

# EXPLORATION & DEVELOPMENT HIGHLIGHTS 2009



# NEWFOUNDLAND AND LABRADOR 2009 MINERAL EXPLORATION HIGHLIGHTS

## OVERVIEW

The mineral industry in Newfoundland and Labrador continued to enjoy a relatively strong level of activity in 2009 as measured by historical standards. Although there was a significant reduction in spending compared to the record levels of previous years, due to the downturn in the global economy, the 2009 figure is still the fourth highest for the Province in the past decade. Furthermore, by year end there were indications of a significant recovery in both the exploration and development sectors.

Projected expenditures on exploration and deposit appraisal for 2009 are about \$58 million, compared to record highs of over \$145 million in both 2007 and 2008 (Figure 1). The decline in exploration spending is on a par with many other jurisdictions in Canada (Figure 2). The largest decrease for the year was for uranium, where spending is projected to be down by about 85% from 2008.

Claim staking in the province dropped from 33,158 last year to 18,932 in 2009 (Figure 1). Claims in good standing have also declined substantially, from a recent high of 189,283 at year end 2007 to 120,615 on December 31, 2009, as companies consolidated their land positions. However, new claim staking rebounded strongly in the fourth quarter. The projected total for diamond drilling in 2009 is about 140,000 m (Figure 1). The more active exploration projects are highlighted in Figure 3.

Through its Mineral Incentive Program, the province continued to encourage exploration with a 2009 budget of \$3.0 million for cost-shared funding of approved projects, an increase of \$500,000 from 2008. Funding is allocated to three main components:

Junior Exploration Assistance	– \$2.2 million
Prospectors Assistance	– \$400,000
Natural Stone Assessment	– \$250,000

The Department of Natural Resources also supports the mineral sector through its promotion and investment attraction efforts, by displaying the

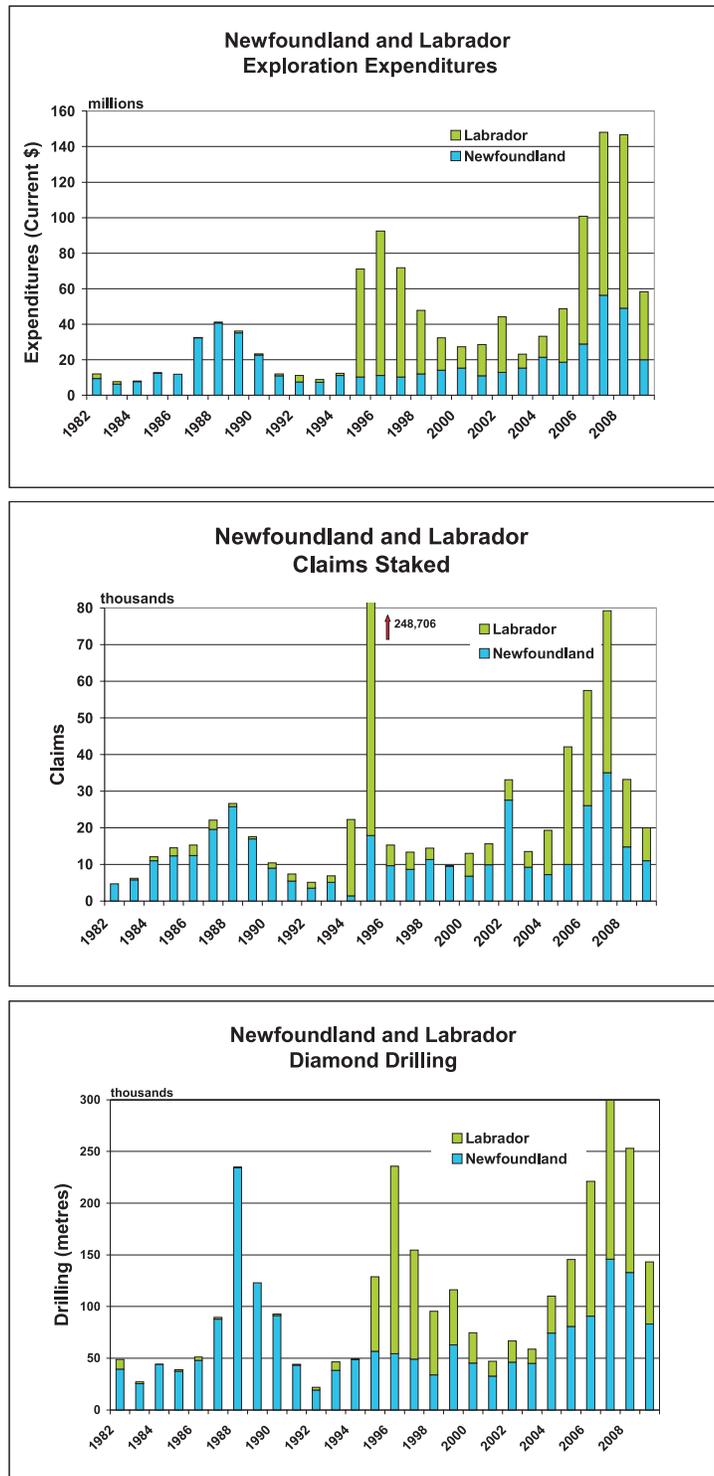


Figure 1. Exploration expenditures, claims staked and diamond drilling, 1982-2009.

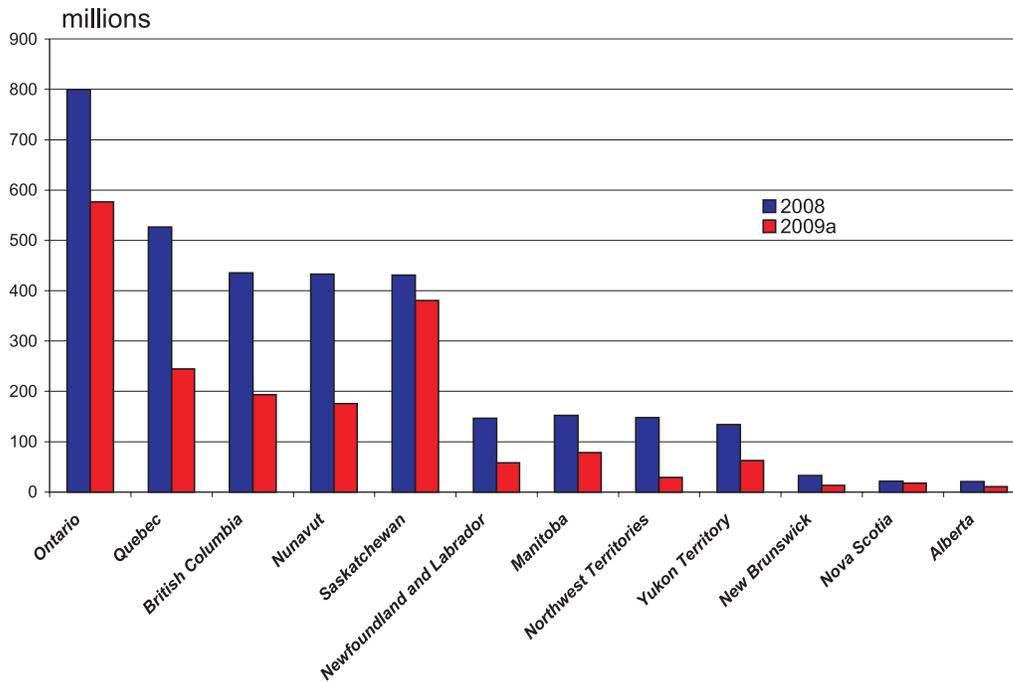


Figure 2. Expenditures on exploration and deposit appraisal by province, 2008-09.

province’s mineral wealth and potential at national and international mining conferences and other venues.

A new, online mineral exploration approval management system (MEAMS) is expected to be operational by the summer of 2010. The system will allow faster processing of all permits and approvals for mineral exploration. As well, MEAMS will be the single on-line application portal for the majority of permits required for exploration.

There are encouraging signs of a recovery in the province’s mineral industry. Metal prices are rising with increase in

demand, especially in Asian countries. Locally, several projects are advancing toward production, and the construction of a new nickel processing facility has commenced. Claim staking increased in the fourth quarter of 2009. New discoveries and new option or joint venture agreements made during the year could be harbingers of increased activity.

For further information on mining and mineral exploration in Newfoundland and Labrador, please visit our website at [http://www.nr.gov.nl.ca/mines/en/statistics/exp\\_overview.stm](http://www.nr.gov.nl.ca/mines/en/statistics/exp_overview.stm), or contact Phil Saunders, project geologist for exploration monitoring.

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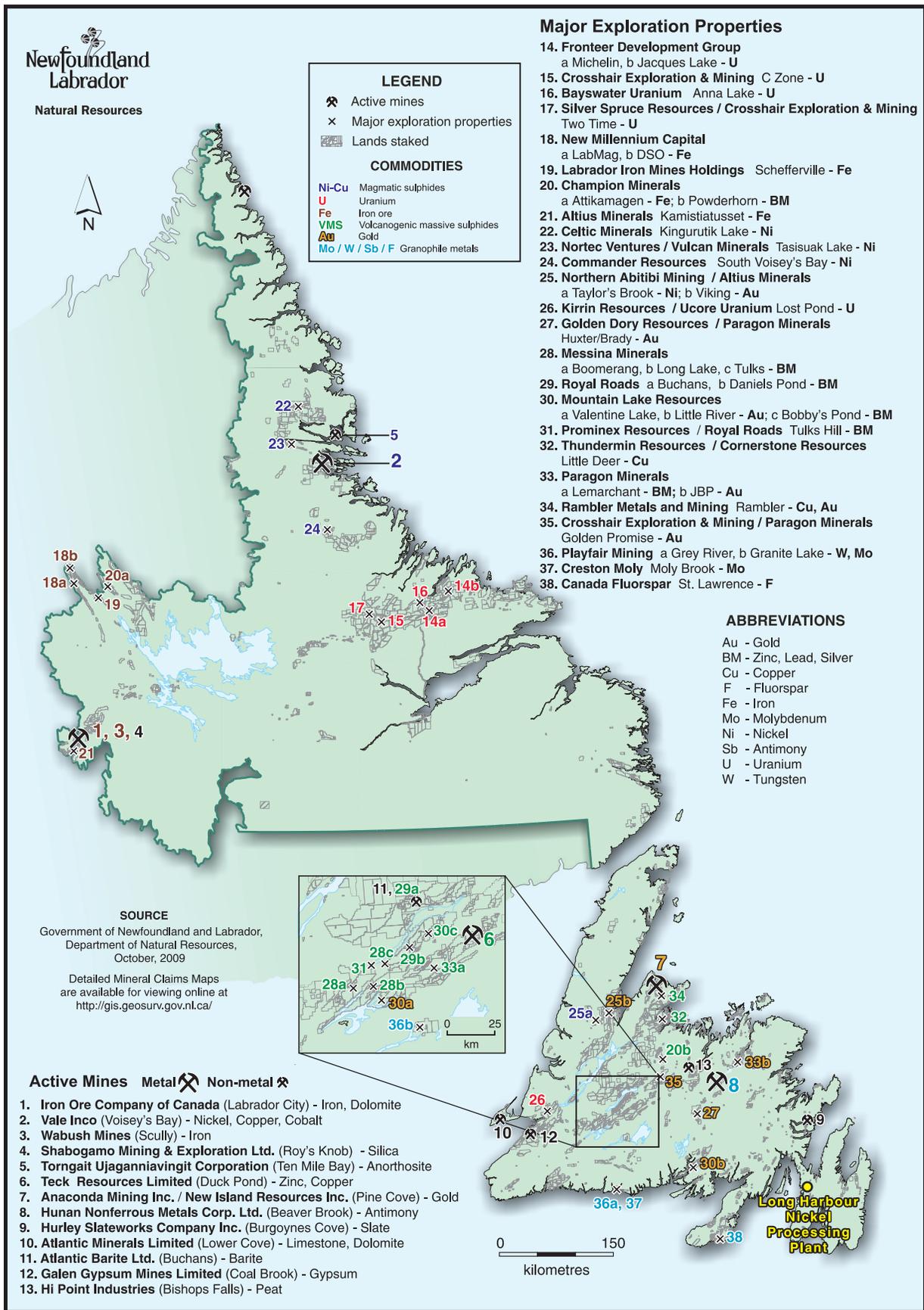


Figure 3. Active mines and major exploration properties.

## NEW DEVELOPMENTS

Vale Inco formally notified the Province in late 2008 that it will construct a hydromet nickel processing plant at Long Harbour, Newfoundland. The plant is currently in the early stages of construction and is forecast to be completed in February 2013 at a total cost estimated at US\$2.177 billion. Operational employment will be about 450 persons and the plant will produce 50,000 tonnes of finished nickel per year.



*Proposed nickel processing plant – Vale Inco*

Hunan Nonferrous Metals Corp. Ltd. has agreed to acquire a 100 percent equity interest in Beaver Brook Antimony Mine Inc. (BBAM). Hunan Nonferrous agreed to pay \$29.5 million for the acquisition of BBAM to current shareholders Canadian Antimony Mine Inc. and Beaver Brook Resources Ltd. BBAM specializes in antimony mining, mineral processing and exploration operations. The company's sole mining asset, the Beaver Brook Mine, recommenced production in early 2008, and is the only operating antimony mine in North America. Hunan Nonferrous is the largest integrated metals producer in China.

Canada Fluorspar Inc. has reported an updated resource estimate for its St. Lawrence fluorspar property on the Burin Peninsula. Using a cut-off grade of 20% CaF<sub>2</sub> and a minimum horizontal thickness of 2 m, the property is estimated to contain approximately 9.1 million tonnes of Indicated Mineral Resources at an average grade of 42.0% CaF<sub>2</sub> and 950,000 tonnes of Inferred Mineral Resources at an average grade of 31.0% CaF<sub>2</sub>. The mineral resource estimate is based on 169 surface drillholes, of which 60 holes were drilled in 2008. The company's diamond drilling was completed on two separate vein structures, each of which has potential to become a mine.

Canada Fluorspar has nearly completed its environmental studies and final design of the mine and plant. The company reports it is planning to commence construction in



*St. Lawrence Harbour – Canada Fluorspar Inc*

the spring of 2010 and start production in the late fall of 2011.

Rambler Metals and Mining Plc announced that it has purchased the Nugget Pond gold processing facility from Crew Gold Corporation. The facility is located on the Baie Verte Peninsula, just 40 km from Rambler's Ming Mine Property. The gold concentrator will be adapted to process base metals sulphides from the Ming Mine through the addition of a copper flotation circuit, as well as process the 'free gold' that exists in the mineralized zone. The purchase price for the facility is \$3.5 million.

Rambler has recently compiled an internal business plan to develop the existing resource at the Ming Mine. Based on the existing measured and indicated massive sulphide resources and an extraction rate of 850 tonnes per day, approximately 7 years production is projected. This has potential to increase, as all mineralized zones are open in multiple directions. The above plan also excludes the bulk tonnage Lower Footwall Zone that the company intends to develop once it is in production.

Rambler also announced that it has updated the resource estimate for its Ming Mine Project. Rambler reports a total



*Ming Mine Project – Rambler Metals*

Measured and Indicated Resource of 3.65 million tonnes grading 2.21% copper, 1.31 g/t gold, 7.86 g/t silver and 0.39% zinc. The resource was estimated using all diamond-drill information received up to January 2009, including underground drilling results.

Anaconda Mining Inc. had arranged to process ore from their Pine Cove gold mine on the Baie Verte Peninsula at the Nugget Pond mill. The arrangement was terminated in December. The company has also announced plans to redesign and expand its own mill at Pine Cove.

## EXPLORATION HIGHLIGHTS

### LABRADOR

Exploration in Labrador in recent years has focused on three main commodities: iron, uranium and nickel. The impact of the recent economic downturn on metal prices and on project funding resulted in a substantial reduction in exploration for the latter two metals in 2009 compared to previous years. However several iron projects continue to advance and there is new interest in rare-earth elements in central Labrador.

The most advanced iron projects are focused on high-grade, direct-shipping ore (DSO) deposits previously documented by the Iron Ore Company of Canada. These formed by Cretaceous weathering of extensive early- to mid-Proterozoic sedimentary iron formations of the Labrador Trough. Two companies, Labrador Iron Mines Holdings Ltd. and New Millennium Capital Corp. are developing DSO projects near the Quebec border town of Schefferville, with plans for production in the near future. Several other companies have iron projects at an earlier stage of exploration.

Labrador Iron Mines has completed a resource estimate on its James and Redmond DSO deposits, which are targeted for Phase 1 production. The deposits have a combined total indicated resource of 11.0 million tonnes at a grade of 57.4% iron. The company plans for initial production of iron ore by the second quarter of 2010.

New Millennium Capital Corp. and its project partner Tata Steel are also working toward production of DSO from historic resources in the Schefferville area. New Millennium reported a new mineral resource estimate for its DSO project based on 2008 and 2009 drilling. The report estimated approximately 67.1 million tonnes of Measured and Indicated Mineral Resources at an average grade of 58.9% iron, on a dry basis, with an additional 7.1 million tonnes of Inferred Mineral Resources at 55.9% iron.



*DSO Project – Labrador Iron Mines*

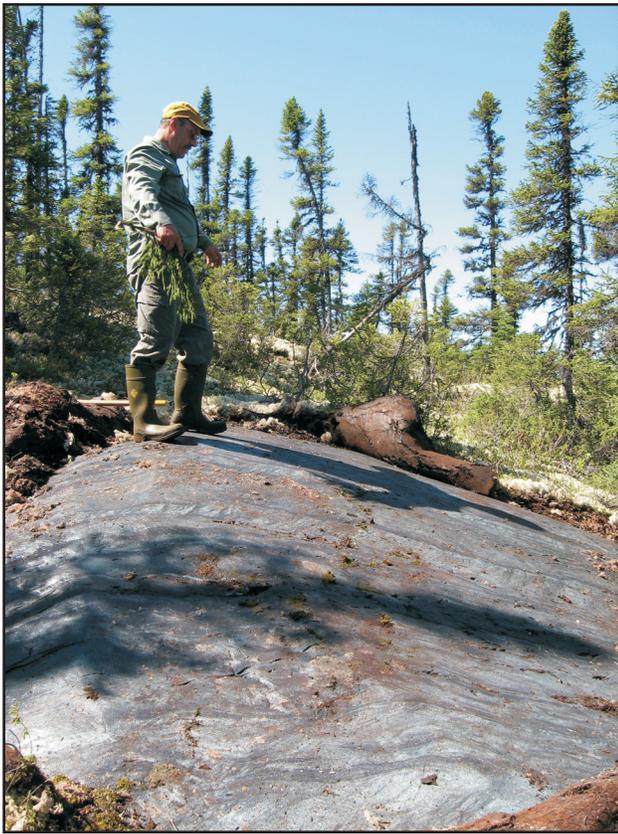
A feasibility study has been initiated by New Millennium in conjunction with drilling designed to upgrade additional historic resources to NI 43-101 compliant status, and bulk sampling for further pilot-plant tests. Environmental assessment and Impact and Benefits Agreement negotiations with First Nations groups are also in progress. Production is expected to commence in 2011.

New Millennium and Labrador Iron Mines have agreed to exchange certain direct shipping iron-ore mineral properties located in Labrador and Québec. In addition, the two companies have signed an agreement with respect to reconstruction and permitting of rail tracks leading to the Timmins mining areas. These agreements will rationalize the fragmented ownership of certain DSO deposits, and will enable both companies to rebuild the necessary rail infrastructure in their respective operating areas.

Altius Minerals Corporation has reported final results of its 2008 drilling program at its Kamistiatasset project near Wabush, in western Labrador. Among the better results was an intersection of 31.65% iron over an estimated true width of 100.3 m. Altius noted that grades and thicknesses from the drilling program compare favorably with those of producing mines in the region.

Altius has entered into an agreement with a private company to form a new public company focused on the western Labrador iron ore mining district. As part of the commercial agreement, a substantial drilling program having a budget of approximately \$5 million dollars, is anticipated to commence early in 2010 to provide sufficient data to enable a resource estimate of the iron ore zones discovered by Altius in its recent drilling program at Kamistiatasset.

Altius has interests in other iron ore properties in the area, including one under an agreement with Kennecott Canada Exploration Inc.



*Iron showing, Kami Project – Altius Minerals*

Champion Minerals Inc. is exploring the Attikamagen iron property in northwestern Labrador under an option agreement with Labec Century Iron Ore Inc. In February, Champion reported assay results from channel/grab sampling and diamond-drilling programs completed in 2008. The program focused on taconite outcrops from the two highest priority targets at the Lac Sans Chef and Jennie Lake project areas. More than 35% of the assays from these targets returned values between 30% and 50% iron. Drilling of 4 holes totaling 433 m tested the taconites in the Lac-Sans-Chef area. Iron assays ranged from 25% to 32.03%, and the global average grade of all intersections, in the mineralized horizons reported, is 27.9%.

The most advanced base-metal exploration in Labrador in 2009 was by Vale Inco at Voisey's Bay. Here, the focus has shifted from near-mine targets such as the Reid Brook and Eastern Deeps zones to a re-evaluation of the Main Block geology. Geophysical surveys were completed over areas of interest, where troctolites and other mafic rocks show a strong gravity response. Follow-up field mapping commenced in July. Approximately 12,000 m of diamond drilling was planned for 2009.

Fronteer Development Group Inc. has announced a positive Preliminary Economic Assessment for the proposed

Michelin uranium project located in the Central Mineral Belt (CMB) of Labrador. The study is based on open-pit and underground mining operations at the Michelin and Jacques Lake deposits, and a milling facility at the Michelin site capable of processing 10,000 tonnes of ore per day, producing up to 7.3 million pounds of  $U_3O_8$  per annum. Direct cash costs are stated at US\$28.57 per pound of  $U_3O_8$  over the 17-year mine life.

Bayswater Uranium Corporation has published a resource estimate for their Anna Lake uranium deposit, also in the CMB. At a cut off of 0.03%  $U_3O_8$ , the deposit is estimated to contain 5.0 million tonnes at a grade of 0.044%  $U_3O_8$ , for a total of 4.9 million pounds of contained uranium. Also estimated in the deposit are 1.56 million pounds of molybdenum and 1,000 kg of rhenium.

Recent claim staking has focused on historic showings of rare metal and rare-earth elements in central Labrador. Areas of particular interest include the historic Strange Lake deposit, parts of the western Central Mineral Belt, and nearby areas having perceived geological potential for these metals. Most historic occurrences are hosted in Mesoproterozoic peralkaline volcanic and plutonic rocks. Approximately 2,300 claims have been acquired in recent months.

East Energy Corp. announced assay results from a sampling program carried out by Rare Earth Metals Inc. on its properties in the Letitia Lake area of Labrador. These results include values up to 4.99 per cent total rare-earth oxides (TREO), 0.97 per cent beryllium (BeO) and 2.35 percent niobium ( $Nb_2O_5$ ) from the Mann No. 1 zone and 3.24 percent TREO, 0.93 percent Be and 4.19 percent  $N_2O_5$  from the Two Tom Lake showing. The Red Wine properties are located 120 km northeast of Churchill Falls, Labrador.



*Red Wine Property – Rare Earth Metals*

## NEWFOUNDLAND

Exploration on the Island of Newfoundland in 2009 was also down substantially from last year, in part a reflection of the difficulty in financing projects under unfavorable market conditions. The emphasis was primarily on base metals and gold in central and western Newfoundland. The major change from recent trends is a substantial decrease in spending on uranium, tungsten and molybdenum, likely reflecting lower prices for these metals. New gold and base-metal showings have been reported in 2009, and some have seen early stage drilling.

Thundermin Resources and Cornerstone Resources continued a major diamond-drilling program at the Little Deer copper property near Springdale. A new resource estimate for the deposit, published in July, reports an Indicated Resource of 1.08 million tonnes at an average grade of 2.9% copper and an Inferred Resource of 1.95 million tonnes at an average grade of 2.3% copper.



*Drillcore, Little Deer – Thundermin/Cornerstone*

New drill results in 2009 included an intersection of 6.0% copper over a core length of 3.8 m, within a wider mineralized interval that grades 2.5% copper over 12.0 m. Drilling has also encountered a new zone of zinc mineralization, interpreted to occur stratigraphically above the copper-rich horizon intersected to date. The best zinc assay obtained is 1.8% zinc over 9.5 m. High-grade gold mineralization in float and outcrop has also been reported, with up to 22.7 g/t gold in grab samples.

Tenajon Resources Corp. (now Creston Moly Corp.) has reported a resource estimate at its Moly Brook property on the south coast of the Island. The Moly Brook Zone contains an Indicated Resource of 86.8 million tonnes grading 0.065% molybdenum and an Inferred Resource of 31.3 million tonnes grading 0.056% molybdenum.

Kermode Resources Ltd. announced that a mineral resource estimate has been completed on Kermode's wholly owned Jackson's Arm gold project, in northwest Newfoundland. The study was carried out on the property's three main gold deposits, the Road, Apsy and Beaver Dam Zones.

The study concludes that the total combined Inferred Resource for all three deposits is 18.3 million tonnes at an average grade of 0.84 g/t gold at a 0.50 g/t cutoff. Gold grade outliers were capped at 4.00 g/t in the Road and Apsy models and a restricted range approach was used to limit outlier effect in the Beaver Dam model.

Northern Abitibi Mining Corp. continued to expand the mineralized zones at its Viking gold property west of White Bay through a program of trenching and diamond drilling.



*Viking Property – Northern Abitibi Mining Corp.*

The exposure around the high-grade Thor Vein has been significantly enlarged. Gold values from eighty-two channel samples over a 25 by 30 m area range from trace to 98.5 g/t gold with an average of 5.6 g/t (including non-mineralized samples from outside the mineralized zone). The average of 61 channel samples from the entire mineralized zone, including the Thor Vein and the roughly 20-m-wide lower grade halo is 13.0 g/t gold. One of the better drill results reported from the property in 2009 is an intersection of 27.0 m grading 7.9 g/t gold, within which is 4.8 m of 41.4 g/t gold.

Mountain Lake Resources Inc. reported results from drilling on the Valentine Lake gold property in central Newfoundland. One 350 m hole was drilled to test the southwest end of the Leprechaun Pond deposit. It is now interpreted that the Leprechaun Pond deposit continues to the southwest beyond the limit of the current resource, with one hole returning a 20.45 m interval grading 2.2 g/t gold. Two short drillholes were drilled in an area of the deposit that is not



*Valentine Lake core – Mountain Lake Resources*

part of the current resource to determine if a plunge may connect a well-mineralized outcrop to the resource at depth. One hole returned 5.28 g/t gold over a 4.75 m interval, which included 9.0 g/t gold over 1.5 m and 13.9 g/t gold over 0.75 m.

Monroe Minerals Inc. (now Kirrin Resources Inc.) reported results of an 18-hole drilling program carried out on the company's Lost Pond uranium/REE property in 2008. The project is a joint venture with Ucore Uranium Inc. Highlighting the results was an intersection of 0.038%  $U_3O_8$  over 20.1 m, including 0.061%  $U_3O_8$  over 3.0 m.

Golden Dory Resources Corp. completed a 15-hole, 2,024-m diamond-drilling program on the Huxter Lane gold project in central Newfoundland, a joint venture with Paragon Minerals Corporation. Mineralized porphyry was intersected in all drillholes, over widths of up to 98 m. The more interesting drill intercepts obtained include 0.38 g/t gold over 77.5 m, 0.57 g/t gold over 38.7 m, and 0.51 g/t gold over 33.8 m.

Golden Dory also reported results from the first two holes of a recently completed 7-hole, 1,200-m diamond-drill program at the adjoining Brady project. Highlights include a drill intercept of 20.45 m grading 1.27 g/t gold including 5.75 m of 3.89 g/t gold.

Royal Roads Corp. announced results of a 5-hole, 4,200-m diamond-drilling program designed to test geophysical targets within the Buchans mining camp in central Newfoundland. The most encouraging results were from a hole located approximately 200 m southeast of the Clementine prospect, which intersected four high-grade massive sulphide clasts up to 7 cm in diameter between 525 and 531 m in depth. Of particular significance in this intercept is a 0.1 m section assaying 12.9% lead, 18.6% zinc, 0.7% copper, 55.2 g/t silver, and 0.3 g/t gold.

Royal Roads also reported on a 2-hole drilling program at its Buchans North base-metal prospect in central Newfoundland. The program was designed to assess an undeveloped massive sulphide prospect and test for possible extensions. The first hole intersected massive sulphides assaying 15.5% copper, 1.8% lead, 5.8% zinc, 214.8 g/t silver and 2.9 g/t gold over 0.3 m. The second hole intersected massive sulphides averaging, 15.5% zinc, 7.6% lead, 0.9% copper, 148.9 g/t silver and 1.1 g/t gold over 2.1 m. These results suggest mineralization extends beyond previously interpreted limits and occurs within a discrete mineralized horizon that remains poorly tested by previous drilling. Further drilling is expected to take place in 2010.

Metals Creek Resources Corp. has reported assay results from the first two drillholes on its wholly owned Staghorn Gold property in western Newfoundland. Highlights include an intercept of 1.37 g/t gold over 26.3 m including 6.2 g/t gold over 5.1 m from drillhole ST09-002. Drillhole ST09-001 returned a down hole intercept of 0.403 g/t gold over 24.86 m. These drillholes targeted the South Wood Lake Porphyry Gold Zone, which is described as a highly altered (silica, albite and sericite) felsic intrusive with quartz stockwork and pervasive arsenopyrite and pyrite mineralization.

Messina Minerals Inc. reported assays from a 7-hole drilling program on its Haven Steady property in central Newfoundland, Canada. The highest grades obtained were from hole HS09-18 that returned a 2.74 m interval of massive base-metal sulphides containing 2.1% copper, 3.6% lead, 6.2% zinc, 56 g/t silver, and 1.8 g/t gold within a 6.84 m zone of semi-massive and massive sulphides.

Champion Minerals Inc. reported results for 3 diamond-drillholes on the company's Powderhorn and Gullbridge base-metals properties in central Newfoundland. Highlights included an intersection of 1.7 m grading 2.19% zinc, 0.06% lead and 17.4 g/t silver. A strong sericite-silica alteration zone was intersected on the Powderhorn property over a 70.60 m interval between 452.20 m and 522.80 m. The interval contains up to 10% disseminated and stringer sulphides.

## NEW DISCOVERIES

Northern Abitibi Mining Corp. has reported two new areas of high-grade gold mineralization in trenches and roadcuts at the Viking gold project. One of the new discoveries is located 85 m north of the high-grade Thor vein. Two grab samples from a sulfide-bearing quartz vein in this zone have returned 57.8 and 120.1 g/t gold. A second high-grade gold zone 285 m south of the Thor vein has yielded two grab samples assaying 83.0 and 148.1 g/t gold.

Spruce Ridge Resources Ltd. reported that a new zone of gold mineralization grading up to 49.7 g/t gold within silver-

and base-metal-rich quartz veins has been uncovered on its Kramer Property, in western Newfoundland. Silver values of up to 111.2 g/t were also reported from the zone. The discovery occurs in a zone at least 30 m wide within altered granite containing at least three quartz-sulphide veins measuring up to 30 cm wide and locally carrying fine visible gold. A second vein, running parallel and 15 m east of the high-grade vein, assayed 4.9 g/t gold and 18.8 g/t silver.

Royal Roads Corp. and Benton Resources Corp. have discovered magmatic nickel-copper sulphide zones on their Long Range property in western Newfoundland. The Portage Nickel prospect was found by trenching a conductor within gabbro and returned up to 2.70% nickel, 0.58% copper and 0.24% cobalt from grab samples. Other bedrock grab samples assay up to 5.30% copper, 1.13% nickel, 0.04% cobalt and 0.06 grams gold per tonne. A second discovery, termed the Range Zone, returned assays from drillcore averaging 0.39% copper and 0.03% cobalt over 29.11 m.



*New copper discovery – Royal Roads Corp.*

JNR Resources Inc. and Altius Resources Inc. reported a new copper-molybdenum-gold-silver prospect (Koorae) on their Topsails project, in western Newfoundland. Grab samples from sulphide-bearing boulders found in 2008 returned assays up to 3.5% copper, 0.12% molybdenum, 35.1 g/t silver and 0.18 g/t gold. Trenching in 2009 revealed disseminated copper sulphides and magnetite in altered quartz-feldspar porphyry, which is in fault contact with felsic volcanic rocks containing veinlet and breccia-matrix chalcopryrite with lesser bornite and chalcocite. Grab samples from the quartz-feldspar porphyry returned anomalous values of up to 0.87% copper. Adjacent, strongly altered felsic volcanic rocks returned a best *in-situ* result of 0.39% copper, 0.04% molybdenum and 0.9 g/t silver, whereas a grab sample from locally derived float returned 3.7% copper, 0.1% molybdenum, 53.3 g/t silver and 0.24 g/t gold.

JNR and Altius also reported the discovery of significant amounts of rare-earth metals and uranium-thorium miner-

alization on their Topsails project. Prospecting in 2008 identified several anomalous outcrop areas and large, locally derived boulder fields with highly variable U-Th contents and up to 2.50% total rare-earth oxides (TREO) plus anomalous yttrium, zirconium, and niobium. A property-wide exploration program in 2009 further enhanced these showings and resulted in the discovery of other new prospects. Grab samples returned up to 3.11% TREO, 0.50% yttrium, 2.38% zirconium, 0.18% niobium, 0.019% uranium, 0.144% thorium, and anomalous amounts of other rare metals.

Mountain Lake Resources Inc. has reported encouraging results from its recently optioned Little River gold property in southern Newfoundland. Trenching of soil anomalies and new gold showings has uncovered antimony- and arsenic-bearing quartz veins having values up to 32.7 g/t gold and up to 5.5% antimony. An initial drill program of 14 holes totaling 710 m was spaced over 8 km of the property's 33-km strike length. The best mineralized zone was encountered in the most southerly area of the trenching and returned a 3 m interval grading 4.8 g/t gold.

Silver Spruce Resources Inc. announced a new gold discovery on its Rambler South property, located on the Baie Verte Peninsula. Five drillholes totaling 457 m were cored to test the presumed source area for the South Brook gold-in-till anomaly. An intersection of quartz breccia in the first hole assayed 5.9 g/t over 0.8 m.

Metals Creek Resources Corp. has reported assay results from its recently discovered Betts Cove platinum-group-element (PGE) showing on the Baie Verte Peninsula. Channel sampling by the corporation has confirmed the presence of high grades of PGE's. Three continuous one metre samples averaged 1.60 g/t platinum, 7.46 g/t palladium, 0.26 g/t gold, 0.94% copper, and 0.66% nickel.



*Tilt Cove Property – Metals Creek Resources*

In early 2009, Golden Dory Resources Corp. reported the discovery of additional bedrock uranium occurrences on its Burin Project in southern Newfoundland. Assays from the fall 2008 exploration program include at least 5 new bedrock occurrences returning >100 ppm uranium, having a high of 4,600 ppm uranium (0.542%  $U_3O_8$ ). The work is expanding the prospective footprint of the Little Lawn River area where in 2007 the company reported bedrock assays of up to 16,000 ppm uranium (1.88%  $U_3O_8$ ).

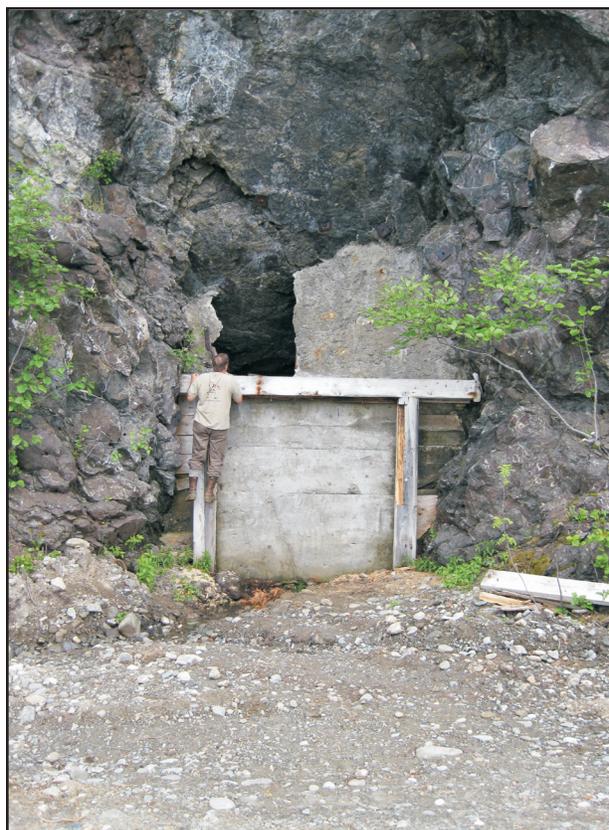
Crosshair Exploration & Mining Corp. announced the discovery of several new uranium targets on the Central Mineral Belt Joint Venture with Silver Spruce Resources in Labrador. Prospecting outlined a new area of mineralized granite float and bedrock called the South Brook Target. A total of 26 samples from this target assayed from 0.03% to 0.46%  $U_3O_8$ . The South Brook Target is now outlined by anomalous float and bedrock occurrences for over 3 km. The Running Man Target, 5.5 km to the southeast coincides with a 2-km-long, linear airborne radiometric anomaly. Nine of the ten 10 float samples collected assayed from 0.03% to 0.11%  $U_3O_8$ . Four grab samples taken from another new zone termed Big Bear assayed from 0.02% to 0.10%  $U_3O_8$ .

## NEW DEALS

New option and joint venture agreements on mineral properties in the Province continue to be made at an encouraging rate in 2009. Most are focused on gold or base-metal occurrences, including recent discoveries in central Newfoundland.

Silver Spruce Resources Inc. has been the most active deal-maker, acquiring four new properties from different prospecting groups during the year. The Calvin's Landing Property near Glovertown, hosts a recently discovered showing with values up to 4.4 g/t gold in float. The Lazyman Property near Baie D'Espoir also contains a new gold showing, with assays up to 11.4 g/t from outcrop samples. The company has optioned the Rambler South Property near Baie Verte, which had previously yielded a gold assay of 65 g/t over 1.0 m in a drillhole on the Brass Buckle Zone, and contains a large, untested gold-in-till anomaly. Most recently, Silver Spruce optioned two uranium properties in the Smallwood Reservoir area of Labrador.

Messina Minerals Inc. announced it has acquired an option to earn a 100% interest in the York Harbour Property near Bay of Islands from Tenacity Gold Mining Company Ltd. The property covers the past-producing York Harbour copper-gold mine. Historical diamond drilling completed by Long Lac Mineral Exploration Ltd in 1969 intersected 14.6 m grading 3.5% copper and 8.6% zinc from the 4th Level mine adit. Shallow diamond drilling completed from surface



*York Harbour Mine – Messina Minerals Inc.*

by Noranda Exploration in 1991 intersected 0.6 m grading 26.2% zinc, 3.2% lead, and 0.3% copper with 583 g/t silver and 16.9 g/t gold, in a new zone 400 m south of the mine workings.

Messina has also acquired an option to earn a 100% interest in the Haven Steady zinc property in central Newfoundland, from Tenacity Gold Mining. The property covers the Haven Steady prospect, which consists of zinc-lead sulphide mineralization outlined by drilling over a strike length of 700 m and tested to a vertical depth of 500 m in widely spaced drilling. Three historic drillholes intersected massive sulphides including 3.5 m grading 9.8% zinc, 2.7% lead, 0.1% copper, 28 g/t silver and 0.5 g/t gold and 1.2 m grading 11.6% zinc, 1.8% lead, 1.8% copper, 81 g/t silver, and 3.7 g/t gold.

Richmont Mines Inc. has granted Mountain Lake Resources Inc. the option to purchase Richmont's 70% interest in the Valentine Lake gold property in central Newfoundland. Mountain Lake currently owns a 30% interest in the property. At Valentine Lake, the Leprechaun Pond deposit hosts an Inferred Resource of 1.3 million tonnes grading 10.50 g/t gold using a 5 g/t gold minimum cut-off and a 3 m minimum width, for a total estimated resource of 443,000 ounces of gold.

Recently, Mountain Lake and Marathon PGM Corporation announced they have entered into an option and joint venture agreement, granting Marathon a sub-option to earn a 50% interest in the Valentine Lake property. Marathon will be the project operator and plans to commence drilling in January 2010.

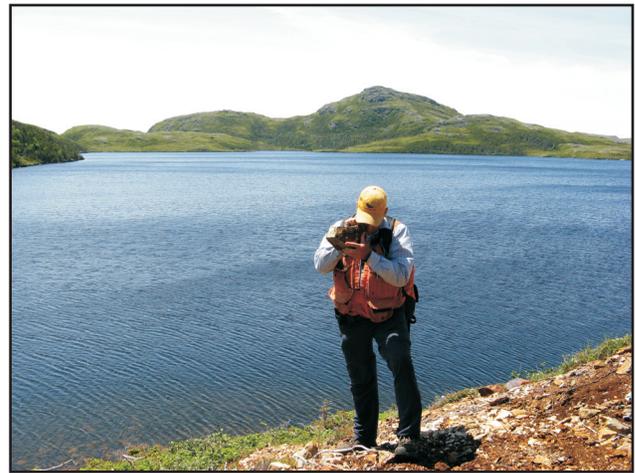
Rambler Metals and Mining plc has signed a confidentiality agreement with Tenacity Gold Mining Company Ltd. to evaluate the potential of developing the Deer Cove deposit. The deposit is located on the Baie Verte Peninsula, 50 km from the Nugget Pond mill. In the late 1980's, Noranda Exploration Company Limited developed an exploration adit and collected a bulk sample from the deposit. In 1999, the Provincial Government estimated an undiluted and uncut total resource (non NI 43-101 compliant) of 144,274 tonnes at 4.80 g/t gold.

Rambler has also signed an option agreement with Seaside Realty Ltd. to earn up to a 50% undivided interest in the Corkscrew/Big Bear Property, located on the Baie Verte Peninsula. The property has seen sporadic exploration since the early 1980's. During 1987 and 1993, approximately 28 diamond-drillholes were completed, intersecting gold mineralization of varying thickness and grade including 29.64 g/t gold over 1.0 m, 8.46 g/t gold over 3.9 m and 2.54 g/t gold over 15.0 m.

Crosshair Exploration & Mining Corp. has finalized a new joint venture agreement with Paragon Minerals Corporation whereby Crosshair will acquire a 60% interest in the Golden Promise gold project in central Newfoundland. A preliminary estimate at the Jaelyn Main Zone reports an Inferred Resource of 921,000 tonnes grading 3.02 g/t gold at a cut-off of 1 g/t gold, for a total estimated resource of 89,500 ounces of gold.

Paragon Minerals Corporation has signed an option agreement with GFE Capital Corp. on its wholly-owned Winterhill volcanogenic massive sulphide property. The property covers a 3.5-km-long zone of altered felsic volcanic and calcareous sedimentary rocks that host a number of base-metal prospects. Previous drilling at these prospects intersected massive sulphide mineralization having assays of 1.41% copper over 6.0 m and 10.1% zinc over 4.0 m.

Golden Dory Resources Corp. has signed an agreement with Paragon Minerals Corporation, whereby Golden Dory can earn a 60% interest in the Huxter Lane property in central Newfoundland. The property hosts the Mosquito Hill Prospect, where the company is targeting bulk tonnage, intrusion-hosted gold similar to the large Fort Knox deposit in Alaska.



*Winterhill Property – Paragon Minerals*

Manson Creek Resources Ltd. announced approval of an option agreement to acquire 100% of the Virgin Arm property in Notre Dame Bay. Previous sampling on the property has returned exceptional assays including 99.7 g/t gold and 127.0 g/t gold.

Metals Creek Resources Corp. has entered into an option agreement to earn a 100% interest in the Black Ridge property in the Sheffield Lake area, western Newfoundland. These claims will be included in its Sheffield-Sops Arm Project, which is presently being explored for uranium.

## TRANSITIONS

Fronteer Development Group Inc. has acquired all of the common shares of Aurora Energy Resources Inc. resulting in Aurora becoming a direct, wholly-owned subsidiary of Fronteer.

Rivera Capital Corp. and Burin Fluorspar Ltd. amalgamated to become Canada Fluorspar Inc.

Creston Moly Corp. acquired all of the issued and outstanding shares of Tenajon Resources Corp.

Santoy Resources Ltd. merged with Virginia Uranium Limited. The new company is called Virginia Energy Resources Inc.

Monroe Minerals Inc. changed its name to Kirrin Resources Inc.

Rare Earth Metals Inc. began trading on the TSX Venture Exchange in December. The company owns several properties covering historic rare-earth element prospects in central Labrador.

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