



# ZEAL REPORTS

**Favorite 12 Early-Stage Junior Gold Stocks Report**

**June 2010**

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## ATC ATAC Resources

Canada's Yukon Territory has been host to a series of impressive gold discoveries in recent years. And one of the most prominent occurred in the historic Dawson Placer district of west-central Yukon. Junior explorer Underworld Resources made this discovery at its White Gold property in 2008, and this prompted one of the biggest staking rushes in the Yukon's history. Until recently Underworld was going to be profiled in this report, but its prospects were irresistible to senior gold producer Kinross Gold. In March 2010 KGC scored Underworld for one heck of a deal. While many shareholders were excited to see a 36% premium when the deal was announced, this junior sold its soul for only C\$139m. Thankfully Underworld Resources isn't the only junior explorer making a name for itself in the Yukon.

ATAC Resources was founded back in 1998 by a group of seasoned geologists who worked together at a geological engineering consulting firm. And their specific area of interest and expertise happens to be the Yukon. Led by CEO Robert Carne (who has been exploring the Yukon for nearly 40 years and has authored numerous technical papers on mineral deposits in the region), most of these founders are still with the company today. In the early years ATAC saw nominal success in its exploration endeavors. Its project-generative business model, which involved discovering and/or acquiring projects and then optioning them out to generate cash flow, generated little excitement for investors.

This business model works for some juniors, but it can be a difficult road obtaining investor exposure without notable discoveries. ATAC Resources finally got its notable discovery in late 2008. And this discovery was so notable ATAC decided to abandon its project-generative business model and forge ahead on its own. Based on the results to date, ATAC is already comparing its spectacular Rau property to the northern part of Nevada's famous Carlin Trend. 2009 was an incredibly encouraging first full year exploring Rau, and ATAC Resources will aggressively attack this project in 2010. We should see Rau's first resource estimate by year end and I expect exciting results in the interim.

### Exploration Projects

Rau	Location: Yukon, Canada		
Est. Annual Prod.	NA	Average Grade	NA
Gold Resources	NA	Initial Production	NA

As part of its generative exploration across the Yukon, ATAC Resources uncovered a promising gold/tungsten stream sediment anomaly within the Mayo Mining district's Tintina gold belt. And this led to ATAC staking the initial claim of its Rau property in 2006. Over the next couple

years it performed follow-up prospecting and fieldwork that included surveying and mapping. And after some very promising results that outlined a more structured anomaly, ATAC Resources hit Rau with a targeted drilling campaign. This 2008 campaign sunk 18 holes for a total of 3.4k meters and resulted in the discovery of Rau's flagship Tiger zone.

With most of these holes intersecting thick sections of sulfide-rich material, ATAC ramped up drilling efforts. And the results from 54 more holes totaling 8.7k meters in 2009 continued to impress. Interestingly, Rau is already drawing comparisons to the prolific Carlin Trend (96m+ ozs in production/reserves) based on very similar geological characteristics. What is even more interesting is this type of geology is *not at all* typical of what's found in the Yukon. Because of this ATAC will utilize Carlin deposit models to assess Rau and other nearby properties. And ultimately if this holds true it could revolutionize exploration in this area.

Like Carlin, Rau hosts both oxide (near-surface) and sulfide (deeper, not oxidized by surface waters) mineralization. And drilling in 2009 had successfully extended and better defined both mineralization types in the northern section of the Tiger zone. So far ATAC has drilled down 85m from the surface, and within this zone are what it classifies as 3 distinct mineralized units about 60m apart. The middle unit, which ATAC calls the Discovery Horizon, has seen the most promising results. So far Discovery's high-grade oxide zone has been traced about 650m along strike, 100m wide, and 40m thick. The best drill intercept so far in this unit averaged 24 g/t over 28m, with a weighted-average grade of *all intersections* in the Tiger zone an impressive 3.6 g/t.

This high-grade oxide zone is still open in 3 directions. And considering the exceptional recoveries coming out of initial metallurgical testing, it has great potential for a starter pit. The Discovery Horizon's sulfide zone is also excellent, with the best intercept grading 4.0 g/t over 96m. These initial 2009 results really have folks excited about Rau's potential. Also exciting are the late 2009 discoveries of the East zone, northeast of Tiger, along with 6 other highly prospective gold zones. These 6 targets are immediately along strike to Tiger and are showing similar oxide mineralization. In addition to further Tiger and East drilling, they will get attention as part of ATAC's huge 2010 drilling program.

With its sharp share-price increase and thus increasing investor exposure, ATAC Resources was able to raise a nice chunk of capital for exploration. And its record C\$12.5m 2010 exploration budget will allow it to drill over 18k meters (about 120 holes). This accelerated drilling program kicked off in late May upon the warmer weather and employs 5 drill rigs. Also in 2010 ATAC hopes to permit a 48km access road, perform further metallurgical testing, and carry out more fieldwork on its extensive land holdings.

Considering the significant discoveries and excellent drill results over the last couple years, ATAC Resources has had every reason to enlarge the Rau property. In order to cover what it believes to be a *160km strike length* of favorable geology, ATAC had gone on a massive staking spree. Its land holdings now include 6462 claims that cover *131k hectares*. If indeed its Rau discoveries are indicative of a new emerging gold district, ATAC will be the major player. 2010 should be a very exciting and revealing year for this junior explorer. I only hope it can hold strong and maintain ownership of its flagship project. The large miners will be sniffing, and the smell of gold will bring them to Rau.

**Other Exploration**

Location: Yukon, Canada

Est. Annual Prod.	NA	Average Grade	NA
Gold Resources	NA	Initial Production	NA

Considering its generative exploration focus for so many years, ATAC Resources has accumulated quite a portfolio of grassroots exploration projects in the Yukon. In addition to Rau, it has 10 other projects that are either wholly-owned, JVed, or optioned out. And with its decision to focus on advancing the Rau property and others in the Rau trend, the majority of ATAC's outside exploration projects are available for option or sale. The most interesting are 4 properties southeast of Rau that reside in the White Gold district recently made famous by Underworld Resources. These properties are currently optioned to Arcus Development, and ATAC is able to retain a 50% interest in each.

**Financials**



ATAC has very strong financials thanks to a big 2009 on the capital-raising front. Up until recently ATAC was a pint-sized junior that specialized in farming out projects for others to explore. And prior to its Rau discoveries it was limited to raising capital in small quantities, C\$300k here and C\$1.0m there. But with the increased exposure from Rau and a shift in strategic direction, ATAC has found the need for increased capital to spin its own drills. Thanks to a large warrant exercise and a couple of large equity financings,

ATAC raised more in 2009 than it had across its entire history combined. It now has the cash to fulfill its aggressive 2010 plans and is not likely to have a problem finding investors when it needs to raise more for 2011 and beyond.

**Summary**

Market Cap	C\$117m	Common Shares	78m
52-week Low	C\$0.31	52-week High	C\$1.68
US Exch-Symb	PNK-ATADF	CAN Exch-Symb	TSX.V-ATC
Working Capital	C\$13m	Devel. Projects	0
Explor. Projects	Many	Gold Reserves	0
M&I Resources	0	Inf. Resources	0
Total Resources	0	Mkt. Cap./res-oz	NA

The bottom line is ATAC Resources is an early-stage junior with huge potential. Initial drill results at its Rau property in Canada's Yukon Territory have been excellent, leading to a series of impressive gold discoveries. And the geology of this find is already being compared to the likes of the prolific Carlin Trend. Provocatively Carlin-style gold deposits are unheard of in this part of Canada, which makes Rau a huge score. ATAC's major 2010 drill program targets not only the expansion of its flagship Tiger zone, but several other newly-discovered mineralized zones along strike. With district potential, ATAC has aggressively accumulated mineral claims and greatly expanded its Rau land holdings. And with less than 5% of Rau's mineralized strike drilled to date, there is incredible upside potential for this project.

The Tintina gold belt that extends into neighboring Alaska has produced numerous gold discoveries and mining operations, including the Fort Knox mine, the Pogo mine, the Brewery Creek mine, and the White Gold discovery. And Rau could be the next great deposit that yields a large cache of gold. Also a plus is the Yukon is one of the best places in the world for mining companies to set up shop. This territory is very mining-friendly and has a streamlined regulatory process. Rau should also have easy access to the Yukon's power grid. Investors and I'm sure even the larger miners are licking their chops and anxiously awaiting the results of ATAC Resources' 2010 drill program.

\*Financial info is from the latest available financial statements or presentation.  
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