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## Northern Tiger Resources Can Claim Excellent Parentage

By Charles Wyatt

It is a problem often encountered by junior mining companies with assets spread around the world that some of these assets get value from investors and others tend not to. In the case of Canadian listed Firestone Ventures its focus is on the Torlon Hill advanced zinc-lead-silver project in Guatemala. Its shareholders tend to agree with Lori Walton, president of the company, that Guatemala is a good country in which to operate and Torlon Hill has a lot of potential, as has the whole of the emerging Cuchumatanes zinc-lead-silver district. In such cases the answer is to spin off the non-core assets and hope that they achieve a life of their own in a new company which will have to seek its own funding. The parent then sails serenely on, having dispensed with any financial liability, to discover in due course whether the shares it retained in the spin-off are worth anything.

Lori Walton has come up with an advanced form of the spin-off so that Northern Tiger Resources will have two parents, rather than just one. Into it will go Firestone's Canadian assets, including the Sonora Gulch gold project on the Dawson Range in the central Yukon, and the Alberta Sun uranium project in – guessed it? – Alberta. But here's where the twist comes in. Sonora Gulch is only 40 kilometres from the low cost open-pit Minto mine, developed by Sherwood Copper. Sherwood knows the Dawson Range well. It has signed a memorandum of understanding to vend four of its exploration properties in the area into Northern Tiger, as well as the extensive database that it has built up. The two companies are also putting together a regional exploration alliance agreement so that they can work together on exploration, share proprietary technical expertise, and have access to Sherwood's infrastructure.

In return for all this Northern Tiger is going to issue Sherwood with shares amounting to 25 per cent of its issued capital prior to the private placement that it will be carrying out. Sherwood will also retain back-in rights to acquire a 65 per cent interest in any of Northern Tiger's projects located within a 50 kilometre radius and found to have mineralization amenable to processing at Minto. Commercial production at Minto began last October and the mine now sends out regular shipments of copper-gold concentrates from the Port of Skagway, Alaska. Last year, also, Sherwood's exploration programme went well, generating multiple discoveries of high grade copper-gold mineralization across the Minto property. These should add to the resource and reserve base in due course, and help to boost production.

The back-in rights suit both companies down to the ground. Northern Tiger knows that it can focus on exploration, but will share in any cash flow from production without having to be involved. Sherwood has increased its exploration potential at a stroke without having to pay any money. The back-in rights are triggered within 30 days of Northern Tiger presenting Sherwood with an independent preliminary economic assessment on a particular property. Northern Tiger will then be paid twice what it has spent on the property and Sherwood will become operator. If a property is taken through pre-feasibility the payment will rise to three times what has been spent.

So why the name Northern Tiger? Lori Walton explains that she feels that northern Canada has the potential to put a tiger in the tank of the economy and sabre-tooth tigers roamed the Yukon many years ago. Stephen Quin of Sherwood agrees with her that the deal is a winner for both companies as Northern Tiger can focus its exploration activities much more efficiently while Sherwood gets the benefit of any success beyond its own immediate properties on the Dawson Range. Lori adds in a few more pluses for Firestone, namely that the new company will take a share of costs by being run out of Firestone's office in Edmonton, and Greg Hayes, chief financial officer of Firestone will be chief executive. Lori Walton will be on the board as will a representative from Sherwood who has not been named as yet. These two companies will do all they can to help Northern Tiger raise funds from its market listing - C\$3 to C\$5 million is the current wide guesstimate from Lori - without putting their hands in their own pockets.

Investors in London know about Firestone Ventures and Torlon Hill, but it might be timely for Sherwood Copper to make an appearance at one of our Forums. It already has production, which goes down well in Europe, and its focus on high grade open pit mines has plenty of appeal. Minto itself is said to be one of the highest grade open pit copper-gold mines in the world. Sherwood also recently acquired a 90 per cent interest in Western Keltic which owns a high grade copper-zinc-gold-silver deposit in British Columbia. You cannot always judge a child by its parents, but it looks as if Northern Tiger will have a fair bit going for it.