

## GOLDEN DORY RESOURCES CORP.

TSX-V: GDR

Last Trade (October 8): \$0.11  
52-Week Range: \$0.18-\$0.065  
Shares Outstanding: 46.57 million  
Market Cap: \$5.12 million

Recommendation: Speculative Buy (No Change)  
12-Month Target Price: \$0.33 (No Change)

**PROFILE: junior mining company active in Newfoundland and Labrador, Ontario, and Nevada.**



Source: [www.bigcharts.com](http://www.bigcharts.com)

### Big Boost in Updated NI 43-101 Resource Figures at Huxter Lane/Brady

Golden Dory Resources Corp. has received updated NI 43-101 resource figures for its Huxter Lane/Brady project in central Newfoundland. The resource has been boosted by 50% overall, including a 160% increase in indicated ounces at *Mosquito Hill* at Huxter Lane.

The revised resource estimates that the *Mosquito Hill* deposit contains the following:

**Indicated Resource:** 11.18 million tonnes averaging 0.546 g/t Au for 196,257 oz. Au. (Cut-off of 0.30 g/t Au.)  
**Inferred Resource:** 38.76 million tonnes averaging 0.457 g/t Au for 569,496 oz. Au. (Cut-off of 0.30 g/t Au.)

The revised update also includes an initial resource estimate for the *Reid Porphyry* zone, 1,600 metres northwest of Mosquito Hill on the contiguous Brady property, as follows:

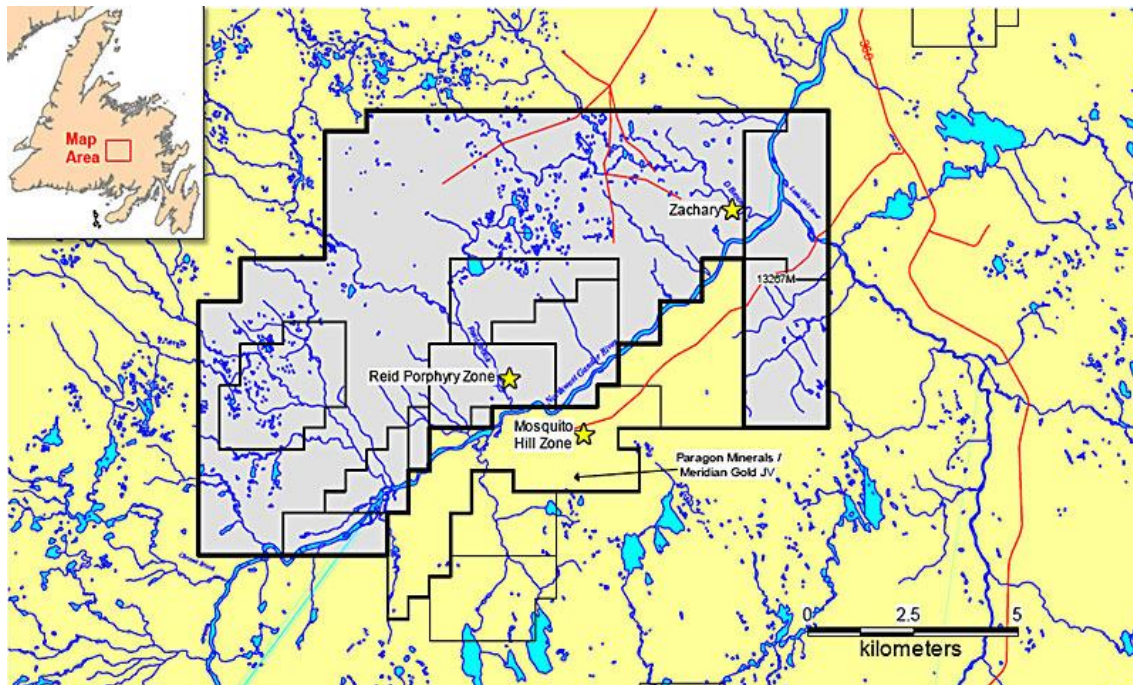
**Inferred Resource:** 5.99 million tonnes averaging 0.558 g/t Au for 107,461 oz. Au. (*Cut-off of 0.30 g/t Au.*)

As no economic assessment or scoping study of *Mosquito Hill* or *Reid Porphyry* has been performed, a range of cut-off values has been provided. These are contained in the resource tables in Golden Dory's September 28, 2010 news release, available on SEDAR at [www.sedar.com](http://www.sedar.com).

**COMMENT:** *The updated NI 43-101 Technical Report added significantly to the value of the resource estimate and thus to the attractiveness of Golden Dory as a speculative investment. Additionally, the inclusion of resources from the 100%-owned Reid Porphyry zone which lies just 1,600 metres northwest of the Mosquito Hill deposit could significantly impact the future viability of the project. It is possible that this could be one contiguous deposit, running between the Mosquito Hill Zone and the Reid Porphyry Zone.*

*Both deposits are open for expansion along strike and at depth. We expect the Company will provide further exploration plans to expand the resource.*

**Map 1:** The map below identifies the two claim groups Brady and Huxter Lane, and their prospective targets, the Reid Porphyry zone and the Mosquito Hill zone. The Brady Property is outlined in bold and shaded in blue. The Huxter Lane option is outlined in bold and shaded in yellow (south of Brady).



Source: Golden Dory Resources Corp.

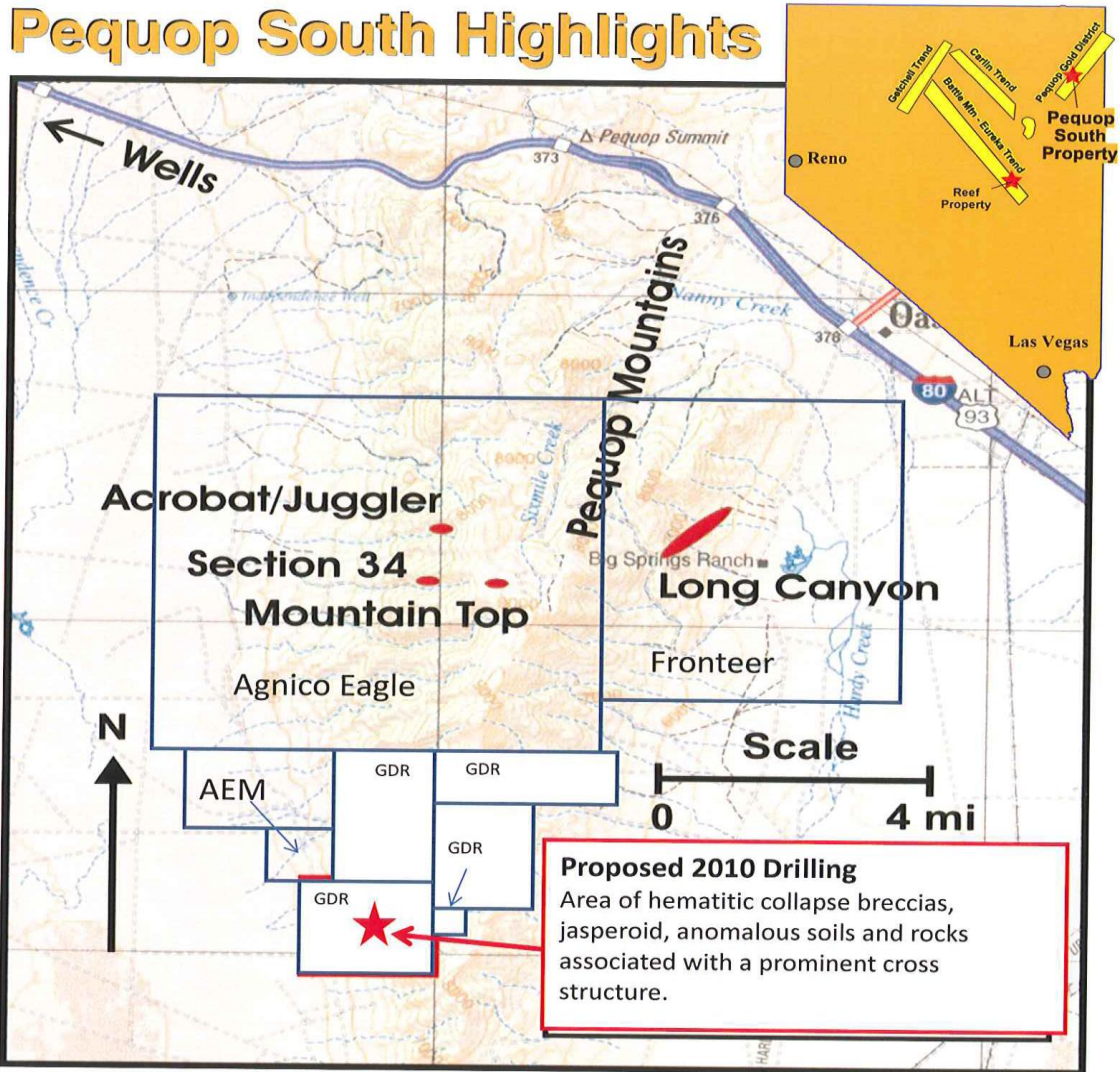
## FUTURE ACTIVITY

Golden Dory intends to focus on its Nevada gold prospects over the next six months rather than on its Newfoundland properties. The attraction stems partly from the end-of-August announcement by Fronteer Gold Inc. of its intention to acquire AuEx Ventures Inc. This could lead to some form of co-operation between Golden Dory and Fronteer Gold because Golden Dory can earn a 70% interest from AuEx Ventures in two Nevada projects, on both of which Golden Dory intends to drill later this year.

One is the Pequop South project in the Pequop Gold District, and the other is the Reef property that hosts the Black Horse prospect.

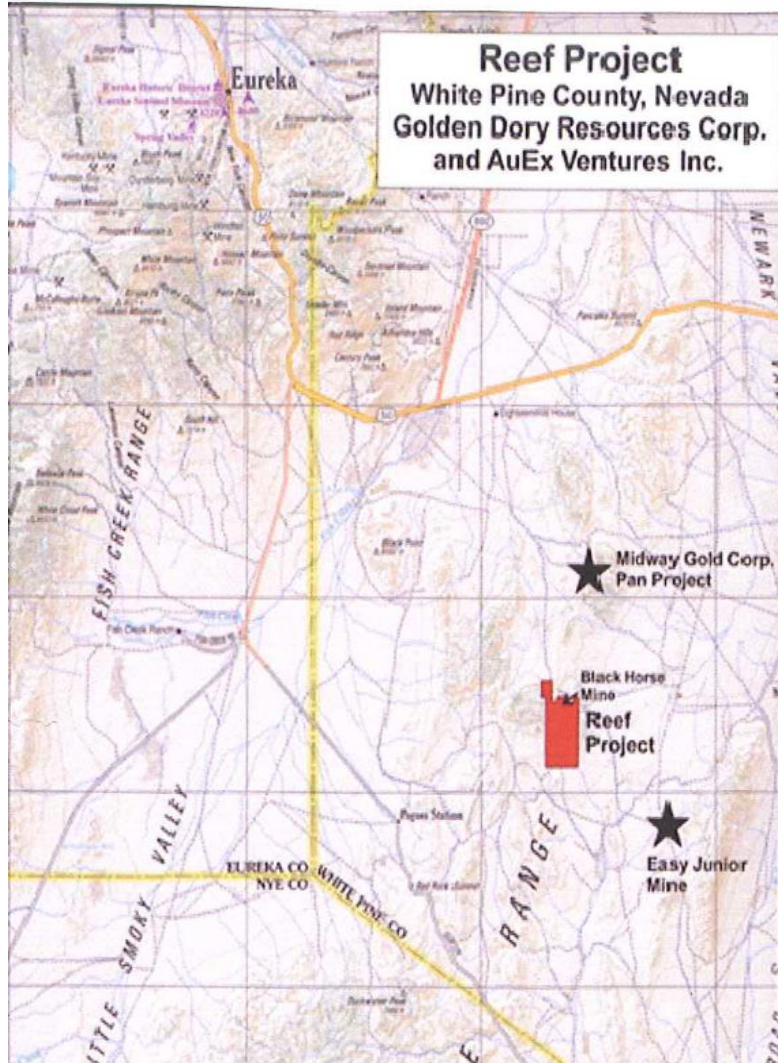


Of significance to Golden Dory, its Pequop South property could exhibit similar geological characteristics as Frontier Gold's nearby Long Canyon property (see below), which has Measured and Indicated resources of 672,000 oz Au and Inferred resources of 552,000 oz Au.



- Golden Dory plans 2010 drilling targeting mineralization similar to Long Canyon and Mountain Top.
- Long Canyon (Frontier Gold) hosts measured & indicated 672,000 oz and 552,000 inferred.
- Agnico Eagle Mines (West Pequop property) hosts Mountain Top Deposit highlighted by DDH – 141 feet @ 0.238 oz/t.

With Black Horse, sampling returned values of 5.2 g/t Au and 716 g/t Ag. Importantly, there are quite good outcrop showings of both gold and silver on the property. Golden Dory intends to test the down-dip extension of Black Horse later this year as well as a shallow zone that also hosts the Pan Project of Midway Gold Corp. (see map below) that is situated only 5 km to the northeast, and which hosts NI 43-101 compliant resources of 650,000 oz Au.



With permits now being put in place, Golden Dory hopes to begin drilling at Black Horse by the end of October 2010. Its objective is to reverse-circulation drill some 1,500 – 2,500 metres, with each hole drilled to an average depth of 250 – 300 metres.

**COMMENT:** *The Company's goal, somewhat lofty at this point, is to prove up a resource estimate of 2 million oz Au at Black Horse. If this is accomplished, since the mine would be open-pit, production would be highly profitable. All of this would certainly be positive for the Company's share price.*



## THE COMPANY

Golden Dory is a junior mining company with a diverse portfolio of mineral properties. The Company is active in: (1) Newfoundland and Labrador (gold, uranium and base metals); (2) Ontario (lithium and rare metals); and (3) Nevada (gold). The Company's primary focus is on its flagship Huxter Lane/Brady gold project in central Newfoundland. It currently has NI 43-101 compliant gold resources totalling about 873,000 oz Au.

## RECOMMENDATION

Golden Dory's shares have been range-bound over the past year, oscillating around the 10-cent per share level. However, there has been a pick-up in share trading volume since mid-August, indicating increasing investor interest.

We continue to recommend the shares of Golden Dory as a Speculative Buy for long-term, risk-tolerant investors. Share-trading liquidity is thin, an inhibiting factor for institutional traders. Our 12-month Target Price remains \$0.33 per share.

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