



HDI Insider

April 2009

Company News

Commercial Production Underway at G-9 Mine

Farallon reached an important milestone on April 1, achieving commercial production at the G-9 Mine. The mine is now operating at the full design production capacity of 1,500 tonnes per day.

President and CEO Dick Whittington said, "In a time of market turmoil, it is a great achievement by management and staff to be able to focus on the task at hand and reach our goal. Our next step is to improve the efficiencies at the operation, as it is critical that we perform on an optimal operational level through the next few months. We are confident that the G-9 Mine can be sustained through this difficult metal price environment, and enable the Company to prosper when metal prices inevitably recover down the road."

The G-9 Mine progressed through a successful commissioning phase in late 2008 and increased production during the months of January and February 2009, and sustaining full production capacity of 1,500 tonnes per day in early March.

US\$59 Million Work Program Approved for Pebble Project

The Pebble Limited Partnership (PLP) Board of Directors has approved a US\$59 million budget and work plan for 2009, with the potential for supplemental spending up to a total of US\$70 million, to be spent towards completing a Prefeasibility Study and preparing the Pebble Project for permitting in 2010.

Pending the outcome of engineering trade-off studies currently underway, the PLP Board is expected to meet in August 2009 to finalize the Prefeasibility Study schedule and authorize additional program expenditures this year.

"The primary focus of the Pebble Partnership team in 2009 will be to produce the optimal project design, from an environmental, social and economic perspective," said Northern Dynasty President & CEO Ron Thiessen. "Not only does PLP expect to finalize a Prefeasibility Study, it will also be preparing to enter the state and federal permitting process under NEPA (National Environmental Policy Act) in 2010.

"These are significant project goals and milestones, and the PLP Board of Directors has approved an equally ambitious budget and work program for 2009."

Recent Highlights

Taseko Mines

Gibraltar Mine produced nearly 20 million pounds of copper during the quarter ending March 31, an increase of 70% over the same period in 2008, and reduced copper cash costs to approximately US\$1.15 per pound.

Public comment phase of the Environmental Assessment Review for the Prosperity Project is presently underway.

Farallon Resources

G-9 Mine first quarter production results: 16.9 million pounds of zinc, 1.2 million pounds of copper, 0.3 million pounds of lead, 229,500 ounces of silver and 3,300 ounces of gold; on track to achieving production targets and goals for the balance of the year.

Continental Minerals

The mining license submission for the Xietongmen Project is currently in progress and Continental is compiling materials for construction permits for the project.

Anooraq Resources

The purchase transaction (for Lebowa Mine and 1% controlling interest in joint venture projects Ga-Phasha, Boikgantsho and Kwanda) is at an advanced stage and is expected to close.

Amarc Resources

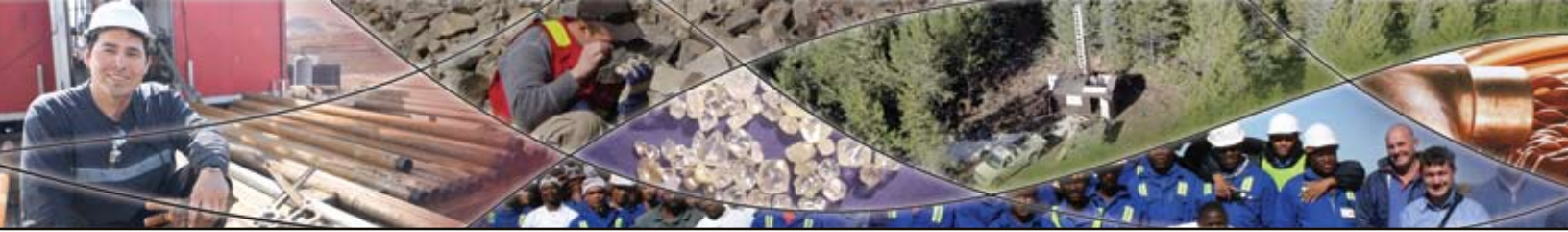
Amarc receives \$1.5 million from BC government's Mining Exploration Tax Credit program, which aims to stimulate new economic activity in areas affected by the mountain pine beetle infestation.

Northern Dynasty

The Pebble Fund for Sustainable Bristol Bay Fisheries and Communities, established by the Pebble Limited Partnership, will dispense its first \$1 million in grants to 33 successful applicants this spring. The funding will support community-led initiatives that enhance the health of Bristol Bay fisheries and contribute to a sustainable economic future in southwest Alaska.

Rockwell Diamonds

Rockwell's achieves a net profit of \$4.5 million for the three-month quarter ending November 30.



Market News

Base Metals

The star of the overall modest recovery in the price of base metals, which suffered a dramatic decline in the last quarter of 2008, has been copper. It appears, as we hear from companies reporting their first quarter results, that the massive injections of liquidity into the world's economies have been positive for the mineral sector. Numerous industrialized economies are stimulating an increase in the demand for base metals. Of note, the price of oil, which is typically linked to that of copper as an overall bellwether of economic activity, has also come nicely off its low.

Gold

The first quarter of 2009 saw the price of gold trade in a range from US\$820 to US\$1,000, fueled by speculation of a worsening global economic crisis on one part and on the fear of inflation from the infusion of liquidity into virtually every major economy in the world. At the end of the quarter, gold was trading in the US\$920 range as the world digests results from the recent G-20 meeting in London. What came out of the meeting was a clear message that the G-20 leaders are prepared to take whatever further actions are necessary to stabilize the financial system and to provide further macroeconomic support.

Diamonds

On March 19, Kinross, one of Canada's largest gold producers, said it would invest US\$150 million in Harry Winston. The acquisition gives Kinross a 15% total stake in the Diavik diamond mine in the Northwest Territories and a 20% stake in Harry Winston.

"For Kinross, this represents a strategic investment that is accretive and has the potential to create excellent long-term value for our investors," says Kinross President & CEO Burt Tye. "We believe that, as with gold, the long-term supply and demand fundamentals for high-quality diamonds are strong."

Mining Company Financings

The first quarter of 2009 saw a continuation of the interest in gold companies with a large number of equity financings being completed on a "bought deal" basis. This resurgence in demand for these equities, however, was limited to advanced stage development companies and producers looking to shore up balance sheets with very little trickle down to junior exploration companies. Near the end of the quarter as copper continued to rise toward US\$2 per pound, a number of base metal companies began to successfully raise funds.

Upcoming Events

Conferences

May 11-12

New York Hard Assets Conference

New York Marriott Marquis, New York City, Booth 703

June 7-8

World Resource Investment Conference

Vancouver Convention & Exhibition Centre West, Vancouver, BC
Booth 123

June 10-11

Botswana Resource Sector Conference

Gaborone International Conference Centre, Gaborone, Botswana

Annual General Meetings

May 22

Farallon Resources AGM

The Vancouver Club, 915 W. Hastings St., Vancouver, BC, 2 pm PST

June 10

Northern Dynasty Minerals AGM

Terminal City Club, 837 W. Hastings St., Vancouver, BC, 2 pm PST

June 16

Taseko Mines AGM

Lang Michener, 1500-1050 West Georgia St., Vancouver, BC, 2 pm PST

June 24

Continental Minerals AGM

Metropolitan Hotel, 645 Howe St., Vancouver, BC, 2 pm PST

Notable Quotes

"People's wealth may have dropped dramatically in this crisis and with it their buying power, but they'll always buy diamonds. Love and guilt remain an assurance for our industry."

Quote from a diamantaire (diamond craftsman/artisan) during a recent press interview

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