

FEBRUARY 2005

In February 2005, 1,088 new claims were staked; 626 in Labrador and 462 on the Island. This increased the staking total for 2005 to 1,883; 1,059 on the Island and 824 in Labrador.

Numbered crosses relate to the property locations on the accompanying map.

- ✖1 On February 7, **Messina Minerals Inc.** announced that start-up of the diamond-drilling program at the Boomerang base-metal prospect was imminent. The Boomerang prospect is located in west-central Newfoundland within Messina Minerals Inc.'s Tulks South property. The Tulks South property consists of 414 mineral claims and 7,249.94 ha of impost lands and is an earn-in option from **Noranda Inc.**

The Boomerang prospect is a new discovery that returned a 13.9-m, massive-sulphide intersection (see December 10, 2004). At least 2,500 m of diamond drilling, in approximately seven holes, will test the extent of the massive-sulphide lens.

- ✖2 Also on February 7, **Candente Resource Corp.** and earn-in partner **Goldcorp Inc.** (see March 23, 2004) announced the commencement of diamond drilling on the 196-claim, Staghorn gold property in southwest Newfoundland. The diamond-drilling program (see January 6) will test coincident geophysical and geochemical anomalies along the structural trend on the property (see July 26, 2004).

- ✖3 As well, on February 7, **Brilliant Mining Corp.** announced that it is to purchase a 100% interest in 466 mineral claims, held by **John Robins** at Michikamau Lake in west-central Labrador, from **Hunter Exploration Group**. The claims have nickel–copper–cobalt and platinum-group-metal potential. The agreement includes any future claims acquired in this area, both over the Michikamau anorthositic Intrusion and for up to 5 km away from the intrusion contact.

- ✖4 On February 10, **Vulcan Minerals Inc.** released an update of its west coast Newfoundland exploration programs. Exploration for oil and gas is taking place on the 345-claim, Flat Bay salt property in the Bay St. George Basin.

Interpretation of a recently completed seismic survey along the road system in this part of the Bay St. George Basin is underway.

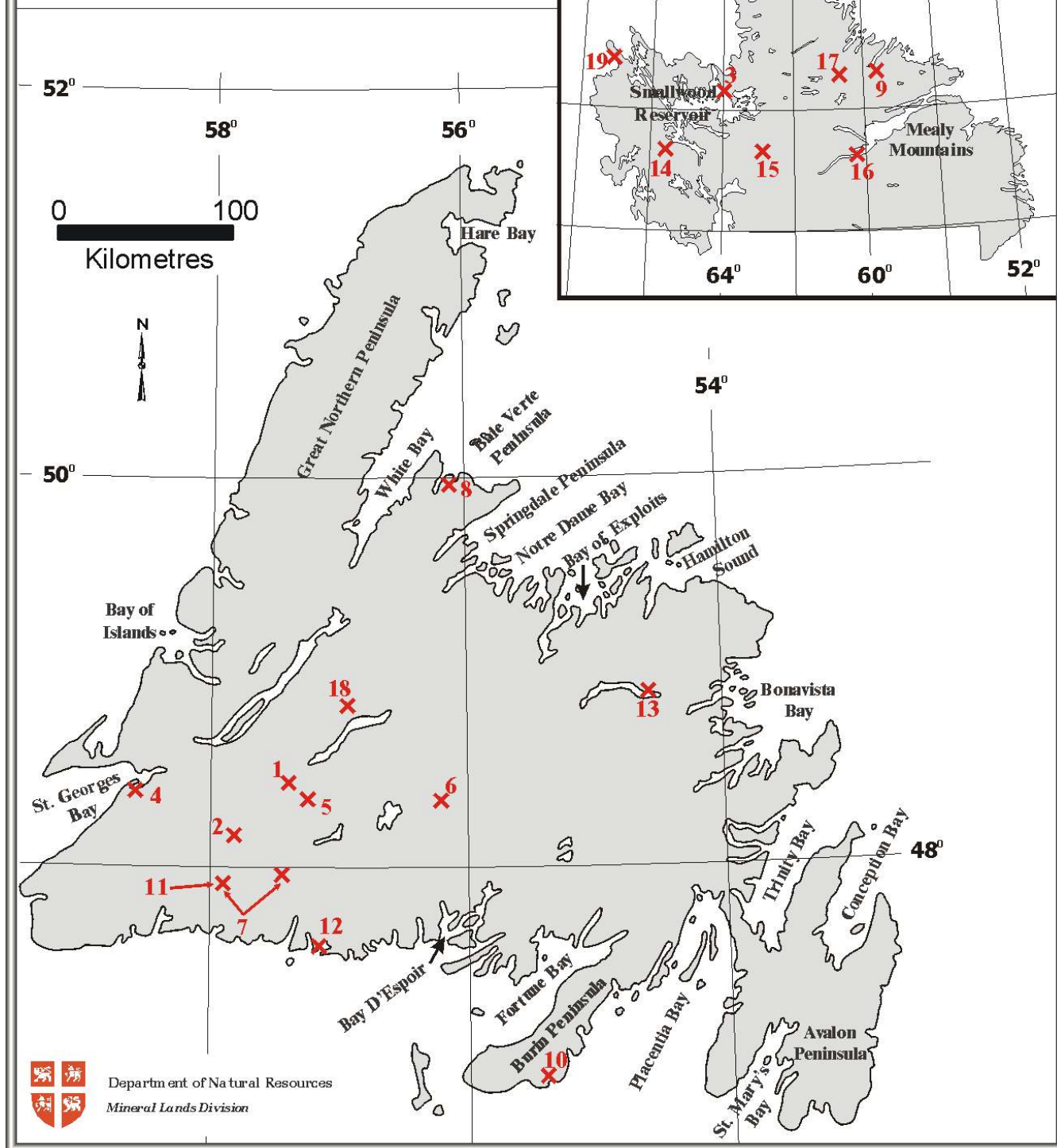
Flat Bay No. 1 well contains a shallow, oil-bearing sandstone at about 195 m depth. The well has pumping problems and needs to be thoroughly cleared of sand and fluid from a previous fracture stimulation before flow rates can be further tested. Flat Bay No. 2 well also showed petroleum at the Fischells Brook clastic horizon (sandstone and conglomerate).

At the Storm prospect, 10 km northeast of Flat Bay No. 1, **Terralliance Technologies Canada Inc.** extended its farmout agreement to July 28, 2005. Terralliance Inc. may earn a 50% interest by incurring two-thirds of the costs of the wells at the prospect. The Storm prospect is an anticlinal trap having a variety of potential sandstone and limestone reservoirs.

In 2005, diamond drilling will test the Storm and Hurricane prospects for alternative trap types and reservoir depths.

Newfoundland and Labrador Mineral Exploration Programs (see text)

February 2005



Department of Natural Resources
Mineral Lands Division

- ✖5 Also on February 10, **Richmont Mines Inc.** released a review of its exploration program at the Valentine Lake gold property in west-central Newfoundland. Richmont Mines Inc. spent \$1 million in 2004 upgrading the resource estimate to an inferred 1.3 million tonnes grading 8.51 g/mt gold for a total of 359,500 ounces of gold.

In 2005, Richmont Mines Inc. plans to spend \$500,000 on diamond-drilling programs that will test the depth and eastward extensions of the mineralization. Three mineralized zones occur along a geological contact over which Richmont Mines Inc. controls the ground for 40 km.

The Valentine Lake property consists of 343 claims held by Richmont Mines Inc., 100 claims held by Mountain Lake Resources Inc. and 7,897.56 ha of impost lands held by Mountain Lake Resources Inc. Richmont Mines Inc. may earn a 70% interest in the property from **Mountain Lake Resources Inc.** by spending an additional \$1.5 million on exploration by October 31, 2007.

- ✖6 On February 17, **Celtic Minerals Ltd.** reported on a recently completed diamond-drilling program at its 171-claim, Great Burnt Lake copper property, located in south-central Newfoundland. The 1,106-m, 4-hole, diamond-drilling program tested the down-dip and down-plunge extensions of the Great Burnt Lake copper deposit as well as another, previously undrilled, target.

A new zone of copper–gold mineralization returned 17.61 m averaging 0.56% copper and 0.92 g/mt gold, including 8.39 m of 0.9% copper and 1.91 g/mt gold, at approximately 260 m depth. A down-hole, electromagnetic geophysical survey and additional diamond drilling will investigate the relationship between this new zone and the Great Burnt Lake deposit. Nearby, testing down-dip of the Great Burnt Lake deposit missed the target but still returned a 0.87-m intersection of 5.4% copper, 1.66% zinc and 12 g/mt silver at 316 m depth. Diamond drilling of the down-plunge direction and of a new target returned only weak mineralization.

The Great Burnt Lake property covers 16 km of strike along a belt of mafic volcanic rocks that contains six copper prospects, two of which have historic resource estimates by American Smelting and Refining Company (ASARCO). The Great Burnt Lake deposit, discovered by ASARCO in the late 1960s, contains an estimated 909,091 tonnes grading 2.92% copper and the South Pond deposit, discovered by ASARCO in the 1950s, contains an estimated 293,636 tonnes of 1.33% copper. Celtic Minerals Ltd. interprets these figures as equivalent to inferred resources.

- ✖7 On February 22, **Commander Resources Ltd.** announced an agreement to acquire a 100% interest in 79 claims having uranium potential adjacent to its two uranium properties (see January 31) in southern Newfoundland. At the western, Blue Hills of Couteau property (now 124 claims), 30 claims are held by **Patricia E. Reid** and eight claims are held by **Stephen Courtney**. At the eastern, White Bear River property (now 114 claims), 32 of the claims are held by **Patricia E. Reid** and nine claims are held by **Newfoundland & Labrador Minerals Ltd.** The option agreement includes exploration expenditures by Commander Resources Ltd. of \$1 million over four years with \$75,000 slated for 2005.

In the 1980s, uranium mineralization was discovered in the area by Central Electricity Generating Board Exploration, later acquired by Cameco Corporation, and Shell Canada Limited at the Blue Hills, and by the Newfoundland Geological Survey at both locations. On the Blue Hills property, uranium mineralization occurs in seven clusters of angular boulders (up to 1.5 m across) along a 1.5-km-long trend. Values of from 0.14% to 2.88% U_3O_8 have been reported for these boulders. Grab samples from outcrop in the area assayed from 0.3% to 1.2% U_3O_8 . On the White Bear property,

grab samples from three showings assayed 0.07% to 0.42% U_3O_8 . Uranium mineralization is associated with Ordovician felsic volcanic rocks and younger granites.

- ✖8 On February 23, **Altius Resources Inc.** announced that it had agreed to sell its Rambler North, copper-gold project, located on the Baie Verte Peninsula, to a new company, **Rambler Mines Limited**.

In 2001, Altius Resources Inc. consolidated control of properties covering both the Ming copper-gold deposit and its down-plunge extension. Between March 2002 and February 2004, 66 mineral claims, including a mining lease of 351 hectares, were transferred to 11073 Newfoundland Limited. A second mining lease of 280 hectares, which contains the formerly producing Ming Mine, is held by Ming Minerals Inc. During 2002, Altius Resources Inc. completed a digital compilation and rock sampling. In 2003 and 2004, diamond drilling tested the down-plunge extensions of both the Ming massive-sulphide deposit and the Ming stringer-sulphide Footwall Zone.

The best interval down-plunge of the Ming deposit assayed 3% copper, 1.2% zinc, 25.7 g/mt silver, and 2.8 g/mt gold over 4.1 m and is comparable in grade and thickness with historic production at the Ming Mine. Downhole geophysical surveys indicate that the mineralization is open at depth and to the northwest. Intersections of the Ming Footwall Zone are separated by post-mineralization intrusive rocks. Mineralized intervals include: 12.13 m of 2.32% copper and 22.1 m of 2.26% copper from one diamond drillhole, and 16.15 m of 1.77% copper, 7.35 m of 1.96% copper, 6.55 m of 1.77% copper and 28.71 m of 1.41% copper from another.

The up- and down-plunge extensions of the Ming deposit were also tested from the 1,800-foot (549 m) level in the former mine. Results included 31 g/mt gold and 17.2 g/mt gold over 2.1 m and 2.7 m, respectively, and from a new zone, 11.51% copper over 2.6 m.

For 2005, 28,000 m of diamond drilling is planned to further explore the Ming massive sulphide, the Ming Footwall Zone and the Level 1,800 mineralization.

The Ming Mine produced approximately 2.1 million tonnes grading 3.5% copper, 2.4 g/mt gold and 20.6 g/mt silver between 1975 and 1983.

- ✖1 Also on February 23, **Messina Minerals Inc.** reported that two of four diamond drillholes targeting the Boomerang prospect (see February 7) had been completed, two others had been abandoned without reaching the target due to hole deviation, and a fifth had been started.

- ✖9 On February 24, **Altius Resources Inc.** and **Fronteer Development Group Inc.** reported potential to increase resources of uranium oxide (U_3O_8) in the area of the Michelin deposit on their main Central Mineral Belt uranium property in east-central Labrador. The deposit is located in the southwestern area of the 3,192-claim property.

The Michelin deposit contains a historic resource estimate of 6.426 million tonnes grading 0.13% U_3O_8 . The historic resource estimate for the Rainbow deposit, also located on the property, is 270,000 tonnes grading 0.1% U_3O_8 .

Altius Resources Inc. and Fronteer Development Group Inc. entered into a strategic alliance, involving a 50% each sharing of exploration expenditures, for exploration of the Central Mineral

Belt, Labrador, in March 2003. The “alliance” now controls 3,367 claims in six properties having uranium, iron-oxide–copper–gold (IOCG) and rare-earth-element potential throughout the Central Mineral Belt.

- 10-17 Also on February 24, 895 claims were recorded. The claims were staked in the February 5 to February 21 transition period during which the Office of the Mineral Claims Recorder switched to its new Mineral Rights Administration System (MIRIAD): **claim staking is now performed on-line only**. The following (✗s 10-17) represent the more significant properties staked in this period.
- ✗10 **Alexander J. Turpin** staked an additional 30 claims on the Burin Peninsula, Newfoundland. Alexander J. Turpin and **Benjamin Turpin** (30 claims) now control 90 claims at this property. The claims are underlain by mafic volcanic rocks having gold potential.
- ✗11 **Lai Lai Chan** staked an additional 30 claims in the Blue Hills of Couteau, southern Newfoundland, for uranium. Lai Lai Chan now holds 52 claims at this property.
- ✗12 **Andrew A. Turpin** staked 30 claims in southern Newfoundland, covering gold and tungsten potential. Andrew A. Turpin and **Alexander J. Turpin** (36 claims) hold 66 claims in two properties at this location. The Grey River tungsten deposit is situated between the two properties and is on ground optioned by Playfair Mining Ltd. from South Coast Ventures Inc. (see October 28, 2004).
- ✗13 **Wayde Guinchard** and **Albert Woodman** staked an additional 30 claims each at the Gander East copper property. The 157-claim property is in northeast Newfoundland, on the north side of Gander Lake. The claims are held by Wayde Guinchard (69 claims), Albert Woodman (58 claims) and **Robert Woodman** (30 claims).
- ✗14 **Brilliant Mining Corp.** staked 238 claims in western Labrador covering nickel potential.
- ✗15 **Torngait Ujaganniavingit Corporation** staked an additional 54 claims in three separate but closely spaced licences in central Labrador. Torngait Ujaganniavingit Corporation holds 134 claims in five licences in the area for their ceramic feldspar potential.
- ✗16 **Markland Resource Development Inc.** staked an additional 128 claims at its Churchill River, heavy-mineral sands project at Goose Bay, central Labrador. The new claims are adjacent to previous claim staking by **Fenton Scott** and **Graeme Scott**. The earlier claims were transferred to Markland Resource Development Inc. in October 2004 and the property now comprises 707 claims. The heavy-mineral potential includes iron and titanium oxides, garnet and zircon.
- ✗17 **Crosshair Exploration & Mining Corp.** staked 194 claims in two properties to the north and northeast of Moran Lake in central Labrador. The claims lie within the Central Mineral Belt, to the northeast of Crosshair Exploration & Mining Corp.’s Moran Lake property option from Lewis Murphy, and also have uranium and IOCG potential.
- ✗18 On February 28, **Buchans River Ltd.** announced plans for a diamond drillhole on a 220-claim licence in west-central Newfoundland. These claims form the core of the 405-claim, Buchans base-metal property; the other holders are **G.T. Exploration Ltd.** (78 claims), **John Tuach** (56 claims), **Malcolm Oxford** (30 claims), Buchans River Ltd. (15 claims) and **Newfoundland Mining & Exploration Ltd.** (6 claims). The property also includes 632.81 ha of impost lands held by Buchans River Ltd.

The base-metal target is 600 m southeast of the former Lucky Strike Mine and 50 m north of a 2001 diamond drillhole intersection that returned 14.5% zinc, 7.6% lead, 0.4% copper, 253 g/mt silver and 5.6 g/mt gold. The Lucky Strike Mine is one of five former mines on the property that produced a total of 16,196,876 tonnes grading 14.51% zinc, 7.65% lead, 1.33% copper, 126 g/mt silver and 1.37 g/mt gold between 1928 and 1984.

- ✖19 Also on February 28, **New Millennium Capital Corp.** released additional results of core analysis from its 2004 diamond-drilling program in western Labrador. The 343-claim, Elross Lake property is one of seven properties in the Schefferville area that form the 504-claim, LabMag Iron Ore project. The project is 80% owned by New Millennium Capital Corp. and 20% owned by the **Naskapi Nation of Kawawachikamach**. Results for 629 m of core, from nine diamond drillholes representing two ore-zone panels, were released previously (see January 12). The additional results, for 1,772 m from 27 diamond drillholes, represent a further seven panels within Block A and confirm the earlier results. Analyses from an additional 36 holes are pending.

New Millennium Capital Corp. also reports that geological modelling and a scoping study of the engineering and construction requirements for the project (mine, concentrator, transportation, pellet plant and port facilities) have commenced. The scoping study includes a 600-km-long pipeline, which will be designed to pump the concentrate as a slurry from Schefferville to a pelletizing plant at Sept Îles on the Québec north shore.

- ✖1 As well on February 28, **Messina Minerals Inc.** reported on three diamond drillholes at the Boomerang prospect (see above). The three diamond drillholes tested the up-dip and down-dip extensions of the prospect (see December 10, 2004).

The shallowest intersection, at 197 m depth, returned 11.1 m of pyritic massive sulphide grading 1.7% zinc, 0.9% lead, 0.2% copper, 44.4 g/mt silver and 1 g/mt gold, including a bottom 0.5 m which assayed 10.3% zinc, 0.7% lead, 0.4% copper, 51 g/mt silver and 1.3 g/mt gold. At 214 m depth, 13.05 m of massive sulphide assayed 9.6% zinc, 3.5% lead, 0.7% copper, 125.5 g/mt silver and 1.4 g/mt gold, including 12.9% zinc, 6% lead, 0.9% copper, 222 g/mt silver and 2 g/mt gold from the bottom 5.55 m. Updated assays for the discovery diamond drillhole, at 250 m depth, are 13.9 m grading 13.6% zinc, 2.6% lead, 0.7% copper, 102.1 g/mt silver and 1 g/mt gold, including a bottom 4.7 m of 20.1% zinc, 3.9% lead, 0.6% copper, 138.2 g/mt silver and 1.2 g/mt gold. The deepest intersection consists of 6.75 m grading 18.3% zinc, 6.3% lead, 1.5% copper and 159 g/mt silver.

The combined metals (zinc + lead + copper) total for each intersection (+ true thickness) from top to bottom is 2.8% (7.5 m), 13.8% (9.5 m), 16.9% (9.5 m) and 26.1% (4.2 m) indicating increasing grade with depth. The massive sulphide lens is now present over a depth of at least 166 m and is still open in all directions.