



***Habanero moves forward with work in the Yukon at Keno Hill, providing an attractive Investment Vehicle for Silver and Gold Investors.***

One of the world's highest grade silver mining districts, the Keno Hill mining district in the Yukon has attracted interest from Alexco (TSX:V:AXR) who acquired the assets in 2006 under contract with the federal government for environmental clean-up, has since engaged in extensive exploration each year since. With Alexco's successful production in the Bellekeno mine over the last year, it continues to make the company a king's ransom as the region has attracted attention from many companies, including **Habanero resources (TSX.V: HAO)** which has named the *Haldane Silver* prospect in the *Keno Hill district* their chief target for 2011.



***Habanero Resources closes a \$1,593,900 private placement equity financing***

**Habanero** announced on June 09, 2011 that it has closed a \$1,593,900 CDN equity financing by way of a private placement. Investor interest in the Company is on the rise, and with good reason. The Company plans on using the funds to commence its work program in the famed Keno Hill district which started on June 27<sup>th</sup>, 2011, and expectations are high. Most recently, the company has announced that it has substantially increased its land position by tripling the prospect in the Yukon by adding 14,000 additional acres. Funds will also be committed to execute a program on the exploration of their Lezai Gold project in Quebec sometime in July which is approximately 55,000 contiguous acres bordering Beaufield Resources (BFD-TSX.V). This capital injection will allow the company to accelerate its business plan and engage in three work programs over the summer months.

Over **eighty percent** of the world's precious metals discoveries are made by Canadian based exploration companies like **Habanero Resources**, which will join the likes of many top tier juniors when the drills start turning next month. One such company, Underworld Resources (TSX.V:UW), sent their drills spinning in the west central Yukon and intercepted over 104 metres of high-grade mineralized core that graded an average of 3.39 grams per tonne. This, along with other high-grade drill results sent the

stock soaring to parabolic levels from an average of \$0.50 a share to a high of \$2.58, putting Underworld Resources on the Financial center stage where Kinross (NYSE:KGC), the world's fifth-largest gold producer, arraigned to takeover Underworld Resources in a \$140 million deal. **Habanero's** White Gold Prospect borders this property and is in fact the closest property to the actual white gold discovery zone.

***More than 25% of the junior exploration companies on the TSX Venture double in value in less than a year after releasing positive drilling results.***

Drilling in and around known resources is the company's primary focus while establishing significantly higher resources to confirm historical numbers. Exploration in this region represents an attractive blue sky target for the company. Habanero's highly motivated team has positioned the company to achieve positive results with its near term work programs across its multiple projects that will significantly increase **Habanero's** presence in the market, and certainly attract investor interest.

#### **Overview:**

**Habanero Resources Inc.** ("Habanero" or the "Company") is a diversified junior company with multiple projects in Gold, Silver, and Lithium. It is listed on the TSX Venture Exchange and trading under the symbol (**HAO-TSX.V**) The Company holds a significant interest in the Yukon with the "White Gold" and Haldane Silver Prospect.

- **Haldane Yukon Silver:** This prospect is in the Keno Hill Silver district of the Yukon and is in the vicinity of the "Rau" discovery of ATAC Resources Ltd (ATC-TSX.V) and Alexco Resources' (AXR-TSX) Bellekeno Mine. The prospect is comprised of 289 contiguous quartz mineral claims, spread out over a total of 21,000 acres. Furthermore, deposits found in this district are of exceptionally high grade.
- **White Gold Prospect, Yukon:** property is directly bordering Underworld Resources' (subsequently taken over by Kinross) "Golden Saddle" discovery and lies directly north of Kaminak Gold Corp's - (KAM: TSX-V) discovery at their 'Coffee' Prospect.
- **The Lezai Gold, Quebec:** The Company has recently announced the acquisition of 8,303 additional contiguous acres bordering Beaufield Resources Inc.'s (BFD - TSX.V) Tortigny prospect, approximately 125 kilometres northwest of Chibougamau and now holds a total of 55,100 acres.

#### **Key attributes of the Keno Hill project**

- At one time, *The Keno Hill Silver* District had 42 mines in production and was the second-largest historical silver producer, and the only primary silver producing mine in Canada. The late 80s marked the end of an era for this region, which closed down the last mine in 1989 when the silver market tanked.
- Silver Wheaton (NYSE: SLW) has agreed to fund C\$50 million of the capital costs of the Bellekeno mine in order to purchase 25% of the silver to be produced at Keno Hill. Alexco and Silver Wheaton are both anticipating significant expansion of the resource, extension of the mine life at Bellekeno, and development of additional mine operations in the district. The high level of infrastructure at Keno Hill, the Development Plan for the Bellekeno mine and mill, suggests a highly profitable, low-cost, low-risk mine operation.

The stock price over the past year has aggressively up-trended to over \$9 from a median price of only \$3.

- The Keno Hill historic silver district produced more than 217 million ounces of silver between 1921 and 1988 with average grades of 40.5 ounces per ton silver, 5.6% lead and 3.1% zinc according to Yukon's government Minfile database.
- Historical production grades would rank Keno Hill in the top 3% of today's global silver producers.
- Many geologists over the years have voiced the opinion that past operations merely scratched the surface at Keno Hill, bringing great opportunity to mining juniors like **Habanero** to capitalize on the region's rich history and the recent exploration efforts of Alexco which indicate history, in whole or in part, is set to repeat itself.
- More than 65 mineral deposits and prospects have been identified within the Keno Hill District and all of the mineable silver veins to date occur in an area 26km long and 1 to 6.4km wide. The deposits consist of mineralized vein faults 0.3 to 30m wide in the Mississippian Keno Hill Quartzite. Underground development and diamond drilling were completed at the Bellekeno and Silver King mines during 1995 and 1996, resulting in the calculation of geological reserves totalling 856,382 tonnes grading 1026 g/t Ag, 4.8% Pb and 3.9% Zn.

### ***Gold Mining in Quebec—there is much to be discovered in this historic mining region.***

North Western Quebec is surrounded in wild and rugged terrain, a place where mineral exploration and mining has long driven the regional economy and was at the center of the Gold Rush in the 1930's.

Gold exploration in Quebec is unique due to the sheer size in land area; exploration efforts have merely scratched the surface and will continue to do so for years to come. In Quebec, about 90% of the formations are made up of Precambrian rock which is a geological formation usually rich in Gold.

**Habanero** plans to start their work program this summer which borders Beaufield Resources.

### ***Who is buying Gold?***

Investors in China are rapidly acquiring gold bars and coins, buying more than ever before in the first quarter of 2011 and progressively overtaking Indian buyers as the world's largest consumers of Gold.

China is raising the appetite for gold; their middle class citizens that were once restricted from buying gold are now jumping into the ring to preserve their wealth.

China's investment demand for gold more than doubled to 90.9 metric tons in the first three months of the year, outpacing India's modest rise to 85.6 tons, the World Gold Council said in its quarterly report. China now accounts for 25% of gold investment demand, compared with India's 23%.

### ***Another Silver Boom?***

#### ***The rise of Exploration in 2011 in the Yukon is fuelling economic growth.***

For the 8<sup>th</sup> consecutive year, the Yukon's economy is exploding at the seams due in large part to the territory's mining boom. Mineral production is expected to exceed \$560 million this year alone — up from a forecasted value of \$284 million in 2010 — due to strong gold, silver and copper prices. Silver

prices reached a record high in early 2011, exceeding the US\$48 per ounce milestone on April 29, 2011. An Analyst from Goldman-Sachs expects the average silver price in 2011 to be US\$36.88 per ounce, which would be 43% higher than the average price in 2010.

Silver prices have averaged almost US\$35 per ounce in 2011. Driven by record-high commodity prices, recent discoveries and the release of positive drilling results, the estimated \$150 million in exploration expenditures in 2010, exceeded the previous record of almost \$145 million recorded in 2007.

*Last month, the price of 32 ounces of silver equalled one ounce of gold. In contrast, over the past three decades, it took an average of 63 ounces of silver to buy an ounce of gold. The last time silver was as pricey relative to gold was in 1983, these prices are absolutely parabolic says Hedge fund Manager, John Burbank of Passport Capital in San Francisco.*

With about 90 companies currently undertaking active exploration projects in the Yukon, **Habanero Resources** is actively engaged with their *Haldane Prospect*. Expectations are for exponential growth in exploration activity throughout 2011. In addition, a Survey of Mineral Exploration, Deposit Appraisal and Mine Complex Development Expenditures, indicates spending intentions of well over \$256 million for 2011.

Geologists whisper comparisons to some of the great silver producing regions of the world like those in Mexico, Peru and the United States. In and around Keno Hill, it's beginning to sound a lot like the exhilarating days of the silver rush again. Historically, Keno Hill holds a miners dream, generating more wealth than the Klondike gold rush ever did and with today's mining technology, practices and milling processes this will streamline the revenue models of mining companies situated in Keno Hill. The renewal of interest in this region has the potential to drive economic stimulation and create a new surge of wealth. With **Habanero** situated right in the middle of the action, it's expected that HAO will be a great performer for investors in the months ahead.

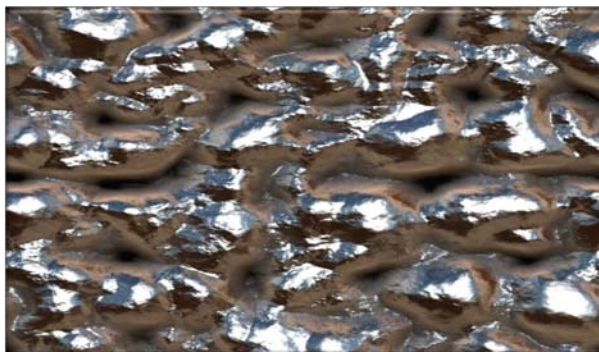
## **THE BOTTOM LINE ON HABANERO RESOURCES**

**Habanero** holds interest in a viable, market proven silver producing region and has secured the necessary financing to move forward with the project in the near term. With other exciting projects in their portfolio, Our opinion states that HAO provides a very attractive investment opportunity that appears to be undervalued in comparison to its peers, relative to its holdings and the rising demand of prices in the market. **Habanero** has mapped out a modest working plan at Haldane and Lezai, but its long-term strategy for these two properties is much more ambitious. The company expects that its comprehensive exploration of the property will lead to other findings, and with the possibility of drilling into a significant deposit on the horizon, the coming months will be an exciting time for this junior - and its investors.

The market valuation could increase in tandem over the next few months based on how the market is performing, including the recent capital raise, the search for new acquisition opportunities, exploration and drilling activities for the Haldane Silver prospect in the Keno Hill District as well as the Lezai Gold prospect in Quebec.

Simply stated, **Habanero** is in the right sector at the right time. The junior mining sector is fundamentally strong, with extremely robust commodity prices continuing to support significant exploration and development programs globally. Wise investors are accumulating sizeable positions in junior exploration

companies that are uniquely diversified. The realization that the TSX and TSX Venture exchanges are exploding with 3 digit percentage profit winners is here. **Habanero** is situated and positioned in one of the highest grade silver regions in the world, and with the drill targets in sight it has the potential to be a true performer amongst other top tier junior exploration companies.



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#### Sources

Wall Street Journal Casey Research

Alexco Resources Yukon Government

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