

# BELVEDERE RESOURCES LIMITED

August 24<sup>th</sup> 2011

Exchange: TSX V Symbol: BEL

## Belvedere Reports Financial and Operating Results for Q2 2011

**Vancouver, British Columbia, August 24<sup>th</sup>, 2011. Belvedere Resources Ltd. BEL:TSX-V (“Belvedere”)** is pleased to report financial and operating results for the Quarter ending June 30, 2011. The un-audited financial statements, and management's discussion and analysis have been filed with the Canadian securities regulatory authorities. Complete results will also be available on SEDAR and on the Company's Website.

All currency amounts are expressed in euros (€) unless otherwise stated.

### Financial Summary Q2 2011

- Revenues of 4.38 million euros (C\$6.25 million)
- Net loss of 0.05 million euros (C\$0.07 million)
- Operating margin of minus 0.12 million euros (- C\$0.17 million)

### Key Operational Points Q2 2011

- May 2011 – Further high grade gold intersected at Rantasalmi
- Jun 2011 – Kopsa Project Generates +90% Gold and Copper Recoveries into concentrate in initial Metallurgical Testing
- Q2 2011 – Hitura milled 144,817 t of ore achieving 104% of production targets. 509.9 t (1.12 million pounds) of nickel was produced in concentrate, 11% below planned.

David Pym (CEO) comments “The second quarter of 2011 sees the Hitura nickel mine meeting production targets, however unexpected dilution affected total nickel output. Our heavy exploration investment continues on the gold and nickel properties. Excellent results were achieved from the Rantasalmi gold property, where the Osikonmäki East prospect, the focus of the current drilling, continued to report solid results including some excellent high grade intersections from the newly discovered U lode system and hanging wall areas.”

### SELECTED FINANCIAL INFORMATION

The following selected annual financial information in the table that follows has been derived from the condensed consolidated interim financial statements of the Company for the periods indicated and should be read in conjunction with such statements and notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards. Note 2010 figures have been restated in accordance with IFRS and have not been previously disclosed. See Note 18 to the Financial Statements for a comparison with Canadian GAAP. 2009 figures are reported in accordance with Canadian GAAP, and have not been restated in accordance with IFRS, as the Company's date of transition from Canadian GAAP to IFRS was January 1, 2010.

The Company generated a net loss for the quarter ended June 30, 2011 of €48,944 or €0.00 per share, which compares with a net loss of €873,737 or €0.01 per share reported for the same period of fiscal 2010 and compares with a net loss of €1,138,525 or €0.01 per share reported for fiscal 2009.

The principal causes of these quarterly and annual variations are explained after the ‘Selected Financial Information’ table following.

Selected Financial Information All amounts in €000's, except shares and per share figures	Quarter ended June 30 2011	Quarter ended June 30 2010	Quarter ended June 30 2009
Revenue	4,382	-	-
Operating Expenses	4,753	-	1,043
G&A Expenses *	306	266	164
Other (income) and expenses	(20)	608	(168)
Gain on fair valuation derivative liability	(534)	-	-
Income tax recovery	(72)	-	-
Net income (loss)	(49)	(874)	(1,389)
Loss per share (basic and diluted)	(0.00)	(0.01)	(0.01)
Cash Flow (used) from operating activities	1,282	313	(884)
Cash Flow (used) from investing activities	(1,073)	(1,342)	(236)
Cash Flow (used) from financing activities	(43)	1,850	-
Net increase (decrease) in cash	118	847	(1,120)
Cash at end of period	2,809	1,228	1,800
Total Assets	21,818	16,433	16,939
Total Liabilities	12,027	12,105	13,346
Working Capital **	660	552	(7,069)
Weighted average number of shares outstanding	133,938,513	97,886,433	79,183,336
Dividends per Share	-	-	-

\*: Including stock based compensation

\*\* : Excluding cash restricted under standby letter of credit

During the second quarter:

- The Hitura Mine produced 510t (1.12 million pounds) of nickel in concentrate in the second quarter, compared to the planned production of 575t, 11% below forecast.
- The Company generated a net loss for the quarter ended June 30, 2011 of €48,944 or €0.00 per share, which compares with net income of €1,443,732 for the previous quarter and, a loss of €873,737 or €0.01 per share reported for the same period (Q2) of fiscal 2010. This is largely as a result of unexpected ore dilution at Hitura nickel mine and heavy exploration investment on the nickel and gold properties.
- General and administrative expenses increased to €304,809 (2010: €256,084) substantially as a consequence of the restarting of operations at Hitura.
- Other Income was €(20,462) (Q1 2010 Expense: €607,569) as a consequence of foreign exchange losses.
- Accounts receivable decreased to €593,099 from €3,351,177 in the previous quarter which included a one-off sale of nickel to another smelter.

### **Nickel Operations**

During the second quarter, mine production proceeded largely in-line with the mine plan for 2011. Total milled tonnes for the quarter were 4% better than the planned 139,000 tonnes. Grade problems continued to adversely affect the nickel tonnes in concentrate with the average nickel grade of 0.53% Ni was lower than the expected 0.63% Ni. This is due to greater than expected dilution being experienced in some of the large eastern stopes. This was partially offset by higher than expected recoveries and better concentrate grades. However overall nickel tonnes in concentrate produced of 509.9t (1.12 million pounds) was 11% below the target of 575 tonnes and 9% lower than in Q1, 2011. A similar

pattern is repeated in the cobalt tonnes which totalled 21.2 t, 11% below the planned total of 23.8 tonnes.

Month	Milled (t)	Con (t)	Ni t in Con.	Co t in Con.
April	43,952	1,708	144.2	6.1
May	51,768	2,279	187.4	8.0
June	49,097	2,139	178	7.1
Q2 Total	144,817	6,126	509.9	21.2

Total operating costs for Q2 were exactly as planned averaging €36.7 per milled ore tonne, compared to €38.0 per milled ore tonne in Q1. Total operating costs per pound of nickel in concentrate for Q2 averaged €4.75 (~US\$ 6.41 based on USD:EUR of 1.35) .

***About Belvedere:***

*Belvedere Resources Limited is a mining company incorporated in British Columbia with a primary focus on nickel, gold, cobalt and copper in Finland. The Company currently produces 2500t of nickel in concentrate/year from the Hitura nickel mine in Central Finland. The Company has a number of advanced gold projects in close proximity to the Hitura mine.*

***Forward Looking Statement:***

*Some of the statements contained herein may be forward-looking statement, which involve known and unknown risks and uncertainties. Without limitation, statements regarding future plans and objectives of the Company (including statements relating to future drill results) are forward-looking statements that involve various degrees of risk. It is important to note that the Company's actual results could differ materially from those in such forward-looking statements.*

***Qualified Person***

*This news release was reviewed by Dr. Toby Strauss, who is acting as Qualified Person in compliance with National Instrument 43-101 with respect to this release.*

**BELVEDERE RESOURCES LTD.**

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