

Growth Stocks Weekly

Publisher: Diversified Financial Solutions, Inc. ~ **Since:** May, 1995 ~ **Editor:** Richard Reinhard ~ **E-Mail:** rreinhard@shaw.ca

Performance: Year ended April 1996 116.9%; 1997 28.1%; 1998 36.4%; 1999 39.4%; 2000 180.9%; 2001 -50.5%; 2002 18.7%; 2003 28.8%; 2004 166.7%; 2005 28.2%; 2006 153.3%; 2007 8.8%

Junior Gold and Natural Resource Sector Report

December 10, 2007

Early-Stage Gold Developer

LERO GOLD CORP. (LER-TSXv)



Daily chart, High C0.66, Low \$0.21, Last Trade \$0.66

Lero Gold Corporation (LER-TSX Venture) was formed through a reverse takeover transaction with Oriel Resources PLC in July 2006. Oriel transferred its gold related assets into Lero to become its controlling shareholder. Oriel recently divested this control block to private interests, freeing Lero to pursue its future path independently and kick-start its quest for rapid growth.

Lero is focused on precious and base metal exploration in Kazakhstan, Kyrgyzstan and Russia, and is led by a senior management team with extensive expertise in mineral exploration and advanced project management, and proven access to highly accretive FSU (Former Soviet Union) assets. Lero has a strong portfolio of gold / base metal properties in central Asia.

- Lero's Taldybulak copper-gold porphyry target is situated within a strongly mineralized 1100m by 600m area within the prolific Tien-Shan gold belt, host to some of the world's largest gold deposits.
- Significant Soviet-era data and drilling is strongly supportive of an ability by Lero to significantly expand its Karchiga VHMS target within a very short time.
- Lero Gold has an active acquisition strategy with proven mine finders within the former Soviet Union sphere.

Lero Gold is seeking and evaluating additional advanced exploration stage gold and base metal projects, with a focus on the Tien Shan Metallogenic Belt, one of the largest and most prolific gold belts in the world. Gold Fields indirectly controls 8.99% of Lero Gold as a result of an alliance formed in 2006.

BACKGROUND

In May 2006 Lero agreed to acquire all of the issued and outstanding shares of Tournon Finance Limited (TFL) from Oriel Resources PLC, in exchange for 30 million common shares at 33 cents per share (\$10 million deemed value). As a result, Oriel became the majority shareholder in Lero, holding approximately 63% of the company's issued and outstanding shares. These shares were subject to a 36-month staged release escrow.

TFL was a private company whose principal asset was an indirect 100-per-cent interest in two licenses to explore for gold in the Zhalalabatsky region in the Republic of Kyrgyzstan. In addition, the company held options to acquire a 50-per-cent interest in the Taboga gold property located in the Madagan region of Russia and an option to acquire a 100-per-cent interest in a license for exploration in the Talas region of the Republic of Kyrgyzstan. The properties were exploration-stage mineral resource properties targeting primarily gold with base metal credits. At the time the transaction was agreed to, Lero was at arm's length to Oriel and TFL. The transaction received shareholder approval on July 20, 2006 and was completed with Exchange approval on July 26, 2006.

Concurrent with the reverse takeover, Lero placed 15,500,000 private placement unit financings to raise \$3,764,500 in net proceeds. It also issued options to purchase 4,000,000 shares at a price of \$0.35 per share, exercisable for a period of five years, to eligible directors, officers and employees, pursuant to its stock option plan.

In November 2006 Gold Fields invested C\$2.5M into Lero at C\$0.50 per share. In June 2007 Gold Fields invested a further C\$233,420 at C\$0.50 per share. If Gold Fields elects to enter into a JV, it has the right to earn up to a 60% interest in Taldybulak by funding exploration expenditures of up to C\$10 million. It can increase its interest in the project by a further 10% (to a total of 70%) by funding a further C\$10 million on a feasibility study.

In December 2006 Lero acquired a 70% interest in GRK-MLD LLP, a limited liability partnership incorporated under the laws of the Republic of Kazakhstan. GRK-MLD holds the rights to subsoil use for exploration and mining of copper on the Karchiginskoye Deposit in the Eastern-Kazakhstan Area of the Republic of Kazakhstan ("Karchiga"), with a contract to permit GRK-MLD to explore and mine at Karchiga. The consideration for the acquisition included repayment by Lero of certain historic expenses and the assumption of certain liabilities in connection with the exploration of Karchiga, and the issuance by Lero of 2,000,000 common shares.

In January 2007 Lero released drill results from an earlier drill program on the recently acquired Karchiga volcanic-hosted massive sulphide (VHMS) deposit in Kazakhstan. It confirmed mineralization consistent with historic Soviet drilling. All three drill holes confirmed the continuity and grade of the mineralization as reported by Soviet geologists in 1956.

In February 2007 Lero received drill results from the 100-per-cent-owned Taldybulak porphyry copper-gold licence in Kyrgyzstan and was granted the 232-square-kilometre Barkol exploration licence immediately to the west of Taldybulak. Assay results were received for the final hole (TBDD06-09) drilled at Taldybulak during November 2006. The hole intersected significant copper-gold mineralization from 38 metres to a depth of 190 metres, including 1.29 g/t Au and 0.27% Cu over 151 metres, including 74 metres of 1.95 g/t Au and 0.47% Cu.

In March 2007 Lero released the results of a geochemical survey carried out over the Taldybulak porphyry copper-gold project during late 2006. Analysis of the survey data has revealed two large copper-gold-molybdenum anomalies two kilometres to the east of the Taldybulak deposit. In addition, Lero acquired the data for a previously unrecognized Soviet-era drill hole. The hole is located two kilometres north-northeast of Taldybulak, and intersected propylitic- and potassic-altered diorite porphyry, the same lithology that hosts the Taldybulak deposit. Strongly anomalous gold grades were documented over a 100-metre interval with the hole ending in gold grades in excess of one gram per tonne. The hole was not analyzed for copper.

Taldybulak porphyry system may be significantly larger than previously recognized by Lero geologists and geochemical results suggest that there is strong potential for extensions to the mineralized system. Lero plans to test the area during 2007 with detailed geophysics, trenching and drilling. Lero and Gold Fields geologists believe that Taldybulak has the potential to develop into a medium-to-high-tonnage deposit.

The Taldybulak copper-gold porphyry project is located within the prolific Tien-Shan gold belt which is host to some of the world's largest gold deposits including Muruntau with 170 million ounces and Kumtor with 17 million ounces. Numerous other gold and base metals deposits have been discovered in the Tien-Shan belt, many of which are either being mined or still under investigation. Lero's results confirm the massive potential of the Taldybulak project. They have now identified a copper-gold mineralized system extending for more than three kilometres along strike, and which remains open at depths of greater than 500 metres. The replication of the Taldybulak system to the east and the possibility that mineralization may now extend beneath the valley sediments increases significantly the potential of the Taldybulak project.

In June 2007 Lero agreed to sell its wholly owned subsidiary TFL at a price of \$2.85-million (U.S.). TFL (Tournon) is the 100-per-cent beneficial owner of Oriel in Kyrgyzstan LLP, which holds the exploration and mining licences for the Tokhtazan and Akdjol areas in western Kyrgyzstan. Lero has chosen to focus on exploration of the Barkol copper-gold licence area. This sale

and purchase agreement recently expired, and Lero retained a non-refundable deposit. Other interested parties are being pursued.

In July 2007 Lero provided an update of continuing work at the Taldybulak-Talas Cu-Au porphyry project, northwest Kyrgyzstan. Lero and Gold Fields completed a comprehensive reinterpretation of geophysical and geochemical data previously collected. There is a strong indication that the system remains open to the northwest where there has been no previous exploration. The reprocessed geophysical data also corroborate the results of a 2006 geochemical survey which indicate that a second mineralized porphyry centre may be located beneath a thick soil profile and quaternary sediments approximately two kilometres east. Three drill rigs were mobilized at Taldybulak with drilling consisting of 5,000 metres. A review of reprocessed aeromagnetic data also highlighted the possibility of a third intrusive centre located farther to the east. Lero commenced an induced polarization (IP) and ground magnetic geophysical surveys to infill and extend areas over which data were acquired during 2005. Large areas of the system remain untested to date leading Lero and Gold Fields geologists to believe that Taldybulak has the potential to develop into a medium to high tonnage deposit.

Also in July 2007 Lero commenced a 2,500m diamond drilling program at the Karchiga volcanic hosted massive sulphide deposit (VHMS), north east Kazakhstan. A review of available historic Soviet data was undertaken to help design this drilling program to validate historic results from the Karchiga central ("KC") zone and to test the lesser explored Karchiga north east ("KNE") zone of the deposit. Mineralization on the two ore bodies is interpreted to strike in excess of 1,000m with much of the KNE mineralized envelope blind to surface. During the 1960's, two holes were drilled into the "blind" south east extension of the KNE with a spacing of approximately 250m. Both holes intersected a strongly mineralized structure returning intersections of 6.0m @ 4.9% Cu (hole 114) and two intervals of 3.5m @ 4.6% Cu and 2.4m @ 3.6% Cu respectively (hole 115). The KNE zone is located approximately 400m to the north east of the KC zone which was extensively explored in Soviet times. It is likely that the KNE represents a later phase of hydrothermal activity that fed the Karchiga main zone. The Karchiga VHMS deposit is located within the exploration licence held by GRK MLD, a 70% held subsidiary of Lero. The project is readily accessible and is situated on gentle undulating terrain. The deposit is geologically robust and is situated within the world class Rudny Altai VHMS belt, resulting in significant potential for the discovery of additional mineralization along 10 strike km of the fertile VHMS horizon contained within the licence perimeter.

On November 19, 2007 Lero engaged Canaccord Adams as selling agent for a private placement to raise C\$2,500,000. 10,000,000 common shares at a price of C\$0.25 per share will be sold to qualified investors. In addition, Oriel Resources holding 30,000,000 common shares (approximately 49.35 per cent of the current issued share capital of the Company), proposed to sell 100 per cent of its interest in the Company. 12,000,000 of these common shares are freely tradable, while 18,000,000 are still held in escrow and will be released in four blocks in January 2008, July 2008, January 2009 and July 2009. Freely tradable and escrowed shares will be pro-rated among the purchasers. Upon completion of the sale of shares by Oriel and the Private Placement, no shareholder directly or indirectly will own or exercise control over 10 per cent or more of the issued and outstanding common shares in the capital of the Company. The divestiture of Oriel's control block to private interests frees Lero to pursue its future path independently and kick-starts its quest for rapid growth.

Lero sees excellent potential to implement modern exploration techniques and detailed exploration of a number of existing geophysical and geochemical anomalies that to date remain inadequately tested within other parts of the licenses.

PROJECT DETAIL

KYRGYZSTAN (387km²)

Taldybulak Cu-Au Porphyry (43 km²)

- Northern Tien Shan Mineralization Belt includes Kumtor (17M ozs), Jeroy (2.5M ozs); Taldy Bulak Levoberezhny (3M ozs), Andash (1M ozs)
- Taldybulak-Talas area lies 250km west from Bishkek via bitumen road
- Elevation 1,970 to 2,100m, gentle topography
- October 2006 –Lero acquired 100% interest in Talas Copper Gold LLP, owner of the Taldybulak deposit
- Exploration license area covering 43km²
- The Kyrgyz State Agency for Mineral Resources approved the extension of the Taldybulak exploration license to 2010
- Targeted size of porphyry enlarged to 300Mt through newly acquired geochemical data and re-interpretation of existing geophysical data
- High grade core identified through drilling and petrographic study, 2007
- 5,000m drill program completed to November 2007
- 90 line km program of DD-IP completed to November 2007
- Results expected Q1 2008

The exploration target objective at Taldybulak is 10Moz Au equivalent. Comparisons include the multimillion ounce Cadia (>30Moz) and Oyu Tolgoi (>30Moz) Au-rich porphyry deposits which show remarkable similarity in geology and mineralization to Taldybulak-Talas.

Kentash Licence (46 km²)

- Numerous geochemical anomalies and mineral occurrences
- Au-Cu porphyry, Au-Ag volcano-intrusive style of mineralization with reported grades to 12 g/t Au, 300 g/t Ag and 1% Cu

Korgontash (including Tokhtonnisai Cu-Au Skarn) (66 km²)

- Gold associated with Au-Cu porphyry style mineralization and spatially related skarn lodes
- Multiple gold, silver and copper ore bodies have been identified, including within the **Tokhtonnisai** (skarn-type) project area Soviet C2 resource of 17.4 Mt @ 0.6g/t Au, 0.57% Cu, 3.2g/t Ag (+/-1Moz_Eq)

Barkol Licence Cu-Au Occurrence (232 km²)

- Granted in February 2007 at no cost to Lero Gold by the Kyrgyz State Agency for Mineral Resources
- Located immediately to the west of Taldybulak with volcanics extending under Devonian cover
- 2007 work identified 3 new geophysical anomalies
- Lero has undertaken an estimated annual expenditure commitment of US\$200,000
- Barkol exploration licence encompasses a further 22 strike kilometres of the Talas-Kemin volcanic arc

KARCHIGA EXPLORATION LICENCE, KAZAKHSTAN: 47.3km²

Karchiga Cu-VHMS (Copper-gold Volcanic Hosted Massive Sulphide) Deposit

- The Karchiga VMS deposit is located in the Rudny Altai VMS belt of Eastern Kazakhstan
- December 2006 –Lero acquired 70% ownership via GRK MLD LLP of the project with potential to increase
- Soviet C1 + C2 estimates of 6.3Mt @ 2.77% Cu (1.35 Moz Au Eq)
- Exploration license covering 47.3km²
- Extensive geochemical and geophysical exploration program commenced in Q2 2007
- 1,800m diamond drilling program completed in 2007
- 16km of IP
- 1,553 geochemical samples due for analysis

MANAGEMENT

Nicholas Royston Clarke, President & CEO, ACSM, CEng, MIMMM

Nick Clarke is a Chartered Engineer with 30 years mining experience since qualifying from Camborne School of Mines. Mr. Clarke has been Managing Director of Oriel Resources Plc. since 2003. He has spent some 16 years in production management in the mining industries of South Africa, Ghana, and Saudi Arabia where he held senior management positions in production and technical service departments. He has worked on a number of world-class mines including Ashanti Goldfields Corporation, Ghana and Mahd adh Dahab Mine, Saudi Arabia. In 1993 he joined CSM Consultants Limited (now Wardell Armstrong International Limited) to manage the mining, geology and processing consultancy department. Since this time he built the company into an internationally recognized minerals consultancy serving clients in the mining and financial services sectors and was appointed Managing Director in 1997. During this period Nick managed numerous multi disciplinary mining project studies in Kazakhstan, Kyrgyzstan, Uzbekistan, Romania, Macedonia and Tajikistan. In addition he has also undertaken project work in Europe and Africa. He has authored a number of Competent Persons reports for mining company AIM listings predominantly in the CIS. Most recently he was the Project Manager advising EuroZinc on their acquisition of the Neves Corvo Copper Mine in Portugal.

Dr. Sergey V. Kurzin, Executive Director, PhD

Dr. Sergey V. Kurzin is currently Executive Chairman and Chief Executive Officer of Oriel Resources Plc.

Dr. Kurzin is a Russian born research engineer who moved to the United Kingdom in 1990 and has been instrumental in initiatives to secure and progress several important FSU mining assets including:

- Julietta: high grade gold deposit in Magadan, Russian Federation (Bema Gold);
- Kupol: high grade epithermal gold deposit in Chukotka, Russian Federation (Bema Gold); and
- Varvarinskoye: gold & copper skarn deposit, Kazakhstan (European Minerals Corporation - ex-VP Corporate Development)

Dr. Kurzin has been an officer and consultant for the following companies' active in the FSU:

- Bema Gold - consultant on Kupol and Julietta gold developments
- Arian Resources Corp. (acquired by Bema) - ex. VP Corporate Development
- European Mineral Corporation - ex. VP Corporate Development
- Consolidated Puma Minerals Corp. - PGM in Kola Peninsula, Russia
- Zincox - Zinc project in Kazakhstan
- Eurasia Mining plc - PGM projects in Russia

Darryl J. Yea, Non-Executive Chairman

Mr. Yea is chair and chief executive officer of Datawest Solutions Inc., a Vancouver-based TSX company. Datawest provides banking and electronic payment outsourcing solutions to the financial industry. Previously, Mr. Yea was president and CEO of a national financial services organization where he was also responsible for the company's investment banking group. He was a member of the VSE's (now TSX Venture Exchange) board of governors during which he chaired or served on several committees including corporate finance, pre-listing advisory, and market ethics and conduct.

Marc Prefontaine, Director

Mr. Prefontaine has been President and CEO of Grayd Resource Corp. since 2002. He graduated with a B.Sc. in Geology from the University of Alberta and a M.Sc. in Mineral Exploration from Queen's University. He is a Professional Geologist with over 19 years experience in all facets of mineral exploration including Exploration Manager, and has worked extensively throughout

North and South America, South Africa and Central Asia for major companies as well as reputable junior companies. In combination with his extensive technical knowledge, Mr. Prefontaine also brings experience in management, corporate promotion and investor relations to the Company.

Mark Corra, Non-Executive Director, CMA

Mr. Corra joined Bema Gold Corporation in 1990 as Controller, and was appointed Vice President Finance in 1995. Previously he spent 11 years in accounting at Placer Dome. A Certified Management Accountant, with a diploma in financial management from the British Columbia Institute of Technology, he oversees financial reporting, cash management, tax planning and Bema's hedging program. Mr. Corra is also CFO of Consolidated Puma Minerals Corp., Victoria Resource Corp., and Consolidated Westview Resource Corp.

FINANCINGS

Feb 2006 Lero raised C\$2.5M @ C\$0.25

Nov 2006 Gold Fields invests C\$2.5M @ C\$0.50

June 2007 Gold Fields invests C\$233,420 @ C\$0.50

December 2007 Canaccord Adams C\$2.5M @ \$0.25 (no warrants, pending completion)

CAPITAL STRUCTURE (Nov 13 2007)

Issued Shares: **60,794,709**

Fully Diluted: **72,617,709**

Market Cap (C\$0.66): **C\$40M**

4.6M Options: @ **C\$0.35 & C\$0.38**

6.9M Warrants: @ **C\$0.75**

At September 30, 2007 the Company had cash of \$2.7 million.

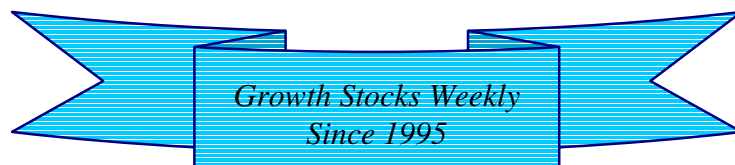
WEBSITE: <http://www.lerogold.com>

CONCLUSION

There are few undeveloped large-scale gold deposits in the world today. The Northern Tien Shan Mineralization Belt in particular offers an opportunity for speculators willing to bet on deeply-discounted assets given little if any value for their past Russian history. Past discoveries within the belt include Kumtor (17M ozs), Jeroy (2.5M ozs); Taldy Bulak Levoberezhny (3M ozs), Andash (1M ozs). Additional accretive acquisitions are likely given Dr. Kurzin's history and ability, and his connections within the FSU and Frank Giustra's Endeavour Financial Group. We are adding 75,000 shares to the model portfolio by way of the current financing and will top up this position in the public market over the next few weeks to hold 150,000 shares.

Your Source for High-Potential Early-Stage Growth Stocks Since 1995

www.growthstockswweekly.com



Copyright © 1995-2007 by Diversified Financial Solutions, Inc. All Rights Reserved.

DISCLAIMER

The information found in this profile is protected by copyright laws and may not be copied, or reproduced in any way without the expressed, written consent of the editors of Growth Stocks Weekly.

Growth Stocks Weekly is an independent electronic publication committed to providing our subscribers with factual information on selected publicly traded companies, business, and economics. All companies are chosen on the basis of certain financial analysis, and other pertinent criteria with a view toward maximizing the upside potential for investors while minimizing the downside risk, whenever possible with the added aid of technical analysis. Growth Stocks Weekly and its editors do not accept compensation from public companies featured in this publication.

All statements and expressions are the sole opinions of the editors and are subject to change without notice. A profile, description, or other mention of a company in the newsletter is neither an offer nor solicitation to buy or sell any securities mentioned. While we believe all sources of information to be factual and reliable, in no way do we represent or guarantee the accuracy thereof, nor the statements made herein.

The staff of Growth Stocks Weekly are not registered investment advisors and do not purport to offer personalized investment related advice. The publisher, staff, or anyone associated with, or associated to, the Growth Stocks Weekly may own securities mentioned in this newsletter and may buy or sell securities without notice.

The profiles, critiques, and other editorial content of the Growth Stocks Weekly may contain forward-looking statements relating to the expected capabilities of the companies mentioned herein. The reader should verify all claims and do their own due diligence before investing in any securities mentioned. Investing in securities is speculative and carries a high degree of risk.

We encourage our readers to invest carefully and read the investor information available at the web sites of the Securities and Exchange Commission ("SEC") at <http://www.sec.gov> and/or the National Association of Securities Dealers ("NASD") at <http://www.nasd.com>. We also strongly recommend that you read the SEC advisory to investors concerning Internet Stock Fraud, which can be found at <http://www.sec.gov/consumer/cyberfr.htm>. Readers can review all public filings by companies at the SEC's EDGAR page in the U.S. and SEDAR's electronic filing of securities information as required by the securities regulatory agencies in Canada at www.sedar.com. The NASD has published information on how to invest carefully at its web site.