



# Stateside Report



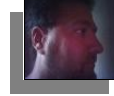
*“A Unique Report Service for the Intelligent Resource Investor”*



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## December 2009 Investor Alert – Holiday Special:



*“Two Holiday Plays – One People Play and One Property Play”*

December 7, 2009

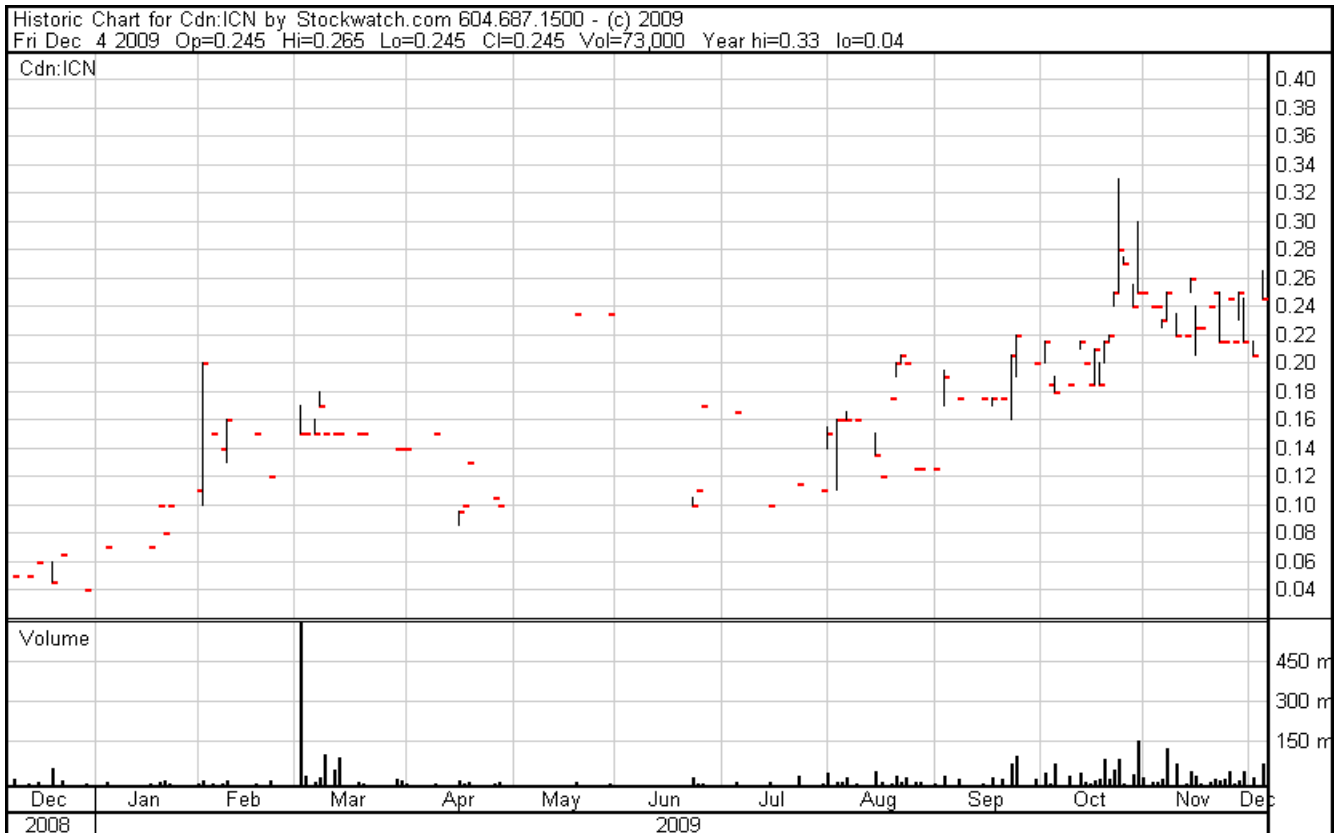
**Name:** Mala Noche Resources  
**Trades on:** MLA.V (TSX Venture)  
**Issued Outstanding Shares:** 58.7 million  
**Current Share Price:** \$.17  
**Current Market Cap:** \$ 10.0 million  
**Website:** <http://www.malanocheresources.com/>  
**Resource/Geographic Region:** N/A  
**President:** Eduardo Luna  
**Email:** [info@malanocheresources.com](mailto:info@malanocheresources.com)  
**Phone:** 604-895-7450

**Name:** ICN Resources  
**Trades on:** ICN.V (TSX Venture)  
**Issued Outstanding Shares:** 21.3 million  
**Current Share Price:** \$.24  
**Current Market Cap:** \$ 5.1 million  
**Website:** <http://www.icnresources.com/s/Home.asp>  
**Resource/Geographic Region:** Gold/Nevada  
**President:** Carl Hering, Ph.D  
**Email:** [info@iconindustriesltd.com](mailto:info@iconindustriesltd.com)  
**Phone:** 604-685-8666

**MLA.V Chart**



**ICN.V Chart**



## Summary

Following in the tradition of the “*Stateside Report*”, the two plays highlighted in this alert allow the speculative investor a chance to get in on a play early but not too early. Major announcements are expected within the next 30 days from both companies which may have a significant impact on their share price. One is a people play (Mala Noches Resources) and the other a property play (ICN Resources).

### *The People Play – Mala Noches Resources (MLA.V)*

Mala Noche Resources is what is known as a shell company. They formed in 2008, went public at the end of 2008 with a small property, and since then have been relatively quiet to the public. The original founder (Wade Nesmith) is a director of Silver Wheaton and well thought of in the industry. His goal was to find a producing property to move into this "shell". A private placement at \$.05 was done in the Summer of 2009 to have the funds to perform due diligence on properties.

At the end of September, the following announcement was made:

#### ***Mala Noche appoints Luna as president, COO***

*2009-09-29 14:38 ET - News Release*

*Mr. Wade Nesmith reports*

#### ***MALA NOCHE RESOURCES CORP. PROVIDES UPDATE AND ANNOUNCES NEW APPOINTMENTS***

*Eduardo Luna has agreed to accept the position of president and chief operating officer for Mala Noche Resources Corp., effective Sept. 28, 2009. In addition, he will continue in his role as co-chair of the company. During his career, Mr. Luna has been chairman and chief executive officer of Silver Wheaton Corp., executive vice-president of both Goldcorp Inc. and Wheaton River Minerals Ltd., and president of Luismin S.A. de C.V. He was on two occasions president of the Mexican Mining Chamber and he was also a former president of the Silver Institute.*

*"Our review of acquisition opportunities is continuing," said Wade Nesmith, who remains CEO of the company, "and we are delighted that Eduardo has agreed to join the management team. As we have said in the past, we are relying, to a large extent, on Eduardo's expertise to help us identify and then operate new producing opportunities."*

*In addition, the company has appointed Mario Garcia as head of Mexican operations, also effective Sept. 28, 2009. A graduate of the Universidad de Guanajuato with a BSc in mining and metallurgic engineering, Mr. Garcia worked with Mr. Luna at Luismin S.A. de C.V., including approximately six years as general manager, San Dimas district, and subsequently a year as director of operations for the company.*

*"I am pleased to be joining the Mala Noche management team," said Mr. Luna, "and I welcome Mario to the company. I worked with Mario for many years, and we will benefit greatly from his vast operations and management experience as we continue to assess opportunities."*

It appears Mr. Luna has the "itch" to build another large-scale company. The stock went to \$.35 on the news and then as the 4 month hold from the \$.05 private placement came off in November, the share price fell back to \$.12 where it bottomed. Based on the press release from last week, they are close to announcing a deal. In their 9/30/09 MD&A, they said they would have their first producing/near-producing property in the next 3 months which puts that time-line in play:

## ***Mala Noche loses \$266,094 in Q3 2009***

2009-11-26 19:32 ET - News Release

Mr. Wade Nesmith reports

### ***MALA NOCHE RESOURCES CORP. PROVIDES UPDATE AND FILES THIRD QUARTER RESULTS***

*Mala Noche Resources Corp. has filed its unaudited consolidated financial statements and management's discussion and analysis for the three and nine months ended Sept. 30, 2009. These documents are now available on SEDAR.*

*The company incurred net losses of \$266,094 and \$522,396, respectively, for the three months and the nine months ended Sept. 30, 2009, compared with net losses of \$307,147 and \$329,957, respectively, for the three months and the nine months ended Sept. 30, 2008. Higher general and administrative expenses during 2009, due mainly to being a publicly traded company and costs related to the company's acquisition initiatives, were partially offset by reduced stock-based compensation expense. The results of operations prior to Oct. 29, 2008, are those of Mala Noche as a private company.*

***The company currently has no revenue-producing operations. As previously announced, management is seeking acquisition opportunities, specifically focusing on producing or near-term producing precious metals assets. "Our review of acquisition opportunities is continuing," said Wade Nesmith, chief executive officer of the company. "As we review potential targets, we are simultaneously taking the steps necessary to enable the company to quickly access the capital markets, should the need arise. During November we filed our final annual information form that will allow us to access the short-form prospectus system and next week we will be launching our new website at [www.malanocheresources.com](http://www.malanocheresources.com)."***

The stock is now at \$.17. Another shell (Gleichen - GRL) moved from \$.20 to \$1.20 as they purchased a producing property for their shell this year. However, they did not have near the fire power management team that Mala Noche has.

Eduardo Luna is extremely well-connected being the former President of the Mexican Mining Chamber, former CEO of Silver Wheaton, and the former Exec VP of Goldcorp. If that isn't enough, take a look at a list of the "Who's Who" in the Canadian precious metals industry that took in some of the private placement this Summer:

- Ian Telfer (former President of Goldcorp)
- Frank Giustra (too many high profile positions to list)
- Robert Bishop (most well-known newsletter writer)
- Peter Brown (Canaccord founder)

**By calling this play a "people play" is an understatement based on the individuals associated with Mala Noches Resources. Based on how other shells have performed leading up to an announcement of a producer/near-term producer, there is still plenty of room for this stock to run over the near-term.**



## *The Property Play – ICN Resources (ICN.V)*

ICN Resources (formerly Icon Industries) is a relatively unknown gold exploration company (and we like it that way while we are accumulating shares) whose main property is the formerly producing Hog Ranch gold property in Nevada. In March of this year, ICN announced that they were optioning the Hog Ranch property from Seabridge Gold. They recently completed a \$1.25 million private placement which won't come off hold until March 2010 and last month announced the start of their drill program as well as the staking of additional ground around the Hog Ranch property. As the release notes, most of the drilling in the past has been targeting shallow, low-grade gold whereas ICN will be going after the deeper, high-grade feeder system. Some spectacular holes give a glimpse of the potential of this property including:

- **Drill hole 6-143 returned 26.6 g/t Au over 3.05 metres from 48.77 metres, beneath the Krista pit;**
- **Drill hole 7-120 returned 59.5 g/t Au over 3.05 metres from 62.48 metres, beneath the Geib pit;**
- **Drill hole 7-238 returned 92.9 g/t Au over 1.52 metres from 60.96 metres, beneath the Geib pit;**
- **Drill hole 8-025 returned 64.9 g/t Au over 1.52 metres from 82.3 metres, beneath the Geib pit;**
- **Drill hole 9-042 returned 19.7 g/t Au over 9.14 metres from 50.29 metres, beneath the Geib pit;**
- **Drill hole 9-044 returned 72.8 g/t Au over 1.5 metres from 73.15 metres, beneath the Geib pit;**

The press release is shown below:

### *Icon Industries begins drilling at Hog Ranch*

*2009-11-02 16:26 ET - News Release*

*Mr. T. Barry Coughlan reports*

#### *ICON COMMENCES DRILLING AT THE HOG RANCH PROJECT AND SUBSTANTIALLY EXPANDS ITS LAND POSITION*

*Icon Industries Ltd. has commenced a 5,200-metre drilling program on the Hog Ranch epithermal gold property, which is located in Washoe county in northwestern Nevada. The company has an option to earn a 100-per-cent interest in the property from Seabridge Gold Inc.*

*The drilling program is targeting high-grade gold mineralization within potential feeder structures that often occur beneath low-grade, very-high-level epithermal deposits like those previously mined at Hog Ranch. As such, drill holes will penetrate deeper (200 to 500 metres) than most prior drill holes on the property. Comparable gold deposits globally, including Great Basin Gold's nearby Hollister deposit and Newmont's Midas deposit, are characterized by high-grade vein systems 100 to 200 metres below the near surface, paleowater table levels analogous to those seen in outcrop at Hog Ranch. To target these deeper levels, 1,000 metres of drilling in four core holes and 4,200 metres of drilling in 16 reverse circulation drill holes will be completed. The core holes will be drilled between planned RC holes to provide additional geological information not obtainable in the RC drilling.*

*Most of the drilling will be completed in the area of the historically mined 139, Geib and Krista pits, from where the bulk of the approximately 200,000 ounces of historical production was obtained. These drill holes will be oriented mainly north-northwest to east-southeast and are planned to cross breccia, veinlet and mineralized trends defined by 3-D analysis of previous drilling results. Although historical mining at Hog Ranch was at grades of one to 1.5 grams per tonne gold from shallow-dipping disseminated zones of mineralization, local areas grading multiple ounces of gold per ton were encountered, indicating the potential for bonanza gold grades in the system. Many high-grade drill intercepts obtained by previous operators lie beneath the depths of the historical mining, underscoring this potential. In the 139 pit area, downward extensions of high-grade mineralization encountered in late stages of mining will also be tested, including the potential continuity of*

mineralization encountered in drill hole 8-199, which intercepted 194.1 g/t Au over 1.5 metres at depths of 91.4 to 92.9 metres, well below the historical mining depths. Other intercepts in the few deeper drill holes beneath the pit areas will be followed up, including an intercept beneath the Krista pit of 13 g/t Au over 7.6 metres at depths of 118.9 to 126.5 metres in drill hole 8-018. Morphology and continuity of these intercepts are currently unknown.

In the vicinity of the Geib and Krista pits, multiple historic drill hole intercepts at depths of 40 to 90 metres suggest the presence of one or more shallow-dipping horizons of significantly higher grade than that which was previously mined. These levels will be further tested during the current program, since drill holes targeting deeper feeder-vein mineralization will also pass through them, and several shallow drill holes may also be completed to test continuity between the intercepts. No resource has previously been estimated for these horizons, within which the mineralization is aligned in east-northeast trends that are up to several tens of metres wide and several hundred metres long in plan view. These zones may represent the upward projection of high-grade feeder structures at depth. Some of the more significant higher-grade intercepts in this area include:

- Drill hole 6-143 returned 26.6 g/t Au over 3.05 metres from 48.77 metres, beneath the Krista pit;
- Drill hole 7-120 returned 59.5 g/t Au over 3.05 metres from 62.48 metres, beneath the Geib pit;
- Drill hole 7-238 returned 92.9 g/t Au over 1.52 metres from 60.96 metres, beneath the Geib pit;
- Drill hole 8-025 returned 64.9 g/t Au over 1.52 metres from 82.3 metres, beneath the Geib pit;
- Drill hole 9-042 returned 19.7 g/t Au over 9.14 metres from 50.29 metres, beneath the Geib pit;
- Drill hole 9-044 returned 72.8 g/t Au over 1.5 metres from 73.15 metres, beneath the Geib pit;
- Drill hole HR-040-03 returned 5.2 g/t Au over 21.3 metres from 67.06 metres, between and below the levels of the Geib and Krista pits.

Based on the shallow-dipping morphology of this mineralization and the steep dip of the drill holes, most of these intercepts are likely at or close to true thickness, and in cross-section are likely to be lensoidal. Continuity between these and other significant intercepts not listed here has not yet been definitively established, and surrounding portions of the shallow-dipping horizon are of lower grade, but do include additional intercepts grading greater than 10 g/t Au over intervals greater than one metre. While believed to be reliable, these results cannot be verified due to their historical nature.

In addition to the drilling in the main pit areas during the coming exploration program, drilling in four holes is planned to test the downdip extent of mineralization in the Cameco and Airport zones in northwestern portions of the property. These zones both occur in flat-lying lacustrine sedimentary rocks and comprise shallow-dipping zones of high-level disseminated mineralization. Previous drilling in the Cameco zone encountered 61.8 g/t Au over 6.1 metres at a downhole depth of 50.3 metres, for which true width is unknown, and for which the limits are partially bounded. This high-level intercept reflects the local potential for high-grade mineralization if a deeper feeder-vein system can be identified in the underlying, more competent flow foliated rhyolite. Two drill holes are also planned in the Bell Springs area, which comprises the southernmost of the historically mined Hog Ranch deposits. Drilling will test for deeper mineralization beneath the pit where erratic high gold grades were historically intersected, but where most drilling was also very shallow.

Exploration activities on the Hog Ranch site are being managed by Equity Exploration Consultants of Vancouver, B.C., under the direction of Dr. Darcy Baker, PGeo, president of Equity. Drilling is anticipated to be completed in early December, 2009.

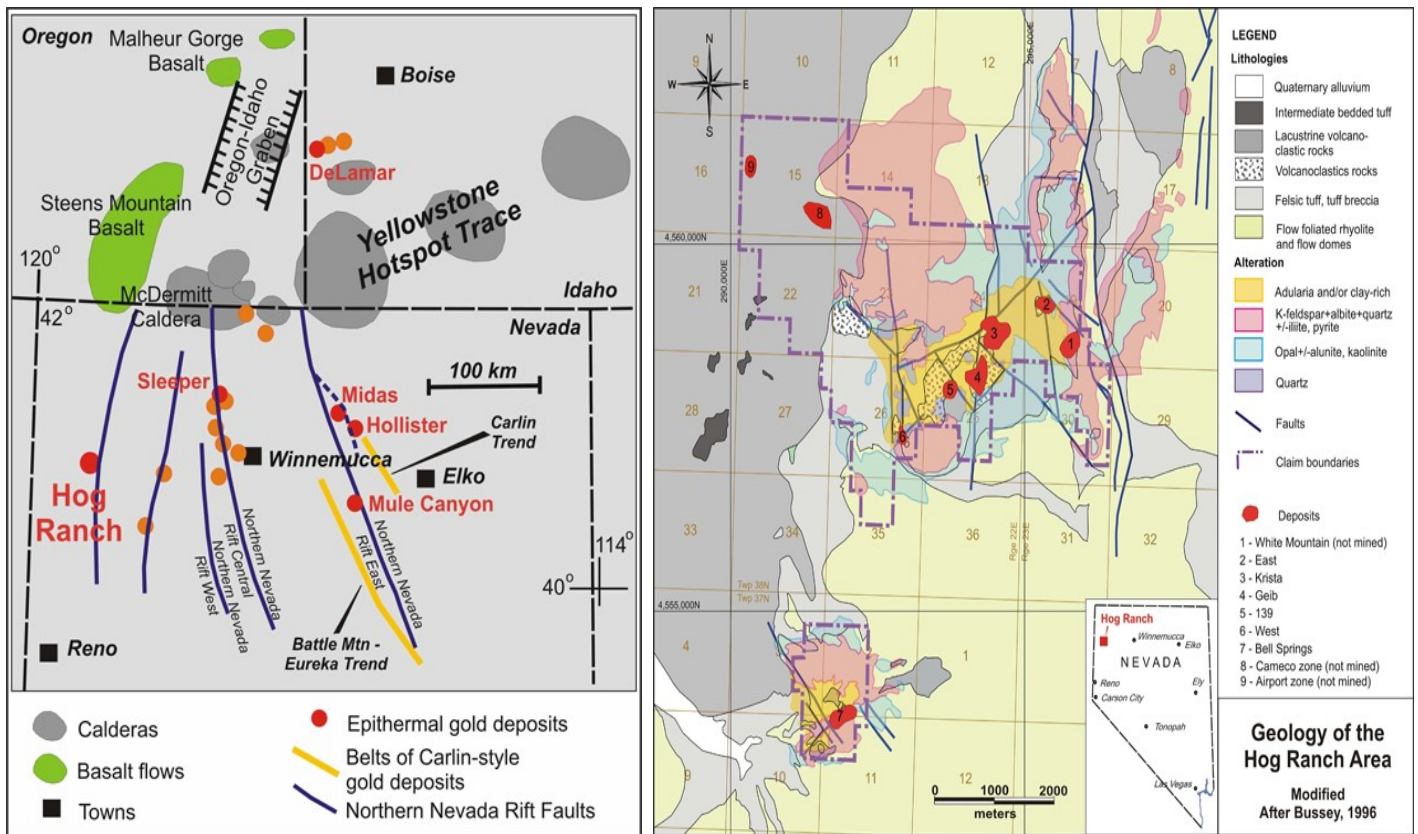
### Staking

When the option on the Hog Ranch property was obtained from Seabridge, the property comprised 238 unpatented lode mining claims covering approximately 4,917 acres (1,990 hectares), and a mining lease with Estill Ranches LLC on approximately 592 acres (239.6 hectares) of privately owned fee land. This ground position constituted a minimum holding area covering the extents of previous mining and known mineralization. Icon has recently completed a surface staking program which has nearly doubled the area of the property with the addition of approximately 220 new claims, covering extensions of prospective alteration from the mineralized areas and structural targets, as well as providing a buffer for potential future exploration and mining.

With the announcement of the \$1.25 million private placement closing this past week, they also announced that Carl Hering would take over as president. Below is a bio that shows Mr. Hering is perfect for this project:

*ICN also appointed Carl Hering, PhD, as its new president and chief executive officer. Dr. Hering is a geologist with over 30 years of diversified technical and managerial experience in mineral exploration and corporate development worldwide. He was instrumental in two major gold discoveries in Latin America, each exceeding three million ounces. He has experience in all aspects of exploration, corporate development, management, strategic planning, and new program design and implementation. Dr. Hering previously worked in senior positions (1978 to 1997) for both Noranda Exploration Co. Ltd. and Placer Dome Inc. From 1997 to 1999, he was vice-president of corporate acquisitions for Bema Gold Corp. In 2006, held the position of senior VP of exploration and business development for Rio Narcea Gold Mines. He is now an independent consultant and a director of several other public companies. Recently he was responsible for the acquisition of the Hammond Reef gold project (Brett Resources Inc.) which now hosts a resource of 6.7 million ounces. Additionally, while working for Noranda, in 1985, at Hog Ranch, he developed an exploration model which led to discovery of two new zones of mineralization, both of which have now been mined.*

*Mr. Hering's past experience at Hog Ranch and his enthusiasm for the project augment the work now in progress by ICN as it seeks new discovery on this project located in northwestern Nevada. A 5,200-metre drill program, testing new concepts, is currently in progress (see the company's Stockwatch press release of Nov. 2, 2009) and approximately half of the planned program has been completed to date.*



With the drill program ongoing, assays should begin to come back over the next few weeks. I expect the share price to appreciate in anticipation of drill results although the share price has been contained in a tight range since early December as the play has drawn little attention. The lack of posts on the chat boards indicates no retail involvement at all. For those looking to get into a play before the retail crowd, this is one that speculative investors may want to consider.

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