



TSX Venture Exchange: NSX



Initial interview with Mr. Glenn Holmes, CFO

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Smallcaps.us: Hi and thanks for joining Smallcaps.us for another audio interview. For this edition, we're pleased to have Mr. Glenn Holmes, Chief Financial Officer of NSGold Corporation as our guest. The mineral exploration Company has a big presence in Nova Scotia, Canada, and is listed on the TSX Venture Exchange under the ticker symbol NSX. We're thrilled to have you here, Glenn – thanks for talking with us.

Glenn Holmes: Well thank you very much Wim its my pleasure to join you today.

Smallcaps.us: At a mining Company, it all revolves around its properties. So, what exactly are NSGold's properties and what are your development plans for them?

Glenn Holmes: Well, let me start before getting into the properties Wim just a brief background on the Company. NS Gold is a very new gold exploration Company. We just listed on the Toronto Venture Exchange at the end of June this year and the Company is as you mentioned, is focused on gold exploration in the province of Nova Scotia. We have a total of six mineral properties, four of which are gold properties located on the mainland of Nova Scotia, all having historic gold workings and we also have two gold base metal projects located on Cape Breton Island. The most advanced of our properties is known as the Mooseland Gold deposit. It's located approximately a hundred and ten kilometers north east of the capital city of Halifax. Located immediately adjacent to a paved secondary highway. Our other three properties on the mainland are located at the other side of Halifax in Lunenburg County. All of which are within several kilometers of one and other. They are known as Leipsegate, Indian Point and Blockhouse. Further our two less advanced properties on Cape Breton Island are known as Cheticamp and French River.

Smallcaps.us: Let's zoom in a bit more on the Mooseland property, because that's your most advanced project. First, let's start with Mooseland's recent history. In the late 1980's and early 90's, Hecla Mining Company of Canada and a couple of other mining companies have conducted work at Mooseland. Why haven't they continued with their investments in the property?

Glenn Holmes: Well that's also a very good question and let me comment with a bit of history on the project. Mooseland in fact is the site of the first gold discovery in the Nova Scotia back in 1868 and it created what was the first gold rush in the province. There was significant gold exploration in and around the area of Mooseland. In fact from 1863 to 1934 there was recorded gold production from Mooseland of approximately four thousand ounces and that was all by hand-dug and blasted shaft which did not go very deep at all. Interestingly there were several other significant gold discoveries along the Eastern Shore of Nova Scotia over that time. What people many people may not know is that total gold production from all of these Nova Scotia gold deposits aggregated one million ounces. We are in an area of known significant gold. Interestingly the Mooseland property received after the 1930's only very sporadic exploration, primarily in the 60's and in the 70's. Then again with the gold price increasing in the mid to late 1980's there was a resurgence of interest in gold exploration in Nova Scotia. And in particular at Mooseland the Company that held it at that time Acadia Mineral Ventures was conducting significant work and they attracted the interest of the major American mining Company Hecla Mining who came in as their partner on the property as you indicated Wim. So historically there has been significant work on the property. There is almost thirty-seven kilometers of drilling. Hecla stoke an exploration shaft to a depth of a hundred and twenty five meters. Interestingly Hecla very abruptly curtailed their work in May of 1989 and in fact pulled out of all their projects in Canada and focused on their US mineral properties. We then saw another Company come in in the years 2003, 2004 a small Canadian exploration company by the name of Azure

Resources and they completed a decline approximately fifty meters in depth and over two hundred meters in length. However, that Company ran into a shortage of funding and the mining decline was stopped prematurely short of its target. Since that time there has been really no work carried out on the property and the principles of NS Gold identified it as a highly perspective gold target and successfully negotiated the acquisition of the property in 2009. And it is the view of NS Gold Management that it's a property that could be put into production within a two to three year timeframe.

Smallcaps.us: Another part of the Mooseland gold deposit history is a reserve estimate that was prepared for Hecla Mining. It identified reserves of 640,000 tons grading 0.47 ounces per ton. Can you explain what this estimate means and how it was reached?

Glenn Holmes: Throughout the 1980's there were several resource and reserve estimation completed by the prior property owners. I think its important that we point out that those estimations were all completed prior to the implementation of National Instrument 43-101. For those that may not be familiar with the 43-101 regime, that is a system of checks and balances that were devised by the Canadian Securities Regulators back in the 1990's after the highly publicized Bre-X mining scandal. That was a situation in Indonesia where the management touted a huge gold resource and in fact there was no gold at all. So since then 43-101 is the standard against which Canadian and North American Company's report their reserve and resource estimations. The work that was done prior to 43-101 included the reserve estimation that you spoke of Wim. That was prepared in 1988 by a geologist for Hecla. It comprised two distinct gold zones, the east and west zones at Mooseland. The West zone at Mooseland is the larger of the two, it's been explored over a strike length of some nine hundred meters. Compared to the east zone which has been explored only over a strike length of two hundred and forty meters. Accordingly the west zone is well understood whereas the east zone requires more work to better understand the orientation of the gold structures. There is a fault or separation between the two zones, which we also want to get a better understanding of. Our technical team believes that there is excellent potential to identify additional goals, resources on the property and particularly in the east zone where Acadia mining intersected some very high-grade gold occurrences.

Smallcaps.us: So far for the history. How do you envision the short to medium term future of the Mooseland exploration project? And will you be able to carry out your business plan with NSGold's current financial resources?

Glenn Holmes: Well NS Gold is in the midst of completing a phase one exploration program at an estimated cost of two million dollars. That program includes evaluating all of the historical work, drilling, geophysics, examining the old core and as well completing new drilling of approximately six thousand meters. The drilling program is well underway, we are probably at about half of that targeted meteridge. The drill production is proceeding very well and we are seeing in the core just what we expect to see. The phase one program, would be followed next year by a second phase of work, which would include the rehabilitation of the underground workings and a drilling program from underground as well as a bulk sample. A bulk sample is essentially where we take a limited quantity of the ore and process it in a mill to give us the determination and confidence on the grade of the ore. That would be then be followed by the completion of a feasibility study, which would include a 43-101 resource and reserve estimation for the project and it would really be the results of that feasibility study that would provide the basis for a production decision. So again we expect to be able to complete all of that work leading up to a production decision within the next two to three years. The Company coincident with its listing on the TSX Venture Exchange in June completed a 4.1 million Canadian private

placement financing. That financing provided us with the funding to complete the acquisition of the Mooseland and other Nova Scotia properties and as well provides us with the funding for the phase one program. We would be looking to secure additional financing next year to complete the phase two program as well as any subsequent development work on the property.

Smallcaps.us: A few weeks ago you announced that NSGold had staked 42 additional claims next to the Mooseland property. Can you tell us a bit about the expansion and your outlook for the new land?

Glenn Holmes: Yes, the increase in the number of claims represents about a fifty percent increase. We now have a total of one hundred and fifteen claims there comprising almost 1900 hectares. The decision to acquire these additional claims was focused on the area to the north east and south east of the old Mooseland mine where our technical team considers there to be a good potential for additional gold occurrences. So we wanted to secure that land and our geologist will be doing the preliminary work to determine drill targets so that we can bring that part of the property into the drill exploration program in the near future.

Smallcaps.us: And can you tell us a bit about your background and about the other key executives in your Company?

Glenn Holmes: I have been involved in the mining industry for some twenty-three years now. My origin started towards Nova Scotia Gold back in 1987 when I joined a Company called Nova Gold Resources, which had subsequently grown in to a very sizeable Company. But its humble beginnings were in Nova Scotia here exploring for gold and I became the Vice President of Finance for Nova Gold. In the 1990's Nova Gold acquired controlling ownership in a Vancouver listed Company called Etruscan Resources. That is a Company that I became Chief Financial Officer of and that Company focused on developing gold deposits in West Africa. We successfully financed the development of an eighty thousand ounce a year gold mine in the country of Burkina Faso. Over that period of time I was involved in raising equity, convertible debt and structured debt financings of approximately a quarter of a billion dollars for that Company. The President and Chief Executive Officer of NS Gold, Hans van Hoof has some twenty four years experience in the financial markets with investment funds and private equity funds. He is the past Chairman and the Senior Executive Officer of Soros Funds, where he was based in London and he has also held senior positions at Paribas Capital Markets and Bankers Trust. His role included Deputy Head of Global Equity Derivatives, Managing Director responsible for M&A arbitrage, derivatives arbitrage and venture capital markets. In 2002, Hans founded VHC Partners, an alternative investment management group active in hedge fund management, corporate and project finance advisory services, private equity investment and charitable projects. Hans is a real driver behind the acquisition of the Mooseland property. He negotiated the terms of acquisition back in 2009. It was his view that the price of gold was consolidating and positioning for significant further increases. And he was looking for an established gold property, which had good potential for being brought into production in the near term. And with his connections in the financial markets, I believe makes a Company well positioned for accessing future capital resources. Hans and I are supplemented by our Senior Technical Advisor, John Hedges who is based in Montreal, Canada. John is a Geologist and Minerals Economist with over thirty-five years of experience in the mining business. He was Vice President, Project Finance for Westpac Banking Corporation in New York and was also a mining analyst with the Canadian Export Development Corporation where he was involved with providing project financing to a number of large copper/gold projects that were developed in the 1980's, 1990's. In recent years Mr. Hedges has been a consultant to the mining industry and has provided services to a number of listed and private companies.

Smallcaps.us: Obviously, with your professional background, you're well-suited to answer the following question. Gold prices have been on a steep rise in recent years amidst turmoil in most markets. How do you feel about the financial crisis and the role of gold as an investment?

Glenn Holmes: Well it's my view that North America and Europe have not yet emerged from the economic downturn where we are presently in. We see the US Administration is continuing with further quantitative easing and economic stimulus. Accordingly, US money supply is continuing to be expanded. All of which bodes very positive for the price of gold and the other precious metals. We have seen this week further new record high price for gold and the other precious metals have likewise appreciated significantly in value. Gold is now highly in demand as a safe haven investment and with mine supply year over year decreasing, the economic fundamentals for continued high gold prices in my view are very strong. All of which represent an opportunistic timing for NS Gold to execute on its development plans at Mooseland.

Smallcaps.us: And where can listeners find more information on NS Gold online?

Glenn Holmes: Additional information can be found on our website at www.nsgoldcorp.com and also on the Canadian Regulatory site at www.sedar.com.

Smallcaps.us: Great. Well Glenn, thanks for spending some time with us and for giving our listeners a clearer picture of NSGold Corporation and its prospects. We hope these exciting opportunities bear plenty of fruit, and we'd love to have you back in the future to discuss the Company's progress

Glenn Holmes: Well thank you very much again Wim and I look forward to coming back and speaking more as we develop our projects.

You're welcome to contact NSGold Corp. at:

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