

## **PRESS RELEASE 7-07**



# **Little Squaw Gives Mid-Season Exploration and Discovery Update – Chandalar, Alaska**

## *Large Placer Gold Horizon Being Drilled*

**Spokane, WA, July 13, 2007** - Little Squaw Gold Mining Company (LITS:OTC.BB) (“Little Squaw” or “the Company”) reports:

- Initial exploratory drilling in the Little Squaw Creek drainage has found potentially economic placer (alluvial) gold mineralization.
- The hard-rock exploration program has been significantly expanded and extensive trenching is being initiated.
- A focused geophysical exploration program has contributed a number of additional promising exploration sites, and set the stage for the trenching program.
- Gold property portfolio expansion is underway at additional sites outside of Alaska.
- The Company continues to be featured on Steve Crowley’s “American Scene.”

### **Overview**

As the short exploration season advances in the Alaskan arctic, developments on the Chandalar property are proceeding apace. These developments fall into three key categories: 1) delineation of a large placer gold deposit recently identified by drilling in Little Squaw Creek, 2) development of hard-rock gold prospects at a number of promising sites along geologic faults crossing the property and 3) completion of an extensive geophysical program related to enhancing the hard-rock gold exploration program.

Dick Walters, President of Little Squaw, said: *“I think we have just discovered what may prove to be one of the largest undeveloped placer gold deposits in Alaska. Generally speaking, Alaskan placer gold deposits of this magnitude have proven to be highly profitable, and I believe that when our exploration and delineation programs are done, Little Squaw will be positioned to enjoy such success.”*

### **Results of Exploratory Drilling in Little Squaw Creek Drainage**

The original 1905 gold strike in Little Squaw Creek consisted of gold nuggets showing in the gravel beds of the upper reaches of the creek, where old records show about 30,000 ounces of gold averaging one ounce per cubic yard were produced (including nuggets ranging up to 10 ounces). The geology of the creek drainage is highly favorable for vastly larger but lower grade placer gold deposits, the nature and extent of which were beyond the development capabilities of early miners. The Company realized the large undeveloped prospective zone in the creek drainage as an attractive discovery target which is now bearing good results.

An extensive delineation drilling program designed to determine the extent of this promising find is now well underway. Current focus is on a buried, ancient alluvial fan or braided stream channel in the lower reaches of the creek. This program incorporates a reverse-circulation rotary drill and involves a grid consisting of 10 lines of boreholes spaced 500 feet apart that are perpendicular to Little Squaw Creek from its upper reaches to beyond the outlet of the stream valley. These holes are spaced 50 feet apart along the drill lines and range from 150 to 200 feet in depth.

Twenty of the boreholes completed to date represent 3,287 feet of vertical sampling horizon. The drilling objective is to determine the particulate gold content in the gravels of the historical water channel, which is geologically the most promising prospect for alluvial gold deposition, as well as its right and left limits. Substrate samples are collected continuously every 5 feet down the boreholes and are processed via a sophisticated sample-reduction process that recovers the native gold contained in the drill cuttings. This process starts in the field and is finished in a laboratory, where mechanical gold separation is completed. The recovered gold is then weighed on electronic scales accurate to a thousandth of a milligram, and calculations are made to determine the content of gold in each cubic yard of gravel. This work is in progress, and the Company will release the factual results when it is completed.

The drilling has found a near-surface layer of glacial clays 50 - 80 feet thick containing traces gold mineralization. This layer overlies a 30 – 100-foot-thick layer of mineralized material consisting of gold-bearing stream gravel sitting atop bedrock. The quantities of native gold being systematically recovered from the drill samples indicate that potentially economic levels of gold exist in the extensive subsurface gravel stratum, with the richest sections being those on the bedrock contact (as expected). The holes completed to date are mainly on a line spanning roughly 1,000 feet of the lower Little Squaw Creek valley. The right limit of the historical alluvial fan has been established, as has a 300 – 400 foot wide bedrock trough underlying the alluvial fan. The thickest sample runs of attractive drill hole gold recoveries occur within this bedrock depression. Once the left limit has been defined, it will be possible to create a preliminary volumetric estimate of the extent of this potentially very large placer horizon.

The 2007 exploration and discovery plan calls for some 100 holes in the Little Squaw Creek valley, and the program is proceeding as planned.

### **Hard-Rock Exploration and Discovery**

Historical workings and records clearly indicate that gold deposits of economic significance have been mined in the past on the Chandalar property. These workings were limited to exposed surface veins of quartz. Exhaustive surface-geology and rock geochemical work also involving hundreds of assay samples is being conducted to establish where these interesting veins may be reflecting a substantial gold deposit, perhaps with large associated zones of disseminated gold mineralization in their enclosing rock formation.

This effort is progressing better than expected from a strategic perspective, and a series of trenching of targets aimed at yielding refined drilling targets for large gold deposits has been established. An aggressive trenching program involving several thousand feet of aggregate length in some 30 trenches on up to a dozen sites carefully selected for their gold-bearing geological potential will commence on July 15<sup>th</sup>. This work will expose bedrock mineralization

that will be subjected to intensive channel sampling. Follow-up diamond core drilling would be done next year.

### **Geophysical Exploration Program**

A magnetometer is being employed with significant success. Suspect zones of substantial gold mineralization mineralized completely hidden by overburden have been identified. By the end of this field season, some 100 line miles of magnetic data will have been created and used to identify or delineate tens of prospects on the property. Many of these will be exposed by trenching in the coming month.

### **Corporate Expansion Developments**

Little Squaw Gold Mining Company continues to pursue additional exploration prospects aggressively. The Company is in the process of negotiating the acquisition of high-quality, early-stage gold exploration properties in places politically favorable for mining, primarily in the continental U.S., Mexico, and Brazil. Updates regarding these exciting new horizons will follow shortly.

### **Still Featured on American Scene**

Little Squaw is still being featured on Steve Crowley's popular business talk radio show "American Scene," which airs weekdays from 9:00 AM to 12:00 Noon (EST) and Saturdays from 6:00 PM to 7:00 PM (see **LITS Press Release 6-07 dated June 25, 2007**). The firm will be featured through mid-October.

For additional information about the investment potential of Little Squaw Gold Mining, contact Susan Schenk, Manager of Investor Relations, by telephone at (509) 535-6156, or by e-mail at [ir@littlesquawgold.com](mailto:ir@littlesquawgold.com). Little Squaw maintains a comprehensive web site at [www.littlesquawgold.com](http://www.littlesquawgold.com) and encourages investors to visit it.

Little Squaw Gold Mining is engaged in the business of exploration for and discovery of precious-metals deposits. This endeavor carries certain risks that are commensurate with the potential rewards of such efforts. These risks cannot be quantified and should not be taken lightly. All statements made here regarding the firm's investment potential should be considered "forward-looking statements" as defined by prevailing regulatory guidelines. As forward-looking statements, these items represent the measured professional judgment of management. They do not, however, represent guarantees, and unforeseen and/or unforeseeable future developments may render them either incomplete or incorrect. Actual results, plans, programs, and financial performance may differ materially from express or implied forward-looking statements.