Glencore's earn-in option on Vena's Azulcocha West project brings additional capital to fund the exploration project. These two major companies are spending their own money to earn a share of Vena's projects, leaving Vena to spend its own money on its other projects.
- **Large Exploration Portfolio** – The number of exploration projects at the drilling stage, given the Company's current market capitalization, offers significant upside potential compared with exploration companies of a similar size. The relatively large exploration portfolio allows Vena to focus intensely on projects that offer significant potential without betting future success on a single project. JV partners earning-in and the anticipated cash flow from the Azulcocha mine ensures that funding is available for the development of the most prospective projects.
- **Peruvian Pure Play** – While Vena is not a commodity pure-play, its operational focus is purely Peruvian. Peru contains many world class mineral resources and is considered one of the world's most significant mining countries. The free trade of minerals, a competitive taxation system, and efficient land title procedures has allowed Peru to develop some of the world's most productive and lowest cost mines. Vena is drawing upon its significant in-country management expertise to take full advantage of the favourable mining environment in Peru.
- **Takeover Candidate** – An additional avenue for upside is as a potential takeover target either as a whole, by operating division, or on an individual project basis. Given their current JV relationship with Vena, potential suitors include Glencore for the Mining Division and Cameco for the Uranium Division. Other projects such as Las Princesas, bordered by Barrick Gold's Lagunas Norte gold mine and Pan American Silver's Quiruvilca zinc mine, offer divestiture potential.

Lead by native Peruvian, Mr. Juan Vegarra, Vena has been able to acquire and advance many exploration projects. More importantly, in our opinion, Vena has demonstrated its ability to forge strategic partnerships with large internationally producing mining companies, as well as the local, regional and national Peruvian governments.

Investment Profile

Vena is classified as a public Canadian junior resource company. The Company currently trades on several exchanges: the Toronto Stock Exchange (TSX:VEM), in Lima on the Bolsa de Valores de Lima (BVL:VEM), the Frankfurt Exchange (DAX:V1R), and Over-the-Counter (OTC) market in the U.S. (VNARF.PK). Vena's corporate head office is located in Toronto, Ontario, Canada and maintains an operating office in Lima, Peru.

Vena was the first junior mining company to list on the BVL and is currently more actively traded on the BVL than the TSX. Approximately 30% of Vena's outstanding shares reside on the BVL where mining companies constitute approximately 55% of the index. After positive earnings in two consecutive quarters Vena will become eligible for investment by local Peruvian pension funds that control US\$25 billion in assets and can purchase up to 40% of a company such as Vena.

While Vena has a pipeline of projects in each of its four strategic divisions, the main driver of Vena's value is the Azulcocha zinc mine that is nearing production:

- the project is 100% owned by Vena subject to a 1.5% NSR
- currently running a 50 tpd pilot mill
- 500 tpd scalable modular mill anticipated to be in production Q1 2008
- historical mine estimated to contain 2.1 million tonnes of zinc ore and 1.1 million tonnes of manganese ore (both 43-101 non-compliant)
- further exploration and development by Vena at the Azulcocha mine has the potential to significantly increase this resource
- exploration under the JV with Glencore at Azulcocha West has the potential to discover additional feed for the Azulcocha Mill

In August 2007, Vena announced that an ongoing program to confirm the historical resource had shown increased thickness and discovered new high-grade zones of zinc mineralization beneath the bottom-most level of the mine. Later in August, Vena announced the commencement of a 40 hole, 8,000 meter drill program to explore its Azulcocha West properties. The Azulcocha West initiative is a JV with Glencore that has committed US\$2.75 million towards exploration expenditures. Upon the completion of a feasibility study by the end of November 2008, Glencore can increase its interest to 51% for an additional \$US 1.0 million. Vena intends to support the continued operation of the Azulcocha mine mill with ore from the Azulcocha West initiative.

While the majority of Vena's current value is derived from the Mining Division, significant upside potential lies within the exploration projects of its other divisions. In September 2007, Vena's Uranium Division executed a JV agreement with Cameco. Under the terms of the agreement Cameco has the option to invest US\$10 million over the next four years to take 50% interest in the division. Cameco can further increase its interest to 60% and 70% upon

completion of a feasibility study and when mine development commences, respectively.

In mid-September, Vena announced the acquisition of the Esquilache polymetallic project. The Esquilache region is home to an historic silver producing mine. Vena is currently awaiting the completion of 125 line-km of geophysical survey on the property.

Development Scenario

Considered in our target price is our outlook on how events will unfold for Vena over the next twelve to eighteen months. We see the following activities, currently being pursued by Vena, as providing positive news flow and added value.

Q4 2007

- results from current 8,000m drill program at Azulcocha West
- completion of 125 line-km geophysical surveying at Esquilache
- commencement of first phase drilling (40-50 holes) on Macusani, Munani and Lagunillas uranium properties
- completion and results of surface sampling program on Granja Nueva

Q1 2008

- 500 tpd mill commissioned at the Azulcocha zinc mine
- results from 4,400m drill program at Pucara (NI43-101 compliant)
- commencement of second phase drill program at Azulcocha West (NI43-101 compliant)
- commencement of drill program at Esquilache
- completion of current drilling program at Azulcocha mine to confirm zinc and manganese resource
- commencement of 3rd drill program at Aurora to expand known mineralization

Q2 2008 & Beyond

- completion of Azulcocha West second phase drill program
- Azulcocha West feasibility study by Q4 2008
- increase mill throughput to 1,000 tpd

Core Strengths

Diversified Commodity Portfolio – Vena's direction has included the development of four separate strategic business units to exploit a range of metals including gold, copper, zinc and more recently uranium, among others. The Company's portfolio contains approximately 80,000 ha in 12 main projects at various stages of development.

Management Leadership – Vena is lead by a team professionals and engineers experienced in management, mining and financing in both Peru and Canada. The CEO and Chairman, Mr. Juan Vegarra is a native Peruvian who has fostered significant relationships with the Peruvian government and mining industry. Mr.

Vegarra has been a director of worldwide sales and marketing at Microsoft Corporation, and in addition to his current role at Vena he manages a mining focused venture capital firm. Vena's engineering team, located in Peru, is well versed and has considerable in country experience.

Multiple avenues for upside - While the majority of Vena's current value is derived from the Azulcocha mine, significant upside potential lies in Vena's diverse exploration portfolio. One of the most important aspects is the large number of projects that are currently being drilled and are scheduled to be drilled in the near future.

- Azulcocha mine – ongoing drill program continues to confirm the underground zinc/lead resource.
- Azulcocha West property – 40 hole, 8,000 metre exploration drill program is underway.
- Uranium Division – drill program of 40 to 50 holes to commence in Q4 2007 on the Macusani, Munani and Lagunillas properties.
- Pucara project – 21 hole, 4,400 metre drill program underway to intersect previously targeted and identified structures.
- Esquilache property – first phase drill program to commence Q1 2008.
- Aurora prospect – planning a third phase drilling program to expand extent of known copper and molybdenum mineralization.

Low cost exploration with access to cash – Vena currently has adequate cash on hand to advance the planned exploration program over the next 18 months. Vena's cash and equivalents are \$17.2 million. The Company's June 30th 2007 MD&A outlines a \$19.5 million exploration budget, \$5.0 million of which will be funded 100% through the Glencore and Cameco earn-in agreements. Cash flow generated by concentrate sales from the Azulcocha mine will further ensure that Vena has adequate funding to complete all planned exploration.

Valuation and Target Price

As Vena's current projects are at various stages of exploration and development, we have used a variety of valuation techniques. The early stage of many of Vena's projects makes it impossible to create a DCF model, so for these projects a comparables approach has been utilized. The market-comparables approach is sometimes difficult to apply as a reasonable proxy for the asset being valued is difficult to find. We have placed a value on each of Vena's projects and have summed them to value each operating division.

Adding to the complexity of Vena's valuation is the market's perception of Vena's diverse commodity portfolio. Commonly shareholders prefer to take interest in pure-play companies such that the shareholders can directly control their exposure to a specific commodity. We believe that while the risk associated with Vena being a junior exploration company has been mitigated through diversification, likewise have the returns. We have therefore applied a 10% non-pure play discount to the aggregate value.

As of June 30th 2007, Vena had \$17.2 million cash on hand. Based on Vena's stated exploration and development budget we have assumed that this cash will be utilized to enhance project value, resulting in our valuation below. Additionally, Vena reported having 15.71 million outstanding warrants and 4.36 million outstanding stock options. Upon being exercised, these options and warrants will contribute \$14.4 million. This future cash has been included in our fully diluted fair market valuation of Vena.

Based on the current value of the assets, we estimate Vena's fair market value to be \$2.10 per fully diluted share.

Exhibit 3: Valuation of Vena Resources by operating division

Division	Value (\$mm)	Value (\$/fully diluted share)
Mining Division	169.0	1.85
Uranium Davison	13.5	0.15
Precious Metals Davison	10.7	0.11
Base Metals Division	5.0	0.05
Total	198.2	2.16
Non-Pure Play Discount	19.8	0.22
Discounted Value	178.4	1.94
Future cash from exercise of warrant and stock option	14.4	0.16
Fair Market Value	192.8	2.10

Source: LOM

Mining Division

The largest component of Vena's valuation is based on the value determined for the Mining Division. We have assigned a current value to the Mining Division of \$1.85 per fully diluted share.

An after-tax DCF model was developed in order to value the anticipated cash flow from the Azulcocha mine. While the Azulcocha mine resource is not yet NI43-101 compliant, we have constructed a DCF model using the estimate of 2.1 million tonnes of zinc ore. We believe that this estimate is sufficiently conservative given the results of conformational exploration and development programs at the mine.

Exhibit 4: Key inputs and assumptions for DCF model

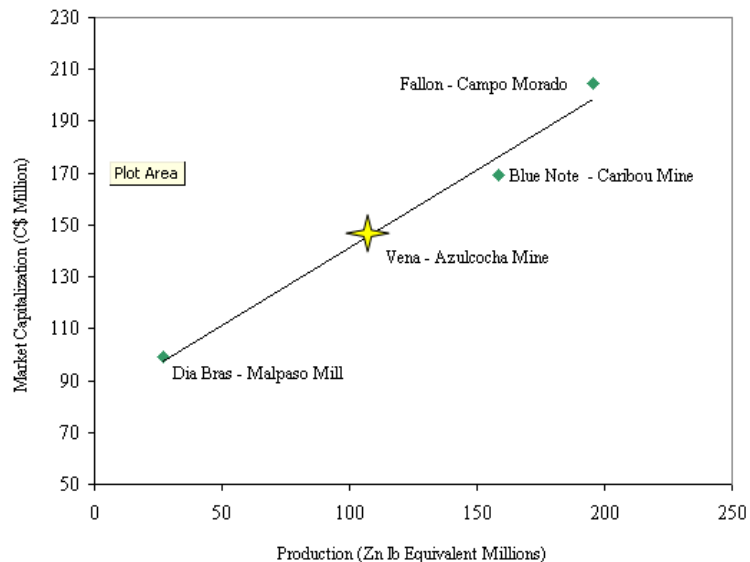
Zinc	US \$1.28/lb	87.5% Recovery
Lead	US \$1.00/lb	75.0% Recovery
Head grade	10.0% Zinc, 0.8% Lead	
Capital cost	US \$12.6 million	
Sustaining CAPEX	US \$1.0 million per annum	
Discount Rate	12.0%	
CAD/USD	0.90	
Taxes	30%	
Production rate	500 tpd 2008 & 2009 – 1000 tpd thereafter	

Source: LOM

An NI43-101 compliant Technical Report has been completed for the tailings from the historical mine operations. The report indicates that the tails contain 908,400 tonnes of probable reserves with average grades of 3.27% zinc, 10.04% manganese and 1.13 grams per tonne of gold. Vena intends to blend ore from the mine operations with tailings from historic operations. The target feed grade of 10% zinc and 0.8% lead, as intended by Vena, has been as assumed in our DCF. Our DCF model for the Azulcocha mine results in a current value of \$1.80 per fully diluted share.

A market comparable approach was used to substantiate our DCF valuation. Farallon Resources Ltd.'s ("Farallon") Campo Morado mine, Blue Note Mining Inc.'s ("Blue Note") Caribou mine and Dia Bras Exploration Inc.'s ("Dia Bras") Malpaso Mill were compared on a market capitalization to annual zinc equivalent production basis.

Exhibit 5: Azulcocha mine market comparables



Source: LOM

The market comparison values the Azulcocha mine at \$146 million, which compares favourably with our DCF valuation of \$165 million.

The Azulcocha West project is early in the exploration phase, and as such it is difficult to value the asset based solely on its geologic potential. Definition surrounding the asset will become clearer in the coming months as the results of the current drill program are reported. The recent JV with Glencore gives an excellent proxy for the market value of the upside potential. The terms of the earn-in agreement place a value of US\$3.75 million for 51% interest in the project or \$0.05 per fully diluted share.

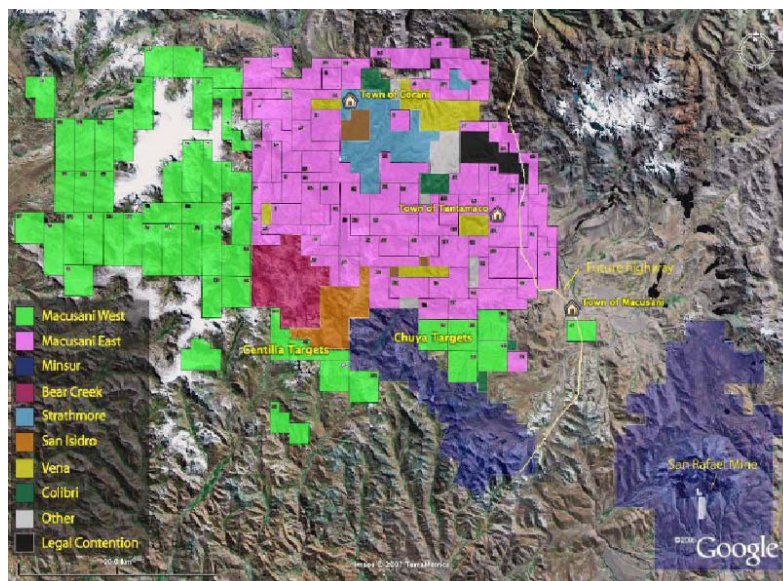
We have assigned an aggregate value to Vena's Mining Division of \$169.0 million or \$1.85 per fully diluted share.

Uranium Division

We have assigned a current value to Vena's uranium projects of \$13.5 million or \$0.15 per fully diluted share. As Vena's uranium properties are in early stages of exploration, a "comparables" approach was taken to value this Division. This was done using two methods. Firstly, the terms of the recent JV with Cameco values a 50% interest in the division at US\$10 million over the next four years. On the basis that exploration expenditures add equivalent value to the property, Vena's interest in the current assets are valued at US\$ 10.0 million.

Secondly, a market comparables approach was taken. Solex Resources Corp. ("Solex"), a junior exploring for uranium in Peru provides an excellent proxy. Solex's focus is on its two uranium exploration projects, Macusani West (43,500 ha, wholly owned) and Macusani East (49,700 ha, 50% owned). Exhibit 6 shows Vena's Macusani project with respect to Solex's projects.

Exhibit 6: Map showing location of Vena's Macusani project with respect to Solex's Macusani projects



Source: Solex Resources Corp.

Solex's exploration of Macusani is more advanced than is Vena's as it has commenced a 20,000 metre drill program on the properties. We compared Solex's market capitalization on a per hectare of uranium exploration basis. Applying a discount factor for the stage of exploration and for Solex's two preliminary lead-zinc exploration projects, we value Vena's Uranium Division at US\$ 12.15 million. This compares favourably with the Cameco JV valuation for the projects.

Strathmore Minerals Corp. is an adjacent landowner to both Vena and Solex. To-date Strathmore has released little information regarding its Macusani exploration project.

We have assigned a current value to Vena's uranium projects of \$13.5 million or \$0.15 per fully diluted share.

Precious Metals Division

We have assigned a current value of \$10.7 million or \$0.11 per fully diluted share to Vena's Precious Metals Division.

The recently acquired Esquilache property is the present focus of Vena's Precious Metal Division. The region has been a significant past producer of silver and numerous large mining companies hold claims in the area. To date little information to aid in the valuation of the property has been released. Candente Resources Corporation's ("Candente") Tres Marias project adjoins Vena's Esquilache project. However, the Tres Marias property is a recent acquisition by Candente and like Esquilache, has little valuation relevant information released. Based on the value add of the current geophysical survey and planned drill program we have assigned a current value to the Esquilache project of \$2.0 million or \$0.02 per fully diluted share.

We have assigned a current value to the Pucara project of \$3.725 million or \$0.04 per fully diluted share. This value arises from a market capitalization comparison to Amera Resources Corporation ("Amera"). Amera, a junior mining company, has three comparable exploration projects: Acero, Fuyani and Cruz de Mayo. These projects lie with the same Santo Tomas Porphyry Copper Belt, known for both epithermal gold and porphyry copper deposits as does Pucara. We have adjusted Amera's market capitalization recognizing the value of its top priority project, Cocha, a copper-silver exploration property in central Peru.

A value of \$5.0 million or \$0.05 per fully diluted share has been assigned to the aggregate of the remaining Las Princesas and Inca Gold projects. The Las Princesas project offers a 'closeology play' with Barrick Gold's Lagunas Norte mine and Pan American Silver's Quiruvilca mine. While not a direct comparable with these advanced stage producing mines, the Las Princesas property does share boundaries with both, and could provide upside potential in the future with further exploration. Vena is awaiting completion of preliminary surface sampling from the Inca Gold properties. While upside potential exists for these properties, given exploration results to date and recognizing the value of past exploration expenditures this is the most appropriate valuation at this stage.

Base Metals Division

We have assigned a current value to the Base Metals Division of \$5.0 million or \$0.05 per fully diluted share.

At Aurora, preliminary estimates by the Company based on drilling to date indicate that there could be a potential 85 million tonne resource using a 0.4% copper cut-off with a molybdenum credit of 0.017%. Of course such an estimate is not compliant with NI43-101 and considerably more work by the Company would be required to verify or confirm this result for an official acknowledgement by the Company. We have valued Aurora based on the transaction cost and the value added by exploration expenditures. Vena's outright purchase cost of

Aurora is US\$ 4.0 million. Additionally, under the terms of the agreement Vena has a work commitment of US\$ 0.5 million per annum over a five year period ending in 2010.

Vena acquired the Granja Nueva property in early 2007. The property is currently at the preliminary exploration stage while Vena is gathering historical information and conducting surface sampling surveys.

Valuation Risks

Political Risk – MODERATE

We have assigned a moderate political risk rating to Vena's current operations. All of the Company's properties are located in Peru and as such are subject to risks associated with mining exploration and development in Peru. Peru is a developing country and despite having experienced economic and political difficulties in the past, the present-day government appears to be open to foreign investment and is pro-mining. Peru is one of the more significant mining countries in the world and hosts many major mining companies such as Newmont, Barrick Gold, BHP Billiton, Teck Cominco and Xstrata. Despite this, regulatory and stakeholder risk has increased slightly in recent times. This is demonstrated by the increase in mining royalties to 3% of revenues in an attempt to capture some of the economic benefit of recent commodity prices.

Project Risk – LOW

Since the Azulcocha zinc mine has begun pilot production, we have assigned low project risk to the near-term production expectation. The highest component of risk at this stage is our estimates of tonnage, grade and operating costs. We have used the best available estimates, though an NI43-101 compliant resource has not been calculated for the historical resource. Equally high in our assessment of risk is the construction and ramp-up of the 50 tpd mill to 500 tpd in Q1 2008 and 1,400 tpd thereafter. This risk is somewhat mitigated by the existing agreement with Glencore to purchase zinc ore. Should milling not proceed as anticipated the possibility exists to continue selling ore to Glencore.

Exploration Risk – MODERATE

We consider the exploration risk on the Azulcocha property to be low as there is a known resource. However, a significant component of Vena's project portfolio consists of early stage exploration projects. As with any early stage exploration a high risk level must be assumed as the overwhelming majority of exploration projects fail to result in an economic discovery. Vena has attempted to mitigate the inherent risk of exploration through its strategic partnership with Cameco and Glencore who hold earn-in options through exploration expenditures on Vena's properties. Overall therefore, we have assigned a moderate risk assessment.

Financial Risk – MODERATE

In addition to the uncertainty associated with the inputs to our DCF model and the comparables analysis, a risk exists that the Company may not be able to access adequate capital for continued operations. In particular this applies to Vena's intention to fund its exploration program with cash flow generated from the Azulcocha mine. In doing so, Vena has assumed a continued growth in the global market for zinc. The Company is still reliant on the financial markets to raise capital as the Azulcocha mine is its only source of revenue through the sale of ore and recently, concentrate. This risk will diminish as the planned 500 tpd mill becomes operational and sales of zinc and lead concentrate materialize.

Peer Comparison

Given the Company's diversified exploration program and geographical focus, we were unable to find a direct comparable for Vena as a whole. On the divisional and project basis, several comparables were found as discussed throughout this report. The exhibit below summarizes the comparables.

Exhibit 7: Comparable projects (source: LOM)

Comparable	Project	Vena Comparable Project	Resource	Project / Resource Data
Mining Division				
Blue Note Mining	Caribou Mine	Azulcocha Mine	Zn, Pb, Cu	2007 production target of 66.7M lbs Zn, 34.4M lbs Pb, 0.79M lbs Cu and 854,000 oz Ag.
Dia Bras Exploration	Malpaso Mill	Azulcocha Mine	Zn, Cu	For nine months ending Sept. 30 2007 milled 93,095 tonnes of 6.66% Zn and 1.29% Cu
Farallon Resources	Campo Morado	Azulcocha Mine	Zn,	Targeted production of 1,500 tpd by July 2008, milling 15% Zn and 2% Cu
Uranium Division				
Solex Resources Corp.	Macusani East	Macusani	U ₃ O ₈	First phase 10,300 m of drilling returned average grades 0.009 - 0.04%
Strathmore Minerals Corp.	Macusani	Macusani	U ₃ O ₈	Resource information not yet available
Precious Metals Division				
Amera Resources Corp.	Acerro	Pucara	Cu, Au	Assay results up to 1.15% Cu over 30.0 m, 0.74% over 50.0 m
	Fuyani	Pucara	Cu, Ag	Assay results over 40m area returned up to 0.77% Cu and 3.6 ppm Ag
	Cruz de Mayo	Pucara	Cu, Au	Assay results up to 7.64 g/t Au across a 0.60 m vein and 2230 ppm Cu from additional sampling in area
Barrick Gold	Alto Chicama (Lagunas Norte Mine)	Las Princesas	Au	Proven and probable reserves of 206 million tonnes at 1.34 g/t
Candente Resources Corp.	Tres Marias	Esquilache	Ag, Au	Grab samples from historical mine dumps averaging 1,068 g/t of Ag
Pan American Silver	Quiruvilca Mine	Las Princesas	Ag, Au	Proven and probable reserves of 1.65 million tonnes at Ag grades of 172 g/t, 0.35 g/t of Au
Base Metals Division				
Norsemont Mining Inc.	Constancia	Aurora	Cu, Mo, Ag	189 million tonnes Indicated and inferred NI43-101 complainant, 0.4% Cu cut-off grade

The following exhibit compares share and financial information for the aforementioned companies.

Exhibit 8: Financial Information of peer comparison companies

Company	Symbol	Price	52-Week High	52-Week Low	Basic Shares O/S (mm)	Full Diluted Shares O/S (mm)	Market Cap (\$mm)	Cash & Equivalent (\$mm)	Working Capital (\$mm)
Amera Resources Corp.	AMS.V	0.31	0.44	0.175	34.51	48.60	10.70	3.25	3.37
Blue Note Mining	BN.V	0.59	0.77	0.285	286.67	324.80	169.13	46.57	37.30
Candente Resources	DNT.T	2.05	2.09	0.92	70.14	80.90	143.79	3.12	2.36
Dia Bras Exploration	DIB.V	0.89	1.57	0.80	111.12	117.60	98.89	16.30	22.60
Farallon Resources Ltd.	FAN.T	0.71	0.92	0.44	287.90	403.98	204.41	58.11	57.79
Norsemont Mining Inc.	NOM.T	2.41	2.86	1.34	37.76	45.03	91.01	1.54	2.23
Strathmore Minerals	STM.V	2.45	5.5	1.7	72.51	76.65	177.64	32.71	32.43
Solex Resources Corp.	SOX.V	0.48	1.61	0.36	57.14	69.61	27.43	13.05	12.60
Vena Resources Inc.	VEM.X	1.07	1.91	0.50	71.24	91.31	76.18	17.21	18.53

Source: Company Documents; Bloomberg - As of TSX market close October 22nd, 2007

Appendix A

Mining Division Description

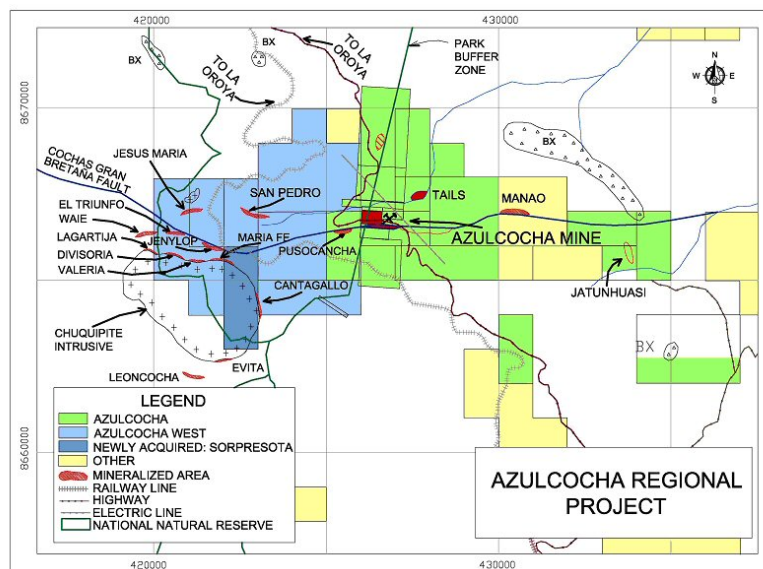
Condensed History

Azulcocha Zinc Mine

The majority of the concessions that now comprise the Azulcocha mine were acquired in late 2003 from the Peruvian government by Vena's Mining Division operating subsidiary, 100% owned Compania Azure del Peru S.A.C.

The 8,600 ha project is located in the department of Junín in central Peru, approximately 260 km east of the national capital Lima, as shown on Exhibit 1. The property contains the historic Gran Bretana high-grade zinc mine. The mine was operated for 20 years by a Japanese company prior to being closed in the 1980s due to the changing social environment in the area. Exhibit 9 illustrates the mine location with respect to the Azulcocha and Azulcocha West properties.

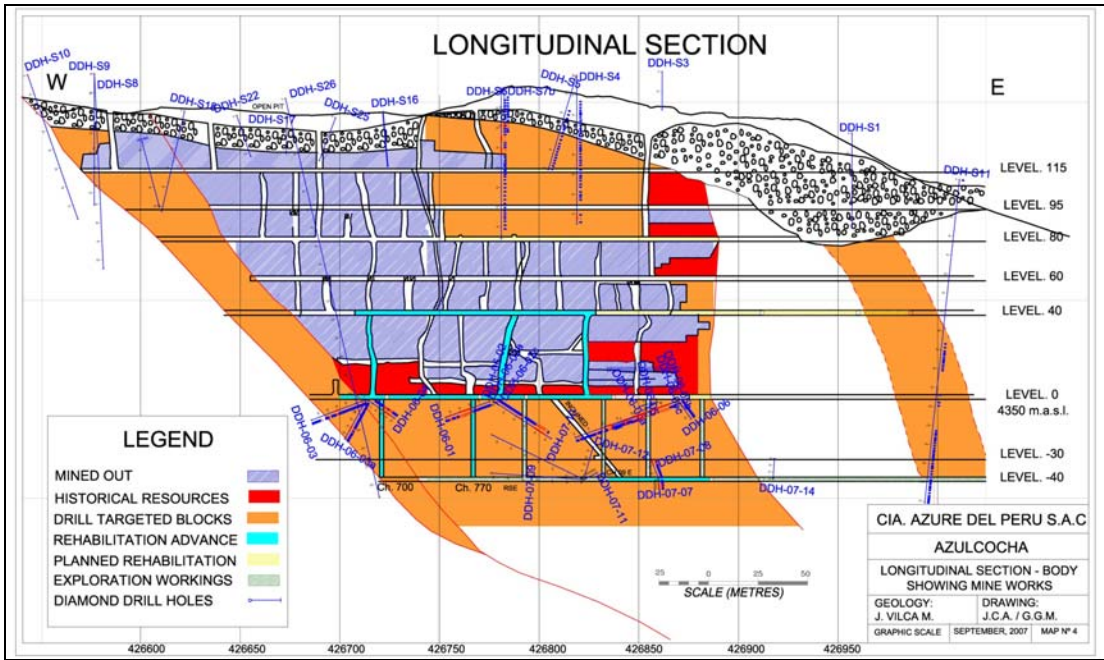
Exhibit 9: Map showing location of Azulcocha Mine and Azulcocha West projects



Source: Vena Resources

To date five mine levels have been restored. Vena has estimated the historical, NI43-101 non-compliant, mine resource to consist of approximately 2.1 million tonnes of potential zinc ore and 1.1 million tonnes of potential manganese ore with an average grade of 10% zinc and 0.8% lead. Historical head grade averaged 19% zinc. Approximately 1.0 million tonnes have been confirmed to date. Exhibit 10 is a mine cross section, highlighting the historical resources, as well as current drill targets.

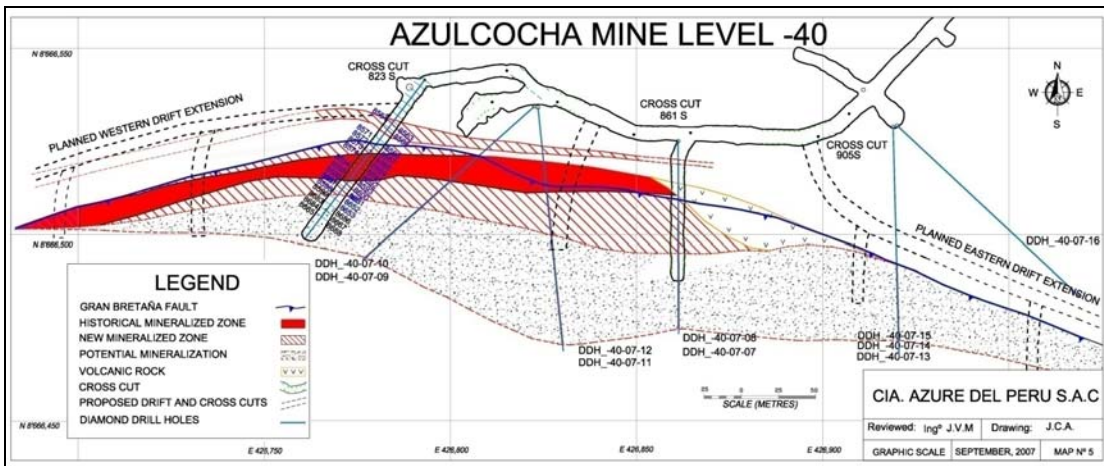
Exhibit 10: Cross section of the Azulcocha mine illustrating mine works



Source: Vena Resources

Exhibit 11 illustrates the historic resources and potential mineralization at the -40 mine level. The -40 Level was developed by the previous operators but never mined. In the short term, the -40 Level offers a considerable source of mill feed while other zones are explored and developed.

Exhibit 11: Plan view of Azulcocha mine at -40 level



Source: Vena Resources

In 2005, a NI43-101 compliant technical report was completed on the tailings of the historic Gran Bretaña mine. It was reported that the resource contains probable reserves of 908,400 tonnes of zinc and manganese of average grades 3.27% and 10.04%, respectively, as well as 1.13 grams per tonne of gold. As the Company ramps up production in its mill to be

commissioned in Q1 2008, it intends to supplement high-grade run-of-mine ore with this lower grade tailings resource to maintain higher mill throughput at a constant 10% head grade.

Vena acquired the Azulcocha mine with the intention of generating early cash flow to support the exploration of its properties, and throughout 2007 has sold ore to Glencore. In August 2007, Vena announced that a 50 tpd on-site pilot mill was fully operational and that processing of a 10,000 tonne, 10% zinc stockpile had begun. Vena is anticipating that processing this material will define the metallurgical character in preparation for the construction of a scalable 500 tpd production mill, expected to be operational in Q1 2008. It is Vena's intention to generate future cash flow through the sale of zinc and lead concentrate to Glencore, continuing to sell ore while milling facilities and permits are processed.

Azulcocha West

The Company's Azulcocha West initiative is a joint venture exploration program with Glencore and includes two prospects, namely the Waie and El Triunfo. The project location with respect to the Azulcocha mine is illustrated in Exhibit 1.

Vena reports that historical drilling on the Waie prospect intercepted 12 meters at 33% zinc and 4 meters at 10% zinc. On the El Triunfo prospect, Vena reports an intercept of 23% zinc, 2.3% copper and 2.4% lead.

Glencore has an earn-in option totalling US\$2.75 million for a 50% ownership of the JV. The goal of the JV is to complete a feasibility study for Azulcocha West within the next year. Upon completion of the feasibility study, prior to the end of November 2008, Glencore has the option to take 51% ownership of the JV for an additional US\$1 million.

In late August 2007 drilling had commenced at Azulcocha West. Vena has indicated that up to 40 holes will be drilled for a total of 8,000 m on 10 targets. The drill locations were determined by Glencore and Vena geologists based on a completed geophysical, mapping and sampling program that returned significant values of zinc, copper and lead.

Appendix B

Uranium Division Description

Condensed History

Since the 1950's the Peruvian Institute of Nuclear Energy (IPEN) completed 30 years of uranium exploration in southern Peru. In early 2005, Vena signed a collaboration agreement with IPEN and utilized this exploration data to select prospective properties. Having initially acquired 14,000 ha from IPEN, Vena currently controls uranium claims on 47,500 ha in southern Peru. The location of the Macusani, Munani, and Lagunillas Uranium projects in Peru are illustrated in Exhibit 1.

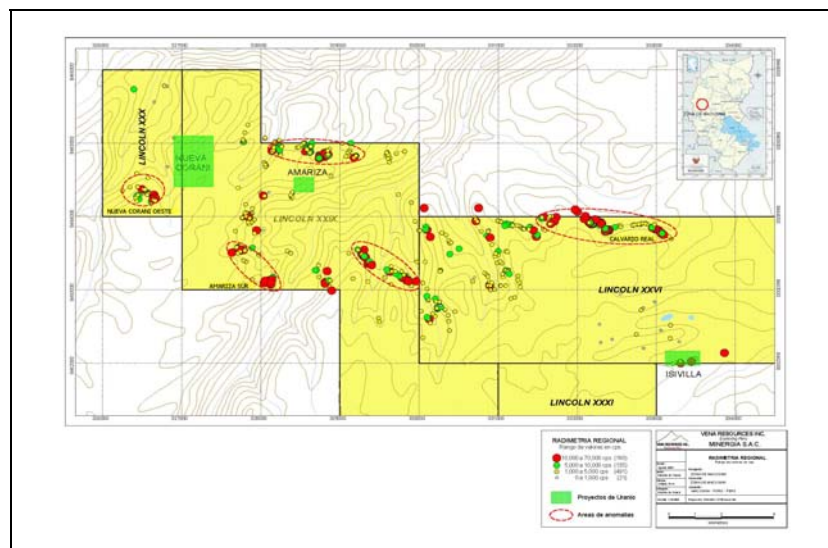
In September 2007, Vena entered into a binding agreement with Cameco in the creation of Minergia, a jointly-owned company. The agreement requires that any investment over the next four years involving uranium assets in Peru, by either Cameco or Vena, be done through Minergia. This includes acquisitions by either party.

Currently, Minergia operates as Vena's Uranium Division subsidiary. Over the next four years Cameco has the option to invest US\$10 million to obtain up to 50% ownership. Upon completion of a feasibility study Cameco has the option to further increase its ownership to 60% and then 70%. Vena is now exploring uranium properties with technical support provided by Cameco geologists. The programs are being financed by Cameco under the JV agreement until it has completed its earn-in.

Macusani Project

IPEN's historical documents report that the Macusani Region may contain 30,000 tonnes of inferred uranium-bearing mineralization with average U_3O_8 grades ranging between 0.2% and 12.0%. Exhibit 12 illustrates the Macusani project property highlighting the eight indicated prospects.

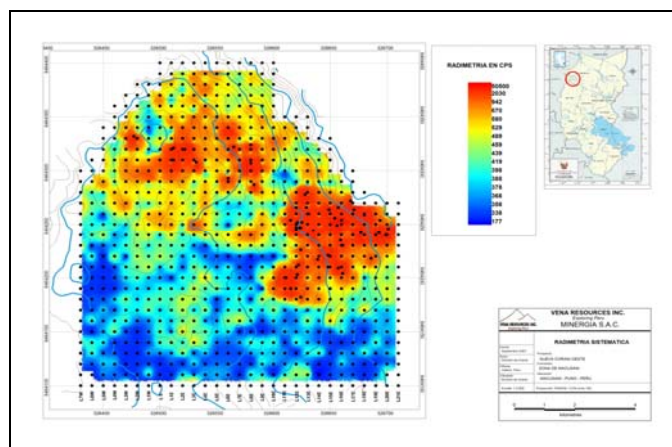
Exhibit 12: Identified anomalies within Macusani project



Source: Vena Resources

The Nuvea Corani Oeste prospect extends approximately six hectares throughout tuffs and ignimbrites of the Sapanuta Member of the Quenamri Formation. Vena and Cameco geologists have identified uranium phosphates with gamma ray spectrometer readings corresponding to average equivalents between 0.05 – 0.50% U_3O_8 and as high as >1.0% U_3O_8 , the upper limit of the recording equipment. Exhibit 13 graphically illustrates the radiometric exploration of the prospect.

Exhibit 13: Radiometric contours of Nuvea Corani Oeste prospect



Source: Vena Resources

The Amariza Sur prospect is a package of uranium mineralized rock approximately 60 metres thick. The uranium phosphates autunite, meta-autunite and torbernite have been identified with radiometric readings averaging 10,000 c.p.s. and as high as >1.0% U_3O_8 equivalent.

Uranium mineralization of the Calvario Real prospect occurs as autunite, meta-autunite and torbernite. U_3O_8 grades range from 500 p.p.m. to >1.0% along the length of the Puncopata valley.

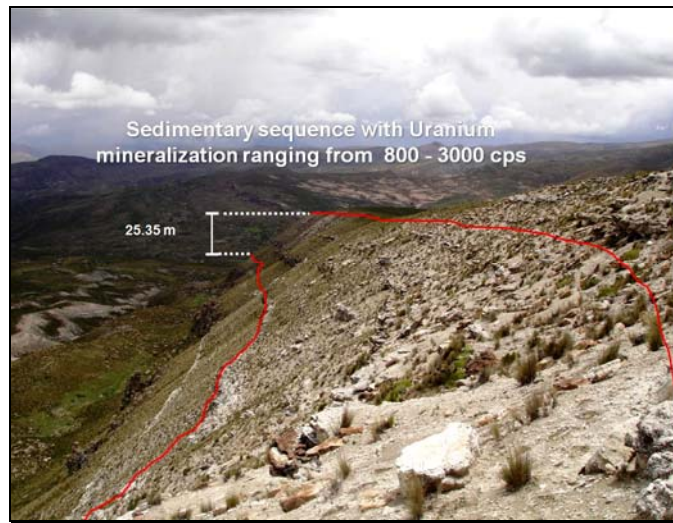
Munani Property

The Crucero prospect at the Munani property occurs in the Mitu Group volcanic rock and the fluvial sandstone of the Huancane formation. The Mitu Group is comprised of interbedded lavas and pyroclastics of trachytic and andesitic composition. Vena reports the most significant uranium anomalies are being detected in the brecciated structures of widths ranging from 0.12m – 3.0m and continuous up to 90m. The Huancane formation is comprised of sandstones intercalated with chloritized conglomerates and displays the uranium mineralization throughout fractures and disseminations.

Lagunillas Project

The Lagunillas project is located in a volcano-sedimentary environment. In April 2007, Vena geologists reported the discovery of five sedimentary formations with visible uranium materials in the units. Exhibit 14 shows the largest of these, the Ixsuya prospect, outcropping approximately 1,000m by 400m in width and 25m in height.

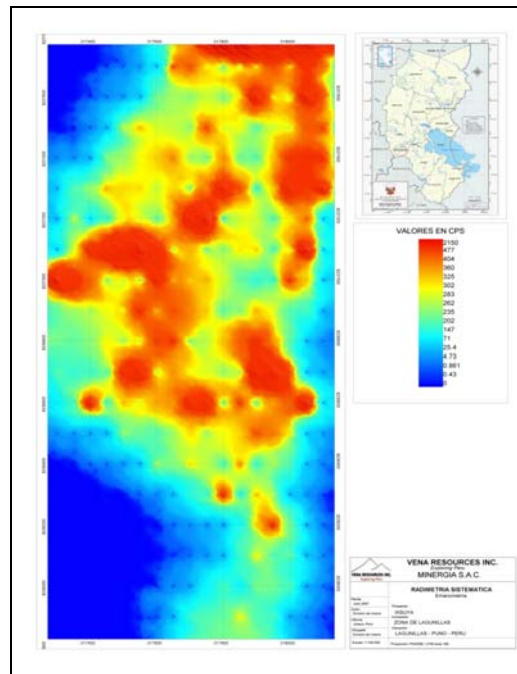
Exhibit 14: Outcropping of Ixsuya Prospect



Source: Vena Resources

Vena reports detecting uranium values ranging between 67.6 to 285.7 p.p.m. U_3O_8 in consistent values along the horizontal extent of the shale outcrop. The shales are intercalated with andesitic tuffs and with calcarenities interstratified with marly clays showing U_3O_8 grades of 45.1 – 67.6 p.p.m.. Exhibit 15 illustrates the radiometric results of the prospect.

Exhibit 15: Radiometric contours of Ixsuya Prospect



Source: Vena Resources

Appendix C

Precious Metals Division Description

Condensed History

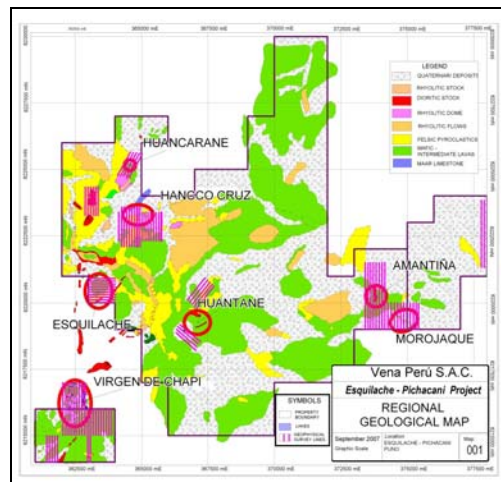
Vena's Precious Metal Division is currently conducting various stages of exploration on six projects throughout Peru. The Company's current precious metal exploration focus lies primarily on the Esquilache and Pucara projects.

Esquilache – Polymetallic (Silver)

In September 2007, Vena announced the acquisition of exploration rights over 20,700 ha in the Andamarca, Esquilache and Pichacani regions of southern Peru. The project location is illustrated on Exhibit 1. The region is home to the historical San Antonio de Esquilache mine, which was once the richest silver mine in Peru.

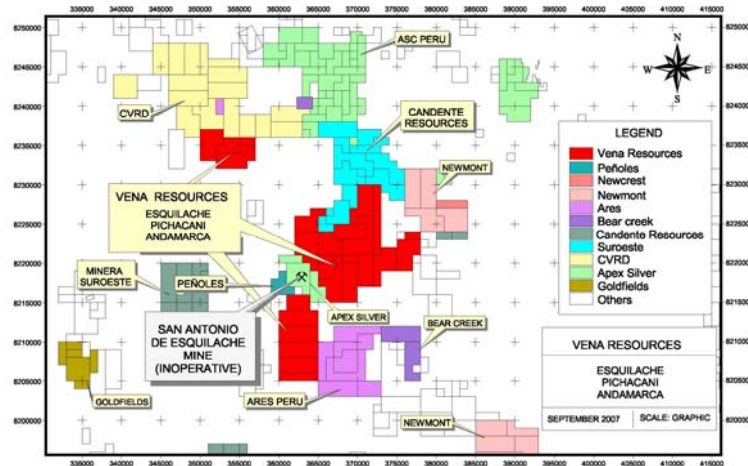
Vena's early exploration work on the property suggests that the region is a mineralized regional hydrothermal system which extends over tens of square kms to a depth of 500 m. Based on recent geological mapping and geochemical work, Vena has identified seven separate anomalies warranting further exploration. Presently, a series of geophysical surveys are being conducted to assist in the development of drill targets. Exhibit 16 illustrates the 125 line-km geophysical survey at Esquilache.

Exhibit 16: Geological map and geophysical survey of Esquilache project



Source: Vena Resources

Exhibit 17: Location of the Esquilache project with respect to the historic mine and surrounding property ownership.



Source: Vena Resources

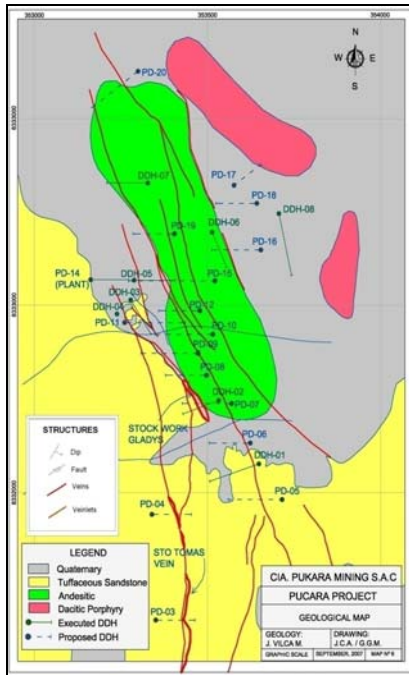
Pucara - Polymetallic

In December of 2006 Vena acquired the Pucara property located in the department of Puno, as illustrated in Exhibit 1. Prior to Vena's acquisition, the property was mined for 12 years by small miners and more recently drilled by CVRD.

An upfront payment of US\$75,000 and 100,000 shares of Vena were granted to the previous owners of the concessions. Based on the completion of annual milestones Vena will disburse additional shares and cash payments. Depending on a future feasibility study, Vena may also make cash payments US\$1.00 per tonne up to a total of 10 million tonnes.

The property contains a number of polymetallic vein systems, the Santo Tomas vein being the most significant, and the Gladys structure, a disseminated copper and gold stockwork. The veins exhibit zinc-lead mineralization with subsidiary copper and can be followed for more than two kilometres. Vena indicates that a 50 kg composite sample of gossan from the Gladys structure assayed 3.64 gpt of gold, 19.34 gpt of silver and 4.23% copper. Exhibit 18 is a geological map illustrating the location of the Santo Tomas vein, Gladys structure, as well as previous and proposed drilling.

Exhibit 18: Geological map of Pucara project



Source: Vena Resources

In mid-September 2007 Vena announced the commencement of a 4,400 m, 21-hole drilling program. The program is designed to intersect previously identified structures.

Las Princesas

The Las Princesas property is located in the department of La Libertad of northern Peru. The property is comprised of two mining concessions covering a total area of 1,050 ha. Las Princesas is strategically located between Barrick Gold’s Alto Chicama property (Lagunas Norte gold mine) to the northeast, and Pan American Silver Corp.’s Quiruvilca silver/lead mine to the southwest as shown in Exhibit 19.

Exhibit 19: Las Princesas property boarding Barrick’s Lagunas Norte gold mine and Pan American Silver’s Quiruvilca zinc mine



Source: Vena Resources

Las Princesas is owned by Compania Nueva Princesa S.A.C. Vena owns approximately 78% of Nueva Princesa through its Vena Peru subsidiary, Compania Vena Peru S.A.C..

At the current time, the Company has completed a geological mapping and surface sampling program on the property. This program resulted in the discovery of several anomalous gold values which ranged between 2 gpt to 3 gpt, and coincided with lead values above 10%. Interpretations of geophysical and geochemical surveying suggest the property may contain two high gold bearing zones similar to Barrick's Alto Chicama property. The requisite geochemical and geophysical work has been completed and the necessary permits obtained to commence a drilling program in the future.

Inca Gold

In May 2005, Vena acquired eight properties, totalling approximately 22,500 ha through its 100% acquisition of the Peruvian exploration company Inca Gold Company S.A.C.. The eight properties acquired were Carhuaz, Compin, Huamachuco, Huaranchal, Huaraz, Masma, Pallasca and Santiago de Chuco. Collectively these are referred to as Inca Gold and are shown in Exhibit 1.

In 2006, Vena began to conduct surface sampling exploration programs on the Inca Gold properties and expects to complete in Q1 2008. The properties are believed to contain high and low-sulfidation gold systems.

Appendix D

Base Metals Division Description

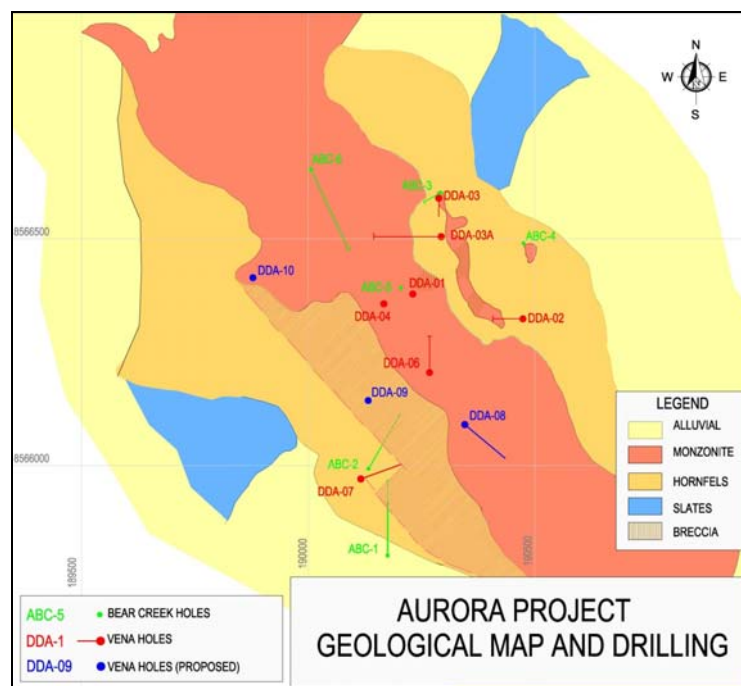
Condensed History

Aurora

The current focus of Vena's Base Metals Division is its Aurora project. The project is located in the department of Cusco in central Peru as shown on Exhibit 1. In early 2005 Vena executed a purchase option agreement for the Aurora copper-molybdenum mine from Sociedad Minera Parobamba II (Parobamba). Under the terms of the agreement Vena has committed US\$ 0.5 million of expenditures on the property in each year of the five year option. The option can be dropped without penalty or purchased for a total of \$4 million.

Previous geological work has identified the property as being a disseminated copper and molybdenum porphyry system. Historical estimates have indicated that the property contains approximately 1% copper and 0.06% molybdenum and is believed to become more mineralized with depth. Bear Creek Mining had previously conducted a drill program on the property. In 2005, Vena drilled an additional 2,700m in an attempt to determine the extent of the mineralized system. Exhibit 20 maps the geology of Aurora and the location of drill holes.

Exhibit 20: Geological map of Aurora project



Source: Vena Resource

Granja Nueva

In February 2007, Vena announced the acquisition of the Granja Nueva concessions from the Ministry of Energy and Mines of Peru. The Granja Nueva project is directly adjacent to Rio Tinto's La Granja project in the department of Cajamarca in northern Peru as seen on Exhibit 1.

The project's location in northern Peru is synonymous with large copper porphyries and high sulfidation gold deposits. Previous exploration work has identified five targets within the property which Vena intends to further explore. The area is being actively explored by junior companies such as Candente, Northern Peru Copper, as well as large established mining companies such as Rio Tinto, Newmont and CVRD. Vena is currently assembling an exploration team and is reviewing the historical data from the property.

Appendix E

Management & Board of Directors

Juan Vegarra

Chairman and Chief
Executive Officer

Juan is a native of Peru and continues to nurture his significant base of contacts both within the Peruvian government and the mining industry. Prior to his appointment as Chairman and CEO of Vena Resources in 2003, Juan enjoyed a successful career as a Microsoft executive. He currently manages a venture capital firm focused on the mining sector in addition to his duties with Vena Resources.

Harry Burgess

Director

Harry became a director in January 2005. He has over 20 years of experience as a mining engineer and holds degrees in both mechanical and mining engineering. He is a Vice President of Micon International Limited, mineral industry consultants, and his prior operating experience includes senior positions in the copper industry of Zambia and gold mining in South Africa. In Zambia, he held management positions with both technical and production responsibility. In South Africa, he was responsible for the introduction of mechanized mining systems to the gold mines of Anglo-American Corporation in the Orange Free State. Harry has particular experience in the monitoring to completion of mining projects for banks and financial institutions and sits on the board of several junior mining companies.

Denis Clement

Director

Denis became a director of the Company in 2003. He has 24 years of international experience in finance, corporate management and law. He is also Chairman of Dumont Nickel Inc., and a Director of CGX Energy Inc., both TSX Venture Exchange listed companies.

James Fairbairn

Chief Financial Officer and
Director

James was appointed CFO to Vena Resources in 2003. He has 17 years experience as a Chartered Accountant. Having focused his professional career primarily working with junior public companies, James' wealth of experience and knowledge in public company accounting, financing and corporate governance is a strong asset for Vena Resources.

Kenneth Grace

Director

Ken was appointed a director on November 6, 2006. He is a geologist with over 40 years of experience in the mining industry. He holds a Bachelor and a Masters degree and is a registered Professional Engineer in Canada. As a co-founder of the consulting group Micon International Limited, Ken has been involved in the evaluation of mining projects worldwide, including base and precious metals, industrial minerals and coal and uranium. He acted as Technical Advisor to the OSC-TSE Mining Standards Task Force, the recommendations of which led to the establishment of National Instrument 43-101.

Miguel Grau

Director

Miguel resides in Peru and has been instrumental in the negotiation and implementation of several internationally viable resource projects, including the Shell-Mobil Camisea Natural Gas project and the Antamina mining project. He was a Director of Antamina until 2005 and chairman of Minera Milpo until 2000, one of the largest Peruvian zinc producers. He is also a member of the board of two TSX listed mining companies, Bear Creek Mining and Peru Copper.

Mark Kesselman

Director

Mark was appointed a director on June 1, 2006. He is currently the president of Eurofinance, Inc., a private merchant bank headquartered in New York. Prior to his involvement with Eurofinance, He was with Citibank-New York where he ran the international mergers and acquisitions group and was a managing director in the international corporate finance group. He then went on to serve as head of the corporate finance group of the Citibank Private Bank, headquartered in Geneva, Switzerland. He has had over US \$10 billion under direct management and participated in the World Economic Forum (Davos) and other high profile events. Mr. Kesselman's international finance experience includes worldwide IPOs, venture capital placements, mergers and acquisitions across a wide array of industries.

Charlotte May

Corporate Secretary

Charlotte has over 20 years experience gained in the institutional brokerage industry and the oil and gas and junior industrial sectors. She provides consulting services to a number of junior resource companies in the areas of marketing, corporate secretarial and public company administration.

Source: Vena Resources

Appendix F

Projected DCF Model for Azulcocha Mine

Vena Resources Inc. Azulcocha Mine Project Cash Flow Schedule (\$C 000's)																																																																																																
	2007	2008	2009	2010	2011	2012	2013	2014	Total																																																																																							
Production																																																																																																
Ore Milled (tpa)		180,000	180,000	360,000	360,000	360,000	360,000	300,000	2,100,000																																																																																							
Zn Content (tonnes)		18,000	18,000	36,000	36,000	36,000	36,000	30,000	210,000																																																																																							
Pb Content (tonnes)		1,440	1,440	2,880	2,880	2,880	2,880	2,400	16,800																																																																																							
Zn Concentrate (tonnes)		27,155	27,155	54,310	54,310	54,310	54,310	45,259	316,810																																																																																							
Pb Concentrate (tonnes)		2,000	2,000	4,000	4,000	4,000	4,000	3,333	23,333																																																																																							
Zn Recovered (tonnes)		16,740	16,740	33,480	33,480	33,480	33,480	27,900	195,300																																																																																							
Pb Recovered (tonnes)		1,164	1,164	2,327	2,327	2,327	2,327	1,939	13,574																																																																																							
Revenue																																																																																																
Zn Spot Price (\$US/lb)		1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28																																																																																							
Zn Revenue (\$US 000's)		47,239	47,239	94,478	94,478	94,478	94,478	78,731	551,120																																																																																							
Pb Spot Price (\$US/lb)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00																																																																																							
Pb Revenue (\$US)		2,565	2,565	5,130	5,130	5,130	5,130	4,275	29,926																																																																																							
Gross Revenue (\$US)		49,804	49,804	99,608	99,608	99,608	99,608	83,007	581,047																																																																																							
CS/US\$ Exchange		0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90																																																																																							
Gross Revenue		55,338	55,338	110,676	110,676	110,676	110,676	92,230	645,608																																																																																							
Operating Costs																																																																																																
Mining		6,400	6,400	12,800	12,800	12,800	12,800	10,667	74,667																																																																																							
Milling		4,400	4,400	8,800	8,800	8,800	8,800	7,333	51,333																																																																																							
TC/RC		4,859	4,373	8,747	8,747	8,747	8,747	7,289	51,507																																																																																							
Transport (Con)		486	486	972	972	972	972	810	5,669																																																																																							
Total Operating Costs		16,145	15,659	31,318	31,318	31,318	31,318	26,099	183,177																																																																																							
Gross Operating Profit		39,193	39,679	79,357	79,357	79,357	79,357	66,131	462,431																																																																																							
Royalties		830	830	1,660	1,660	1,660	1,660	1,383																																																																																								
General & Admin.		2,000	2,000	4,000	4,000	4,000	4,000	3,000	23,000																																																																																							
EBITDA		36,363	36,849	73,697	73,697	73,697	73,697	61,748	429,747																																																																																							
Depreciation		(3,111)	(3,111)	(3,111)	(3,111)	(3,111)	(3,111)	(3,111)	(21,778)																																																																																							
EBIT		33,251	33,737	70,586	70,586	70,586	70,586	58,636	407,969																																																																																							
Current Income Taxes		9,975	10,121	21,176	21,176	21,176	21,176	17,591	122,391																																																																																							
Income Tax Pool		(1,700)							(1,700)																																																																																							
Income Taxes Owning		8,275	10,121	21,176	21,176	21,176	21,176	17,591	120,691																																																																																							
Net Income		24,976	23,616	49,410	49,410	49,410	49,410	41,046	287,278																																																																																							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Net Income per S/O</td> <td style="text-align: right;">0.35</td> <td style="text-align: right;">0.33</td> <td style="text-align: right;">0.69</td> <td style="text-align: right;">0.69</td> <td style="text-align: right;">0.69</td> <td style="text-align: right;">0.69</td> <td style="text-align: right;">0.58</td> </tr> <tr> <td>Net Income per Fully Diluted S/O</td> <td style="text-align: right;">0.27</td> <td style="text-align: right;">0.26</td> <td style="text-align: right;">0.54</td> <td style="text-align: right;">0.54</td> <td style="text-align: right;">0.54</td> <td style="text-align: right;">0.54</td> <td style="text-align: right;">0.45</td> </tr> </table>										Net Income per S/O	0.35	0.33	0.69	0.69	0.69	0.69	0.58	Net Income per Fully Diluted S/O	0.27	0.26	0.54	0.54	0.54	0.54	0.45																																																																							
Net Income per S/O	0.35	0.33	0.69	0.69	0.69	0.69	0.58																																																																																									
Net Income per Fully Diluted S/O	0.27	0.26	0.54	0.54	0.54	0.54	0.45																																																																																									
Free Cash Flow																																																																																																
EBITDA		36,363	36,849	73,697	73,697	73,697	73,697	61,748	429,747																																																																																							
Income Taxes		(8,275)	(10,121)	(21,176)	(21,176)	(21,176)	(21,176)	(17,591)	(120,691)																																																																																							
CAPEX		(14,000)	(1,111)	(1,111)	(1,111)	(1,111)	(1,111)	(1,111)	(21,778)																																																																																							
Free Cash Flow		(14,000)	26,976	25,616	51,410	51,410	51,410	43,046	287,278																																																																																							
Wtd. Avg. S/O		71,238	71,238	71,238	71,238	71,238	71,238	71,238	71,238																																																																																							
Fully Diluted S/O		91,311	91,311	91,311	91,311	91,311	91,311	91,311	91,311																																																																																							
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="10">Project Net Present Value</td> </tr> <tr> <td>Discount Rate</td> <td></td> <td style="text-align: right;">9.0%</td> <td style="text-align: right;">9.5%</td> <td style="text-align: right;">10.0%</td> <td style="text-align: right;">10.5%</td> <td style="text-align: right;">11.0%</td> <td style="text-align: right;">11.5%</td> <td style="text-align: right;">12.0%</td> <td style="text-align: right;">12.5%</td> <td style="text-align: right;">13.0%</td> </tr> <tr> <td>NPV of Operating Cash Flow per S/O</td> <td></td> <td style="text-align: right;">323,311</td> <td style="text-align: right;">317,445</td> <td style="text-align: right;">311,734</td> <td style="text-align: right;">306,171</td> <td style="text-align: right;">300,753</td> <td style="text-align: right;">295,475</td> <td style="text-align: right;">290,332</td> <td style="text-align: right;">285,320</td> <td style="text-align: right;">280,435</td> </tr> <tr> <td>per Fully Diluted S/O</td> <td></td> <td style="text-align: right;">4.54</td> <td style="text-align: right;">4.46</td> <td style="text-align: right;">4.38</td> <td style="text-align: right;">4.30</td> <td style="text-align: right;">4.22</td> <td style="text-align: right;">4.15</td> <td style="text-align: right;">4.08</td> <td style="text-align: right;">4.01</td> <td style="text-align: right;">3.94</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">3.54</td> <td style="text-align: right;">3.48</td> <td style="text-align: right;">3.41</td> <td style="text-align: right;">3.35</td> <td style="text-align: right;">3.29</td> <td style="text-align: right;">3.24</td> <td style="text-align: right;">3.18</td> <td style="text-align: right;">3.12</td> <td style="text-align: right;">3.07</td> </tr> <tr> <td>NPV of Free Cash Flow per S/O</td> <td></td> <td style="text-align: right;">187,774</td> <td style="text-align: right;">183,676</td> <td style="text-align: right;">179,693</td> <td style="text-align: right;">175,823</td> <td style="text-align: right;">172,062</td> <td style="text-align: right;">168,405</td> <td style="text-align: right;">164,850</td> <td style="text-align: right;">161,393</td> <td style="text-align: right;">158,030</td> </tr> <tr> <td>per Fully Diluted S/O</td> <td></td> <td style="text-align: right;">2.64</td> <td style="text-align: right;">2.58</td> <td style="text-align: right;">2.52</td> <td style="text-align: right;">2.47</td> <td style="text-align: right;">2.42</td> <td style="text-align: right;">2.36</td> <td style="text-align: right;">2.31</td> <td style="text-align: right;">2.27</td> <td style="text-align: right;">2.22</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">2.06</td> <td style="text-align: right;">2.01</td> <td style="text-align: right;">1.97</td> <td style="text-align: right;">1.93</td> <td style="text-align: right;">1.88</td> <td style="text-align: right;">1.84</td> <td style="text-align: right;">1.80</td> <td style="text-align: right;">1.77</td> <td style="text-align: right;">1.73</td> </tr> </table>										Project Net Present Value										Discount Rate		9.0%	9.5%	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	NPV of Operating Cash Flow per S/O		323,311	317,445	311,734	306,171	300,753	295,475	290,332	285,320	280,435	per Fully Diluted S/O		4.54	4.46	4.38	4.30	4.22	4.15	4.08	4.01	3.94			3.54	3.48	3.41	3.35	3.29	3.24	3.18	3.12	3.07	NPV of Free Cash Flow per S/O		187,774	183,676	179,693	175,823	172,062	168,405	164,850	161,393	158,030	per Fully Diluted S/O		2.64	2.58	2.52	2.47	2.42	2.36	2.31	2.27	2.22			2.06	2.01	1.97	1.93	1.88	1.84	1.80	1.77	1.73
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McCUTCHEON LIMITED