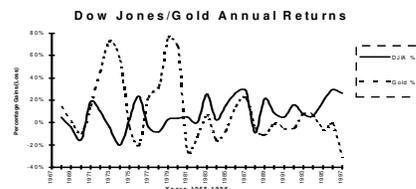




# Gold



## Energy & Tech Stocks

Weekly Hotline Message

(Now in our 29<sup>th</sup> Year)

September 17, 2010

New Buy Recommendation:

### Typhoon Exploration Inc.



**Business:** Exploration and development of gold properties in Quebec

Traded TSX Venture:	TYP
US OTC:	TYPFF
Shares Outstanding:	19,008,924
Price 9/17/10:	US\$1.60
Market Cap:	US\$30.4 Million
Gold Resource Oz.	
(43-101 Inferred dated 2007):	188,000
Progress Rating:	"C"
Telephone:	1-450-622-4066
Web Site:	<a href="http://www.explorationtyphon.com">www.explorationtyphon.com</a>

Typhoon Exploration's shares have risen dramatically from the first of August until now. And of course with the benefit of 20/20 hindsight, we know now we should have purchased long about the end of July when the stock sold at under \$0.50, or better back in March when it sold at \$0.23.

But there is no use looking in the rear view mirror. Better to look at what the company has now, relative to its market cap and what we see looks most exciting. Hence our addition of this company to our list of gold share recommendations.

### The \$27-Million Dollar Deal with Aurizon

We mentioned it last week: the deal Typhoon recently did with Aurizon Mines Ltd. that will allow Aurizon to earn up to a 65% interest in the Fayolle Gold Prospect. First it can earn a 50% interest by spending \$10 million in exploration work over a period of four years, of which an amount of \$3.5 million in the first two years constitutes a firm commitment by Aurizon. Aurizon is also required to purchase \$2 million in Typhoon's shares in four equal tranches of \$500,000.

Following the exercise of the first option, Aurizon will have the option, over a period of two years, to acquire an additional 15% interest in the project by delivering a feasibility study to Typhoon, or by incurring on the project additional expenditures of up to \$15 million, in which case Aurizon will acquire

an additional 1% interest in the project for every \$1 million incurred in expenditures, for a maximum additional interest of 15%.

The agreement covers the Fayolle Project (39 mining claims owned 100% by Typhoon, covering 1,373 hectares) and the option on Aiguebelle-Goldfields (six mining claims presently optioned from Agnico-Eagles Mines Ltd., covering 254 hectares, subject to the approval of Agnico-Eagle Mines), located in the townships of Clericy, Aiguebelle, and Destor.

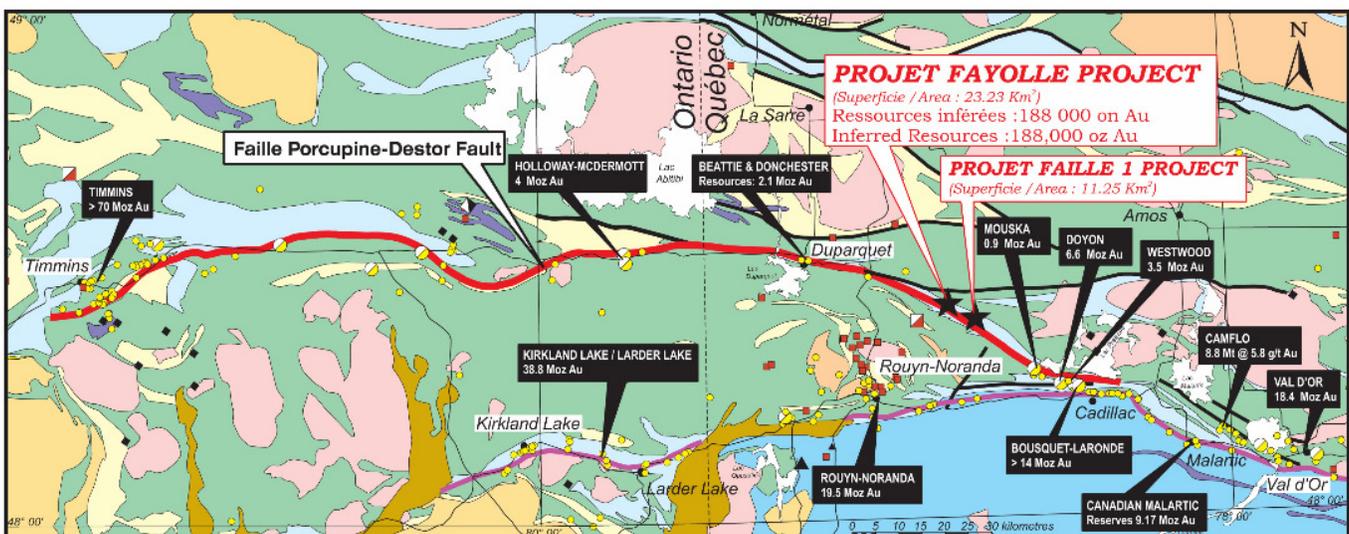
At this point in time, the company is awaiting assays on 150 channel samples taken from the stripping of five mineralized zones on the Fayolle Property. It is also getting ready to carry out a 15,000-meter drill program on the property. This is a very good sized target. As reported last week, *“the mineralized zones on the Fayolle deposit are distributed along a major shear corridor of approximately 2.5 kilometres long by one km wide, all remaining open at depth. Higher gold-grade intervals in the range of 10 grams to 40 grams per tonne have been encountered over three to 30 metres during previous drilling.”* (Subsequent to this report, assays were released by the company that improves the continuity of the high grade mineralized zones on the Fayolle property. See Oct. 19, 2010 press release at the end of this document.)

## OTHER PROPERTIES

The Fayolle is just one of several properties in this company’s portfolio. There is also the Faille 1 Project located just east of the Fayolle Project. Located to the northeast of the Rouyn-Noranda Mining Camp, the Fayolle, Faille 1, Aiguebelle-Goldfields, and Destorbelle properties consist of 96 claims (37.02 km<sup>2</sup>) in a highly prospective gold bearing area. Typhoon holds a 100% interest in the 90 claims of the Fayolle and Faille 1 properties, signed an agreement with Agnico-Eagle Mines Ltd. to get a 51% interest on six claims at Aiguebelle-Goldfields, and holds 50% of the Destorbelle Project. Combined, the four properties (Fayolle, Faille 1, Destorbelle, and Aiguebelle-Goldfields) form a 15-km-long corridor parallel to the Porcupine-Destor Deformation Zone (PDDZ), which has produced more than 80 million ounces of gold so far.

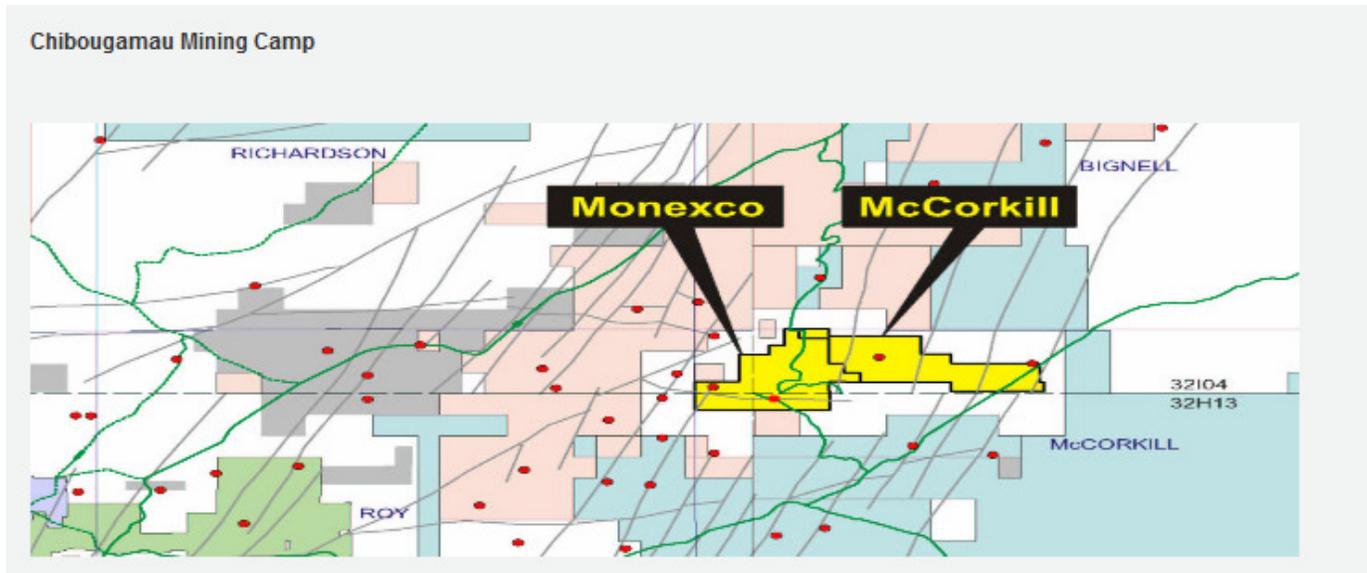
## PORCUPINE-DESTOR FAULT

## FAILLE PORCUPINE-DESTOR



Situated in the Chibougamau Mining Camp, the Monexco-McCorkill Property (106 mining claims)

presents a potential for gold and base metals. Typhoon holds a 100% interest in this property. True these properties are more of a grassroots nature than the Fayolle. But they have excellent addresses, geologically speaking, and from an infrastructure point of view, which means not only lower production costs if/when a mine is built, but also much, much lower exploration costs than in many other parts of the world where access is difficult.



## MANAGEMENT

**David Mc Donald** - Mr. Mc Donald has acquired 24 years of experience in the financial and mining exploration industries of Abitibi, Montreal, Northwest Territories, James Bay and South America. He has been President and CEO of Typhoon Exploration since 2002, and President and CEO of Diamond Frank Exploration as well as administrator for the Québec Mineral Exploration Association (AEMQ) since 2007.

**Paul Antaki, Director and CFO** - For the past 25 years, Mr. Antaki has been involved with the Laurentian Bank of Canada and is currently a Branch General Manager. He has been on Typhoon Exploration's board of directors since 2004 and is its Chief Financial Officer since 2007.

**Robert Gagnon – Director** - Having completed his bachelor's degree in geology at the University of Québec in Chicoutimi (1999) Mr. Gagnon has been actively involved in mining exploration since his graduation. He has been on the board of directors at Typhoon Exploration since 2008.

**Leo Patry – Director** - Following the completion of a B.A.A. in 1983 at UQAM, Mr. Patry began his career the following year as the director of an international transportation company and subsequently served as President of a courier and delivery service company from 1991 to 2006. He has been on Typhoon's board of directors since May, 2009.

The company relies on a host of skilled outside geological consultants in establishing its exploration programs. All in all, Typhoon seems to have a very competent management team in place.

## THE BOTTOM LINE

Even after its sharp run up in price, this is still a company with a market capitalization of only about US\$30 million. True, the exploration efforts are still at a fairly early stage, even on the Fayolle Gold Prospect. However, a large number of surface samples from the various mineralized zones outcropping on

surface as well as an energetic drill program to follow should set the stage for some explosive upside price action, with some good drill results. The size of the gold bearing structures hold out promise of a major gold discovery and one can only imagine that is why Aurizon has entered into an agreement to spend up to \$27 million to earn a 65% interest. I believe the chances of success in terms of positive drill results that drive these shares higher from here are quite high. Based on the Fayolle Gold Project alone, I believe this company's shares are considerably undervalued. Hence the addition to our Model Portfolio.

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**Press Release**

Immediate distribution

TSX Venture Exchange : TYP

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**Typhoon comments on the first four drill assay results from the Fayolle Project**

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LAVAL, CANADA--(Marketwire - Oct. 19, 2010) - **Typhoon Exploration inc. (TSX VENTURE:TYP)** would like to expand on the recently released drill results from holes FA-10-01 to FA-10-04 on September 29th 2010 where only high grade gold values were made public.

The new drilling strategy use till now, put priority on N-NW unexplored structural features. The new drill pattern permits to improve the continuity of the high grade mineralized zones. They are oriented NNW and hosted within a large E-W deformation corridor which the Fayolle deposit and its mineralization is circumscribed.

It is important to note that several auriferous zones were intersected both below and above the high values that were obtained in holes FA-10-01 to FA-10-04.

**DDH FA-10-04**

The gold zone of **112.5 g/t Au over 6 metres**, is followed by three (3) other gold zones of **5.2 g/t Au over 2 metres between 109 and 111 metres**; **1.1 g/t Au over 3 metres between 135 and 138 metres**; and **2.4 g/t Au over 2 metres between 160 and 162 metres**.

**DDH FA-10-03**

This hole has intersected **1.3 g/t Au over 11.0 metres between 158 and 169 metres**, **1.29 g/t Au over 5 metres between 187 and 192 metres**, **6.4 g/t Au over 3 metres between 209 and 212 metres**; and **0.8 g/t Au over 4.5 metres between 220.5 and 225 metres**.

**DDH FA-10-02**

Several very anomalous zones were intersected by this drill hole one of which ran **0.5 g/t Au over 7.6 metres between 17.4 and 25 metres**; **0.6 g/t Au over 7.0 metres between 35 and 42 metres**; **0.8 g/t Au over 12.5 metres between 137.5 and 150 metres**; and **5.7 g/t Au over 2 metres between 250 and 252 metres**.

**DDH FA-10-01**

The hole **FA-10-01** has intersected some anomalous auriferous values above the recently announced high grade zone of **33.14 g/t Au over 1.5 metres between 192 and 193.5 metres**. These anomalous zones have revealed **0.6 g/t Au over 8 metres between 145 and 153 metres**; **0.4 g/t Au over 5 metres between 160 and 165 metres**; and **0.5 g/t Au over 4 metres between 168 and 172 metres**.

**A complete table of results of the four (4) diamond drill holes is now shown on our web site.**

Mr. Robert Gagnon, P. Geo. (OGQ), from Typhoon Exploration Inc. and Mr. Daniel Gaudreault ing., Geo. (OIQ) from Geologica Groupe-Conseil Inc., Qualified Persons as defined by National Instrument 43-101, supervised the preparation of the information in this news release.

The common shares of Typhoon Exploration are listed on the TSX Venture Exchange under the symbol "TYP".

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### TSX-V: TYP

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## Projet Fayolle / Fayolle Project

