



Linux Gold Discovers Significant New Gold Anomalies Near Granite Mountain

Building Impressive Portfolio of Gold, Base Metals Properties in Alaska

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.

Achieving that goal came much closer to reality after Linux Gold reported its 2006 Phase 1 exploration program at its Granite Mountain Project resulted in the discovery of two new and significant gold anomalies and significant base metal mineralization, 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.

Both of Linux Gold’s Alaskan properties shows strong gold mineralization, as well as clear evidence of a wide range of other metals. Both 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.

“Everything points to a nearby lode deposit at Granite Mountain and to the possibility of a significant find at Fish Creek,” 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 drilling 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

Granite Mountain Gold Polymetallic Platinum Project

Seward Peninsula >>

The Seward Peninsula projects 200 miles into the Bering Sea just below the Arctic Circle. The region is mostly tundra cut by mountain ranges. The eastern portion of the peninsula, where

Linux Gold has staked 68 square miles of claims, has a history of placer gold mining and strong geologic indications of uranium, platinum group, gold, and base metal mineralization.



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.

Linux Gold and Teryl Resources plan to jointly implement an exploration program this winter 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. Earlier this year, the company 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. Known lode prospects in the area include the “Old Smoky” which hosts gold mineralization assaying up to 129.8 ppm gold. Major mining companies have drilled the area. International Tower Hill Mines Ltd., partially owned by Anglo-Gold Ashanti, holds claims and is actively exploring in the area.

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

LINUX CLAIMS IN THE GRANITE MOUNTAIN AREA:

Kiwalik Claim Group – Copper, Gold, Moly
Widespread alteration and mineralization indicate a large-tonnage, igneous-hosted polymetallic deposit may be found. These rocks are prospective for porphyry Cu, Cu-Au and Sn-Ag deposits, as well as higher-grade stockwork vein and epithermal precious metals deposits.

Peace River Claim Group – Uranium
The concentration of uraniferous minerals in the placers at the head of Peace River is believed to be the best lead to a possible high-grade Uranium lode deposit on the basis of equivalent Uranium content and mineral association according to a report completed by the U.S. Geological Survey’s heavy metals program in 1968.

Dime Creek Claim Group – Gold, Platinum
The Dime Creek placer Au-PGM deposit produced approximately 40,000 ounces of gold and 400 ounces of platinum from 1915 to present by small-scale operations working high-grade pay gravel. Significant placer resources remain in creek and bench placers, while lode sources of precious metals await exploration and discovery.



>> Fish Creek Prospect

Linux Gold's Fish Creek joint venture project with Teryl Resources has the potential to host lode and alluvial gold deposits. The project is within six miles of Kinross Gold's Fort Knox Mine, currently producing 400,000 ounces of gold annually at a cash cost of US\$207/oz.



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. NovaGold has identified about 25 million ounces of gold on properties to both sides of Granite Mountain. The world class Pebble (Northern Dynasty) gold-copper-molybdenum porphyry deposit to the south has a 28 million ounce gold and 16.4 billion pound copper inferred mineral resource. 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 produces some 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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Range:

Hi: \$0.40 • Low: \$0.14

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Linux



Quick FACTS

Linux Gold Corp. is a Canadian exploration and development company tightly focused on exploring and developing high-value precious metals properties in Alaska, Canada and China.

The company controls 68 square-miles of prime ground in the heart of the historic Koyuk Mining District on Alaska's Seward Peninsula – an area long known for productive placer deposits of gold and platinum group metals, as well as igneous-hosted base metals. Historical geologic studies strongly indicate the presence of uranium, precious and base metal mineralization.

Linux's Fish Creek property, located in the Fairbanks (Alaska) Mining Division and within six miles of Kinross Gold's Fort Knox Mine (producing over 400,000 ounces of gold annually) and adjacent to Teryl Resources' Gil Project.

Linux holds an option to purchase 100% of development and exploration rights to three operating mines, 10 proven gold zones and 100-square-miles of highly prospective gold property in China.

Exploratory drilling on Linux's TY and ORO Bralorne-type properties in British Columbia has yielded high gold and silver values, extensive stockwork zones and listwanite alteration.

Seward Peninsula, Alaska:

- Granite Mountain Project is similar geologically to Northern Dynasty's Pebble porphyry gold-copper-molybdenum project, the largest deposit of contained gold and the second largest deposit of contained copper resources in North America.

Fairbanks, Alaska:

- Fish Creek Claims joint venture with Teryl Resources has potential for a lode type deposit similar to the Fort Knox 4 million ounce deposit.

China:

- High grade gold assays at Wang Juan Mine located in Bo Luo Nuo Gold Mine, Hebei Province PR of China.