

THE NORTHERN MINER

THE GLOBAL
MINING
NEWSPAPER

www.northernminer.com

NOVEMBER 2-8, 2009 VOL. 95, NO. 37 • SINCE 1915

Signs of a modern Yukon gold rush

BY GWEN PRESTON

VANCOUVER — The Yukon's Tintina gold belt continues to produce strong gold intercepts for a host of companies working in the region, sparking renewed interest in a historic precious metals district.

Three junior gold explorers have recently announced gold intercepts of note. **Northern Freegold Resources** (NFR-V, NFRGF-O) punched another 22 holes into the Nucleus zone at its Freegold Mountain project and new results from 11 of those holes have extended mineralization to the south and at depth. **Atac Resources** (ATC-V, ATADF-O) continues to pull bonanza-grade holes from its Rau project and recently identified 12 new exploration targets. And **Underworld Resources**' (UW-V, UNDFW-O) White Gold project is showing its strength with long mineralized intercepts from stepout holes along strike and at depth.

At Freegold Mountain, Northern Freegold's exploration plan for 2009 was to expand on its initial resource estimate for the Nucleus zone, a bulk-tonnage, intrusion-related gold system. At the beginning of the season, Northern Freegold identified a higher-grade east-west component sitting parallel to a series of mineralized intrusive dykes and sulphide-enriched zones, within the disseminated zone. The realization guided the company to drill holes either to the north or south, in order to cross-cut these structures.

Stepout hole 128 tested a poorly explored area south of the resource and intersected 1.3 metres near surface grading 11.5 grams gold per tonne, followed by 25.4 metres grading 1.25 grams gold starting 113 metres down-hole. The hit extended mineralization to the south and to depth.

Drilled northward through the centre

of the zone, holes 130 and 132 successfully connected higher-grade portions of the resource. Hole 130 cut 8.8 metres of 1.97 grams gold from 38 metres depth, followed 15 metres later by 39.3 metres of 0.94 gram gold, while hole 132 returned 22.9 metres grading 1.08 grams gold within an 80.8-metre interval averaging 0.79 gram gold, starting at surface.

Drilled to test mineralization in the western part of the zone, hole 139 returned multiple mineralized zones, including 18.4 metres averaging 1 gram gold and 21.7 metres of 0.41 gram gold, and hole 137 cut 55.7 metres of 0.52 gram gold from 187 metres depth.

And hole 135, designed to test the continuity of higher-grade mineralization in the eastern part of the zone, intersected 59.4 metres grading 0.81 gram gold from 53 metres depth, followed by 21.8 metres of 0.74 gram gold 65 metres deeper and 17.6 metres of 1.89 grams gold 20 metres after that.

Northern Freegold's initial estimate for the Nucleus zone pegged inferred resources at 67.6 million tonnes grading 0.5 gram gold for 1.08 million oz. gold. The deposit currently covers an area measuring roughly 2 sq. km. The report also estimated resources at Tinta, a separate zone 20 km southeast of Nucleus, where mineralization is contained in northwest-trending, sub-vertical, quartz-carbonate-sulphide veins. The company's focus on the central 700-metre segment of the zone, which has been mapped for 1.6 km and includes two underground levels, produced an inferred resource of 1.4 million tonnes grading 1.62 grams gold, 44.93 grams silver per tonne, 0.26% copper, 0.84% lead and 1.4% zinc.

Freegold Mountain lies roughly 200 km northwest of Whitehorse. Sitting another 200 km north is Atac's Rau property,

where the Tiger zone is producing high-grade gold intercepts, while surface exploration is defining new exploration targets.

At Tiger, holes near the centre of the zone are returning thick sections of well-mineralized material, but holes on the updip edge of the zone are showing only weak mineralization because the mineralized horizon has been wholly or partially removed by erosion.

Holes 59 and 60 provided the two best results from the centre of the zone. Hole 59 cut 92 metres grading 2.33 grams gold from 19 metres depth, while hole 60 returned 93 metres at 2.57 grams gold from just 6 metres. The intercept in hole 60 is particularly significant because it represents the highest-grade interval of gold-bearing sulphide mineralization from the property to date. The hit in hole 59 was comprised of both sulphide and oxide mineralization.

And two holes that stepped out from the eastern end of the known zone also provided significant results. Hole 44 intersected the zone 75 metres southwest of the previous eastern boundary, hitting a sulphide interval that carried more than twice the gold grade of earlier hits in the zone's eastern end: 36.8 metres grading 3.71 grams gold from 184 metres depth. The mineralization also carried proportionally more pyrite and less arsenopyrite than earlier hits. Hole 61, collared another 75 metres along strike, also cut a strong gold intercept with the elevated pyrite-arsenopyrite ratio, returning 11.6 metres grading 4.29 grams gold.

Gold mineralization at Tiger occurs as blanket-like replacements of a shallow limestone unit that lies beneath a mafic volcanic bed within a structural corridor. Atac's drilling efforts in 2008 outlined an area of sulphide mineralization within dolomitized limestone. Drilling in 2009

THE NORTHERN MINER

THE GLOBAL
MINING
NEWSPAPER

www.northernminer.com

NOVEMBER 2-8, 2009 VOL. 95, NO. 37 • SINCE 1915

is focused on oxide-style mineralization that lies mostly uphill to the northwest. Oxide mineralization has been delineated over a 550-metre strike length, with thicknesses ranging from 15 to 50 metres across widths up to 150 metres.

As for the new exploration targets, Atac identified prospective areas by following up on high values from soil sampling. The best zones are within a 500-metre-wide belt that sits 2 to 5 km along strike to the northwest of the Tiger zone. Many of the anomalous soil sites have not been prospected, but surface rock samples from the zones that have been explored returned grades between 1 and 18.5 grams gold.

A third gold project generating excitement in the Tintina gold belt is Underworld's White Gold property, which is roughly 100 km southwest of

Dawson City. This year's drill program has already generated three important conclusions. First, the mineralized zone at Golden Saddle is considerably thicker than previously thought, as evidenced by intercepts such as 104.6 metres grading 1.01 grams gold from 155 metres down-hole and 91.3 metres averaging 3.63 grams gold.

The second important result from recent drilling is a 250-metre strike extension to the northeast and an extension of about the same length downdip. Key stepout results include 98 metres of 1.73 grams gold from 260 metres depth and 93.9 metres averaging 2.1 grams gold from 281 metres.

And third, in the eastern portion of the zone, Underworld is hitting gold hosted in mafic metavolcanics, in contrast to the felsic metaintrusives that host the min-

eralization elsewhere in the zone. The presence of gold in mafic metavolcanics means areas both east and west of the Golden Saddle now hold potential for gold mineralization. And the mafic metavolcanics seem to produce thicker mineralized intercepts.

On news of Northern Freegold's latest drill results, the company's share price fell 6¢ to 39¢, still in the middle of its 52-week trading range of 13.5-75¢. The company has 70 million shares outstanding.

Atac's share price lost a penny on its latest news, closing at \$1.25. The company has a 52-week trading range of 7¢-\$1.33 and 55 million shares outstanding.

And Underworld lost 11¢ on its latest drill results to close at \$1.60. Its share price has ranged from 13¢ to \$2.64 over the last 52 weeks and it has 41 million shares outstanding.