

# Gold Newsletter

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## • Northern Freegold

**Resources** (NFR.V; NFRGF.PK; C\$0.48) released its first NI 43-101 compliant resource estimate for its district-scale, 166-square-kilometer Freegold Mountain Project in the Yukon.

Using a 0.50 g/t gold cut-off, the estimate pegged the inferred gold resource at the project's Nucleus Zone at just under 1.1 million ounces contained gold. The estimate also outlined an inferred resource on Freegold Mountain's Tinta Zone comprised of 70,000 ounces of gold, 2.0 million ounces of silver, 8.0 million pounds of copper, 25.7 million pounds of lead and 42.8 million pounds of zinc.

All by themselves, these estimates speak volumes about this project's potential. But then you consider the fact that Nucleus is open in all directions and Tinta is open along strike and to depth, and you realize that this project has the opportunity to grow much, much bigger.

The estimate at Nucleus was based on a combination of historical data and drill results from a highly successful 2008 drilling program. That work demonstrated that this target was amenable to bulk-tonnage, open-pit mining techniques.

While open in all directions, Nucleus has a higher-grade, east-west trending zone of mineralization that parallels a series of dykes and sulphide replacement zones and runs perpendicular to a north-south trending area of more-disseminated gold mineralization.

In an attempt to confirm and expand the higher-grade, vein-hosted resources, the company has embarked on a 12,000-meter drilling program in 2009. This program is designed to accomplish the following:

- Confirm the new geological model highlighted by the new resource estimate
- Follow up on the high-grade intersections encountered in 2008, including "block-buster" Hole 99 (9.36 meters of 70.2 g/t gold)
- Step out of the resource area to test new targets defined by geochemical or geophysical anomalies

Northern Freegold will support its diamond drilling program with a rotary air blast (RAB) campaign to more closely define potential targets along the Nucleus-Revenue trend. This form of drilling was put to good use in 2008, when it isolated high-value, step-out targets to the west of the main zone at Nucleus. A similar, 2,000-meter program is planned for this year.

Concurrent with the company's drilling campaign, G&T Metallurgical Services will conduct a preliminary study on the lower and higher grade materials contained within the Nucleus resource. The study will attempt

to determine how much gold can be recovered by gravity and how much can be recovered by cyanide leaching.

Adding to the intrigue of the work at Nucleus is the fact that surface exploration work has identified a potential link between the Nucleus and Revenue Zones, which both lie along a four-kilometer trend. The similarity in mineralization between these targets suggests that Freegold Mountain, as a whole, could play host to a vast system of gold mineralization.

With over 6,000 meters of the 2009 drilling program already complete, assays should begin to come back from the lab in the next few months, providing additional news flow and a window into the growth potential of Nucleus and adjacent zones.

Moving east to Tinta, located 20 kilometers from Nucleus, we find a vein-hosted, epithermal polymetallic system running for 1,600 meters along strike and some 300 meters in depth. NFR's work here has built upon two historic underground levels left behind by previous owners. The company believes it can convert the resource here into a profitable underground mining operation, but more work is needed to confirm this belief.

The market hardly blinked at

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the new resource estimates for Nucleus and Tinta, and the company's share price has traded mostly sideways in recent weeks. To my eyes, that represents a golden buying opportunity that should not be ignored.

Freegold Mountain has multiple targets in addition to Nucleus and Tinta. And given the resources already on the books for these two targets, the prospect of a breakout to the upside for NFR seems distinctly possible, if not probable. Don't let this one get away. If you haven't already done so, begin building a position in this aggressive junior explorer at current price levels. ▲

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