Interim Summary Report:
Little Squaw Gold Mining Company,
Properties in the Chandalar District, Alaska

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The following brief summary of observations and comments regarding the Chandalar District properties held by Little Squaw Gold Mining Company (LSGMC) is the result of a review of the extensive data and literature collection of LSGMC in their office (Spokane, WA) and a comprehensive 7-day field visit made during the last week in July, 2005. A more detailed report is being prepared and will follow.

Summary

Geopolitical location — The Chandalar Mining District is on the south flank of the Brooks Range, just north of the Arctic Circle, about 190 air miles north of Fairbanks. The region is part of a vast untapped tract of state-owned land acquired from the Federal government pursuant to the Alaska Statehood Act of 1958. This is a positive situation in that staking, permitting and developing mining properties — as well as access to properties — is much easier (and less expensive) than on Federal land. For this reason — and because of vast areas of favorable geology — Alaska is ranked by industry experts as one of the two best exploration/mining states in the U.S. (the other being Nevada).

Land position — LSGMC controls almost the entire Chandalar District, holding approximately 10,000 acres of mining claims including 426 acres of patented ground. The LSGMC claims comprise a single large block having only a few 'holes' consisting of claims held by others. None of these 'holes' are currently of critical importance.

Geological setting — The LSGMC properties consist of a series of high-grade mesothermal quartz veins. I found the LSGMC veins to be very similar to the important category of gold deposits often called "lode gold" or "greenstone gold" which are responsible for about one-quarter of the world's total gold production. The lode gold model predicts that each of the several regional structures cutting the Chandalar District will contain multiple vein systems and that each vein system will extend to considerable depth and contain multiple high-grade ore shoots. The model further predicts that stockwork or replacement ore bodies amenable to larger-scale bulk mining methods might be found adjacent to the vein systems. Many lode gold districts are multi-million ounce producers and many individual mines are larger than one million ounces. Upside potential for the Chandalar District could be quite large.

Gold prospects/occurrences — Almost 50 gold prospects have been identified in the district to date and there are probably many more that have yet to be found. Most prospects date to the early 1900s, when prospecting activity was most intense. They consist of little more than small hand-dug pits or trenches, although a number have been examined in more recent years by machine-dug cuts or trenches and 4 prospects have been developed by underground mine workings. The district's prospects are mostly aligned along a series of sub-parallel NW-SE structural belts, each many miles long and spaced from 1 to 2 miles apart, a structural pattern quite similar to that of the famous and highly productive Red Lake District in Ontario, Canada. Vein systems in the Chandalar structural belts trend approximately WNW-ESE — an *en echelon* arrangement typical of many large lode gold districts.

Past work — A large number of mostly small, underfunded companies have worked the LSGMC properties in the past. Past operators focused almost exclusively on developing 4 specific prospects. Drilling was limited to the vicinity of the 4 prospects. The mine workings on the 4 prospects are limited in extent. Total lode production is probably less than 10,000 ounces. Almost no regional prospecting or exploration was done. The district has never been systematically explored — a paucity of mapping or sampling and no geophysics. Systematic geochemical and geophysical surveys have a proven track record of discoveries in

the world's many lode gold districts; such work has never been done in the Chandalar District. The chances of enhancing or extending known gold occurrences and discovering new prospects with systematic exploration is very good.

Known resources — Past operators identified high-grade ore shoots on 4 separate prospects. These shoots have been partially mined via underground (and open pit) methods. All 4 shoots contain remaining quantities of unmined ore — approximately 17,600 total tons at a grade of 1.50 ounces per ton (opt) containing 26,500 ounces gold. These resource estimates appear reasonable and perhaps conservative. Additional work is recommended to accurately quantify and categorize the resources. Additionally, all 4 shoots remain open in their strike and dip directions; there appears to be adequate room to easily double or triple the size of the known shoots.

Metallurgy — Reviews of past metallurgical test reports indicates there are no serious metallurgical issues with the Chandalar ores. The gold is native and 'free-milling;' half or more of the gold is easily extractable using various gravity techniques on crushed ore. The gold remaining in the gravity tails can readily be extracted using cyanide leach or flotation methods. Tests show there are no significant cyanide consuming constituents in the ore, in spite of the presence of conspicuous graphite in some of the ore. The metallurgy is indicated to be simple and non-problematic.

Logistics — The strongest negative issues facing exploration and development in the Chandalar District are logistical issues. The district is remote and essentially undeveloped, currently reached in the summer only by air, in the winter by air or by overland winter trail. The terrain is rugged and steep. There are few good outcrops; the hill slopes are largely covered by rock talus, the valleys by alluvium and vegetation. Existing current infrastructure on site is inadequate to support a large exploration (or development) crew.

Conclusions

The LSGMC properties present a unique acquisition opportunity for an aggressive, forward-thinking risk-taker. The opportunity to control an entire district is especially intriguing and appealing. Several experts on Alaska believe this is one of the best remaining gold exploration opportunities in the state. At the least, my research and trip to the properties suggests clear potential to find and develop a number of important, perhaps major, high-grade lode gold deposits. Potential to discover and develop lower-grade bulk mineable targets over the longer term is a definite plus.

Because of logistical issues, exploration and development will be physically and mentally challenging. This is not an opportunity for a casual speculator or short-term opportunist. I believe this is a longer-term project requiring several years of extensive, systematic exploration to define significant discoveries and several years more to advance these discoveries to production status. Past operators failed because they were underfunded and focused too quickly on production, essentially 'losing sight of the forest because of the trees...etc.' Advancing this project will require foresight and commitment.

The first few years of exploration, especially the first year or two, will require a great deal of logistical preparation and building of infrastructure. I believe minimum annual exploration budgets of US$1.5 million will be necessary to advance the program at a pace quick enough to satisfy most investors. Given patience and persistence the rewards could be great, perhaps enormous.

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