



## Linux Gold Corp (Otcbb: LNXGF) -- New Ester Lode Project

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When I spoke to John Robertson, president of Linux Gold Corp. about the new property announced on October 18<sup>th</sup> near Fairbanks, Alaska, he looked like a very happy person indeed.

"I can't say much about it. The owners have extremely high expectations and the preliminary geology looks very interesting, but there's no (N.I.) 43-101 compliant data available just yet. Our consulting geologist (and Qualified Person under NI 43-101\*) took multiple samples from existing channels, and those assays will be out in a couple of weeks. That will be the first information we have that is 43-101 compliant."

So why Alaska and why now?

For starters, Alaska's gold resources in all categories (measured, indicated and inferred) have increased from a little more than **1 million ounces in 1985 to over 108 million ounces** at the end of 2004. Of this total, over 60 million ounces have been put on the books since the price of gold was under serious pressure back in 1997. Over the last ten years, Alaska has added gold to its "ounce bank" at an average rate of 8.6 million ounces per year at a discovery cost of \$3.36 per ounce.

The Pogo gold mine is currently in production, while an additional four gold projects, Donlin Creek, Rock Creek, Gil and Nixon Fork, are in permitting or advanced development stages. They will be adding value to Alaska's mineral production over the next 5 years.

The reason for the excitement at Linux Gold is apparent. Ester Lode is in the middle of the Fairbanks Gold District, one of the more prolific gold areas in North America. Over 10 million ounces of gold have been recovered from placer mining alone since 1902.

All one needs to do is examine the impressive progress of Freegold Ventures Ltd.'s - Golden Summit property to get a sense of the incredible potential. Golden Summit is within the heart of the district, with over 6.75 million of the placer-mined ounces directly attributable to the streams that drain the Golden Summit project area. Golden Summit contains over 80 known gold occurrences, and is host to the largest and highest-grade historic lode gold producers in the district, with over 500,000 ounces of gold having been produced from underground mines from 1902 to 1942 at average grades in excess of 1 oz/ton.

Historic average grades of the two largest underground mines on Golden Summit were 1.3 oz/ton at the Cleary Hill Mine (281,000 oz total production) and 1.6 oz/ton at the Hi Yu Mine (110,000 oz of total production). Many mines were forced to shut down at the beginning of WW2 and never reopened, while others that attempted to reopen after the war simply could not handle mining once the water table was hit, or once bad ground was encountered (neither of which is a serious impediment to today's modern mining methods).

**Immediately following receipt of the assay results from the sampling program taken mid October, Linux will waste little time in drilling select targets to determine the nature and grade of the Ester Creek deposit. Wise investors will look carefully at this stock, prior to**

**drilling. A high-grade intersection of 1 ounce per ton should garner serious attention from investors and fund managers.**

For decades prospectors have been looking for the source of the gold that has been feeding nearby creeks and river systems where placer miners have recovered 10M ounces to date. The owner of the property believes the Ester property is connected to that source.

A significant advantage of the Ester situation (compared to the Kinross Fort Knox mine a few miles away, for example) is the low cost required to build a mill to economically crush high-grade underground ore – \$20 million approximately. The Kinross low grade/bulk tonnage open pit cost roughly \$750 million – approximately 350 ounces of production per day or \$175,000 at today's gold price. With Linux Gold Corp. (LNXGF) trading under \$1.00, there is quite an opportunity.

\* National Instrument 43-101 governs a company's public disclosure of scientific and technical information about its mineral projects

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