



## Northern Freegold Resources Ltd.

(NFR-V: C\$0.59)

**Update**

July 27, 2009

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**NOT RATED, Speculative Risk\***

12-month target price: N/R

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## Mineral Exploration Watch List Update: Initial Resource Forms a Nucleus for Further Exploration

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**Dundee's Trading Call: Drilling results are likely to be NFR's main share price driver in the coming months.** The company initially targeted the Nucleus zone as a low-grade, bulk tonnage target, but drilling has also intersected high-grade material. We would expect the company's shares to benefit from more high-grade intersections.

In the longer-term, the company will need to continue to build tonnage to demonstrate that its Freegold Mountain project is economically viable.

**The News: Northern Freegold announced an initial resource estimate for its Freegold Mountain Project in the Yukon on July 27.** The initial estimate includes both the Nucleus gold zone and the Tinta polymetallic vein.

The Nucleus zone has emerged as the most prominent target on the large Freegold Mountain property, and it hosts a complex gold deposit with high-grade portions within a larger, low-grade zone. The Nucleus zone resource is shown in Table 1. At a 0.3 g/t cutoff grade, the resource contains 1.082 million oz gold at an average grade of 0.5 g/t.

The Tinta zone is a smaller polymetallic vein deposit that is located near the eastern end of the Freegold Mountain property. The Tinta resource estimate is shown in Table 2.

**Implications: This initial estimate is a start, laying the foundation for ongoing exploration work.** The Nucleus resource is low-grade and highly sensitive to the cutoff grade. Although the deposit is not likely economic at this stage, it is open for expansion in several directions.

The company announced drilling results in late 2008 and early 2009 that hit high-grade skarn material and identified east-west trending structures that appeared to be associated with the higher-grade material. The high-grade structures appear to be open for expansion, and drilling targeting these structures might add significantly to the grade and total size of the resource.

Typical of higher-grade vein deposits, the resource for Tinta is less sensitive to cutoff grade over the range given. This zone is open for expansion in multiple directions, but it appears that it has a secondary role for this project.

**What's Next: Drilling continues, with a focus on the Nucleus.** Northern Freegold is in the midst of a 12,000m 2009 drill program, with 24 holes completed to date. The company stated that the drill program thus far has continued to encounter east-west structures associated with higher gold grades. An updated geologic model and resource estimate may be expected following the drill program.

The company has also begun a 2,000m rotary air blast (RAB) drill program to test for gold mineralization between the Nucleus Zone and the Revenue Zone, located 4km to the east. Geologic mapping and stream sampling are also ongoing along this corridor.

*See the attached two-page company summary for more information.*

**Table 1: Resource estimate for the Nucleus zone at various cutoff grades.**

Cutoff Grade g/t gold	Tonnes Mt	Gold Grade g/t	Contained Gold M oz
0.3	67.6	0.50	1,082,000
0.4	36.2	0.63	733,000
0.5	20.5	0.77	509,000

Source: Company Reports

**Table 2: Resource estimate for the Tinta zone at various cutoff grades.**

Cutoff g/t gold	Tonnes Mt	Grade					Contained Metal				
		Gold g/t	Silver g/t	Copper %	Lead %	Zinc %	Gold M oz	Silver M oz	Copper M lb	Lead M lb	Zinc M lb
0.3	1.39	1.62	44.9	0.26	0.84	1.40	0.07	2.0	8.0	25.7	42.8
0.4	1.26	1.76	47.7	0.28	0.88	1.45	0.07	1.9	7.8	24.3	40.4
0.5	1.15	1.88	49.3	0.29	0.90	1.51	0.07	1.8	7.4	22.8	38.3

Source: Company Reports

# Northern Freegold Resources Ltd.

## (NFR-TSXV)

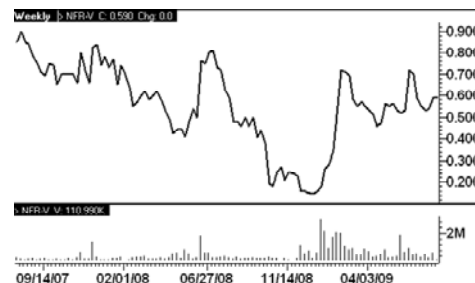
Rating  
12-Month Target Price  
Not Rated  
Not Rated

### Background

- Northern Freegold is an exploration company focused on the large Freegold Mountain project in the Yukon.

### Management

- Bill Harris, CEO and COO – Mr. Harris is a founder of the company and has worked in the prospecting and exploration business in the Yukon since a young age.
- Susan Craig, President and Director – Ms. Craig has extensive experience with mining projects from exploration to production to mine closure. She was part of the team which explored, permitted and developed the Brewery Creek heap leach gold mine in the Yukon, and she previously oversaw the permitting of Novagold's Galore Creek project.
- Corwin Coe, VP Exploration – Mr. Coe is a geologist and mining technologist with over 25 years of experience in the mining industry. He has been directly responsible for the discovery, development and production of two separate gold and silver mining properties.



Source: Thomson One

### Financial

- Northern Freegold had \$1.7 million in cash and equivalents and no debt as of March 31, 2009. The company raised \$8 million through brokered and non-brokered financings in June 2009.

### Operations / Exploration

- Northern Freegold's flagship property is the 166 km<sup>2</sup> Freegold Mountain project in the Yukon. Freegold Mountain is road accessible, about 30km from the operating Minto copper-gold mine and 20km from the Carmacks Copper development project. Freegold Mountain encompasses several targets that have seen exploration, the most prominent of which are the Nucleus, Revenue, Ridge, Stoddart and Tinta Hill zones.
- Nucleus is a complex gold deposit that contains low-grade disseminated gold as well as higher-grade skarn material. In 2008 and early 2009, Northern Freegold reported high-grade drill intercepts within the Nucleus Zone. Highlights include 70.2 g/t gold over 9.4m (including 410 g/t gold over 1.27m) and 14.5 g/t gold over 47m (including 206.5 g/t gold over 1.24m). The Revenue target is located east of Nucleus and appears to contain high-grade veins associated with a breccia pipe.
- Tinta is a polymetallic (gold-silver-lead-zinc-copper) vein deposit that has seen drilling since 1960. Two adits have also been driven into the Tinta vein, and preliminary metallurgical tests performed in the 1970s yielded positive results. The vein has been tracked for over 1,000m within a mineralized shear zone that stretches over 3,500m. The vein remains open to the zone is open to the northwest, the southeast and to depth.
- Trenching and drilling at the adjacent Ridge and Stoddart areas have identified a sizeable near-surface porphyry copper-gold target.
- Northern Freegold also has other exploration properties in the Yukon and the Burro Creek gold and silver property in Arizona. Burro Creek hosts an epithermal gold-silver deposit with a historical resource.

### Company News

- Northern Freegold released resource estimates for the Nucleus and Tinta zones in July 2009. With a cutoff grade of 0.3 g/t, the Nucleus Zone contains over 1 million oz gold at an average grade of 0.5 g/t.
- The company is conducting a 12,000m drill program in 2009, focusing on the Nucleus Zone.

NORTHERN FREEGOLD RESOURCES INC.				NFR - TSXV	C\$	0.59
Rating	N/A	Target	N/A	Shares O/S (MM)		69.2
Risk	Speculative			Float (MM)		56.4
				Fully Diluted Shares (MM)		88.3
12-Month Return	N/A	Close	C\$ 0.59	Basic Mkt. Capitalization (\$MM)	C\$	40.9
<b>All figures in C\$, unless stated otherwise</b>						
<b>MANAGEMENT &amp; COMPANY CONTACTS</b>				<b>MAIN PROPERTIES</b>		
Bill Harris			CEO and COO	<b>Freegold Mountain, Yukon Territory</b> <b>100%</b>		
Susan Craig			President & Director	Stage:	Resource delineation	
Corwin Coe			VP Exploration	Deposit:	The property hosts several different types of gold and polymetallic deposits.	
www.northernfreegold.com			604-893-8757	Geology:	The 166 km <sup>2</sup> project is located within the Dawson Range portion of the Tintina Gold Belt, characterized by plutonic rocks of the ~100 million year old Cretaceous Dawson Range Batholith and Early Jurassic metaplutonic rocks, intruding metavolcanic and metasedimentary rocks of the Yukon-Tanana terrane.	
<b>CAPITAL STRUCTURE</b>				The Freegold Mountain Project covers a 35 km long section of a well-mineralized belt within the Dawson Range. This area is transected by the Big Creek fault, which is associated with numerous mineralized occurrences.		
	<b>Strike</b>	<b>Basic</b>	<b>In-the-</b>	<b>Proceeds</b>		
	<b>C\$</b>	<b>(MM)</b>	<b>Money</b>	<b>\$MM</b>		
Shares Outstanding		69.2			Previous: Placer gold was discovered in Seymour Creek in 1898. Fritz Gruder discovered the first hard rock gold and copper deposits in the 1930s and 1940s. From the 1960s to 2005, Glen and Bill Harris conducted prospecting on the property, working with several exploration companies in the area. The property saw 990m of underground drifting and 23,000m of drilling. Northern Freegold was founded to conduct exploration on the consolidated land package in 2006.	
Options	\$0.50	3.7	3.7	1.9	Several mineral deposits have been discovered on the property over time. The Nucleus Zone is seen as a low-grade bulk-tonnage gold target with a high-grade skarn. The Nucleus Zone contains a non-NI 43-101 compliant resource of 380,000 to 450,000 oz gold at a grade of 0.8-1.0 g/t. The Revenue Zone, located to the east of Nucleus, appears to contain a gold-bearing breccia zone. The Ridge Zone and Stoddart zones, discovered by NFR in 2008 and 2007, respectively, are located further to the east, and they appear to consist of a potential porphyry copper-gold target with additional gold-silver-copper mineralization. The Tinta Zone, located in the eastern part of the property, is a 1,600m-long polymetallic vein system within a 3,500m long geophysical anomaly.	
	\$0.55	0.5	0.5	0.3	Current: The company continues to consolidate its land package. In May 2009 the company exercised its option to acquire a 100%-interest in the Golden Revenue, Sey & Nitro groups of mineral claims. These claim groups are subject to an underlying 1% NSR to ATAC, and there is also an underlying 2% NSR which applies only to the Revenue Zone, of which 1.5% can be purchased for \$600,000.	
Warrants	Jun-10	\$0.50	0.7	0.7	From 2006 to early 2009, Northern Freegold conducted exploration on several target areas on the property, including drilling 106 holes, totaling 24,416m in the Nucleus Zone. Nucleus was initially viewed as a low-grade bulk tonnage target, but drilling has also identified higher-grade potential.	
	Dec-09	\$1.25	9.9	0.0	Drilling in 2008 identified two new high grade areas, gold (+ or - copper) skarns on the east side and gold-bearing sulphide veins on the west side. The two high grade areas within the low grade mineralization now stretch for 750m. Highlights from drilling include 70.2 g/t gold over 9.4m (including 410 g/t gold over 1.27m) and 14.5 g/t gold over 47m (including 206.5 g/t gold over 1.24m).	
	Dec-09	\$1.50	2.3	0.0	The company is conducting a 12,000m drill program in 2009. This will primarily focus on defining and expanding the Nucleus Zone.	
	Jun-11	\$0.75	2.0	0.0		
<b>Fully Diluted Shares</b>		<b>88.3</b>	<b>4.9</b>	<b>2.5</b>		
<b>OWNERSHIP (est.)</b>				<b>Basic</b>	<b>%</b>	
<b>* As reported by Bloomberg</b>						
Insiders			11.0	16%		
Passport Capital LLC			1.8	3%		
Lion Capital Group AG			1.1	2%		
Pathway Investment Counsel			1.1	2%		
<b>BALANCE SHEET</b>				<b>Mar-09</b>		
<b>Year-end December</b>				<b>(\$MM)</b>		
<b>Assets</b>						
Cash and Equivalents				\$1.7		
Other current assets				1.9		
Current Assets				3.5		
PP&E				20.7		
Other Assets				-		
Total Assets				\$24.2		
<b>Liabilities</b>						
Current liabilities				\$2.1		
Long-term debt				-		
Other				-		
Shareholders equity				22.1		
<b>Total Liabilities and Equity</b>				<b>\$24.2</b>		
<b>PROJECTED BURN RATE (estimated)</b>				<b>(\$MM)</b>		
Year-end 2008 cash balance				\$2.0		
Exploration Expenditures (est.)				(5.0)		
General and Admin Expense (est.)				(1.0)		
Warrant exercise				-		
Project Financing				8.0		
Capital Expenditures				-		
Year-end 2009 cash balance estimate				\$4.0		
<b>LAST FINANCING</b>						
Date				Jun-09		
Type				Private Placement		
Shares				MM	16.0	
Price				C\$	0.50	
Gross Proceeds				C\$MM	8.0	
Warrants				2MM @\$0.75, 24 months		
<b>Reserves &amp; Resources</b>				<b>Gold</b>		
				<b>t (MM)</b>	<b>(g/t Au)</b>	<b>MM oz</b>
Nucleus	Inf.			67.6	0.5	1.08
Tinta	Inf.	Au	1.4	1.6	0.07	
		Ag		44.9	2.0	
		Cu		0.26	8.0	
		Pb		0.84	25.7	
		Zn		1.5	42.8	

Source: Company Reports, Dundee Securities Corp, Thomson One, Bloomberg

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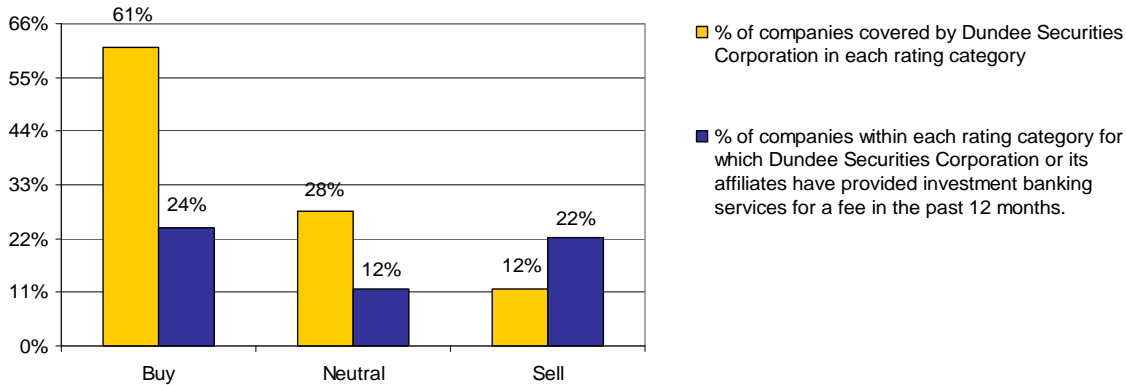
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As at March 31, 2009

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