

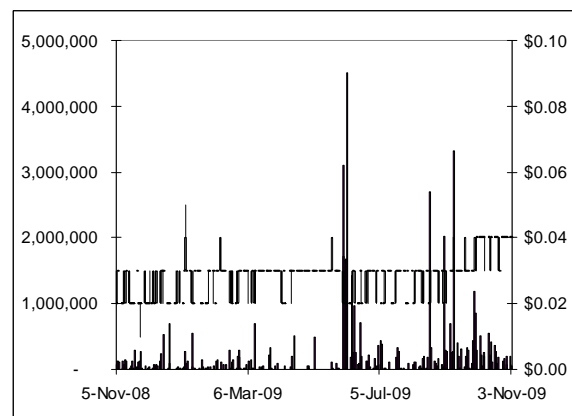
Kalahari Resources Inc. (TSXV: KLA) – Lamaque Project Located in Quebec’s Abitibi Adjacent to Historic Producers

Sector/Industry: Junior Mining-Gold

www.kalahari-resources.com

Market Data (as of November 5, 2009)

Current Price	C\$0.04
Fair Value	No Rating
Rating*	No Rating
Risk*	No Rating
52 Week Range	C\$0.01 – C\$0.05
Shares O/S	213,079,473
Market Cap	C\$8.52 mm
Current Yield	N/A
P/E (forward)	N/A
P/B	2.48
YoY Return	100.0%
YoY TSX-V	40.0%



About Kalahari Resource Inc.

Vancouver based Kalahari Resources Inc. (KLA), is an emerging mining and exploration company focused on gold properties. The company’s flagship property is the Lamaque Property located in the Abitibi Greenstone belt approximately 1 km north of the Cadillac-Larder Lake break, the primary control for gold mineralization at the Val d’Or gold camp in Quebec. The property lies immediately adjacent to the historic Lamaque and Sigma mines which have collectively produced over nine million ounces of gold. The parallel zone has a historic (non NI 43-101) estimate of 98,000 tons at 0.386 oz/t Au. Table 1 below shows the NI 43-101 resource estimates of the No. 10 Vein and prospective No. 4 Plug.

Table 1: Inferred Mineral Resources on the Lamaque Property using a 0.1 oz/t Au cutoff

Gold Deposit Name	Tons	Cut grade (oz Au/ton)	Uncut Grade (oz Au/ton)
No. 4 Plug			
700-3,000-foot level	1,149,000	0.179	0.275
No. 10 Vein	216,000	0.224	0.276
Total	1,365,000	0.186	0.275

* Cut grade indicates that historical results over 1 oz/t Au have been cut down to 1 oz/t Au (Source: Kalahari Resources Inc.)

Ownership: The company has earned, and is now the registered owner of the Teck Cominco (“Teck”; TSX: TCK-A) Lamaque claims, and has recently negotiated an agreement with its joint venture partners, Tundra Gold Mines Ltd and Golden Pond Resources Ltd, to earn 100% interest in the property; subject to regulatory approval.

Lamaque Property: We believe that the location is a strong attribute that positively differentiates the property with the three key points being:

- Infrastructure; easy access and proximal power, water, metallurgical facilities and skilled labour.
- Location within the Abitibi Greenstone Belt, a world renowned gold producing region.
- Located adjacent to past production of over 9 million ounces on land that already hosts defined targets.

Additionally, Kalahari is a member of the Hughes group of companies which we expect, based on their track record, will exert a strong positive influence on the company.

Figure 1 depicts the location of the Kalahari property.

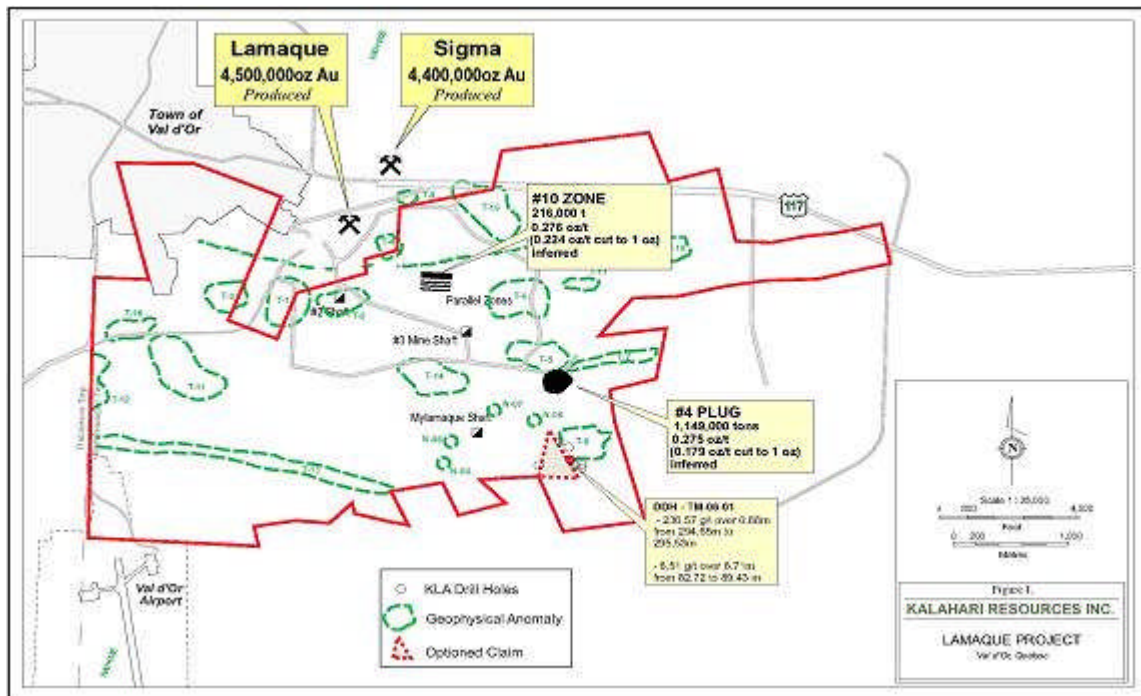


Figure 1

The No. 4 Plug is a primary target at this time. The plug is interpreted as a pipe-like diorite gabbro intrusive extending beyond 3,000 feet in depth. Gold mineralization is contained in quartz tourmaline veins and their associated altered wall rocks. Figure 2 shows the idealized structural interpretation of intrusive (plug)-hosted mineralization at the Lamaque mine. Gold bearing veins are hosted within three dominant structural features. Past drilling intercepted several narrow, high-grade, gold intercepts. We believe the repetition and quantity of the veins seen in drilling, and anticipated by the structural model, can potentially negate the narrow vein widths.

The company is also targeting another area known as the triangular zone where geophysics has defined a similar signature to the number #4 plug. Past drilling in this area has also returned several narrow, high-grade,

gold intercepts which may be related to an unexplored plug feature. Numerous other targets exist on the property, some of which will be tested during the company's fall drilling program. These plugs represent both open pit and underground targets ranging from 3 to 9 g/t Au.

Some things to look out for in the future include:

- Planned drill program to commence in December
- Updated resource estimate
- Possible joint venture aimed at further developing targets on a portion of the property, particularly the No. 10 Vein and Parallel zone.

The company has completed 29 NQ size diamond drill holes totaling 22,923 feet on the No. 10 Vein and Parallel Zone, which will be used to produce new tonnage figures for the two targets.

If reached, we believe, a joint venture could produce from the No. 10 Vein and Parallel zone, which management states can be accessed via a single decline and will not require a head-frame. **This represents a potential source of short term cash flow that will help the company and partners to further develop the Lamaque project, and continue to acquire and explore other prospective properties.**

Risks: The company's success is highly dependent on their ability to raise capital and remain a going concern. Regarding their Lamaque property, the company faces the challenge of appropriately delineating the local mineralization and stratigraphy. Historical information is poorly documented and mineralized outcropping is weak at best. General geophysics tools such as magnetic surveys have provided little aid in deciphering the stratigraphic and structural relationships present.

In addition, the No. 4 Plug, which has inferred resources of 1,149,000 tonnes grading 0.275 oz/t Au at the 700 to 3,000 foot level, will require underground access for effective exploration.

Financials – The following table shows the company's liquidity position at the end of Q1-2010 (quarter ended August 2009).

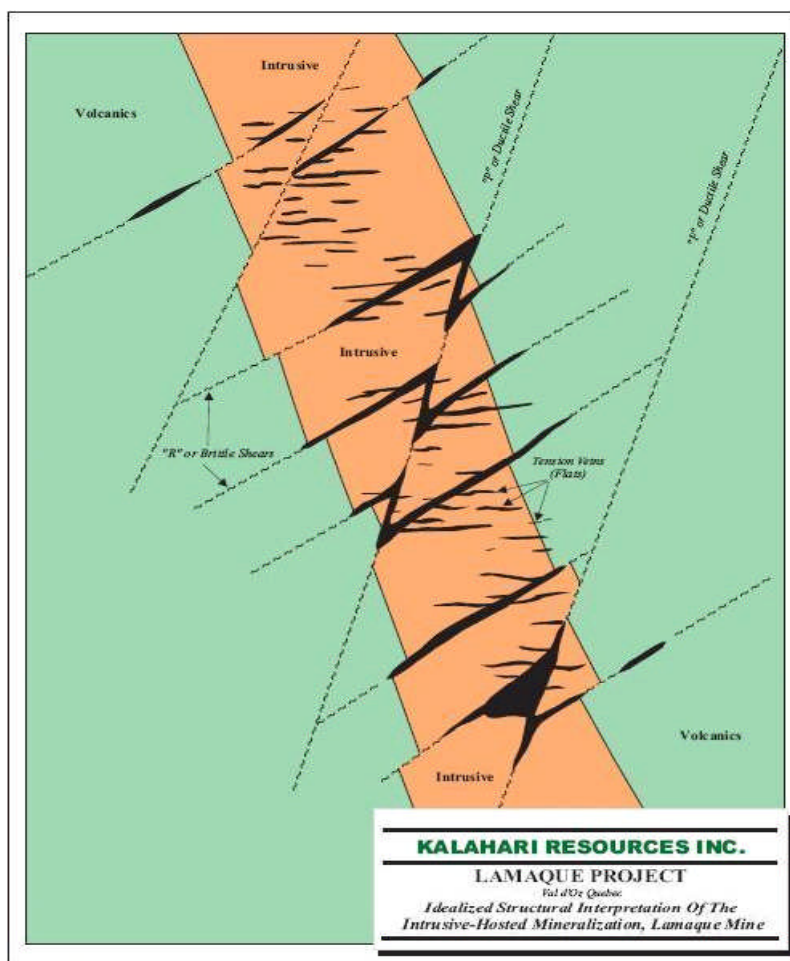


Figure 2: Idealized Structure; notice the repetition of potential gold hosting zones.
(Source: Watts, Griffis and McOuat Ltd.

Technical Report on the Lamaque Property, Val D'Or, Quebec)

Key Financial Data (FYE - May 30)	
(C \$)	Q1 - 2010
Cash	\$16,877
Working Capital	(\$538,272)
Mineral Assets	\$3,973,812
Total Assets	\$4,064,624
Net Income	(\$195,414)
EPS	(\$0.00)
LT Debt / Assets	-
Cash from Financing Activities	\$280,000
Monthly Burn Rate (incl. exploration)	(\$95,120)

Cash at the end of Q1-2010 was \$0.02 million. The company had a working capital deficit of \$0.54 million. We estimate the company had a burn rate (cash spent on operating and investing activities) of \$0.10 million per month for the quarter ended August 2009.

Subsequent to Q1, in September 2009, the company announced it has arranged a private placement of up to 20 million units (at a unit price of \$0.04) for gross proceeds of up to \$0.80 million. Each unit will consist of one flow through or non-flow through common share, and one non-flow through, non-transferable share purchase warrant (maturity period – five years, exercise price - \$0.05 in the first year, \$0.10 for the remaining four years). KLA has already sold 0.43 million flow-through, and 21.40 million non flow-through shares in the first tranche, for gross proceeds of \$0.55 million.

We estimate the company currently has about 72.64 million warrants and 18.63 million stock options outstanding. All the outstanding options and warrants are currently ‘out-of-the-money’.

Assuming the company continues to burn cash at the same rate as Q1, we believe it will have to raise about \$1 million to support working capital and exploration until the end of FY2010 (end of August 2010).

Conclusion: Based on our review of KLA, we believe investors should monitor the company as it is located in a favorable area for mining and as the company has identified good exploration targets.

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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