

Growth Stocks Weekly

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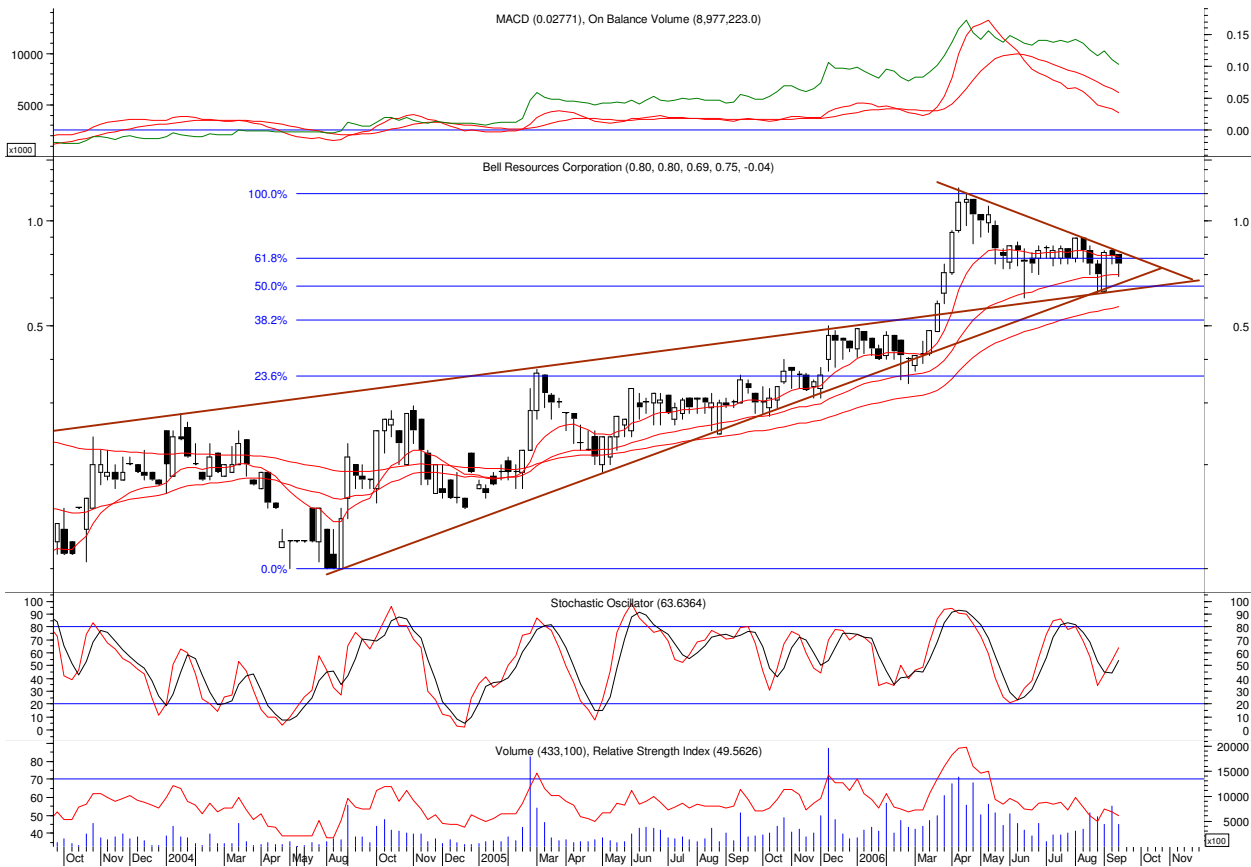
Performance: Year ended April 1996 116.9%; 1997 28.1%; 1998 36.4%; 1999 39.4%; 2000 180.9%; 2001 -50.5%; 2002 18.7%; 2003 28.8%; 2004 166.7%; 2005 28.2%; 2006 153.3%

Junior Gold and Natural Resource Sector Report September 14, 2006

Overlooked Emerging Producer

Update

BELL RESOURCES CORPORATION (BL-TSXV)



Weekly Chart, High \$1.24, Low \$0.28, Last Trade \$0.75

Bell Resources is currently our top choice in the category of advanced exploration opportunities, with a diversified portfolio of five potential world-class North American base metal projects, any one of which has the means to quickly transform Bell into major success story and create significant wealth for patient shareholders.

Project Updates

Bell's most advanced project is the past-producing Granduc Mine, a copper-rich VMS-Besshi deposit located 40 km northwest of Stewart in northwestern British Columbia. Bell is targeting along-strike extensions to the north and south of the zone of past exploration and mining. Recent step-out drilling results confirm extensive continuity of high-grade magnetite-pyrrhotite-chalcopyrite mineralization across at least a 4-kilometre (2-½ mile) strike length, which would place Granduc in the top percentiles of Besshi-style VMS deposits. Windy Craggy, located 200 kilometres north of the Granduc property is the largest

known Besshi deposit. Further drilling is now underway. Exploration has expanded the [volume of mineralization in deposit](#) to a potential 100 million tonnes copper (Cu) ore at a +/- 1.85% average grade in North, South and Central zones, representing +/- 3.7 billion pounds of copper (currently trading at US\$3.40/lb). There are additional credits for gold (Au), ~~and~~ silver (Ag), [cobalt \(Co\) and Magnetite \(Iron Ore\)](#) – that could even cover operating, processing and/or transportation costs. Over \$100 million in infrastructure is in place along with paved access to the nearby deepwater port at Stewart, B.C. Bell has already established a [permanent year-round](#) camp and local office and is quietly mobilizing resources towards development of this project.

Another exciting property is Bell's Sombrero Butte Project in [Pinal County, Arizona](#), [which is](#) the first consolidation of these claims since they were mined back in 1920. This is a significant opportunity to quickly delineate high-grade copper-gold-silver breccia resources. We expect a transition with depth from the high-grade breccia environment to a larger tonnage copper porphyry system. A drill program began in mid-August. This initial phase of drilling consists of 10 holes over approximately 5000 feet, targeted on outcropping, high grade breccia pipes. Breccia pipes are present across the entire extent of the property, so it is conceivable that the breccias reflect the footprint of a massive underlying porphyry copper system. Given the high-grade point-of-origin for the drilling of each of these 10 holes, and the inconceivable notion that these pipes originate without an existing magmatic feeder source, we suspect some cause for real excitement as assays are released [and do not be surprised if this becomes a year-round development project for the Company as the location is amenable](#).

Then there is Bell's Kabba porphyry copper prospect in Mohave County, northwestern Arizona. The Company controls 232 unpatented mining claims covering over 4200 acres on the highly productive Copper Creek-Resolution-Bagdad porphyry trend. Along this same mineralized trend, Phelps Dodge Corporation is expanding its 200 million pound annual copper production at the Bagdad mine, Mercator Minerals is reopening the Mineral Park mine and Rio Tinto management has confirmed over 1 billion tons of reserves at a grade of over 1.5% copper² at Resolution. This is elephant country. Large undiscovered porphyry copper deposits still exist in Arizona [at depth](#), and Bell has an excellent shot with Kabba. This year Bell initiated an extensive IP survey at Kabba, a follow-up to the aeromagnetic survey completed in the fall of 2005, identifying multiple prominent low magnetic anomalies consistent with the concept that one or more large porphyry copper systems are present in the target area. Bell is utilizing the interpretation of the IP Survey to assist in the targeting of a drill program scheduled before the end of [the](#) 1st quarter of 2007.

And there's also Bell's A-Train property located in the Upper Peninsula of Michigan, regarded as highly prospective for deposits of nickel-copper and PGM's. It shares a geological affinity with the nearby North American Palladium Lac des Iles mine and Rio Tinto Eagle orebody. Phase I drilling was completed at A-Train on July 11th and consisted of seven holes totaling 1,303 meters (4,275 feet). The targets for drilling were determined following an airborne pulse EM-magnetic survey flown over the property in September of 2005. The company is awaiting assay results from this initial drill program. [As a note the Eagle deposit took 3 years of drilling and currently sits at 5 million tonnes of plus \\$600.00/tonne ore. This type of deposit requires patience but can be extremely rewarding at the end of the day.](#)

Last but not least, Bell and joint venture partner Callinan Mines optioned the Fox River project in Manitoba due to the occurrence of sizeable geophysical anomalies in the proximity of an under-explored mafic sill. The consensus among geological professionals is that the Fox River Belt is a potential host of an extension to the famous Thompson Nickel Belt. The Fox River Project encompasses over 167,000 hectares and contains multiple high priority targets. On August 21st, [the Company announced they would be conducting](#) a comprehensive airborne Versatile Time Domain Electro-Magnetics ("VTEM") survey on the Fox River Project ~~commenced~~. The VTEM airborne survey is designed to locate conductive bodies below surface that could represent nickel and PGE-rich sulphide intrusions in the area's mafic rocks. This eliminates the need for linecutting and ground geophysics, allowing the company to focus entirely on sampling operations - including diamond drilling - for the entire fall and winter exploration seasons. Last April a horizontal loop survey on the 07-5 anomaly identified a very strong, flat-lying conductive body that is upwards of 600 metres across. A pulse EM survey was then carried out, confirming this unusual occurrence with a very strong response, including a step response. This compares favorably to geophysical targets discussed in the published paper "Geophysics in Mineral Exploration: Fundamentals and Case Histories of Ni-Cu Sulphide Deposits with examples from Voisey's Bay" by Stephen J. Balch. A comparison of the Fox River 07-5 anomaly with the "Balch" example from Voisey's Bay can be found at: <http://www.bellresources.com/i/misc/Pulse-EM-Comp.jpg> and is a virtual look-alike. The company will drill test the ~~0~~07-5 anomaly as well as others identified during the current geophysics program as soon as logistics permit.

These five projects enable Bell to generate year-round news and ultimately should see Bell advance along a path [of that](#) transitions from exploration to production and profitability.

Technicals

Technically, base building continues in the mid/low \$0.70's. The 13, 40 and 80-week MA's (moving averages) are flattening from their earlier steeper ascent. The still-rising 40-week MA is acting as strong support. In spite of a period that saw a severe resource-sector correction in May and again these last few weeks, as well as a lengthy period of summer doldrums and investor apathy, price has held up exceptionally well. The longer the base, the bigger the move – or so an old adage goes.

Trading is currently bounded by the two converging lines of a triangle, considered a consolidation pattern. The support lines extend from the top of the old ascending coil (from which we eventually saw an upside breakout as we suspected and predicted late last year), and the lower long-term trendline, both of which are now crossing at the \$0.65 area – an area of strong support.

We are now approaching the apex of this triangle – a point of resolve. The long term bull market for Bell is intact and we expect a breakout from the triangle to the upside. A breach of the \$0.80 area on rising volume would confirm a retest of the recent highs at the \$1.20 is likely, and ultimately new highs would be achievable from there.

We have been adding to our already large portfolio position in Bell throughout the summer as disclosed in our daily emails. This was mainly based on the fundamentals as we see them and also supported by the strong technicals at a substantial discount from recent highs. We believe Bell will eventually trade at multiples from these levels. Please review our March 20th update report: <http://www.growthstocksweekly.com/articles/GSW-BellResources-032006.pdf>

Bell is cashed up (about \$3.5 million, \$7 million fully diluted – all warrants are in the money) and has sufficient cash to complete their 2006 project programs, generating substantial news flow over the next 6 months. Our due diligence suggests that Bell will benefit from a substantial valuation upgrade with further positive drill results and should be able to attract institutional interest to their very attractive large-scale project portfolio.

Website: www.bellresources.com

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