



# Linux Gold Begins \$1.2 Million Summer Exploration Program at Gold, Base Metals Granite Mountain Property

## *\$2 Million Financing Completed for Expanded Exploration Program*

With its coffers filled with a recently completed \$2 million financing, Linux Gold Corp. (OTC BB: LNXGF) has commenced an aggressive summer drilling and exploration program at its highly prospective Granite Mountain gold, polymetallic, and platinum project on Alaska's Seward Peninsula.

In addition to attracting the interest of several institutional investors, the 38-square-mile property's potential prompted the *Granville Market Letter* to add Linux Gold to its portfolio of gold and silver stocks last December. The legendary Joe Granville, who has continuously published his market letter for 42 years, was named the 2005 Gold Timer of the Year by the *Timer Digest*. Granville believes gold, pressured by sharply higher interest rates and worsening inflation, will reach \$1,000 within the next three years – a situation he says makes buying gold stocks a smarter move than buying the metals directly. If gold breaks the 1980 high of \$850 an ounce, as some analysts are projecting, this will take gold mining shares like Linux Gold to record highs.

Here is what Linux Gold President and CEO John Robertson has to say about his company:

“2006 should be a good year for Linux Gold. We have an aggressive \$1.2 million exploration program planned for our Granite Mountain project where we believe there are several near surface polymetallic deposits. Our Fish Creek joint geophysical venture with Teryl Resources is

looking even more promising with the recent discovery of an intrusive target over 1 km in length and 200-300 meters wide. The Fish Creek claims are only 6 miles from the 4 million ounce Fort Knox Mine now in production by Kinross Gold. In light of the increase in the price of gold over the past few years, the time could not be better to fund and develop a gold company.”

Linux Gold has set itself an ambitious goal – to develop mineral prospects that have the potential to become large producing mines.

Currently, the company has interests in five projects in Alaska, British Columbia and China. Of those projects, Granite Mountain and Fish Creek, located in areas that have billions of dollars of either present mineral resources or past-production values, are by far the most promising.

### **Granite Mountain Exploration Results Show Significant Levels of Gold, Silver, Base Metals**

In April 2005, Linux Gold

### **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 38 square miles of claims, has a history of placer gold mining and strong geologic indications of uranium, platinum group, gold, and base metal mineralization.



aggressively staked an intriguing 38 square mile area on Granite Mountain on Alaska's Seward Peninsula. Historically, the area produced over 400,000 ounces of placer gold and placer platinum from nearby stream deposits.

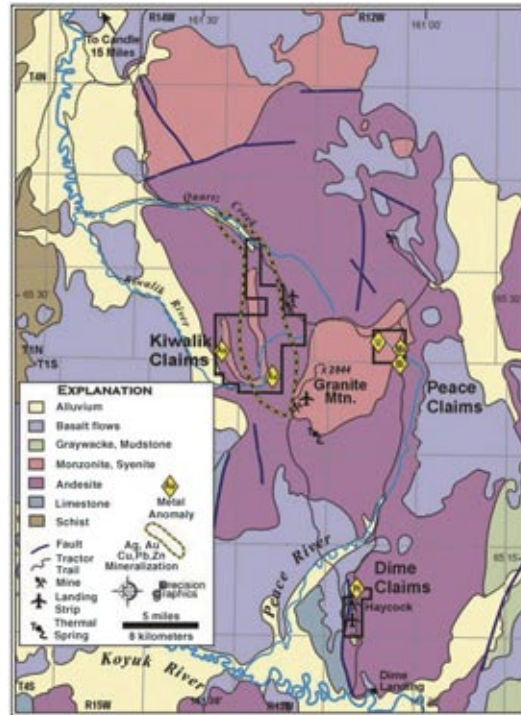
The Granite Mountain property is near significant gold, silver, copper and zinc reserves held by Teck Cominco, NovaGold and Northern Dynasty. NovaGold's properties on both sides of Linux Gold's Granite Mountain property host about 25 million ounces of gold and significant reserves of both silver and copper. Just to the south, Northern Dynasty's property hosts the world class Pebble gold-copper-molybdenum porphyry deposit with an inferred mineral resources of about 28 million ounces of gold and 16.4 billion pounds of copper. Teck Cominco owns the world's largest zinc deposit some 180 miles to the north – and is currently producing ore from a zinc reserve worth over \$20 billion.

Linux Gold staked three distinct claim blocks: 1) the **Kiwalik** claims, a large block on the Quartz Creek igneous-hosted (intrusive and extrusive) stockwork lead-zinc-silver-copper-gold deposit; 2) the **Peace River** claims, a four-square-mile block on an intrusive-hosted uranium-molybdenum vein deposit; and 3) a three-square-mile block on the **Dime Creek** placer gold PGM alluvial deposit.

The Summer 2006 \$1.2 million exploration program recommended by the company's geologists will explore the igneous system at depth and search for additional evidence of mineral deposits near surface. The recommendation is based on a 2005 program of geologic mapping and geochemical sampling. Four samples collected from the Kiwalik and Peace claim blocks included 153 soil samples, 93 rock samples, 45 team sediment samples and 31 pan concentrate samples. Assay results indicate a mineralized trend on the Kiwalik claims strikes north for over 11 km. A similar mineralization trend on the Peace claims appears to extend over a 1.7 km strike length.

The current exploration program will include diamond drilling of the Gossan Ridge sub-volcanic gold-silver-copper prospect, the Saddle cordilleran-vein lead-zinc-silver prospect, the Quartz Creek plutonic gold-copper-bismuth prospect, and the Peace River plutonic molybdenum-copper-gold-uranium prospect. An

## 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 uranothorianite 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.

additional drill hole will penetrate the cupola of the Quartz Creek pluton to investigate the volcanic thermal contact zone overlying the intrusive.

Linux Gold also plans to expand soil grids on the Gossan Ride and Peace River prospects, place a soil grid on the Saddle prospect and discreet soil lines across linear structures defined by a geophysical survey and surface geological mapping. Contracts and permits for the exploration program are currently under negotiation and field work is slated to begin by July.

Previous soil and rock grab samples in the base metal zones included 52.3 g/t silver, over 10,000 ppm lead, over 10,000 ppm zinc, 1,256 ppm copper, 704 ppm antimony

and 83 ppm gold. Samples in the precious metals zones, showed concentrations of up to 0.26 g/t gold, 29.2 g/t silver, over 10,000 ppm arsenic and elevated levels of lead, copper and antimony.

"Results to date suggest that several types of polymetallic deposits may be found near the surface along the Quartz Creek mineral trend and that a large porphyry system may lie at depth," says Consulting Geologist Jeff Keener.

### Fish Creek Gold Joint Venture Has Potential for Lode Deposit

Linux Gold owns the right to earn

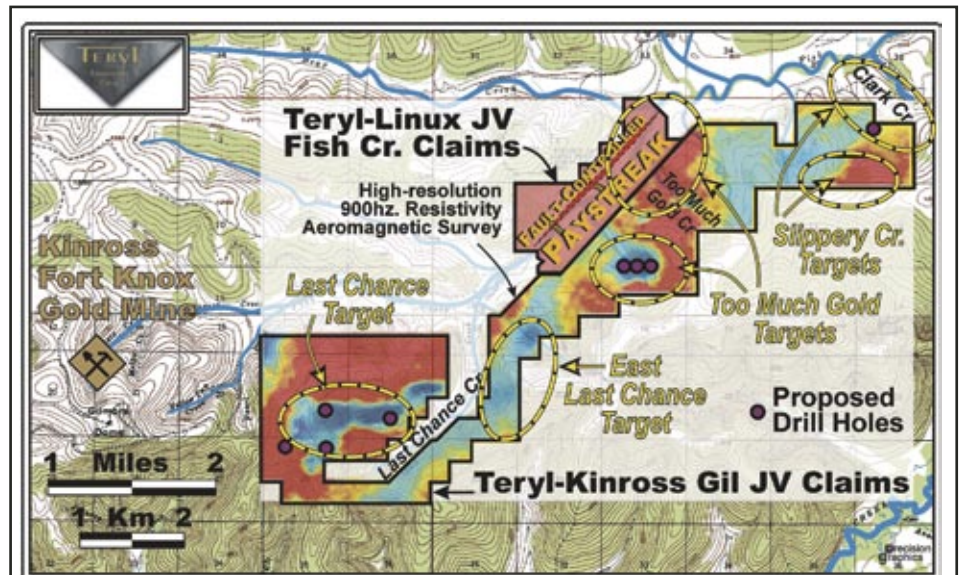
a 50% interest from Teryl Resources in that company's 50% interest in 30 mining claims within the Fish Creek Project. The property is located in Alaska's Fairbanks Mining Division and within six miles of Kinross Gold's Fort Knox mill, currently producing 400,000 ounces of gold annually. The property lies within the Tintina Gold Belt, which is reported to have 23 million ounces of gold reserves from over ten different new deposits. In the Alaskan portion, an additional eight million ounces of placer gold has been produced since 1902, primarily from the Fairbanks district near the Fish Creek property.

"The Fish Creek property has the potential to host a lode deposit similar to the Fort Knox 4-million ounce deposit," says Robertson. Linux Gold can back in for a 25% working interest after Teryl spends \$500,000 on exploration.

A reverse drilling program completed by Teryl in 2005 on the Gil/Sourdough Ridge joint venture with Kinross Gold, just south of the Fish Creek property, returned assays ranging from 1.01 to 14.25 g/t gold. The gold targets were identified in an earlier exploration program including trenching, drilling and rock and soil sampling.

## Investment Considerations

Linux Gold's President and CEO John Robertson has led the company since its founding in 1972. He has an



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.

extensive background in the mining sector, also serving as president of Teryl Resources, the company's joint venture partner at Fish Creek. He is president, as well, of REGI U.S./Reg Technologies, a technology company developing an innovative rotary engine for military, automotive and other power applications. As such, Robertson brings a extensive business, mining and marketing expertise to Linux Gold. He and his management team have an excellent track record for

both property acquisition and capital financing.

In particular, the Granite Mountain project broadens the company's focus from purely gold exploration to a more balanced polymetallic mix that will enable the company to benefit, as well, from growing worldwide demand for base metals and uranium.

In addition to its flagship Alaskan properties, Linux Gold also owns 100% interests in two gold prospects in British Columbia. Its Ty and ORO properties are located within six miles of the Bralorne Pioneer Gold Mine, one of the richest gold mines in western Canada. Many noted analysts say that the gold market is in the midst of a major bullion boom. Accordingly, Linux Gold may find the time is right for active exploration on the Ty and ORO projects.

"We look forward to building a successful mining company and leveraging our shareholders to the price of gold and other valuable minerals such as silver, platinum, copper, uranium, zinc, lead, tin and molybdenum," says Linux President John Robertson. "I strongly believe that exploration success is one of the best ways to create shareholder value."



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# Linux

OTCBB : LNXGF



## LINUX GOLD CORP.

### OTC BB: LNXGF

*Investor Relations Office:*

Suite 1070 - 777 Hornby Street  
Vancouver, BC, Canada  
V6Z 1S4

Toll Free: 877-549-GOLD  
Phone: 604-681-2992  
Fax: 604-681-2993

E-Mail: [ir@linuxgoldcorp.com](mailto:ir@linuxgoldcorp.com)

*Corporate Office:*

John Robertson, President  
#1103 - 11871 Horseshoe Way  
Richmond, BC, Canada  
V7A 5H5

Toll Free: 800-665-4616  
Phone: 604-278-5996  
Fax: 604-278-3409

E-Mail: [info@linuxgoldcorp.com](mailto:info@linuxgoldcorp.com)

Corporate Web Site:  
[www.linuxgoldcorp.com](http://www.linuxgoldcorp.com)

Shares Outstanding:  
66,951,523

Estimated Float: 46 million

52 Week Trading Range:

Hi: \$0.55 • Low: \$0.10  
Current: \$0.4199  
All-time High: \$4.60

*Directors:*

John Robertson  
Jennifer Lorette  
Susanne Robertson  
James Vandeberg

*Consultants:*

Jeffrey O. Keener,  
Consulting Geologist

## 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 37 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.

### ***China:***

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

### ***Fairbanks, Alaska:***

- Fish Creek Claims joint venture with Teryl Resources has potential for a lode type deposit similar to the

