

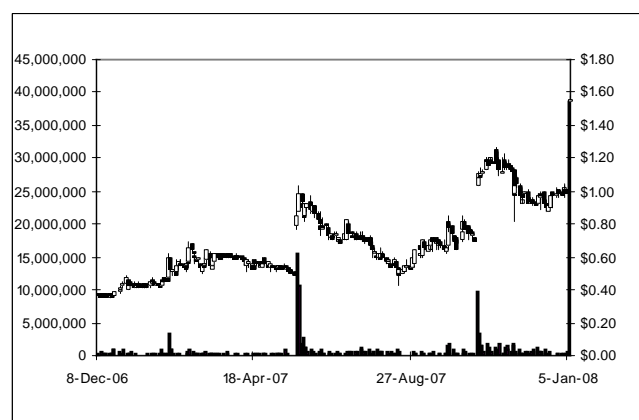
Tyler Resources Inc. (TSX.V: TYS) – Jinchuan Group to Acquire Tyler Resources; Shares up 64% Since Coverage Initiated

Sector/Industry: Junior Mining

www.tylerresources.com

Market Data (as of January 7, 2008)

Current Price	C\$1.56
Fair Value	C\$2.30
Rating*	BUY
Risk*	5 (Highly Spec)
52 Week Range	C\$0.41 – C\$1.56
Shares O/S	122,086,115
Market Cap	C\$190.45 mm
Current Yield	N/A
P/E (forward)	N/A
P/B	6.65
YoY Return	321.6%
YoY TSX-V	1.3%



TYS announced today that it signed a definitive support agreement with China's largest producer of nickel, cobalt and platinum group metals and a major producer of copper, Jinchuan Group Ltd. Jinchuan will make an all cash offer to acquire all of the issued and outstanding common shares on a fully diluted basis for \$1.60 per share, or \$214 million. This offer follows the hostile offer by Mercator Minerals Ltd. (TSX: ML) of \$1.03 per share in October 2007. TYS's shares rose 56% today, from \$1.00 per share to \$1.56 per share, and this represents an increase of 64.2% since we initiated coverage of TYS at BUY (Risk: 5 – Highly Speculative) on November 11, 2007, when the shares were trading at \$0.95 per share. Our fair value estimate on the company is \$2.30 per share, or \$275.5 million (DCF valuation was \$2.22 per share and relative valuation was \$2.41 per share).

The transaction is expected to close in mid-March 2008. It is subject to several conditions, including acceptance of at least 66.67% holders of the outstanding shares calculated on a fully diluted basis, and receipt of all required regulatory approvals (including approvals from the Chinese government). Even though the offer price is lower than our fair value estimate on the company, TYS's board of directors has unanimously determined that the offer is fair to the company's shareholders. We believe TYS's management and board of directors are pleased with this offer primarily because it is 54% above Mercator's offer. As the board recommends that shareholders tender to the offer, we expect this transaction to go through unless TYS receives a higher bid from another company. Note that Mercator's offer expires tomorrow, and we believe there is a possibility that they might raise their previous offer in response to Jinchuan's offer.

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 (82%), HOLD (8%), SELL (4%), SUSPEND (6%).

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