

May 17, 2010

## Bravo Gold Corp (BVG-V, \$0.21)

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**Research Comment: NOT RATED**

### Event: Bravo Announces Updated Resource Estimate at Homestake Ridge

- Bravo Gold has announced an updated resource estimate – at a higher cut-off grade – and a revised timeline for preliminary engineering work on the Homestake Ridge project located within a VMS belt in NW British Columbia which hosts high-grade mineralization at the Eskay Creek, Premier and Snip mines.
- The resource was re-estimated using a 3 g/t Au cut-off (previously a 0.5 g/t au cut-off was used) to accommodate an underground mining scenario, and is now grade capped. The commencement of a Preliminary Economic Assessment (anticipated in late 2010) will also be delayed in favour of further delineation of the Homestake Silver zone and testing of six high-priority exploration targets.
- The resource estimate now includes drill results from the Homestake Silver Zone (1.2 Mt grading 4.25 g/t Au, 158 g/t Ag and 0.05% Cu). Total global ounces (Measured, Indicated and Inferred) now total 539,000 oz Au, 9.3 M oz Ag and 10.5 M lbs Cu or 717,500 AuEq Au oz using Haywood's long term metal price assumptions of US\$850 / oz Au, US\$13.75 / oz Ag and US\$2.25 / lb Cu. This compares with a global resource (estimated in March 2007 using a 0.5 g/t au cut-off) of 903,000 oz Au, 5.7 M oz Ag and 28.8 M lb Cu or 1 M oz AuEq Au oz using Haywood's long term metal price assumptions.

May 2010 Resource Estimate using a 3 g/t Au cut-off

	Tonnes	Au (g/t)	Au (oz)	Ag (g/t)	Ag (oz)	Cu (%)	Cu (lb)
Main Homestake							
Indicated	888,000	6.69	191,002	47.2	1,347,574	0.15%	2,936,554
Inferred	1,140,000	5.02	183,995	50.9	1,865,608	0.25%	6,283,167
Homestake Silver							
Inferred	1,200,000	4.25	163,971	158.0	6,095,875	0.05%	1,322,772

March 2007 Resource Estimate using a 0.5 g/t Au cut-off

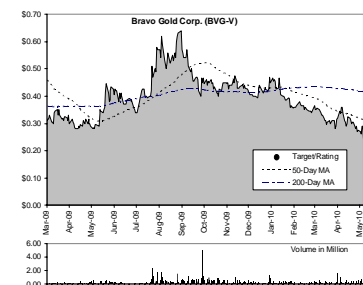
	Tons	Au (g/t)	Au (oz)	Ag (g/t)	Ag (oz)	Cu (%)	Cu (lb)
Main Homestake							
Inferred	11,900,000	2.36	902,935	15	5,738,996	0.11%	28,858,476

Source: Bravo Gold

Current Price \$0.21  
 YTD Performance -50%  
 Dividend / Yield n/a  
 52-Week High / Low \$0.67 / \$0.24  
 Shares O/S 148 million (basic)  
 187 million (F/D)

Market Capitalization \$31 million  
 Cash \$8 million  
 Enterprise Value \$23 million  
 Daily Volume (3 mo avg) 439,863  
 Currency C\$ unless noted  
 Company Web Site bravoventuregroup.com  
 CEO, President Joe Kizis

#### Price Performance



Source: Capital IQ & Haywood Securities

Please see rating structure, important disclosures, risk profile parameters, disclaimers, and notes on pages 4 to 6 of this report.



- Permitting and planning for the upcoming field season is under way with the dual goal of expanding the Homestake Silver deposit and discovering additional new deposits at six high-priority exploration targets identified in large part from the 630-line-km airborne geophysical program conducted last season. The company plans a 12,000-m drill program of over \$6-million. Favourable snow conditions should allow drilling to begin mid-June.

***Implication: Revised Resource Estimate Delivers Better Quality Resource - but Sacrifices Gold ozs and Copper lbs***

While the revised resource estimate at Homestake Ridge (estimated using a 3 g/t Au cut-off compared with a 0.5 g/t Au previously) captures less gold ounces and copper pounds, its quality is enhanced by using a higher cut-off grade, converting Inferred resources into the Indicated category and higher grades. A 33% loss in AuEq oz is compensated for by a 120% increase in gold grades (5.2 g/t Au average) and 500% increase in silver grades (90 g/t Au average).

The Company's plan to delay a Preliminary Economic Assessment planned for year-end in favour of more exploration is a wise decision considering the higher and more realistic economics necessary to prove the underground economic viability of the project. Look for an aggressive exploration program aimed at expanding the Homestake Silver deposit and discovering additional new deposits at six high-priority exploration targets on the property. The Company has adequate funds (\$8 million) to fund a 12,000-m drill program budgeted at over \$6 million and due to start in June.





**Bravo Gold Corp.** TSXV:BVG Price \$0.21 May 17, 2010  
 Shares O/S (M) 147.9 MCap (C\$) (M) \$31.1

Comment: With a comprehensive portfolio of properties in three well recognized North American precious metal mining districts - including the high grade Homestake Ridge - host to a resource of 900,000 oz and recent bonanza grade drill results, Bravo is primed to continue to expand on its exploration success at Homestake Ridge through 2010.

**Investment Highlights**

- North American-focused advanced precious metals exploration - British Columbia, Alaska, Nevada.
- Key property - Homestake Ridge - located within a VMS belt which hosts high-grade mineralization at the Eskay Creek, Premier and Snip mines - NI 43-101 Inferred resource - 903,231 oz of Au (2.36 g/t Au) & 5,745,746 oz Ag (15 g/t Ag) - currently defining internal high-grade zones .
- Three main zones: Homestake Main; Homestake Silver and Vanguard Gold.
- Aggressive follow up drilling planned, 12,000 - 15,000 m extension and exploration drilling planned.
- Testing of 6 Th/K anomalies planned.
- Spin-off approved for Nevada assets into explorco - Bravada Gold Corporation and include \$1.5M cash - Bravo owns 44% of Bravada Gold. 1 share of Bravada for 10 shares of Bravo.
- Bravada Gold (40% owned by BVG) - 13 projects - two projects subject to exploration agreements with Barrick Gold Corp - on Nevada's Battle Mountain Trend.

**Catalysts**

**Homestake Ridge:** Aggressive exploration planned - 12,000 - 15,000 m extension and exploration drilling planned - testing for vertical and lateral extensions of high-grade mineralization plus testing of Th/K targets - June start up planned.

**Peer Group Companies**

		Price (C\$)	MC (C\$) (M)
TSX:QMI	Queenston Mining Inc.	\$4.55	\$296.95
TSXV:KSK	Kiska Metals Corporation	\$0.91	\$56.17
TSXV:AHR	Amarc Resources Ltd.	\$0.46	\$39.01
TSXV:BVG	Bravo Gold Corp.	\$0.21	\$31.06
TSXV:VMS	VMS Ventures Inc.	\$0.26	\$29.64
TSXV:HLO	Halo Resources Ltd.	\$0.05	\$6.79

**Estimated Burn Rate (C\$) (M)\* provided by Co**

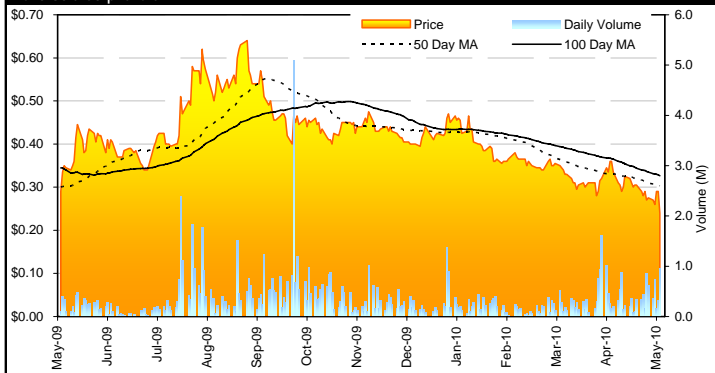
	Exploration Timetable
April 26, 2010 cash & equiv	\$8.0
Homestake Ridge	- \$6.5 2010
Other Exploration	TBA
Admin Costs	- \$0.4 2010
Financings	\$0.0 2010
ITM Options / Warrants	\$0.0
December 2010 cash & equiv	\$1.1

Source: Haywood Securities, Bravo Gold Corp., Capital IQ  
 FX Rate USD\$/CAD\$: 1.1

**Key Properties**

**Homestake Ridge - 100%**  
 Location: British Columbia  
 Exploration Stage: Advanced Exploration  
 Description: 2,725 ha - mineralization hosted by stratigraphy similar to Eskay Creek, Premier and Snip mines. Potential for near surface bulk-tonnage Au deposit and high grade core  
 /Potential: Homestake Ridge: Originally owned by Teck Resources which held a back-in right on the property which was relinquished in April last year (2 times exploration expenses of \$8 million plus 20% exploration expenses a year) for 60%. Teck-Cominco retains an NSR. 35 km southeast of Stewart. Property hosts a number of historical workings (adits) mined in the 1920s. Infrastructure occurs nearby (hydro projects are being built nearby; road access is 4 km from the property; grid power is 30 km away). Overlain by favorable Jurassic-aged Hazelton Group stratigraphy, host to high-grade mineralization at the Eskay Creek, Premier and Snip mines. Drilling to date: 9,320 m in 28 drill holes on three targets: the Main Homestake zone (123 holes for 28,836 m), the Vanguard Gold zone and the Homestake Silver zone (27 holes for 8,890 m). Inferred resource estimate (903,231 oz Au and 5.7 million oz Ag) defined at Homestake Main. Potential over 1,850 m of strike length (Homestake Main and Silver Zones). 3 D modeling confirms a sub-horizontal and step-like distribution of mineralization and enables targeting of higher grade intervals (+3g/t Au). Selected results include 73 m down-hole intercept (approximate 52 m true width) averaging 20.99 g/t Au (Hole HR08-87). Blanket style mineralization identified upper portion of intercept - potential for HG feeder mineralization lower. Recent drilling directed at identifying new HG Au mineralization at Homestake Silver - Significant gold grades identified in Silver Zone (Hole HR09-165) 24.4 m averaging 12.1 g/t Au and 6.8g/t Ag. Au recoveries - 87 - 92% for Homestake Main. Low Th/K Ratios indicate strong potassic alteration and potential for exploration upside - 6 new targets identified. Additional metallurgical testing planned. Revised resource estimate announced  
 Reserve/Resource: NI-43 101 Indicated Resource: 0.88 Mt @ 6.69 g/t Au and 47 g/t Ag and 0.15% Cu (191,002 oz Au; 1.35 M oz Ag), Inferred Resource: 2.3 Mt @ 4.63 g/t Au and 105 g/t Ag and 0.15% Cu (347,966 oz Au; 7.9 M oz Ag) at a 3 g/t Au cut-off.

**Bravo Gold Corp. Chart**



**Corporate Contact**

President/CEO: Joseph A. Kizis  
 Website: www.bravogoldgroup.com Telephone: 604.684.9384

**Capital Structure (C\$) (M)**

Shares O/S* - Basic, F.D.	147.92	187.44		
(C\$) (M)	Av Strike	Basic	ITM	Proceeds
Cash & Equiv				\$8.00
Options	\$0.50	15.77	0.00	\$0.00
Warrants	\$0.44	23.75	0.00	\$0.00
Total Cash & ITM		39.52	0.00	\$8.00
Market Cap				\$31.06

**Trading Statistics (C\$)**

52 Week High / Low	\$0.67 / \$0.24
Average Daily Vol (M)	0.37

**Ownership (M)**

	Management	Institutional
Shares	12.57	14.79
% O/S	8.5%	10.0%

**Analyst Coverage**

# Analysts	0
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**Last Financing**

06-Oct-09	\$7.7 million	Brokered Private Placement	6.4M units @ \$0.45 w/0.5 warr @ \$0.50; 11.1M FT units @ \$0.50 w/0.5 warr @ \$0.60
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**Nevada - 100% (Bravada Gold - 40% owned by BVG)**

Location: Nevada  
 Exploration Stage: Exploration  
 Description: Comprehensive property portfolio of 13 projects totaling 1,471 claims and over 46.5 sq miles on prolific Battle Mountain - Eureka Gold Trend  
 /Potential:  
 Current: 13 projects - two projects subject to exploration agreements with Barrick Gold Corp. Properties include Mountain Boy, South Lone Mountain, Gabel Canyon, HO, South Gold Bar, Three Bar, Pete Hanson, North Lone Mountain, Granite Mountain, Shoshone Pediment. Assets to be spun-off into Nevada-focused explorco - Bravada Gold Corporation.  
 Reserve/Resource: None





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- n/a

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**SECTOR UNDERPERFORM** – Investors are advised to sell the security or hold alternative securities within the sector. Stocks in this category are expected to underperform relative to their sector. The category also represents stocks with unattractive forecast returns relative to alternative investments.

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**Financial Risk:** *High* – The business plan is not fully funded, but requires debt and/or equity financing. The exploration program is funded for two years or less. This categorization does not predict whether the additional funds will be raised. *Moderate* – The development plan is fully funded, with the exploration program funded for three years or more. The Company's debt is rated below investment grade. *Low* – The Company is fully funded. Its debt is rated investment grade and/or the Company has a history of profitability or dividend payments in each of the last three years.

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

**Political Risk:** *High* – Currently no industry activity or infrastructure exists. Government opposition is significant. Obtaining permits is challenging. *Moderate* – Industry activity or infrastructure is minimal. Government at national, regional, and local levels is indifferent. Obtaining permits is relatively straightforward. *Low* – Industry activity and infrastructure exist. Government is supportive. Obtaining permits is facilitated.

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	Distribution of Ratings		IB Clients
	%	#	(TTM)
S/O	47.6%	68	74.3%
S/P	4.2%	6	5.7%
S/U	2.1%	3	0.0%
T	0.7%	1	0.0%
UR (S/O)	7.0%	10	8.6%
UR (S/P)	3.5%	5	0.0%
UR (S/U)	0.7%	1	0.0%
dropped (TTM)	34.3%	49	11.4%

