

## JANUARY 2005

In January 2005, 795 new claims were staked; 597 on the Island and 198 in Labrador.

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

- ✘1 On January 5, **Royal Roads Corp.** reported a preliminary resource estimate for the Daniels Pond zinc–lead–copper–silver–gold deposit and announced exploration plans for 2005 for its surrounding Tulks North base-metal property. The 643-claim property is in west-central Newfoundland.

The Daniels Pond volcanogenic-massive-sulphide deposit was discovered in 1989 by BP Resources Canada. BP Resources Canada completed 38 diamond drillholes and delineated the deposit, which strikes northeast and dips steeply southeast, over a strike length of 1.21 km and to a depth of 325 m. Seven of these diamond drillholes intersected a near-surface, high-grade lens from which the best intersection was 5.5 m grading 18.82% zinc, 10.92% lead, 1.12% copper, 400 g/mt silver and 1.1 g/mt gold.

From 2002 to 2003, Royal Roads Corp. completed an additional seven diamond drillholes at Daniels Pond, including two infill holes. These diamond drillholes extended the depth (to at least 400 m) and strike length of the deposit. The best results from this program were: 4.2 m of 14.55% zinc, 8.79% lead, 1.08% copper, 281 g/mt silver and 0.69 g/mt gold; 5.6 m of 9.53% zinc, 3.71% lead, 0.61% copper, 112.8 g/mt silver and 1.81 g/mt gold; and 7.43 m of 7.07% zinc, 3.73% lead, 0.38% copper, 158.6 g/mt silver and 0.82 g/mt gold.

Taiga Consultants Ltd. produced an inferred resource estimate for the Daniels Pond deposit of 1.81 million tonnes grading 6.76% zinc, 3.59% lead, 0.41% copper, 163 g/mt silver and 0.5 g/mt gold from the 34 diamond drillholes in the higher grade part of the deposit (2% zinc cut-off) and 4.05 million tonnes grading 3.14% zinc, 1.35% lead, 0.18% copper, 96.9 g/mt silver and 0.35 g/mt gold from all 45 diamond drillholes (1% zinc cut-off) at the deposit.

Seven diamond drillholes are planned for 2005 at the Daniels Pond deposit. In addition, four diamond drillholes are planned for the Daniels Pond extension, located seven km farther northeast within the Tulks North property. Coincident geophysical and surficial geochemical anomalies will be tested at this location.

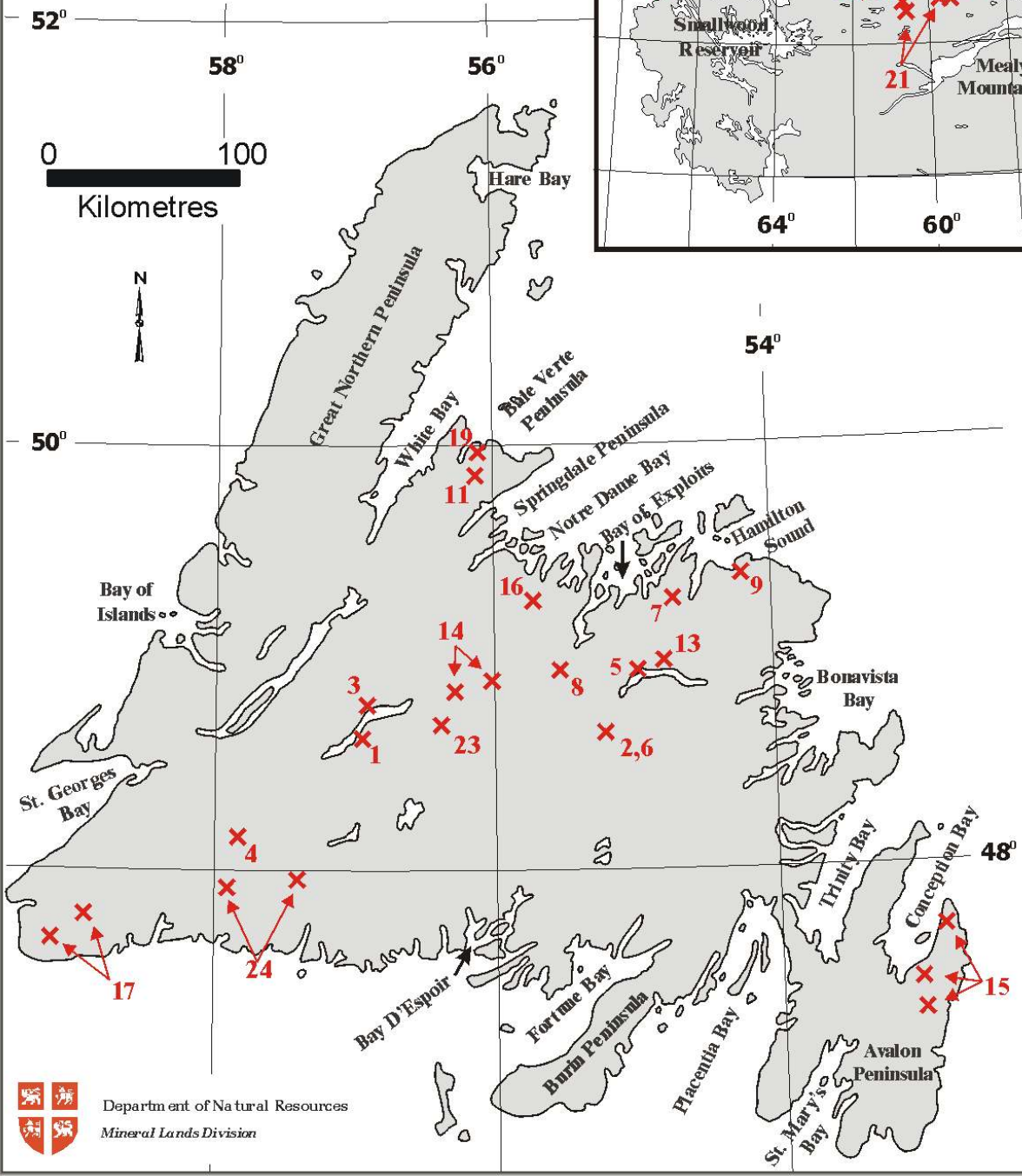
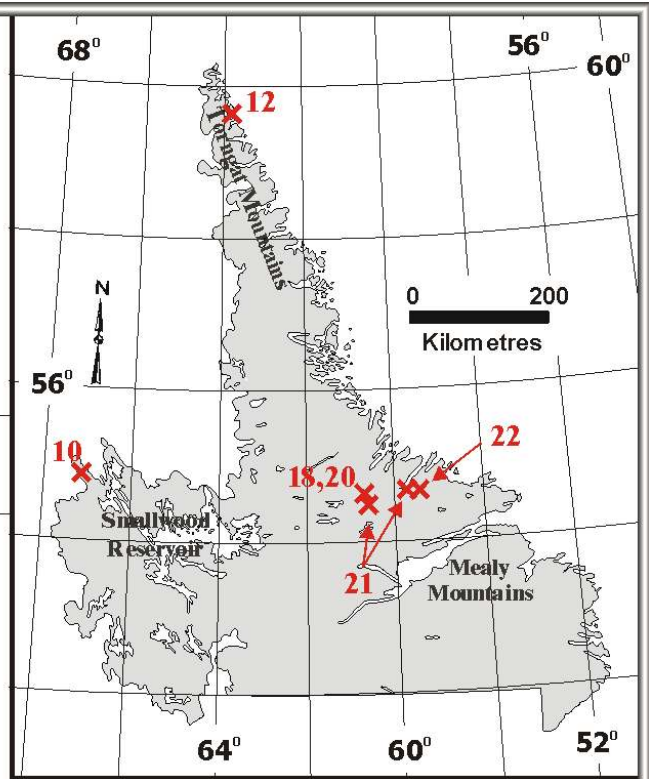
- ✘2 On January 6, **Crosshair Exploration & Mining Corp.** reported a new zone of gold mineralization on its North Paul's Pond gold property. The 59-claim property is located in the eastern margin of the Botwood basin, in central Newfoundland.


Trenching over soil geochemical anomalies in areas that also contain gold-bearing boulders has uncovered quartz veins up to 1 m wide. Grab samples of the veins returned gold values of 5.24, 8.96 and 10.86 g/mt. Diamond drilling of the zone is planned.

- ✘3 Also on January 6, **John Tuach** staked 26 claims in Red Indian Lake, west-central Newfoundland. The claims cover underwater mine tailings from the nearby Buchans mines. John Tuach now holds 56 claims in 5 licences peripheral to the associated **Buchans River Ltd.** base-metal property at Buchans.

# Newfoundland and Labrador Mineral Exploration Programs (see text)

January 2005




 Department of Natural Resources  
 Mineral Lands Division

4-8 As well on January 6, **Candente Resource Corp.** released plans for five of its Newfoundland properties: results of 2004 exploration were included for two of these.

✘4 Approximately 2,200 m of diamond drilling in nine holes is planned on its 196-claim, Staghorn gold property in southwestern Newfoundland. Anomalous gold occurs in bedrock, float, soil samples and heavy mineral concentrates in three zones; gold values range up to 25.7 g/mt. Diamond drilling will test where an induced-polarization geophysical survey delineated areas of high chargeability. Diamond drilling is scheduled to begin at the end of January.

✘5 Exploration is also planned for 2005 on the 50-claim, Linear gold property, along the Botwood basin's Mustang trend in northeast-central Newfoundland.

Both properties are under option to **Goldcorp. Inc.**, which may earn a 70% interest by funding the exploration programs and completing bankable feasibility studies by January 2010.

✘6 The 30-claim, Paul's Pond gold property is located in the eastern part of the Botwood basin, central Newfoundland, and is under option from **Cornerstone Resources Inc.** In 2004, Candente Resource Corp. conducted an induced-polarization geophysical survey and a 771.5-m, 4-hole, diamond-drilling program. The latter included down-dip testing of the Goose gold prospect, discovered by Noranda Exploration Company Limited in 1987 and from which diamond drilling, in 1988, returned 3.14 g/mt gold over 2.5 m and 7.54 g/mt gold over 1 m. The remaining three holes tested two chargeability anomalies delineated by the geophysical survey. Disseminated sulphide mineralization and silica alteration were pervasive but gold values were low (for example, up to 0.3 g/mt over 9.45 m and 2.14 g/mt over 0.6 m on the chargeability anomalies) with narrow, higher grade intersections (for example, 15.68 g/mt over 0.8 m at the Goose prospect).

✘7 The Duder Lake gold property comprises 135 claims, under option from **Quest Inc.** (84 claims) and **Roland Quinlan** (51 claims), in northeast-central Newfoundland. The claims cover the Stinger, Goldstash and Corvette prospects and the Flirt showing. These gold occurrences were discovered by Noranda Exploration Company Limited in 1989 (see next paragraph).

At the Stinger prospect, grab samples assayed up to 30.1 g/mt gold, channel samples graded up to 1 g/mt gold over 10.6 m (including 4.01 g/mt gold over 1 m) and the only diamond drillhole on the prospect returned an intersection of 2.04 g/mt gold over 4.25 m. Channel samples from the Goldstash prospect assayed up to 13.5 g/mt gold over 2.6 m and the best intersection from several diamond drillholes at the prospect returned 4.52 g/mt gold over 7.8 m. The Corvette prospect includes grab samples of up to 5.6 g/mt gold, channel sampling of up to 2.56 g/mt gold over 3.6 m and weak gold mineralization in diamond drillcore. Grab samples from a trench at the Flirt showing assayed up to 9.6 g/mt gold.

Induced-polarization and magnetic ground geophysical surveys and a 3-hole, 769.7-m diamond-drilling program were completed on the property by Candente Resource Corp. in 2004. Weak gold mineralization coincided with the geophysical anomalies, however, the diamond-drilling program indicated that the shear-hosted mineralization located in outcrop was discontinuous at depth.

✘8 **Candente Resource Corp.** further announced that these two options, together with a third – the 38-claim, central Newfoundland, Island Pond option from **Cornerstone Resources Inc.** (also for gold), were to be terminated.

- ✘9 On January 7, **Donald LeDrew** staked an additional 21 claims covering gold potential in northeast Newfoundland. Donald LeDrew now holds 51 claims in two properties in this area.
- ✘10 On January 10, **New Millenium Capital Corp.** staked an additional 60 claims in three properties in western Labrador and that are part of its LabMag Iron Ore project. The properties are at Schefferville and to the northwest and southeast of the town along the strike of the iron-bearing formation.

On January 12, New Millenium Capital Corp. reported the initial results of analysis of core from a 2004, 72-hole, 5,408-m, diamond-drilling program on its Elross Lake iron-ore property. The property is centred approximately 25 km northwest of Schefferville in western Labrador and is the largest (343 claims) of seven properties in the region comprising the 473-claim, LabMag Iron Ore project. The claims are held by New Millenium Capital Corp. (217 claims) and the **LabMag Limited Partnership** (256 claims).

Analysis of 629 m of magnetite-bearing ore from the first nine diamond drillholes indicates a potential concentrate of almost 70% iron and less than 3% silica. Two, 80-m-thick, ore-zone panels from Block A, approximately 260 m apart, have been delineated from surface, down-dip (10°-15°) to the northeast for approximately one km. Based on the results to date, the dip, the thicknesses of the layers within the ore-zone stratigraphy and the iron contents of each layer are consistent.

- ✘11 On January 12, **Aurogin Resources Ltd.** reported on diamond drilling and ground geophysical programs on its Rambler copper-gold property on the Baie Verte Peninsula. The 498-claim property, mostly under option (see September 22, 2003) from **Topsails LLC** (473 claims) and **Patrick J. Laracy** (the 17-claim, Triassic option), includes the formerly producing Rambler copper mines and extends to the northeast, southeast and southwest of the mines covering favourable geology.

Two diamond drillholes intersected the northeastern extension of the L-5 target and returned assays of 0.5% copper over 5.7 m, including intervals of 1.8% copper over 0.6 m, 2% copper over 0.5 m and 1.5% copper over 0.5 m, and 0.8% copper over 5.5 m. As well, wide zones of low-grade, copper mineralization were intersected in two diamond drillholes on the C-1 anomaly. The diamond-drilling programs were conducted in December 2004. Continued diamond drilling will further test the L-5 and C-1 targets.

A transient-electromagnetic geophysical survey is being conducted at the Triassic option. The survey is designed to further define conductors found by previous transient-electromagnetic and very-low-frequency-electromagnetic geophysical surveys on the property. A 15-m-wide, quartz vein, from which grab samples have assayed 4.4% copper and 4.1 g/mt gold, was discovered by prospecting on the option in 2003 (see January 6, 2004).

- ✘12 On January 17, **Freeport Resources Inc.** announced an agreement with the Government of Newfoundland and Labrador for its Hutton project in northern Labrador. Freeport Resources Inc. will now proceed with the exploration and potential development of the garnet-rich, beach sands at Iron Strand.

The Iron Strand property consists of claims in the shallow offshore and two bay-head beaches, North Beach and South Beach, and their immediate hinterland. Previous sampling indicates that South

Beach averages over 60% garnet and a composite sample representing 860 m of beach length returned 4.12% TiO<sub>2</sub>. The garnet is a high-quality abrasive and preliminary indications are that the South Beach contains enough to support a 20,000 tonne-per-annum operation for over 20 years. Bulk sampling is planned for 2005.

13-15 Also on January 17, **Rubicon Minerals Corporation** issued updates for three of its Newfoundland exploration programs.

✘13 At the H-Pond gold project in northeast Newfoundland, a 2,500-m, diamond-drilling program has commenced. The main H-Pond area contains gold-bearing, quartz-vein arrays, of from 1 m to 24 m thick, identified by diamond drilling in 2004 (see October 5, 2004). Higher grade intersections of up to 16.23 g/mt gold over 2.3 m occur within veined and altered, strongly anomalous intervals (for example, 44.45 m of 0.75 g/mt gold).

Trenching at Pocket Ponds, three km to the south of H-Pond, has uncovered a 15-m x 50-m zone of gold mineralization. Eighteen grab samples returned greater than 1 g/mt gold, including six samples over 5 g/mt gold and up to 25.5 g/mt gold.

Three km farther to the south, sampling of bedrock and float indicates another mineralized alteration zone covering an area of 100 m x 700 m. Individual quartz veins are up to 1.5 m across. Thirty eight of 70 grab samples returned greater than 1 g/mt gold and up to 56.9 g/mt. Two of 36 channel samples averaged 8.5 g/mt gold and 6.8 g/mt gold over 0.5 m.

Diamond drilling of the more significant zones is planned for each location. The H-Pond project is part of a 610-claim property disposed along the northeasterly trending Joe Batts Linear between Gander Lake and the Gander River in northeast Newfoundland.

✘14 The Golden Promise gold project is located in central Newfoundland covering an area of approximately 50 km x 20 km. The project totals 2,785 claims (almost 70,000 ha); 24 claims under option from **William Mercer**. The project is joint ventured with **Placer Dome Canada Ltd.**, which may earn a 55% interest by spending a further \$3.5 million by September 2007.

An 8-hole, 1,400-m, diamond-drilling program was completed in December 2004. The diamond-drilling program tested the along-strike extensions of the Jaclyn vein systems (see September 3, 2003, and October 7, 2004). The Jaclyn North vein system (two diamond drillholes) returned assays of up to 3.42 g/mt gold over 0.4 m and may have a strike length of over 775 m. Regional targets, identified by prospecting, sampling and geochemistry, returned low-grade, gold-bearing veins in the subsurface (three diamond drillholes) or indicated sources for the gold outside the area tested (three diamond drillholes).

✘15 The 475-claim, Avalon gold project is located on the northeast Avalon Peninsula. It consists of two property areas; 119 claims, in the north, and 356 claims, to the south. The latter extends north-south for 32 km over the Avalon High Alumina Belt.

A reconnaissance, diamond-drilling program of 1,559 m in eight holes was completed in December 2004. Epithermal, vein-style mineralization was intersected at shallow depths (50 m to 100 m) and returned up to 1.9 g/mt gold. The diamond drilling was funded by earn-in partner **IAMGold Inc.**, however, IAMGold Inc. has since withdrawn from the option.

- ✘16 On January 19, **TLC Ventures Corp.** reported results of a Phase I, diamond-drilling program from its zinc–gold–copper–silver Point Leamington property. The 100-claim property is located in north-central Newfoundland and contains the Point Leamington massive sulphide deposit. Prior to commencement of the diamond-drilling program, Hatch Associates Limited produced a resource estimate for the deposit of 12.3 million tonnes of 2.2% combined base metals(see March 30, 2004).

The 5-hole, 2,402-m, Phase 1 program tested for extensions of the known mineralization (see October 15, 2004) in the main deposit (discovered by Noranda Exploration Company Limited in 1971) and in the subsidiary South Zone (discovered by Rubicon Minerals Corporation in 2000). The main deposit, massive-sulphide horizon was intersected at 400 m depth and returned 4 m grading 14.94% zinc, 4.93 g/mt gold, 0.36% copper and 59 g/mt silver. The South Zone assayed 5.18% zinc, 1.65 g/mt gold, 0.27% copper and 33.1 g/mt silver over 3.9 m. This intersection occurred at a depth of 240 m but is interpreted to represent the main deposit horizon offset by faulting. Tests of the complete section of the volcanic stratigraphy and, also, of the main deposit footwall, returned several narrow zones of low-grade, stringer- to semi-massive-sulphide mineralization.

A deep-penetrating, airborne, magnetic and electromagnetic geophysical survey is planned for 2005. The approximately 1,000-line-km survey is designed to help outline the poorly exposed volcanic stratigraphy and to identify targets for additional diamond drilling.

- ✘10 Also on January 19, **New Millenium Capital Corp.** staked an additional 31 claims, at a property in western Labrador, for iron ore. This staking brings the number of claims in the LabMag Iron Ore project to 504.

- ✘17 On January 20, **Cornerstone Resources Inc.** and **Thundermin Resources Inc.** reported the remaining results of the 2004 exploration program on their Cape Ray joint venture (see early March, 2003). The 1,412-claim property, in southwest Newfoundland, extends for 115 km along the northeasterly and easterly trending Cape Ray Fault zone covering precious- and base-metal potential. The property contains the Windowglass Hill and 51 Zone prospects.

The 2004 program included regional prospecting and reconnaissance sampling, induced-polarization ground geophysics, structural mapping, 3-D modelling and diamond drilling. Earlier results were reported August 12, 2004, and, for 16 shallow, diamond drillholes at Windowglass Hill, November 4, 2004. Two additional diamond drillholes at the 51 Zone intersected weak mineralization with no significant gold values. A 700-m x 175-m, gold-in-soil geochemical anomaly was identified in the southwestern part of the property, from which five of 22 samples returned between 48 and 167 ppb gold. A nearby quartz vein assayed 1.3 g/mt gold. Fifteen kilometres northeast of the main area is a 600-m-long train of quartz-vein boulders assaying up to 70.9 g/mt gold.

- ✘18 On January 21, **Noel G. Murphy** (72 claims) and **Lewis Murphy** (30 claims) staked additional ground north of Moran Lake in central Labrador. The claims are adjacent to the north of Crosshair Exploration & Mining Corp.'s Moran Lake property option from Lewis Murphy (see October 15, 2004) and also have uranium potential.

- ✘19 Also on January 21, **Anaconda Gold Corp.** announced the decision to proceed with a mine at its Pine Cove gold property on the Baie Verte Peninsula. A positive feasibility study, prepared by A. C. A. Howe International, was received in December 2004 and included a report on the mineral

resources and ore reserves by P & E Mining Consultants. Anaconda Gold Corp. has earned a 30% interest in the 133-claim property from **New Island Resources Inc.** and may earn an additional 30% by putting the mine into production.

The deposit is low grade and of small tonnage, however, the project is economically viable, in part, because the deposit is amenable to mining by open pit methods. Anaconda Gold Corp. reports probable reserves of 1.874 million tonnes grading 2.88 g/mt gold that, with almost 0.4 million tonnes of inferred resources, makes a pit tonnage of 2,266,868 tonnes grading 2.81 g/mt and having a waste to ore ratio of five. Other highlights of the proposed mining operation include: 181,000 ounces of gold production over a mine life of six years at an average cost of U\$283 per ounce for an internal rate of return of 23.9% based on a U\$400 per ounce gold price.

- ✘20 On January 24, **Crosshair Exploration & Mining Corp.** updated its ongoing, Phase 1, exploration program at the Moran Lake property in the Central Mineral Belt, east-central Labrador. The 67-claim property is an earn-in option from **Lewis Murphy** (see October 15, 2004) and has both uranium and Olympic-Dam-style, iron-oxide–copper–gold (IOCG) potential.

Phases 1 and 2 of the exploration program consist of a review of previous work by Shell Canada Resources and are designed to upgrade that company's resource estimates (see October 15 and November 2, 2004) and to help evaluate the IOCG potential of the property. Shell Canada Resources' historic (1977-1979), diamond drillcore is being systematically re-examined and sampled (to date, 26 of the 58 diamond drillholes available): it is housed at the Department of Natural Resources core-storage facility in Goose Bay, Labrador. Current (Phase 1) sampling is testing the chalcopyrite-bearing, hematitic breccias and zones of iron-carbonate alteration for the IOCG potential. Future (Phase 2) sampling is planned for the uranium-rich core intervals. Also proposed for the 2005 exploration season is an airborne radiometric survey and ground follow-up.

- ✘21 On January 26, **Monster Copper Resources Inc.** announced that it had signed a letter of intent to option its 1,080-claim, Bruce River and 62-claim, Mustang Lake uranium properties to **Santoy Resources Ltd.** The properties are located in the Central Mineral Belt, east-central Labrador; the former adjacent to Crosshair Exploration & Mining Corp.'s Moran Lake project and the latter surrounded by the Altius Resources Inc. - Fronteer Development Group Inc. strategic alliance (see ✘s 20 and 22). Initially, Santoy Resources Ltd. may earn a 50% interest in the properties by spending \$600,000 on exploration over two years. The Mustang Lake property contains the Irving Zone and South Prospect uranium occurrences (see November 3, 2004). The Bruce River property contains several uranium and numerous copper occurrences; for example, the Moran "A" uranium prospect – an 800-m-long zone of minor shear zones having high radioactivity and U<sub>3</sub>O<sub>8</sub> grades of up to 0.125% over 3.5 m.

- ✘22 On January 27, **Altius Resources Inc.** and **Fronteer Development Group Inc.** confirmed a significant uranium exploration target from their Central Mineral Belt, strategic alliance properties in east-central Labrador. The target, named the Otter Lake project, is located in the southeast corner of the main, 3,192-claim, "alliance" property.

The Otter Lake project covers the largest (3 km x 1.5 km) radiometric anomaly in the "alliance" claim block and includes the Emben property and mineral occurrences (see February 11, 2004). Results of sampling on the anomaly were reported December 8, 2004. In more detail, these consist of: a 65-sample average of 0.548% U<sub>3</sub>O<sub>8</sub>, including nine samples assaying over 1% U<sub>3</sub>O<sub>8</sub>; bedrock

grab samples of 4.36% U<sub>3</sub>O<sub>8</sub>, 0.62 g/mt gold, 80.4 g/mt silver and 0.63 g/mt palladium, and 0.55% U<sub>3</sub>O<sub>8</sub>, 0.42 g/mt gold and 87.6 g/mt silver; chip samples that graded 2.02% U<sub>3</sub>O<sub>8</sub> over 1 m and 1.1% U<sub>3</sub>O<sub>8</sub> over 1.3 m; and samples of float that returned U<sub>3</sub>O<sub>8</sub> values of 1.03%, 1.34%, 2.69%, 2.79% and 3.84%.

- ✘23 Also on January 27, **Volcanic Metals Exploration Inc.** reported results of a 2004, diamond-drilling program on its 30-claim, Burnt Pond, base-metal property in central Newfoundland.

Diamond drilling to the north of previous diamond drillholes (see May 20, 2004) intersected a felsic volcanic flow within graphitic argillite. The felsic volcanic rock contained intersections having disseminated to semi-massive sulphide and returned 2.5% zinc, 0.43% lead and 63 g/mt silver over 1.5 m and 1% zinc, 0.38% lead and 15 g/mt silver over 6.1 m. Additional diamond drilling is planned for 2005.

- ✘24 On January 31, **Commander Resources Ltd.** staked 86 claims, in the west, and 73 claims, in the east, at its two southern Newfoundland uranium properties.