



October 20, 2010

Things Are Heating Up In Alaska for First Star Resources

By Alastair Ford

"It's so cold in Alaska." So sang a mournful Lou Reed, at the height of his hyper-cool days in the early 1970s, on an album entitled "Berlin". But not so, says Karsten Eden, the German VP Exploration of [First Star Resources](#), when he gets on the phone to Minesite from Anchorage: Alaska is not cold. It may be October, and the northern hemisphere winter drawing in fast, but in Alaska the sun is out and the temperature is mild. That's the meteorological verdict, at any rate. As far as geology, geography and the investment community are concerned, though, it's a different story again:. Alaska is very definitely hot.

There are several reasons for that. One is that it's safe. Another is that it's just across the way from the Yukon, currently looming large in the minds of Canadian investors. But the third, and principal reason is that it has gold, lots of it. The Tintina gold belt, which runs in a wide swathe right across the state, and across the border in the east, into the Yukon, already boasts several mega gold deposits. These include the 34 million ounce Donlin Creek project owned by Nova Gold, the 8.1 million ounce Livengood project owned by International Tower Hill, and the 5.6 million ounce Pogo mine developed by Teck and subsequently sold to Sumitomo.

And [First Star Resources](#) has designs on delivering up the next Alaskan mega deposit, just a stone's throw away from Pogo, at its West Pogo property (WP), or at its LMS claims, around 30 kilometres to the south west. Or both. Perhaps not surprisingly, investors have liked that idea. Helped along nicely by a rampaging gold price, First Star's shares have moved ahead strongly since WP and LMS were optioned from International Tower Hill at the back end of March. During January and February the shares spent much of the time hovering at between C\$0.20 and C\$0.25, but then, as chief executive Bill Wishart and his team began to reconstruct what was essentially an old shell, they suddenly took off. Since then, a trading range of between C\$.30 and C\$0.40 has been the norm, and the shares recently hit a 12 month high of C\$0.50, as the gold price spiked. All told, the current price of C\$0.45 isn't a bad result for anyone still feeling the pain of the share price collapses of late 2008 and late 2009, when the shares dipped well below C\$0.10.

Still, there's a long way to go yet. A nice little black and yellow box on First Star's website proclaims, with two explanation marks: "Assays pending!!", and in a nutshell that just about sums up the current state of play. Karsten Eden hit the ground running, following his appointment on 31st March, and managed to get

four drill holes into the LMS property before the end of the season. It's the assays on those that are now awaited, and with plenty of eagerness. Karsten reckons the key to unlocking the potential at LMS lies with a new geological approach, and from what he and his team saw of the core, it looks as though he may be about to be proved right. Still, all he'll say at this precise juncture is that "from a geological perspective we were quite surprised in a positive way".

The thinking runs as follows: when International Tower Hill was working on the project, it managed to put together an inferred 43-101 resource of 167,000 ounces based on data accumulated from mineralisation in the main graphitic quartzite breccia host rock. But within that breccia zone, says Karsten, run higher grade veins, and the resource doesn't take account of these. What's more, feeder zones for these high grade veins should also be in evidence somewhere, and it's partly for these that the company will set out to look when it commences a new 6,000 metre programme next year. Meanwhile new samples have just come in from WP, showing very encouraging grades, and Karsten is also lining up the drills for a 2,000 metre campaign there.

This isn't, by any measure of the imagination, a company that's going to stop at 167,000 ounces. "We are out looking for big systems", says Chris Anderson, VP Business Development for First Star, and, according to Karsten Eden, LMS and WP certainly seem to fit that bill. "I personally believe they have the potential to become nice, big gold deposits", he says. From a man with 15 years in the business and a speciality in modelling the mineral potential of exploration prospects, you can't ask for much more.

Visit the Company's website, www.firststarresources.com

For More information contact:

Investor Relations

Joey Sherren

604.628.4510

ir@FirstStraResources.com