

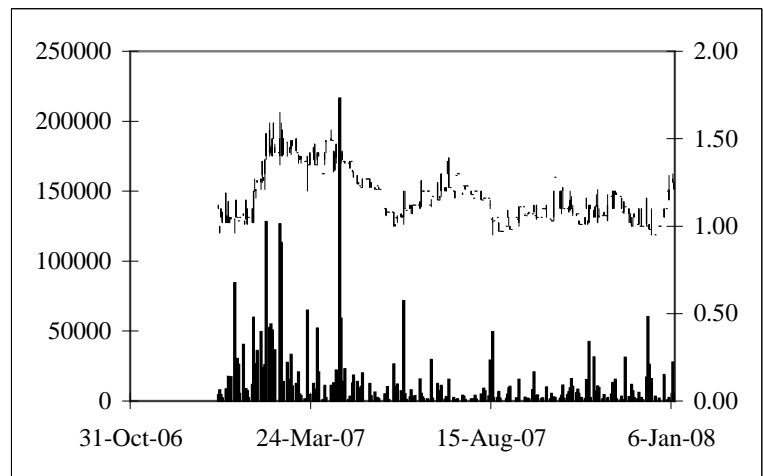
Bralorne Gold Mines Ltd. (TSX.V: BPM) – Crucial Permitting Granted; Cross-Cut Drifting Underway

Sector/Industry: Junior Mining

www.bralorne.com

Market Data (as of January 9, 2008)

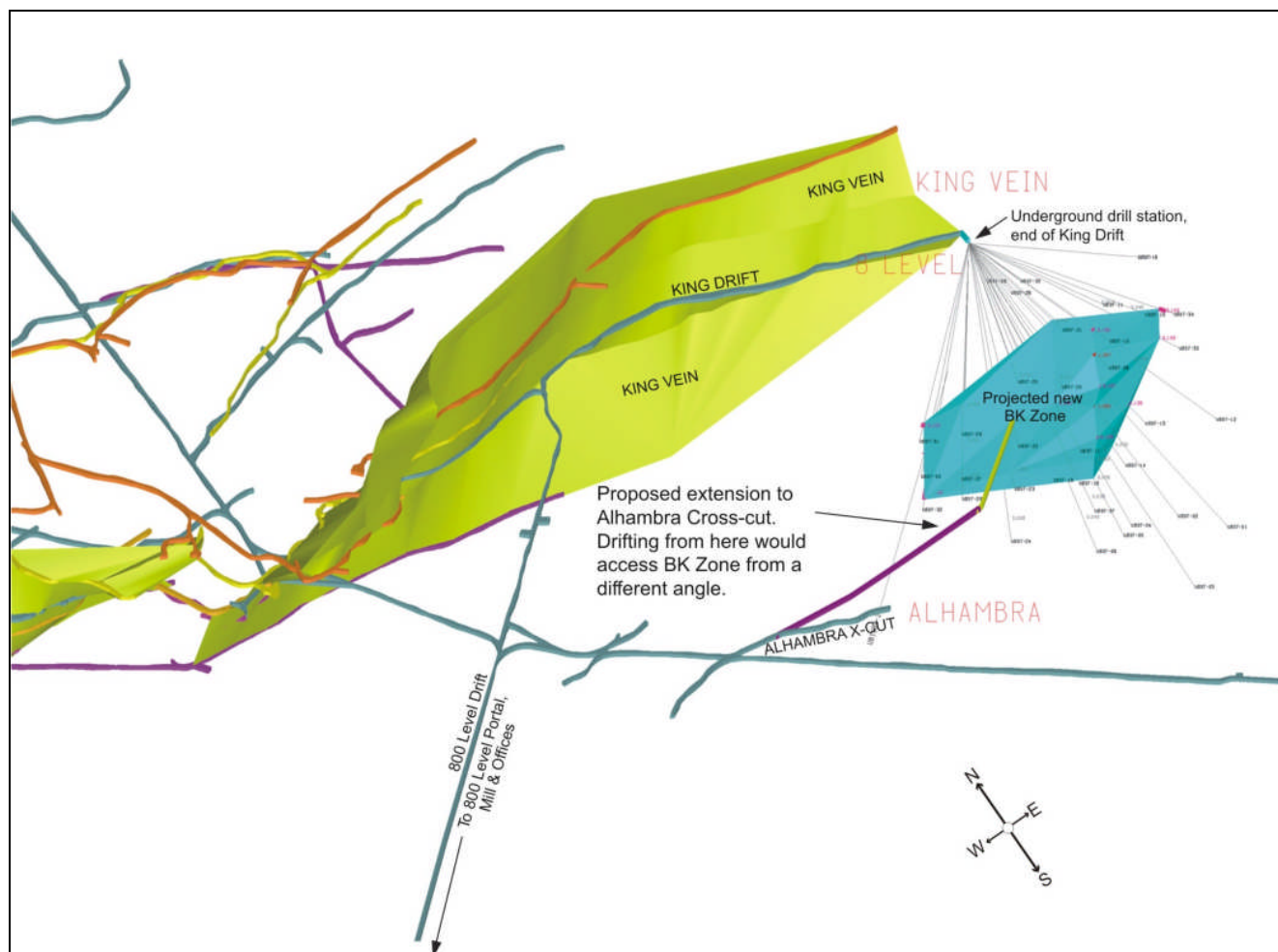
Current Price	C\$1.21
Fair Value	C\$1.60
Rating*	BUY
Risk*	5 (Highly Spec)
52 Week Range	C\$0.95 – C\$1.65
Shares O/S	13,575,422
Market Cap	C\$16.43 mm
Current Yield	N/A
P/E (forward)	N/A
P/B	0.84
YoY Return	21.0%
YoY TSX-V	-0.4%



Press Release Dated January 7, 2008: Bralorne Attains Permit

The company announced the receipt of permitting allowing for the cross cutting of a 125 meter drift from the Alhambra Drift towards the BK Zone. The BK Zone is a new, high-grade discovery in the King-Bralorne Gap. The permit also allows for 500 meters of drifting along the BK Zone for the purposes of resource delineation. The receipt of this permit is a very important milestone for the company. The BK Zone is the key to the company's future success, and this permitting removes some of the risk associated with the advancement of the project.

Current Status: As previously discussed, determining measured and indicated resources at Bralorne requires drifting and underground sampling due to the nature of the mineralized veins. The company has begun the process of cutting the 125 meter cross-cut towards the BK Zone to commence sampling and drilling for a NI 43-101 compliant resource. The estimated cost of this program is \$2.5 million. \$1.0 million has already been spent on upgrading underground rails, electrical systems, and underground ventilation in the Alhambra Drift. We expect the drifting program to take 3 months, followed by a stoping and raising program for the delineation of a NI 43-101 compliant resource.



Source: Bralorne Gold Mines Ltd.

Conclusions & Rating: BPM's shares are up 14.2% since we initiated coverage in November 2007. We did not make any noteworthy changes in our valuation model. Even though gold is currently trading at record highs (As of January 10, 2008, gold was trading at US\$892/oz), we have continued to use a conservative long-term gold price forecast of US\$600/oz in our valuation models.

We reiterate our BUY rating and maintain our fair value estimate on the company at \$1.60 per share. We believe 2008 will be an exciting year for the company as they physically access the high grade BK Zone. We believe the company is on track to achieve production in 2009, if the BK Zone continues to prove up results like we saw from drilling. The company will be required to seek out additional permitting for the stoping and raising program after drifting. The necessary infrastructure is in place to go into production quickly.

Fundamental Research Corp. Equity Rating Scale:

Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk

Hold – Annual expected rate of return is between 5% and 12%

Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk

Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:

1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

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The distribution of FRC's ratings are as follows: BUY (81%), HOLD (8%), SELL (5%), SUSPEND (9%).

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