JULY 2006

In July 2006, 3,583 new claims were staked; 2,151 on the Island and 1,432 in Labrador. This increased the staking total for 2006 to 25,549; 14,250 in Labrador and 11,299 on the Island. The number of claims in good standing at month's end was 105,915; 65,606 in Labrador and 40,309 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 and lands not open for staking.

- ★1 On July 4, Jason White staked four claims on the Baie Verte Peninsula for base metals. The claims were formerly a part of the B.D. Parsons and A. Graham fee simple mining grant at Fleur de Lys and contain the Parrell molybdenum–copper–lead prospect. Molybdenite occurs in veins associated with faulting that contain three lodes grading 1-10% MoS₂. In 1915, Harbour Grace Shipbuilding Company mined 100 tons reported to grade an average 1.5% MoS₂ and 18 tons reported to grade an average 10% MoS₂ and 0.3% nickel: this material was left in dumps near the shaft.
- 2-3 On July 5, New Millenium Capital Corp. reported the results of a pre-feasibility study for its 897-claim, LabMag Iron Ore Project in western Labrador. The iron ore would be mined and concentrated at Howells River northwest of Schefferville (¥2), transported by slurry pipeline to a pellet plant at Ross Bay Junction (¥3) and then shipped by rail to port storage and loading facilities at Pointe Noire, near Sept Iles, Quebec.

The pre-feasibility study was conducted by Met-Chem Canada Inc. of Montreal and reviewed by Watts, Griffis and McOuat Limited of Toronto. Details include:

Proven and probable mineral reserves of 3.545 billion tonnes having average	
Davis Tube weight recovery (DTWR)	26.3%
crude iron content	29.6%
concentrate iron content	70.0%
concentrate silica content	2.2%
at a stripping ratio of 3.5 to 1, 100% recovery of reserves and a DTWR cut-off of 18%.	

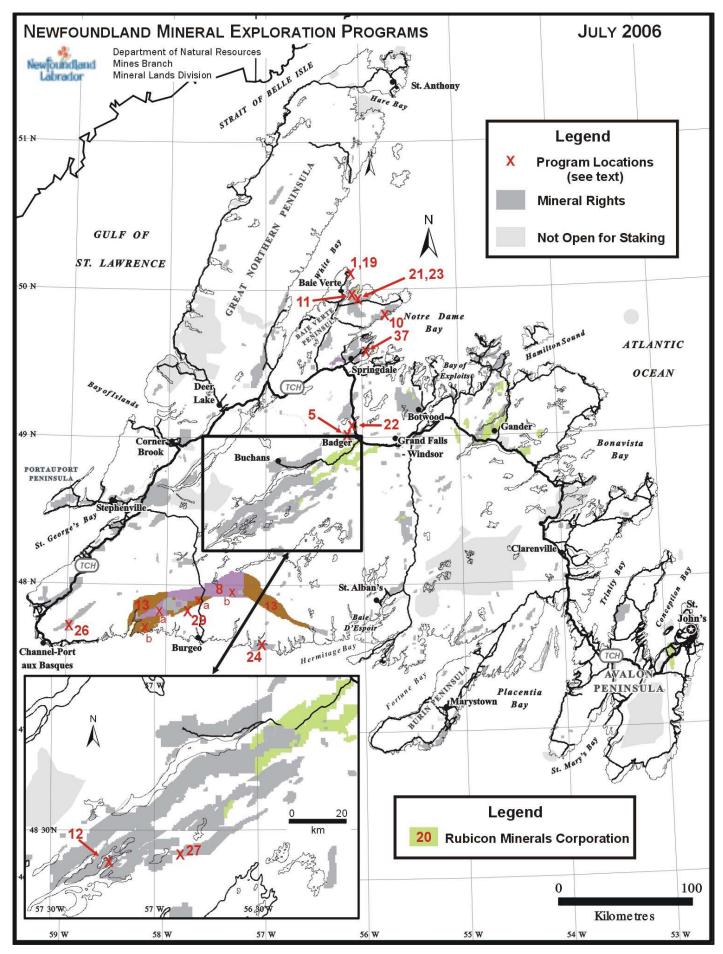
Open-pit, 13-m-bench mining for an overall pit slope of 48°.

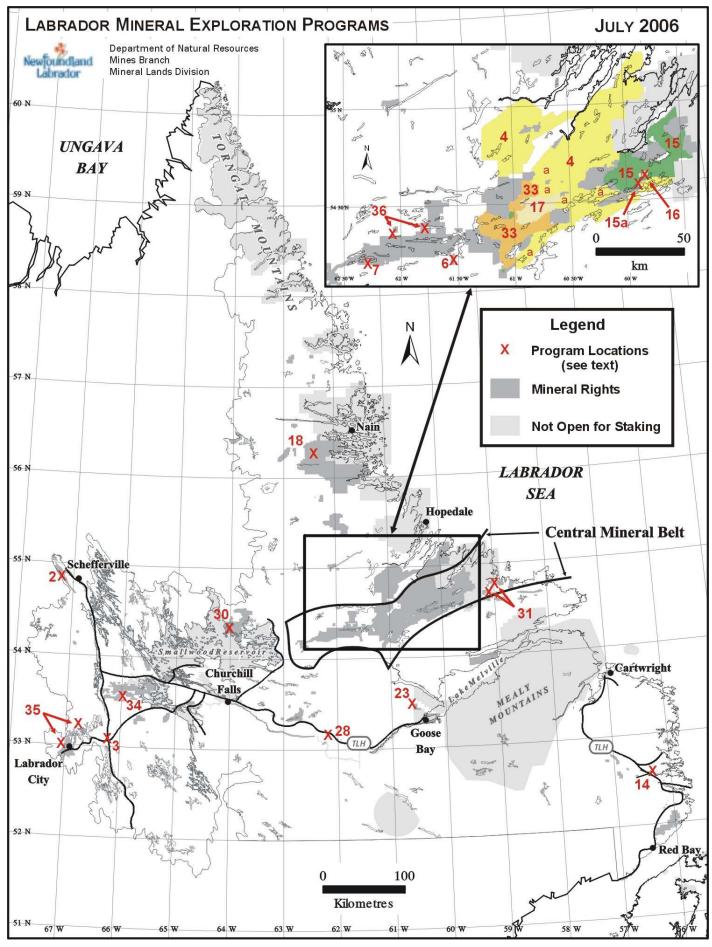
Pellet tests in Germany show that LabMag project acid and fluxed pellets have chemical, physical and metallurgical properties that meet the world's standards.

Economic parameters (±25%) for a 25-year mine plan @ 1.176 Cdn to the US\$ include: a total capital cost of U\$2.75 million; operating cash costs of US \$28.90 per tonne of pellets; a pre-tax internal rate of return of 16.8%;

a pre-tax return on equity of 27.2% at a 3:7 equity to debt ratio;

a pre-tax net present value of US\$4.2 billion at a 5% discount;





an undiscounted pre-tax cash flow of US\$10 billion;

an annual cash flow after debt repayments and pre-tax of over US\$400 million; and five year to payback after start of commercial production.

Pre-tax values are also pre a 2% gross revenue royalty. (Most of these parameters were corrected on July 10.) At a processing rate of 51.6 million tonnes a year, the reserves could sustain an 810-job operation for a mine life of over 65 years.

New Millenium Capital Corp. reports that, pending a similarly positive feasibility study and successful project financing, construction could commence in 2008 with first production then scheduled for 2011.

- ★4 On July 5, Bayswater Ventures Corp. announced that it had contracted corporate finance and communications company Longview Strategies Incorporated to provide it with investor relations services. Longview Strategies Incorporated holds 2,348 claims (★4a) of the 16,012-claim, uranium-exploration property controlled by Bayswater Ventures Corp. in, and north of, the Central Mineral Belt in east-central Labrador.
- ✗5 On July 5, Prominex Resource Corp. staked 57 claims, near Lake Bond in central Newfoundland, for base metals. The claims are underlain by Ordovician bimodal and basaltic, marine volcanic rocks.
- 6-7 On July 7, 9 and 10, **Tripple Uranium Resources Inc.** staked 151 claims in two properties in the Central Mineral Belt in central Labrador. The eastern of the two properties (**×**6) comprises 50 claims and covers the copper potential of Seal Lake Group gabbro. The more westerly, 101-claim property (**×**7) covers the rare-earth-element, beryllium, niobium and uranium potential of Letitia Lake Group peralkaline volcanic rocks.
- ★8a On July 10, Commander Resources Ltd. staked an additional 341 claims at the Hermitage uranium Project in southern Newfoundland. The claims surround and add to prior staking by Commander Resources Ltd. at the Strickland property (see June 26) and abut the southeastern margin of Pathfinder Resources Ltd.'s Hermitage West property (see ¥4f at June 5). The 488 claims cover the uranium potential of Silurian felsic volcanic and hypabyssal rocks.

Commander Resources Ltd. now holds title to 3,045 claims in the Hermitage Project.

- ★9 On July 10, **William Mercer** staked an additional two claims at the Christopher property in central Newfoundland and now holds 70 claims having base-metal and gold potential in this area.
- 10-11 On July 10, **New Island Resources Inc.** announced that diamond drilling had resumed on its 170-claim, Nugget Pond gold property, optioned from **Richmont Mines Inc.** (**×**10; see June 9 and 30). As well, New Island Resources Inc. announced that **Anaconda Gold Corp.** had applied to commence construction of the Pine Cove gold mine (**×**11; see March 17). Both properties are located on the Baie Verte Peninsula.

- ★12 On July 10, Woodruff Capital Management Inc. announced that effective July 11 it would become Cogitore Resources Inc. Woodruff Capital Management Inc. holds earn-in options from Cornerstone Resources Inc. on the 69 -claim, Long Lake base-metal property in westcentral Newfoundland.
- ★13a On July 11, Pathfinder Resources Ltd. staked an additional 535 claims along the Hermitage Flexure in southern Newfoundland for uranium.

Most of the claims are disposed along a belt of Silurian felsic volcanic, volcaniclastic and clastic subaerial rocks that abut the southern margin of Commander Resources Ltd.'s Strickland (see \times 8) and Central Hermitage (see \times 4c at June 5) properties. Spatially associated granitoid rocks range from Neoproterozoic-Ordovician basement to younger Siluro-Devonian intrusions. In the west, the new claims contain a cluster of six gold showings (Cross Gulch #s 1-6; Government of Newfoundland and Labrador, Mineral Occurrence Database System). In the south-centre, the new claims include a beryl-molybdenum-copper-tourmaline showing (Mineral Occurrence Database System Report 011P/13/Be 001).

The remaining 15 claims are underlain by granitoid rocks on the southern margin of Commander Resources Ltd.'s Blue Hills property (see \times 4a at June 5).

- ★14 On July 11, associates Herman Penney (six claims in three areas), Calvin Penney (four claims in four areas) and William Russell (two claims in two areas) staked 12 claims in nine licences adjacent to the Penny's Pitstop property near Port Hope Simpson in southeast Labrador (see June 22). The property now contains 39 claims.
- ★15 On July 12, Aurora Energy Resources Inc. reported diamond-drillcore assay results from the Michelin deposit (★a) on its 3,192-claim, Central Mineral Belt uranium property in east-central Labrador. Intersections of 0.18% U₃O₈ over 59.4 m and 0.19% U₃O₈ over 48.5 m from vertical depths of about 430 m and 375 m, respectively, in the core area of the deposit are the best results to date. Intervals of up to 0.14% U₃O₈ over 18.7 m from the eastern flank, 0.11% U₃O₈ over 36 m from the western flank and 0.18% U₃O₈ over 14.2 m from several infill diamond drillholes further define the deposit.

To date, about 6,900 m of diamond drilling, of a planned 25,000 m in 2006, have been completed.

16-17 On July 12, Monster Copper Resources Inc. reported that it had received assay results from joint-venture partner Santoy Resources Ltd. for Phase 2 diamond drilling on their 62-claim, Mustang Lake uranium property (¥16) in the Central Mineral Belt in east-central Labrador. Phase 2 diamond drilling comprised 2,700 m and tested the South Prospect (13 holes), the Irving Zone (three holes) and the Mustang East (one hole) targets (see January 18 and March 2).

The South Prospect returned up to 9.11 m grading 0.12% U_3O_8 and 1- to 4-m intersections ranging from 0.04% to 0.1% U_3O_8 in seven of the diamond drillholes at the prospect. Also, a 4.85-m intersection grading 0.067% U_3O_8 that included a 2.85-m interval that assayed 0.107%

 U_3O_8 , 0.275% V_2O_5 , 0.066% copper and 3.65 g/mt gold was reported. The uranium mineralization is associated with anomalous copper and silver and with hematite, magnetite and chlorite. The geology is reported to be similar to that at the Michelin uranium deposit, eight kilometres to the southwest.

No significant results were obtained from the up-ice diamond drillholes at the Irving Zone boulder train or from the radiometric anomaly at the head of the Mustang East boulder train.

An exploration program has commenced on the 1,080-claim Bruce River property (\times 17), centred about 60 km farther west, in the Central Mineral Belt in central Labrador, which is also a joint venture between Monster Copper Resources Inc. and Santoy Resources Ltd. The program consists of follow-up fieldwork on known mineral occurrences and on radiometric anomalies delineated by a 2005 airborne geophysical survey. The Bruce River property has uranium and IOCG potential.

✗18 On July 12, Celtic Minerals Ltd. announced that diamond drilling had commenced on its Voisey's Bay West nickel–copper–cobalt property in northern Labrador. The diamond-drilling program will consist of six holes designed to test geophysical anomalies on the property (see June 28).

Four diamond drillholes will test magnetotelluric \pm associated gravity, magnetic and electromagnetic (UTEM) anomalies in the Mak Lake target area to depths of up to 900 m. One diamond drillhole will test coincident magnetotelluric and gravity anomalies to a depth of 1,150 m at West Mak Lake. The sixth diamond drillhole will target a shallowly south-dipping magnetotelluric anomaly on the flank of a regional gravity and magnetic high at 800 m depth.

The area under exploration is located 12 km southwest of the Voiseys Bay nickel–copper–cobalt mine on 451 claims held jointly by Celtic Mineral Ltd. and **Merrex Gold Inc.** Celtic Minerals Ltd. wholly owns 309 contiguous claims.

- 4,13 On July 12, Bayswater Ventures Corp. (★4) and Pathfinder Resources Ltd. (★13) announced that, pending shareholder and regulatory approval, the two companies would merge to become Bayswater Uranium Corporation. The new company would have extensive world-wide, Canadian and Newfoundland and Labrador interests in uranium exploration (see June 23).
- ✗19 On July 12, Kenneth J. Lewis staked an additional two claims at his Fleur de Lys copper property on the Baie Verte Peninsula (see April 3) and now holds 22 claims in the area. The additional claims were formerly a part of several fee simple mining grants in the area.
- ★20 On July 12, Rubicon Minerals Corporation announced that, subject to shareholder and regulatory approval, the spin-off of its Newfoundland-based assets (see June 8, 2005) would proceed as planned. The new Newfoundland and Labrador company, Paragon Minerals Corporation, has applied to trade on the TSX Venture Exchange and will have Altius Minerals Inc. as a significant shareholder (see June 22). Rubicon Minerals Corporation currently holds 3,716 claims in Newfoundland, mostly for gold (see June 22).

X21 On July 13, Rambler Metals and Mining plc released an exploration update on its Rambler North copper–gold property on the Baie Verte Peninsula. The property consists of 38-claims and two mining leases (631 hectares) and is held by 51190 Newfoundland and Labrador Inc. Altius Resources Inc. holds a 30% interest in Rambler Metals and Mining plc and is project operator for the property.

The property contains the past-producing Ming and Ming West mines. The mines, which ceased production in 1982 and 1996, respectively, tapped narrow, strongly linear lenses of high-grade copper–gold mineralization. The Ming Footwall Zone contains lower grade but more extensive mineralization. Rambler Metals and Mining plc initiated its exploration program with two diamond drillholes to test the footwall zone at depth in 2004. Good results (see early September 2003 and September 7, 2004) led to a widely spaced, Phase I, delineation-drilling program in 2005 (see January 24 and August 4, 2005).

The Phase II, delineation-drilling program commenced in January 2006 and consists of directional diamond drilling of offset holes on a 50-m spacing from the 2005 drillhole locations. Initial results were reported on April 25, 2006.

Intersections of the Ming Footwall Zone from the current Phase II program (directional offset holes RM06-04f and RM06-04g) include 14.4 m grading 4.71% copper and 0.4 g/mt gold, and 6 m grading 14.38% copper and 1.8 g/mt gold. The former intersection contains an interval that assayed 14% copper and 1g/mt gold over 3.3 m. These results are from a new, shallower zone in the footwall (Upper Ming Footwall Zone) than previous zones of mineralization.

★22 On July 13, Champion Natural Health.com Inc. announced an option to earn a 70% interest in the 115-claim, Powderhorn base-metal and gold property in north-central Newfoundland from Copper Hill Resources Inc. The property is held by Copper Hill Resources Inc. (75 claims) and associates Paris E. Georghiou (30 claims) and Earl Benson (10 claims). The option agreement includes exploration expenditures of \$1 million over three years including \$200,000 in year one.

Most of the Powderhorn property is underlain by Ordovician volcanic rocks and an overlying sequence of Late Ordovician to Early Silurian black shale and clastic rocks. The felsic volcanic rocks in the centre of the property contain zinc–copper and nickel–copper prospects and showings \pm anomalous lead, gold, silver, cobalt and molybdenum that have yielded grab samples grading 1.5% to 4.5% zinc and up to 3% copper and 4.7% nickel. Champion Natural Health.com Inc. report a diamond-drillhole intersection of 3.1% copper and 3.5 g/mt gold.

Exploration plans will be focussed on locating the centre of stockwork mineralization in the felsic volcanic rocks and testing the overlying black shales for volcanogenic-massive-sulphide lenses.

★23 On July 17, Tundra Properties Inc. staked 20 claims in central Labrador. The claims are underlain by anorthosite and related rocks and may have potential for chatoyant-labradoritebearing dimension stone and iron- and/or titanium-oxide heavy minerals. ★8b On July 18, **Commander Resources Ltd.** reported results of exploration on the White Bear River uranium property in its Hermitage project in southern Newfoundland.

Assays of boulders from the HE-2 prospect in the White Bear River property returned best results of 2.79% and 1.64% U_3O_8 . Other results for the HE-2 prospect were reported previously (see June 8).

Anomaly HE-9 is a 700-m x 100-m area of scattered, anomalous outcrops of biotite quartzite having scintillometer readings of up to 2,800 counts per second (cps). Angular boulders at anomalies HE-1A and HE-18A returned up to 3,000 cps and 2,700 cps, respectively. Assays are pending.

Anomalies HE-1A, HE-9 and HE-18A occur within a 4-km x 7-km area that also contains the HE-1, HE-2 and Doucette uranium prospects and the #3 uranium showing.

The 488-claim, Strickland uranium property (see above) located 15 km southwest of the Blue Hills uranium property (see June 26), is underlain by the same rocks as the White Bear River and Blue Hills areas and contains two zones of metasediment, four and six metres wide, having scintillometer readings of 3,000-7,000 cps at Troy's Pond.

★24 On July 18, Playfair Mining Ltd. announced that the 1.6-km-long adit on its 74-claim, Grey River tungsten property, located on Newfoundland's south coast, was in excellent condition and suitable from which to test the down-dip potential of the Main (#10) Vein on the property.

American Smelting and Refining Company drove the adit along the Main Vein from 1966 to 1969 and then bulk sampled the vein. The 275-ton bulk sample returned an average grade of 0.97% WO₃ and Playfair Mining Ltd. received similar values from a sampling program of the vein at surface (see June 14).

★10 On July 18, New Island Resources Inc. announced that it had reached an agreement with optionor Richmont Mines Inc. to amend the terms of its option on the 170-claim, Nugget Pond gold property (see November 9, 2005) on the Baie Verte Peninsula. Under the amendment, Richmont Mines Inc. will forego an October 28, 2006 option to retain a 30% interest in the property in exchange for shares in New Island Resources Inc. New Island Resources Inc. may now acquire a 100% interest in the property.

Additionally, New Island Resources Inc. announced that diamond drilling had restarted on the Footwall and North–South zones and a geophysical survey was being conducted elsewhere on the property.

★25 On July 18, Hot Rock Uranium Corp. staked 402 claims in southern Newfoundland for uranium. The claims are underlain by middle Paleozoic granitoid rocks and, locally, bimodal volcanic rocks. The latter contain veins of tourmaline-bearing, graphic-granite pegmatite and tourmaline ± beryl, molybdenite and chalcopyrite veins.

- 26-27 On July 18, **Terra Nova Gold Corp.** announced that it would change its name to **Terra Nova Resources Ltd.** In Newfoundland and Labrador, Terra Nova Gold Corp. holds options on the 45-claim, southwest Newfoundland, Cape Ray gold properties (**×**26) and the 36-claim, central Newfoundland, South Quinn Lake gold property (**×**27), both from **South Coast Ventures Inc.**
- ✗5 On July 19, Prominex Resource Corp. announced that it had signed a letter of intent to earn a 100% interest in the 871.06 hectare Reid Lot 50, west of Badger in central Newfoundland, from the Reid Newfoundland Company Limited. The option includes \$50,000 in exploration expenditures over four years.

The Lake Bond base-metal property (Reid Lot 50 and 57 adjacent claims staked by Prominex Resource Corp. (see above)) is underlain by Ordovician bimodal and basaltic, marine volcanic rocks.

From 1953 to 1997, exploration by previous operators delineated three zones of mineral occurrences, zones 1 (Main), 2 and 3. The Main Zone has a historic resource of 1.1 million tonnes grading 2.12% zinc and 0.31% copper.

- ★28 On July 19, Gregory Corcoran staked 102 claims in two properties covering the copper potential of Labradorian (Late Paleoproterozoic) pelitic paragneiss in central Labrador.
- ★13b On July 21, 25 and 25, Pathfinder Resources Ltd. staked 686 additional claims in southern Newfoundland to the east of La Poile Bay and stretching from the south margin of Commander Resources Ltd.'s Strickland property (see June 26 and July 10) to the south coast of Newfoundland near Grand Bruit.

The property is underlain by clastic and felsic tuffaceous rocks, rhyolite and hypabyssal felsic intrusions of the Silurian La Poile Group and its Neoproterozoic to Cambrian basement of marine clastic rocks, mafic tuffs and gabbro. These two rock groups are intruded by younger felsic porphyry and the Middle Devonian Chetwynd granite. The rocks contain many indications of lead, copper and pyrite and rare showings and prospects of gold and base metals.

A 16-claim, Quinlan Prospecting gold property is almost completely enclosed by the Pathfinder Resources Ltd. staking; this property covers the past-producing Hope Brook gold mine and the Chetwynd gold prospects.

- ★29 On July 22, Quest Inc. staked 13 claims in southern Newfoundland having base-metal potential. The claims partly enclose seven claims held by associate Roland Quinlan at Carson Pond. The 20-claim property is underlain by Late Silurian, subaerial felsic tuff and covers the cluster of Peter Snout prospects of zinc ± copper, gold, barium, lead and silver (eight prospects), copper (one prospect) and tourmaline (two prospects).
- **★**30 On July 24, **Brilliant Mining Corp.** issued an update of the exploration program on its 473claim, Michikamau nickel–copper–cobalt–platinum-group-metal property in the northeastern

Smallwood Reservoir area of west-central Labrador. Processing of an airborne high-resolution, magnetic and electromagnetic (AeroTEM) geophysical survey has confirmed and more closely defined targets along seven zones of anomalous conductivity. A 1,000-m, 12-hole, diamond-drilling program is scheduled to commence in August to test priority targets.

★31 On July 25, Silver Spruce Resources Inc. staked 500 additional claims in six areas in the Benedict Mountains in east-central Labrador. The claims are located near the southern margin of the Central Mineral Belt, are underlain by Proterozoic granitoid rocks and have uranium potential.

Five of the areas are adjacent to prior staking by associates Lloyd Hillier (see January 3/4) or 10565 Nfld Inc. (see January 15) and transferred to Silver Spruce Resources Inc. on February 10. Silver Spruce Resources Inc. now holds 992 claims in five properties in the area.

★32 On July 25, South Coast Ventures Inc. staked an additional 11 claims on the Baie Verte Peninsula at Gillard Pond having copper and gold potential. The new claims cover the Mud Pond copper prospect and the Bear Pond gold showing.

Four prior claims in the now 15-claim property contain the past-producing Goldenville gold mine. The gold occurs in pyrite-bearing quartz veins hosted by iron formation; the mineralization has been interpreted as both syngenetic and remobilized.

★33 On July 26, Crosshair Exploration & Mining Corp. reported additional results of exploration on its 2,684-claim, Moran Lake uranium and IOCG property. The property is located in the Central Mineral Belt in central Labrador.

Phase 2 diamond drilling is ongoing at the Moran Upper "C" Zone. A 25-m step-out drillhole to the northeast (section 1775 E) of prior drilling on the zone (see April 5) returned a 30.3-m, true-thickness intercept grading 0.134% U₃O₈. Assays are pending from an additional 11 diamond drillholes. The Phase 2 program will consist of about 8,500 m in 30-40 diamond drillholes testing the along-strike and down-dip potential of the zone. The uranium resource estimate for the Moran Upper "C" Zone (see December 8, 2005) will be recalculated at the end of the Phase 2 program.

At the Moran "B" Zone, 3.5 km to the east-northeast of the Moran "C" Zone, five diamond drillholes have been completed and at Area 1, 1.5 km to the southwest of the Moran Upper "C" Zone, six diamond drillholes have been completed.

Downhole radiometric probes of all diamond drillholes at the Moran Upper "C" Zone and four diamond drillholes from each of the Moran "B" Zone and Area 1 indicate significant intervals of radioactivity up to 15 m thick.

At Area 51 (see October 4 and December 14, 2005), trenching (see March 16) has exposed the unconformity between Moran Lake Group metasediments and the underlying basement. This unconformity is interpreted to control uranium mineralization in the area. Analysis of trench samples is in progress and diamond drilling is planned.

In the northern lobe of the Moran Lake property, fieldwork consists of ground follow up of airborne geophysical anomalies. Prospecting of these anomalies has led to the discovery of the Armstrong showing, a 200-m-long zone that returned an average grade of $0.303\% U_3O_8$ from 17 grab samples. Diamond drilling is planned to test the Armstrong showing. Four other discoveries were made by scintillometer prospecting and a historic trench that yielded a grab sample grading 3.74% U_3O_8 was located in the Moran Heights area. Most of these showings contain areas that exceed the 10,000 cps scale on the handheld scintillometers.

An airborne radiometric and magnetic geophysical survey will be conducted in the west of the Moran Lake property in the Croteau Lake area. These claims were staked after the 2005 airborne survey had been completed and contain another prospective unconformity.

✗34 On July 26, R. James Weick staked 226 claims in five properties in the southwestern Smallwood Reservoir area of western Labrador for uranium. The claims are underlain by mafic tuffs and basalt, dolomite and marble, pelitic schist, and iron formation and quartzite within the Middle Paleoproterozoic supracrustal rocks of the Knob Lake Supergroup.

In this area, the supracrustal rocks have been metamorphosed and thrust into repeating slices in the northern margin of the Grenville Province.

- ★35 Also on July 26, R. James Weick staked 64 claims having uranium potential in four properties located in western Labrador near Labrador City. The claims cover faulted contacts within the Knob Lake Supergroup between pelitic rocks and iron formation or quartzite, or between these Knob Lake Supergroup rocks and slices of Archean basement granitoid gneiss.
- ★36 On July 27 and 31, Tripple Uranium Resources Inc. staked an additional 333 claims in three areas in the Central Mineral Belt in central Labrador. The claims are underlain by Seal Lake Group gabbro and clastic rocks and have copper and uranium potential. The claims combine with previous staking by Tripple Uranium Resources Inc. (see April 13-19 and May 3 to 6) and now comprise a 987-claim property and a nearby satellite property of 33 claims.
- ★37 On July 31, Ursa Major International Inc. announced that, subject to shareholder approval and net smelter royalty agreements with third parties, it proposes to acquire the Little Deer copper property, located in Notre Dame Bay, Newfoundland. The 82-claim property currently is held by British Canadian Mines Ltd.

The Little Deer property contains the past-producing Little Deer and Whalesback copper mines.