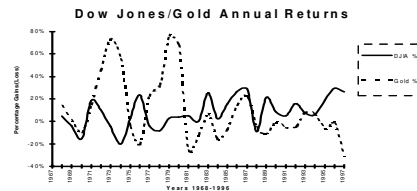




Gold

Energy & Tech Stocks



Weekly Hotline Message

(Now in our 29th Year)

July 23, 2010

New Buy Recommendation

Millrock Resources Inc.



Business: Employs the project generator model to explore and develop elephant sized projects in Alaska and Arizona

Traded TSX Venture:	MRO
Shares Outstanding:	58,689,695
Fully Diluted:	72 million
Price July 23, 2010:	\$0.42
Market Capitalization:	\$24.6 Million
Cash:	\$4 million
Historical Gold Resource (Non 43-101 Compliant):	500,000 oz.
Telephone Number:	(604) 638-3164
Website:	www.millrockresources.com

With quite a few years of experience investing and researching mining stocks, I have become increasingly enamored by the project generator model, no doubt because as we age our tolerance for risk declines. As Rick Rule told me on my radio show, he has had so much better luck with companies employing this model than with run of the mill junior resource companies. Though companies employing this business model may take a bit longer and appear less exciting than those companies actively exploring their own projects, the micro-cap companies in this segment of the industry can also provide some great excitement when discoveries are made, especially when their market caps are so small as is the case with Millrock Resources. What makes this model so successful for early stage investors over the longer run is their ability to stay alive and thus provide enormous upside potential without diluting their shareholders into oblivion. Moreover, diversification of property interests not only reduces risk but also can increase the probability that at least one project will provide patient shareholders with a major payday.

Last week on *Turning Hard Times into Good Times* I had the honor of interviewing Gregory Beischer, the president and CEO of Millrock Resources. You can listen to my discussion with Mr. Beischer at <http://www.voiceamerica.com/voiceamerica/vepisode.aspx?aid=47465>. I am convinced this company has a very good chance of having one or more major gold and/or copper discoveries in Alaska and Arizona, where it has prestigious companies such as Kinross, Teck, Inmet, Altius Minerals, and Vale spending money to earn into various projects Millrock has. In case you are not familiar with Vale, it is a Brazilian company that is reportedly the second-largest mining company in the world when measured by revenues.

These major mining companies are attracted to Millrock for at least two reasons. First, they are impressed with the track record of this management team. Secondly, they are interested in the potential to uncover something big on the target prospects Millrock owns.

One of the properties that could soon come in big is the Bluff Prospect in western Alaska, where a historical resource of 500,000 ounces had been outlined in the past. The company has just started drilling on that property so we should see some assays results in the weeks to come. The objective here is to confirm the 500,000 ounces and expand that resource.

One of the most exciting prospects from my point of view is the Estelle Property. This is a multimillion-ounce gold target that shows similarities to NovaGold's 40-million-oz. Donlin Creek Deposit. Millrock has worked on this prospect for a couple of years. The challenge for a junior with a property like this is that it is expensive to explore because access is only via helicopter. Go it alone and you can dilute your shareholder interest very significantly in just a drill season or two. Thankfully from the view of Millrock shareholders, Teck is spending its money to explore this property. For Tech, the cost of spending to explore a remote location in which its geologists think could host a major gold deposit, is no big deal and their shareholders will hardly feel or see an impact from it.

Kinross has entered into a joint venture agreement with Millrock that covers a 900-square-kilometer area of interest that includes the Council and Albion properties and Warm Creek claims. Kinross can earn 55% on these properties by paying Millrock US\$260,000 and spending a minimum of US\$500,000 this year.

Millrock signed a strategic alliance with a subsidiary of Altius Minerals last year for the exploration of the Kahiltna Terrane in Alaska. The 50/50 joint venture arrangement is located 130 to 150 kilometers northwest of Anchorage and hosts gold-rich and copper/gold/molybdenum-rich porphyry targets that were identified in the 1970s.

Inmet can earn a 70% interest in both the San Jose and Dry Mountain properties by spending US\$4 million on exploration and making option payments of \$300,000 to Millrock. Millrock is the operator on this property and \$500,000 will be spent this year.

Vale can earn a 60% interest in the Galiuro Property in Arizona. To earn its interest, Vale is required to spend \$3.5 million in exploration on the property and pay Millrock \$850,000 cash before 2013.

Any one of these properties but almost certainly not all of these properties will come up big. But if just one of them does come in big, this micro-cap company can see its shares head straight for the moon. And now that management is devoted to the project generator model and getting other companies to spend high-risk capital, this is a company that I feel compelled to tell you about and to add to my list of recommended gold shares.

MANAGEMENT

Last but not least, check out this management team:

Gregory Beischer, B.Sc., CPG - President & CEO, Director - Mr. Beischer is a seasoned explorationist with a solid track record of success, previously with Inco Ltd., and the Bristol Bay Native Corporation. He is a geologist and mining engineering technologist having graduated from Laurentian University (1987), Sudbury, Ontario, and the Haileybury School of Mines (1981), Haileybury, Ontario. Mr. Beischer is a certified professional geologist (#10505) with the American Institute of Professional Geologists. Mr. Beischer is currently the President of the Alaska Miner's Association, and serves on the Alaska Minerals Commission. Mr. Beischer is the recent Past-President of the Alaska Miner's Association, and serves on the Alaska Minerals Commission.

Philip St. George, B.S (Geol.) - Vice President of Exploration - Philip St. George obtained his bachelor's degree in geology from the University of Idaho. He is an exploration geologist with some

significant discoveries to his credit. Mr. St. George was the first to recognize the porphyry mineralization at the Pebble deposit in Alaska, and led the Cominco team that drilled out the initial 500 million tons of gold-copper-molybdenum mineralization. As the Vice-President of Exploration for Novagold Resources (1998 - 2003), Mr. St. George was instrumental in building that company's portfolio of projects.

Sarah Whicker, B.S., M.Sc. - Vice President, Sustainable Development - Sarah Whicker graduated Cum Laude with a B.S. in Environmental Science and Policy from the University of Arizona in 2003. In 2004, she completed the M.Sc. Environmental Technology and Business program at Imperial College London with her final thesis project focusing on local stakeholder engagement in the junior mining industry. Since 2004, Ms. Whicker has primarily worked as a business and sustainable development consultant for junior mining companies based out of Vancouver, British Columbia. She was the President and Business Development Manager of Kirkness Diamond Drilling in Carson City, Nevada while consulting for parent company Mosquito Consolidated Gold Mines in 2007. Ms. Whicker began consulting for Millrock in March 2008 after moving back to her home State of Alaska. She works in Anchorage where she is an active member of the political and resource development communities.

Kulwant Sandher, B.Sc., CA – CFO - Kulwant Sandher is a Chartered Accountant whose first degree was a B.Sc (Eng) in Avionics. He has 19 years of experience in finance management roles in companies such as Wang Europe and Wang U.K. Limited, Rennie & Company Chartered Accountants, Maximizer Technologies. He has served as CFO for The Stallion Group, Serebra Learning Corp, Conac Software Corp, and served as a COO for Marketrend Interactive Inc. Currently, Kulwant is serving as a Director and Chief Financial Officer of Delta Oil & Gas Inc.

Janice Davies - Corporate Secretary - Ms. Davies is a highly experienced corporate secretary, having worked in office administration for the past 29 years. She obtained a diploma from the Sir George Williams University in Quebec as a business stenographer in 1974. She has extensive experience with exploration companies, and brings a broad knowledge of the public company mining sector, as well as strong office management skills and excellent corporate communications. Ms. Davies is a self-employed consultant and acts as an officer of several publicly traded companies listed on the Exchange.

Roland Butler, B.Sc., Geology – Director - Mr. Butler graduated from Memorial University in Newfoundland and Labrador (B.Sc., Geology) in 1996 and was the co-founder of Altius Minerals Corporation (ALS:TSX). He served as Vice President and Director of Altius from listing in October 1997 through to March 2010 and also served as CFO until 2003 and COO from 2007. During that time, he played an integral part in a successful business model of generating mineral exploration projects and pursuing joint venture and royalty agreements or creating new companies with third parties. He was also co-recipient of the Entrepreneur of the Year Award 2008 by the Faculty of Business Administration, Memorial University on behalf of Altius Minerals Corporation.

Darryl Cardey, CA Director - Mr. Cardey obtained a Bachelor of Commerce degree from the University of British Columbia in 1990. Mr. Cardey has served as an officer and/or director of several publicly traded companies, and is the principal of Cardey Management Corp., a private British Columbia venture capital firm, and has extensive corporate finance contacts both in North America and Europe. Mr. Cardey is founder and Directors of Underworld Resources

Charles C. Hawley, B.A., Ph.D – Director - Dr. Hawley obtained a B.A. in Geology from Hanover College, Indiana in 1951 and joined the U.S. Geological Survey in 1952 after graduate studies at the University of Wisconsin. He earned a Ph.D. in geology from the University of Colorado in 1963 and worked for the Geological Survey until 1968. Dr. Hawley has been instrumental in developing precious metals and copper in the Alaska Range, Seward Peninsula, and Brooks Range, working as a field

geologist, consultant and executive officer of junior mining companies since 1969. He was Executive Director of the Alaska Miners Association from 1976-1979, on the National Advisory Committee to the U.S. Bureau of Land Management from 1989-1992 where he chaired the Mining Law Task Force and is a member of both SME and Fellow of the Society of Economic Geologists. Dr. Hawley is registered as a geologist in the State of Oregon and is a Certified Professional Geologist in the AIPG.

THE BOTTOM LINE: This company has a number of gold and copper projects that have elephant-size potential. It also has major mining companies as joint-venture partners that not only spend high risk exploration dollars to explore those properties, but they also put cash into Millrock's coffers, which Millrock uses to acquire still more earlier stage projects. I see the involvement of major mining companies as an endorsement of the Millrock's management team and also as confirming the potential of finding one ore more world class gold and/or copper deposits. Keep in mind, the major companies are not interested in putting their investment dollars into a project unless they believe it has a chance to become very large.

A strong management team combined with a number of properties with world class mineral potential with major mining companies developing them and a still miniscule market cap combine to provide the rationale for adding this company to our portfolio. Be sure to listen to my interview on Turning Hard Times into good times with Gregory Beischer at <http://www.voiceamerica.com/voiceamerica/vepisode.aspx?aid=47465>

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