

Growth Stocks Weekly

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Performance: 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%; 2007 8.8%; 2008 -25.2%

Junior Gold and Natural Resource Sector Report

May 6, 2009

Picking Over the Gold Sector

Evolving Gold Corporation (EVG-TSXv)



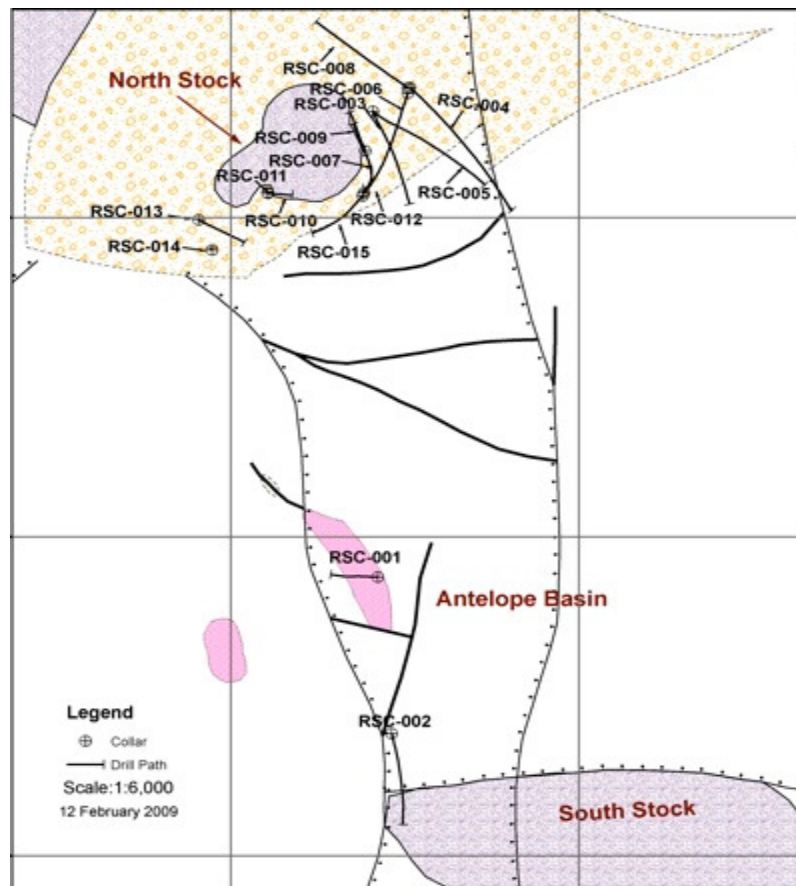
Evolving Gold Corporation (TSXV: EVG) is focused on finding multi-million ounce gold deposits in proven gold producing areas in Western USA. Their geoscience team has over 200 years of collective experience and the company has approximately \$17 million in its treasury. The Company is in a strong financial position to complete a significant work program its discovery

property at Rattlesnake Hills in Wyoming. Evolving has the option to acquire 100% of the Rattlesnake Hills project, and has 8 other gold properties in New Mexico and Nevada.

Evolving Gold's near term focus and immediate prospects are centered on the Rattlesnake Hills gold prospect, located in Natrona County, Wyoming, 70 kilometers west of the city of Casper. Evolving Gold acquired a 100% undivided interest in the prospect which consists of 3300 acres.

Rattlesnake Hills is a volcanic hosted alkalic gold system similar to multi-million ounce gold deposits such as Cripple Creek (Colorado). Assay results from the first phase of drilling have defined a large zone of gold mineralization which extends from surface to at least 550 meters deep and remains open at depth and on 3 sides. The average grade at Rattlesnake is 0.96 gpt gold. Contained in this zone are 2 long intervals of high grade (146 m of 2.92 gpt and 131 m of 2.84 gpt) which are 65 meters apart.

The 2009 Drill program is scheduled to begin in early May. 30-35 holes are planned for a total of 12,000 - 15,000 meters. The drill program will test extensions of the higher-grade mineralization at North Stock and will also test extensions and the size potential of the halo gold mineralization. The drilling will also test for continuity between the North Stock target and the Antelope Basin and South Stock targets.



Key points

- Alkalic system with potential for multi-million oz Au in structurally controlled environment
- Later stage property. Previous drilling by Newmont and ACNC, all holes terminated in mineralization
- 2008 drill program: 6,524 meters, 15 holes
- 2009 drill program: 12,000-15,000 meters, 30-35 holes

Corporate History

Evolving Gold's (EVG's) early focus was on Nevada, with a large number of projects staked and acquired from Newmont. The company carried out significant early stage work at the Winnemucca Mountain project that it optioned to Meridian Gold in 2006. In June 2007 the Company expanded the board and brought on a new CEO, CFO and listed on the TSX Venture Exchange. More Nevada projects were added through 2007 and drilling began at the Sheep Creek project in Nevada and the Malone project in New Mexico.

EVG completed a number of progressive financings in late 2007. In October 2007 while deep drilling on the Sheep Creek Project looking for a new Nevada "trend" parallel to the Carlin, they intercepted formations that host much of the Carlin trend gold. EVG's market took off, trading from the \$0.40 area up to a high of \$2.60 by February 2008.

Several fundings were offered and the company accepted a brokered and nonbrokered placement of 20 million units at \$1.00. This placement plus warrants exercised during the share price run has provided EVG with its significant treasury. After the peak of trading the shares slid on disappointing drill results, and then sold off severely during the rush for liquidity with the rest of the market.

Some further changes in management were effected, with Quentin Hennigh becoming President, in addition to continuing as Chief Geologist. With the market's reality check causing all exploration companies to reconsider their priorities, Hennigh moved EVG's exploration focus to Wyoming, which is more advanced and more cost effective to explore.

The company now has \$17 million (\$0.20/sh) in working capital, and following the extensive 2009 work program at Rattlesnake should be left with at least \$12 million at year end.

Rattlesnake Hills, Wyoming - Discovery Property

Rattlesnake Hills is a volcanic hosted alkalic gold system similar to multi-million ounce gold deposits such as Cripple Creek (Colorado), Zortman-Landusky (Montana), and Oritz (New Mexico).

Assay results from the first phase of drilling have defined a large zone of gold mineralization which extends from surface to at least 550 meters deep and remains open at depth and on 3 sides. The average grade at Rattlesnake is 0.96 gpt gold. Contained in this zone are 2 long intervals of high grade (146 m of 2.92 gpt and 131 m of 2.84 gpt) which are 65 meters apart.

High grade gold zones commonly coexist with large volumes of lower grade in large alkaline gold systems such as Cripple Creek where approximately 20 million ounces gold has been produced. The lower grade gold mineralization at Cripple Creek is currently mined in an open pit to a nominal cut-off of about 0.25 gpt gold. Drilling will commence this month with 30-35 core holes planned for all 3 targets.

The North Stock Target is a diatreme breccia approximately 700 meters in diameter and was tested with 13 of the 15 holes (RSC 003-015) in the 2008 drill program. High grade was intersected in RSC-003 and appears to intercept the same zone of mineralization present in the upper and lower portions of RSC-007 situated 65 meters away.

These high grade zones are surrounded by a large halo of gold mineralization. This large zone has been defined as approximately 450 meters long, 200 meters wide, and extending from surface to at least 550 meters deep where it remains open. It is also open to the west, east, south and may continue to the north as it wraps around the margin of the North Stock diatreme. A metallic screen fire re-assay program has increased the average grade at Rattlesnake by 10% to 0.96 gpt.

The Antelope Basin Target is approximately 725 meters south of RSC-003 in the North Stock Target. Core Hole RSC-001 intersected long intervals of highly anomalous gold mineralization, including 36.5 meters at 1.48 gpt Au. The lower zones of higher grades are well below any previous drilling, which reached a depth of no more than 128 meters.

The South Stock Target saw core Hole RSC-002 testing the margin of the South Stock target in a largely covered area, approx. 245 meters south of RSC-001 in the Antelope Basin target. Despite the hole deviating significantly to the right, it intersected long intervals of lower grade gold mineralization, extending gold mineralization beyond previously indicated limits.

Technicals

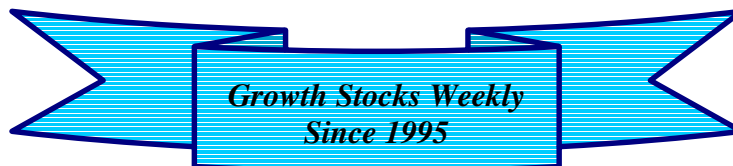
The shares are fairly liquid, with turnover averaging over 200,000 shares per day. An uptrend is now well-established after a bottom was marked in mid-November at the 15-cent area. OBV is showing a steady accumulation. All our moving averages (13, 40 and 80-day) are trending higher and acting as price support on weak days. Our first Fibonacci Retracement line sits at \$0.46 which is the next hurdle to overcome. The key 50% Retracement sits at \$0.80 which offers significant short term upside room. The short term Stochastics are in the buy area. The RSI is neutral. MACD has positive and recently gave a buy signal on the weekly chart (provided). The 80-week MA sits at \$0.48 which also offers more significant resistance. We are buyers on weakness.

Current Price: \$0.37
52 Week Range: \$0.14 - \$1.02
Shares O/S: 79.9 million basic
Shares O/S: 115.1 million fully diluted (FD)
Market Cap: C\$29.6 million
Working Capital: \$17 million (est); \$31 million (FD)

Website: <http://www.evolvinggold.com>

Management Team: <http://evolvinggold.com/wp-content/themes/zen-min/our-team.php>

Geo Team: <http://evolvinggold.com/geo-team/>



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