

FEBRUARY 2006

In February 2006, 1,095 new claims were staked; 640 in Labrador and 455 on the Island. This increased the staking total for 2006 to 5,121; 3,670 in Labrador and 1,451 on the Island. The number of claims in good standing at month's end was 91,971, 57,146 in Labrador and 34,825 on the Island.

Numbered crosses relate to the program locations on the accompanying maps. These maps also show the disposition of active mineral rights at month's end, which includes claims in good standing and impost lands, and ground not open for staking.

- ✘1 On February 1, **Buchans River Ltd.** and Playfair Mining Ltd., in separate press releases, announced that Buchans River Ltd. had optioned its 23-claim, Granite Lake tungsten property, in south-central Newfoundland, to **Playfair Mining Ltd.** The option includes \$50,000 in exploration spending over three years for a 100% interest, together with various "back-in" and net-smelter-royalty conditions.

The property contains molybdenum–tungsten mineralization in sheeted veins in granite, as well as several, large, base-metal soil anomalies. The surrounding area covers a large multi-element, lake-sediment anomaly (see October 14, 2005) over which Playfair Mining Ltd. now controls 189 claims.

- ✘2 On February 1, **Buchans River Ltd.** noted that **Prominex Resource Corp.** had announced that an airborne geophysical survey had commenced over its 20-claim, Tulks Hill base-metal-property option from Buchans River Ltd. (see November 14, 2005). Prominex Resource Corp. adds that it has commissioned Aeroquest Limited to use its deep-penetrating, AeroTEM II HTEM (a helicopter-borne transient electromagnetic and magnetic survey) system for enhanced spatial resolution and target definition of conductive zones and, hence, potential sulphide mineralization.

- ✘3 On February 1, **Quest Inc.** staked an additional 16 claims at the Huxter-Lane gold property in central Newfoundland. The remaining claims in the property are held by Quest Inc. (30 claims) and associates **Roland Quinlan** (14 claims) and **Larry Quinlan** (10 claims) and are under option to **Rubicon Minerals Corporation.**

- ✘4 On February 1, 3 and 6, **Alexander J. Turpin** staked 84 claims in nine separate properties in western Labrador for uranium. The claims overly supracrustal rocks of the Labrador Trough; mostly metamorphosed clastic rocks and, locally, iron formation, carbonates or mafic volcanic rocks.

- ✘5 On February 2, **Prominex Resource Corp.** announced completion of a National Instrument 43-101 compliant report for the Phase 1 exploration program (see August 10 and September 1, 2005) on its 45-claim, Burtons Pond base-metal–gold property. Twenty four of the claims are under option from **Buchans River Ltd.** (see November 30 and December 21, 2004).

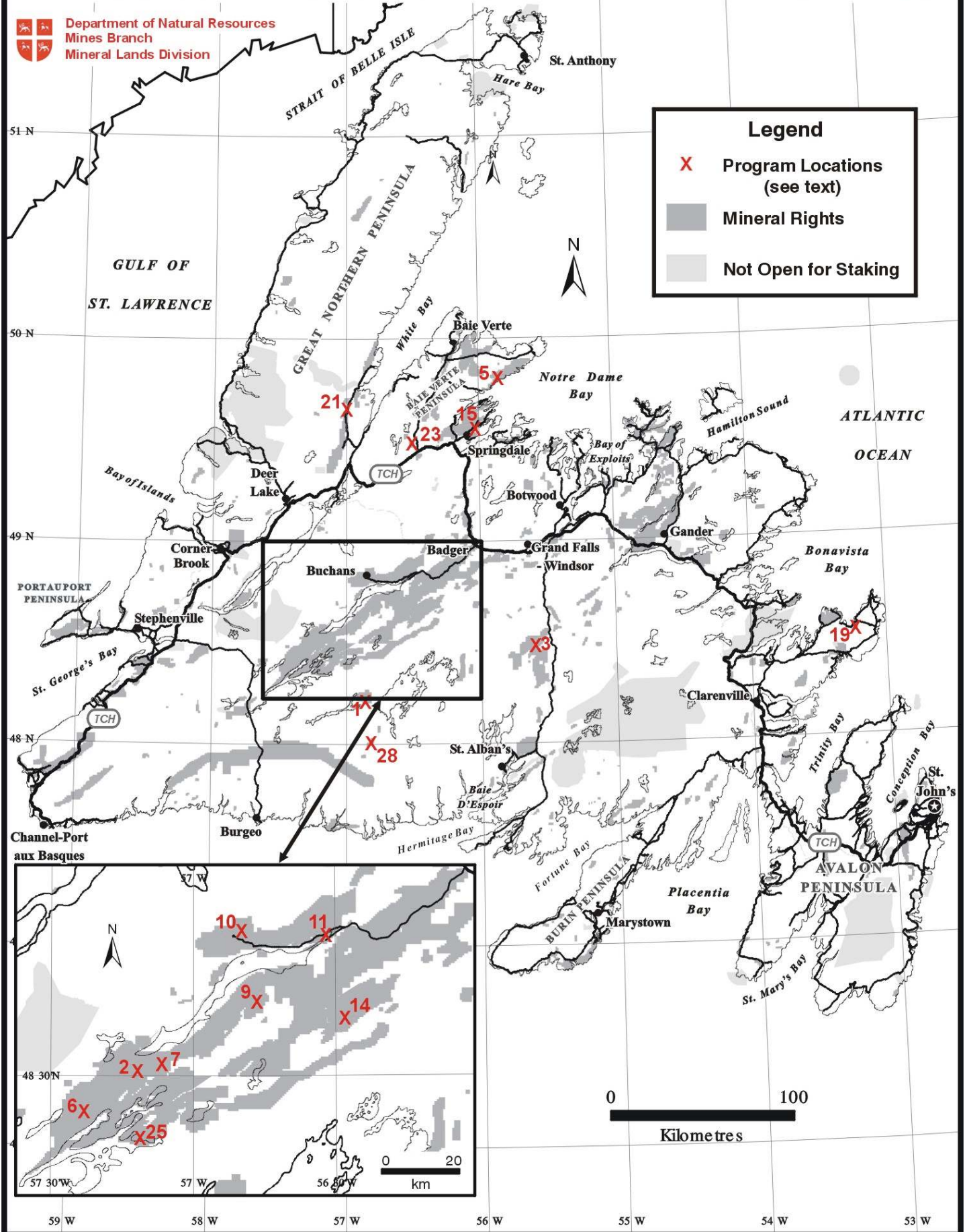
NEWFOUNDLAND MINERAL EXPLORATION PROGRAMS

FEBRUARY 2006


 Department of Natural Resources
 Mines Branch
 Mineral Lands Division

Legend

- X Program Locations (see text)
- Mineral Rights
- Not Open for Staking

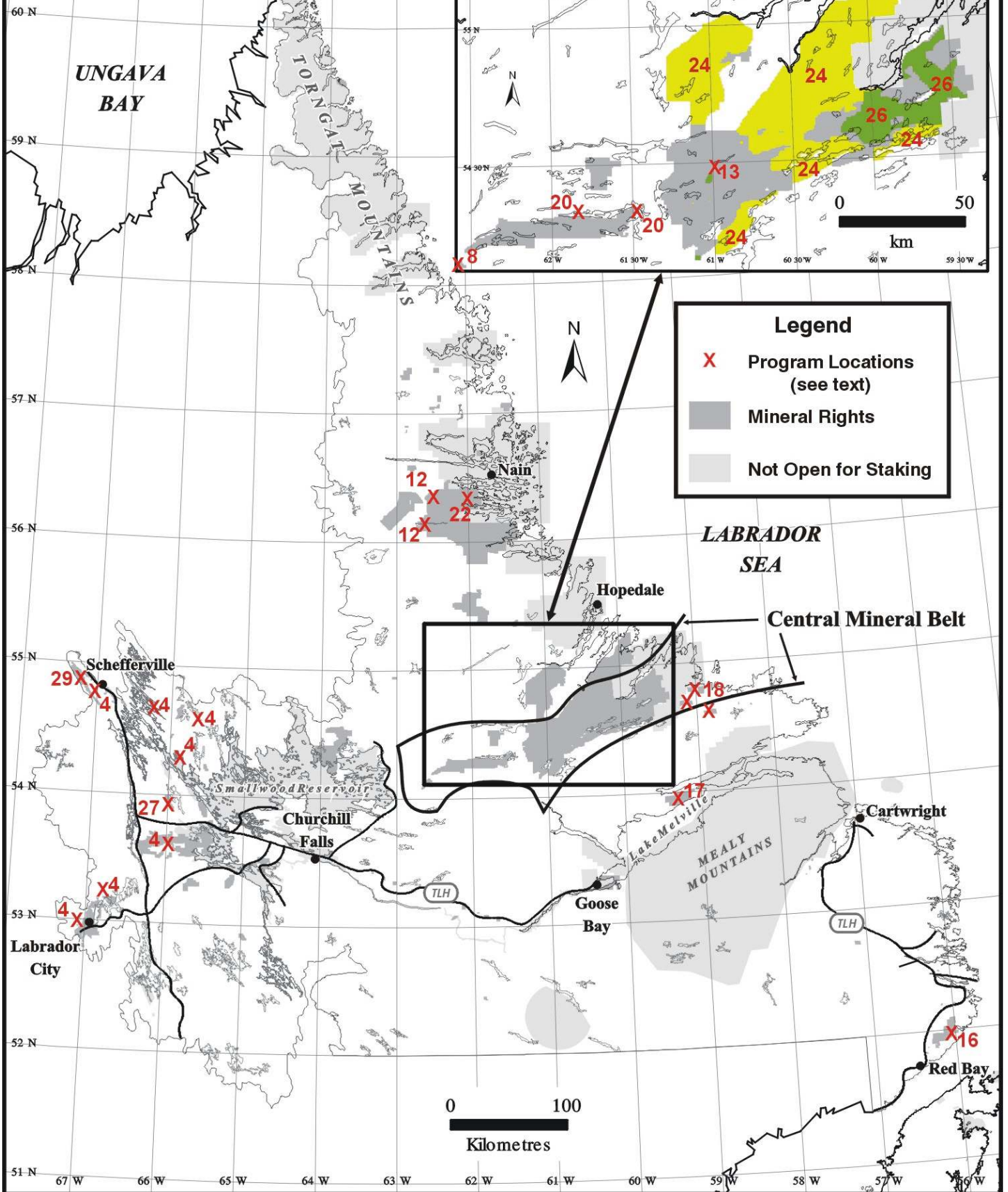


LABRADOR MINERAL EXPLORATION PROGRAMS

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In Phase I, the property, which contains the Burtons Pond copper–gold prospect and the Axe Pond lead–zinc prospect, was evaluated with a program of prospecting, mapping, soil sampling and an induced polarization, geophysical survey. During this program the Eagle lead–zinc showing was discovered, together with a 750-m-long, copper-in-soil anomaly and several prominent, lead–zinc soil anomalies associated with local lineaments. In addition, diamond drilling (1,163 m in nine holes) tested the Burtons Pond and Axe Pond prospects, as well as induced polarization geophysical anomalies, and intersected widespread, but generally weak, base-metal mineralization.

In the report, the geology, structural setting, untested induced-polarization anomalies and geochemically anomalous lineaments are interpreted as positive indicators of volcanogenic-massive-sulphide or epigenetic-gold potential. A \$386,000, Phase II, exploration program is recommended, including \$300,000 on diamond drilling and pulse electromagnetic geophysical surveying during the winter of 2006.

- 6-7 On February 2, **Messina Minerals Inc.** announced that the 2006 diamond-drilling program on its central Newfoundland, base-metal–gold properties had commenced at the Boomerang-Domino massive-sulphide target, located 400 m northeast of the Boomerang prospect (X6) in the Tulks South property. The Boomerang-Domino target was discovered in 1997 by Noranda Mining and Exploration Inc. Diamond drilling intersected 3% zinc, 1.2% lead, 0.4% copper, 85 g/mt silver and 0.4 g/mt gold over 11.6 m and included a 1.6-m interval grading 10.8% zinc, 3.5% lead, 0.5% copper, 103 g/mt silver and 1 g/mt gold. This target may lie stratigraphically beneath the Boomerang massive-sulphide horizon.

The 2006 program also will include diamond-drilling at the Boomerang prospect (X6), at the Zinc zone (X6), 500 m southwest of Boomerang, and on the A Zone at the Tulks East prospect (X7), all within the Tulks South property. The Boomerang prospect has a strike length of approximately 400m, a vertical height (down-dip extent) ranging from approximately 60 m to over 200 m, and an average thickness of approximately 10 m. The Zinc zone is a 1-km-long gravity anomaly that is coincident with a 400-m-long, zinc-in-soil anomaly, that is at the same stratigraphic horizon as the Boomerang prospect (see December 20, 2005) and that contains a massive-pyrite intersection at its east end; it will be tested along strike to the west. Fall 2005 diamond drilling of the A Zone, massive-sulphide lens returned its best intersection to date (see October 27, 2005): additional drilling will follow interpretation of a recently completed, detailed gravity survey of the Tulks East area.

- X8 On February 4, **Mark Crocker** staked 30 claims over peralkaline volcanic rocks in the Central Mineral Belt in central Labrador. The claims have niobium, thorium, beryllium, zinc and rare-earth-metal potential.
- X9 On February 7, **Mountain Lake Resources Inc.** announced that it had contracted Roscoe Postle Associates Inc. to conduct an independent review of its Bobbys Pond, zinc–copper property in central Newfoundland. The review is to identify mineable lenses of high-grade mineralization near surface, to identify new diamond-drilling targets, and is to include a new resource estimate that is to National Instrument 43-101 standards. (See May 25, 2005, for the previous estimate.) The resource estimate will incorporate 15,676 m of diamond drilling in 69 holes of prior diamond drilling.

- ✘10 On February 7, **Buchans River Ltd.** staked an additional 125 claims in six areas in and around its Buchans base-metal property. Buchans River Ltd. controls 490 claims (78 claims held by associated company **G.T. Exploration Ltd.**). Past production at the Buchans Mines and exploration plans for the property were reported on January 9.
- ✘11 On February 8, **Canstar Resources Inc.** announced that a geophysical survey (see December 12, 2005) would soon commence over parts of its Mary March base-metal property in central Newfoundland. The survey will consist of the deep-penetrating InfiNiTEM electromagnetic and magnetic system and will test the interpreted, thickly overburden-covered, down-plunge extension of high-grade mineralization (see January 16) in an adjacent part of the property.
- ✘12 On February 8, **Terry Christopher** staked an additional 502 claims in northern Labrador for nickel. Most of the claims are adjacent to previous staking at Voisey's Bay West and Voisey's Bay South (see January 16/17 and 25).
- ✘13 On February 9, **Crosshair Exploration & Mining Corp.** announced that a Phase 1 diamond-drilling program had commenced on its Moran Lake uranium and iron-oxide-copper-gold (IOCG) property, located in the Central Mineral Belt in central Labrador. The program, designed to upgrade the recent resource estimate for the Upper Moran "C" Zone (see December 8, 2005), will include about 2,000 m of diamond drilling in 10-12 diamond drillholes.

The Moran "C" Zone occurs near the margin of a large (10 x 3 km), residual gravity anomaly, which is similar in size and strength to that at the uranium and IOCG Olympic Dam deposit in Australia. The Moran "B" Zone, Moran Heights and Areas 1-4 uranium occurrences (see October 4, 2005) also are located within the confines of the residual gravity anomaly and will be tested in the Phase 2 diamond-drilling program (see December 8, 2005).

- ✘14 On February 9 and 15, **Aur Resources Inc.** reported on its Duck Pond base-metal mine in central Newfoundland.

On February 9, it reported that the project is on schedule to commence production in the fourth quarter of 2006. Power is being delivered to the site via a recently completed power line and camp logistics are now fully operational. The mill has been enclosed and its major equipment installed and ramp construction (completed to 1.236 km) and tailings pond preparation are in progress. In 2005, infrastructure construction cost \$30.4 million.

Underground development is to be accelerated in 2006 and will include 430 m of drifting and approximately 20,000 m of underground diamond drilling originally scheduled for 2007, at a cost of \$3.7 million.

Revised pre-commercial capital costs are up from \$72.2 million to \$78 million due to a purchase, rather than lease, decision for some mine equipment. Pre-commercial production in late 2006 will consist of approximately 10.2 million pounds of zinc and 5.6 million pounds of copper in concentrate. Commercial production will be reached early in 2007, after which the operation will

produce approximately 76 million pounds of zinc and 41 million pounds of copper annually, at an underground mining rate of 1,800 tonnes of ore per day, from 2007 to 2014. Net capital development costs stand at around \$82.2 million.

On February 15, **Aur Resources Inc.** reported the following reserves and resources for its Duck Pond mine (see above):

Reserves	tonnes	Cu(%)	Zn (%)	Ag(g/mt)	Au (g/mt)
Proven	1,190,000	3.37	5.27	53.0	0.75
Probable	2,888,000	3.26	5.85	61.9	0.90
Total Reserves	4,078,000	3.29	5.68	59.3	0.86

Resources (including Reserves)	tonnes	Cu(%)	Zn (%)	Ag(g/mt)	Au (g/mt)
Measured	1,029,000	4.05	6.40	62.3	0.86
Indicated	2,511,000	4.03	7.40	75.5	1.08
Total Resources	3,540,000	4.03	7.11	71.7	1.01
Inferred	1,073,000	3.04	7.05	71.2	0.81

- ✘15 Also on February 9, **Garry B. Fraser** staked 32 claims covering copper–gold potential of mafic volcanic rocks on the Springdale Peninsula. The claims include the exhausted Lady Pond Mine from which several hundred tons of 1-2% copper ore were shipped in 1898-1899.
- 16-18 On February 10, **10565 Nfld. Inc.** transferred 2,050 claims to **Silver Spruce Resources Inc.** The claims cover uranium potential in three Labrador projects; the 800-claim Straits project (✘16) in southeast Labrador (see January 27), the 758-claim Lake Melville project (✘17) northeast of Goose Bay (see January 16 and 26) and the 492-claim Mount Benedict project (✘18) near the eastern end of the Central Mineral Belt (see January 3/4 and 15).
- ✘19 On February 11, **Kat Exploration** staked 40 claims on the Bonavista Peninsula for copper. Kat Exploration is in joint venture with **Atlas Mining Company** on base-metal claims throughout eastern Newfoundland (see January 17).
- ✘20 On February 12, **10565 Nfld. Inc.** staked an additional four claims in two separate properties at its Seal Lake copper project in the Central Mineral Belt in central Labrador. The remaining claims in the Seal Lake Project are a part of Silver Spruce Resources Inc.'s option to Universal Uranium Ltd. for uranium (see January 18).
- ✘21 On February 14, **Spruce Ridge Resources Ltd.** staked an additional 38 claims at its Turners Ridge lead property, located southwest of White Bay. The property now contains 142 claims (see March 29, 2005).

- ✘22 On February 14, **Inco Limited** issued a financial report on its 2005 operations. Included in the report is a revised projection for 2006 production from Voisey's Bay of 120 million pounds of nickel, up from the 110 million pounds reported previously, due to ramped up production capacity.
- ✘23 On February 14, **Eddie Quinlan** staked 36 claims in northwest-central Newfoundland. The claims overlie subaerial volcanic rocks and have gold potential.
- ✘24 On February 16, **Bayswater Ventures Corp.** issued a progress report for its 13,365-claim uranium project in northeast-central Labrador (see January 16). A compilation of historical exploration data has commenced and a technical report to National Instrument 43-101 standard has been commissioned from Roscoe Postle Associates Inc.
- ✘25 On February 22, **Mountain Lake Resources Inc.** announced that 3-D modelling of the mineralization on its 502-claim Valentine Lake gold property in central Newfoundland by optionee **Richmont Mines Inc.** (see October 27, 2005) had been contracted to Roscoe Postle Associates Inc. Metallurgical testing to determine gold-grade recovery rates is underway at a laboratory in Val d'Or, Québec. Roscoe Postle Associates Inc. will combine the results of the metallurgical tests with a review of the diamond drilling database in order to upgrade the previous resource estimate for the Valentine Lake Main Zone (see May 3, 2005). The property contains additional potential along strike to the northeast at Valentine East (see May 3, 2005).
- ✘26 On February 22, **Fronteer Development Group Inc.** announced that **Aurora Energy Inc.** had filed a "preliminary prospectus:" an "initial public offering" is pending. Aurora Energy Inc. is currently owned by Fronteer Development Group Inc. (52%) and its joint venture partner **Altius Resources Inc.** (48%) and was established by the two companies to manage and operate their 3,248-claim, Central Mineral Belt uranium property in east-central Labrador. The claims were transferred from Altius Resources Inc. to Aurora Energy Inc. on February 8, 2006.
- ✘27 On February 23, **Consolidated Abaddon Resources Inc.** and **International Uranium Corporation** announced an option agreement on the former's 176-claim, Sims Lake uranium property in western Labrador. The initial option includes \$225,000 in exploration expenditures during each of the next two years for a 51% interest. Previous work and geological information for the Sims Lake property were reported on July 20 and October 13, 2005. Metals other than uranium are covered under a separate agreement (see August 10, 2005).
- ✘28 On February 23, **Patricia E. Reid** (30 claims) and **Cyril Reid** (10 claims) staked over granitoid rocks in southern Newfoundland for uranium.
- ✘6 On February 27, **Messina Minerals Inc.** reported a new massive-sulphide occurrence from the Boomerang area of its Tulks South base-metal property in west-central Newfoundland. Diamond drilling at the Boomerang-Domino target (see above) intersected 10.58 m of massive sulphide

grading 7.3% zinc, 5.5% lead, 0.5% copper, 128 g/mt silver and 1 g/mt gold that included a 3.63-m interval which assayed 12.1% zinc, 7.4% lead, 0.5% copper, 219 g/mt silver and 1.4 g/mt gold.

- ✘29 On February 28, **New Millenium Capital Corp.** reported initial results of analysis of drillcore from the 2005 diamond-drilling program (see October 3, 2005) on its LabMag Iron Ore Project in western Labrador. The analyses are from 1,732 m of core for 24 diamond drillholes from Block “A” and confirm previously reported results indicating a potential Davis Tube concentrate assaying over 69% iron and less than 3% silica (see May 20, 2005). The results will be incorporated into a geostatistical block model by Geostat Systems International Inc. and forwarded to Watts, Griffis and McOuat for inclusion in an updated resource estimate. The new resource estimate is scheduled for completion in late March 2006.