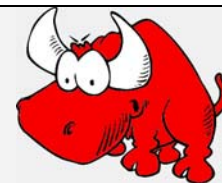


# Investment Overview



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## Silver Dragon Resources, Inc.

5160 Yonge Street, Suite 803

Toronto, Ontario M2N 6L9

[www.silverdragonresources.com](http://www.silverdragonresources.com)

Investor Relations (416) 223-8500

Stock Symbol: SDRG

Profile Price: \$0.10

Shares Out: 83.3 million

Float: 41.5 million

Outlook: Growth

## Introduction

Silver Dragon Resources, Inc. ("Silver Dragon" or the "Company") is a mining and precious metals company focused on the exploration, development, and operation of silver mines in proven silver districts around the world. As a result of its current and anticipated properties, Silver Dragon seeks to build a large and diversified silver portfolio comprised of the following: (i) promising exploration targets; (ii) highly-leveraged, out of the money silver deposits; and (iii) former producing properties with significant untapped exploration potential. The following is a more detailed description of the Company's Cerro las Minitas Silver Mine, which is located in Durango, Mexico and its Erbaohuo Silver Project located in Inner Mongolia China, consisting of nine existing mines/resource target areas.

### Cerro las Minitas Silver Mine - Durango, Mexico

On December 13, 2005, Silver Dragon acquired the Cerro las Minitas Silver Mine (the "Cerro Mine"), a historically productive mining zone located on approximately 1,302 hectares in a prolific silver district in Durango, Mexico. Cerros Las Minitas is located in the northwest region of the Sierra Madre Occidental mountains in the State of Durango. Cerros Las Minitas lies within a belt of prolific Au, Ag, Pb, Zn, Cu deposits that stretch from the highly productive vein deposits of Fresnillo in Zacatecas to the south, to the massive manto deposits of Santa Eulalia in Chihuahua to the north. This belt includes the productive replacement deposits of San Martin, Santa Barbara and Naica as well as the rich vein deposits of Fresnillo, El Bote, San Jose, and various others. The Cerro las Minitas mine is made up of four mines and nine shafts with depths ranging from 30 meters to 200 meters, including the El Santo Nino, the Puro Corazon, the Mina Pina, and the Mina La Bocona. In October of 2008 Silver Dragon purchased a 50 ton per day capacity flotation mill that is slated for operation at the Cerros las Minitas property. The Company is presently having this mill transported and reassembled on the Company's Santo Niño concession at Cerros las Minitas, and expects it to become operational in the first half of calendar 2009. Production at the mine is scheduled to start up at a rate of approximately 50 tons per day. The mill at Cerros las Minitas has the capacity to be easily modified to accommodate significantly higher ore volumes at a relatively modest cost. The decision to upgrade the capacity at Cerros las Minitas will be considered periodically, based on both progress in advancing the property and prevailing market conditions. Extensive exploration work at Cerros las Minitas has resulted in a number of high grade silver, lead, zinc and copper metal discoveries. In August of 2006, Vector Engineering Inc. completed a Canadian National Instrument ("NI") 43-101 report to confirm historical mineral resource estimates at Cerro las Minitas, calculating the property to have resources of 26.7 million silver equivalent ounces. At the present time the Company is updating the 43-101 report to reflect new precious metal discoveries completed since the last report was published.

### Erbaohuo Silver Project – Inner Mongolia - China

Silver Dragon, through its Chinese subsidiary Sanhe Sino-Top Resources and Technologies Corp, presently owns a 70% interest in the Erbaohuo silver mine and a 40% stake in eight additional silver/gold prospect areas (see table below), all located in the Inner Mongolia region of northern China. The Erbaohuo silver district is one of the most prolific zones for silver mining in the world and hosts one of China's largest silver mines, the Bairen Daba.

Concession	% Owned	Property Size (Acres)
Erbaohuo	70%	296.5
Laopandao	40%	11,068
Dadi	40%	3,084
Saihanaobao	40%	22,049
Aobaotugounao	40%	5,207
Yuanlinzi	40%	12,627
Shididonggou	40%	768
Zhuanxinhu	40%	1,542
<b>Total</b>		<b>56,641.5</b>

### China Exploration Program

In 2008, Silver Dragon, along with its Chinese based joint venture partners completed an aggressive \$1.8 million exploration program that included diamond drilling, trenching and tunneling. The majority of the 2008 exploration campaign was concentrated on five of the nine properties: Erbaohuo, Laopandao, Liangdi, Dadi, and Saihanaobao. In August 2008, the Company released initial assay results at Liangdi showing trenching and sampling assays as high as 663 grams per tonne Silver, 15.69% Lead, and 18.3% Zinc, with horizontal thicknesses averaging 2.0 - 3.6 meters. At the Company's Dadi property, where a significant trenching discovery was made in 2007, additional trenching and tunneling work was completed in 2008, while a road was built to enable the transportation of drill rigs for the 2009 season. In July of 2007, Silver Dragon commissioned an NI 43-101 report for its Erbaohuo property, the smallest of the nine Chinese properties, yielding a resource estimate of 5.3 million silver equivalent ounces. In October 2008, the Company engaged Ten-Star Consulting of Beijing, China, to prepare a feasibility study for the development of the Erbaohuo property, targeting initial silver production by Q4 2009. Silver Dragon's primary goal for 2009 is to convert the Chinese 122b resource estimates for each of the remaining China properties to the National Instrument (NI 43-101) standard. The Company anticipates the completion of these resource calculations on most or all of its nine Northern Chinese properties in calendar 2009.

### Financing

In Q3 of 2008, Silver Dragon Resources completed a financing totaling US\$5.5 million. The initial portion of this financing

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included \$1.0 million from an equity based private placement with China based HIC Corp. The balance of the financing was secured through the sale of interests in the Erbahuo mine and the eight additional Chinese exploration properties. Upon completion of the asset transfer, Silver Dragon officially owns 70% of Erbahuo and 40% of the eight additional northern China based exploration properties.

### The Silver Market

The price of silver, currently in the \$10 to \$12 dollar range remains low compared to its highs of 1979-80 when it hit \$50 per ounce. The current gold/silver ratio is approx. 75:1, and according to CPM Group, a gold/silver ratio of 40:1 appears reasonable based on the long-term bullish prospects for both gold and silver prices. Many leading analysts have forecasted that the price of Silver will ultimately rise to \$20 per ounce, or higher, in the next 3-5 years.



### Management

**Marc Hazout, President and Chief Executive Officer,** Mr. Hazout brings more than ten years of experience in public markets, finance and business operations to Silver Dragon. Over the last several years, Mr. Hazout has been involved in acquiring, restructuring, and providing management services, as both a director and officer, to several publicly traded companies. In 1998, Mr. Hazout founded and served as President and Chief Executive Officer of Travellers International, Inc., a private investment banking firm headquartered in Toronto. Mr. Hazout attended York University in Toronto, where he studied International Relations and Economics.

**Colin Sutherland, Director,** Mr. Sutherland is a chartered accountant with extensive management and financial market experience, and also serves as President and C.E.O. of Nayarit Gold Inc. He was the former Chief Financial Officer of Gammon Lake Resources Inc. (TSX: "GAM"; AMEX: "GRS") and of Mexgold Resources Inc. (TSXV: "MGR"). During his three year tenure at Gammon Lake, Mr. Sutherland was (i) instrumental in placing the Ocampo Mine (gold and silver -- Chihuahua State, Mexico) into production and (ii) responsible for completing Gammon Lake's successful merger with Mexgold Resources, both of which significantly contributed to Gammon Lake's market capitalization increasing from \$300 million to more than \$2 billion.

**Manuel Chan, Director,** Mr. Chan possesses more than 20 years of experience in the real estate sector and holds a Bachelor of Commerce Degree in Management Information Systems and Accounting from the University of British Columbia, Canada. Through his business dealings, Mr. Chan has established an extensive network of business and personal relationships throughout the Hong Kong and China Investment Community. Mr. Chan is also a member of the Board of Directors of Sanhe Sino-Top Resources & Technologies Ltd., ("Sino-Top") a Chinese company which holds the exploration and mining rights to nine properties including the Erbahuo Silver Mine located in the Erbahuo Silver District in Northern China.