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No Son, That's Not The Circus Coming To Town, It's The Freegold Gravity Processing Plant Looking For Gold Dumps

By Charles Wyatt

Last September, Canadian-listed Freegold Ventures announced the commissioning of a 1,200 ton per day gravity processing plant up at its Gold Summit project in Alaska. The commissioning loudly signalled the company's progress up the ladder from explorer to modest producer. The plant consists of a mobile crushing plant and a three-stage gravity circuit that uses variable sized Knelson concentrators and is capable of producing a directly saleable gold concentrate. Its modular nature permits easy modification of both the flow sheet and plant configuration to allow it to keep up with the changing ore characteristics at Golden Summit. And note the word "mobile" -- we'll come back to that later. The company has also established a portable metallurgical lab on site which will enable production feed grades and recoveries to be monitored.



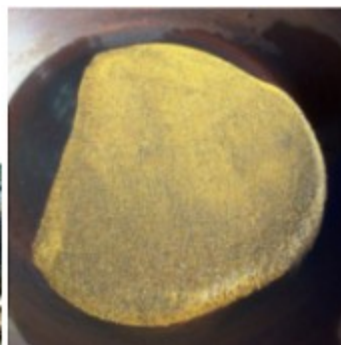
Freegold is therefore able to bulk sample mined ore and dump material with considerable accuracy while generating a modest cash flow. Historical, non 43-101 compliant sampling suggests that the grade of the dump material up at Gold Summit ranges between 5.1 to 8.6 grammes per tonne, and if this proves to be the case the rest of the 35,000 tonnes of material from various locations around the project will be processed.

During the plant commissioning phase, the company continued to collect new bulk-sample material and drilled an additional 147 shallow exploratory holes at various locations on the 5,000 feet of known strike length of gold mineralization in the Cleary Hill area. Work was then suspended for the winter and results from the bulk samples crushed and processed during the initial weeks of processing expected in fairly short order.



That was then, and now is now. Fast forward to July and the first results from the processing operations have only just been released. Chief executive Steve Manz explains that this is because the regulators decided that they wanted to combine two separate bulk sampling and processing permits issued by two different permitting bodies. Naturally he didn't want to put out updates until he was quite clear what the new ground rules were going to be. In the event, and after a long and frustrating wait, it's become clear that the regulators' intervention ought not to have any impact on Freegold's future plans, so the company has at last released details of the actual sampling carried out to date and the material tested. In fact, bulk sample extraction initially commenced all the

way back in the second half of 2006, when approximately 10,000 tons of material was collected from nine different locations - four of which are related to the historically mined Cleary Hill vein and the newly discovered eastern extension, the Beistline structure.



The other five locations are veins and shear zones located immediately to the south and sub-parallel to the east-west workings of the Cleary Hill mine. The first samples tested during the initial processing in late September and October last year had a weighted average grade of 2.7 grammes per tonne with individual stockpiles from a variety of areas tested ranging from 0.6 grammes per tonne to 7.0 grammes per tonne gold. Steve Manz makes the point that the nearby Fort Knox mine, which will run out of ore within the next six years, is currently mining ore from the bottom of the pit which contains an average grade of 0.61 grammes per tonne.



Freegold Ventures now has plenty more material to work on, and the new material will be much more representative of the multiple shear zones that are present. Without doubt there are some very rich patches which simply cannot be intersected by drilling unless luck is very much on the side of the driller. But again, this is similar to Fort Knox which is only five miles away.

As a result, Freegold has wisely followed the exploration pattern used by Kinross at Fort Knox -- trenching followed by drilling and then bulk sampling. They have also added equipment to the gravity based recovery plant to increase its crushing and grinding capabilities. The decision to go ahead with this followed comprehensive metallurgical testing over the winter which showed that significantly higher gold recoveries can be expected with smaller-sized material processed through the plant. Recoveries ranging from 80 to 95 per cent can now be expected.

The weather in Alaska only allows a window of less than five months for operations there, but Steve Manz and his team have a trick up their sleeves to cope with this. The plant up there is modular and portable, including the new crushing circuit, and was built by Freegold for only C\$1.7 million over a period of six months. The whole shebang includes two 500KW generators, so it is totally independent. Freegold is therefore taking a close look at a number of stockpiles of ore down in the south of the US which were abandoned when the gold price made mining uneconomic. Should Freegold reach a deal to process such piles, off they will go with their portable plant to earn some cash in October and return to Alaska in the spring to continue bulk sampling.

Meanwhile more drilling is taking place at the Rob property which is also in Alaska. Rob's near neighbour is the Pogo gold mine operated by Teck Cominco in joint venture with Sumitomo Corporation. This was the project that brought in Rob McEwen - best known for his time as head of Goldcorp - as a significant shareholder in Freegold. There are many geological similarities between Pogo and Rob, and these are being followed up by drilling, most of which will be focused on the Gray Lead vein. Steve Manz, however, makes special mention of the Michigan prospect which is about two miles northeast of Gray Lead and on the same geological structure. It's never been drilled before but grab sampling returned assays up to 698.9 grammes per tonne gold so the drilling results this summer will be worth watching.

The Almaden project in Idaho should also make the news as a resource estimate is being finalised and should be announced within the next couple of months. Here it'll be worth looking out for the molybdenum grades as the presence of this vital metal was reported earlier this year in step-out drilling. One hole testing for deeper mineralization under the North Zone intersected 55 feet grading 0.22% moly, including five feet grading 1.39% moly. Molybdenum has plenty of uses as it does not corrode and has a high melting point, but probably the most interesting is the key role it plays in energy production. Not just in pipelines, but also in wind, solar, hydroelectric and nuclear industries. So it might be a one-stop way to invest in the growing demand for all energy sources. If the molybdenum proves to be economic in tandem with gold Steve Manz and Freegold will be on another winner.

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