

NEBU RESOURCES INC.

(\$0.32 TSX-V: NBU)

Recommendation

Speculative Buy

Risk

High

Price (December 21, 2009)

\$0.32

52-Week Range

\$0.60 - \$0.015

Target Price (12 Months)

\$0.65

Shares O/S

47.2 million

Market Cap

\$15.6 million

Average Daily Volume

50-day: 564,500

200-day: 247,200

Year-End

November 30

Salient Statistics

Book Value Per Share (E) \$0.05

Price/Book Value 6.4x

Cash (Est.) (million) \$1.2M

Cash Per Share \$0.025

Monthly "Burn" (Est.) \$25,000

Burn Coverage 48.0x

Burn+Capex Coverage 0.9x

Analysts

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Data Source: www.BigCharts.com

UPFRONT

Nebu is drilling now, and further results are expected to be released regularly.

Mining activity in the Timmins West area has picked up significantly over the second half of 2009, and rightly so. There has been renewed interest in the area after the Thunder Creek Rusk Zone high-grade discovery, a joint venture between Lake Shore Gold Corp. and West Timmins Mining Inc. (now merged). The Rusk Zone intersection represents one of the broadest intercepts reported from the West Timmins camp grading 12.75 g/t gold over an extraordinary 83.4m.

The Timmins Gold Camp has produced 70 million ounces of gold since 1909. Historically high-grade discoveries have occurred along or in close proximity to major fault systems. Tens of kilometres of these major fault systems run through the Timmins District.

Nebu's Timmins West properties have great potential for a large find. The Company's West Timmins properties lie on or in close proximity to the Porcupine Destor Fault which hosts Lake Shore Gold's 812,000 ounce West Timmins Gold Deposit and its Thunder Creek high-grade discovery.

RECOMMENDATION

We recommend Nebu Resources Inc. as a Speculative Buy for long-term risk-tolerant investors.

PROFILE

Nebu is a junior resource company focused on gold exploration in Ontario, Canada. The Company's properties lie in three distinct areas: West Timmins, Burntbush, and Quest Lake.

HIGHLIGHTS

- Recently completed a \$1,500,000 financing which the Company intends to use primarily to develop the Timmins West and Burntbush properties;
- Commenced drilling in August 2009 on the North Denton Property, 10 km to the southwest of the high-grade results reported by Lake Shore Gold Corp. and its recently-acquired wholly-owned subsidiary West Timmins Mining Inc.;
- Announced expansion of drill program on the Timmins West properties from the originally planned 10 holes based on geological and geophysical work;
- Completed a 1264 km VTEM airborne survey on the Burntbush property in the Casa Berardi Deformation Zone; and
- Properties lie on or are in close proximity to major fault systems, which provide good geological opportunities for mineral exploration and discovery.

THE COMPANY

Nebu Resources Inc. is headquartered in Toronto, Ontario. The Company is focused on acquiring and developing mineral resource opportunities in Ontario.

PROPERTIES

1. Location

In the first half of 2009, Nebu acquired key properties in three distinct Ontario regions: (1) the “Timmins West” properties in the West Timmins area; (2) the “Burntbush” properties located in northern Ontario just 30 km southwest of the Casa Berardi project being developed by Aurizon Mines Ltd.; and (3) the “Quest Lake” property located in the Quest Lake area in northwestern Ontario.



Source: The Company

2. Overview

<u>Properties</u>	<u>Area (Hectares)</u>	<u>Direct Interest</u>	<u>Mineralization</u>	<u>Status</u>
West Timmins Properties (8 claim groups)	1920		Gold	Advanced Exploration:
- North Denton, Turnbull, and Thornloe properties		90%		- Commenced drilling
- North Denton Extension		100%		
- South Denton, Ogden, Hislop, and Bowman properties		100%		
Burntbush Property (2 claim groups)	10,500	100%	Gold	Early stage exploration:
- North Claim Block and South Claim Block				- Completed VTEM airborne survey
Quest Lake Property (3 claim groups)	2,000	100%	Gold	Early stage exploration:
- Quill Lake, Hilltop Lake, and Princess Lake				- Compiling historical data and initiating preliminary exploration
13 separate claim groups in total	approx. 14420			

COMMENT: *In November 2009, Nebu quadrupled its North Denton land position. The new property, to be known as the North Denton Extension, comprises 28 unpatented mining claim units covering an area of about 1,120 acres and is contiguous to the north and west of the area currently being drilled by the Company.*

3. Features

The following is a summary of the significant features of Nebu's properties. A more detailed description of the properties is provided in Appendix 1.

- The Company has interests in a diverse portfolio of properties throughout Ontario, approximately 14,420 hectares in total, comprising 13 separate claim groups.
- Significant historical gold showings were encountered from previous drilling on the Company's Timmins West properties.
- Claims are located near properties with high-grade discoveries, past-producing mines, or properties known to have gold occurrences.
- Exploration projects in the vicinity are being carried out by Goldcorp, and Lake Shore Gold Corp.
- Good infrastructure is in place on and around the Company's properties. Two principal highways, Hwy 101 and Hwy 144, along with local roads, provide access to the Timmins West properties where the Company's current exploration is taking place.

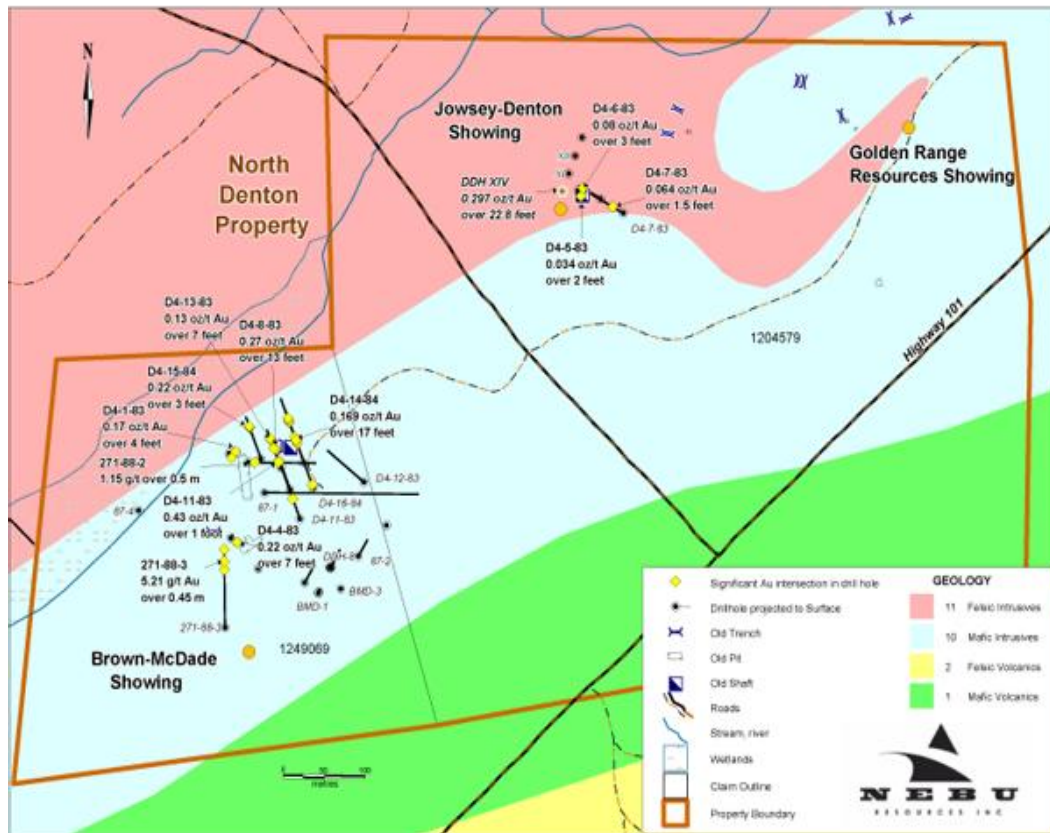
DRILLING ACTIVITIES

Drilling is underway at the Company’s West Timmins’ North Denton Property. The area being drilled is 10 kilometres southwest of the deep drilling high-grade results reported by Lake Shore Gold and new subsidiary West Timmins Mining. The North Denton property includes a number of near-surface historic gold occurrences that have never been tested to any significant depth (See following map).

COMMENT: *The Company released encouraging initial assay results at the North Denton Property in mid-November, and again at the beginning of December, which showed very high grade.*

CAUTION: *These are initial drilling results and further drilling is required to determine the viability of the resource at the North Denton Property.*

The information from the drilling indicates that the vein system has a more northerly strike. Nebu has added a second rig to allow it to carry out detailed drilling in this area. As previously mentioned, the Company has strategically quadrupled its North Denton land position to the north and west of the area currently being drilled.



Nebu plans to spend \$500,000 to \$750,000 on exploration activity over the next year on the North and South Denton properties.

STRATEGIC PERSPECTIVE

Over the next few months, Nebu intends to concentrate primarily on its activities in the West Timmins area. The Company currently has three projects on the go (North Denton; South Denton; and Burntbush) and one on the “back-burner” (Quest Lake).

The immediate quest is to concentrate on its drilling on its West Timmins projects. With about \$1.2 million of cash in the bank, the Company is well-funded to complete its present drilling program. In this respect, Nebu now has three drills operating. It is currently drilling Hole 17, and expects to complete 30-40 holes over the next three months.

COMMENT: *There is nothing like expectations for an exploration company’s drill results to garner investor interest in the company’s stock. Nebu now sits in that enviable investor spot-light. If it succeeds, the stock could increase x-fold. If the drill results are a bust, look out! There could be some downside.*

As the Company progresses with its drill program, it is also continuing its geo-physical testing. As a corollary, Nebu intends to continue its drilling program in an attempt to identify good drill targets.

Recently, the Company added a second rig to its endeavours. This allows the company to focus on the area of recent high grade drilling results while the second rig focuses on other targets on the property.

At Burntbush, after having done airborne reconnaissance, Nebu expects to conduct more ground work, with an eye to commencing drilling at the earliest in the spring of 2010. This could include reverse circulation drilling.

The Company’s capex program over the next 1 ½ - 2 years is \$1.5 million. Funds in the bank will cover that. However, the next stage for West Timmins will require more funds, possibly \$1-\$2 million, for which the Company will have to come back to the capital markets.

COMMENT: *The Company’s goal is to identify a mineable gold deposit. We should know soon enough whether it is successful. Certainly it is exploring in an area that has proven to be successful for others.*

INVESTMENT PERSPECTIVE

In our opinion, the Company’s potential is largely dependent upon how management can increase the value of the Timmins West properties. We have identified major factors that could have a significant influence on the property value creation.

- (1) **Property Attributes:** The Company’s Timmins West properties have great potential for a large find. The Timmins Gold Camp has produced 70 million ounces of gold since 1909. Historically, high-grade discoveries have occurred along or in close proximity to major fault systems. Tens of kilometers of these major fault systems run through the Timmins District. Nebu’s West Timmins properties lie on or in close proximity to the Porcupine Destor Fault which hosts Lake Shore Gold’s 812,000 ounce West Timmins Gold Deposit.
- (2) **Sound Financing:** The Company is fully financed to meet its planned drill program as a result of its recently-completed \$1.5 million financing.
- (3) **High Quality Management:** The Company has assembled a reputable and experienced management team in the mining and finance industries (see Management and Directors, page 11). The management team does not rely on one particular key person and uses its expertise in mining and finance to acquire and develop properties with good potential.

VALUATION

1. Introduction

Nebu is too small, i.e., book value of its “Mining Property Interests” as at August 31, 2009 is \$493,837, to allow us to use the eResearch-developed Mineral Property Ratio valuation methodology, which involves comparing the Company’s ratio with those of peer companies.

The ratio calculated for Nebu is 11.1x, a high number which is typical for a young exploration company, but which makes comparisons with more mature junior mining companies inappropriate as their ratios tend to range between 2.0x and 8.0x.

However, as a yardstick, assuming that the Company’s Mining Property Interests increase to about \$2,000,000 this time next year as a result of its planned capex program, by using a range of ratios, Nebu’s shares would trade at the following levels:

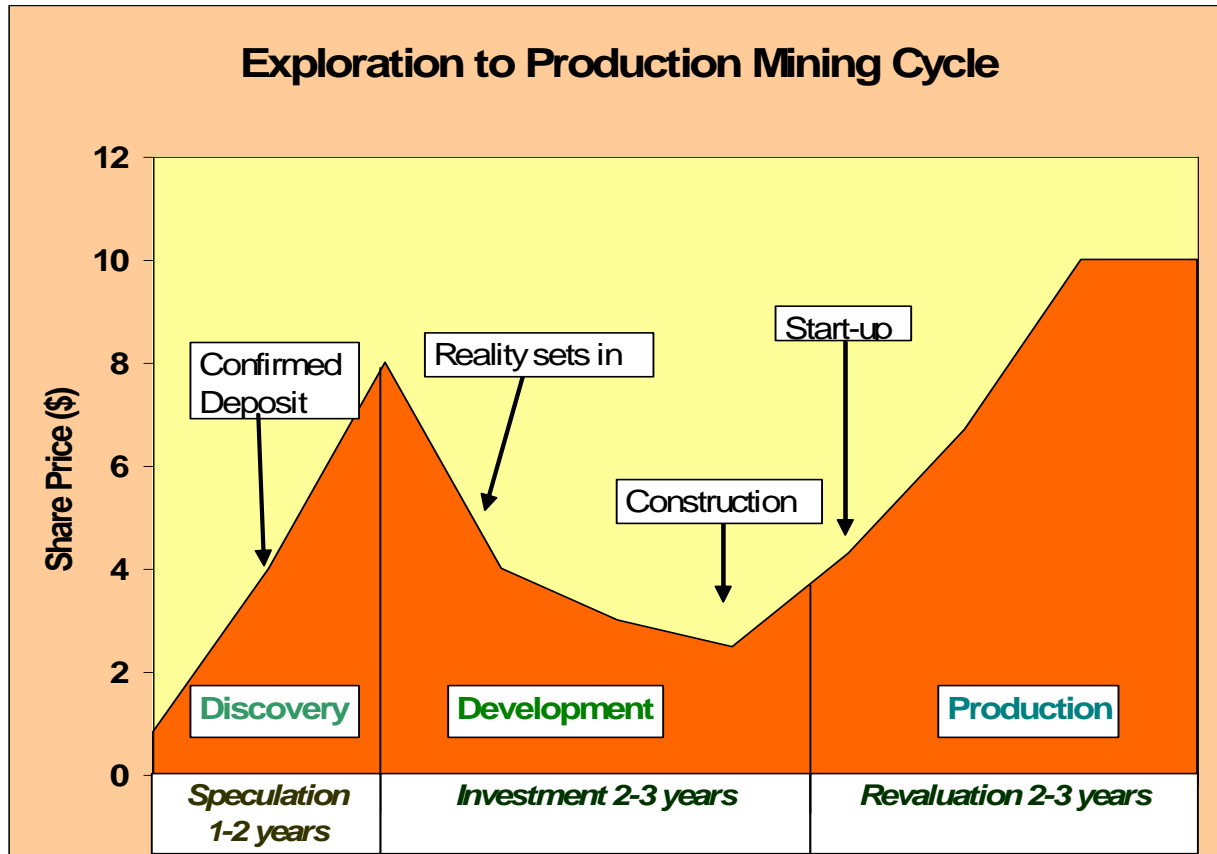
	<u>@8.0x</u>	<u>@10.0x</u>	<u>@12.0x</u>	<u>@14.0x</u>
Market Cap	\$15,779,906	\$19,724,882	\$23,669,858	\$27,614,835
Per Share	\$0.34	\$0.42	\$0.51	\$0.59

Over time, as Nebu’s Mineral Property portfolio increases, its Mineral Property Ratio will decline, which is normal. At the same time, the Company’s book value of mineral properties will increase.

COMMENT: *Looking ahead, the success of Nebu, both as a mining company and as a (speculative) investment, obviously depends upon the success of the drill bit.*

2. Determination

Exploration companies typically follow the same life-stages pattern. The following chart, which has been taken from *The Gold Book* by Pierre Lassonde, a renowned mining executive, traces the typical share performance of a mining company as it progresses from sheer exploration through to the production stage.



COMMENT: *Nebu is near the beginning of the Discovery stage. If current drill results are favourable, we expect the shares to rise up the curve. If the drill results are only so-so, or even somewhat discouraging, we expect the shares could fall off a little but, generally, will remain rangebound until further drill results are announced.*

Target Price (derived by best-guess observation and not by financial analysis):

- (1) Drill results are exceptional: \$0.50 - \$1.00
- (2) Drill results are average: \$0.15 - \$0.30.

COMMENT: *The shares of Nebu performed well in November (2009) in anticipation of the Company announcing good drill results, which it did on December 1. The stock has fallen off since then and now awaits the next round(s) of drilling information.*

3. Peer Companies

Some of the peer companies that are operating in the area where Nebu is active are shown below. See also map on page 14. These companies have the following attributes:

- They are similar in terms of being at the same stage in the production cycle;
- They are located in the same region or in regions that are geologically similar; and
- They have properties that host similar mineralization characteristics.

Lake Shore Gold Corp. (“Lake Shore Gold”)

Lake Shore Gold is a gold exploration company that is moving toward production of its flagship property, the Timmins Mine, having mineral reserves of 3.4 million tonnes at a grade of 7.52 grams per tonne (or 812,000 ounces) of gold. The company’s second mine, the Bell Creek Mine, is at an advanced exploration stage. Prior to the take-over (see below), Lake Shore Gold held a 60% interest in the Thunder Creek Property with West Timmins Mining owning the other 40%.

West Timmins Mining Inc. (“West Timmins Mining”)

West Timmins Mining is a junior gold exploration and development company focused on the major gold camps of Canada and Mexico. The company has the largest land package in the Timmins West Gold Camp. This extensive land package surrounds its recent Thunder Creek high-grade discovery. Drilling also continues on the company’s Thorne property, also located in the Timmins West area. In Mexico, the company is actively exploring the high-grade Lluvia de Oro gold-silver project.

COMMENT: *Lake Shore Gold and West Timmins Mining have completed the business combination originally announced August 27, 2009. Lake Shore Gold has acquired all of the outstanding common shares of West Timmins, with West Timmins shareholders receiving 0.73 of a Lake Shore Gold common share for each common share of West Timmins. Lake Shore Gold is issuing approximately 104 million common shares through the transaction. West Timmins is now a wholly-owned subsidiary of Lake Shore Gold Corp.*

Probe Mines Limited (“Probe Mines”)

Probe Mines is a junior exploration mining company with key properties that include its McFauld's Lake area base metal projects in northern Ontario and its West Timmins Project in the Timmins West Gold Camp. Probe also holds a 5% net smelter royalty on a portion of Agnico-Eagle's Goldex project in Val d'Or, Quebec. Probe Mines has significant land holdings adjacent to Lake Shore Gold's West Timmins deposit and near Lake Shore Gold's and West Timmins Mining's recent Thunder Creek high-grade discovery. The West Timmins Project is currently optioned to West Timmins Mining.

Melkior Resources Inc. (“Melkior”)

Melkior is an exploration-stage resource company focused in the provinces of Ontario and Quebec. The company has a diverse portfolio of properties including gold, base metals and uranium. The company's properties are located in geographic regions that have a proven history of success. Melkior is currently focusing on its Timmins gold and McFauld's base metal properties, with recent drilling on its Carscallen property in the Timmins West area.

Explor Resources Inc. (“Explor”)

Explor is a junior gold and base metals exploration company with properties in Ontario, Quebec, Saskatchewan and New Brunswick. The company's current exploration activities are focused on the Abitibi Greenstone Belt in Ontario and Quebec where it has a land position of 12,000 hectares, and on its Timmins Porcupine West Gold Project in the Timmins West area of Ontario.

FINANCIAL REVIEW & OUTLOOK

Financial Year End

The Company has changed its fiscal year-end from May 31 to November 30. Fiscal 2009 full-year results should be available in February 2010.

Revenues

The Company currently generates no revenues. Nebu will report losses for a few more years until it is able to bring a mine into production.

Cash and Marketable Securities

At August 31, 2009, the Company had \$179,564 in cash. Based on the Company's operating and capital spending to date in 2009 and factoring in a \$1.5 million equity financing completed in September, we estimate current cash resources to be approximately \$1.2 million.

Cash Burn Rate

The average monthly operating burn rate for the 9 months ending August 31, 2009 was \$26,200. This is a decrease from the average monthly burn rate of \$34,000 for the 12 month period ending May 31, 2008. After discussions with management, we are providing for a \$25,000 average monthly burn rate over the next 12 months.

Capital Expenditures for Exploration

Capital expenditures were down over the last six months as the Company halted exploration activities on its uranium properties and wrote down its investment in them. Although management believes the uranium properties to have merit for further exploration, the Company has no confirmation of an actual uranium resource and economic conditions are inadequate to raise sufficient exploration capital. eResearch expects the Company to spend approximately \$250,000 for capital expenditures over the three-month period ending November 30th, 2009, primarily to explore its Timmins West properties.

Financing

The Company is fully financed to meet its planned drill program as a result of its recently-completed \$1.5 million financing. On September 28, 2009 Nebu announced that it had completed a private placement of 10,000,000 units at an issue price of \$0.15 per unit. Each unit consists of one common share and one-half of one warrant, exercisable at \$0.25, for a period of 18 months from the date of closing.

SELECTED FINANCIAL INFORMATION

TABLE 1: SELECTED FINANCIAL INFORMATION

	Year Ending May 31 2008	12 Months May 31 2009	9 Months Aug. 31 2009	Year Ending Nov. 30 2009E	Year Ending Nov. 30 2010E
Statement of Income/(Loss):					
Operating Income	-	-	-	-	-
Non-Operating Income	-	610	933	933	1,000
General & Administrative Expense	(407,678)	(318,951)	(235,855)	(310,855)	(300,000)
Stock-based Compensation	-	(12,390)	(42,657)	(42,657)	(50,000)
Non-cash items adjustments	205,703	(1,674,432)	487,533	487,533	300,000
Other Income/(Expenses)	(43,303)	(13,000)	(31,000)	(31,000)	(35,000)
Net Income/(Loss)	(245,278)	(2,018,163)	178,954	103,954	(84,000)
Total Shares Outstanding	31,025,833	36,604,173	36,604,173	47,151,063	48,817,730
Weighted Average Shares Outstanding	21,475,513	31,710,509	33,356,466	37,411,393	47,984,396
Earnings (Loss) Per Share	(\$0.01)	(\$0.06)	\$0.01	\$0.00	(\$0.00)
Statement of Cash Flow:					
Net Income (Loss)	(245,278)	(2,018,163)	178,954	103,954	(84,000)
All Non-Cash Items	(205,703)	1,686,822	(442,876)	(442,876)	(250,000)
Cash Flow from Operations	(450,981)	(331,341)	(263,922)	(338,922)	(334,000)
Capital Expenditures (Properties)	(1,005,028)	(1,163,280)	(508,997)	(758,997)	(1,000,000)
Other Investing Items	-	13,391	(44,189)	(44,189)	-
Free Cash Flow	(1,456,009)	(1,481,230)	(817,108)	(1,142,108)	(1,334,000)
Working Capital Changes	(557,739)	268,726	699,698	683,015	350,000
Equity Financing	2,908,453	249,957	249,957	1,629,957	1,000,000
Debt Financing	15,525	(15,525)	-	-	-
Change in Cash	910,230	(978,072)	132,547	1,170,864	16,000
Cash, Beginning of the Period	689,770	1,600,000	47,017	47,017	1,217,881
Cash, End of the Period	1,600,000	621,928	179,564	1,217,881	1,233,881
	As at May 31 2008	As at May 31 2009	As at Aug. 31 2009	As at Nov. 30 2009E	As at Nov. 30 2010E
Balance Sheet:					
Cash	1,600,000	621,928	179,564	1,217,881	1,233,881
Other Current Assets	568,445	308,877	381,574	400,000	300,000
Mining Properties	1,125,541	123,941	493,837	743,837	1,743,837
Total Assets	3,293,986	1,054,746	1,054,975	2,361,718	3,277,718
Current Liabilities	38,731	32,364	148,257	150,000	150,000
Total Liabilities	38,731	32,364	148,257	150,000	150,000
Shareholders' Equity	3,255,255	1,022,382	906,718	2,211,718	3,127,718
Total Liabilities & Equity	3,293,986	1,054,746	1,054,975	2,361,718	3,277,718
Book Value (S.E.) Per Share	\$0.10	\$0.03	\$0.02	\$0.05	\$0.06

Source: Company and eResearch

MANAGEMENT & DIRECTORS

R. Brian Murray, M.B.A., C.A.**President, Chief Executive Officer and Director**

Brian Murray has over 15 years of experience in both the mining and investment industry. Mr. Murray also holds the position of President and Director of Sea Green Capital Corp. a TSX Venture listed company which is exploring for gold in Quebec and Ontario. He has also been the President of Murcon Ltd., a private financial consulting company involved in merchant banking, since 1990. Mr. Murray also is a director for the following TSX Venture listed companies: Process Capital Corp., Antioquia Gold Inc. and Trillium North Minerals Ltd. He is also a director of Range Metals Inc. and Range Oil & Gas Inc, both CNSX listed companies. Mr. Murray is a Chartered Accountant and holds a Masters in Business Administration degree.

John Hickey, FCSI, CIM**Chief Financial Officer, Secretary and Director**

John Hickey is a financial services professional with over 23 years of experience in the capital markets and private company management. Prior to his CFO role at Nebu Resources, he was Chief Financial Officer, Chief Operating Officer and a partner at Industrial Temporary Solutions Inc. from 2003 to 2006 and served as an investment advisor with BMO Nesbitt Burns from 1996 to 2003. In addition, Mr. Hickey sits on the board of Russet Lake Resources and Laird Lake Resources.

Rick Moscone, MBA, LLB**Assistant Secretary**

Rick Moscone has been an associate at the law firm Fogler, Rubinoff LLP since March 2004 and prior to that he was a consultant with Carpedia International Limited from May 2003 to December 2003. He articulated with the law firm Davies Ward Phillips & Vineberg LLP from May 2002 to May 2003. Mr. Moscone is Assistant Secretary of Sea Green Capital Corp., a TSX Venture-listed company.

Calvin D. Bruner**Director**

Calvin Bruner has been the CFO for CaseWare International Inc. since February 2007. Prior to that, he was the CFO for Leasecor Equipment Finance Inc. from June 2003 to January 2007, and was the CFO for Capture.Net Technologies Inc. from May 2001 to September 2005.

J. H. (Jim) Decker**Director**

Jim Decker is a registered professional mining engineer with over 40 years of experience. He is currently the President and principal partner of Jim Decker & Associates Inc., a mining consulting firm that provides senior management input for operating mines and mining projects. Mr. Decker's principal activities in the past five years have been associated with due diligence exercises for acquisitions and sales of mining properties, operating audits of surface mining operations and supervisory training for large mining companies such as Barrick Gold Corporation, Placer Dome Inc. and Teck Cominco. He is a past president of Grande Cache Coal Corp. and High American Gold Inc. He also serves as a director of Sea Green Capital Corp. and is Chairman of Antioquia Gold Inc. Mr. Decker has a B.Sc. (Mining Engineering) from Queen's University.

Bruce Durham, P.Geo.**Director**

Bruce Durham has been Executive Chairman of Temex Resources Corp. since May 24, 2007. Mr. Durham served as Vice President Exploration from 2001 to 2007 and Vice President Business Development for Canadian Royalties Inc. from 2006 to 2007. He was also President of Canadian Royalties from 2003 to 2006 and continues to serve as Director there, a position he has held since 1998. He is also a Director of East West Corporation. Mr. Durham has over 30 years of experience in the mining industry. He has worked with junior mining companies exploring for precious and base metal deposits in Ontario and Quebec. He has also worked with companies exploring across Canada, the USA and in Africa. Mr. Durham has been an integral member or leader of various exploration teams credited with the discovery or definition of several significant mineral deposits including: the David Bell Mine (Hemlo), the Golden Giant Mine (Hemlo), the Redstone Nickel Mine (Timmins), the Bell Creek Mine (Timmins), several nickel-copper deposits on the Raglan South Project of Canadian Royalties that are being evaluated for their economic viability. Mr. Durham graduated from the University of Western Ontario. He is a "Qualified Person" for the Company under the definition of National Instrument 43-101.

Roger Peacock, LLB**Director**

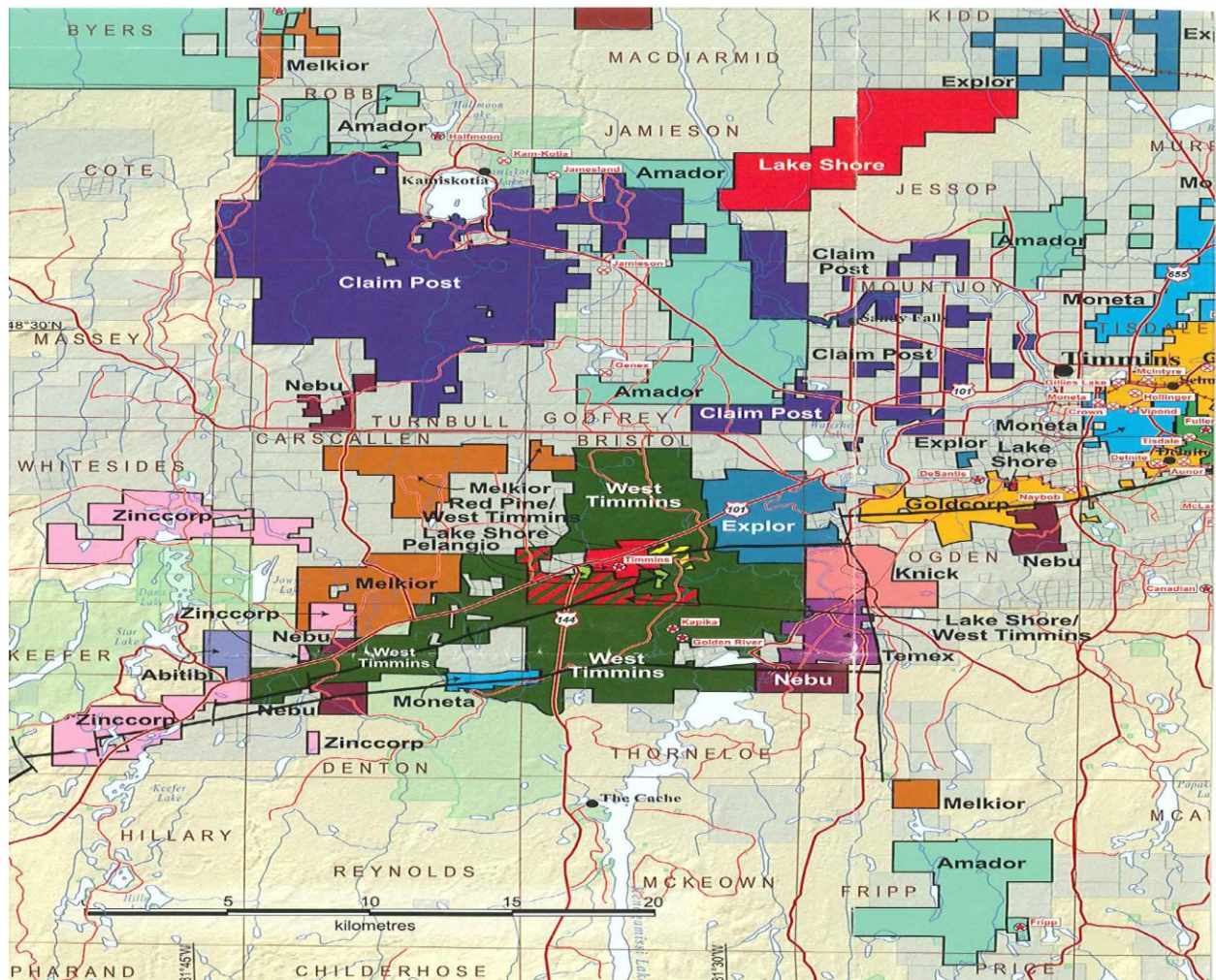
Roger Peacock has been legal counsel for Star Navigation Systems Group Ltd. since January 2003 and was legal counsel for Finlay International Inc. from January 1999 to December 2002. Mr. Peacock is also a director of Sea Green Capital Corp.

APPENDIX 1: PROPERTY PORTFOLIO

The Company's exploration properties are indicated in the following maps and descriptive commentary.

1. Timmins West Properties

COMMENT: The following map shows the key companies and their properties in the Timmins West area of Ontario. Noteworthy are the properties of Lake Shore Gold Corp. and West Timmins Mining Inc. Continued success by these two companies, now merged, will keep investor focus on the area and will help other companies, including Nebu, to stay in the Timmins West spotlight. Nebu's properties are shown in purple.

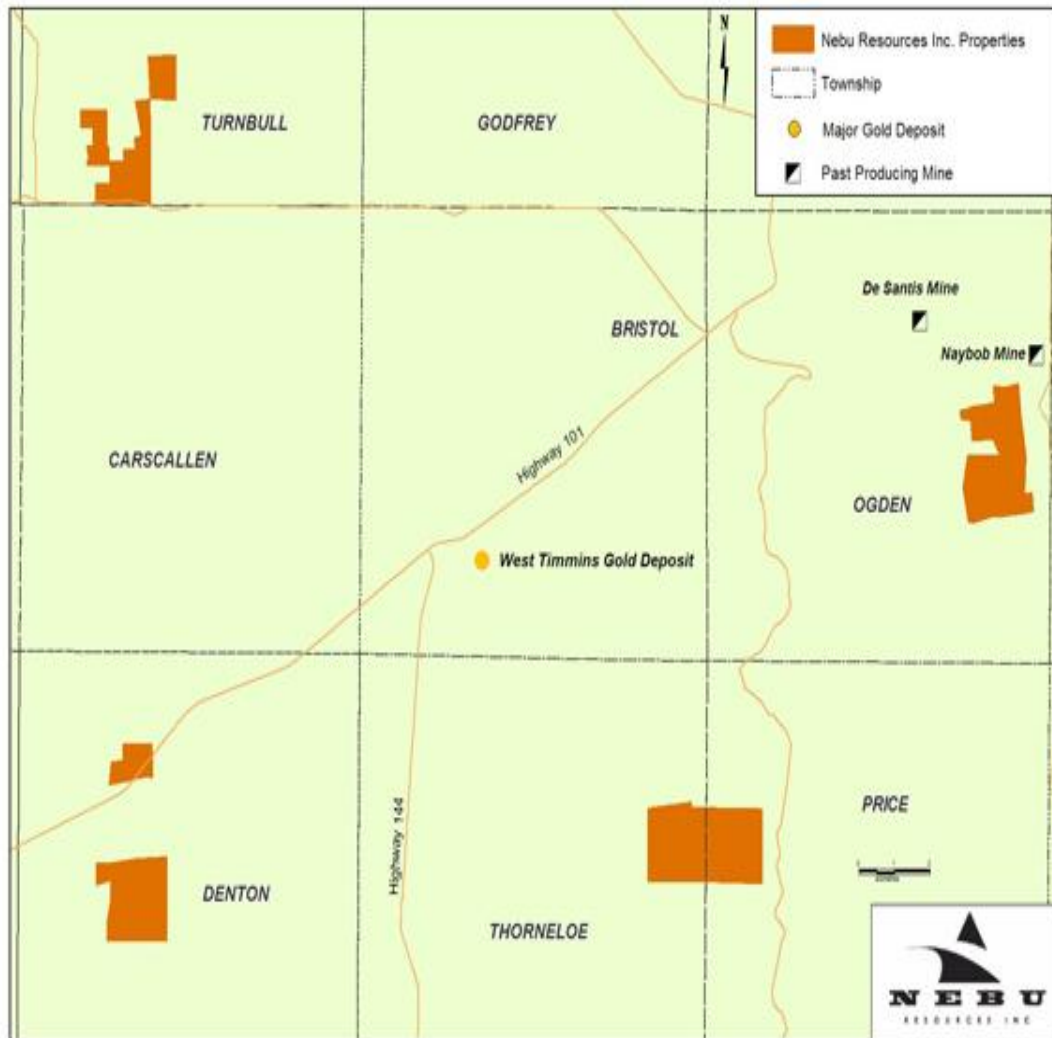


Source: Intierra Pty Ltd

Nebu has acquired the right to earn up to a 90% interest in properties from Eloro Resources Ltd. These properties are known as the North Denton, Turnbull, and Thornloe properties which are located to the southwest, northwest, and southeast respectively and within 15 km of the high-grade results reported by West Timmins Mining and Lake Shore Gold. In order to earn a 90% interest in the three properties, Nebu must make a payment of 300,000 shares, complete \$100,000 in exploration activities prior to March 31, 2010 and complete another \$100,000 in exploration activities prior to March 31, 2011.

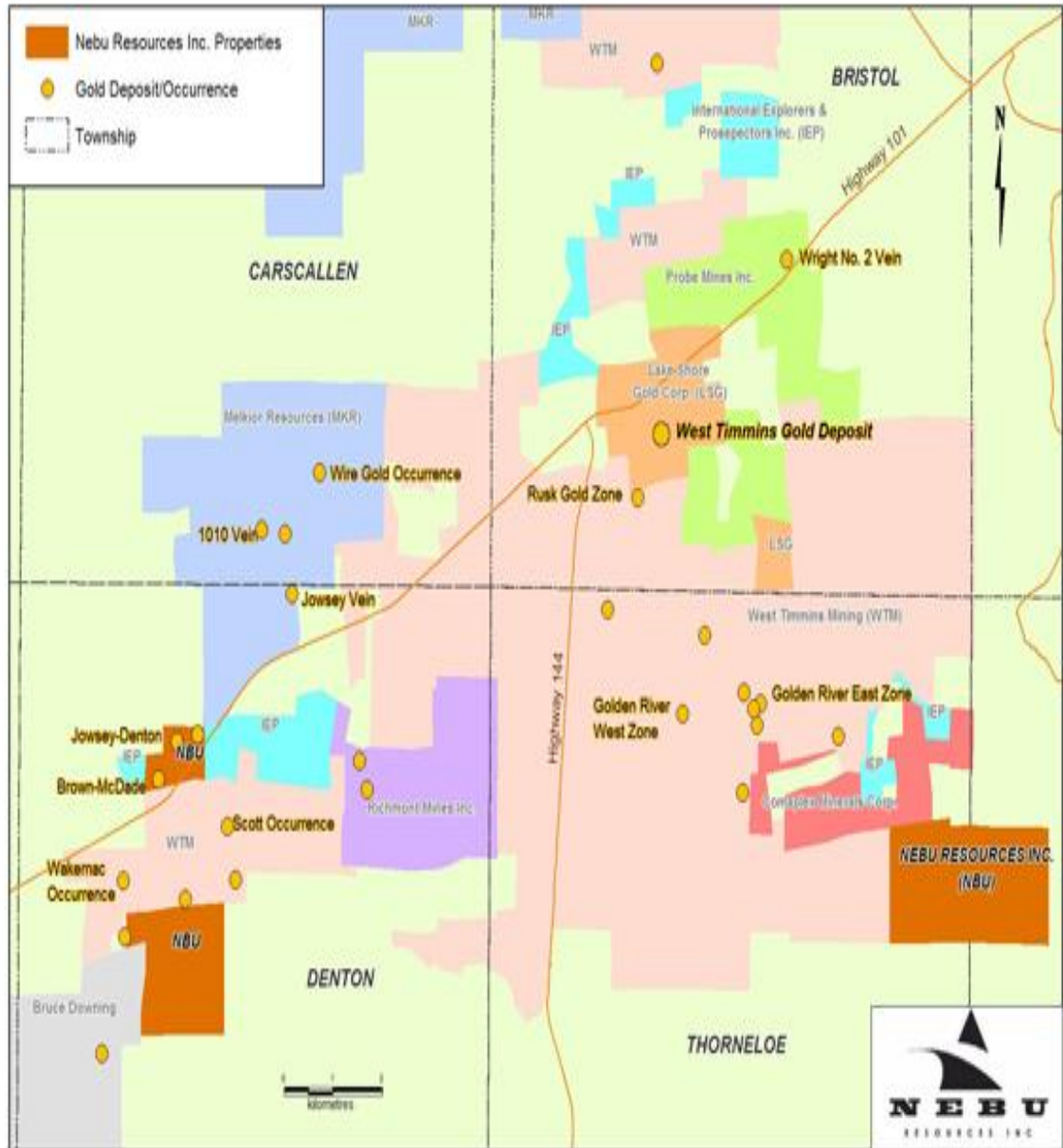
In another agreement, Nebu has purchased a 100% interest in properties in the West Timmins area known as South Denton, Ogden, Hislop, and Bowman. The South Denton property is located adjacent to West Timmins Mining’s Wakemac and Scott property which have had high grade occurrences of 11.24 g/t over 3.30 metres and of 6.43 g/t over 1.20 metres, respectively. The Ogden property is located near the historic Desantis gold mine. Lastly, the Hislop and Bowman properties are located near the historic Canadian Arrow gold mine.

The following map shows the Company’s North and South Denton, Turnbull, Thornloe and Ogden claims highlighted in dark orange.



COMMENT: *In November 2009, Nebu quadrupled its North Denton land position. The new property, to be known as the North Denton Extension, comprises 28 unpatented mining claim units covering an area of about 1,120 acres and is contiguous to the north and west of the area currently being drilled by the Company. Nebu has the right to earn up to a 100% interest in the claims, by making payments totalling \$200,000 and issuing 680,000 shares to the vendors by the third anniversary of the agreement.*

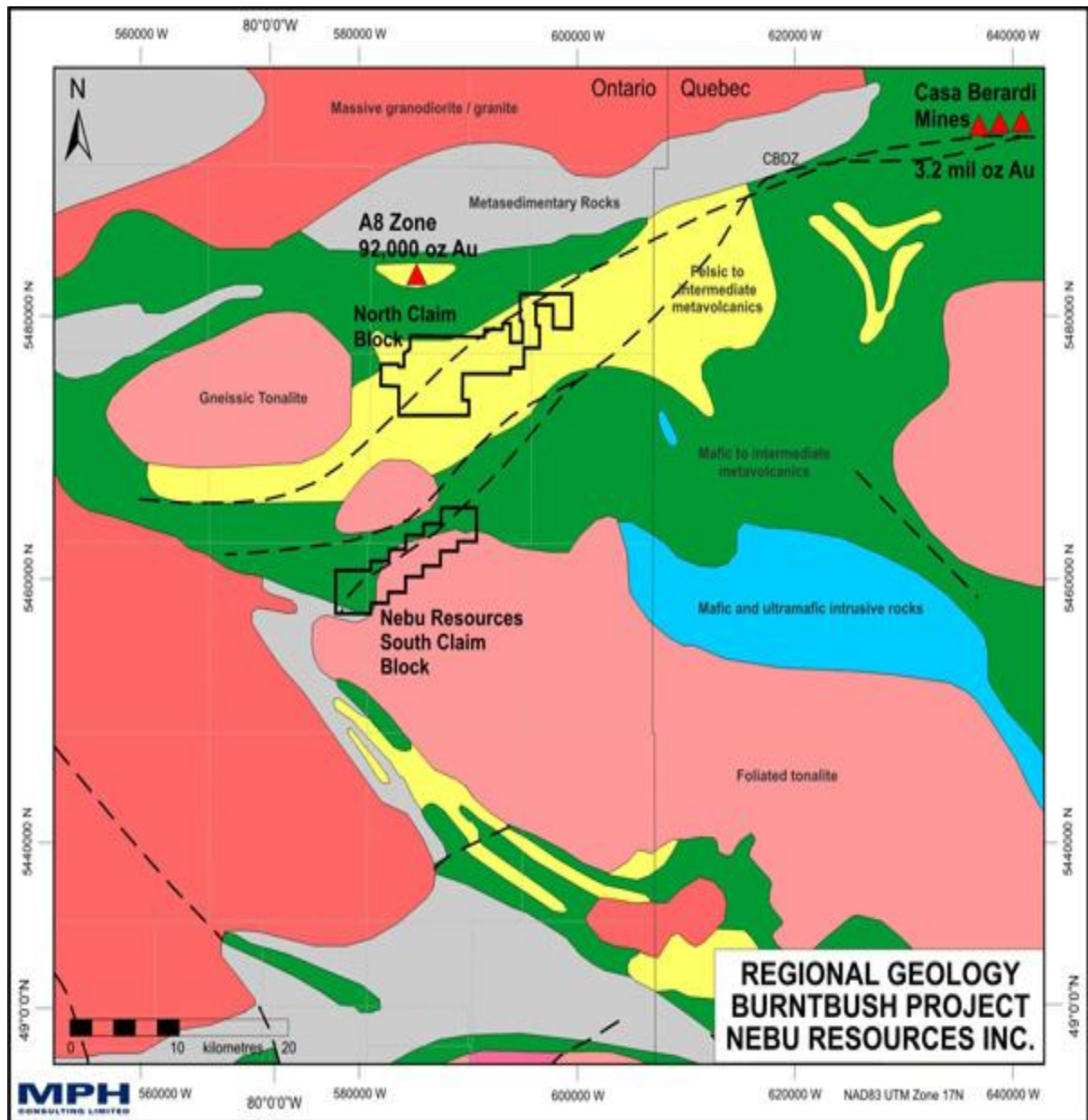
The following map shows the proximity of the Company’s claims to Lake Shore Gold’s West Timmins Gold Deposit and its proximity to properties held by Lake Shore Gold, West Timmins Mining, and other competitor companies in the Timmins West mining district.



2. Burntbush Property

Nebu has staked a total of 45 claim units or 10,500 hectares representing two contiguous exploration properties about 30 km west of the Les Mines Casa Berardi gold mine. These prospective properties are known as the North Claim Block and the South Claim Block. Airborne geophysical surveys suggest that the Casa-Berardi Deformation Zone is located within the Company’s staked properties. The Company is analyzing preliminary drill results and planning a drill program for 2010.

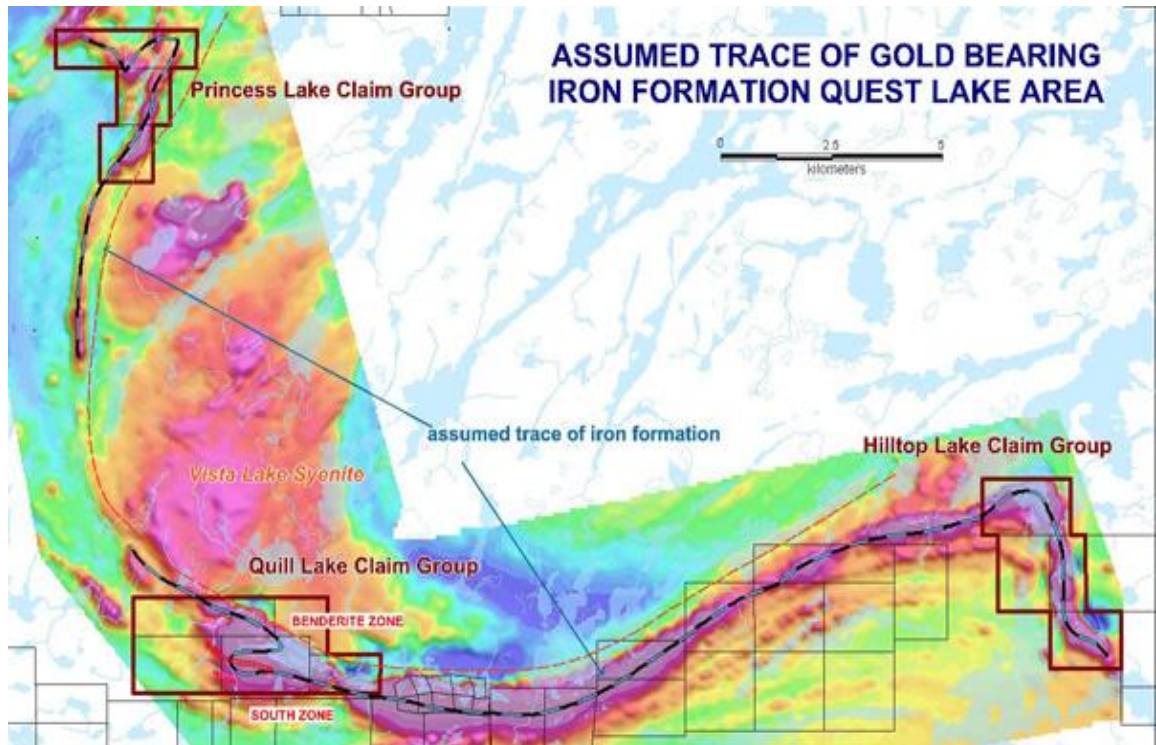
The following map shows the Company’s North Claim and South Claim blocks, and their proximity to the Casa Berardi mines.



3. Quest Lake Property

Nebu continues to increase its interests in the Quest Lake region in northwestern Ontario. The Company, to date, has staked a 100% interest in three claim groups known as the Quill Lake, Hilltop Lake, and Princess Lake properties. These claims cover 2,000 hectares of property and are located 20 km east of the past-producing Mattabi and Lyon Lake VMS Deposits. The Company is analyzing historical data and beginning preliminary exploration on these properties.

The three claim groups, Quill Lake, Hilltop Lake, and Princess Lake, are shown on the following map.



APPENDIX 2: STOCK CHARTS

(Courtesy of BigCharts.com)

1. Two-Year

As the chart below shows, interest in Nebu Resources really got underway in March this year, and reached its high point in November with the release of its initial drilling results. The shares of junior mining exploration companies live or die depending upon how successful the drill program is. This initial enthusiasm will translate into higher share prices if the Company can continue to perform with the drill bit.



2. Three-Months

The three-month chart shows the significant pick-up in trading volume as soon as the Company released its initial drilling information. The stock had built in too much anticipation, and the December 1 drilling results were met with less investor enthusiasm. The stock seems to have bottomed for now.



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