

METCO RESOURCES INC.

(MKO: TSX-V \$0.095)

Metco Resources Accepts Friendly Offer

Metco Resources Inc. ("Metco") has reached an agreement with Breakwater Resources Ltd. ("Breakwater") whereby Breakwater will acquire 100% of Metco for 7,000,000 Breakwater shares. This equates to a value of \$0.105 per Metco share, or a 62% premium to Metco's closing price on January 8, 2008 of \$0.065 per share.

eResearch believes the offering price is low given our analysis of the recent pre-feasibility study on Metco's Caber Deposit project and our determination that this project alone is worth \$0.115 per Metco share.

Given that Metco has 14 other well-diversified properties in Quebec, including the more advanced Orphee Deposit, we think the current Breakwater offering price is a "steal".

Whether another buyer enters into a bidding war for Metco, or whether Breakwater ultimately raises its bid are both moot points given that, from a strategic perspective, Breakwater is the logical buyer given its joint venture partnerships with Metco, and its nearby Langlois mill that has excess capacity.

eResearch will release a full report on Metco in the near future.

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