Zacks Small-Cap Research

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Golden Phoenix Minerals (GPXM-OTCBB)

GPXM: Recent announcement of a two-year $20 million credit facility should alleviate concerns.

Current Recommendation	**Outperform**
Prior Recommendation	Neutral
Date of Last Change	02/23/2012
Current Price (03/16/12)	$0.04
Six- Month Target Price	**$0.20**

OUTLOOK

Golden Phoenix is a junior mineral exploration company proceeding with an aggressive acquisition plan under a royalty strategy. A NI-43-101 compliant Initial Resource Report on the Santa Rosa mine was filed in January and drilling results at Mineral Ridge continue to be announced by Scorpio Gold. We maintain our Outperform rating despite the current legal disputes. The recent announcement of a $20 million credit facility through a non-binding term sheet with Maximilian Investors, LLC should alleviate concerns over the Notices of Default received by the company. However, we lower our target to $0.20.

SUMMARY DATA

52-Week High	**$0.17**
52-Week Low	**$0.04**
One-Year Return (%)	**-76.5**
Beta	**0.21**
Average Daily Volume (shrs.)	**751,990**
Shares Outstanding (million)	**330**
Market Capitalization ($ mil.)	**$13.2**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**2**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2012 Estimate	**N/M**
P/E using 2013 Estimate	**N/M**
Zacks Rank	**3**

Risk Level	**Above Average**
Type of Stock	**Small - Value**
Industry	**Mining - Gold**
Zacks Rank in Industry	**20 of 47**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010	0 A	0 A	43 A	65 A	108 A
2011	0 A	66 A	68 A	68 E	201 E
2012	69 E	70 E	70 E	71 E	210 E
2013					230 E

Earnings per Share
(EPS is operating earnings before non recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010	-$0.00 A	-$0.01 A	-$0.01 A	-$0.01 A	-$0.03 A
2011	-$0.01 A	-$0.02 A	-$0.01 A	-$0.01 E	-$0.06 E
2012	-$0.01 E	-$0.01 E	-$0.01 E	-$0.01 E	-$0.04 E
2013					-$0.02 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/M**

2011 quarterly EPS estimates do not equal annual EPS due to rounding.

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KEY POINTS

- After several challenging years pursuing production company status, Thomas Klein was brought in to revitalize Golden Phoenix in 2010. The company is now embarked upon a **royalty strategy**. Management is pursuing projects in various stages of development throughout North, Central and South America, with a preference for advanced stage projects that can brought to production within two years. Mine operations are being outsourced to motivated partners, who will incur the costs of bringing each property to production in exchange for a majority interest. Golden Phoenix seeks to retain a minority ownership position, which preferably will be converted into a royalty after a property reaches commercial production. A sense of urgency is now prevalent at the company.
- The **Mineral Ridge property** in Nevada began gold and silver production in April 2011. Operated by Scorpio Gold, Golden Phoenix retained a 30% interest in the project. Scorpio continues explore the property with reverse circulation (R/C) drilling in an effort to increase the resource base.
- Legal disputes over the Credit Agreement with Waterton and the Santa Rosa Acquisition Agreement with Silver Global, S.A. have created a period of uncertainty concerning the ability for Golden Phoenix to earn a 60% interest in the **Santa Rosa property** in Panama. However, the announcement of a $20 million credit facility with Maximilian Investors mitigates the apprehension over the company's predicament.
- Golden Phoenix has options to acquire 80% interests in the Vanderbilt and Coyote Fault properties adjacent to Mineral Ridge. An exploratory drilling program at Vanderbilt is planned for 2012.
- The **acquisition of Ra Resources** in the second quarter of 2011 added additional properties in **Shining Tree Ontario** to the company's portfolio.
- The quality of Golden Phoenix's newly acquired properties and management's royalty strategy have aided the company's **access to the capital markets** in order to fund acquisition, exploration and development costs.
- Consult the initiation report dated September 8, 2011 for full background information.
- We maintain our **Outperform** rating, but lower our target to $0.20.

RECENT NEWS HIGHLIGHTS

- The **Mineral Ridge property continues to be explored by Scorpio Gold**, Golden Phoenix' partner. Assays results were announced twice in January and once in February from reverse circulation drilling at the Mary zone. The results of the 58-hole program have increased the strike length from 600 meters to 780 meters, extending the gold mineralization into the adjacent Mary LC zone. (see Mineral Ridge - Recent Drilling Results section for details).
- A **NI-43-101**-compliant technical report with an **inferred resource estimate for Santa Rosa** was produced by SRK Consulting (SRK) and was filed with SEDAR in January. (see Santa Rosa – Recent Announcements section for details).
- Golden Phoenix received **Notices of Default** from Waterton Global Value, L.P. concerning the Senior Secured Gold Stream Credit Agreement and from Silver Global, S.A. concerning the Santa Rosa Acquisition Agreement. The notifications are a result of Waterton's refusal to grant the third tranche of funding under the Senior Secured Gold Stream Credit Agreement, which in turn resulted in the failure to make the payment on the Santa Rosa Acquisition Agreement originally due in mid-December. (see Recent News section for details).

RECENT NEWS

On February 29, 2012, Golden Phoenix Minerals closed a 2,500,000 share **private placement** with Lincoln Park Capital, LLC, for gross proceeds of $100,000. The private placement also included the issuance of 2,500,000 five-year warrants exercisable at $0.06 per share.

On February 29, 2012, Golden Phoenix Minerals entered into a **two-year $20 million credit facility** through a non-binding term sheet with Maximilian Investors, LLC. The facility is available for debt repayment and the advancement of current projects. A definitive closing document is expected after appropriate due diligence.

On February 29, 2012, Golden Phoenix Minerals announced that **SRK Consulting** will perform an independent analysis and conduct a **full due diligence review of the Mineral Ridge project**.

On January 5th and 17th and again on February 28th 2011, Scorpio Gold released reverse circulation (RC) drilling results on the **Mary zone** at the Mineral Ridge gold project in Nevada. The results of the 58-hole program have increased the strike length from 600 meters to 780 meters, extending the gold mineralization into the adjacent Mary LC Zone. (see Mineral Ridge - Recent Drilling Results section).

On January 24, 2012, Golden Phoenix Minerals received a **Notice of Default** and Acceleration from Waterton Global Value, L.P. concerning the Senior Secured Gold Stream Credit Agreement dated September 26, 2011. Waterton claims that since Scorpio Gold did not achieve commercial production at Mineral Ridge[1], Waterton was not obligated to provide the next tranche of funding to Golden Phoenix when it was requested in December. However, Golden Phoenix was depending upon the next tranche to make a payment on the Santa Rosa Acquisition Agreement. Since the payment on Santa Rosa was not made when originally due in mid-December, Waterton states that the entire unpaid principal balance plus fees, interest and costs ($8,311,034.48) is immediately due. Golden Phoenix believes there has been no default on repayment. The first payment due to Waterton is scheduled for March 30, 2012. The necessary postponement of the payment on the Santa Rosa Acquisition Agreement is a direct result of Waterton's refusal to provide the tranche of funding under the Credit Agreement. In addition, Waterton is proposing an early exercise of its option to acquire Golden Phoenix' 30% interest in Mineral Ridge. The option was originally granted in the Credit Agreement and exercisable no sooner than May 3, 2012.

Concerning the late payment on the Santa Rosa Acquisition Agreement, Silver Global, S.A. gave Golden Phoenix a **Notice of Default** in early February, and provided a **Notice of Termination** of the Santa Rosa Acquisition Agreement.

Management of Golden Phoenix believes that there was no event of default under the Credit Agreement with Waterton and that there is no default under the Santa Rosa Acquisition Agreement. The company plans to defend and assert its rights to the full extent under law.

OVERVIEW

Based in Las Vegas, Nevada, Golden Phoenix Minerals, Inc. (GPXM: OTCBB) is a junior mineral exploration company that targets and acquires mineral properties, primarily gold, silver and molybdenum. Currently, the company is focused on multiple projects in the Americas, namely in Nevada, Peru, Ontario and most recently Panama. Management is opportunistic and is actively searching for advanced stage projects with proven resources that were idled when the price of that resource was much lower than today. Also, management is interested in deposits that are situated close to existing mines and hold

[1] Commercial production at Mineral ridge is defined as production of at least 3,500 ounces Au per month for a period of four consecutive months.

potential for expansion through exploration. Though historically the company has targeted gold, silver and molybdenum, other rare and base metals may also be pursued.

Originally incorporated in June 1997 as an exploration and development company, Golden Phoenix has brought properties into production, notably the Mineral Ridge gold and silver property in 2004 and the Ashdown high-grade molybdenum property in 2006. Initially, the company focused its exploration efforts in the Western US and Alaska, but after selling its Alaskan interests in 1999, Golden Phoenix targeted the western United States, especially Nevada, until 2007. In that year, the Northern Champion (Ontario) molybdenum property was purchased in order to complement the development of the Ashdown (Nevada) molybdenum property[2]. With the collapse of the price of molybdenum in late 2008 and the accumulation of debt during 2009, Thomas Klein was brought in to revitalize Golden Phoenix.

Since Tom Klein was appointed Chief Executive Officer in February 2010, the company has embarked on a multi-faceted strategy based on a new business model that combines project acquisition and development with the pursuit of royalty mining. First, the company's liabilities were restructured, settled or repaid, such that total **liabilities were reduced** from $9.4 million to $1.5 million within 11 months. Also, the Board authorized a share repurchase program. Second, a team of experts was assembled to implement an ambitious **property acquisition plan** along with **project development programs** that include mineral discovery, resource evaluation, permitting, bonding and financing. Third, a **diversified portfolio of mineral properties is being constructed**. Not only has the company's focus expanded geographically to encompass Central and South America, along with North America, but also management is pursuing **projects in various stages of development**, with a preference for advanced stage projects that can brought to production within two years. Fourth, joint venture partners are being selected as managing partners/mine operators, who 1) can bring properties to commercial production in a timely fashion and 2) will earn their interest in the property by financing all subsequent development costs. Fifth, **the company's objective is to retain up to 30% of each venture** and ultimately convert the ownership interest into a Royalty agreement leveraged to the price of the metal. Eventually, Golden Phoenix should own joint venture interests and/or receive royalty payments in several producing mines.

The company's business model and Royalty Mining strategy differ from prior management's approach in several distinct ways. Mine operations are being outsourced to partners instead of Golden Phoenix owning a controlling interest and operating each mine. Now a minority ownership position is preferred with the controlling position earned by a partner by incurring the costs of bringing a property to commercial production. The time frame to commercial production has been significantly shortened by targeting advanced stage projects and by choosing mine operators with a sense of urgency. Also, project risk has been reduced through diversification; multiple projects are being pursued instead of concentrating on one mining project. In the past, when Golden Phoenix brought the Mineral Ridge and Ashdown properties into production, the company was the mining operator and majority owner. In both cases, the company incurred significant operating costs and appeared to pursue one production project at a time. Also, despite the obvious extreme cyclicality of molybdenum pricing, four years were required to bring the Ashdown property to commercial production. Under Tom Klein's leadership, mineral property development should be much more successful than in the past.

Currently, **a diversified portfolio of properties is being developed**. The initial two-year plan (2010-2011) envisions a collection of approximately ten select properties in various stages of development. Management is continually identifying and performing due diligence on many properties located in North, Central and South America. When a property is acquired, Golden Phoenix embarks on a 24-month development plan to advance the project. The company adds value by providing capital, formulating and implementing an exploration program and bringing the property to a stage of proven and probable reserves, at which point a mine operator is secured. The selection process for a joint venture partner to operate the mine is critical to bringing a project to commercial production successfully. Not only is a diverse array of experience in the particular metal and location of the mine necessary, but also a sense of

[2] Prior management had expected to fund exploration and development of the Mineral Ridge gold mine with the cash flow generated by the Ashdown project during the molybdenum bull market cycle.

urgency to advance the project. Golden Phoenix continues to support the project to production-ready status by offering drilling, geological, permitting, bonding, legal and accounting support.

Five projects in the portfolio are expected to be advanced stage projects with near-term production potential. So far, the legacy Mineral Ridge property and two recent acquisitions (the Panamanian Santa Rosa and Peruvian properties) are the company's advanced stage projects. All these projects had been in production previously but were idled for operational, financial and/or commodity pricing reasons. Golden Phoenix moves these projects forward with additional drilling programs and towards an assessment of proven and probable reserves. Mineral Ridge has been cited as a model for development of future advanced stage projects. Golden Phoenix chose Scorpio Gold under the leadership of Peter Hawley to advance the project back into production, which was accomplished in only 13 months from the signing of the joint venture agreement. For a 70% interest in Mineral Ridge, Scorpio Gold paid $7.5 million (half in cash and half in stock) to Golden Phoenix; in addition, Scorpio Gold is bearing all finance costs to bring the property into commercial production. Golden Phoenix intends to replicate the rapid advancement of Mineral Ridge mine with each subsequent advanced stage project undertaken, including the Santa Rosa property in Panama.

The other properties in the portfolio are expected to be early stage projects without a definite timeline to production. Golden Phoenix has several properties in this category: the Vanderbilt and the Coyote Fault gold and silver satellite prospects adjacent to the Mineral Ridge property (a 51% interest in both acquired between 2010 and 2011, with 80% to be earned over four years), five properties located in Peru (the process of acquiring an 80% interest began in late 2010), four gold and base metal properties within Ontario's Shining Tree mining district (100% acquired in 2011 through the acquisition of Ra Resources) and the legacy Northern Champion molybdenum mine in Ontario (acquired in 2006). Golden Phoenix continues to develop these properties with exploratory drilling to delineate previously identified mineral deposits and to explore for additional discoveries.

The company has been very successful in obtaining capital through equity fund raising, option payments and debt. During 2010, the company issued 48.8 million shares for $2.84 million in net proceeds and for the payment of $690,066 in services and exploration expenses. In March, Golden Phoenix received $3.75 million in cash from Scorpio Gold for a 70% interest in the Mineral Ridge gold mine. In August, the company sold the 7,824,750 shares of Scorpio Gold, which were received as part of the Mineral Ridge transaction, for $3.83 million. In May 2011, Golden Phoenix entered into an agreement with Lincoln Park Capital Fund, granting Golden Phoenix the right to access $12.5 million in equity capital for 36 months. And in August 2011, Golden Phoenix secured a $1 million bridge loan and a $15.5 million debt draw-down facility from Waterton Global Value, L.P. in order to complete fast track the Santa Rosa project. The company has borrowed $6.0 million of the facility; however, Waterton is claiming that Golden Phoenix is in default of the credit facility and demanding that the unpaid principal balance plus fees, interest and costs ($8,311,034.48) is immediately due (see Recent News). Subsequently, Golden Phoenix Minerals entered into a two-year $20 million credit facility through a non-binding term sheet with Maximilian Investors, LLC. A definitive closing document is expected after appropriate due diligence.

NEVADA

Golden Phoenix has five projects in Nevada located in two areas: **Mineral Ridge**, **Coyote Fault** and **Vanderbilt** in southwest Nevada and **Adams Mine** in northwest Nevada.

Nevada is home to many world-class gold and silver deposits. Mines in Nevada produced over 5.03 million ounces of gold in 2009[3], and accounted for 75% of total U.S. and 7% of global gold production. Only China (13% of world production), Australia (9%), South Africa (9%), Russia (8%) and Peru (8%)

[3] In Esmeralda County, 97% of the total surface area is composed of federally managed lands.

produce more gold than Nevada. The "Silver State" also led the United States in silver production with 7.31 million ounces in 2009.

MINERAL RIDGE MINE (NEVADA) - GOLD

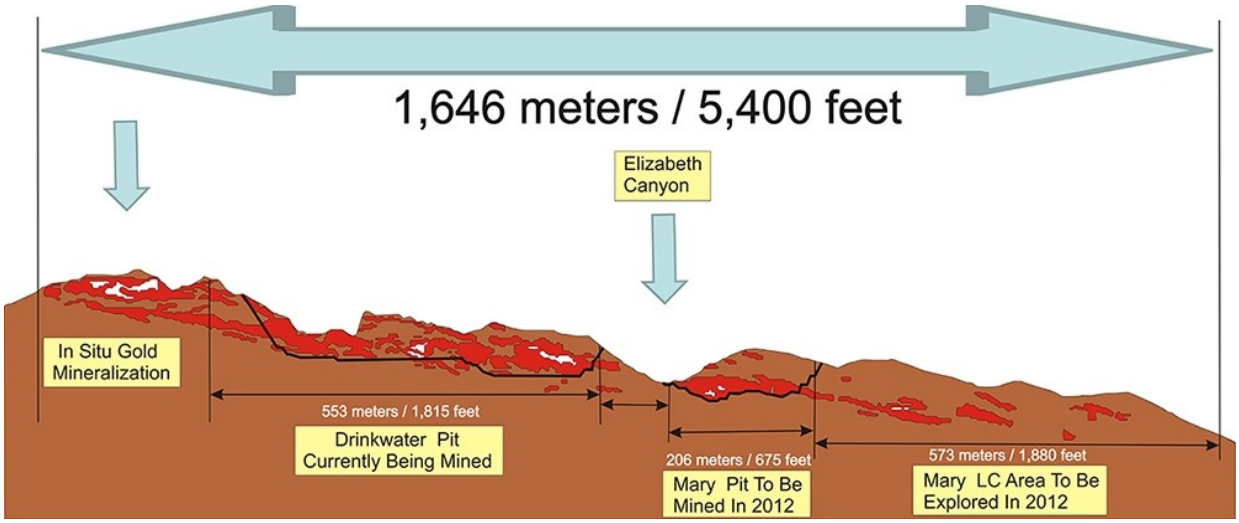
Golden Phoenix holds a 30% interest in the Mineral Ridge Gold LLC joint venture, which controls 54 patented and 486 unpatented mining claims, encompassing over 10,176 acres in Nevada's Esmeralda County[4]. The Mineral Ridge gold mine is located 4.5 miles northwest of the town of Silver Peak and 35 miles southwest of Tonopah. Mineral Ridge is equal distant to Reno and Las Vegas (approximately 250 miles to each). Golden Phoenix also controls three additional private land parcels[5] totaling approximately 430 acres that are near the mine area.

In April 2011, Scorpio Gold sent off its first shipment of loaded carbon shipped for the recovery of precious metals. By year-end, Scorpio had mined, processed and sold 8,125 ounces of gold for $13.15 million and 4,843 ounces of silver for approximately $160,000. In addition, a stable gold recovery rate of over 65% had been achieved. Scorpio also made loan repayments of $2,499,999 to Waterton Global Value and under an amended operating agreement with Golden Phoenix, increased its right to cash distributions from 70% to 80% effective August 2011, even thought it maintained a 70% interest in the Mineral Ridge property.

MINERAL RIDGE - RECENT DRILLING RESULTS

Scorpio Gold completed a 58-hole drill program to better define the gold mineralization for final pit design at the Mary deposit at the Mineral Ridge mine. The results from the reverse circulation drilling program announced in January and February 2012 have increased the width of the gold mineralization in the Mary zone and confirm that the gold mineralization extends to the adjacent Mary LC zone, increasing the strike length from 600 to 780 meters. The assay results from the drilling program will be incorporated into the overall database so that an updated NI 43-101-compliant resource and reserve estimate may be completed sometime in the second quarter of 2012.

In November 2011, pre-stripping of the Mary zone began in preparation for open pit mining in early 2012. The Mary Zone is located immediately southwest and downhill from the Drinkwater pit (see diagram).



[4] Pittsburgh-Silver Peak Gold recovered 280,000 Au ounces between 1905 and1915. Black Mammoth mined 78,000 Au ounces between 1929 and 1941.
[5] The three parcels are the abandoned Blair town site, the Silver Peak mill site and deeded land west of Mineral Ridge over some springs.

On January 5th and 17th and again on February 28th 2011, Scorpio Gold released reverse circulation (RC) drilling results on the **Mary zone** at the Mineral Ridge gold project in Nevada. The announced results are in the tables below. Highlights include the intersection of 10.67 meters grading 3.59 g/t gold (MR11279), 10.67 meters grading 3.65 g/t gold (MR11293), 2.20 meters grading 3.99 g/t gold (MR11317), 7.62 meters grading 3.71 g/t gold (also MR11317) and 12.20 meters grading 4.22 g/t gold (MR11334). All holes presented in the above tables were completed by reverse circulation (RC) drilling.

Mary Zone - Significant Drill Results

Hole No.	From (ft)	To (ft)	Width (ft)	From (m)	To (m)	Width (m)	Gold (OPT)	Gold (g/t)
MR11275	40	50	10	12.20	15.24	3.05	0.024	0.81
MR11276	10	15	5	3.05	4.57	1.52	0.020	0.69
	140	155	15	42.68	47.26	4.57	0.245	8.41
	165	175	10	50.30	53.35	3.05	0.069	2.37
MR11277	130	135	5	39.63	41.16	1.52	0.022	0.75
MR11278	25	30	5	7.62	9.15	1.52	0.016	0.55
	100	120	20	30.49	36.59	6.10	0.068	2.31
MR11279	10	45	35	3.05	13.72	10.67	0.105	3.59
MR11281	15	20	5	4.57	6.10	1.52	0.018	0.62
	140	145	5	42.68	44.21	1.52	0.043	1.47
MR11282	40	55	15	12.20	16.77	4.57	0.381	13.06
	115	120	5	35.06	36.59	1.52	0.024	0.82
	140	145	5	42.68	44.21	1.52	0.045	1.54
MR11285	125	130	5	38.11	39.63	1.52	0.062	2.13
MR11287	100	115	15	30.49	35.06	4.57	0.111	3.79
MR11291	55	65	10	16.77	19.82	3.05	0.136	4.66
MR11293	165	200	35	50.30	60.98	10.67	0.107	3.65
MR11294	15	20	5	4.57	6.10	1.52	0.015	0.51
MR11295	0	10	10	0.00	3.05	3.05	0.015	0.51
MR11298	90	95	5	27.44	28.96	1.52	0.021	0.72
	100	115	15	30.49	35.06	4.57	0.066	2.27

Mary Zone - Significant Drill Results

Hole No.	From (ft)	To (ft)	Width (ft)	From (m)	To (m)	Width (m)	Gold (OPT)	Gold (g/t)
MR11300	0	20	20	0.00	6.10	6.10	0.032	1.08
MR11301	100	105	5	30.49	32.01	1.52	0.027	0.93
MR11302	85	90	5	25.91	27.44	1.52	0.161	5.52
	155	175	20	47.26	53.35	6.10	0.037	1.27
MR11303	110	115	5	33.54	35.05	1.52	0.087	2.98
	135	140	5	41.16	42.68	1.52	0.628	21.53
	160	165	5	48.78	50.30	1.52	0.02	0.69
MR11307	35	40	5	10.67	12.20	1.52	0.035	1.20
	55	60	5	16.77	18.29	1.52	0.169	5.79
	105	125	20	32.01	38.11	6.10	0.028	0.94
	165	175	10	50.30	53.35	3.05	0.044	1.49
MR11308	125	130	5	38.11	39.63	1.52	0.105	3.58
	155	190	35	47.26	57.93	10.67	0.039	1.33
MR11309	210	215	5	64.02	65.55	1.52	0.036	1.23
MR11310	165	190	25	50.30	57.93	7.62	0.091	3.11
MR11312	115	150	35	35.06	45.73	10.67	0.012	0.41
MR11313	10	15	5	3.05	1.57	1.52	0.027	0.93
	30	35	5	9.15	10.67	1.52	0.024	0.82
	120	145	25	36.59	44.21	7.62	0.081	2.78
MR11314	145	150	5	44.21	45.73	1.52	0.029	0.99
MR11315	115	150	35	35.06	45.73	10.67	0.056	1.93
MR11317	60	100	40	18.29	30.49	12.20	0.117	3.99
	130	155	25	39.63	47.26	7.62	0.108	3.71

Mary Zone - Significant Drill Results

Hole No.	From (ft)	To (ft)	Width (ft)	From (m)	To (m)	Width (m)	Gold (OPT)	Gold (g/t)
MR11318	130	170	40	39.63	51.83	12.20	0.088	3.03
MR11319	10	15	5	3.05	4.57	1.52	0.018	0.62
MR11320	105	115	10	32.01	35.06	3.05	0.016	0.53
	140	145	5	42.68	44.21	1.52	0.043	1.47
MR11321	55	85	30	16.77	25.91	9.15	0.084	2.88
	95	100	5	28.96	30.49	1.52	0.018	0.62
MR11322	135	145	10	41.16	44.21	3.05	0.040	1.37
MR11323	45	55	10	13.72	16.77	3.05	0.026	0.89
	125	135	10	38.11	41.16	3.05	0.015	0.50
MR11324	10	15	5	3.05	4.57	1.52	0.075	2.57
	60	70	10	18.29	21.34	3.05	0.033	1.11
MR11325	15	30	15	4.57	9.15	4.45	0.060	2.06
MR11327	0	5	5	0.00	1.52	1.52	0.022	0.75
MR11328	95	105	10	28.96	32.01	3.05	0.025	0.84
MR11329	35	40	5	10.67	12.20	1.52	0.017	0.58
	110	115	5	33.54	35.06	1.52	0.031	1.06
MR11331	125	145	20	38.11	44.21	6.10	0.21	7.12
MR11332	135	145	10	41.16	44.21	3.05	0.071	2.42
MR11333	125	140	15	38.11	42.68	4.57	0.253	8.67
MR11334	110	150	40	33.54	45.73	12.20	0.123	4.22
MR11337	90	95	5	27.44	28.96	1.52	0.038	1.30
MR11339	135	160	25	41.16	48.78	7.62	0.200	6.85

SANTA ROSA (PANAMA) - GOLD

Golden Phoenix is in the process of acquiring a 60% interest (with an option to acquire an additional 20% interest) in the **Santa Rosa gold property** from Silver Global, S.A. Located in the **Republic of Panama** within 15 kilometers of the Pan American Highway, the property is approximately 300 kilometers southwest of Panama City. A definitive acquisition agreement was signed in September 2011, and the Santa Rosa property is to be held and operated in a newly formed joint venture, Golden Phoenix Panama S.A. This analyst is impressed by management's expertise and the depth of research performed during this due diligence period. Panama is a unique mining environment where mineral rights are regulated by the Código de Recursos Minerales, granted for 20 year periods and severed from surface rights. In addition, mine operations in the past faced certain challenges, for which the management of Golden Phoenix has definitive solutions. Management perceives that there is significant potential from previously mined ore which was not properly processed by Greenstone Resources. Ultimately, Golden Phoenix intends to bring on a mine operator, reopen Santa Rosa and advance the project to production.



The Santa Rosa property is located one kilometer south of Cañazas. The project encompasses 8,648 acres, of which 741 acres contain the mining area where two open pit mines are located: the Santa Rosa mine and the Alto de la Mina deposit. The Santa Rosa project is a volcanic-hosted epithermal gold and

silver deposit that **produced 100,007 ounces of gold between 1996 and 1998** as an open pit-heap leach operation.

On July 12, 2011, Golden Phoenix began the process of acquiring a 60% interest in Santa Rosa property (with an option to acquire an additional 20% interest) by entered into a non-binding Letter of Intent with Silver Global, S.A. for payments totaling $20.5 million and $4,500,000 worth of Golden Phoenix shares, along with preferential payments related to gold production. Shrewdly, Golden Phoenix conducted a 72-hour fatal flaw due diligence analysis not only to perform initial reviews of prior reserve reports, but also to ascertain the legal ownership of the property[6]. "Golden Phoenix received confirmation and certifications from both Silver Global and the Director of Mineral Resources of Panama of the Ministry of Commerce and Industry, certifying that Silver Global is the sole and exclusive owner of such real and personal property and necessary concessions constituting the property known as the Santa Rosa Gold Mine, free and clear of any liens, mortgages or third party interests of any kind. Specifically, the Director of Mineral Resources certified that Silver Global owns such concessions granting surface mining rights for gold and other minerals and exploration mining rights with respect to the property, all of which are in good standing and in compliance with all legal requirements[7]." Following a 45-day due diligence period, a definitive acquisition agreement was signed. In addition, a **joint venture operating company** (**Golden Phoenix Panama S.A.**) was created through which the Santa Rosa mine will be held, operated and mined.

Golden Phoenix secured a $1 million bridge loan from Waterton Global Value, L.P. in order to complete the due diligence investigations, along with a $15.5 million debt draw-down facility to fast track the Santa Rosa project. Through the fourth quarter of 2011, the company has borrowed $6.0 million of the facility. Also, Golden Phoenix granted to Waterton, the company's senior secured lender, an option and right of first offer to purchase the company's interest in the Mineral Ridge for an amount based on the measured, indicated and inferred gold ounces at the Mineral Ridge property at the time of the acquisition. This option may be exercised no sooner than May 3, 2012. On January 24, 2012, Golden Phoenix Minerals received a Notice of Default from Waterton concerning the Senior Secured Gold Stream Credit Agreement. Waterton claims that since Scorpio Gold did not achieve commercial production at Mineral Ridge[8], Waterton was not obligated to provide the next tranche of funding to Golden Phoenix when it was requested in December. As a result, Golden Phoenix did not make the mid-December payment on the Santa Rosa Acquisition Agreement inducing Waterton to issue a Notice of Default and request that the entire unpaid principal balance plus fees, interest and costs totaling $8,311,034.48 be paid immediately. Golden Phoenix believes there has been no default on repayment. The first payment due to Waterton is scheduled for March 30, 2012.Golden Phoenix believes that there was no event of default under the Credit Agreement with Waterton and that there is no default under the Santa Rosa Acquisition Agreement. The company plans to defend and assert its rights to the full extent under law.

Resources

The Santa Rosa mine, itself, consists of four lower mineralized deposits (known as the Santa Rosa A, B and C zone deposits and collectively known as the Main zone) and an upper mineralized area known as the D zone deposit. Alto de la Mina is a smaller deposit of higher grade but experienced a lower metallurgical recovery than the Santa Rosa mine. Each zone has unique characteristics from Au grade to expected recovery rate.

In February 1999, Minas Santa Rosa was shutdown by Greenstone Resources. Reeling from a leveraged debt structure, Greenstone's management attempted to focus on the company's two other properties: the San Andres gold mine in Honduras and the Cerro Mojon gold mine in Nicaragua. After shutting down mining operations at Minas Santa Rosa, Greenstone Resources filed Form 20-F with the Securities and

[6] Currently, Mineral Mining PLC claims ownership of Mina Santa Rosa on its web site, and in October 2009, Erin Ventures announced that it entered into an agreement to purchase a 75% interest in the Santa Rosa gold mine, which the company subsequently abandoned in May 2011.
[7] Golden Phoenix Minerals press release on August 8, 2011.
[8] Commercial production at Mineral ridge is defined as production of at least 3,500 ounces Au per month for a period of four consecutive months.

Exchange Commission in the U.S. and SEDAR in Canada for the year ending December 31, 1998[9]. The remaining total resources at the Santa Rosa property were calculated to be **905,000 ounces of gold with an average grade of 1.43 grams per tonne**. Since the mines were closed, all reserve figures were converted to mineral resources.

Santa Rosa Project Resources by pit
(as of December 31, 1998[10])

Santa Rosa	Tonnes	Grade	Contained gold
Measured & Indicated	9,038,000	1.30	378,000
Inferred Resources	5,819,000	1.25	234,000
Total Resources	**14,857,000**	**1.28**	**612,000**

Alta de la Mina	Tonnes	Grade	Contained gold
Measured & Indicated	3,690,000	1.98	236,000
Inferred Resources	1,166,000	1.53	57,000
Total Resources	**4,856,000**	**1.88**	**293,000**

In January 2012, Golden Phoenix received an initial NI 43-101-complaint resource report from SRK Consulting for the Santa Rosa gold project in Panama. The Inferred resource estimate at the Santa Rosa and Alta de la Mina pits total 23.1 million metric tonnes at 0.90 g/t Au (669,000 contained ounces Au) and 2.87 g/t Ag (million contained ounces Ag). Since the resource estimate is based on a historical drill hole database, the resource estimate was classified as Inferred in accordance with Canadian Institute of Mining and Metallurgy definitions for reporting mineral resources. Only after the database data is verified or confirmed by additional drilling can the resources be upgraded to Measured and/or Indicated classifications. The inferred resource estimate did not assess the mineralized material on former heap leach pads throughout the property.

Santa Rosa Project Resources by pit
(as of October 19, 2011[11])

Inferred Resources	Tonnes	Au Grade	Gold ounces	Silver ounces
Santa Rosa	**17,782,000**	**0.77**	**440,000**	**1,435,000**
Alta de la Mina	**5,340,000**	**1.33**	**229,000**	**702,000**
TOTAL	**23,122,000**	**0.90**	**669,000**	**2,137,000**

In addition to downgrading the resource entirely to the Inferred classification, the latest resource report reduced the amount of contained ounces of gold by 26.1% from 905,000 to 669,000. However, the inclusion of the silver resource and the increase of the gold price in our valuation model initially resulted in no change in the value of the resource to Golden Phoenix, when we accepted the Inferred resource as a Measured and Indicated resource in disagreement with the technicalities of the Canadian Institute of Mining and Metallurgy's definitions. However, the uncertainties surrounding the Notices of Default

[9] The Form 20-F was filed on June 10, 1999.
[10] The Resources were also released as a press release by Greenstone Resources Ltd. on April 23, 1999.
[11] The Resource Report is dated January 6, 2012 and was filed with SEDAR on January 12, 2012.

compelled us to discount the value of Santa Rosa by 50% to fully account for the discount attributable to Inferred resources.

VALUATION

Managements of junior mineral exploration companies create value through evaluating, acquiring, exploring and/or developing mining properties. As a junior gold exploration company, Golden Phoenix cannot be valued on a revenue, earnings, book value or cash flow basis. Management's strategy is to increase shareholder value through evaluating and acquiring projects in various stages of development, but especially advanced stage projects that can brought to production within two years (management's core competency). After advancing the exploration of the property and armed with additional information concerning the property's resources, management locates a mine operator that is enthusiastic to bring the property to production at its own expense in return for a majority interest. Golden Phoenix expects to retain a minority equity interest or a royalty in order to participate in the property's development and any potential new discoveries.

Book value of a junior gold exploration company represents the equity capital that has been raised to acquire the minerals rights on properties and to conduct exploration programs. An amalgamation of information is encapsulated within the raised capital total, including the quality of the properties (both in terms of mineral potential and political stability) and the exploration results from introductory geochemical surveys to assay results from drilling programs. Therefore, book value captures the complex valuation potential of the company's base gold resource value potential by sophisticated investors, most with expert knowledge of junior gold exploration companies in the exploration phase with no stated revenues. Hence, we generally find the use of book value is a valid and appropriate metric by which to determine a junior gold exploration company's valuation. However, in the case of Golden Phoenix, the new CEO, Tom Klein, has radically altered the focus of the company towards fast-track development of newly acquired properties, with the anticipation of future royalty streams derived from minority stakes of these properties. Initially burdened by $9.4 million in legacy liabilities and $6.36 million in negative shareholders' equity at the end of 2009, the new Golden Phoenix reduced liabilities to less than $1.5 million and achieved positive equity by the end of 2010. However, subsequent exploration expenses and property acquisition costs in 2011 have reversed the trend.

Our calculation of **share value of attributable resources** is based on the ascertained value of each property plus balance sheet adjustments for working capital, PPE (property, plant and equipment) and marketable securities. The value of each individual property is determined by adjusting the value of current resources for the expected recovery rate, mining/processing costs and net smelter royalties, if any. Only the company's percentage interest is attributed to the company's value. Also, the resource valuation methodology involves several assumptions:

1) a 100% weight is applied to measured & indicated resources while a 50% weight is applied to inferred resources;
2) in line with management's stated strategy, the company's interest in each property is assumed to be 30% when production is achieved; in addition, the capital costs to bring the property to commercial production are assumed to be incurred by the majority interest holder;
3) the settlement of the Ashdown transaction will be completed;
4) the interest in the Santa Rosa property will be successfully acquired;
5) the issues revolving around the Notices of Default are successfully resolved in favor of Golden Phoenix; and
6) each property's estimated production life is 10 years, which is accounted for by the discount factor.

Based on our calculation of share value of attributable resources (see table below), **our target for Golden Phoenix stock is $0.20.**

Projects	Measured Indicated Resource (oz)	NI 43-101 Inferred Resource (oz)	Grade (g/t)	Historical Inferred Resource (oz)	Recovery Rate	Average Production Costs (per oz)	Current Price	Net Smelter Return (NSR)	Shares Owned	% Ownership	Net Value to GPXM	Net Present Value to GPXM
GOLD												
Mineral Ridge (NV)	221,000	136,000	1.46	N/A	67%	266	1,662		N/A	30%	81,082,967	59,677,770
Coyote Fault (NV)	N/A	N/A	0.30	N/A	N/A	N/A	N/A		N/A	80%	N/A	
Vanderbilt (NV)	N/A	N/A	1.74	N/A	N/A	N/A	N/A		N/A	80%	N/A	
Adams (NV)	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	100%	N/A	
Santa Rosa (Panama)	0	669,000	0.90	N/A	65%	550	1,662	2.0%	N/A	60%	92,164,641	26,833,172
Peru	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	in process	N/A	
Shining Tree (Ontario)	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A	100%	N/A	
SILVER												
Santa Rosa (Panama)	0	2,137,000	2.87	N/A	65%	10	33.00	2.0%	N/A	60%	9,392,756	2,734,644
MOLYBDENUM	**(pounds)**		**(%)**	**(pounds)**								
Northern Champion	N/A	N/A	N/A	450,000	50%	10.10	14.52	3.3%	N/A	30%	960,594	629,232
Ashdown (NV)	2,773,908	N/A	3	N/A	90%	10.10	14.52			2% NSR	220,442	162,248
MARKETABLE SECURITIES												
Win-Eldrich Mines (WEX)							0.11		3,000,000	N/A	330,000	242,883
American Mining (AMCM)							0.13		1,250,000	N/A	162,500	119,601
BALANCE SHEET ADJUSTMENTS												
Working capital											(3,650,739)	(3,650,739)
Property and equipment											175,765	175,765
Debt											(8,840)	(8,840)
Anticipated Santa Rosa debt											(20,000,000)	(20,000,000)
							Net Assets & Resources				160,830,086	66,915,736
							Shares Outstanding				330,340,504	330,340,504
								Asset Value			0.49	
								Discounted Asset Value				**0.20**

As new drill results provide sufficient information to produce updated values of current resources and as interests in new properties are acquired, the resource valuation will be revised. Our methodology does not include any upside from additional exploration of the stockpiles and/or resources that may increase the company's resources and/or reserves. Only when these drill programs and subsequent assessments are convincing will the resources be adjusted.

The stocks of junior gold companies have a unique trading profile. The stocks tend to mark time, trading sideways-to-down, during an incubation phase until a discovery from a drilling program is announced and/or a mine begins producing. Significant positive results are the stimulus for upside gaps in stock's price in a mark-up phase as the new information is discounted by first-movers. Generally, the price appreciation continues, albeit at a slower pace, usually on heavy volume until the newly created demand instigated by the announcement is fulfilled. After the initial rally, another period of time of sideways-to-down action occurs. Often the stock retraces some, or sometimes all, of the prior price-appreciation during this digestion phase. If and when a subsequent discovery is announced from a follow-on drilling program or production significantly exceeds expectations, another mark-up phase is set in motion.

RISKS

- Golden Phoenix is a development stage gold exploration company. There is no assurance that the company's exploration programs will result in profitable mining operations and the company's exploration programs are dependent upon the company's ability to obtain funds to continue exploration activities and pay administrative costs.
- The issues concerning the Notices of Default are not successfully resolved in favor of Golden Phoenix.

PROJECTED FINANCIAL STATEMENTS

Golden Phoenix Minerals, Inc.

Consolidated Balance Sheets
(in $)

For the years ending December 31	2005	2006	2007	2008	2009	2010	2011 E	2012 E
ASSETS								
Cash and cash equivalents	10,175	479,032	2,173,811	454	94,785	1,520,318	200,000	124,540
Marketable securities	0	205,943	163,958	0	0	0	0	630,000
Receivables	260,000	135,584	951,873	0	0	0	0	0
Prepaid expenses and other current assets	533,160	311,625	153,962	58,619	15,504	208,211	250,000	151,600
Inventories	22,299	47,256	402,483	49,739	0	0	0	0
Current Assets	**825,634**	**1,179,440**	**3,846,087**	**108,812**	**110,289**	**1,728,529**	**450,000**	**906,140**
Mineral properties	-	-	-	-	-	-	-	**1,000,000**
Property and Equipment (net)	**1,346,815**	**1,295,136**	**1,815,654**	**817,578**	**285,006**	**198,111**	**175,000**	**150,000**
Other Assets								
Restricted funds - reclamation obligations	1,996,857	2,177,495	2,246,824	1,839,592	0	0	0	0
Prepaid bond insurance premiums	363,700	320,488	277,276	234,065	0	0	0	0
Deposits	48,380	60,761	163,009	107,046	106,590	50,000	50,000	50,000
Debt issuance costs	-	-	-	-	-	-	301,936	
Assets of discontinued operations	1,826,140	-	-	3,383,205	2,552,400	0		0
Total Assets	**6,407,526**	**5,033,320**	**8,348,850**	**6,490,298**	**3,054,285**	**1,976,640**	**976,936**	**2,106,140**
LIABILITIES								
Accounts payable	1,278,499	1,096,308	891,836	1,253,489	1,273,547	216,522	332,736	400,000
Accrued liabilities	6,430,259	542,438	980,287	573,156	1,005,433	425,863	450,000	200,000
Senior, secured note payable	-	-	-	-	-	-	2,310,700	3,800,000
Current portion of severance obligations	0	324,927	132,158	100,170	165,201	0	0	0
Current portion of long-term debt	17,477	11,917	103,721	176,549	2,535,782	277,777	260,378	500,000
Notes payable and related accrued interest	2,351,685	3,048,649	0	0	0	0	0	0
Convertible notes payable	169,690	-	-	-	-	-	-	-
Deferred revenue — related party	617,063	904,567	100,026	0	0	0	0	0
Production payment obligation	0	0	1,974,456	1,974,456	0	0	0	0
Amounts due to related parties	613,033	689,536	403,276	458,531	432,173	226,106	750,000	1,250,000
Other current liabilities	111,744	0	0	0	0	0	0	0
Deposits received	0	0	0	0	900,000	0	0	
Current Liabilities	**11,589,450**	**6,618,342**	**4,585,760**	**4,536,351**	**6,312,136**	**1,146,268**	**4,103,814**	**6,150,000**
Reclamation obligations	2,497,093	2,997,125	3,312,562	0	0	0	0	0
Severance obligations	326,866	295,689	166,595	86,460	0	0	0	0
Long-term debt	37,555	9,138	123,164	142,506	61,173	21,818	5,000	0
Amounts due to related parties	0	125,933	0	0	0	373,635	0	0
Liabilities of discontinued operations	0	0	0	6,439,917	3,036,430	0	0	0
Long-term liabilities	**2,861,514**	**3,427,885**	**3,602,321**	**6,668,883**	**3,097,603**	**395,453**	**5,000**	**0**
Minority Interest	**0**	**(42,067)**	**34,034**	**0**	**0**	**0**	**0**	**0**
Share capital (no par value)	23,062,607	30,260,543						
Share capital ($0.001 par value)			180,553	205,510	223,180	271,989	344,062	435,233
Additional paid-in capital			37,509,985	40,127,362	40,842,415	45,071,867	54,522,785	65,955,424
Common stock subscriptions receivable	28,686	(60,000)	0	(121,187)	0	0	0	0
Treasury stock	0	0	0	0	0	(49,510)	(49,008)	(250,000)
Retained earnings (deficit)	(31,134,731)	(35,215,285)	(37,565,720)	(44,622,302)	(47,421,049)	(44,859,427)	(57,949,717)	(71,084,517)
Accumulated other comprehensive income	0	43,902	1,917	0	0	0	0	0
Noncontrolling interest in discontinued ops.	0	0	0	(304,319)	0	0	0	0
SHAREHOLDERS' EQUITY	**(8,043,438)**	**(4,970,840)**	**126,735**	**(4,714,936)**	**(6,355,454)**	**434,919**	**(3,131,878)**	**(4,943,860)**
Total Liabilities and Equity	**6,407,526**	**5,033,320**	**8,348,850**	**6,490,298**	**3,054,285**	**1,976,640**	**976,936**	**1,206,140**
Common shares outstanding	136,230,087	154,064,010	180,552,639	205,510,457	223,180,210	271,988,900	350,000,000	400,000,000

Golden Phoenix Minerals, Inc.

Consolidated Statements of Operations and Retained Earnings

(in $)

For the years ending December 31	2005	2006	2007	2008	2009	2010	2011 E	2012 E	2013 E
Revenue:	**746,040**	**176,777**	**10,398,361**	**0**	**63,056**	**107,500**	**201,200**	**205,000**	**230,000**
Costs of mining operations	1,207,754	1,593,607	8,868,308	202,380	0	33,345	78,170	50,000	60,000
Exploration, development and mineral property lease expenses	3,271,550	2,909,404	449,598	1,413,829	0	2,105,516	13,486,650	8,000,000	4,000,000
Accretion expense	144,858	169,584	190,811	185,035	0	0	0	0	0
General and administrative expenses	1,496,124	2,431,518	3,194,094	3,023,051	1,760,363	1,992,778	4,007,750	4,000,000	3,500,000
Depreciation and amortization expense	151,337	104,616	232,747	137,516	78,438	74,321	86,262	90,000	100,000
Write off of reclamation asset	0	1,826,140	0	0	0	0	0	0	0
Royalties	0	0	0	1,158,337	70,090	489,002	0	0	0
Operating expenses	**6,271,623**	**9,034,869**	**12,935,558**	**6,120,148**	**1,908,891**	**4,694,962**	**17,658,832**	**12,140,000**	**7,660,000**
Loss from operations	**(5,525,583)**	**(8,858,092)**	**(2,537,197)**	**(6,120,148)**	**(1,845,835)**	**(4,587,462)**	**(17,457,632)**	**(11,935,000)**	**(7,430,000)**
Interest income	3,005	6,463	121,822	11,323	4,541	48,186	5,492	200	200
Interest expense	(1,743,884)	(1,152,607)	(275,981)	(97,988)	(760,521)	(233,686)	(218,334)	(1,200,000)	(800,000)
Gain (loss) on extinguishment of debt	(56,234)	5,312,853	537,309	46,528	1,032,579	162,423	30,677	0	0
Gain on sale of mineral properties	1,400,000	162,041	0	0	0	0	0	0	0
Gain (loss) on disposal of property and equipment	(3,702)	(53,018)	19,713	(10,286)	127	(6,322)	50	0	0
Gain (loss) on marketable securities	0	0	0	(141,482)	0	(1,681,571)	0	0	0
Foreign currency gain (loss)	0	0	0	0	0	(41,499)	(663)	0	0
Other income (expense)	(16,065)	19,739	0		0	0	0	0	0
Total other income (expense)	**(416,880)**	**4,295,471**	**402,863**	**(191,905)**	**276,726**	**(1,752,469)**	**(182,778)**	**(1,199,800)**	**(799,800)**
Loss before minority interest and income taxes	**(5,942,463)**	**(4,562,621)**	**(2,134,334)**	**(6,312,053)**	**(1,569,109)**	**(6,339,931)**	**(17,640,410)**	**(13,134,800)**	**(8,229,800)**
Minority interest in net loss of consolidated joint venture	0	482,067	(216,101)	0	0	0	0	0	0
Loss before income taxes	(5,942,463)	(4,080,554)	(2,350,435)	(6,312,053)	(1,569,109)	(6,339,931)	(17,640,410)	(13,134,800)	(8,229,800)
Provision for income taxes	0	0							
Net income for the year (continuing operations)	**(5,942,463)**	**(4,080,554)**	**(2,350,435)**	**(6,312,053)**	**(1,569,109)**	**(6,339,931)**	**(17,640,410)**	**(13,134,800)**	**(8,229,800)**
Net income per common share (diluted) - continuing ops.	**(0.04)**	**(0.03)**	**(0.01)**	**(0.03)**	**(0.01)**	**(0.03)**	**(0.06)**	**(0.04)**	**(0.02)**
Weighted average common shares outstanding - diluted	133,960,174	144,698,413	172,926,174	189,375,309	211,632,837	246,692,567	315,661,633	375,000,000	400,000,000
Discontinued operations (net) attributable to company	0	0	0	(2,580,324)	(1,229,638)	8,901,553	0	0	0
Net income per common share - discontinued operations	0.00	0.00	0.00	(0.01)	(0.01)	0.04	0.00	0.00	0.00

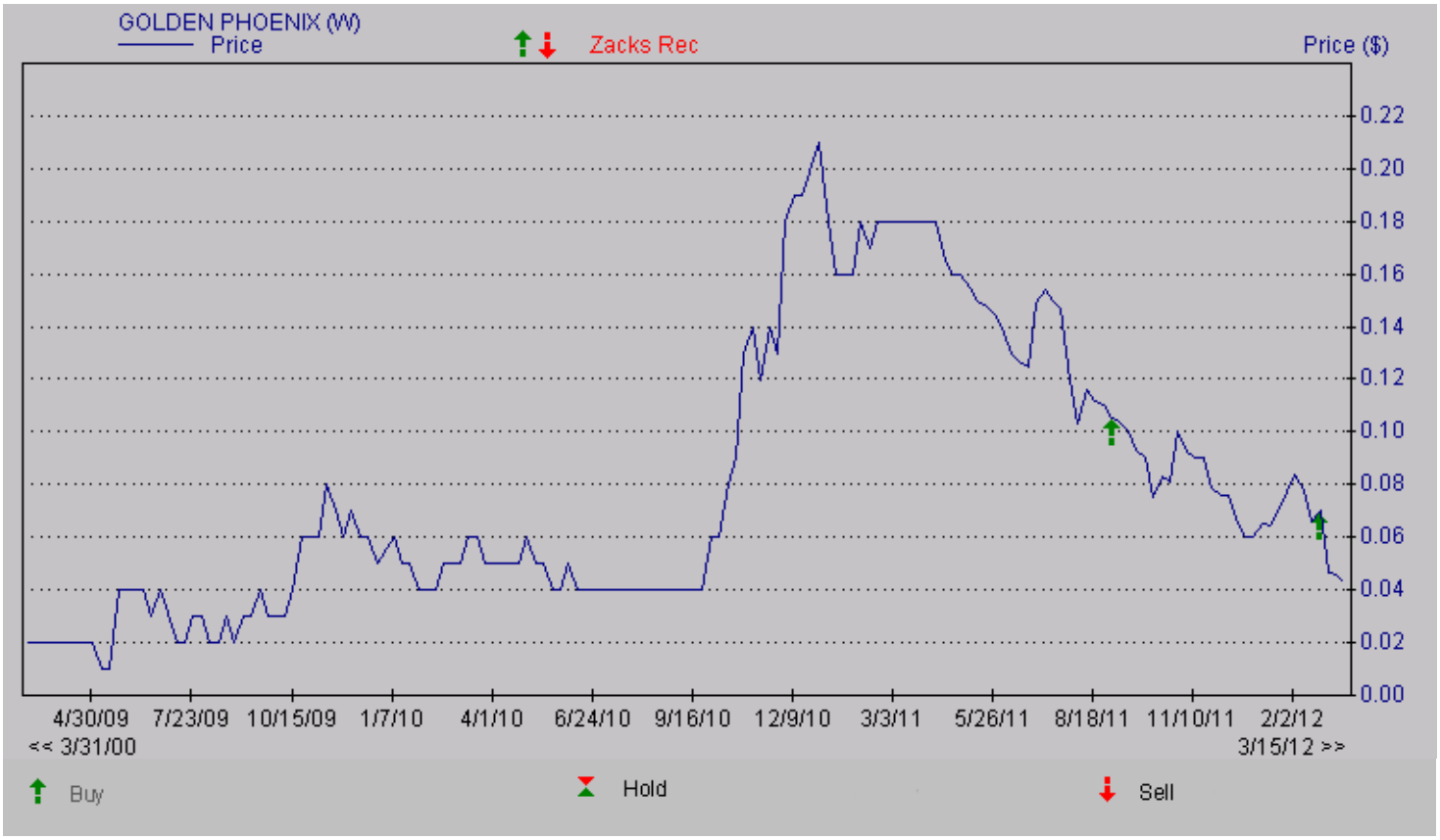
Golden Phoenix Minerals, Inc.

Consolidated Statements of Operations and Retained Earnings

(in $)

For the years ending December 31	2010 1Q	2010 2Q	2010 3Q	2010 4Q	Year 2010	2011 1Q	2011 2Q	2011 3Q	2011 4Q E	Year 2011 E
Revenue:	**0**	**0**	**43,000**	**64,500**	**107,500**	**0**	**65,600**	**67,800**	**67,800**	**201,200**
Costs of mining operations	0	0	0	33,345	33,345	31,641	46,529	0	0	78,170
Exploration, development and mineral property lease expenses	50,709	249,277	924,772	880,758	2,105,516	736,846	6,404,733	3,145,071	3,200,000	13,486,650
General and administrative expenses	399,959	378,035	528,423	686,361	1,992,778	1,105,853	797,567	1,004,330	1,100,000	4,007,750
Depreciation and amortization expense	18,058	18,321	18,924	19,018	74,321	19,097	19,201	22,229	25,735	86,262
Royalties	0	489,002	0	0	489,002	0	0	0	0	0
Operating expenses	**468,726**	**1,134,635**	**1,472,119**	**1,619,482**	**4,694,962**	**1,893,437**	**7,268,030**	**4,171,630**	**4,325,735**	**17,658,832**
Loss from operations	**(468,726)**	**(1,134,635)**	**(1,429,119)**	**(1,554,982)**	**(4,587,462)**	**(1,893,437)**	**(7,202,430)**	**(4,103,830)**	**(4,257,935)**	**(17,457,632)**
Interest income	0	11,121	36,678	387	48,186	328	5,060	4	100	5,492
Interest expense	(78,239)	(35,093)	(36,601)	(83,753)	(233,686)	(9,323)	(8,581)	(100,430)	(100,000)	(218,334)
Gain (loss) on extinguishment of debt	36,901	0	0	125,522	162,423	0	20,000	10,677	0	30,677
Gain (loss) on disposal of property and equipment	(6,322)	0		0	(6,322)	0	50	0	0	50
Gain (loss) on marketable securities			(1,681,571)	0	(1,681,571)	0	0	0	0	0
Foreign currency gain (loss)	53,896	(209,300)	104,559	9,346	(41,499)	4,676	(1,190)	(4,149)	0	(663)
Total other income (expense)	**6,236**	**(233,272)**	**(1,576,935)**	**51,502**	**(1,752,469)**	**(4,319)**	**15,339**	**(93,898)**	**(99,900)**	**(182,778)**
Loss before minority interest and income taxes	**(462,490)**	**(1,367,907)**	**(3,006,054)**	**(1,503,480)**	**(6,339,931)**	**(1,897,756)**	**(7,187,091)**	**(4,197,728)**	**(4,357,835)**	**(17,640,410)**
Minority interest in net loss of consolidated joint venture	0	0	0	0	0	0	0	0	0	0
Loss before income taxes	(462,490)	(1,367,907)	(3,006,054)	(1,503,480)	(6,339,931)	(1,897,756)	(7,187,091)	(4,197,728)	(4,357,835)	(17,640,410)
Provision for income taxes										
Net income for the year (continuing operations)	**(462,490)**	**(1,367,907)**	**(3,006,054)**	**(1,503,480)**	**(6,339,931)**	**(1,897,756)**	**(7,187,091)**	**(4,197,728)**	**(4,357,835)**	**(17,640,410)**
Net income per common share (diluted) - continuing ops.	**(0.00)**	**(0.01)**	**(0.01)**	**(0.01)**	**(0.03)**	**(0.01)**	**(0.02)**	**(0.01)**	**(0.01)**	**(0.06)**
Weighted average common shares outstanding - diluted	236,596,149	244,851,762	241,092,349	258,846,284	246,692,567	274,447,871	310,358,155	327,840,504	350,000,000	315,661,633
Discontinued operations (net) attributable to company	8,911,664	(1,855)	(8,256)	0	8,901,553	0	192,285	0	0	0
Net income per common share - discontinued operations	0.04	(0.00)	(0.00)	0.00	0.04	0.00	0.00	0.00	0.00	0.00

HISTORICAL ZACKS RECOMMENDATIONS



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