Khandaker alpha
ADVISORS

Pacific Booker Minerals Inc. (BKM: CVE),(PBM: NYSE, Amex) Canada
A Copper and Gold Exploration company

Based on our research, we expect Pacific Booker Minerals Inc.'s (BKM: CVE), (PBM: NYSE: Amex) market capitalization to reach $Cdn 214.11 million, with a corresponding target stock price of $Cdn 15.4 over a 18-36 month horizon.

Pacific Booker Minerals (PBM) has an impressive portfolio of prospects in the mineral-rich Babine Lake Region of central British Columbia that have been assembled over the past 10 years. The company has diligently carried out exploration and management of these properties in full compliance with Mine Act requirements including annual work on the ground. Currently, Pacific Booker is in the advanced stage of development of the Morrison porphyry copper/gold/molybdenum deposit and is likely to begin production activities in late 2012. A determined management team and faith shown by investors in the viability of the company has helped PBM develop the Morrison Copper/Gold/Molybdenum Project for over 5 years. The company's strategy of leveraging the increasing resource availability by ramping up production and capitalizing on the high commodity demand and pricing environment are likely to be key growth drivers.

According to a completed Feasibility study and 43-101compliant Technical Report, Morrison project will be an open pit mining operation with an ore production rate of 30,000 tonnes per day or 10,950,000 tonnes per year with a mine life of 21 years. The proven and probable mineable reserve is estimated to be 224.25 Mt with an average grade of 0.33% Cu, 0.163 g/t Au and 0.004% Mo. With Capital cost estimated at CDN $516.68 million and operating cost of CDN $8.15 per tonne milled over the life of the mine, we expect **NPV for the project** to be **Cdn$ 209.67 million** and **IRR** of 32% with a **Payback** of **4.5 years** based on an 1**8.3% discount rate**.

Key Points

Investment Opportunity

The company's property holdings have historically been underutilized, and hence present PBM with a significant opportunity to exploit the available resources. Grade zonation within the deposit is such that higher-grade material could be mined in the earlier stage of mining which could help reduce the payback period.

Strategic Location

PBM's properties are located in British Columbia, within a region with a long history of mining, established permitting standards and government supportive of resources development, offering investors low geopolitical risk.

Sound Infrastructure

The Morrison deposit has the advantage of existing regional infrastructure to service the region, including a deep-sea shipping terminal at the port of Stewart, B.C., a road network, nearby hydro-electric power (25 km from the project site), two existing nearby forestry camps for preproduction use, and a full service town (the Village of Granisle) within daily commuting distance from the project site.

Environmental Focus

PBM announced the completion of an Environmental Assessment, and the submission of an Application for an Environmental Assessment Certificate to the British Columbia Environmental Assessment Office, a major milestone in bringing the Morrison Project to commercial production. PBM also submitted a number of permit applications for concurrent review with the Environmental Assessment Certificate Application.

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September 09, 2009
Valuation Report

Global Equities Research

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Price (Cdn$)	
10/13/2009	7.49
Price Target *	15.4
52 week high	9.5
52 week low	2.2

Shares Outstanding (millions)	
Basic Shares	11.4
Options & Warrants	2.5
Fully Diluted	13.9

Capitalization (Cdn$ millions)	
Current Market Cap	74.65
Target Market Cap*	214.11

Revenue (Cdn$ 000)	
2013E	295.8
2014E	308.6
2015E	372.2
2016E	292.4
2017E	316.0

Company Background and Business Strategy

Pacific Booker Minerals Inc. (PBM) is a public traded company listed on the **TSX** Venture Exchange (**Trading Symbol: BKM**) and **NYSE, Amex (Trading Symbol: PBM)**. PBM owns the Morrison property located in Central British Columbia. In 1997 PBM entered into an agreement with Noranda Inc. to obtain a 50% interest in the Morrison property. PBM subsequently purchased the Morrison property from Falconbridge Limited (formerly Noranda Inc.) in April 2004, with no net smelter return or concentrate commitments to Falconbridge Limited.

PBM`s flagship project, Morrison property within 29km of two former producing copper mines, Bell and Granisle, is located in Central British Columbia, 35 km north of the Village of Granisle and 65 km NE of Smithers, B.C.. In March 2009 PBM received a Feasibility Study and 43-101Compliant Technical Report for the Morrison porphyry copper/gold/molybdenum deposit completed by Wardrop Engineering Ltd., with technical support of a team of other consultants. PBM is proposing an open-pit mining and milling operation for the production of copper/gold/molybdenum concentrate from the Morrison deposit. The study describes the scope, design features and financial viability of a conventional open pit mine with a 30,000 tonnes per day processing plant.

The Morrison Project has the advantage of existing regional infrastructure to service the region, including a deep-sea shipping terminal at the port of Stewart, B.C., a road network, nearby power (25 km from the project site), and a full service town (Village of Granisle) within daily commuting distance from the project site. High Pressure Grinding Rolls (HPGR) will be used as a replacement for the conventional SAG milling process resulting in a significant cost savings in power and consumables.

Morrison Copper/Gold/Molybdenum Project is classified as a major project in BC and is subject to review under the Environmental Assessment Act. Environmental base line studies within the property area have been ongoing since 2001, including measurements on tributary creeks, water quality sampling from creeks and drill holes, wildlife observations, fisheries background studies, and acid rock drainage investigations. On September 28, 2009, PBM announced the completion of Environmental Assessment on Morrison Project, a major milestone towards commercial production. The Company has submitted the application for an Environment Assessment Certificate to the BC Environmental Assessment Office (BCEAO) for screening. After screening and subject to BCEAO`s acceptance a review period of 180 days is required prior to a recommendation to government Ministers should result in issuance of an EAC Certificate by mid-2010. The EAC Certificate is required for PBM to acquire a Mines Act permit to begin mining.

Key aspects of Pacific Booker's Strategy:

- Morrison Copper/Gold/Molybdenum Project

  - Ore production 30,000tonnes/day;
  - The total mineable reserve, classified as proven and probable, at Net Smelter Return (NSR) cut-off-value of $CDN5.60/t, is 224.25Mt with an average grade of 0.330% Copper, 0.163g/t Gold and 0.004% Molybdenum.
  - The overburden and waste total is 184.12 Mt for a strip ratio of 0.82:1;
  - Recovered metal is 1,379.79 million lbs Copper, 658,090 oz Gold and 10.047 million lbs Molybdenum:
  - Mine life of 21 years;
  - Capital cost is estimated at CDN$516.68 million (including a CDN$59.92 million contingency allocation).
  - A projected exchange rate of C$1.00/ US$0.87;
  - Operating cost of CDN$8.15 per tonne milled over the life of the mine;
  - Pre-Income Tax Internal Rate of Return (IRR) of 20.05%, based on metal prices of (four year trailing average as of January 12, 2009) Copper $2.75, Gold $658.32 and Molybdenum $29.23:
  - Net Present Value (NPV) at 8.0% discount rate is CDN$495.9M;
  - Payback period on capital is 4.2 years;
  - Total Copper Concentrate Production (dry) 2,345,188 tonnes;
  - Ownership PBM–100% ; and
  - In British Columbia, Canada.

  The Company has submitted the application for an Environment Assessment Certificate to the BC Environmental Assessment Office which should result in the issuance of an EA Certificate by mid-2010. The EA Certificate is required for PBM to apply for the various Licenses and Permits for the construction, operation, decommissioning and reclamation of the proposed 30,000tonnes/day open pit mine over a 21 year period.

  PBM is working towards bringing its flagship deposit of the Morrison Project to production by the end of 2012. The Feasibility describes the scope, design features and financial viability of a conventional open pit mine with a 30,000 tonnes per day mill.

- PBM intends to continue develop other prospects, through on-site work and evaluation, to further increase reserves and extend life potential.

Risks

The major risks to Pacific Booker Minerals Inc. include:

Significant and/or Extended Decline in Gold/Copper prices

The market price of Copper is the most important factor in determining the profitability of PBM. If the market price of Copper were to decline, PBM's earnings would be negatively impacted. Additionally, given roughly 13% of PBM's revenue is estimated to be derived from the sale of gold, any significant and/or extended decline in the price of gold would also impact earnings.

Project Development Delays

The Morrison Copper/Gold/Molybdenum Project is classified as a major project in BC and subject to review under the Environmental Assessment Act. PBM requires the Environmental Assessment Certificate to apply for a mining permit for the construction, operation and maintenance, decommissioning and reclamation of the proposed open-pit mine. Permits and Licenses are expected to be received in 2010 with mine construction to follow. The company intends to spend over $500 million over the next three years to complete development work at Morrison Project. Delay or cost increase would negatively impact earnings forecast.

Reserve Replacement

PBM has an estimated 1.37 billion lbs of recovered Copper, 658,090 ozs of Gold and 10.047 million lbs of Molybdenum. This estimate is based on an estimated price of copper, gold and molybdenum as well as interpretations of geological data. Estimates of capital and operating costs are then based on estimated tonnage and grades of ore to be mined. Thus, actual operating costs and subsequent returns may differ substantially from initial estimates. Management's ability to maintain or grow reserves and resources can differentiate relative performance. Negative exploration or development success could restrict growth.

Note: Metallurgical test-work to date reported silver present in the concentrate.

Deflation

If global central banks judge that the economic growth risks of inflation merit withdrawal of liquidity throughout the monetary system, we would see investors look to liquidate commodity investments and commodity based equities, such as PBM.

Global Economic Slowdown

The company's business performance could be highly affected due to the ongoing slowdown in the global economy. According to the IMF estimates, the world growth will decline to 0.5% in 2009, caused majorly due to the real economy side effects of the banking crisis of 2008. According to another estimate, the Euro zone growth is expected to be 0% while North American (NAFTA) growth is expected to be a negative 0.1% in 2009. Asia growth (excluding Japan) is expected to be 5% while ASEAN growth will be around 3%. Thus, a weak global economy poses a major challenge for the company in sustaining its revenue growth.

Management Team

PBM Minerals, Key Employee Biographies	
William G. Deeks, P-Eng. Chem **Job Title**: Executive Director and Chairman of the Board **Since:** 1997	William Deeks holds a BASc Chem. from the University of Toronto (1955), was designated as a PEng ON 1956, and holds a 1st year MBA from the University of Toronto (1957). From 1956 to 1996, Mr. Deeks was employed by Noranda Inc., in positions ranging from a member of the Executive Committee for Site Health, Safety, Accident Prevention, and the Environment to Executive Vice President. He has acted as a Director for PBM since 1996, and as their Chairman since 2005. Mr. Deeks brings more than 50 years of experience in the mining industry to the direction of this company.
Gregory R. Anderson **Job Title**: Chief Executive Officer, President and Executive Director **Since:** 2005	Gregory Anderson graduated from business school in 1974. He holds multiple brokerage licenses and a multiengine land and instrument rating. Since 2005, he has served as PBM's President, Chief Executive Officer, and Executive Director. From 1987 to 2005, Mr. Anderson was the Owner, President, and Chief Executive Officer of G.R. Enterprises, which specialized in risk and venture capital management.
Erik A. Tornquist **Job Title**: Executive VP, Chief Operating Officer and Executive Director **Since:** 2005	Mr. Tornquist is an Applied Science Technologist with over 30 years of experience in Natural Gas Operations, Engineering, International Project Management, Human Resources and Training: and four years experience in metal mine development. He held various Management positions with Terasen Gas and Terasen International.
Ruth Swan **Job Title**: Chief Financial Officer **Since:** 1996	Ms. Swan has over 25 years of bookkeeping experience, with 20 years in the resource sector. She has operated a bookkeeping service since 1986 and has provided bookkeeping & financial reporting services to the Company since 1996.
Mark Gulbrandson **Job Title**: Director	Mark Gulbrandson is the Owner and Chief Executive Officer of Apple Auto Group, a multi-location car dealership located in the Twin Cities area of Minnesota. Mr. Gulbrandson has owned Apple Auto since 1993. It currently employs over 300 people and is one of the top 100 Ford dealers in the United States. Mr. Gulbrandson spends approximately 10% of his time on PBM's affairs, with the remainder of his time spent on Apple Auto Group business.
John Plourde **Job Title**: Executive Director **Since:** 1999	Mr. Plourde has over 30 years of investor relations experience and has served as a Director of several public companies. He has been a Director of PBM Minerals Inc. since December 1999.

Corporate Events & Actions

Date	News	Details
28-Sep-09	**PBM Completes $6.0 million Environmental Assessment and Submits Application for an Environmental Assessment Certificate**	PBM completed the Environmental Assessment on the 100% owned Morrison Copper/Gold/Molybdenum Project and submitted the Application for an Environmental Assessment Certificate to the BC Environmental Assessment Office.
13-Jul-09	**PBM Announces Stock Options Granted**	The Board of Directors approved director and employee options as proposed by the Compensation Committee. The approved options were fixed in accordance with the Company's stock option plan and totaled 190,000 shares at a price of $5.75 exercisable for a period of five years.
25-May-09	**PBM Announces Approved Terms of Reference, for the Morrison Copper/Gold/ Molybdenum Project**	BC Environmental Assessment Office approved the Terms of Reference for the proposed Morrison Copper/Gold/Molybdenum project
20-Apr-09	**PBM Announces Settlement of Mineral Claim Suit**	PBM Minerals, Inc. reached a settlement with certain optionors of mineral claims in the Hearne Hill area, which adjoins the Morrison property, who commenced an action against the Company in the British Columbia Supreme Court in April 2006. Pursuant to the settlement, no cash payment was made to the plaintiffs and all claims in the action were dismissed.
27-Feb-09	**PBM Announces Positive Feasibility Study for the Morrison Copper/Gold/ Molybdenum Project**	Pacific Booker Minerals Inc. announced the results of an independent Feasibility Study on the Company's 100% owned Morrison Copper/Gold/Molybdenum Project located in Central British Columbia, Canada. The Feasibility Study that was completed by Wardrop Engineering Inc., a Tetra Tech Company, with technical support of a team of other consultants, described the scope, design features and financial viability of a conventional open pit mine with a 30,000 tonnes per day mill.
8-Dec-08	**PBM and Lake Babine Nation Sign Capacity Funding Agreement**	The Company announced that on November 6, 2008, Pacific Booker Minerals Inc. ("PBM") and Lake Babine Nation ("LBN"), entered into a capacity funding agreement, which provides LBN with capacity funding to participate in the EA process, improve communications, share information, address specific concerns, and commit to work together to build a long lasting and mutually supportive relationship.
23-Oct-08	**Province To Share Mining Benefits With First Nations**	British Columbia became the first province in Canada to share direct revenue generated from mining by authorizing its provincial negotiators to include revenue sharing with First Nations on new mining projects.
13 April-07	**PBM Announces Updated Resource Estimate**	The Company announced the results of a 43-101 Compliant Resource Estimate completed by Geosim Services Ltd.

Industry Overview

Copper

Copper is usually found in nature in association with sulfur. Pure copper metal is generally produced from a multistage process, beginning with the mining and concentrating of low-grade ores containing copper sulfide minerals, and followed by smelting and electrolytic refining to produce a pure copper cathode. An increasing share of copper is produced from acid leaching of oxidized ores. Copper is one of the oldest metals ever used and has been one of the important materials in the development of civilization. Because of its properties, singularly or in combination, of high ductility, malleability, and thermal and electrical conductivity, and its resistance to corrosion, copper has become a major industrial metal, ranking third after iron and aluminum in terms of quantities consumed. Electrical uses of copper, including power transmission and generation, building wiring, telecommunication, and electrical and electronic products, account for about three quarters of total copper use. Building construction is the single largest market, followed by electronics and electronic products, transportation, industrial machinery, and consumer and general products. Copper byproducts from manufacturing and obsolete copper products are readily recycled and contribute significantly to copper supply.

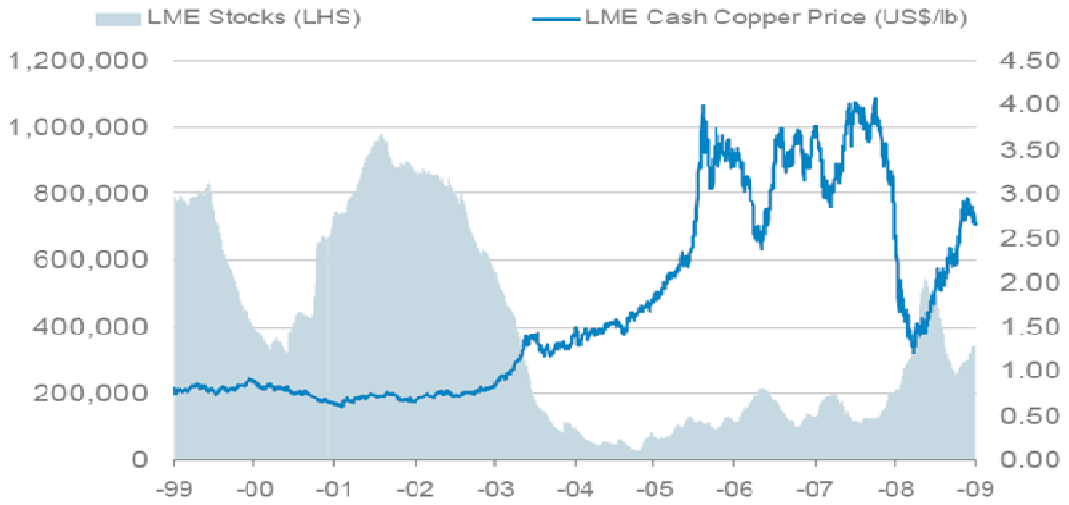
EXHIBIT 1: COPPER SUPPLY FROM WORLD MINE PRODUCTION

Geography	2000	2001	2002	2003	2004	2005	2006	2007	2008
Americas	8577	8848	8523	8823	9753	9714	9774	10181	10064
Argentina	160	211	225	219	194	206	199	199	173
Brazil	34	33	34	30	109	144	158	219	232
Canada	699	698	665	615	620	656	665	667	669
Chile	5073	5224	5049	5406	5966	5865	5909	6125	5876
Mexico	402	409	363	394	447	473	368	372	272
Peru	611	796	931	929	1142	1113	1156	1312	1398
United States	1598	1477	1256	1230	1275	1257	1319	1287	1444
Australasia	1138	1185	1201	1131	1133	1223	1161	1147	1152
Europe	838	845	873	865	916	893	880	821	786
Asia	3175	3280	3515	3367	3323	3545	3538	3597	3554
Africa	496	531	538	571	636	697	769	836	967
Other	339	331	320	320	519	547	600	666	660

Source: www.copper.org

Despite numerous announced expansions in mine capacity, estimated global copper mine production for the first 9 months of the year 2008 was slightly lower than that for the same period of 2007, but picked up in the last quarter, ending 140,000 tonnes over 2008.

EXHIBIT 2: LME COPPER STOCKS AND PRICE



Source: Datastream, Morgan Stanley Research

On average, copper prices during the first 9 months of 2008 remained at or near record high levels before they began to weaken in September. The London Metal Exchange Ltd. (LME) price reached an all time high of $4.08 per pound in April and averaged $3.61 per pound for the first nine months of the year 2008. However, Copper prices continued to descend after September with the economy to six year low before picking up in February 2009.

Global commodity exchange inventories, which began the year at low levels, trended downward for the first nine months of 2008 but rose until 500,000 in April 2009.

EXHIBIT 3: REFINED COPPER BALANCE (000's t)

	2006	2007	2008	2009E	2010E	2011E	2012E
World Production	17261	18005	18271	18170	18822	19087	19636
%change	4.30%	4.30%	1.50%	-0.60%	3.60%	1.40%	2.90%
World Consumption	17368	18010	18021	17819	18684	19357	20051
%change	3.30%	3.70%	0.10%	-1.10%	4.90%	3.60%	3.60%
World Balance	-107	38	159	351	138	-270	-415
Price (US$/lb, LME)	3.06	3.23	3.15	2.14	2.5	2.7	3
Western world stocks	592	558	725	1076	1213	944	529
Weeks of consumption	1.8	1.6	2.1	3.1	3.4	2.5	1.4

Source: CRU, Brook Hunt, SSF, Morgan Stanley Research estimates

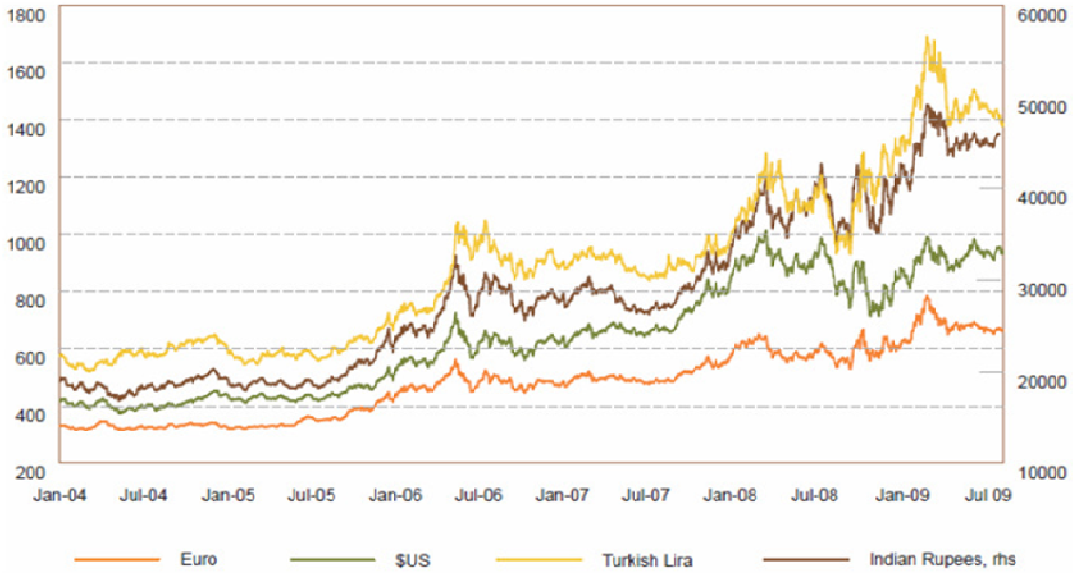
World Copper production for 2008 ended 165,000 tonnes or 1.5% above 2007 but is expected to fall down by 0.6% this year and then increase by 3.6% and 1.4% in 2010 and 2011 respectively.

Demand for Gold

Jewelry

The main uses for gold are jewelry, dentistry and electronics. In the second quarter of 2009, global demand for gold jewelry declined by 22% to just under $US 12 bn relative to the same period in 2008 due to historically high price and ongoing global recession. Indeed, the Q2 2009 average price of $US 922.18 was the second highest on record, only 0.3% below the average for Q1 2008, during which the price hit record levels of above $US 1,000/oz. The high price was the over-riding factor affecting demand in non-western markets, while the economic climate played an important role in western markets.

EXHIBIT 4: THE FIVE YEAR DAILY GOLD PRICE IN SELECTED COUNTRIES



The outlook for jewelry demand over the remainder of 2009 is uncertain, resting on the price level, price expectations and economic conditions.

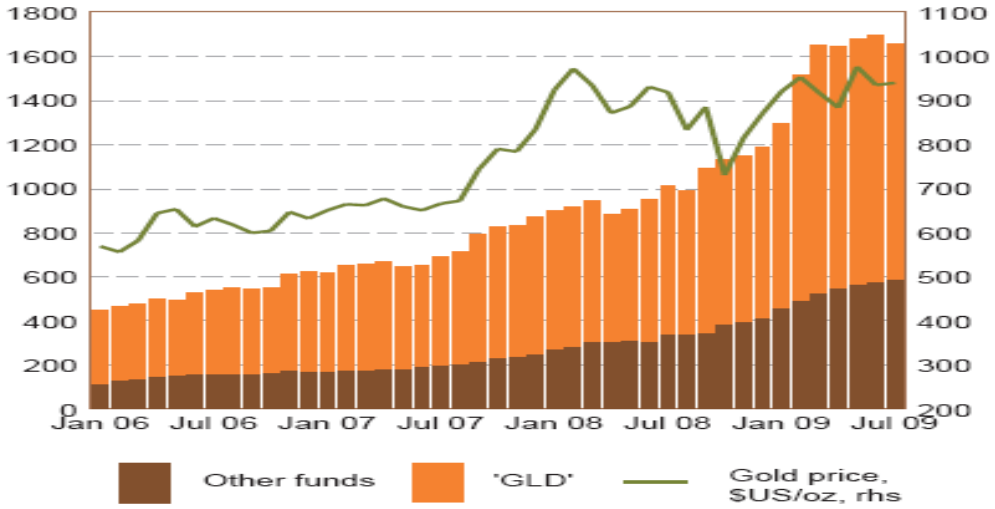
Industrial and Dental

Industrial demand continues to suffer from the effects of weak economic conditions, falling 21% to year earlier levels. However, the sector experienced an 18% quarter-on-quarter gain, reflecting a significant improvement in the other industrial and decorative and electronic components. With demand in Electronics sector, the largest component of Industrial demand, declining by 26% relative to year earlier levels while better than the Q1 fall, continues to illustrate the impact that the financial crisis had on consumer demand and low levels of activity from the supply chain, due largely to the oversupply of inventory last year, which until recently largely negated the need for fresh fabrication on many product lines.

Investment

Total identifiable investment in gold increased 46% to 222.4 tonnes from a year earlier but below the Q1 2009 highs. Although a decrease from Q1 2009 level, in US$ terms, this approximates to a net inflow of $6.6bn as compared to $4.4bn a year earlier primarily affected by the softening of demand for gold in exchange traded funds (ETFs). In Q2 2009, investments in gold exchange traded funds returned to a more modest level of 56.7 tonnes as compared to 465.1 tonnes in Q1 2009 while redemptions in Gold ETFs such as the US listed SPDR Gold Shares (GLD) have slowed as well. However the gradual pickup in gold inflows resumed in mid-May, net retail investments were up 23% from previous quarter and up 12% from a year earlier showed that the rebound from the previous quarter was due to a shift from net selling to net buying in the non-western markets, holdings however remained at lower levels compared to the highs in Q1 2009. Overall gold inflows increased moderately over Q2 2009.

EXHIBIT 5: HOLDINGS IN EXCHANGE TRADED FUNDS



Source: www.exchangetradedgold.com; Global Insight

The inferred investment category shows an increase in gold inflows in Q2 2009, a jump from 162.8 tonnes in Q1 2009 to 195.1 tonnes in Q2 2009. While traditionally this category of investments is viewed as a way to capture speculations in the gold market it would be incorrect to assume that any increases in this category would mean a buildup in gold reserves. In facts, investors remain cautious among unallocated accounts and counterparty risk and have shifted their attention towards allocated accounts. These allocated accounts make up the bulk portion of the net inflows in this category. Total investment increased 157% from 162.1 tonnes in Q2 2008 to 417.4 tonnes in Q2 2009. Although the level of total investment in Q2 2009 was below the level Q1 2009, it was still on the same level seen in the peak of the financial meltdown.

EXHIBIT 6: INVESTMENT DEMAND

tonnes except where specified	2007	2008	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09	Q2'09	%Ch Q2'09 vs Q2'08	%Ch Year on Year
Identifiable Investment	685.9	1183.0	170.7	151.9	420.1	440.2	600.0	222.4	46.0	133.0
Net Retail Investment	432.5	862.1	98.1	147.9	270.6	345.5	134.9	165.7	12.0	115.0
Bar Hoarding	236.5	391.8	49.4	92.2	126.4	123.9	-33.1	59.4	-36.0	19.0
Offi cial Coin	137.0	191.3	28.6	36.5	61.8	64.4	72.9	59.2	62.0	105.0
Medals/Imitation Coin	72.6	69.6	10.7	14.5	25.0	19.4	2.4	8.3	-43.0	6.0
Other Identifi ed Retail Invest	-13.6	209.3	9.3	4.7	57.4	137.9	92.7	38.7	720.0	1934.0
ETFs & Similar Products	253.3	320.9	72.7	4.0	149.5	94.7	465.1	56.7	1315.0	159.0
"Inferred Investment"	-76.0	-286.1	89.6	10.2	-353.0	-38.8	162.8	195.1	1657.0	-122.0
"Total" Investment	609.9	896.9	260.3	162.1	67.1	401.5	762.8	417.4	157.0	73.0
"Total" Investment, $USm	14395.0	24550.0	7740.0	4672.0	1880.0	10259.0	22279.0	12376.0	165.0	86.0

Source : GFMS

Supply of Gold

Total supply for Q2 2009 fell to 926.5 tonnes but gold supply was still 14% above previous year's level primarily due to a drop in producer de-hedging. Recycling sector fell to 334.2 tonnes from Q1 2009 however the level still remained above Q2 2008's levels of approx 276 tonnes. Looking at the official sector in the chart above, the data show that the central bank became the main

buyers of the gold in Q2 2009 with the data requiring certain qualifications such as the way GFMS treats its statistics including the 35 tonnes sale by the ECB during the quarter.

EXHIBIT 7: GOLD SUPPLY AND DEMAND

	2007	2008	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09	Q2'09	%Ch Q2'09 vs Q2'08	%Ch Year on Year
Supply										
Mine Production	2478	2414	544	589	634	648	582	622	6	3
Net Producer Hedging	-444	-350	-129	-121	-53	-46	-3	-16	-	-
Total Mine Supply	2034	2064	415	467	580	602	579	606	30	18
Offi cial Sector Sales	484	236	77	69	77	13	52	-14	-	-69
Recycled Gold	958	1212	359	276	216	361	566	334	21	31
Total Supply	3476	3512	851	812	874	975	1197	927	14	12
Demand										
Fabrication										
Jewellery	2404	2186	475	532	695	484	355	416	-22	-8
Industrial & Dental	462	436	116	118	112	90	79	93	-21	-19
Sub-Total Above Fabrication	2866	2621	591	650	807	574	434	509	-22	-10
Bar & Coin Retail Investment	446	653	89	143	213	208	42	127	-11	44
Other Retail Investment	-14	209	9	5	57	138	93	39	720	1934
ETFs & Similar	253	321	73	4	149	95	465	57	1315	159
Total Demand	3552	3804	762	802	1227	1014	1034	731	-9	21
Inferred Investment	-76	292	90	10	-353	-39	163	195	1815	-114
London PM Fix ($US/oz)	695.39	871.96	924.83	896.29	871.6	794.76	908.41	922.18	3	6

Source : GFMS

Outlook

The outlook for gold demand can be segregated into the western countries where economic conditions remain fragile and the non-western markets where buyers tend to be fixated on the price of gold. Over the last few quarters, non-western markets have taken profits from the high prices of gold and now are waiting for a pullback in order to take additional long positions. The recent run up in prices as gold moves past $900 and even $1,000/oz has made opportunities for a reentry scarce. Investors and consumers have yet to adjust to these higher prices, therefore we believe the future outlook will largely depend on the price of gold as well as the price expectation of gold. The recent trend for sales of gold has decreased while investors including that of the central banks are picking up gold to increase diversification as well as to hedge their portfolio. India, the world's largest gold consumer, has shown some evidence suggesting that consumers have a sizeable demand pent up due to a 22% increase in bank deposit on a year-on-year basis that could be unleashed when the price falls below Rs14,000/10g level. In the mean time as price hovers above Rs14,000/10g level, consumers in India will continue to meet their gold demand via exchanges and melting of old gold items. It will also be interesting to see how consumer demand will be affected by the recent elections and import tariffs on gold imposed in July.

In China, robust demand continued to drive retail investment forward. Q2 2009 retail investment demand came in 47% above the levels from previous year. It seems to us as price dips to $900/oz level we get a fresh new wave of demand for gold in areas such as Hong Kong and neighboring Taiwan. Gold bar and coin demand also grew from new product developments as well as the availability of these products for investors. Domestic banks have also increased their investment holdings in gold as well as the physical availability of gold for investors while companies are offering investment bars with two way trading. Increased gold activity domestically has analysts speculating that China could very soon surpass India as the world's number one gold consumer. Although surpassing India in 2009 or even next year seems unlikely, on a 10 to 15 year basis one could easily see this happening. The potential growth for demand in gold is not limited to just private individuals but the People's Bank of China has also had its fair share of demand. The announcement that China will increase its gold reserves by 75% over a five year period had no real impact on the financial market. Investors gradually acknowledged that this continued trend will go on also as a hedge toward the US dollar through diversification. Grasping the big picture from both the demand and the supply side, it is clear that China became the world's largest gold market in 2008. We expect them to continue to establish their dominance in the supply side through the gold accumulation program and creep up and surpass India as the world's number one gold consumer in the future.

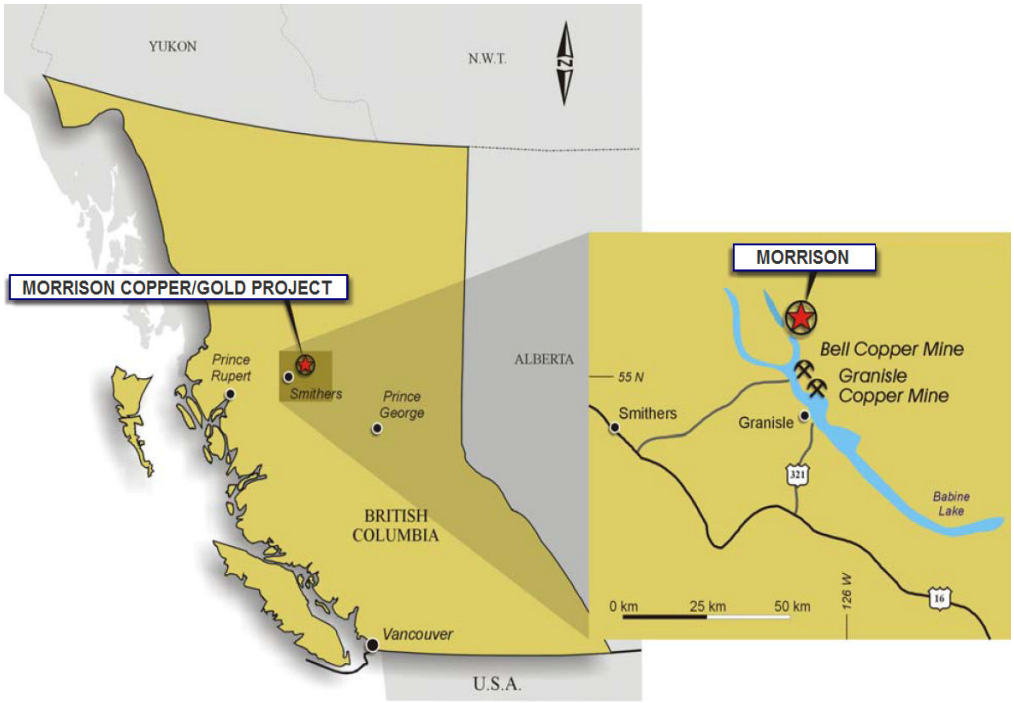
Company Properties

Morrison Copper/Gold/Molybdenum Project

The Morrison deposit was discovered in 1963 by the Noranda Group of Noranda Exploration Company who completed 95 diamond drill holes over a 10 year period that broadly defined the deposit to an approximate depth of 150 m. PBM optioned the property in late 1997 and has completed 96 exploration core holes on the Morrison deposit totaling 26,202 m and resulting in a 20% improvement in resource calculations.

The Morrison Copper/Gold/Molybdenum Project is located in the Babine Lake Region of central BC, approximately 65 km northeast of the town of Smithers and 35 km north of the Village of Granisle. The deposit lies 22 km north of the Bell mine and 28 km north of Granisle mine, two formerly producing open pit copper/gold porphyry deposits and is geologically similar to both deposits.

EXHIBIT 8: MORRISON COPPER/GOLD/MOLYBDENUM PROJECT LOCATION MAP



Source: Company Report

Morrison will be an open pit mining operation with an ore production rate of 30,000 tonnes per day or 10,950,000 tonnes per year with a mine life of 21 years. The ore will be processed in a conventional milling plant and the copper/gold concentrate transported to the Port of Stewart for shipment to offshore smelters. Molybdenum concentrate will be trucked from the mine to a refinery location to be confirmed. The mine is expected to produce 224.25 Mt of tailings with an average grade of 0.33% Cu, 0.163 g/t Au and 0.004% Mo.

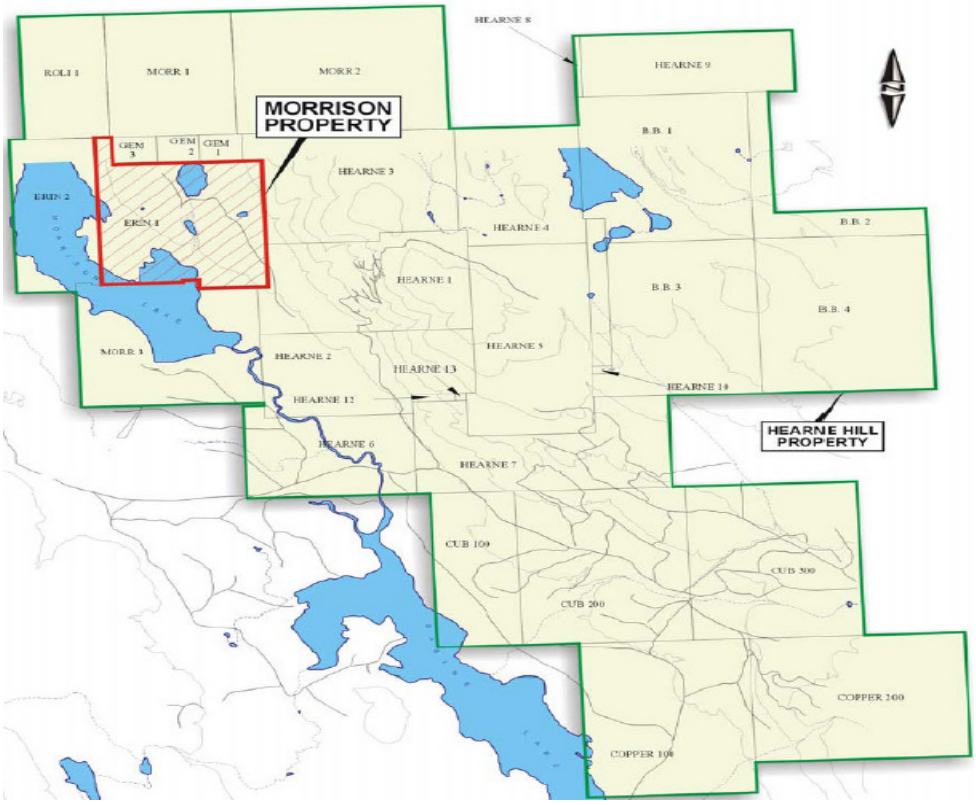
The table below presents the updated Morrison resource estimate using a cut-off grade of 0.3 % Equivalent Copper. The copper equivalent was calculated using relative recovery and metal prices of $1.78/lb copper, $465/oz gold and $10/lb molybdenum. Composited intervals from 98 drill holes representing 22,982 m of core were used in the block model estimation. Gold grades were capped at1.5 g/t prior to compositing.

EXHIBIT 9: 2007 MINERAL RESOURCE ESTIMATES

	Measured + Indicated					Inferred				
		Average Grade					Average Grade			
Cut-off %Eq Cu	Tonnes> Cut-off	Cu EQ (%)	Cu (%)	Au (g/t)	Mo (%)	Tonnes> Cut-off	Cu EQ (%)	Cu (%)	Au (g/t)	Mo (%)
0.15	281,652,590	0.40	0.34	0.17	0.005	87,806,392	0.38	0.33	0.16	0.004
0.20	265,954,503	0.41	0.35	0.17	0.005	81,798,181	0.4	0.34	0.17	0.005
0.25	238,475,426	0.44	0.37	0.18	0.005	61,661,854	0.45	0.38	0.19	0.004
0.30	206,869,448	0.46	0.39	0.20	0.005	56,524,341	0.47	0.4	0.21	0.005
0.35	170,772,241	0.49	0.42	0.21	0.005	47,875,646	0.5	0.42	0.22	0.005
0.40	133,351,540	0.52	0.44	0.22	0.005	38,587,285	0.53	0.45	0.23	0.005

PBM's land position consists of 45 contiguous claims totaling 12,027 ha, as listed in the Exhibit 2, including the Morrison Property (20 units in 1 claim – ERIN 1) and the Hearne Hill Property (378 units in 27 claims), with all claims being located within the Omineca mining Division.

EXHIBIT 10: MORRISON COPPER/GOLD/MOLYBDENUM PROJECT LOCATION MAP



Source: Company Report

Exploration work on mineral properties in BC requires the filing of A Notice of Work and Reclamation with the Ministry of Energy and Mines. The Morrison Copper/Gold/Molybdenum Project is classified as a major project in BC and is subject to review under the Environmental Assessment Act. Environmental baseline studies within the property area have been ongoing since 2001. These studies include hydrological measurements on tributary checks, water quality sampling from creeks and drill holes, wildlife observations, fisheries background studies, acid rock drainage investigations. PBM was able to obtain permits for the 2005 and 2006 exploration work programs with no undue delays. PBM also collaborated with agencies, such as Fisheries and Oceans Canada on fish habit assessments and communicated the scope of environmental studies to the BCEAO Project Working Group and Lake Babine Nation for their inputs.

On September 28, 2009, PBM announced the completion of the Environmental Assessment by Rescan Environmental Services Ltd. and submitted the application for an Environment Assessment Certificate to the BC Environmental Assessment Office. The assessment, completed over a 40 month period, is an essential milestone towards commercial production of the Morrison Copper/Gold/Molybdenum Project.

Once the application is screened by the BCEAO and accepted as conforming to the Project Terms of Reference, formal review will be done within 180 days and BCEAO will submit an Assessment Report with recommendations to Ministers who will then make the decision whether to issue the EAC within 45 days.

Electrical power for the project will be supplied by BC Hydro from the Babine Substation, via existing and new transmission lines, located on the west side of Babine Lake in the vicinity of the village of Granisle. PBM will extend the line from the Bell Mine site, located on Newman Peninsula. The 138 kV service, which was extended to the Bell Mine in 1971, is now energized at 25 kV but has been tested to confirm that it can be re-energized to its design voltage.

Financial Summary

EXHIBIT 11: Sales vs Cash Flow

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sales	257.4	268.5	323.9	254.4	274.9	258.8	237.5	189.3	174.2	250.3	261.5	122.9	178.1	170.6	182.3	217.7	256.4	284.1	21.6	134.1	289.6
Cash Flow	174.5	203.7	269.8	188.7	209.6	196.4	171.8	126.5	114.1	189.5	200.4	56.6	108.7	108.9	118.4	157.5	201.1	235.8	-0.5	89.5	186.7

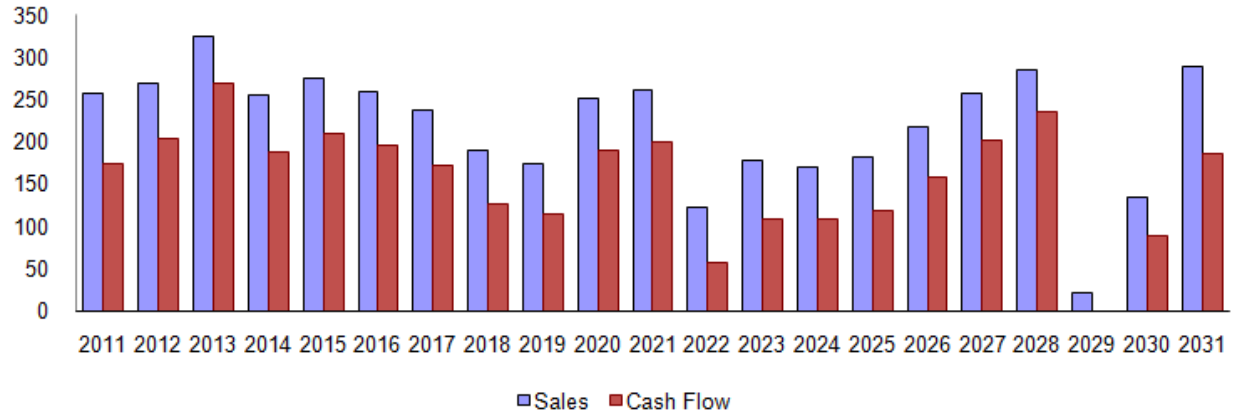
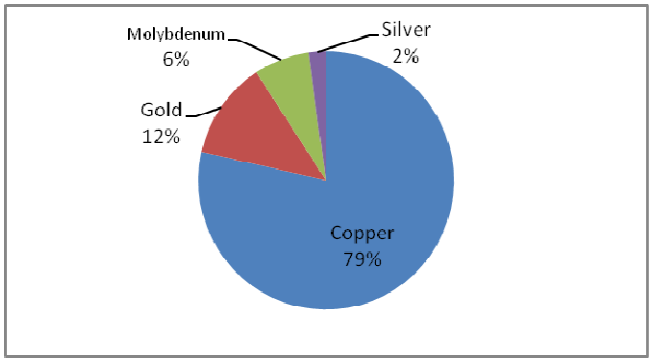
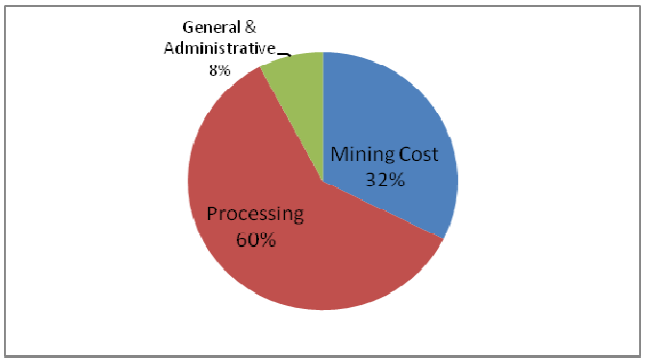


EXHIBIT 12: REVENUE AND EXPENSES BREAKUP (OVER MINE LIFE)





Financial Forecast and Analysis

We value Pacific Booker Minerals Inc. (BKM: CVE), (PBM: NYSE, Amex) using the Net Asset Value (NAV) approach. This yielded a target price of Cdn$15.4 per share which represents a potential upside of 146.4% compared to the current market price of Cdn$ 6.25 per share over a 12-18 month horizon.

Currently, the value of the company is assumed to be synonymous to the value of the Morrison project, under the NAV approach. In our NAV approach-based model, we estimated Copper, Gold, Silver and Molybdenum production over a mine life of 21 years from the Morrision project (data shown only for first 9 years in Revenue Summary and Cash Flow Summary). In order to forecast future operating profits, we estimated the expected changes in reserves and production, price realized for the produce and the expected cost of production. The operating profits for all the years in the projection are then discounted to arrive at the Net Asset Value. Although most of our assumptions are based on historical events, the ones that are material to our valuation have been listed below. We haven't taken into consideration any hedging positions.

Morrison Project

EXHIBIT 13: RESOURCE & RESERVE ESTIMATES

Resources and Reserves	Copper	Mo
Mineable (Proven & Probable) reserve (Mt)	224	224
Grade (%)	0.33%	0.004%
Proven & Probable reserve (000s t)	740.0	9.0
Resource potential (000's lb)	1,631,459	19,775

Resources and Reserves	Gold
Mineable (Proven & Probable) reserve (Mt)	224
Grade (g/t)	0.163
Proven & Probable reserve (000's g)	36,553
Resource potential (000's ounces)	1175

EXHIBIT 14: PRODUCTION CAPACITY

Copper Production (000's)	
Extractable Ore per year (000's lbs)	24,140,370
Average Copper grade (%)	0.33%
Extractable copper per year (000's lbs)	79,663
Recovery Rate	84%
Production Capacity (000's lbs)	66,917
Mining life (years)	21

Molybdenum Production (000's)	
Extractable Ore per year (000's lbs)	24,140,370
Average Molybdenum grade (%)	0.004%
Extractable Molybdenum per year (000's lbs)	966
Recovery Rate	50%
Production Capacity (000's lbs)	483
Mining life (years)	21

Gold Production (000's)	
Extractable Ore per year (000's tonnes)	10,950
Average Gold grade (g/t)	0.16
Extractable gold per year (000's grams)	1,785
Recovery Rate	56%
Production Capacity (000's grams)	1,000
Production Capacity (000's ounces)	32
Mining life (years)	21

Silver Production (000's)	
Extractable Ore per year (000's tonnes)	10,950
Average Silver grade (g/t)	1.60
Extractable Silver per year (000's grams)	17,520
Recovery Rate	56%
Production Capacity (000's grams)	9,811
Production Capacity (000's ounces)	315
Mining life (years)	21

EXHIBIT 15: REVENUE SUMMARY (000's)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tonnes ore mined	14,366	21,340	19,104	11,614	15,471	14,349	13,566	9,917	8,872
Mining Unit Cost, per tonne of Ore Mined	2.15	1.60	1.66	2.74	2.12	2.29	2.48	2.93	3.37
Cost of Mining	30,857	34,222	31,736	31,815	32,746	32,861	33,598	29,082	29,908
Tonnes Milled ('000 tonnes)	9,855	10,950	10,950	10,950	10,950	10,950	10,950	9,917	8,872
Copper Grade (%)	0.363	0.395	0.427	0.370	0.398	0.371	0.341	0.302	0.309
Gold Grade (g/t)	0.152	0.177	0.2	0.182	0.208	0.201	0.177	0.141	0.152
Moly Grade (%)	0.005	0.004	0.003	0.004	0.004	0.005	0.005	0.006	0.004
Silver Grade (g/t)	1.5	1.8	2.0	1.8	2.1	2.0	1.8	1.4	1.5
Resource Estimate									
Copper (lbs)	78,867	95,354	103,079	89,319	96,079	89,561	82,319	66,023	60,436
Gold (ounces)	48	62	70	64	73	71	62	45	43
Molybdenum(lbs)	1,086	966	966	966	966	966	966	874	782
Silver (ounces)	482	623	704	641	732	708	623	450	434
Production of resources									
Copper (lbs)	66,248	80,098	86,587	75,028	80,706	75,231	69,148	55,460	50,766
Gold (ounces)	27	35	39	36	41	40	35	25	24
Molybdenum(lbs)	543	483	483	483	483	483	483	437	391
Silver (ounces)	270	349	394	359	410	396	349	252	243
Price of resources									
Copper price (US$/lb)	3.10	2.60	3.00	2.70	2.7	2.7	2.7	2.7	2.7
Gold price (US$/ounce)	1,120.0	1,120.0	1,070.0	850.0	850.0	850.0	850.0	850.0	850.0
Molybdenum (US$/lb)	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Silver (US$/ounce)	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4
Revenue from resources									
Copper	205,369	208,254	259,760	202,576	217,906	203,124	186,699	149,741	137,069
Gold	30,206	39,083	42,190	30,499	34,856	33,683	29,661	21,398	20,637
Molybdenum	17,381	15,450	15,450	15,450	15,450	15,450	15,450	13,992	12,517
Silver	4,423	5,723	6,466	5,884	6,725	6,499	5,723	4,129	3,982
Total Revenues (US$)	257,379	268,510	323,866	254,410	274,937	258,755	237,532	189,259	174,205

*Data shown only for 9 years of 21 years of mine life projections

EXHIBIT 16: CASH FLOW SUMMARY ($000's)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenues (US$)		-	257,379	268,510	323,866	254,410	274,937	258,755	237,532
% growth				*4.3%*	*20.6%*	*-21.4%*	*8.1%*	*-5.9%*	*-8.2%*
Total Revenues (Cdn$)		-	295,838	308,632	372,260	292,425	316,020	297,420	273,026
% growth				*4.3%*	*20.6%*	*-21.4%*	*8.1%*	*-5.9%*	*-8.2%*
Mining Cost (Cdn$)		12,932	30,857	34,222	31,736	31,815	32,746	32,861	33,598
%Revenues			12.0%	12.7%	9.8%	12.5%	11.9%	12.7%	14.1%
Processing (Cdn$)		-	48,092	53,436	53,436	53,436	53,436	53,436	53,436
%Revenues			18.7%	19.9%	16.5%	21.0%	19.4%	20.7%	22.5%
General & Administrative (Cdn$)			6,209	6,899	6,899	6,899	6,899	6,899	6,899
%Revenues			2.4%	2.6%	2.1%	2.7%	2.5%	2.7%	2.9%
Operating Costs (Cdn$)			85,158	94,557	92,071	92,150	93,081	93,196	93,933
%Revenues			33.1%	35.2%	28.4%	36.2%	33.9%	36.0%	39.5%
Capital Expense (Cdn$)	258,210	258,210	36,162	10,348	10,348	11,526	13,319	7,861	7,332
Net cash inflow	(258,210)	(258,210)	174,518	203,727	269,841	188,749	209,620	196,363	171,761

*Data shown only for 9 years of 21 years of mine life projections

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