

Linux to Drill and Explore Gold and Base Metals Properties in Alaska this Summer

Armed with two highly promising exploration properties in prolific mineral regions of Alaska, Linux Gold Corp. (OTC BB: LNXGF) is moving aggressively to develop both its Granite Mountain Project and Fish Creek Prospect.

“Our corporate goal is to focus on highly prospective properties that could become large producing mines,” says Linux Gold President John Robertson.

Linux Gold owns 284 State of Alaska mining claims at several locations near Granite Mountain on the eastern Seward Peninsula of Alaska. Linux owns a 50% interest in 30 mineral claims known as the Fish Creek Prospect, located in the Fairbanks Mining Division in Alaska. The company also has acquired a 100% interest in the TY and ORO properties in British Columbia.

Linux Gold has discovered two new and significant gold anomalies and significant base metal mineralization at its Granite Mountain Project, as well as high-grade gold and platinum placer concentrations and uranium.

The company’s search for low-grade, high tonnage deposits with locally high-grade gold concentrations got another boost with the discovery of six new gold targets at Fish Creek.

Linux Gold’s Alaskan properties show strong gold mineralization, as well as clear evidence of a wide range of other metals. The properties are near major deposits and operating mines and both have a history of placer and shallow hand mining. In fact, at Granite Mountain, there appears to be a significant enough placer deposit to generate a cash flow to pay for additional exploration in 2007.

“Everything points to a nearby lode deposit at Granite Mountain and

to the possibility of economic placer and lode deposits at the Fish Creek property,” says Robertson.

Exploration at Granite Mountain Shows Broad Mineralization

Linux Gold’s 68-square-mile Granite Mountain property is located in western Alaska on the Seward Peninsula about 150 miles northeast of Nome and 180 miles south of the giant Red Dog lead-zinc mine. Polymetallic mineralization has been traced about 10 miles along the Kiwalik Trend to the west of Granite Mountain. A separate mineralized occurrence lies on the east side of the mountain. Gold-bearing, small streams eroding these mineralized zones have been placer mined in the past.

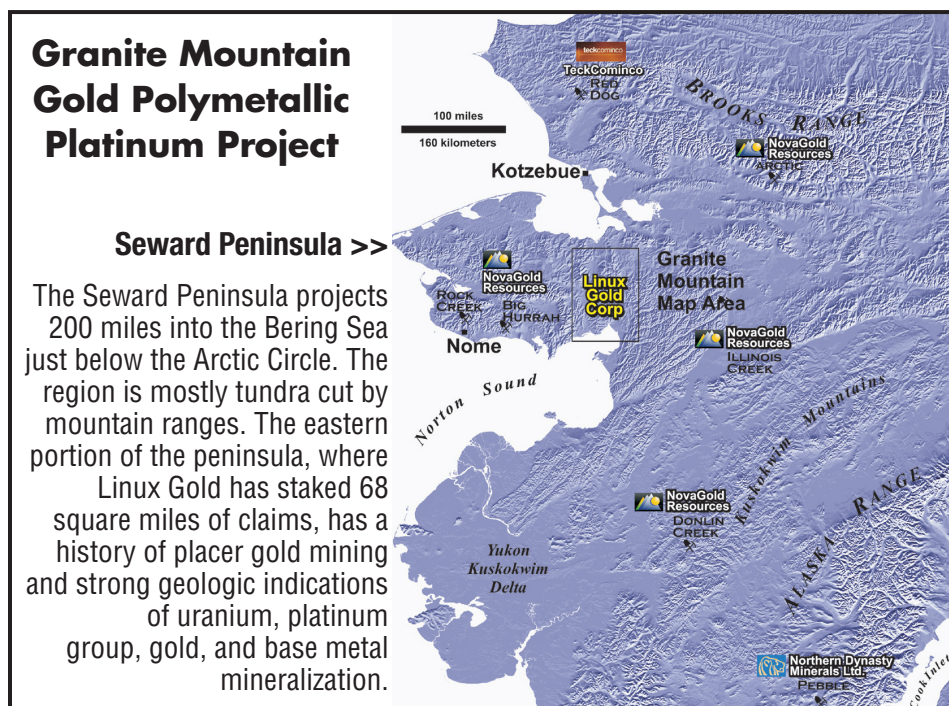
A \$1.4-million exploration drill-

ing program in 2006 tested four main mineralized targets at Granite Mountain. Initial exploration revealed multiple prospective zones of gold-silver-copper, lead-zinc-silver, gold-copper-bismuth, and molybdenum-copper-uranium.

Highlights of that program include:

- Saddle Prospect – Mineralized rock samples yielded assays of up to 2.58 g/t gold, 250 g/t silver and 3.0% combined lead and zinc.

- Quartz Creek – New gold prospect discovered in oxidized veins with sample assays ranging from 114 to 325 ppb gold, 10.6 to 35.4 ppm silver, 872 ppm copper and 2.1% combined lead and zinc. Pan concentrates from the head of Quartz Creek yielded visible grains of gold, 186.2 ppb uranium and 685.9 ppb thorium, as well as elevated amounts of hafnium,



niobium, tantalum, yttrium, tungsten and zircon.

- Gossan Ridge – Soil samples indicate a low-level precious metal anomaly with concentrations of 66 ppb gold, 9.5 ppm silver, 2,163 ppm lead and 3,224 ppm zinc.

- Peace River Prospect – Rock sample assays show high levels of mineralization with concentrations up to 632 ppm molybdenum, 131.9 ppm uranium and 4.0 ppm silver.

- Dime Creek – Pan samples of alluvial gravels within old placer workings yielded grades of 1.4 to 3.5 grams of coarse gold per cubic meter, as well as 0.63 to 9.23 g/t platinum and 1.2% chromium, suggesting the presence of mineralized plutonic rocks within the drainage system.

“The purity of the placer gold previously recovered on Dime Creek is very high and reported to be 950 fine,” says Robertson.

Linux Gold project geologist, Jeff Keener says Dime Creek has “a high potential for development and production. Historically, the watershed, about 16 miles south of the main Granite Mountain Prospect, yielded about 40,000 ounces of gold and 250 ounces of platinum through primitive hand and mechanical mining methods.

Keener believes a great deal of un-mined placer material remains within the drainage system. He has recommended a Phase One placer examination in 2007. The program will include mapping and sampling of the old mine workings, digging pits and sampling placer gravel in un-mined ground, as well as identifying targets for mechanical exploration in 2008. Solid rock samples would also be collected along valley walls and rims to identify possible sources of the placer deposit.

“Our exploration to date suggests we have the potential to locate important deposits of precious and base metals,” says Robertson.

New Gold Targets at Fish Creek and New Project Added to Linux Portfolio

The company's other major holding is its Fish Creek Prospect located in Alaska's Fairbanks Mining Division and within six miles of Kinross Gold's Fort Knox mill. Linux owns a 50% interest in 30 claims within Teryl Resources' Fish Creek project.

The property lies within the Tintina Gold Belt which is believed to have over 23 million ounces of

gold reserves from over ten different deposits. An additional eight million ounces of placer gold have been produced since 1902 – primarily from the area surrounding the Fish Creek Property.

“Fish Creek has the potential to host both lode and alluvial gold deposits,” says Robertson.

Six new geophysical targets were located on the property in 2006. An interpretive report identified the targets based on linear resistivity features inferring regional structural trends. The high magnetic anomalies are interpreted as intrusives and the linear magnetic highs may be calc-silicates.

Teryl Resources plans to conduct an exploration program this summer on the Fish Creek to further delineate the targets that could provide a continuing supply of ore for the Fort Knox mill.

Linux Gold continues to add attractive exploration properties to its portfolio. The company has staked 6,400 strategically located acres in Alaska's Livengood-Tolovana Mining District. Historically, the district has produced over 500,000 ounces of placer gold, as well as some placer platinum.

Linux Gold also holds a 100% interest in the TY gold property and the ORO gold/silver property in the Bralorne/Lillooet mining district in British Columbia, about 100 miles north of Vancouver. Both projects are within about 12 miles of the Bralorne Pioneer gold Mine, which produced 4.1 million ounces of gold since the late 1800s. Exploration work has included

drilling at the TY Property which found gold values up to 1.129 oz/t and 5.86 oz/t silver. A magnetic survey at the ORO Property delineated several conductive zones.

Solid Management Team

Founded in 1979 as an oil and gas company, Linux Gold today has evolved into an explorer for gold, silver, uranium and other metals.

The company is led by President and CEO John Robertson, who has an extensive background in business, marketing, mining and exploration. He also serves as president of Teryl Resources, Linux Gold's joint venture partner on the Fish Creek claims, as well as president of REGI U.S./Reg Technologies, a technology company developing an innovative rotary engine for military, automotive and other power applications.

Linux Gold's geologic team includes Robert Murray, a registered professional geologist who is the primary geologist on Linux's Granite Mountain Project. Murray has more than 18 years experience in geologic mapping in Alaska, Oregon and Southern California. Jeff Keener is Linux's geological consultant who has performed economic valuations of more than 25 mineral deposits. Diane Minehane, a geologist with more than 16 years experience in the minerals industry, previously worked as a core logging geologist for Kinross-Fairbanks Gold Mining.

Investment Considerations

Linux Gold began exploring in Alaska's Seward Peninsula in 2005 and quickly staked mining claims in the Granite Mountain area. The company has impressive neighbors – Teck Cominco, NovaGold and Northern Dynasty have developed significant gold, copper and zinc projects. Teck Cominco owns the world's largest zinc deposit some 180 miles to the north where it has identified over \$20 million worth of zinc reserves.

Kinross Gold's Fort Knox mill, which has produced up to 400,000 ounces of gold annually, is located within six miles of Linux's Fish Creek Prospect. Kinross recently shared results of a geophysical survey that identified six gold targets on Linux's Fish Creek Prospect.

With neighbors like that, it is no wonder recent research reports conclude Linux Gold investors will benefit from the rising trend in gold and base minerals prices.



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52 Week Trading Range:

Hi: \$0.335 • Low: \$0.12