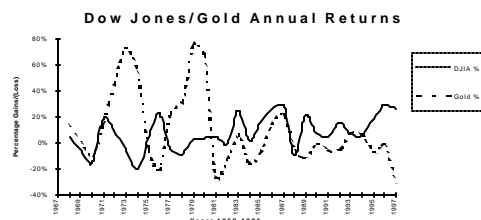




Gold & Technology Stocks



Weekly Hotline Message

(Now in our 24th Year)

December 22, 2005

New Buy Recommendation

Staccato Gold Resources Ltd



Traded TSX-V – CAT

Shares Outstanding: 35,399,928

Price 12/22/05: .30852

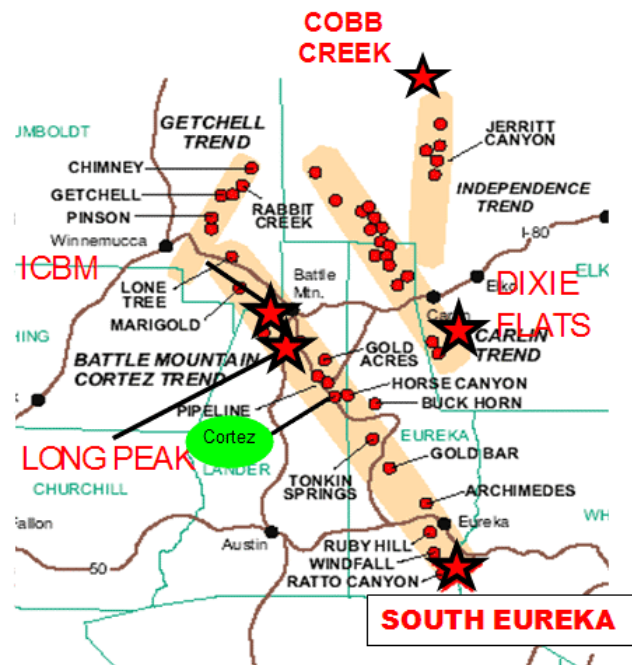
Market Capitalization: \$10.9 Million

Progress Rating: "C" Resource Without Eco. Study

www.staccatogold.com

604-682-8789

company's primary focus is in Nevada, where it has five advanced exploration gold properties located along Nevada's renowned gold-producing trends. In fact, all five properties have been the location of former producing open-pit gold mines.



Staccato's properties have excellent addresses not only in that they are located along these major gold-producing trends but also because they already located next to producing mines. Gold values have been identified on each of the five properties, and two of them already have identified gold resources. At **Cobb Creek** a 173,000-ounce resource has been identified, and on the **South Eureka** Property 445,000 ounces have been outlined to date.

Both of these properties are considered to hold excellent exploration potential, but it is the South Eureka that is most in focus now. On December 19, the company announced a blockbuster drill hole that perked up the share price on heavy volume. Hole number 3 hit multiple gold zones and graded 0.215 oz./tonne over 80 ft. Within that drill hole was a 3-ft.

section that scored 2.25 oz. gold/ton.

Most exciting about the latest drill results from the South Eureka is that it suggests the possibility that the company could be on to discovering a high-grade underground feeder zone that is renowned in Nevada as supplying lower-grade, open-pit oxide deposits common in Nevada. Profitable though these lower-grade surface deposits many times are, the really big money in Nevada has often been made from the high-grade underground deposits.

The **Long Peak** Property is considered prospective for both a low-grade, open-pit target as well as for a higher-grade underground prospect. On December 21, it was announced that joint venture partner Placer Dome has backed off this project one day before it was announced that Placer and Barrick have agreed to merge. Your editor expects it will not take long before Staccato gains another joint venture partner for this project if it so desires.

The Evans Claim on the **Dixie Flats** Property is adjacent to Newmont's Emigrant Springs Mine. Newmont's open-pit design is scheduled to extend right to the Evans Claim boundary. Some 23 drill targets have been identified on this 7,500-acre property, so we can look forward to some good drill results in the next year or two from this property.

The **ICBM** property, which is located along the Cortez Trend, is perhaps the least explored of the company's five properties. However, gold mineralization has been discovered along the contacts of Cambrian sediments and altered granodiorite. This style of mineralization is considered similar to that being mined by Newmont at its Fortitude/Phoenix Mine. Barrick Gold holds a 32.5% interest in this 1,300-acre property at this time.

MANAGEMENT

Robert Lipsett, President and Director – Robert Lipsett has over 25 years' experience financing and operating public and private companies and has extensive mining industry experience. Until recently, he was president and director of Primary Metals Inc., a publicly traded company with an operating tungsten mine in Portugal. From 1982 to 2001, he also owned and operated a gold mine in the Yukon Territories and was president of Parkcrest Explorations, a company with oil and gas interests in North and South America.

Greg Hryhorchuk, B. Comm., Vice President, CFO, and Director – Greg Hryhorchuk is a partner with Trafalgar Financial Group Ltd., a private venture capital company. He has over 20 years' experience in the North American newspaper and magazine industry. Mr. Hryhorchuk was vice president of Telemedia Communications Inc., Canada's largest magazine and radio operator, and was western manager for the *Globe and Mail*. Until recently, he was vice president of Torresan Communications, one of Canada's leading investor/media relations firms. Mr. Hryhorchuk is a founding director of Staccato.

Donald J. Decker, MSc (Geo), and Director - Mr. Decker is a professional geologist and entrepreneur with more than 30 years of successful mineral exploration experience, primarily in Nevada. Mr. Decker is a graduate of the University of Nevada, MacKay School of Mines and a resident of Elko, Nevada. An active member of the Nevada mining community, he is on the Board of the MacKay School of Mines as well as the Board of the Elko County Public Land Use Commission. Mr. Decker also controls 3200 acres at the Glamis/Barrick Marigold Mine and has held a significant royalty on Marigold production since 1989.

George Cavey, P. Geo., Director – George Cavey is president of OreQuest Consultants Ltd. At OreQuest he has supervised mineral exploration projects throughout North America and the world since 1982. Active in the mining community, he currently serves on the Canadian Securities Administrators

Mining Technical Monitoring and Advisory Committee, and was elected president of the Canadian Council of Professional Geoscientists for the 2002-2003 term. In addition, he has on occasion been engaged as a consultant to both the BCSC and the TSX Venture Exchange in matters related to mineral disclosure issues.

Christopher J. Pollard, LLB, and Director – Christopher Pollard is a Vancouver lawyer who has practiced business law for 25 years. He has extensive experience in acquisitions, secured lending, mining, and corporate finance. His background includes working with governments on a number of privatizations and the negotiations of joint ventures between government and industry. Mr. Pollard is also a founder and current director of Miramar Mining Corp.

Richard Russell, M. Geo, Exploration Manager – Rick Russell leads Staccato's exploration and development activities. He is the former director of exploration for Gold Fields Mining Company. Rick led the team that made the Twin Creeks discovery in northeastern Nevada. Now owned by Newmont, the deposit is more than 20 million ounces. Richard was also part of the team that discovered Mule Canyon (>1 million ounces) in the Northern Nevada Rift and drilled the first holes into Pipeline in the Cortez Trend.

Summary & Conclusion

The stock has run up considerably on recent strong news, increased excitement with regard to gold mine exploration in Nevada, and of course a resurgence of the junior gold-mining sector. Although the stock has risen considerably, keep in mind its market cap of around US\$10 million, which is still very inexpensive given its current resource but more importantly its prospects for discovering one or more significant gold deposits in Nevada.

We expect the stock may rise significantly higher in 2006, as we expect the junior sector to do very well. And of course with more positive drill results like the recent results from the South Eureka, it could do extremely well in 2006. However, the existence of some very cheap paper (i.e., shares purchased at 8.5 cents in 2005) could come on to the market with the recent price rise and thus serve to restrain upward price action at least for the time being. At least that is our hope so that our subscribers can climb aboard this exciting junior gold stock before this train leaves the station. As always, however, we want to remind you of our recommendation not to allocate more than 5% of your portfolio to this or any other single stock.

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