

## GLEICHEN RESOURCES LTD.

Letter to Shareholders:

Rarely will shareholders get to bear witness to such a dramatic corporate transformation as the one currently being experienced at Gleichen. At last year's AGM, Gleichen was a small shell company that was looking for an opportunity to grow. Since that time, such an opportunity has presented itself and been acted upon, Gleichen is now the sole owner of the highly regarded Morelos Gold Project. The opportunities for future growth look every bit as encouraging as we launch into a diamond drilling program to expand the resource base at Morelos, while simultaneously working toward bringing its current resources into production.

It was only a bit more than a year ago, when Michael Murphy's strategic insight led to the identification of Teck's Morelos Gold Project as a potential 'company builder' for Gleichen. In the hectic year that followed, Michael and a team of highly capable supporters, including Terry MacGibbon, got on with the task of convincing Teck, and then the investment community, that Gleichen was capable of developing this world class asset. On November 16<sup>th</sup>, that effort delivered the intended result, the financing was in place and Gleichen completed the acquisition of Teck's share of the Morelos Gold Project. At that time Michael stepped down as President and CEO, and the new Board of Directors appointed me to lead the company through the next phase of growth.

The Morelos Gold Project came with neither team nor offices; therefore, during the months of December and January, my first priority was to assemble the management team that would continue the exploration of the property and aggressively create the development plans for the previously defined resources. Corporate offices were moved from Vancouver to Toronto's financial district, and the company listing was moved from the TSX Venture Exchange to the TSX main board. While these corporate changes were taking place, our Board approved the option to exercise the right of first refusal for the acquisition of the remaining 21.2% of the Morelos Gold Project from Goldcorp. This acquisition and the corresponding financing were completed by the end of February of this year.

The necessary corporate restructuring has been accomplished, and management is focused on our 2010 priorities of: Negotiate the remaining land access agreements; identify new ore deposits; infill and step out drilling to expand the existing ore deposits; update the pre-feasibility study and initiate a feasibility study; and to continue to build investor confidence. These are all measurable and tangible objectives and you will be kept apprised of future developments in all of these areas.

As we move forward I would like to acknowledge the contribution of three gentlemen whose unyielding support made possible our plans for the future. Mr. Michael Murphy, our previous CEO, whose vision and determination proved invaluable in the identification, financing, and acquisition of the Morelos Project; Mr. David Jones, our geology consultant, whose contagious energy and deep knowledge of the Morelos Project and regional geology were vital during our financing road shows; and Mr. Terry MacGibbon, whose professional involvement in the project and solid reputation within the industry opened many doors to us. The platform for success we are building would not have been possible without them.

I would also like to thank the Board of Directors for their contributions. They bring a wealth of experience in a wide array of disciplines that are all essential in the strategic planning of our growth, and over the past few months their advice has already proved invaluable.

The Board and management team are fully committed to the creation of value for our shareholders and will do so through a commitment to excellence in exploration, community relations, and mine / mill design to deliver a project that is safe, respectful of the environment and highly efficient. The team is capable, confident, and looking forward to delivering on these challenges.

Sincerely,

*"Fred Stanford"*

Fred Stanford, President & CEO

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