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eResearch

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January 17, 2006

CASSIDY GOLD CORPORATION

Recommendation

Speculative Buy

Target Price

$0.75

Risk

High

Average Daily Volume

20-day:53,000/150-day:39,300

Quick Facts

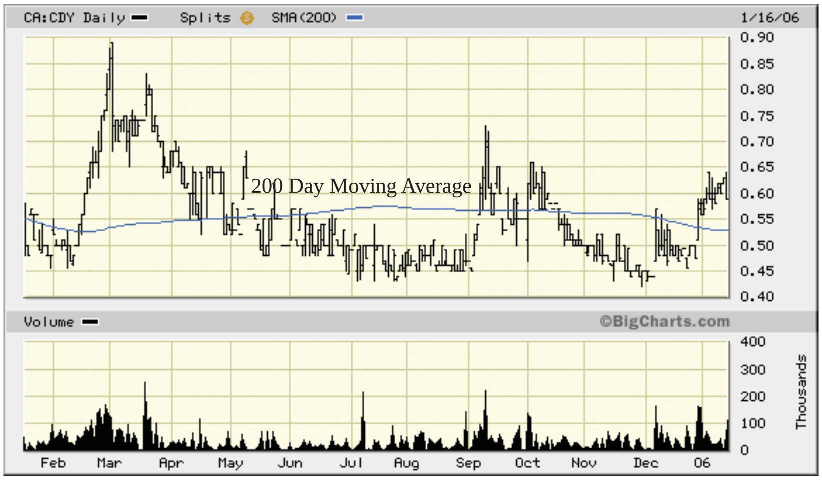
Recent Price	$0.59
Symbol	CDY: TSX-V
Shares O/S	58.27 million
Shares O/S FD	63.67 million
52-Wk. Range	$0.89-$0.42
Fiscal Year-End	October 31

C$	BVPS	EPS
2003A	$0.13	$(0.02)
2004A	$0.18	$ (0.05)
2005E	$0.21	$ (0.02)

STRENGTHS
- **Good potential to increase gold resources**
- **Geologically sound exploration model**
- **Strong management team with Guinea experience**

RISKS
- **Political risk associated with Guinea**
- **Commodity risk**
- **Drilling risk**

CONCLUSION
- **Intriguing gold exploration play in West Africa**



Data Source: www.BigCharts.com

Cassidy Gold Corp. is a gold exploration and development company focused on gold projects in Guinea, West Africa.

SUMMARY & RECOMMENDATION

We recommend the shares of Cassidy Gold Corp. ("Cassidy Gold" or the "Company") as a Speculative Buy based on: (1) the Company's participation in high-potential gold exploration opportunities in Guinea, West Africa; (b) a two year head-start on most of its peers in the region; (c) its perceived under-valuation relative to comparable companies, as set out in our Valuation section on page 11; and (d) recent reverse circulation drilling that suggests a significant increase in the gold resources on the 100% owned Kouroussa Project is plausible.

With 100% interests (subject to a 15% State participation) in two properties with a combined area of over 1,000 square kilometres, the Company is one of the largest gold exploration landholders in Guinea. Both of the Company's projects are located in active gold-mining areas.

With evidence supported by exploration activity and the recently completed resource update on three gold zones of 433,000 ounces in 4,933,000 tonnes averaging 2.7g/t, we believe that the Kouroussa Project is host to several large near-surface gold systems similar to those deposits found in neighboring Mali, Burkina Faso, and Ghana in West Africa. Geological evidence suggests that Cassidy Gold has significant potential to increase the defined gold resource on this project. Additionally, the Company has accumulated a large under-explored land package in the vicinity with similar geological features.

Cassidy Gold has recently completed the raising of C$6 million and now has the funds to undertake a C$4 million exploration program to accumulate and define gold resources on the Kouroussa Project. Share price performance will reflect the speed of the Company's exploration efforts and its success in adding gold resources to the project.

As set out in the Valuation section, we have valued Cassidy Gold using two methodologies. Using these, we have set a 12-month Target Price of C$0.75 per share, or about 27% above current levels. The shares are suitable only for risk-tolerant investors.

THE COMPANY

The Company was incorporated on November 30, 1984 as PMA Technologies and, on June 16, 1998, changed its name to PMA Resources Inc. On September 16, 1996, the Company changed its name to Cassidy Gold Corp.

Cassidy Gold's major activity is the exploration of its mineral property interests in Guinea, West Africa. The Company is currently focusing the majority of its efforts on the Kouroussa Gold Exploration Permit.

Cassidy Gold is led by James Gillis, who has 22 years of experience in mining administration and exploration. The Company's shares trade of the TSX-Venture Exchange under the symbol CDY.

OVERVIEW: GUINEA

West Africa is one of the fastest growing gold-producing regions in the world. Growth and investment are fueled by the discovery of new mines, not only in well established countries like Ghana and Mali, but increasingly in Burkina Faso and Guinea. In West Africa, gold production from 1998 to 2002 was 34% of GDP.

Guinea possesses significant mineral resources, yet it remains an under-developed nation. The country possesses over 30% of the world's bauxite reserves, and is the second largest producer.

The mining sector accounted for 75% of exports in 1999. Long-run improvements in government fiscal arrangements, literacy, and the legal framework are still needed if the country is to move out of poverty.

A new mining code introduced in mid-1995 offers a range of guarantees and tax incentives to new investors, who may now own up to 85% of any venture in Guinea. Small publicly-listed exploration companies, many of which are Canadian, have been at the forefront of West African exploration activities. However, the market discounts many companies, including Cassidy Gold, in large part due to investor uncertainty concerning the political, social, and economic stability of the region. The perception is slowly changing as success stories, such as Semafo's development of its Kinero gold project, help to highlight Guinea's potential as a stable gold-producing region.

Cassidy Gold's projects are located in the main gold bearing region in Upper Guinea, and in particular the Siguiri Basin. This basin is underlain by birimian formations (sedimentary and volcano-sedimentary geological units approximately two billion years old, which host numerous gold deposits in West Africa.)

Guinea is underlain by the extensive Archean West Africa craton. To the north and west of the country, younger Proterozoic rocks occur and, to the east, by the Birimian Supergroup, which includes greenstone belts that are responsible for most of West Africa's gold reserves. The Birimian Terrain extends throughout West Africa and underlies the northeastern edge of Guinea.

There are three producing mines in Guinea: (1) Guinor's Lero/Dinguiraye (2.9 million ounces); (2) Anglogold Ashanti's Siguiri Mine (3.1 million ounces); and (3) Semafo's Kiniero Mine (500,000 ounces). In 2002, Semafo began producing gold at its Kiniero Mine, with average grades of 3.36 g/t and an operating cash cost of US$283. Mineral resources now stand at 5,275,300 tonnes at a grade of 3.22g/t gold containing 545,000 ounces.

COMMENT: *The Birimian Terrain that underlies a significant area of northeast Guinea remains relatively under-explored. Those companies positioned for aggressive exploration using modern exploration technologies, and with a strong understanding of the socio-political and economic landscape, stand a good chance of reaping wealth from the abundant opportunities in the region. Cassidy Gold falls into this category as they have a two-year head start over many of their peers in the region.*

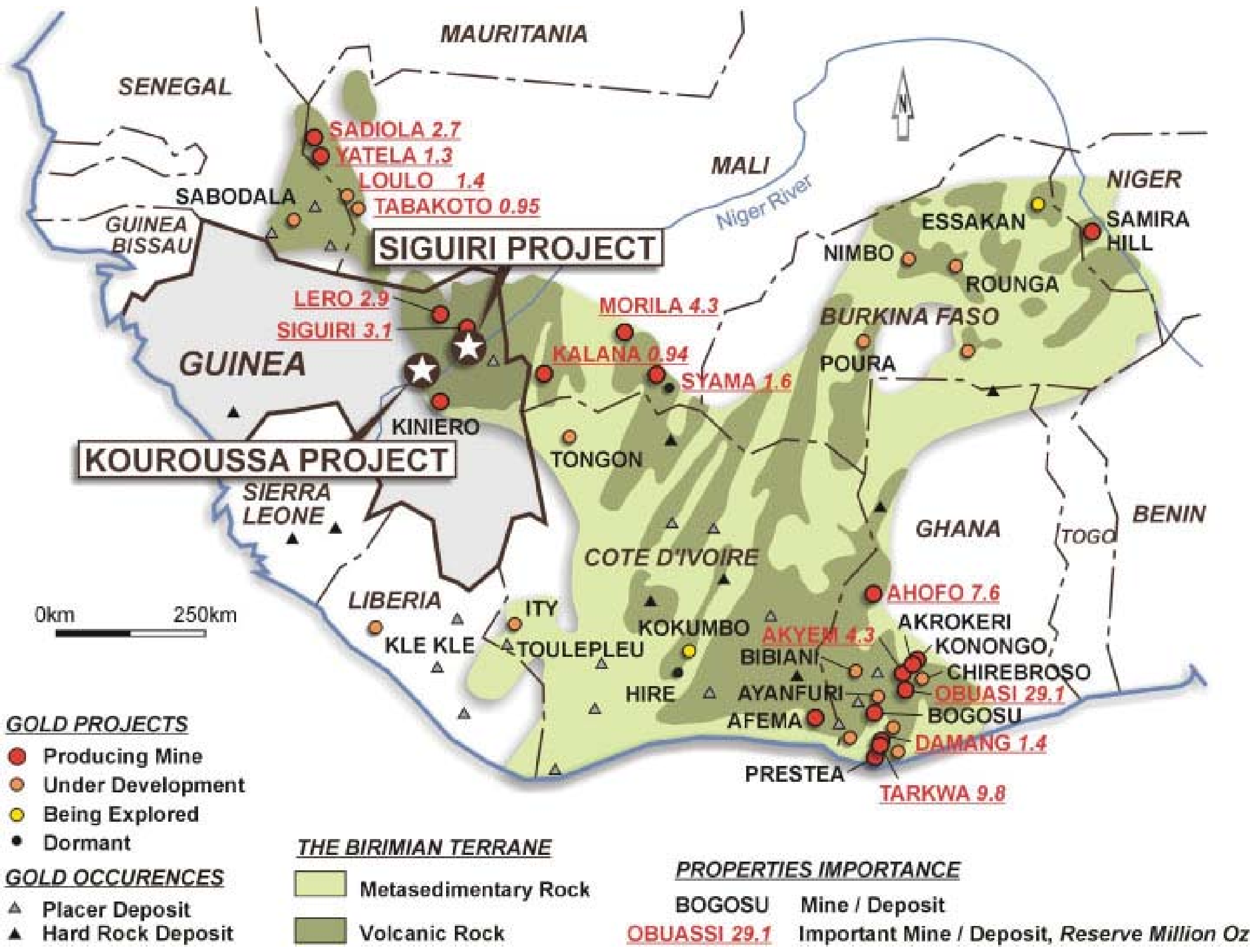
PROPERTIES

Cassidy Gold owns a 100% interest in two properties in Guinea. However, the Republic of Guinea retains a 15% State participation in the respective permits.

(1) Kouroussa Gold Exploration Permit: Located 570 kilometers east of Conakry, the capital; and

(2) Siguiri Gold Exploration Permit: Located 100 kilometres northeast of the Kouroussa Property

Figure 1: Republic of Guinea Property Locations



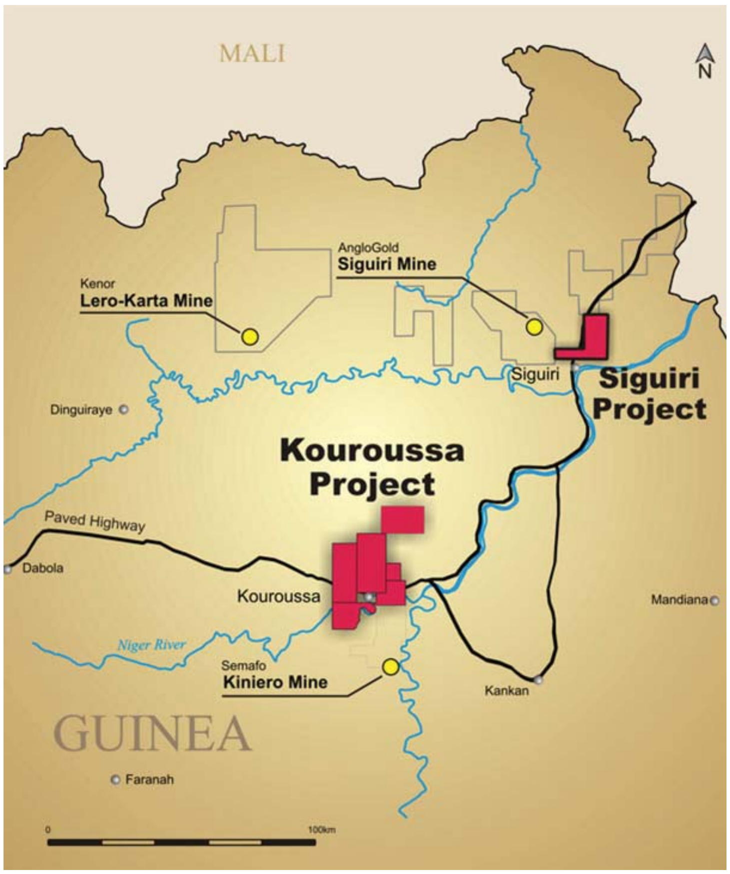
Source: Company

COMMENT: *The combined area (Kouroussa at 840 square kilometres and Siguiri at 191 square kilometers, for a total of 1,031 square kilometres) ranks Cassidy Gold as one of the largest gold exploration landholders in Guinea. Both of the Company's projects are located in active gold mining regions, known to host disseminated gold deposits.*

PROJECTS

Kouroussa Gold Project

Figure 2: Kouroussa Gold Project



Source: Company

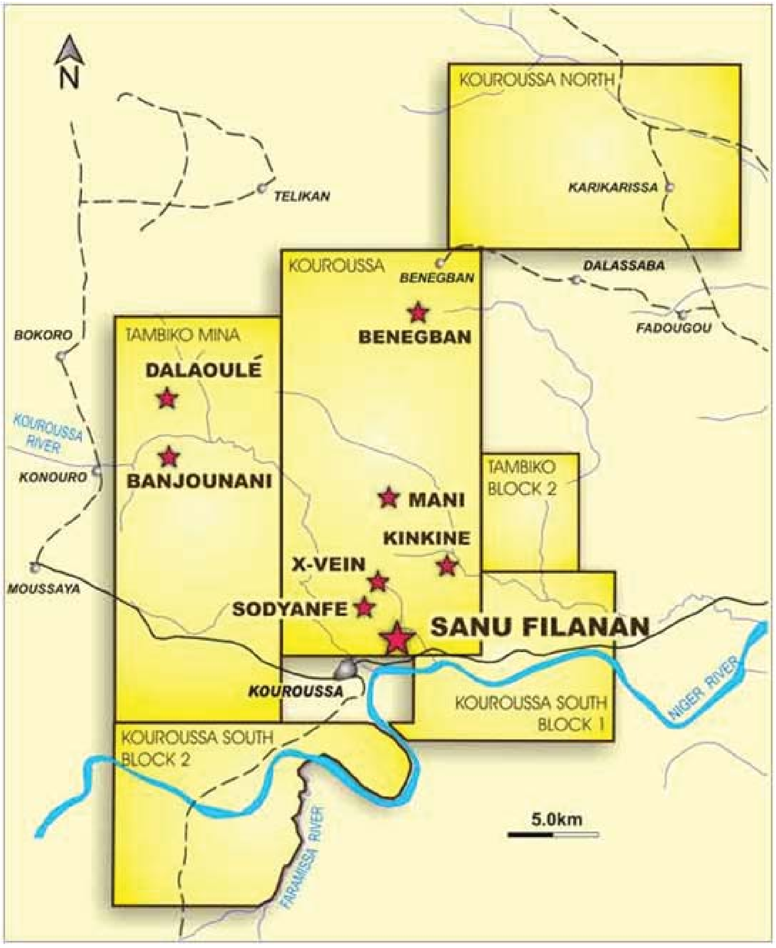
The 840-square kilometre Kouroussa Project is located 540 kilometres by paved highway from Conakry, the capital city of Guinea, West Africa. The project is located within the Birimian Supergroup, which includes greenstone belts that are responsible for most of West Africa's gold reserves.

Geochemical sampling has identified several large gold anomalies on the Kouroussa Project that cumulatively extend over 170 square kilometres. To date, drilling has confirmed gold mineralization in targets including the Sanu Filanan, X-Vein, JJ, KD-1, Sodyanfe, Sidafa, Mani and Kinkine.

RSG Global has recently completed a NI 43-101 compliant resource update on the Sanu Filanan, JJ, and Sanu Folo Gold Zones. Inferred resources now stand at 433,000 ounces in 4,933,000 tonnes averaging 2.7 g/t gold. This represents an increase of 118,000 ounces, or 37%, over the March 2005 resource with 50,000 ounces added at Sanu Filanan, 51,000 ounces at JJ, and 18,000 ounces at Sanu Folo. A 0.7 g/t gold cut-off grade was used.

1. Sanu Filanan Gold Zone: Delineating a mineral resource

Figure 3: Sanu Filanan Gold Zone



Source: Company

To date, 91 diamond drill holes have identified gold mineralization along a strike length of 1,200 metres and to a depth of 200 metres. Assay results from the 500-metre northwest extension of the Sanu Filanan deposit indicate gold grades are consistent with the values from the 700-metre strike length used to calculate the inferred resource, and suggests the potential exists to double the existing gold resource to the 650,000-ounce range. Drilling has also indicated that the presence of multiple mineralized structures within a broad zone of shearing, close to the surface. The Sanu Filanan vein remains open at depth and to the northwest.

2. X-Vein Gold Zone: Delineating a mineral resource

The X-Vein is located 300 metres northeast of the Sanu Filanan deposit, and has been delineated 970 metres along strike by 22 diamond drill holes spaced at 50-metre intervals totaling 2,442 metres. Gold grades have ranged from 16.58 g/t over 4 metres to 3.39 g/t gold over 7 metres. So far the gold intersections have been modest ranging from 3 to 16.6 metres.

COMMENT: *We are encouraged with the progress made on the X–Vein. The X-Vein is promising with its higher grade abundant occurrence of primary gold mineralization. This near surface, lower grade gold mineralization has the potential to increase the inferred resources on this project.*

3. JJ Zone Gold Zone: Delineating a mineral resource

The JJ Zone is located 400 metres northeast of the Sanu Filanan Vein. To date, 37 reverse circulation ("RC") drill holes (3,684.5 metres) and one diamond drill hole (149 metres) have traced a distinct gold mineralized zone 300 metres in strike length. Gold assays are encouraging with grades measuring 7.36 g/t gold over 22.0 metres to 19.13 g/t gold over 4 metres. In the JJ Zone, it appears that gold mineralization consists of two distinct zones, an upper zone with high grade mineralization and a lower zone with lower-grade mineralization.

COMMENT: *Additional definition drilling is required to include the JJ Vein in the resource estimates. However, several strong intersections in RC drilling south and north of the area outlined by diamond drilling clearly suggests ounces could be added through a well-conceived drill plan. Drill tested along the length of the trench and consistently intersected high-grade gold values*

4. KD-1 Gold Zone: Early stage exploration

The KD-1 Zone is a north west-trending mineralized zone, located approximately 200-225 metres northeast of the JJ Zone. Reverse circulation drilling is underway to define the mineralized zone.

5. Sodyanfe Anomaly: Priority Target

This Anomaly is located approximately 1 km northwest of the Sanu Filanan and JJ veins. Widespread artisanal workings and a strong soil geochemical anomaly make Sodyanfe a very high-priority target. Soil geochem data suggest a northwest control to mineralization, parallel to Sanu Filanan and JJ Vein. This promising target is still "open" and has not been explored at depth. This gold-in-soil anomaly has been extensively sampled, returning an average grade of 0.49 g/t Au. Some grades run as high as 8.63 g/t Au.

Other early exploration stage targets include: Benegban Anomaly, East Plateau, Koe Koe South Anomaly, Koe Koe South-West Anomaly, Marie Zone, Kinkine Anomaly, Mani Anomaly, Banjounani Anomaly, Dalaoule Anomaly, Sidafa Anomaly, West Plateau Structure, Youssouf Structure, Karikarisa Anomaly

COMMENT: *Cassidy Gold has planned an aggressive drill program in 2006 to complete definition drilling on Sanu Filanan, X-Vein, and the JJ Vein in advance of completing a new resource estimate. Now that the equity financing has been secured, we are confident the resources could be expanded three-fold. Consequently, we expect to see a significant increase in the inferred resources on this project.*

The blue-sky potential of this project is note-worthy. There are several high-priority gold-in-soil geochemical anomalies covering almost one-third of the 808-square kilometre property.

6. Siguiri Gold Exploration Permit

This early stage exploration project is located 100 kilometres northeast of the Kouroussa Property (contiguous southwest of AngloGold Ashanti's Siguiri Gold Mine). The Siguiri property is host to artisanal gold workings, as recently discovered by Cassidy geologists. The Siguiri Permit Area encompasses 191 square kilometres of the geologically prospective Birimian terrain. Exploration of the Siguiri Project planned for 2006 includes geochemical and geophysical surveys to identify the high priority targets.

COMMENT: *The Siguiri Project is close to Anglogold Ashanti's Siguiri Gold Mine and, at first glance, has similar geological features. There appear to be several zones of Birimian terrain which, in this region, suggests gold mineralization. As a result, as exploration advances on this project, there could be positive upside for the Company's share price.*

MANAGEMENT AND DIRECTORS

James T. Gillis, President
Mr. Gillis has been involved in the mining industry since 1982. He brings Cassidy extensive experience and expertise in business administration and mineral exploration. Mr. Gillis has been the President of James T. Gillis Management Co. Inc. since 1985, a private company which provides management services to public companies. He is the President and Chief Executive Officer of Delta Exploration Inc., and Island Arc Exploration Corp., and a Director, Corporate Secretary and Chief Financial Officer of Navasota Resources Ltd.

Jean-Jacques Lefebvre, M.Sc., Director, Project Manager
Mr. Lefebvre is a geologist with over thirty years experience in all stages of mineral exploration, with particular expertise in sub-Saharan Africa. He has extensive knowledge and appreciation of African history and culture-an invaluable asset in the smooth implementation of a rapidly expanding development.

Christopher J. Wild, P. Eng., Vice President, Exploration
Mr. Wild is a consulting geological engineer with 19 years of experience in mining and mineral exploration in North and South America as well as West Africa. Prior to becoming chief mine geologist for the Mount Polley Mine near Likely, British Columbia, he was employed as the chief geologist at the Goldstream Mine, north of Revelstoke, British Columbia.

Marthe Archambault, M.Sc., P.Geo, Director
Ms. Archambault is an economic geologist with 20 years of mining experience including several projects in the Birimian region of Ghana and Mali. In supervising a variety of projects in environments as diverse as Eskay Creek and the Democratic Republic of Congo, she has acquired a broad perspective in the application of modern exploration technology. Fluent in French and English, she also provides a cultural link between the Francophonie of Guinea and Canada.

Glenn Walsh, P.Eng., Director
Mr. Walsh is the president of Tercon Contractors Ltd., a construction company with particular expertise in excavation-related activities, including open pit mining and mine development.

Thomas Hasek, P.Eng, Executive V.P., Director
Mr. Hasek is a professional geologist with over 40 years of experience in the mining industry. His experience ranges from the owner of a small drilling company to directing worldwide exploration programs. Recently as managing director of a junior public company, Mr. Hasek was responsible for financing and supporting a gold project in Ghana.

Robert Barron, M.B.A., C.G.A., M.ST(US), Director
Mr. Barron is a certified general account with a masters degree in U.S. tax law.

FINANCIAL OVERVIEW

Fiscal Year End: The Company's reporting year-end date is October 31. To comply with regulations, a company must file its year-end financial results within 90 days of the year-end date. Thus, Cassidy Gold will be filing before the end of January 2006.

Revenue/Income: Cassidy Gold is an exploratory stage company that has not, as yet, begun production from its properties. As a result, it does not have any mining revenue, only exploration and development expenses. Thus, it records a loss each year (fiscal 2003: C$0.02 cents; fiscal 2004: C$0.05 cents). Losses are expected to continue until the Company reaches the production stage.

Cash: As of July 31, 2005, the Company had cash of C$420,000 and marketable securities of C$245,000. In September 2005, Cassidy completed a private placement for proceeds of C$600,000 and, in December 2005, raised a further $6 million. Total cash + equivalents are currently estimated to be approximately $6.0 - $6.5 million.

Burn Rate: The Company's estimated monthly burn rate in the latest three-month period is C$48,000. For the first nine months, it averaged C$60,000. Thus, using C$58,000 going forward, excluding exploration expense estimated at $4.5 million for next year, the Company has sufficient capital (approximately C$2.0 million) to maintain operations for more than two years.

Financing: With the successful completion of the recent $6 million equity raise, we do not expect the Company will need to return to the capital markets in 2006.

Warrants and Options: With the recent financings, Cassidy Gold now has approximately 18.55 million warrants outstanding with exercise prices ranging from C$0.50-0.80. As indicated in the following table, currently only about 800,000 warrants are "in-the-money". Also shown in the table below, the Company currently has 4,370,000 options outstanding with exercise prices ranging from C$0.18-$0.75. Currently, all but 100,000 options are "in-the-money".

Table 1: Warrants and Options

1. Warrants

Number	Price	Status	Expiry Date	Potential New Capital
1,600,000	*$0.70*	*Out-of-the-Money*	*February 25, 2006*	*$1,120,000*
3,212,163	*$0.80*	*Out-of-the-Money*	*April 30, 2006*	*$2,569,730*
500,000	*$0.70*	*Out-of-the-Money*	*October 3, 2006*	*$350,000*
450,000	$0.60	Out-of-the-Money	July 13, 2007	$270,000
12,000,000	$0.75	Out-of-the-Money	December 29, 2007	$9,000,000
793,600	$0.50	In-the-Money	December 29, 2007	$396,800
18,555,763				$13,706,530

2. Options

Number	Price	Status	Expiry Date	Potential New Capital
95,000	*$0.25*	*In-the-Money*	*May 15, 2006*	*$23,750*
215,000	$0.18	In-the-Money	December 13, 2007	$38,700
100,000	$0.30	In-the-Money	July 14, 2008	$30,000
100,000	$0.75	Out-of-the-Money	March 31, 2009	$75,000
990,000	$0.40	In-the-Money	September 27, 2009	$396,000
30,000	$0.50	In-the-Money	December 5, 2009	$15,000
100,000	$0.50	In-the-Money	April 20, 2010	$50,000
40,000	$0.50	In-the-Money	May 3, 2010	$20,000
2,700,000	$0.50	In-the-Money	November 17, 2010	$1,350,000
4,370,000				$1,998,450

Source: Company & eResearch

COMMENT: *Shown in italics in the above table, there are 5,312,163 warrants and 95,000 options expiring over our ensuing 12-month forecast period that have exercise prices lower than our 12-month Target Price. Accordingly, we are including these warrants and options into the total shares outstanding in our calculation of the intrinsic value for the shares.*

Capital Structure: Cassidy Gold currently has 58,271,261 shares issued and outstanding. By including all of the above warrants and options that are "in-the-money" and, therefore, likely to be exercised, in terms of our Target Price ($0.80) over the next 12 months, there would be 63,678,424 shares outstanding. We are using this number in computing our per share estimate of the Company's intrinsic value (see Valuation, page 11).

Financial Statements: Set out overleaf is an abridged version of the company's financial statements, including Statement of Income/Loss, Cash Flow, and the Balance Sheet. A commentary on the financials is also included on the ensuing page.

Table 2: Selected Financial Statements

	Nine Months Ending July 31:		Year Ending October 31:			
	2004	2005	2002	2003	2004	2005E
Statement of Income/(Loss):						
Operating Income	0	0	0	0	0	0
Non-Operating Income	22,060	31,949	609	7,804	31,626	40,000
General & Administrative Expense	(609,939)	(546,452)	(187,965)	(373,024)	(780,832)	(700,000)
Amortization	(24,169)	(36,058)	0	(10,439)	(41,567)	(55,000)
Stock-based Compensation	0	(49,657)	0	0	(504,707)	(100,000)
Other Non-Cash Items	(137,499)	(3,039)	(79,416)	(18,146)	(190,931)	(25,000)
Other Income/(Expenses)	(2,176)	(16,971)	(817)	(807)	(18,263)	(20,000)
Net Income/(Loss)	(751,723)	(620,228)	(267,589)	(394,612)	(1,504,674)	(860,000)
Total Shares Outstanding	38,404,320	45,221,261	11,347,723	25,546,994	38,404,320	45,271,261
Weighted Average Shares Outstanding	27,799,767	40,703,518	10,605,349	17,467,300	31,069,319	41,300,000
Earnings (Loss) Per Share	($0.03)	($0.02)	($0.03)	($0.02)	($0.05)	($0.02)
Statement of Cash Flow:						
Net Income (Loss)	(751,723)	(620,228)	(267,589)	(394,612)	(1,504,674)	(860,000)
All Non-Cash Items	161,668	88,754	79,416	28,585	737,205	180,000
Cash Flow from Operations	(590,055)	(531,474)	(188,173)	(366,027)	(767,469)	(680,000)
Capital Expenditures (Properties)	(2,284,004)	(3,972,782)	(141,327)	(883,339)	(2,910,714)	(4,500,000)
Other Investing Items	(997,142)	1,591,104	56,868	(1,116,310)	(830,282)	1,600,000
Free Cash Flow	(3,871,201)	(2,913,152)	(272,632)	(2,365,676)	(4,508,465)	(3,580,000)
Working Capital Changes	(61,922)	(312,799)	5,752	(280,944)	25,790	(265,446)
Equity Financing	3,578,453	3,135,000	310,231	3,043,587	4,545,377	3,735,000
Debt Financing	0	0	0	0	0	0
Change in Cash	(354,670)	(90,951)	43,351	396,967	62,702	(110,446)
Cash, Beginning of the Period	448,894	511,596	8,576	51,927	448,894	511,596
Cash, End of the Period	94,224	420,645	51,927	448,894	511,596	401,150
	As at July 31:		As at October 31:			
	2004	2005	2002	2003	2004	2005E
Balance Sheet:						
Cash	94,224	420,645	51,927	448,894	511,596	401,150
Other Current Assets	2,564,776	494,824	105,577	1,512,904	2,150,275	494,824
Mineral Properties	3,466,084	8,564,700	133,084	1,331,979	4,443,026	8,888,026
Other Assets	56,610	82,304	168,873	21,906	89,044	89,044
Total Assets	6,181,694	9,562,473	459,461	3,315,683	7,193,941	9,873,044
Current Liabilities	116,456	161,158	39,958	112,705	357,055	161,158
Other Liabilities	0	0	0	0	0	0
Debt Obligations	0	0	0	0	0	0
Total Liabilities	116,456	161,158	39,958	112,705	357,055	161,158
Shareholders' Equity	6,065,238	9,401,315	419,503	3,202,978	6,836,886	9,711,886
Total Liabilities & Equity	6,181,694	9,562,473	459,461	3,315,683	7,193,941	9,873,044
Book Value (S.E.) Per Share	$0.16	$0.21	$0.04	$0.13	$0.18	$0.21

Source: Company and eResearch

COMMENT: *Cassidy Gold is flush with cash. In the last few months, it has raised over $6.6 million. Its capex program for the ensuing year is approximately $4.0 million, to be spent primarily on the Kouroussa Project. The additional equity raised is not without its accompanying dilution. Total shares outstanding have risen from 38.4 million at the end of fiscal 2004 to an estimated 45.27 million at October 31, 2005 and currently to about 58.27 million. Thus, on a pro-forma basis to account for the $6 million recently raised, cash in the bank is about $6.4 million, total assets are about $15.87 million, shareholders' equity about $15.71 million, and book value per share is about $0.27. The Company is currently on a sound financial footing.*

VALUATION

We have valued Cassidy Gold using two methodologies: (1) per attributable resource ounce; and (2) mineral property evaluation.

1. Per Attributable Resource Ounce

To date, Cassidy Gold has defined a NI 43-101 compliant inferred mineral resource. Therefore, the tangible value in the company lies in these resource ounces plus the blue-sky opportunities from adding additional gold resource ounces on its projects in Guinea.

Inferred resources now stand at 433,000 ounces in 4,933,000 tonnes averaging 2.7 g/t gold. This represents an increase of 118,000 ounces, or 37%, over the March 2002 resource with 50,000 ounces added at Sanu Filanan, 51,000 ounces at JJ, and 18,000 ounces at Sanu Folo. A 0.7 g/t gold cut-off grade was used.

Since Cassidy Gold has not yet established reserves, we can value the Company on the basis of "per attributable gold resource ounce". In our opinion, given the stage of Cassidy Gold's exploration programs, especially for the Kouroussa Project and its quality of deposits and the access and ease of mining them, plus the considerable opportunities to add substantial additional resources, we believe the appropriate range (quite wide) is US$50 to US$150 per attributable resource ounce, as shown in the table below.

Table 2: Matrix of Values Per Attributable Resource Ounce

Per Attributable Gold Resource Ounce	US$50	US$75	US$100	US$125	US$150
Market Cap (C$ @ C$1=US$0.85) Using 433,000 Resource Ounces	$25,470,588	$38,205,882	$50,941,176	$63,676,471	$76,411,765
Value Per Fully Diluted Share Using 63,678,424 Shares	$0.40	$0.60	$0.80	$1.00	$1.20

Source: eResearch

Using the US$100 per ounce mid-point, the intrinsic value of Cassidy Gold is equivalent to $0.80 per share.

2. Mineral Property Analysis

The book value of Cassidy Gold's Mineral Properties is $8.56 million. The Company's market capitalization is currently $34.38 million. Thus, the market is attaching a premium to the Company's Mineral Properties of 4.00x. Companies with similar types of operations as Cassidy Gold generally have ratios in the range of 4.00x to 6.00x. We expect Cassidy Gold's ratio to trend higher based on the promising nature of the Kouroussa Project, and the blue sky potential and the historical nature of these large saprolite gold deposits found in West Africa. If we take the mid-point of 5.00x as a target for Cassidy Gold to achieve, the Company's market cap would approach $42.80 million which, on our assumed shares outstanding of 63.67 million, translates into an intrinsic value of $0.67 per share.

3. Conclusion

Our two methodologies resulted in intrinsic values of $0.80 and $0.67 per share for Cassidy Gold.

Against the back-drop of bullish sentiment for the industry and gold in particular, and given that the Company now has the required funding to expand its resource on the Kouroussa Project, and also to investigate the blue sky potential of the several gold in-soil anomalies identified on the vast property, we are setting our 12-months Target Price at approximately the mid-point, at $0.75 per share.

APPENDIX 1: LOCATION OF GUINEA

Source: Company

NOTES

ANALYST CERTIFICATION

Each Research Analyst who was involved in the preparation of this Research Report hereby certifies that: (1) the views, opinions, and recommendations expressed in this Research Report reflect accurately the Research Analyst's personal views concerning any and all securities and issuers that are discussed herein and are the subject matter of this Research Report; and (2) the fees, earnings, or compensation, in any form, payable to the Research Analyst, is not and will not, directly or indirectly, be related to the specific views, opinions, and recommendations expressed by the Research Analyst in this Research Report.

***e*Research analysts on this report: Robert Simpson, M.A.** is an experienced writer, editor and journalist with extensive experience in the mining sector. He has written for numerous well-known publications, including Canadian Mining News, the National Post, The Globe and Mail, the Vancouver Sun, and Resource World magazine.

Bob Weir, B. Comm, B.Sc., CFA. has 38 years experience both in equity and fixed-income research, and in industry (real estate and retailing). He was at Dominion Bond Rating Service (DBRS) from 1994 to 2001, latterly as Executive Vice-President responsible for conducting the day-to-day management affairs of the company.

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*e*Research Recommendation System

Strong Buy: Expected total return within the next 12 months is at least 40%.

Buy: Expected total return within the next 12 months is between 10% and 40%.

Speculative Buy: Expected total return within the next 12 months is substantial, but Risk is High (see below).

Hold: Expected total return within the next 12 months is between 0% and 10%.

Sell: Expected total return within the next 12 months is negative.

*e*Research 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, early stage of development, unproven operating plan, 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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