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Your independent **Swiss** asset manager

[THE TIMELESS PRECIOUS METAL FUND](#)

**NORTHGATE MINERALS CORP. (TSX:NGX/AMEX:NXG): FOLLOW-UP NO 7/April 25, 2006**

[Home page of NGX](#)

[Chart 5 years](#)

<u><a href="#">NORTHGATE MINERALS CORP.: RETURN ON CAD 20,000 INVESTMENT</a></u>					
<u>Purchase Date</u>	<u>No. of Shares</u>	<u>Purchase Price</u>	<u>Cost (CAD)</u>	<u>Price Today</u>	<u>Value Today</u>
November 21, 2003	4'000	2.58	10'320.00		
June 18, 2004	4'700	2.13	10'011.00		
<b>Total</b>	<b>8'700</b>	<b>2.34</b>	<b>20'331.00</b>	<b>4.12</b>	<b>35'844.00</b>
<b>Profit</b>					<b>+15'513.00</b>
<b>Profit (in %)</b>					<b>+76.3%</b>



<u><a href="#">SHARES OUTSTANDING</a></u>	<u><a href="#">MARKET CAP</a></u>
214,657,008	CAD 884.4 Million
<u><a href="#">52 WEEK LOW / HIGH</a></u>	<u><a href="#">AVERAGE VOLUME TSX/AMEX</a></u>
CAD 1.15 / 4.23	985,000 / 1.503,000
<u><a href="#">RECOMMENDATION</a></u>	<u><a href="#">RISK RATING</a></u>
BUY ON WEAKNESS	HIGH

## **PRODUCING 300,000 OUNCES OF GOLD AND 75 MILLION POUNDS OF COPPER IN BRITISH COLUMBIA**

### **Business Summary**

Northgate Minerals Corporation is a gold and copper mining company focused on operations and **opportunities in the Americas**. The Corporation's principal assets are the 300,000-ounce per year **Kemess South mine in north-central British Columbia**, the adjacent **Kemess North deposit**, which contains a **Proven and Probable Reserve of 4.1 million ounces of gold** and the Young-Davidson property in northern Ontario with a total resource base of **1.5 million ounces of gold**.

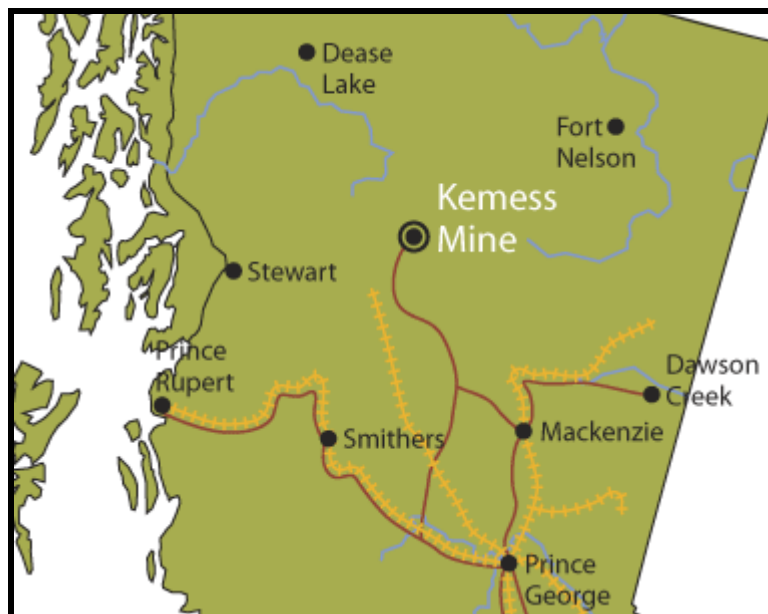
Over the past six years, a dedicated and knowledgeable workforce has transformed Kemess into one of the most efficient open pit mines in the world. In 2005, exceptional operating performance at Kemess combined with a strong metal price environment, produced record earnings of \$33 million and record cash flow of almost \$66 million.

As the Corporation moves forward into 2006 and beyond, the culture of operational excellence that exists within Northgate will provide a solid foundation for growth in pursuit of the Corporation's vision of becoming a larger, multi-mine gold producer.



## The Kemess Mine

The Kemess Mine is Northgate's principal operation. The mine provides the Corporation with a **low risk, low cost core asset** from which it can expand its operations.



The Kemess mining and milling complex is located in the mountains of north-central British Columbia, 430 kilometres northwest of Prince George. **The complex consists of the Kemess South open pit mine and a 52,000 tonnes per day mill.**

## GEOLOGY

**The Kemess South deposit is a large gold-copper porphyry containing proven reserves of 87 million tonnes.** The Kemess South deposit is flat-lying and has uniform gold and copper grades throughout. These characteristics make the ore reserve relatively insensitive to changes in metal prices. The deposit contains three principal types of ore: a primary-sulphide hypogene ore; a copper-enriched secondary sulphide ore; and, an oxidized leach cap ore. Currently, the hypogene ore makes up approximately 85% of the ore body.

## MINING OPERATIONS

The Kemess South open pit has a conventional mine plan with 15 metre benches and 45 degree slope angles. Two electric cable shovels, a hydraulic shovel, and a loader supply ore and waste to the fleet of 15 Euclid haulage trucks, which move ore to the primary crusher and waste rock to storage dumps. Current mining capacity is approximately 50 million tonnes/year, 19 million tonnes of which is ore.

## MINING OPERATIONS

Hypogene, supergene and leach cap ores are processed using conventional crushing, grinding and flotation techniques to produce gold-copper concentrates with a minor by-product silver value. Based on a nominal production rate of 52,000 tonnes of ore per day or 19 million tonnes of ore per year, average annual metal production is forecast to be 300,000 ounces of gold and 75 million pounds of copper contained in 145,000 tonnes of concentrate.

Run-of-mine ore is crushed by a primary gyratory crusher located adjacent to the open pit. Crushed ore is conveyed to a stockpile and fed to two parallel grinding circuits, each operating at a nominal rate of 26,000 tonnes per day. Each grinding circuit consists of one semi-autogenous grinding mill and one ball mill in combination.



### The Kemess North Project

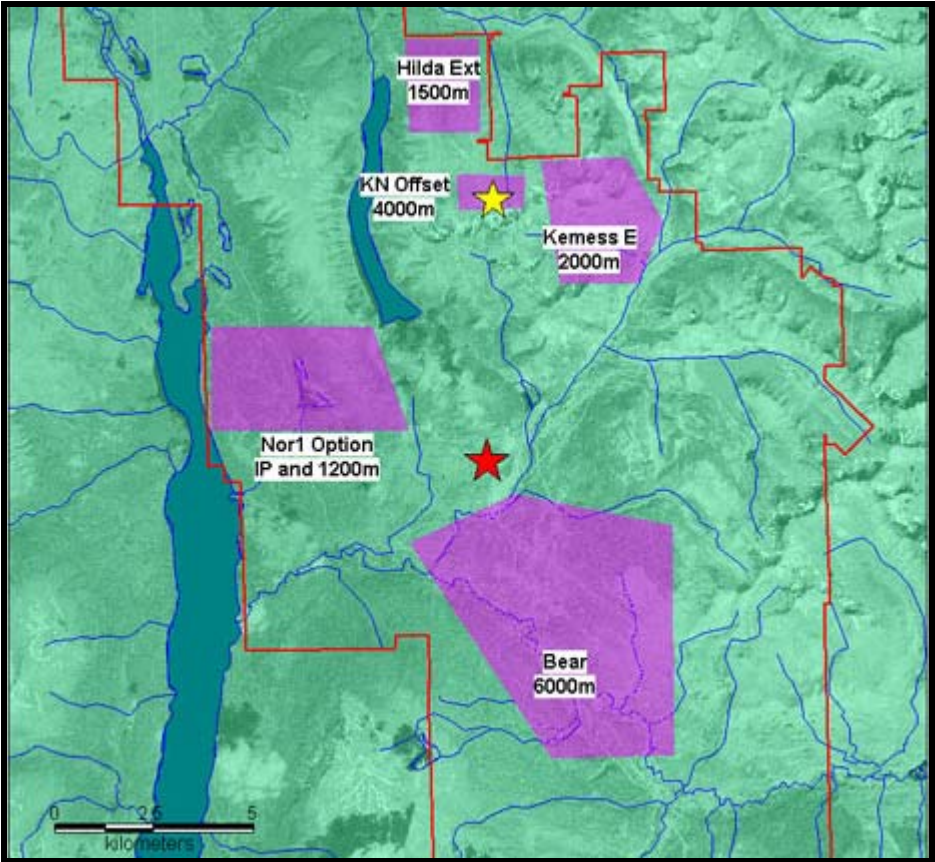
**The Kemess North Project is of significant importance to Northgate because it has the potential to increase the productive life of our existing infrastructure by over 11 years.** Since 2000, Northgate has invested almost \$8 million in exploration and development to expand its resources base by over 800%. **On the basis of a feasibility study completed in the third quarter of 2004, Northgate moved 4 million ounces of the resources at Kemess North into the proven and probable reserve category.** A NI 43-101 compliant technical report was filed on SEDAR in early June supporting the new reserve designation .

## EXPLORATION

In 2005, Northgate completed approximately 17,500 metres of diamond drilling and accompanying fieldwork at Kemess. The diamond drilling target areas are Bear, Kemess North Offset, NOR 1, Kemess East and Hilda. Exploration-related fieldwork such as mapping, geochemical soil sampling, prospecting, and limited geophysical surveys (pole-dipole IP) will be completed over three grid areas (NOR 1, Kemess East and Hilda). Mapping is also proposed over Kemess North, and in a few areas where the latest government geology map suggests that the area may be prospective from an ore control standpoint.

The main objective of the 2005 program was to test by diamond drill any remaining exploration targets on Kemess Mines Ltd.'s claims. Geophysics (IP) and soil/rock geochemistry have historically underpinned exploration during the early to mid-1990s, so all obvious targets identified during that era have been well tested. The remaining targets are less obvious and largely selected by permissive geology, structure as evidenced by magnetics, and masking overburden conditions. With the

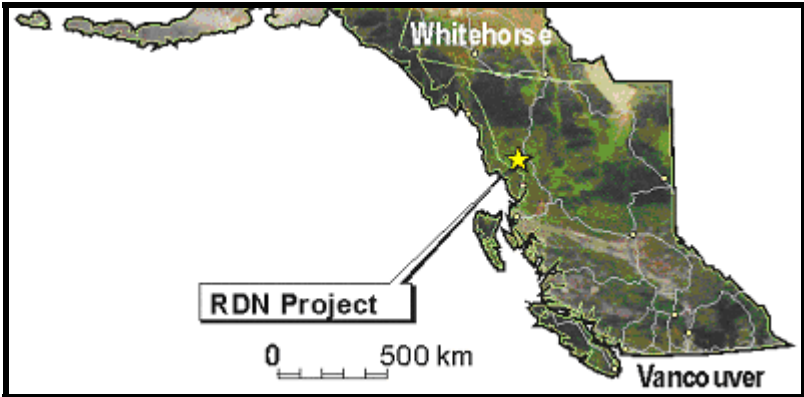
exception of the deep Kemess North Offset target, this leads into a program of wildcat drilling in areas where the company has the available space for a porphyry deposit (1000 m x 500 m) and indications that the geology is favourable.



**RDN Project**

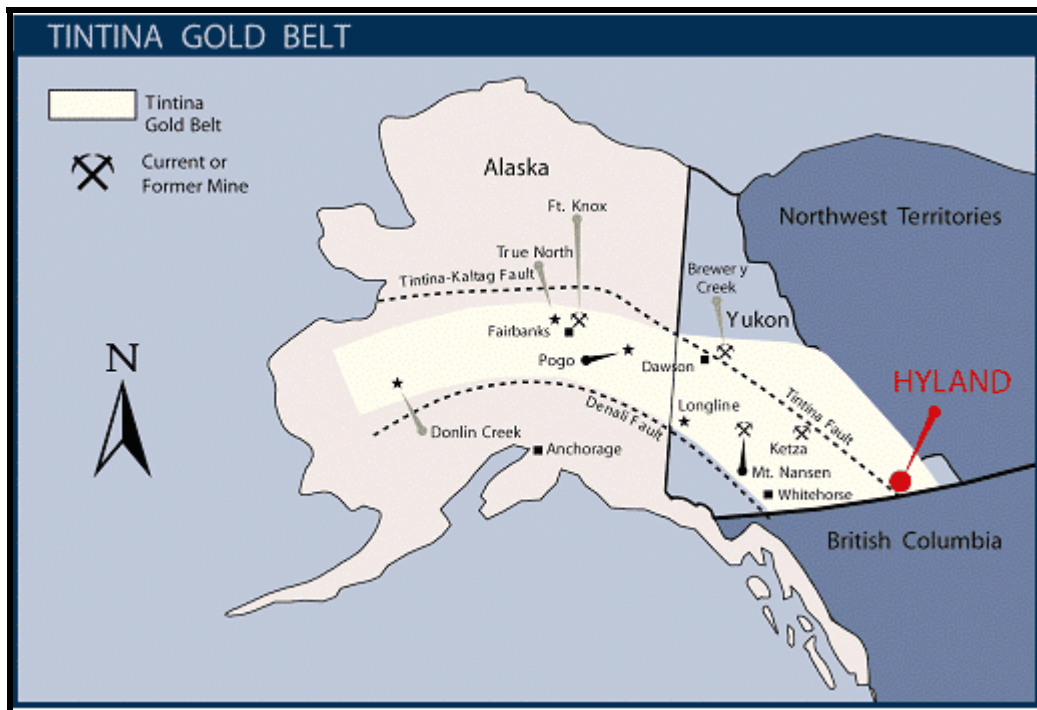
Fieldwork on the RDN property, a Joint Venture with Rimfire Minerals (RFM-V) 50 km northwest of the Eskay Creek Mine in the Eskay Creek district of Northwest British Columbia, commenced in June 2005.

Northgate is funding a \$1 million dollar exploration program to be completed in two phases. Northgate is earning a 51% interest in the RDN by funding exploration expenditures totalling \$5 million by December 31, 2007. An additional 9% can be earned by funding all expenditures up to the completion of a feasibility study.



## Hyland Project

The Hyland project, a Joint Venture with StrataGold Corporation, is exploring for sediment-hosted gold mineralization similar to sediment-hosted deposits in the Carlin District of Nevada.



## The Young-Davidson Project, Ontario

- Exploration budget CDN\$4.5 million
- Target 150,000 oz per year production
- Two former producing mines with total production of approximately 1 million ounces of gold
- Resource base of 1.5 million ounces of gold and excellent exploration potential
- Past production history indicates low cost bulk underground mining, clean simple metallurgy and environmentally benign tailings

### Recent News: NORTHGATE INTERSECTS 10.35 GRAMS PER TONNE GOLD OVER 40 FEET AT YOUNG-DAVIDSON

Northgate Minerals Corporation announced that diamond drilling at its **Young-Davidson property** near the town of Matachewan, **Ontario** has encountered significant gold mineralization in the first holes for which it has received assays.

#### Drilling Highlights

- Hole YD06-1A, targeting a previously untested area below the Lower Boundary Zone, returned two significant gold intervals – the first averaging 8.38 grams per tonne (g/mt) over 25 feet and the second averaging 5.65 g/mt over 104 feet within which there is a 40 foot

interval assaying 10.35 g/mt. Hole YD06-1A is one of the best holes ever drilled on the property when ranked by grade times thickness.

- Considerable fine-grained visible gold was observed in the core from several holes.
- Hole YD06-03 intersected 72 feet of mineralization grading 1.94 g/mt gold in footwall sediments which were not previously thought to be significantly mineralized. This discovery opens up additional exploration potential on the property.
- Three drills are presently active on the property and a fourth drill, capable of drilling deeper holes, scheduled to arrive on site in May.

Ken Stowe , President and CEO: "The first intersections from our exploration program at Young-Davidson **confirm the outstanding exploration potential** that we saw when we purchased the property late last year. The grades and thickness of the gold mineralization we have seen, along with the extensive past mining history on the property, **continue to suggest that the deposit will be amenable to inexpensive bulk underground mining methods**. Although we clearly have a lot more work to do, our exploration team has obviously gotten off to an **outstanding start** on the project and I am looking forward to many more holes like YD06-1A. In light of these very positive early-stage results, we are presently assessing ways of accelerating the project."

### Fundamental Considerations

With substantial reserves and resources in the ground, an annual gold production that will likely reach 320,000 ounces in 2006, excellent exploration potential and a stable mining environment, Northgate offers outstanding share appreciation potential.

"Markets so far have not acknowledged the progress the company has been making on all fronts.", we said in December of last year. This however is now rapidly changing.

<i>2005 Production &amp; 2006 Forecast</i>						
	2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	TOTAL 2006
Gold (oz)	280,000	74,000	74,000	83,000	89,000	320,000
Copper (million lbs)	73.7	21.3	18.8	21.7	22.9	84.7

2005 Cash Cost \$205 per ounce  
 2006 Cash Cost Estimate = \$170 ounce @ Cu \$1.70/pound  
 Each 4¢ change in Cu Price = \$10/ounce change in 2006 cash cost

## Technical Considerations



“We do not expect any marked weakness in the gold price in the immediate future.”, we wrote in December when the price marched towards the \$ 500 level. At present, most technical indicators suggest that we have to expect some kind of consolidation. But this has been so for the last three months and those who tried to sell high and buy back lower had a tough time, most likely losing money on each trade.



The share price having reached an all-time high of CAD 4.23, has doubled since December. The stock is no longer a bargain for this reason. Nevertheless, we believe that it still represents a good long-term HOLD and a BUY on weakness.

**Our recommendation of last December: BUY**



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**THE TIMELESS PRECIOUS METAL FUND**  
 is a shareholder in the company and will benefit from any increase in the company's share price.

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 Disclosure: The author has not been paid to write this article, nor has he received any other inducement to do so. The author is a shareholder in the company and will benefit from any increase in the company's share price.

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