

Rob Project

Avalon Development Corporation Summary Report 2012

The Rob property is located in the Goodpaster Mining District approximately 110 miles southeast of Fairbanks, Alaska. The Rob project consists of 247 State of Alaska mining claims covering 19,600 acres in the eastern Big Delta quadrangle. Freegold Ventures Ltd. currently has a 100% interest in the Rob project, subject to cash and stock payments and Net Smelter Returns royalties applicable to 4,240 acres of the property under lease from a private entity.

The Rob project is accessible via helicopter and historic winter dozer trails which access several areas of the property from the Tibbs Creek drainage on the west and the Summit Creek drainage on the east. An unimproved airstrip in the Tibbs Creek drainage offers limited access to the western side of the claim block with small aircraft (Cessna 207 or smaller) after seasonal snow and ice cover melt. The nearest road access to the project is the terminus of the Pogo gold mine access road, approximately 22 air miles northwest of the



Rob project. Elevations on the property range from 4,000 feet in valleys to the east and west of the project to 5,080 feet on Black Mt. on the east central side of the project.

Limited placer and lode gold production (<5,000 ounces each) has come from the Rob project and vicinity. Lode mining was attempted in the late 1930's but resulted in no significant gold production. Little substantive exploration was conducted from World War Two until the late 1990's after the Stone Boy Joint Venture discovered the 5.6 million ounce Pogo deposit and began exploration in other parts of the Goodpaster Mining District. Between 1995 and 1999 the JV completed over \$1.3 million in exploration on the property including extensive airborne and ground geophysics, soil and rock geochemical sampling, geologic mapping, trenching and limited diamond drilling. Freegold Ventures acquired a lease on the project in 2002 and conducted minimal exploration until drilling was completed in 2007, 2008 and 2011. Freegold has spent an estimated \$3 million on the project since 2002, all of which was contracted through Avalon Development Corp.

The property is hosted in mid-Cretaceous intrusives and Paleozoic(?) metamorphic rocks on the flank of the same 30 kilometer-long gneiss dome that hosts the Pogo gold deposit. Mineralization at Rob is hosted in both granitic rocks and in gneissic rocks and appears to be controlled by district-scale northeast and northwest-trending structures and in places by a granitic rock that is intruded along the western contact between the Mt. Harper and Black Mountain plutonic complex and the Paleozoic augen gneiss.

Two basic types of gold mineralization have been identified on the project: Au+Bi±As±Te in quartz veins at the Gray Lead and Hilltop prospects and Au+As+Sb in quartz veins at the Michigan, Blue Lead, Blue Lead South, Gray Lead, Grizzly Bear, Upper Trench, Lower Trench, O'Reely and Wolverine prospects (Table 1). Several of these prospects host both styles of gold mineralization in the same structure, suggesting multi-phase mineralization took place. Surface and subsurface sampling has encountered significant grade and thickness gold mineralization in several areas of the property.

Table 1: Significant rock sample geochemical results from the Rob project.

| Prospect | Type | Au gpt | Au oz/ton | Ag ppm | As ppm | Bi ppm | Pb ppm | Sb ppm | Te ppm | W ppm |
|--------------|---------|-----------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| Gray Lead | Vein | 72.17 | 2.105 | 4.26 | 10000 | 756.00 | 8.0 | 120.85 | 86.10 | 14.9 |
| Gray Lead | Vein | 17.11 | 0.499 | 9.34 | 10000 | 386.00 | 354.0 | 377.50 | 28.00 | 97.2 |
| Gray Lead | Vein | 28.77 | 0.839 | 4.66 | 8450 | 337.00 | 86.5 | 112.95 | 32.30 | 71.9 |
| Gray Lead | Vein | 9.37 | 0.273 | 43.50 | 10000 | 1610.00 | 257.0 | 737.40 | 180.50 | 61.6 |
| Gray Lead | Vein | 7.42 | 0.216 | 7.66 | 4630 | 6.68 | 415.0 | 1000.00 | 0.40 | 0.2 |
| Gray Lead | Vein | 30.45 | 0.888 | 2.84 | 7420 | 324.00 | 72.0 | 1000.00 | 13.70 | 0.3 |
| Hilltop | Vein | 8.72 | 0.254 | 5.52 | 5350 | 348.00 | 24.0 | 81.75 | 17.55 | 495.0 |
| Michigan | Vein | 24.27 | 0.708 | 9.50 | 1585 | 0.14 | 3.5 | 276.60 | -0.05 | 0.1 |
| Michigan | Granite | 698.89 | 20.385 | 0.14 | 687 | 0.18 | 13.0 | 26.75 | -0.05 | 1.0 |
| Michigan | Granite | 29.83 | 0.870 | 1.30 | 10000 | 0.26 | 3.5 | 614.10 | 0.30 | 0.5 |
| Michigan | Vein | 175.06 | 5.106 | 6.44 | 3940 | 0.08 | 8.0 | 776.10 | 0.20 | 0.1 |
| Michigan | Granite | 120.55 | 3.516 | 8.52 | 2890 | 0.83 | 40.0 | 96.55 | -0.05 | 0.1 |
| O'Reely | Vein | 8.04 | 0.235 | 53.70 | 1065 | 39.70 | 4210.0 | 1000.00 | 0.25 | -0.1 |
| O'Reely | Vein | 8.38 | 0.244 | 16.10 | 1985 | 15.35 | 1800.0 | 761.00 | -0.05 | -0.1 |
| Upper Trench | Granite | 8.79 | 0.256 | 0.86 | 2950 | 0.59 | 11.0 | 73.65 | -0.05 | 0.2 |
| Lower Trench | Granite | 15.43 | 0.450 | 9.94 | 3570 | 1.27 | 34.5 | 200.20 | 0.05 | 0.1 |
| Lower Trench | Granite | 14.37 | 0.419 | 11.20 | 3150 | 1.31 | 33.5 | 117.65 | 0.05 | 0.3 |
| Lower Trench | Vein | 22.29 | 0.650 | 2.30 | 1495 | 0.67 | 3.5 | 76.45 | -0.05 | 0.3 |
| Lower Trench | Granite | 4.11 | 0.120 | 15.75 | 10000 | 11.25 | 1925.0 | 1000.00 | 1.00 | 0.1 |

Diamond core drilling was conducted by Freegold at the O'Reely and Gray Lead prospects in 2007 (3,514 feet, 17 holes) and at the Gray Lead prospect in 2008 (3,144.2 feet, 12 holes). Previous drilling at the Grey Lead by the Stone Boy joint venture had returned up to 168 gpt gold from surface rock samples and 13.5 feet grading 31.4 gpt gold from drilling. The mineralization at Grey Lead remained open to expansion along strike and at depth.

Freegold's drilling efforts indicated that significant gold mineralization at the Grey Lead prospect is hosted in several high angle quartz veins at and near the irregular contact between the Black Mt. granodiorite on the east and biotite paragneiss to the west. Gold is associated with elevated arsenic and bismuth and is restricted to the quartz veins with little gold grade in the surrounding country rocks (Table 2). Interest in the high angle veins at Grey Lead recently increased following discovery of similar high angle veins near the Pogo mine. These high angle

veins, known as the North zone, may be feeders to the low-angle veins currently being mined at Pogo.

Table 2: Significant drill results from the Grey Lead prospect, 2007-2008.

| Hole Number | From (ft) | To (ft) | Interval (ft) | Au (gpt) |
|-------------|-----------|---------|---------------|----------|
| ROB0706 | 154.5 | 171 | 16.5 | 6.6 |
| ROB0712 | 43.5 | 58 | 14.5 | 10.5 |
| ROB0713 | 46 | 65.5 | 19.5 | 14.5 |
| ROB0714 | 57.8 | 76.5 | 18.7 | 19.1 |
| ROB0715 | 93 | 106 | 13 | 3.3 |
| ROB0716 | 43 | 57 | 14 | 6.1 |
| ROB0717 | 176 | 185.5 | 9.5 | 11.4 |
| ROB0818 | 69.9 | 81.4 | 11.5 | 43.1 |
| ROB0819 | 87.8 | 156 | 63.4 | 5.2 |
| ROB0820 | 48.6 | 82.7 | 34.1 | 2.8 |
| ROB0823 | 64.4 | 69.7 | 5.3 | 4.9 |

In 2011, a small diamond drill program (2,984 feet, 3 holes) was undertaken on the previously undrilled Michigan prospect in order to evaluate its bulk tonnage potential. The Michigan prospect is hosted in pervasively sericite altered granodiorite with sheeted and stockwork quartz-sulfide-gold veins covering a 2-3 square kilometer area. Previous sampling had returned multiple rock samples with gold values ranging from 5 to over 900 gpt. Hole # Rob11-02 intersected 57 gpt over 5 feet and 7 gpt over 11.5 ft with the bottom 30 feet averaging 2.6 gpt. Drilling was terminated with the on-set of winter weather and mineralization remains open to expansion.

Potential exists for significant grade-tonnage accumulations of intrusive and/or gneiss-hosted gold mineralization similar to that currently being explored and mined at the Pogo deposit, 22 miles to the west, and in the Fairbanks District 100 miles to the northwest. Freegold Ventures is seeking a joint venture partner to assist in future exploration and development on the project.

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