

Exploration Highlights for February, 2010

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Claim Staking Update for Newfoundland and Labrador

Claims staked in February	903
Total Claims in good standing	115,633

Newfoundland

Central

On February 10 **Paragon Minerals Corporation** announced that joint-venture partner **Crosshair Exploration & Mining Corp.** has commenced drilling at the Golden Promise JV Gold Project in central Newfoundland. The program will focus on the Jaclyn Main Zone and will consist of approximately 6,200 m of drilling in 30 holes. Eighteen drill holes are 50 m-spaced "step-out" holes aimed at extending the Jaclyn Main Zone eastward for 300 m to a total strike length of 1200 m. The remaining holes are proposed to further test the potential of the paralleling Jaclyn North Zone and provide metallurgical samples of the high-grade near-surface portion of the Jaclyn Main Zone.

Crosshair and Paragon also plan to conduct a surface bulk sampling program on completion of the drill program at the Jaclyn Main Zone. The bulk sample is aimed at providing a more representative gold grade for the Jaclyn Main Zone resource, where assay results from diamond drilling alone may not be an effective means of reliably determining grade in high-nugget effect gold systems. Studies of other high-nugget effect gold deposits indicate that assays from surface diamond drill holes may understate the actual in-situ gold grade in such deposits.

www.paragonminerals.com

www.crosshairexploration.com

On February 16 **Paragon Minerals Corporation** announced the start of the 2010 drill program on its wholly-owned South Tally Pond zinc-lead-copper-silver-gold volcanogenic massive sulphide ("VMS") project in central Newfoundland. The planned

drill program includes up to 12 drill holes (3,200 m) focused on expanding the Lemarchant massive sulphide discovery and testing several other high priority targets located elsewhere on the property.

The South Tally Pond Project is located in the same volcanic belt and has many similarities to the rocks that host Teck's Duck Pond copper-zinc mine. Paragon has made a significant precious metal-rich massive sulphide discovery at the Lemarchant Prospect, where wide-spaced drilling has identified semi-massive to massive sulphide mineralization over a 500-m strike length at depths from 165 to 300 m below surface. Significant drill intercepts include 9.46% zinc, 2.13% lead, 0.81% copper, 73.44g/t silver, 1.85 g/t gold over 14.6 m (LM07-15) and 12.38% zinc, 2.61% lead, 0.45% copper, 50.32 g/t silver, 0.74 g/t gold over 14.6 m (LM07-17).
www.paragonminerals.com

On February 19, **Mountain Lake Resources Inc.** reported initial analytical results from its drill program in progress at the Valentine Lake Gold Project in central Newfoundland, Canada. **Marathon PGM Corp.** is the operator of the Valentine Lake Project under the sub-option and joint venture agreement between Mountain Lake and Marathon.

Highlights:

- Hole VL-10-139 intersected 3.94 g/t gold over 9.0 m at a depth of 50 m below surface
- hole VL-10-137 hit the top of the Main Zone on section 10,000
- hole VL-10-138 intersected 2.97 g/t Au over 9.38 m at a depth of 70 m below surface
- 3.92 g/t Au over 2 m and quartz veining in hole VL-10-138 validates the upside potential of sediments as a previously little tested host rock
- the Leprechaun Deposit is to date the only resource defined within the entire 30 km strike length of Valentine Lake

The purpose of the current drill program is to explore the near surface areas updip and along strike from the current resource at the Leprechaun Deposit, which will help to assess the open pit potential of the deposit and improve the overall resource. Two drills are carrying out the on-going drill program, testing 600 m of strike that has been drilled to a depth of 150 m and is open in all directions. Adding to the resource expansion potential is the fact that there are numerous parallel zones of mineralization in the hanging wall and the mineralized assemblage is 200 m wide. Drilling will be focused at filling drilling gaps between blocks used to calculate the resource with 3,700 m planned over 40 holes to evaluate the potential for developing an open pit resource. The upper 100 m of the deposit has not been sufficiently tested.

The Valentine Lake Property hosts the Leprechaun Pond gold deposit, which has an NI 43-101 compliant underground inferred mineral resource of 1,314,780 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 mineral resource of 443,000 ounces of gold. The deposit is open at depth.
www.marathonpgm.com
www.mountain-lake.com

On February 23 **Canstar Resources Inc.** announced that the Company has signed a Mining Option Agreement (MOA) with On-Strike Gold Inc., on Canstar's 37 claim property located immediately east and north of, and along the geological trend of, Canstar's Mary March property. Following are terms of the agreement: On-Strike Gold can earn 50% interest in the claims for the following considerations.

- Cash payments of \$ 175,000 - \$25,000 on signing agreement (paid), \$50,000 on the first anniversary of the agreement, \$100,000 on the second anniversary.
- 500,000 On-Strike shares (currently being issued).
- Exploration Expenditures - \$100,000 in the first year, \$250,000 in the second year, \$500,000 in the third year.

On earning 50% interest, On-Strike will enter into a joint venture agreement with industry standard terms.

On February 26 the directors of **Canstar Resources Inc.** reported that Vinland Resources has filed a Factum in support of its appeal against the decision of the Newfoundland and Labrador Mineral Rights Adjudication Board. The Board had rejected Vinland's claim to the Mary March mineral property in the Buchans area on October 23rd, 2009. The Directors have been advised that the government has 30 days to respond to the Factum. This further delays final resolution to this long standing dispute and Canstar's plans to resume exploration on the highly prospective Mary March property.

www.canstarresources.com

Baie Verte

On February 10, **Tawsho Mining Inc.** announced that it has entered into an Option Agreement with Rhino Exploration Ltd. dated February 8, 2010 to acquire a 100% ownership interest of Rhino's Whisker Valley claims, located on Baie Verte Peninsula, Newfoundland, covering approximately 235 sq. kms. The Option Agreement extends over a term of 8 years and provides for periodic payments to Rhino partly in cash and partly by the issuance to them of certain shares on an annual basis, in order to keep the Option Agreement in good standing. In addition, Tawsho is obligated to spend a certain amount of money each year on exploration activities in order to keep the Option Agreement in good standing. Signing of a definitive Option Agreement is conditional on approval by the Board of Directors of Tawsho, certain due diligence to be completed by February 28, 2010 and the approval of the TSX to the issuance of the shares contemplated by the said agreement.

<http://www.tawshomining.com/>

Labrador

Central Mineral Belt

On February 11 **Crosshair Exploration & Mining Corp.** announced the widest vanadium intercept to date from the ongoing vanadium program on the Central Mineral Belt (CMB) Project in Labrador. Holes outside of the currently defined resource continue to yield vanadium results.

Highlights from recently assayed holes include:

- 0.179% V₂O₅ over 241m (from 30m to 271m) including 0.228% V₂O₅ over 20m (from 204m to 224m) and
- 0.331% V₂O₅ over 14m (from 114m to 128m) including 0.428% V₂O₅ over 4m (from 118m to 122m).

NOTE: The holes are not being sampled in sequence.

The vanadium resource expansion program has been planned with the goal of adding significant pounds of vanadium to the existing vanadium resource without the need for further drilling. Given the fact that the previous drill programs on the CMB project focused exclusively on uranium, most holes were only sampled where uranium was encountered. For this reason, approximately 4,000 m of existing core needs to be sampled and assayed for vanadium.

On February 25, **Crosshair Exploration & Mining Corp.** announced further results from the ongoing vanadium program on the Central Mineral Belt (CMB) Project in Labrador. Highlights from recently assayed holes include:

- 0.209% V₂O₅ over 72.0m (from 192.0m to 264.0m) including 0.337% V₂O₅ over 6.0m
 - 0.182% V₂O₅ over 36.0m (from 62.0m to 98.0m) and
 - 0.184% V₂O₅ over 17.3m (from 61.7m to 79.0m) including 0.227% V₂O₅ over 7.3m
- <http://www.crosshairexploration.com/>

On February 16 **Rare Earth Metals Inc.** announced that it has entered into two binding option agreements in the Red Wine/Letitia Lake area of Central Labrador. The Company is also pleased to report that it has acquired, through staking, two additional rare metal prospects in the same area. The additional staking and the two optioned claim groups, consolidates the Letitia Lake property into a coherent package totaling 584 claim units (146 sq. km.).

The first option agreement is with **Cornerstone Capital Resources Inc.** respecting its 155 claim unit property. Rare Earth Metals will make an initial payment of \$10,000 and 20,000 shares and guarantees minimum first year expenditures of \$50,000, sufficient to maintain the property in good standing. Thereafter, Rare Earth Metals will make further payments of cash and shares totaling \$30,000 and 60,000, respectively over the first two years of the option and incur additional exploration expenditures totaling \$300,000 over

three years in order to earn a 51% interest in the claims. The parties will then form a joint venture to further explore and develop mineral resources on the property. Rare Earth Metals will operate the exploration programs during the option period in consultation with Cornerstone.

The second option agreement is with **Playfair Mining Ltd.** Rare Earth Metals can earn a 51% interest in Playfair's 313 claim unit property by making an initial payment of \$15,000 and 20,000 shares and guaranteeing a minimum first year expenditures of \$100,000. Thereafter, Rare Earth Metals will make further payments of cash and shares totaling \$55,000 and 130,000 respectively and incur additional exploration expenditures totaling \$400,000 over three years in order to earn a 51% interest in the claims. The parties will then form a joint venture to further explore and develop mineral resources on the property. Rare Earth Metals will operate the exploration programs during the option period in consultation with Playfair.

Both agreements are subject to approval by Rare Earth's board of directors and receipt of regulatory approval. Rare Earth Metals has two claim groups in the Red Wine District with the Letitia Lake property located on the east end of the belt. The other claim group is the Red Wine 2 or Eudyolite property, which is located on the west end of the belt. The Letitia Lake claims now host four rare metals showings, the Mann # 1, Two Tom, Michelin #1 and Mann #2. The latter two were recently staked by Rare Earth Metals. The Mann #1 is the most advanced of the known mineralization and is described as a 50 to 100 meter wide zone of Be/REE/Nb mineralization which was partially defined through work by Rio Tinto Canada in 1961. Trenching and drilling, at that time, defined a zone of mineralization containing 0.35% to 0.40% BeO down to 200 feet. There was no analysis done for REEs. Recent Rare Earth Metals' sampling on the Mann # 1 deposit had best values of 4.99% TREO, 0.97% BeO and 2.35% Nb₂O₅.

Airborne geophysics, follow-up sampling and diamond drilling is scheduled for this property during the summer/fall, 2010. This will be the first time since the 1960's that any detailed field work has been done on these showings.

www.rareearthmetals.ca/

www.cornerstoneresources.com/

www.playfairmining.com

Western Labrador

On February 15 **Labrador Iron Mines Holdings Limited** (LIM) announced that it has signed an agreement with the Sept-Iles Port Authority for the use of the Pointe-Noire facilities at the port to ship LIM's iron ore products. LIM has agreed a base fee schedule with the Port Authority regarding wharfage fees for iron ore loading for LIM's shipping operations beginning in mid 2010. LIM is currently in negotiations with port operators regarding rail transportation, storage, reclaim and ship-loading of its iron ore products.

On February 16 **Labrador Iron Mines Holdings Limited** announced that it has received final environmental approval and project release from the Government of Newfoundland

and Labrador for its Schefferville Area direct shipping iron ore project in Western Labrador. On February 12, 2010 the Minister of Environment and Conservation informed LIM that, under authority of Section 67(3)(a) of the Environmental Protection Act, the Lieutenant-Governor in Council has released the Schefferville Area Iron Ore Mine from further environmental assessment, subject to a number of terms and conditions.

This project release will allow the Company to complete the permit and license application process and regulatory approvals required for the construction of mine infrastructure and production facilities to facilitate the commencement of iron ore production at the James and Redmond deposits planned for summer of this year. The lump and fines that LIM plans to produce will be the first direct shipping iron ore ("DSO") mined in Canada in almost three decades. The Project will result in considerable socio-economic benefits accruing to the Province of Newfoundland and Labrador, creating employment and business opportunities and contributing substantially to the economy. LIM has entered into an Impact Benefit Agreement with the Innu Nation of Labrador and it is expected that approximately 25% of total employees on the project will be from Aboriginal First Nations.

Milestones Achieved

Over the last quarter, the Company announced several key developments that have significantly advanced the Project towards the goal of production start-up in the summer of 2010. Independent Metallurgical Tests by SGA of James lump ore and sinter fines confirmed grade, quality and suitability for steel markets Metallurgical testing of James South lump ore and sinter fines by SGA research centre in Germany indicated the iron content of the lump ore at 66.98% and the fines at 67.23%, with other elements favourably low in both cases. SGA concluded that James South represents high quality lump ore and fines which will be well accepted in the European market.

Resource Estimates for James and Redmond deposits showed significant increase over historical resources The NI 43-101 compliant resource estimates for the James, Redmond 2B and Redmond 5 deposits comprising the first stage of targeted production now total 11.0 million tonnes of Indicated resource at a grade of 57.4% iron compared to 5.2 million tonnes of historical (non NI 43-101) resource. The new estimates prepared by SGS Geostat Ltd. reflect results of drilling and trenching undertaken by LIM in the 2006, 2008 and 2009 field seasons and show a significant increase in tonnage over the historical resources (not NI 43-101 compliant), estimated by the Iron Ore Company of Canada ("IOC") prior to 1982. The significance of the increase is highlighted by the potential to extend the expected life of stage 1 production.

www.labradorironmines.ca

On February 16, **New Millennium Capital Corp.** announced that it has signed an agreement with the Sept-Iles Port Authority ("SIPA") for the shipment of iron ore products from its DSO properties over the SIPA owned dock at Pointe Noire (Sept-Iles), Quebec. The Port of Sept-Iles operates year round and is the largest shipper of iron ore products in North America. The agreement ensures that New Millennium will have the

right to export its products over the SIPA owned dock at Sept-Iles at competitive and established long term wharfage rates. The Company's expectation is to start production in 2011 reaching shipments of 4 million tonnes per year by 2013, subject to regulatory approvals, advanced engineering and procurement.

On February 25, **New Millennium Capital Corp.** announced the results of the Feasibility Study ("the Study") to develop a project to mine its 100% owned DSO properties. The Study updates the earlier pre-feasibility study which was prepared in assistance with Consulting Engineer Met-Chem Canada Inc. The estimated mineral resources supporting the Study were updated based on 2009 drilling results that were established earlier by SGS Geostat Inc. (see News Release 09-16 dated December 9, 2009). This update was done by NML with contributions and review by others, including Met-Chem, with expertise critical to some aspects of the Project.

Highlights of the DSO Project Feasibility Study:

- Production assumption of 4 million tonnes per year ("mtpy") of Sinter Fines and Super Fines products.
- Proven and Probable Mineral Reserves of 64.1 million tonnes ("mt").
- Variable stripping ratio, from mine to mine, with an average of 1.03 over the life of the mines.
- Total initial capital cost of US\$ 300 million and working capital of about US\$ 13.5 million.
- Sustaining capital, capital leasing, mine rehabilitation and Goodwood development at US\$ 115 million
- Internal rate of return ("IRR") of 29% (unleveraged and before corporate taxes and mining taxes).
- Payback of 3 years after the start of commercial production. - Direct jobs creation of about 200 at the mine, wash plant and administrative areas.
- Anticipated start of commercial production in Q3, 2011, provided that certain advanced engineering, purchases of equipment and site infrastructure development are made in March, 2010.

The Study will now be reviewed by Tata Steel, in order to make a decision to fund the Project. Tata and NML have recently signed a joint venture agreement (JVA), which will enable the parties to form a joint venture company (JVC) to develop and operate the Project after an investment decision is made (see News Release 09-14 dated November 6, 2009) no later than 180 days after receipt of the Feasibility Study by Tata Steel.

www.nmlresources.com

On February 17, **Champion Minerals Inc.** provided an update on the exploration program at the Company's wholly-owned Attikamagen Iron Property (the "Property") following the completion in 2009 of a detailed mapping and sampling campaign and a 2008 airborne magnetic survey by Labec Century Iron Ore Inc. ("LCIO"). The Property is under an option and joint venture agreement (the "Agreement") between Champion and LCIO allowing LCIO to earn up to a 60% interest in the Property by expending up to

C\$12.5 million in exploration and development work expenditures. Pursuant to the Agreement, LCIO are acting as operators on the Property.

Three main taconite or magnetite (hematite) silica iron formation target areas have been identified for follow up work at Hayot Lake, Lac Sans Chef and Jennie Lake. Systematic metallurgical tests are underway to quantify the efficiency of weight recovery by magnetic and gravity separation on representative composite samples for each area. Following these results, a drill program is planned for the summer of 2010.

The Property also has very good potential for identifying and building Direct Shipping Ore (or "DSO") mineral resources. The DSO term was used by previous operators in the Schefferville area to designate "oxidized iron ore" with iron grades in excess of 55%, and is only used here for historical reference and is not intended to imply that a positive economic study has been completed on the Property. As such, concurrently with the taconite exploration program, a DSO exploration program is planned for the summer of 2010. A 20 line-kilometer gravity survey over four favorable DSO target areas has been initiated and is expected to be completed this winter.

www.championminerals.com