



## SACRE-COEUR MINERALS, LTD.

June 15, 2011

Dear Investor/Shareholder:

SC Minerals, like many of its industry peers has suffered a significant decline in stock price over the past few months in this rather strange market which exhibits an almost complete disconnect between gold price and gold equities price. Indeed many mid-caps and majors have suffered a lesser, but similar decline even in the face of solid fundamentals and in some cases announcement of positive project developments.

Though there has been little to announce recently, the team at SCM has been very busy pursuing the strategy articulated in the February investor conference call, to wit:

1. Immediately upon completion of recapitalization and re-engagement of key technical personnel following breakup of the Severstal acquisition, commencing in April and continuing to date, the company has been drill testing on a 24/7 basis the several high probability targets for expansion of the Million Mountain Zone 1 resource indicated by the IP geophysical program conducted in late 2010. To date, owing to a series of problems at the ISO certified lab where the company's drill samples are sent for analysis, we have only just begun receiving assays. As of this moment, though we have scattered assays from several drill holes, we have not received a complete set of assays for a single hole which is necessary to compile, analyze and report anything meaningful. The lab informs us that the problems are being resolved and we should begin receiving results on a regular basis beginning shortly. While the lab maintains that its problems are being resolved, the company is reviewing its options to cost effectively minimize risk of a similar occurrence in the future.

The good news is that much of the drill core submitted for assay looks to be well mineralized, although only the actual assays will be definitive. Also, from the few results received there were some scattered very high grade samples, but unfortunately we have not yet received results for samples adjacent to these spot high grade results for many tens of meters up and down the hole, so not enough information is yet available to speculate on the possible mineralized length.

Two holes that were completed last week into one of the target areas indicated for the possible Zone 1 expansion intersected what appears to be an intensely mineralized shear zone of substantial width. While the empirical evidence appears to be good, we will have to await the assays to be sure.

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2. Immediately following recapitalization, the company completed fabrication of its new high capacity alluvial dredge, and finished acquiring all necessary ancillary equipment. The entire lot of equipment is in transit to Guyana, and is scheduled to arrive at the port of Georgetown Guyana on June 15<sup>th</sup>. It will take the remainder of June to clear the equipment through Guyana Customs, transport it to site, and erect and commission for operation.

Effective May 1, 2011, the company hired Mr. Carl Brink, a highly experienced alluvial operations manager, who's more than 30 years' experience includes the full range from process technology theory to practical hands-on operation of similar operations in similar bush environments. While awaiting the arrival of the new dredge plant, Carl and the exploration team have located a previously unidentified area which is a combination alluvial/elluvial deposit that appears to have three important advantages over previously identified deposits on the company's properties: 1) the average gold grade is significantly higher, 2) the gold particles are much coarser, and thus expected to be easier to recover, and 3) the deposit is situated on higher ground, out of the river flats, thus is less susceptible to flooding during the rainy season.

3. The company is actively pursuing a corporate business strategy which is ultimately aimed at consolidation of SCM with one or more other junior exploration companies with whom there would be synergistic advantage to the consolidated entity.
4. On June 6, 2011, the company announced engagement of B&D Capital to serve as a corporate development consultant. The core responsibilities of B&D in this role include:
  - a) developing cost effective strategies for raising investor awareness of SCM and knowledge about the company to stimulate buying interest in the market,
  - b) identifying additional prospective investor pools in global market regimes and development of cost effective programs for tapping those capital pools both in terms of market support of the stock and in support of future equity financing activities by the company,
  - c) continuing to build and refine the company's investor database,
  - d) with the assistance of external resources, effecting an image update for the company, including updating the company's web site to provide a more compelling, easier to navigate site; streamlining the company's logo/by-line; and other image updates as appropriate,

- e) managing the company's program of press releases, including advice on timing, subject, and content to obtain maximum benefit from press releases while strictly conforming to regulatory requirements,
- f) with the assistance of external resources, developing and disseminating other forms of communication to the investing public highlighting the attributes of the Company, including information circulars, video clips, etc,
- g) identifying investor conferences and other forums which are expected to provide cost effective opportunities to raise investor awareness of the Company, to arrange for the Company's participation therein, and to represent the Company, along with other senior management at such forums,
- h) serving as the principal interface for investor queries, and directing calls to other senior management as appropriate for responses to technical or strategic questions,
- i) planning and budgeting corporate development programs consistent with agreed strategies and executing the plan within the approved budget, and
- j) playing a key role, along with the CEO, CFO, and board of directors in planning the timing and structure of corporate transactions, including, but not limited to mergers, acquisitions, and financings.

Though, regrettably, newsworthy information has been slow in coming due to the internal problem in the assay lab as described above, we expect to begin receiving drilling results shortly, we expect to announce commencement of alluvial operations as soon as the new equipment arrives on site and is commissioned in July, and we hope that our corporate initiatives will bear fruit in the near future. With Don Mosher and his team at B&D Capital now on board we also expect dramatic improvements in information dissemination to our shareholders and to the capital markets in general. Thank you for your continuing support. Please contact me, [greg@scminerals.com](mailto:greg@scminerals.com) or Don Mosher [don@scminerals.com](mailto:don@scminerals.com) any time you have questions about the activities or direction of the company in the future.

Very truly yours,

"Gregory B. Sparks"

Gregory B. Sparks, P. Eng.  
President & CEO