



North of Two Million

North Country Gold Meets Nunavut's Challenges

~ By Ted Niles - July 11, 2011

Brian Budd freely acknowledges that building a mine in Nunavut won't be easy. "Nunavut is very remote," says North Country Gold's VP of Corporate Development, "and the North is tough to do business in." But, he adds, "Look at Meadowbank; it's been done."

Budd is referring to Agnico-Eagle's Meadowbank Mine, located 180 kilometres southwest of North Country's Three Bluffs deposit. Meadowbank started commercial production in March 2010, and in 1Q 2011 produced 61,737 ounces of gold at its 8,500-tonne-per-day processing plant. "The territory is very mining friendly, and I think that they're open to bringing in more infrastructure," says Budd, noting that the Manitoba and Nunavut governments have made commitments towards the construction of an all-weather road connecting the province and territory. A recent cost-benefit analysis of the project indicated that the Nunavut economy could gain in the range of \$400 million thereby.



North Country's Three Bluffs gold project consists of 229,457 hectares and is situated on the Walker Lake Trend of the Committee Bay Greenstone Belt—the only such belt not owned by a major mining company. The property has an NI 43-101 compliant resource estimate of 508,000 ounces gold indicated and 244,600 ounces inferred, both at an average grade of 6 grams per tonne. "We've got gold in iron-band formation, we're seeing it in greywackes, and there's lots of visible gold within the core," remarks Budd. "We believe we've got an Archean deposit; it's a very similar geology to Agnico's Meadowbank and Meliadine projects."

He continues, "The goal of last year's and this year's drilling is to increase our ounces. We'd like to get them up to our target of over two million ounces by the end of 2011. We've got a \$25-million program scheduled for this year, and we're targeting [from] 20,000 to 50,000 metres."

Assay results of July 6 include 43.02 g/t gold over 4 metres, 2.24 g/t over 28.2 metres, 7.36 g/t over 11.3 metres, 1.25 g/t over 54.6 metres, 2.45 g/t over 27 metres, 7.34 g/t over 25 metres (including 28.71 g/t over 5.9 metres), 2.31 g/t over 33 metres, 8.06 g/t over 30.5 metres

(including 18.71 g/t over 10.7 metres) and 2.2 g/t over 16.8 metres. Budd comments, "We think these results are fantastic. We had great widths; two really wide intercepts in there. Not only that, we had some high-grade gold as well. Very consistent to what we've been seeing. The total strike length is 4.2 kilometres, and the goal there is to basically drill that all off this year. The 750,000 ounces that we have right now is only sitting in about a one-kilometre strike. So there's a lot of upside. And it's shallow too. The deepest hole we have is 320 metres, and we hit 46 g/t over 4 metres. Right now all the holes are about 150 to 200 metres. We're totally open to depth and open to strike." North Country expects to have an updated resource estimate completed by 1Q 2012.

As with any junior in possession of promising property and within easy distance of a producer, Budd recognizes that if the right offer were to come along, the shareholder's interests would take priority. But he notes that North Country's CEO, John Williamson, has already taken a number of properties to production. Budd explains, "Part of our \$25-million program this year is getting ready to file a project description. The project description basically entails ticking off all the boxes to potentially take it to production. As we go along we're always looking at whether we're economic, always looking at doing those studies internally."

"Right now," he adds, "the goal is to get the ounces up. And if we get them north of two million, that's definitely going to pique the interest of majors. Meadowbank got bought out at 3.6 million ounces."

North Country has 97 million shares trading at \$1.60 for a market cap of \$155.1 million. The company also holds a 100% interest in three other projects on the Walker Lake Trend—Three Bluffs West, Antler and Hayes—all believed to be contiguous with the Three Bluffs deposit.

"I think things have been going quite well," Budd concludes. "We did have an Achilles' heel on the project: access to water. However we put in a heated water system this year, so that has removed the challenge. And we thought we wouldn't start drilling until May, but we were able to get in in April. That started us off with a bang, and it's just been progressing from there."

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