

Fundamental

Research Corp.

Investment Analysis for Intelligent Investors

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Lateegra Gold Corp. (TSX.V: LRG) –Picacho Option Dropped; SUSPENDING RATING

Sector/Industry: Junior Mining

www.lateegra.com

We are suspending coverage of Lateegra Gold Corp. (TSX.V: LRG). On Friday, September 14, 2007, the company issued a press release in after hours announcing the Picacho option with Tara Gold (OTC.PK: TRGD) was terminated. According to Lateegra, they had stopped option payments until resolution of the title of ownership. This issue delayed the company's exploration program and they did not feel the early stage of the property justified escalating option payments. According to Tara Gold, they terminated the option due to Lateegra's failure to comply with the terms of the option agreement. Our valuation was solely based on this property.

In addition, management has not followed through on expected exploration programs on their Ecuadorian properties. On September 11, 2007, the company announced that Michael Townsend, President and Director, and Robert Findlay, COO, were stepping down from the company effective immediately. At this time, we are unable to access management to discuss developments at the company and any possible resolution of the Picacho Option. Our previous ratings and fair value opinion are no longer valid.

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 (84%), HOLD (6%), SELL (2%), SUSPEND (8%).

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