

NEWFOUNDLAND AND LABRADOR EXPLORATION AND DEVELOPMENT HIGHLIGHTS 2010

OVERVIEW

Mineral exploration and development activity in Newfoundland and Labrador recovered strongly in 2010, following the global downturn beginning in the fall of 2008. Spending on exploration and deposit appraisal is projected to increase to about \$72 million in 2010, compared to a five-year low of about \$55 million recorded in 2009 (Figure 1). Iron ore and gold played a prominent role in this activity, reflecting strong demand and prices for these commodities. A global resurgence of interest in rare-earth elements and rare metals was also felt in the Province, as several companies are evaluating new and historic showings.

A total of 32,197 claims were staked in 2010, a substantial increase over 2009, and drilling activity was estimated to increase to about 180,000 m, up from about 140,000 m in 2009 (Figure 1). Active projects are highlighted in Figure 2.

The Department of Natural Resources' Mineral Incentive Program has a budget of \$2.9 million for the 2010/11 fiscal year for cost-shared funding of approved projects. Funding is allocated to three main components:

Junior Exploration Assistance	\$2.2M
Prospectors Assistance	0.4M
Natural Stone Assessment	0.25M

The Government of Newfoundland and Labrador has initiated a comprehensive review of the Province's mining industry with a budget of \$235,000 to complete a Minerals Strategy. The strategy will focus on expanding exploration and production activity and creating additional employment opportunities, while also ensuring environmental protection and the sustainable development of mineral resources.

A new, online mineral-exploration approval management system (MEAMS) is in the final stages of testing, and is expected to be operational in the second quarter of 2011. The system will allow faster processing of most 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.

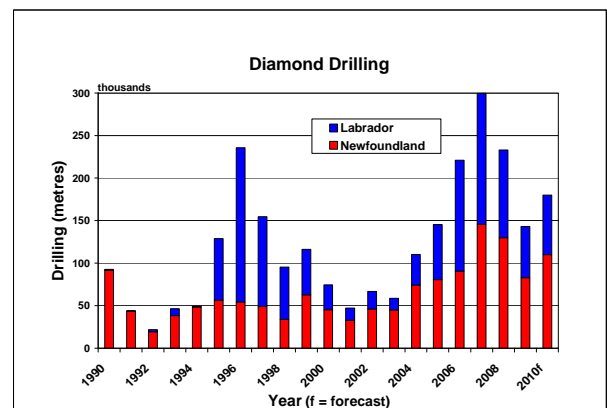
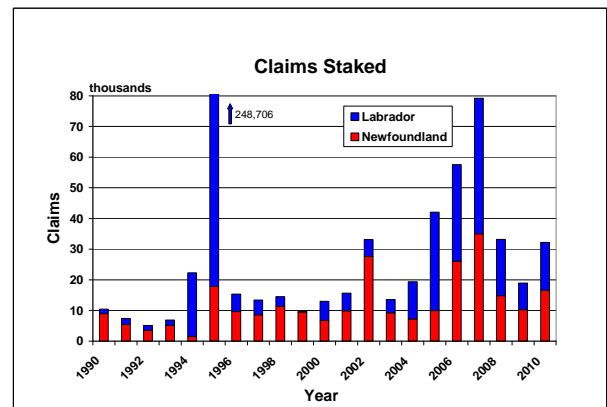
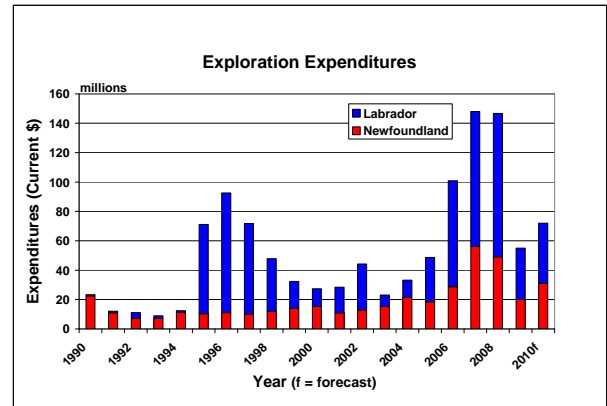


Figure 1. Exploration expenditures, claims staked and diamond drilling, 1990 – 2010.

The Department of Natural Resources maintains a wide-ranging program of investment attraction to encourage growth in the Province's mineral industry. Comprehensive information booths are manned by Department personnel at local, national and international mining conferences and trade shows. Other initiatives include the creation of promotional materials, presentations, and both traditional and web-based publications on the mineral sector, and advertising materials for national and international trade journals. The Department also collaborates on minerals-related education and outreach initiatives delivered by government and industry.

The mineral industry in Newfoundland and Labrador has seen strong growth in 2010, with major capital investments in new and expanding projects, and highly encouraging results from major exploration programs throughout the Province. These programs represent a pipeline of potential new mining developments to help sustain the Province's mineral industry.

For further information on mining and mineral exploration in Newfoundland and Labrador, please visit the Department of Natural Resources website at www.nr.gov.nl.ca/nr/mines/exploration/explorationactivity/exp_overview.html or contact [Phil Saunders](#), project geologist for exploration monitoring.

NOTE TO READER

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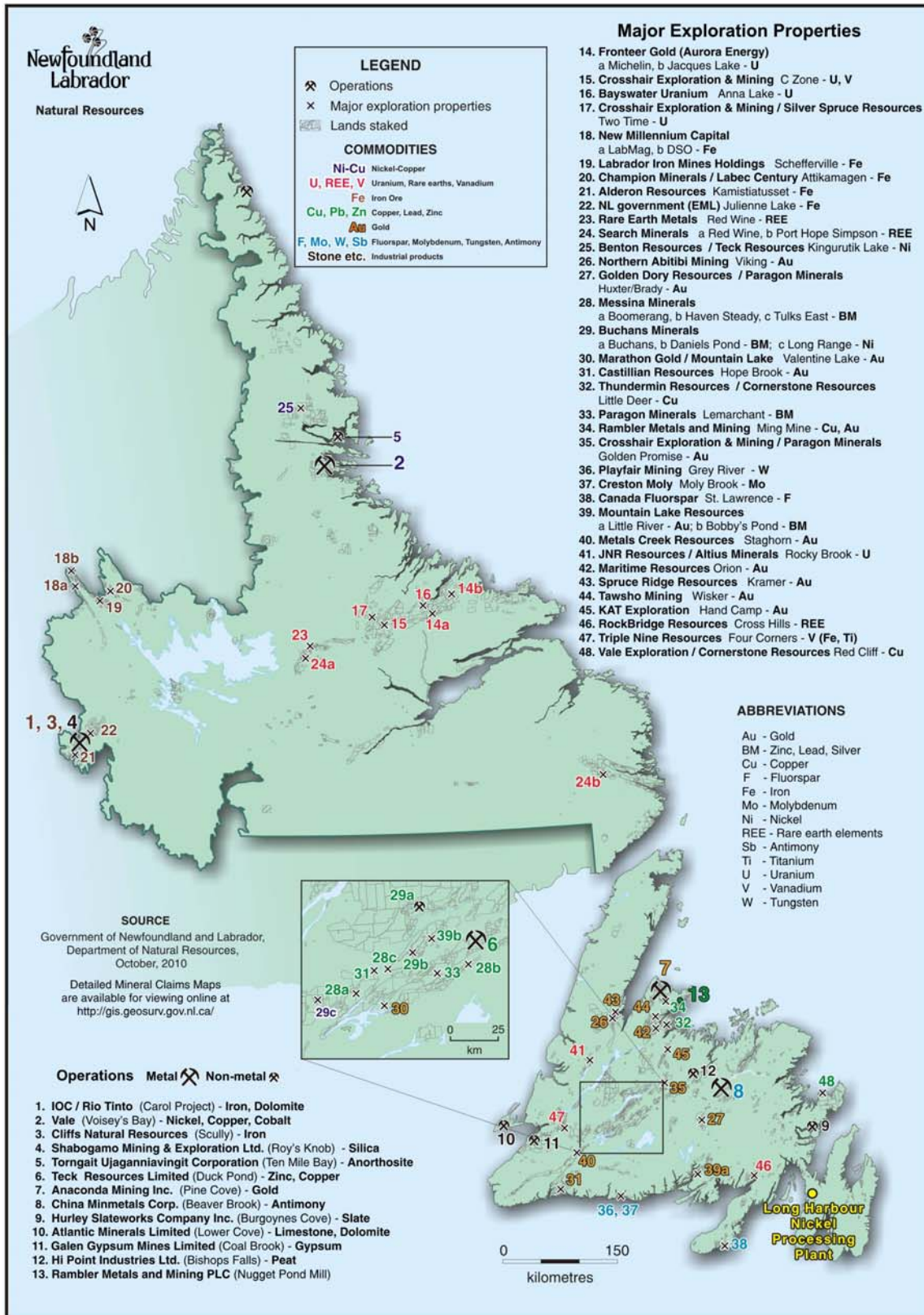


Figure 2. Mining operations and major exploration properties

NEW MINING AND PROCESSING DEVELOPMENTS

In Labrador, **Rio Tinto plc** restarted the \$435 million expansion of **Iron Ore Company of Canada's** operations in Labrador West. This will increase concentrate capacity by 4 million tonnes, to 22 million tonnes per annum by 2012. It is the first of possibly three stages of expansion, to increase annual capacity to 26 million tonnes.

Two advanced iron ore projects are being developed by **Labrador Iron Mines Holdings Ltd.** and **New Millennium Capital Corp.** in western Labrador, near the Quebec border town of Schefferville. These are focused on high-grade, direct shipping ore (DSO) deposits previously exploited by the Iron Ore Company of Canada. Together, these will be the Province's first new iron ore projects in almost 50 years.

Labrador Iron Mines has received most permits required to advance its Schefferville Project, and construction of the plant and accommodation camp are well advanced.



Schefferville Project - Labrador Iron Mines

A new resource estimate reported for the Houston deposit raises the total measured and indicated resources for their Stage 1 deposits to 25.7 million tonnes grading 58.5% iron.

The company expects to achieve full-scale commercial production in the spring of 2011, with plans to produce 2 million tonnes of iron ore in that year.

New Millennium Capital announced a positive feasibility study with an updated mineral resource estimate for its DSO project. The new estimate is 64.1 million tonnes of proven and probable reserves at

58.9% iron. In September, Tata Steel exercised its option to acquire an 80% interest in the project. New Millennium has also made progress in permitting and signing commercial agreements in support of the proposed operation. They expect to begin commercial production in 2012.

On the Island of Newfoundland, **Rambler Metals and Mining plc** released a positive feasibility study on its Ming copper-gold project in the Baie Verte area. The total proven and probable reserves that form the basis for the study are 1.498 million tonnes at 1.62% copper, 2.40 g/t gold and 10.90 g/t silver. Rambler has agreed to sell a portion of the life-of-mine gold production from the project to Sandstorm Resources Ltd., providing Rambler with financing to bring the mine into production. Work has begun on construction of a copper flotation circuit at Rambler's recently purchased Nugget Pond gold mill, to allow for treatment of ore from the mine. The project has been released from Environmental Assessment and production is expected to commence in 2011.

At **Teck Resources Limited's Duck Pond Operations**, engineering continues on the Boundary open-pit phase with production planned for 2013, and preliminary engineering is underway for potential production of a lead concentrate in 2011.

Vale is constructing a nickel metallurgical processing plant in Long Harbour, and is on target to complete construction in February 2013 at a total projected cost of US\$2.82 billion. Once finished, the plant will produce 50,000 tonnes of finished nickel per year.

Canada Fluorspar (NL) Inc. has obtained environmental release from the provincial and federal governments for its planned reactivation of the St. Lawrence fluorspar mine and now intends to proceed with the next phases of development including pilot-plant work, permitting, engineering and design initiatives. The company has reported approximately 9.1 million tonnes of indicated mineral resources at an average grade of 42.0% CaF₂ and 950,000 tonnes of inferred mineral resources at an average grade of 31.0% CaF₂. Construction is planned to begin in the second half of 2011.

Anaconda Mining is commissioning the re-developed mill at its Pine Cove gold mine located near Baie Verte. Work is continuing to optimize all circuits in the plant.

EXPLORATION HIGHLIGHTS

LABRADOR

Iron Ore

Iron deposits in the Labrador Trough continued to be a major focus of exploration in 2010. **Alderon Resource Corp.** completed a 25,749-m drill program on its Kamistiatusset (Kami) iron project south of Wabush, in the heart of the Labrador Trough mining district. The program was designed to delineate about 500 million tonnes of iron ore at historic prospects on the property. Results to date include an intersection of 29.9% total iron over a core interval of 604.5 m. An initial National Instrument 43-101 resource estimate is expected to be completed in the first quarter of 2011.



Kami Project - Alderon Resource Corp.

The **Department of Natural Resources** is evaluating the resource and potential market value of the historic Julienne Lake deposit north of Labrador City. The property contains an historic resource of 460 million tonnes at a grade of about 35% Fe. A field and research program composed of mapping, geophysical surveys, trenching, sampling, an 8,000-m diamond-drill program and metallurgical studies has been completed, in preparation for a new resource estimate.

Altius Minerals Corporation has two early-stage projects in the Labrador Trough. Joint venture partner **Rio Tinto Exploration Canada** has initiated a drill program on the Labrador West project; results are pending. On its wholly owned Snelgrove Lake property, Altius conducted reconnaissance-scale mapping, rock sampling and trenching in an iron formation extending over a strike length of about 28 km. In December, Altius staked about 5,000 mineral claims over prospective iron formations in the Labrador Trough.

Champion Minerals Inc. announced the start of a 2,000-m drill program on its Attikamagen iron project in western Labrador. Results have not been released.

Rare-Earth Elements

A significant development in 2010 was the launch of new exploration programs for rare-earth elements (REE's) and rare metals. These commodities are key ingredients in a wide variety of green and high-technology applications.

Rare Earth Metals Inc. is exploring a large land package in the Letitia Lake-Red Wine Mountains area of central Labrador. The property, which covers historic REE and rare metal prospects, was acquired through staking and option agreements with several junior companies and individuals. These include **Cornerstone Capital Resources, Playfair Mining, Belmont Resources, International Montoro Resources, Zimtu Capital**, and prospectors. In 2010 the company conducted an airborne radiometric and magnetic survey, mapping and sampling of historic showings, and diamond drilling. Drill results from the Two Tom Zone include an intersection of 1.68% TREO, 0.30% Nb₂O₅ and 0.37% BeO over 65.2 m. The H(Heavy)REO/TREO ratio from this composite is 8.33%. A hole 905 m northwest returned an intersection of 1.45% TREO, 0.14% Nb₂O₅ and 0.14% BeO over 83.25 m, with an HREO/TREO ratio of 8.4%.



Red Wine Property - Rare Earth Metals

Search Minerals Inc. is also exploring the Red Wine area, under an option agreement with **Great Western Minerals Group Ltd.** Mapping and channel-sampling programs were followed by a 2,000-m diamond drilling program. Rare-earth elements, yttrium and niobium mineralization was intersected in the first four holes. Analyses are pending.

In the Port Hope Simpson area, Search Minerals completed an airborne survey followed by mapping, prospecting, trenching and rock sampling. Total REE analyses from channel sampling on the HighREE Island Prospect range from 5983.1 ppm to 9494.3 ppm. Maximum values for individual rare metals include niobium at 6,831 ppm, zirconium at 16,846 ppm and yttrium at 5,150 ppm.

Four new showings in the area returned total REE values from 6,706 ppm to 54,816 ppm, with maximum values for individual rare metals including niobium up to 17,197 ppm, zirconium to 40,460 ppm and yttrium to 13,270 ppm

Search has commenced a 2,000 m diamond drilling program on HighREE Island. Results are pending.

Silver Spruce Resources Inc. is prospecting for REEs on its Popes Hill property in central Labrador. Anomalous REE values have been obtained from numerous rock samples, with a high value of 24% TREE + Yttrium. Ground magnetic, VLF-EM and radiometric surveys have been conducted, and drilling is planned for early in 2011.

Midland Exploration Inc., in partnership with **Japan Oil, Gas and Metals National Corporation** has acquired a substantial land position with REE potential straddling the Labrador-Quebec border. Prospecting conducted by Midland to follow up on airborne magnetic and radiometric surveys has led to the discovery of new REE prospects in several areas of Labrador. In the Ytterby 3 prospect area, 63 new mineralized zones with more than 1.0% total rare-earth oxides plus yttrium (TREE+Y₂O₃) have been identified. Analytical results vary from 1.03% to 7.94% with an average of 2.72% TREE+Y₂O₃. Additional prospecting and sampling is being conducted to prioritize drill targets.

Quest Rare Minerals Ltd. is exploring for REE's in the Strange Lake area, also along the Labrador-Quebec border. Quest has optioned claims on the Labrador side from Search Minerals. No results have been announced.

Base Metals

Vale Newfoundland and Labrador Limited's 2010 exploration program at the Voisey's Bay nickel-copper-cobalt project is focused on near-mine targets. These include the Southeast Extension, between the current Ovoid pit and the Eastern Deeps deposit, and zones around the margin of the Eastern Deeps deposit. In addition, an infill drilling program of about 10,000 m is proceeding on the Reid Brook deposit to add

confidence to the resource and collect metallurgical material to support pre-feasibility studies.

Benton Resources Corp. completed a 2,607-m drill program on its Kingurutik nickel-copper-cobalt property in northern Labrador, about 60 km north of Voisey's Bay. The program tested priority targets resulting from previous exploration by joint venture partner **Teck Resources Limited**. Magmatic sulphides were encountered at several targets, but the most encouraging results were from a single hole that tested the A Zone. This hole intersected multiple sections of semi-massive sulphide including one which assayed 1.47% nickel and 0.48% copper over 0.9 m.

Playfair Mining Ltd. has announced plans to conduct a winter drilling program on its recently acquired Seal Lake copper property in central Labrador. Compilation of previous work by Playfair has suggested a geological comparison with the Kuperschiefer Basin in central Europe, and other major copper mining districts.

Wolverine Exploration Inc. has conducted an IP survey, trenching and diamond drilling on its Cache River copper-silver property located in central Labrador. Three drillholes intersected sulphide mineralization containing visible chalcopyrite. Assays up to 0.24% copper and anomalous gold were obtained, however sample intervals were not provided.

Uranium, Vanadium

Crosshair Exploration & Mining Corp. announced the results of the independent NI 43-101 vanadium resource estimate on the C Zone at its Central Mineral Belt Project in Labrador. Sections of drillcore from previous uranium exploration programs that had not been analysed because of low uranium content were analysed for vanadium in 2010.

The vanadium contained outside of the existing uranium resource includes 30.92 million pounds of V₂O₅ in the indicated category and an additional 81.33 million pounds of V₂O₅ in the inferred category. These resources are wholly contained within the C Zone and do not include the vanadium contained within the uranium resource. The vanadium contained within the existing uranium resource includes updated values of 11.90 million pounds of V₂O₅ in the indicated category and an additional inferred resource of 12.29 million pounds of V₂O₅.

NEWFOUNDLAND

Gold

Stronger gold prices through most of 2010 have led to renewed efforts in gold exploration on the Island of Newfoundland. Several projects are at the advanced drilling stage, with new resource estimates either published in 2010, or expected shortly.

At the Valentine Lake gold project in central Newfoundland, **Marathon Gold Corporation (formerly Marathon PGM)** drilled 95 holes for a total of 10,938 m under an option / joint venture agreement with **Mountain Lake Resources Inc.** Drilling focused on near-surface mineralization and was designed to evaluate the potential for an open-pit operation. The companies report a measured and indicated resource of 3,284,000 tonnes grading 2.622 g/t gold for 277,000 ounces of contained gold, and an inferred resource of 4,409,000 tonnes at 2.007 g/t gold for 285,000 ounces of gold, at a cutoff of 0.50 g/t gold. Highlights from the drilling include 38.3 g/t gold over 9.0 m and 6.94 g/t over 17 m (true width).



Valentine Lake - Marathon Gold / Mountain Lake

Golden Dory Resources Corp. and joint venture partner **Paragon Minerals Corporation** have reported an updated NI 43-101 compliant resource estimate on the Huxter Lane property in central Newfoundland. The Mosquito Hill Zone is estimated to contain an indicated resource of 11.18 million tonnes averaging 0.546 g/t gold for 196,257 ounces gold and an inferred resource of 38.76 million tonnes averaging 0.457g/t gold for 569,496 ounces gold, at a cutoff of 0.30 g/t gold. The resource is open to depth and along strike, with near-surface open-pit potential. Among the results of a 3,000-m drill program completed in 2010 was an intersection of 110 m grading 0.50 g/t gold.

Northern Abitibi Mining Corp. is exploring for gold on its Viking property near White Bay. In 2010 the company completed 9,735 m of drilling and excavated

13 new trenches. Drilling results continue to outline the bulk-minable potential of the Thor Trend and reveal new high-grade zones. Better intersections include 80.9 m grading 0.8 g/t gold, and 8.5 m at 6.4 g/t gold. Preliminary metallurgical test work on drillcore shows excellent metallurgical recoveries with 95 to 97% gold recovery by cyanide leaching or combined gravity separation and cyanide leaching. An independent resource estimate is expected in January 2011.

A new zone termed the Viking Trend, located 2 km west of the Thor Trend has been explored by surface sampling and drilling in 2010. Drilling returned highly anomalous gold intersections, including 8 m grading 0.5 g/t gold, 11.5 m grading 0.4 g/t gold, 27.7 m at 0.3 g/t gold, and 73.5 m at 0.2 g/t gold. Several other new zones of gold mineralization have also been identified.

Crosshair Exploration & Mining Corp. announced plans to take a 2,000 tonne bulk sample from the Jaclyn Deposit on its Golden Promise gold property near Badger, a joint venture with **Paragon Minerals.** The purpose is to determine a more representative gold grade for the Jaclyn Main Deposit as well as testing structural and grade continuity and mining/milling characteristics of the prospect. Drilling earlier in 2010 provided additional encouraging results from the property. Coarse visible gold was intersected in 17 of the 31 drillholes completed, including an assay of 19.9 g/t gold over 1.6 m from the eastern extension. Preliminary metallurgical testing on samples from drillcore suggests gold recoveries of up to 98% may be achieved.

Castillian Resources Corporation has optioned the former-producing Hope Brook gold mine on the south coast of Newfoundland. The company has conducted an extensive compilation of previous work on the property and has begun a 5,000 m drill program to test priority targets beneath the historic mine workings and in the 240 Zone approximately one km south of the mine. Preliminary results from the program include intersections of 5.43 g/t gold over 10.7 m in a new hanging wall zone, and 2.41 g/t gold over 26.5 m, including 4.65 g/t gold over 8.0 m, in a hole collared approximately 335 m southwest of the open pit.

Mountain Lake Resources recently completed trenching and drilling programs on its Little River property in the Bay d'Espoir area. Grab samples from bedrock in trenches returned up to 20.9 g/t gold and 15.3% antimony. During the fall, 5 short holes were drilled in the Le Pouvoir Zone, around a partially exposed vein where grab samples returned values from 27.6% to 50% antimony and up to 24.1g/t gold. The best intercept was a 0.92 m interval (all widths are true

widths) that assayed 30.6% antimony. Another 5 short holes were drilled in the Southern Zone located 21 km to the southwest. Antimony was encountered in 3 of the holes, with a best intercept of 1.13% antimony and 0.4 g/t gold over 3.6 m.

Spruce Ridge Resources Ltd. completed a reconnaissance drill program on its Kramer gold property near White Bay in early 2010. Anomalous gold assays were obtained from 5 of the 6 holes, including 0.39 g/t gold over 7.2 m, and 3.69 g/t gold over 0.20 m. In addition, trenching has revealed several new zones of high-grade intrusion-hosted gold mineralization. Assays from high-grade veining returned up to 45.16 g/t gold over a 1.0-m channel sample at the newly discovered Whiskey Jack Zone. At least three zones of fine-grained mineralized intrusive up to 10 m in apparent thickness and of unknown strike length were exposed in association with the Whiskey Jack vein. The fine-grained zones all returned significant gold values including an average of 1.90 g/t gold from 21 random 0.50-m-long, saw-cut channel samples, and a second zone returned an average of 2.98 g/t gold from 14 random 0.50-m-long, saw-cut channel samples.

An 8-hole, 1,000 m drill program focused on the new prospects has been completed. Results from the first hole (on the Whiskey Jack Zone) returned an intersection of 1.12 g/t gold over 20.05 m, including 5.42 g/t gold over 3.25 m. This showing is less than 500 m from Northern Abitibi's Thor Trend, noted above.

Metals Creek Resources Corp. has begun a 2,500-m drill program at the Staghorn gold property, in southwest Newfoundland. Results from 2009 drilling, reported early in 2010, included an intercept of 2.15 g/t gold over 12.60 m. Prospecting on the property in 2010 returned an assay of 25.7 g/t gold from a showing about 15 km from the Woods Lake prospect.



Staghorn Project - Metals Creek Resources

Kat Exploration Inc. conducted trenching and drilling at its Hand Camp gold property in central Newfoundland. Highlights include a drill intersection of 6.3 g/t gold and 111.6 g/t silver over 1.9 m.

Tawsho Mining Inc. is exploring the Wisker Valley property on the Baie Verte Peninsula. Eleven holes totalling 1,044 m were drilled and zones of silicification with copper and visible gold mineralization were noted. The highest assay reported was 8.01 g/t gold over 0.5 m (0.3 m recovered). Poor core recovery was noted, and further drilling is planned for the winter of 2011.

Cornerstone Capital Resources Inc. recently completed a 575-m trenching program on the El Strato gold property in north-central Newfoundland. Trenching exposed a 55-m-wide iron-carbonate alteration zone with quartz veining, yielding channel sample assays up to 0.6 g/t gold over 4.0 m and grab sample assays up to 23.6 g/t gold.

Silver Spruce Resources Inc. has conducted prospecting and trenching programs on its Rambler South and Big Easy properties in central and eastern Newfoundland, respectively. Assays of 7.3 g/t gold over 3.1 m and 10.3 g/t gold over 2 m were obtained from trenching at Rambler South. Earlier drilling at Rambler South yielded an intersection of 3.5 g/t gold over 3 m, including a high value of 6.5 g/t over 1.5 m. A large zone of epithermal-style alteration was identified on the Big Easy property, with anomalous gold (up to 2 g/t over 1 m) in channel samples.

TerraX Minerals Inc. announced encouraging results from preliminary prospecting on its claims over the newly acquired Stewart gold-copper property on the Burin Peninsula. Highlights include the discovery of the Forty Creek showing, a collection of angular blocks of quartz vein material having local sulphides in the northeastern part of the property. Several blocks up to 1 m across occur within a 200 square metre area. A grab sample from one block assayed 59 g/t gold and 2290 g/t silver. This sample also had the highest values of lead (>0.5%), zinc (0.44%), mercury, antimony and selenium of all the samples collected by TerraX. In addition, anomalous gold assays have been obtained over 725 m in soils, and the exposed area of hydrothermal alteration at Stewart has now been extended over a strike length on the order of 6 km, and a width varying from 400 m to 1.4 km.

Buchans Minerals Corporation and **Benton Resources** reported the discovery of mineralized quartz vein material on their Long Range joint venture containing up to 106.38 g/t gold and 364.3 g/t silver in float samples as well as grab samples from outcrop assaying up to 8.52 g/t gold and 30.7 g/t silver.

Manson Creek Resources Ltd. has conducted ground magnetic surveys, trenching and sampling at its Virgin Arm property on the north coast of Newfoundland. Prospecting of anomalies from this work resulted in the discovery of 10 new gold-bearing occurrences with grab samples assaying up to 0.675 g/t gold.

Base Metals

Thundermin Resources Inc. and joint venture partner **Cornerstone Capital Resources Inc.** completed a 10,649-m drilling program on the Little Deer copper project near Springdale. An updated resource calculation by Scott Wilson RPA estimates that the deposit contains indicated resources of 1,150,500 tonnes at an average grade of 2.8% copper and total inferred resources (in two separate zones) of 2,335,500 tonnes at an average grade of 2.1% copper. The results of a scoping level metallurgical test program on a representative composite sample of drill core from the deposit indicate that a saleable, high-grade concentrate grading 28% copper can be achieved with approximately 97% copper recovery. A new 12,000-m drill program aimed at further increasing the resource is in progress.

Paragon Minerals continued drilling on its South Tally Pond property where previous drilling has intersected high-grade massive sulphides at the Lemarchant Prospect. Highlights include an intersection of 17.05 m of 14.80% zinc, 3.56% lead, 1.40% copper, 80.90 g/t silver and 1.35 g/t gold from an infill hole. Drilling at the North Target area intersected 6.0 m of 6.60% zinc, 0.68% lead, 0.61% copper, 28.38 g/t silver and 0.46 g/t gold including 1.1 m of massive sulphide grading 30.54% zinc, 2.94% lead, 1.50% copper, 88.9 g/t silver and 0.72 g/t gold.



Lemarchant Prospect - Paragon Minerals

Exploration at **Teck Resources'** Duck Pond Operations in 2010 focused on diamond drilling of the productive VMS-style alteration zones in the vicinity of the Duck Pond and Boundary deposits at depths shallower than 500 m. A total of about 14,000 m of drilling was planned. Results have not been reported.

Buchans Minerals is exploring the former Buchans base-metal mining camp in central Newfoundland. The company reported high-grade assays from re-sampling of historic drillcore at the Buchans North Prospect. Hole H-1030 returned assays of 24.85% zinc, 10.75% lead, 2.65% copper, 212.9 g/t silver, and 1.48 g/t gold over 2.38 m core length. Five holes were drilled near the Prospect in late 2010. Hole H-10-3421 intersected 3.1 m of semi-massive to massive sulphides averaging 7.32% zinc, 3.93% lead, 0.40% copper, 75.0 g/t silver and 1.75 g/t gold starting at a vertical depth of 376.5 m. Four additional holes drilled in the immediate vicinity of the Prospect intersected favorably altered and variably mineralized felsic volcanic rocks at the target horizon.

Buchans Minerals also received encouragement from drilling on its Clementine West Prospect. Highlights include an intersection of 19.5 m averaging 1.10% zinc, 0.83% lead and 0.02% copper.

More recently, Buchans Minerals commissioned a detailed open pit mine plan to evaluate the Lundberg and Engine House deposits in the middle of the Buchans camp. The company may proceed to a Preliminary Feasibility Study to determine the economic potential of these deposits.

Buchans Minerals is also exploring the Long Range Nickel property, a joint venture with **Benton Resources Corp.** Work in 2010 focused on 2 areas of the property.

Portage Nickel Prospect: The companies have expanded the original 2009 trench and completed soil geochemical and high-frequency HLEM surveys over the surrounding area. Nickel-copper-cobalt soil anomalies having locally coincident weak conductive anomalies identified by the HLEM surveys have been outlined adjacent to the trench and additional soil sampling and trenching are planned. The companies have also identified a potentially significant conductive target located within the gabbro, approximately 3.8 km along strike to the southwest of the Portage Prospect. This target, called the String Anomaly, has an apparent strike length of 600 to 800 m as defined by 2008 VTEM airborne surveys, and is located beneath a pond. The companies hope to drill-test the conductor when winter conditions permit drilling on the ice during the first quarter of 2011.

Range Copper Prospect: In April, 2010, four holes were drilled and another extended on the Range Prospect, where previous drilling had intersected semi-massive and massive sulphides averaging 0.39% copper and 0.032% cobalt over a core length of 37.8-m. No significant mineralization was encountered in the drilling, however, results of subsequent borehole TDEM and HLEM geophysical surveys and prospecting suggest that these holes were drilled parallel to the zone. As a result of this revised interpretation, the companies now intend to conduct further drilling on the prospect in early 2011.

Messina Minerals Inc. announced plans to drill 3 infill holes for an estimated 1,000 m at the Hurricane target, 500 m along strike to the east of the Boomerang massive sulphide prospect in central Newfoundland. Contingent on positive results the program would support an initial resource estimate for this target. Results are pending.

Zinc mineralization at Hurricane has been intersected in 7 holes over a 225 m length at 200 m below surface including GA07-214, which intersected 13.2 m of 1.7% copper, 9.5% lead, 14.7% zinc, 231 g/t silver and 1.1 g/t gold. Hurricane remains open up-dip and along strike to the east.

Paragon Minerals' joint venture partner **GFE Capital Corp.** completed a 300 m drillhole at the Winterhill project, in southern Newfoundland. The hole intersected a thick sequence of altered felsic volcanic rocks having intervals of semi-massive to massive sulphides containing anomalous zinc.

Puddle Pond Resources Inc. completed 953 m of drilling in 5 holes on the Horn-Mesher and MolyPeak Projects located in the Lloyd's Valley area of south-central Newfoundland. On the Horn-Mesher Project, 3 holes totalling 584 m intersected pyritic sulphide mineralization hosted in volcanic rocks. Strongly altered zones with textures and other features suggestive of both epithermal gold and volcanogenic massive sulphide styles of mineralization were intersected in all 3 holes. Highlights include an assay of 2.1 g/t gold over 2.0 m, and anomalous gold, copper and zinc in other samples.

At the MolyPeak Project, two holes were drilled on the Discovery Vein Zone to test the down-dip extension of molybdenum-enriched mineralization hosted in quartz veins and traced on surface for at least 1,200 m. The quartz vein system, which exhibits stringer and disseminated pyrite and pyrrhotite mineralization, was intersected from surface to the end of each hole at depths of 187 and 182 m. A total of 77 core samples from the two holes yielded a weighted average grade of 0.074% MoS₂.

Altius Minerals and **JNR Resources** conducted a major program of prospecting, geophysical and geochemical surveys over the Topsails uranium-REE-copper property in west-central Newfoundland. The program focused on six significant areas identified in the 2008 and 2009 programs. At the Koorae copper-molybdenum-gold-silver porphyry-style prospect, initial results included assays of up to 1.68% copper and anomalous gold in grab samples from mineralized boulders and subcrop. Trenching and geophysical surveys in 2010 expanded the size of this zone.

In the Sheffield Lake South area, extensive prospecting was carried out with 47 rock samples collected. Analytical results yielded up to 3.9% molybdenum, 1.9% lead, 0.36% copper, and 95.3 g/t silver comparable to and confirming the results returned in 2009. In addition, 18 of 104 soil samples collected returned anomalous gold values from 20 to 414 ppb.



Topsails Project - Altius Minerals / JNR Resources

Vale Exploration Canada Inc. is exploring the Red Cliff and Deer Harbour copper properties in northeast Newfoundland, under option from **Cornerstone Resources**. These properties have copper showings described as sediment-hosted stratiform copper type. Previous drilling on the Red Cliff property intersected 1.0% copper and 12.1 g/t silver over 14.2 m in the Blue Point Zone. Plans for a 1,500-m drill program were announced in October, and results are pending.

Rare Earth Elements

Rare-earth elements (REE) and rare metals have also received attention on the Island of Newfoundland.

RockBridge Resources Inc. completed prospecting, sampling and diamond drilling on historic REE occurrences in the Cross Hills property in southern Newfoundland. Results of prospecting have yielded assays of up to 1.95% copper, and 1.11% TREO. A

diamond-drill program has been completed, and assay results are pending.

Kirrin Resources Inc. reported results from late 2009 prospecting surveys in the Bottom Brook property in western Newfoundland. Two new areas of REE mineralization were identified, with best assay results of 1.69% and 6.80% TREO obtained in grab samples collected from angular boulders. The company also announced that it has initiated a 1,500-m drill program at the adjoining Lost Pond property. Drilling will test the down-dip and down-plunge continuation of the uranium-bearing Cataclastic Zone.

Uranium, Vanadium

Triple Nine Resources Ltd. is exploring a newly reported vanadium discovery near the Burgeo Highway in western Newfoundland. The company has completed an airborne magnetic-electromagnetic survey, followed by trenching and a 958-m diamond - drill program. The weighted average grade of 321 samples collected from the trenches is 0.13% V₂O₅, 5.70% TiO₂ and 23.00% Fe₂O₃ (T). The weighted average grade of 346 samples collected from the drillcore was 0.124% V₂O₅, 6.00% TiO₂ and 23.73% iron oxide Fe₂O₃ (T).

NEW AGREEMENTS

New Island Resources Inc. and **Anaconda Mining Inc.** have reached agreement on a Plan of Arrangement whereby 22,602,315 Anaconda shares will be distributed to the shareholders of New Island in exchange for New Island's interest in the Pine Cove property. As a result of the arrangement, Anaconda would acquire New Island's interest in the Pine Cove mine and mill.

Mountain Lake Resources has optioned the Glover Island gold property from **New Island Resources**. The property contains several gold prospects over an 11-km strike length including three with historic (non NI 43-101 compliant) resources as follows:

- Kettle Pond South - 450,000 tonnes at 2.3 g/t gold for 33,276 oz;
- Lunch Pond South Main Zone - 2,730,000 tonnes at 2.1 g/t gold for 184,321 oz;
- Lunch Pond South West Zone - 900,000 tonnes at 1.6 g/t gold for 46,297 oz.

Commander Resources Ltd. has reached an agreement to option its Green Bay property to BMB Capital Corp (now trading on the TSX Venture Exchange under the name **Maritime Resources Corp.**) The Green Bay property contains the Orion gold deposit and surrounding exploration lands.

Previous diamond drilling by Commander's predecessor Major General Resources has provided the basis for an initial inferred resource estimate on the Orion deposit of 710,285 tonnes grading 5.227 g/t gold for 119,374 contained ounces, using a cut-off grade of 3 g/t gold over 1.20 m. Maritime has initiated an exploration program, including diamond drilling, to expand and define this resource.

Alderon Resource Corp. has exercised its option to acquire a 100% interest in the Kamistatusset ("Kami") iron ore project in western Labrador from **Altius Resources Inc.** In order to complete the exercise of the Option, Alderon has issued an aggregate of 32,285,006 common shares to Altius.

Altius Minerals has formed a strategic exploration alliance with **Cliffs Natural Resources Exploration Inc.** for ferro alloy metals within specific areas of Newfoundland and Labrador. Cliffs will fund, and Altius will carry out regional and generative exploration to a value of \$1,800,000 within specific areas over a two year period with the goal of identifying new grassroots exploration targets. Work under the alliance has commenced targeting nickel-iron alloy minerals and chromite in ultramafic complexes on the Island of Newfoundland. In November, Altius staked about 4,000 mineral claims over areas of interest, and prospecting, rock sampling and mineralogical studies are underway.

Paladin Energy Ltd. has entered into a Definitive Agreement for the purchase of the uranium assets of **Aurora Energy Resources Inc.** a wholly owned subsidiary of **Fronteer Gold Inc.** Aurora Energy holds title to significant uranium assets within the highly prospective Central Mineral Belt ("CMB") of Newfoundland and Labrador, including the Michelin deposit (67.12 million pounds measured and indicated and 36.08 million pounds inferred resources of U₃O₈) as well as the Jacques Lake, Rainbow, Nash, Inda and Gear deposits.

NI 43-101 compliant U₃O₈ resources have been defined across all the deposits as follows:-

- 83.8 million pounds U₃O₈ measured and indicated mineral resources (40.2 million tonnes ore at 0.09%)
- 53.0 million pounds U₃O₈ inferred mineral resources (29.0 million tonnes ore at 0.08%)

The consideration for 100% ownership is C\$260.87M via the issuance of 52,097,937 shares in Paladin. This values the current resources at US\$1.90/lb.

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