

Gold Newsletter

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• **Millrock Resources (MRO.V; C\$0.26)** continues to rapidly advance its “prospect generator” business model, having signed several new exploration deals in recent weeks.

Millrock and Kinross Gold Corp. agreed to explore a 900-plus-square-kilometer area of interest that includes Millrock’s Albion and Council properties on the Seward Peninsula in western Alaska. Kinross can earn a 55% joint-venture interest by spending US\$3 million.

The partners intend to drill several gold targets this year. Ophir Creek and the surrounding tributary creeks in the Council Mining District have produced more than half-a-million ounces of placer gold. The Albion geochemical anomaly measures 900 meters by 2,000 meters, and contains strong gold and pathfinder elements. A parallel and larger structure and soil geochemical anomaly is situated northeast of the property.

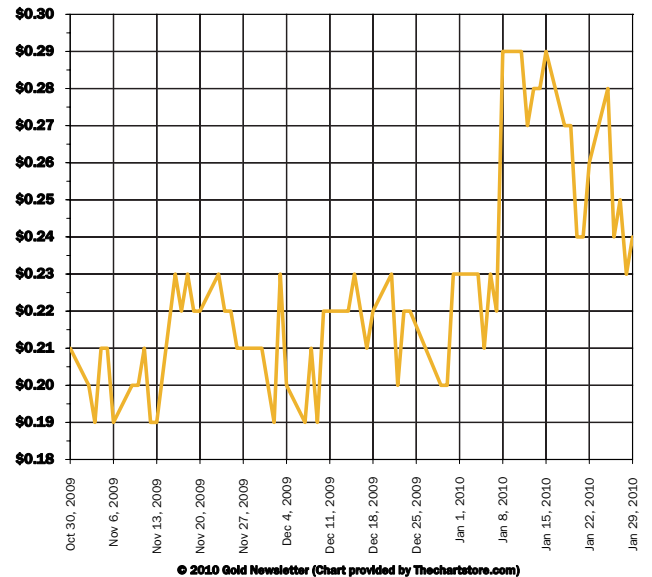
Millrock also agreed to a joint venture with Valdez Gold Inc. on Millrock’s Bluff Project, which is also on the Seward Peninsula. Valdez can earn a 75% interest by spending US\$6.0 million in exploration expenditures and making other payments to Millrock. The 2010 exploration commitment is US\$500,000. Millrock explored the property in 2008, identifying new zones of mineralization and drill targets. Drilling and re-sampling of earlier drill core confirm the presence of gold mineralization at the project.

Lastly, Millrock will joint venture with Inmet Mining Corp. on the San Jose and Dry Mountain copper claims in southeastern Arizona. Inmet can earn a 70% interest in the two claim blocks by spending US\$4.0 million in exploration and making option payments of US\$300,000.

Millrock will be the operator for the first year of exploration, which has a budget of US\$500,000, including possible drilling for this fall. The partners are targeting large, high-grade porphyry copper and gold deposits at Dry Mountain, which is located at the intersection of the Morenci and Safford porphyry-copper trends. The Morenci Mine is one of the oldest and most productive open pit porphyry copper mines in Arizona, with ore production and reserves up to 10 billion tons. The Safford deposits, where Freeport started production in 2007, contain resources totaling at least six billion tons of copper ore in a series of four deposits.

My recent meeting with management convinced me that San Jose and Dry Mountain are indeed highly prospective. That projects of this size and caliber,

Millrock Resources



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albeit early stage, are still available in this area is quite remarkable. So this is one to watch closely.

Earlier, Millrock released encouraging sampling results from its Estelle Project. Vice-president of exploration Philip St. George says, “We have observed a porphyry geochemical pattern centered on porphyry-style alteration and mineralization. Gold values exceeding one gram per tonne over significant lengths have been defined by chip samples in bedrock.” Although it’s still very early in the process, the idea here is that Estelle show similarities to NovaGold’s giant Donlin Creek gold deposit. The long-awaited drill program at Estelle should get underway this summer with a small but well-targeted program.

(Continued...)

Millrock's share price has firmed-up since the beginning of the year. This is still a speculative play, but a competent management team, joint ventures with major mining companies, a portfolio of attractive properties and a slew of drilling this year make it especially appealing and timely. The share price recently poked above C\$0.30, breaking free of the C\$0.20 trading area that had shackled it for months, before falling back a bit. At current levels, Millrock is a buy. ▲

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