

## MARCH 2005

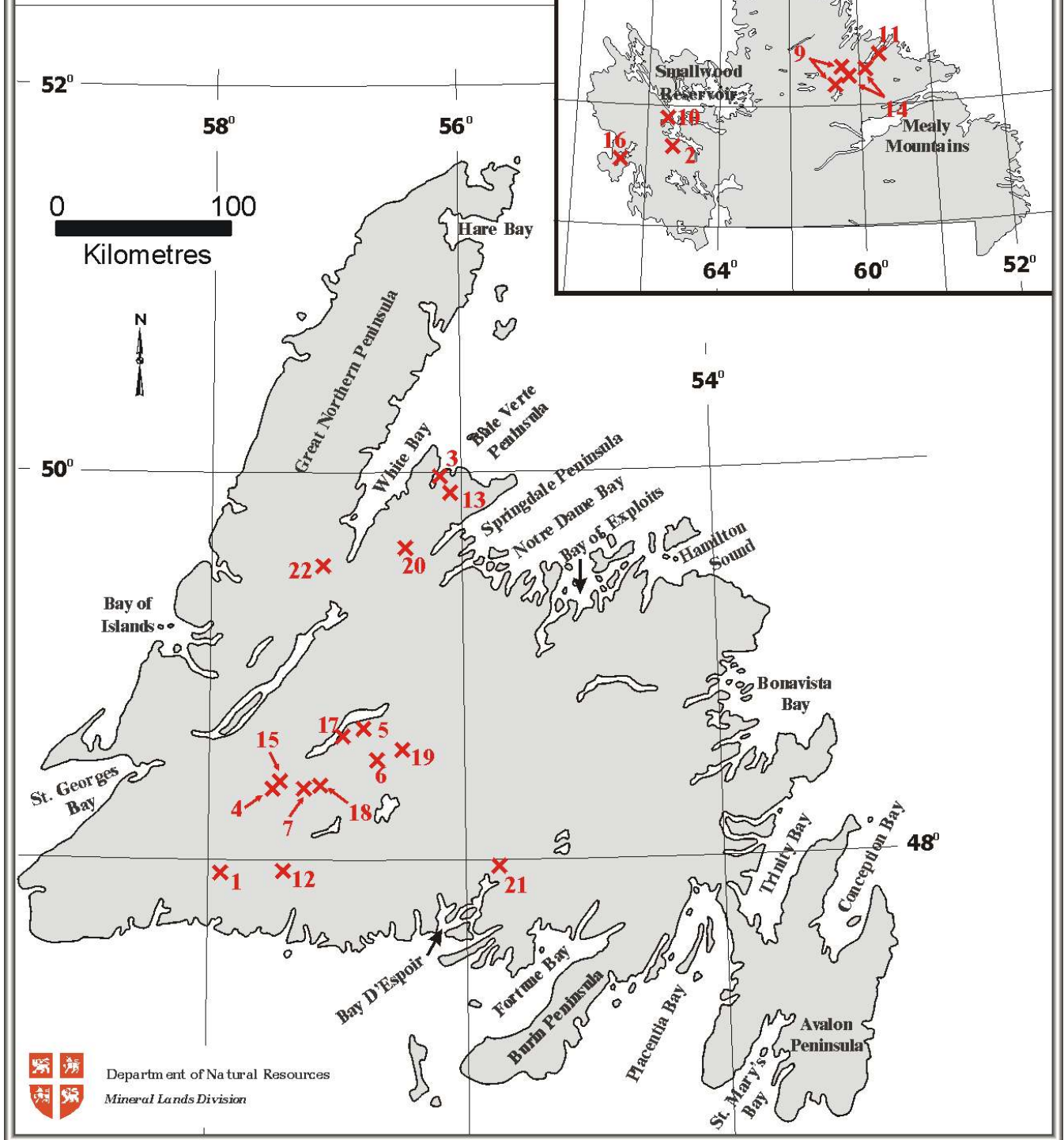
In March 2005, 4,221 new claims were staked; 3,447 in Labrador and 774 on the Island. This increased the staking total for 2005 to 6,104; 4,271 in Labrador and 1,833 on the Island .

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

- ✖1 On March 1, **Commander Resources Ltd.** staked an additional 33 claims at its Blue Hills of Couteau uranium property in southwestern Newfoundland (see February 22). The property now consists of 157 claims.
  
- ✖2 Also on March 1, **Robert Carpenter** staked 256 claims in western Labrador for their nickel potential. The claims are underlain by gabbro-norite.
  
- ✖3 On March 2, **Anaconda Gold Corp.** reported assay results from the first six holes of a 14-hole, diamond-drilling program on its Pine Cove gold property on the Baie Verte Peninsula. The diamond-drilling program was designed to upgrade some inferred resources to probable reserves and to test for mineralization in directions that remained open. The initial results extended three, higher grade lenses on 25-m step-outs and included 8 m of 9.47 g/mt gold, 14 m of 3.33 g/mt gold and 6 m of 1.32 g/mt gold. Undiluted resources for the deposit were given along with the announcement to proceed with a mine (see January 21).
  
- 4-7 Also on March 2, **Cornerstone Resources Inc.** updated its four, central and west-central Newfoundland, volcanogenic-massive-sulphide, base-metal projects.
  
- ✖4 At the 46-claim, Victoria project, a summer 2005 field program is in the planning stage. Compilation work on the area indicates that it is along strike of the newly discovered Boomerang prospect, which is eight km to the northeast (see February 28). The property contains several airborne geophysical anomalies having signatures similar to those recorded at the Boomerang prospect.
  
- ✖5 Field work and compilation also are planned for the 90-claim, Bobbys Pond project (see December 17, 2004), which surrounds Inco Limited's, Bobbys Pond, zinc-copper-silver deposit (see October 20, 2004).
  
- ✖6 The option on the 137-claim, Noel Paul's Brook project to **Woodruff Capital Management**, via **Inmet Mining Corporation**, has been continued. The option involves \$1.5 million in exploration spending over five years (from 2002) for a 60% interest. The property surrounds South Coast Ventures Inc.'s Haven Steady prospect, which has returned combined base metals of up to 6.1% over 7 m (see December 17, 2004).
  
- ✖7 On the 33-claim, Long Lake property, a winter 2005, till-geochemical survey has identified a base-metal anomaly that is broadly coincident with an airborne electromagnetic anomaly in altered felsic volcanic rocks. The base-metal anomaly assayed up to 542 ppm zinc, 366 ppm copper and 174 ppm lead and is open along strike in both directions.

# Newfoundland and Labrador Mineral Exploration Programs (see text)

March 2005



✗8 As well on March 2, **Cornerstone Resources Inc.** announced that, in 2005, partner **Falconbridge Limited** is to conduct ground follow-up of conductors identified by a 2004 airborne geophysical survey (see September 14, 2004) on its Konrad nickel property in northern Labrador. Falconbridge Limited has an earn-in option on the 1,882-claim, Konrad property (see August 10, 2004) and a strategic alliance with Cornerstone Resources Inc. for the surrounding area (see September 14, 2004).

✗9 In addition on March 2, **Crosshair Exploration & Mining Corp.** announced the acquisition of 187 claims adjacent to its Moran Lake uranium and iron-oxide–copper–gold (IOCG) property, located in the Central Mineral Belt, north of Goose Bay in central Labrador. The 187 claims were optioned from **Lewis Murphy**; 102 of these claims were first transferred from **Noel G. Murphy** to Lewis Murphy.

The new acquisitions include the Moran Heights area, which contains over 300 uranium-bearing boulders that range up to 2.36%  $U_3O_8$ . A 1978 diamond-drilling program, by Canadian Nickel Company Limited in joint venture with British Newfoundland Exploration Limited, returned 0.24% copper over 32.2 m and 2.24% copper over 0.6 m, indicating IOCG potential. Other areas within the property contain uranium-bearing boulders that assay up to 0.88%  $U_3O_8$ . All of the mineralized boulders are un-sourced.

Analytical results for 607 samples of historic, Shell Canada Resources, diamond drillcore, housed at the Department of Natural Resources core-storage building in Goose Bay, Labrador, are pending. This Phase 1 sampling program (see January 24) is designed to further test the IOCG potential. Phase 2 will analyze samples for uranium, from 43 sections of radioactive, diamond drillcore not previously assayed by Shell Canada Resources.

**Crosshair Exploration & Mining Corp.** also staked an additional 2000 claims in the area on March 2. Thirty four of the claims are at Moran Lake and the remaining 1,966 claims form an almost separate area to the south. With the exception of a 3-claim, satellite area to the west, the Moran Lake project now occurs as one 2,445-claim property.

10-11 Furthermore, on March 2, **Ruza Resources Ltd.** staked 41 claims in the Smallwood Reservoir area of western Labrador (✗10) and 36 claims in the Central Mineral Belt in east-central Labrador (✗11), both for uranium. The latter claims occur at the southwest end of the Post Hill belt, adjacent to the Altius Resources Inc. - Fronteer Development Group Inc. strategic alliance.

✗10 On March 3, **Ruza Resources Ltd.** staked an additional 49 claims in the Smallwood Reservoir area having nickel potential.

✗12 Also on March 3, **Lewis Murphy** staked 52 claims adjacent to the eastern margin of Commander Resources Ltd.'s White Bear property in southern Newfoundland (see February 22). The claims cover uranium potential.

✗13 On March 8, **Altius Resources Inc.** announced completion of the sale of its interest in the Rambler North, copper–gold property on the Baie Verte Peninsula to Rambler Mines Limited (see February 23). A major diamond-drilling program is planned for 2005.

- ✖14 On March 11, **Santoy Resources Ltd.** staked 1,023 claims in the Central Mineral Belt, east-central Labrador, for uranium. Some of the claims (255) are to the southeast of Santoy Resources Ltd.'s 1,080-claim, Bruce River option from Monster Copper Resources Inc. (see January 26); the remaining claims (768) are approximately 20 km to their northeast, adjacent to the Altius Resources Inc. - Fronteer Development Group Inc. strategic alliance.
  
- ✖15 On March 16, **Messina Minerals Inc.** announced that it had acquired an option to earn a 100% interest in the 60-claim, Lloyd's River property, in west-central Newfoundland, from **A. S. K. Prospecting & Guiding Inc.** The claims were held by **Allan E. T. Keats** (30 claims) and **Kevin D. Keats** (30 claims) and were transferred to A. S. K. Prospecting & Guiding Inc. on March 21. The option involves cash and shares payments over a four-year period. The property is centred approximately four km north of Messina Minerals Inc.'s Boomerang discovery (see March 22, below) and covers similar base-metal +/- precious-metal potential.
  
- ✖16 On March 17, the Labrador Iron Ore Royalty Income Fund reported that **Iron Ore Company of Canada** had sealed the sale of concentrates and pellets to a major European customer, for 2005, at 71.5% and 86.1% respectively, over 2004 prices. Iron Ore Company of Canada mines iron ore in western Labrador and is the largest iron-ore pellet manufacturer in Canada; it generates annual revenues of over \$600 million.
  
- ✖15 On March 22, **Messina Minerals Inc.** reported that four additional diamond drillholes had been completed at its Boomerang prospect. The additional diamond drillholes are in the same panel as those reported previously (see December 10, 2004, and February 28); assay results are pending.

On March 23, **Messina Minerals Inc.** reported specific gravities of from 3.51 to 4.45 for the massive sulphide intersections in four diamond drillholes (see February 28) from the Boomerang prospect.

- ✖17 Also on March 23, **Royal Roads Corp.** reported assay results for seven diamond drillholes recently completed at Daniels Pond in its 643-claim Tulks North, base-metal property in west-central Newfoundland. The seven diamond drillholes tested the strike extent of the volcanogenic-massive-sulphide, Daniels Pond deposit (see January 5) over 700 m. Intersections (true thicknesses) included 7.92 m grading 2.76% zinc, 1.76% lead, 102.5 g/mt silver and 0.49 g/mt gold and 1.35 m grading 4.92% zinc, 2.52% lead and 0.31% copper. As well, an infill diamond drillhole at the deposit itself, intersected 7.07 m that assayed 7.4% zinc, 3.75% lead, 0.47% copper, 136.7 g/mt silver and 0.48 g/mt gold, including approximately 0.39 m of 26.4% zinc, 16.5% lead, 0.8% copper, 558.2 g/mt silver and 0.75 g/mt gold, and is the thickest massive-sulphide interval at the deposit to date.

An additional diamond drillhole, located in the Harbour Round Pond area to the southeast of Daniels Pond, tested a zinc-in-soil geochemical anomaly. The diamond drillhole returned an intercept of 1.18 m of sheared, mafic volcanic rock grading 0.89% zinc and 0.25% copper.

Diamond drilling is ongoing at the Daniels Pond Extension, to the northeast of the deposit, where four diamond drillholes are planned (see January 5). An additional two infill diamond drillholes have been scheduled for the high-grade portion of the Daniels Pond deposit.

- ✖3 As well on March 23, **Anaconda Gold Corp.** reported revised mineral reserves for its Pine Cove gold deposit on the Baie Verte Peninsula. Diluted, probable reserves now stand at 2,332,676 tonnes grading 2.76 g/mt gold at a 0.95 g/mt gold cut-off. The new estimate includes the results of 943 m of diamond drilling in 12 holes, both infill and on extensions to the mineralized zones. A revised feasibility study is in progress.
- ✖18 In addition on March 23, **Mountain Lake Resources Inc.** converted 5,700 ha of impost lands, formerly Reid Lots 227 and its portion of Reid Lot 229, to, respectively, 108 and 120 mineral claims. The claims form a part of Mountain Lake Resources Inc.'s central Newfoundland, Valentine Lake, earn-in option to **Richmont Mines Inc.** (see February 10).
- ✖19 On March 28, **Kevin D. Keats** (30 claims) and associate **Dion Wade** (30 claims) staked ground along strike to the east-northeast of Cornerstone Resources Inc.'s Noel Paul's Brook property (see March 2 above). The claims have similar base-metal +/- precious-metal potential.
- ✖9 On March 29, **Crosshair Exploration & Mining Corp.** reported assay results for the Phase 1 sampling program from its Moran Lake uranium and IOCG property in the Central Mineral Belt of Labrador. Phase 1 sampling was of historic, Shell Canada Resources, diamond drillcore from the Moran upper "C" Zone (21 holes) and the Moran "B" Zone (2 holes) uranium prospects. Over 200 samples assayed greater than 0.02% copper and 44 samples ranged between 0.1% and 0.63% copper over widths of 0.5 to 1.12 m.

Most upper "C" Zone diamond drillholes returned numerous anomalous samples. Highlights from this zone are:

- 8.12 m of 0.1% copper, including 1 m of 0.42% copper;
- 18.1 m of 0.13% copper, including 0.5 m of 0.63% copper and seven 1-m intervals of from 0.12% to 0.3% copper;
- 1.29 m of 0.4% copper, 18.34 g/mt silver and, by Shell Canada Resources, 0.087%  $U_3O_8$ ; and
- 4.5 m having metre intervals ranging from 0.02% to 0.09% copper throughout its entire length and including 7.02 m of 0.15% copper.

The "B" Zone sampling returned best assays of 0.73 m of 0.17% copper, 0.078%  $U_3O_8$  and 13.1 g/mt silver and 1.07 m of 0.23% copper, 0.018%  $U_3O_8$  and 11.1 g/mt silver. These results confirm the historic values obtained by Shell Canada Resources for the "B" Zone (see November 2, 2004).

Both Moran "B" and Moran "C" zones occur near the margin of a gravity high. The centre of the gravity anomaly has never been tested by diamond drilling.

A Phase 2 sampling program is in progress (see March 2, above).

- ✖1 Also on March 29, **Commander Resources Ltd.** announced that it had optioned the 52-claim, Couteau Lake property from **Lai Lai Chan**. The property adjoins its Blue Hills of Couteau uranium property package (see January 31 and February 22). The option includes exploration spending of \$300,000 over four years, of which \$40,000 is earmarked for 2005.



The larger, 209-claim, property area contains several uranium occurrences discovered by Shell Canada Limited and Central Electricity Generating Board Exploration (now a part of Cameco Corp.) in the mid-1980s. Outcrop samples collected by Central Electricity Generating Board Exploration in 1986 assayed 0.52% and 0.9%  $U_3O_8$ . Other outcrops and float samples from the area graded from 0.09% to 0.8%  $U_3O_8$  and a soil sample assayed 0.32%  $U_3O_8$ .

- ✖20 As well on March 29, **Cornerstone Resources Inc.** announced the signing of a “letter of intent” for **Agnico-Eagle Mines Ltd.** to earn a 51% interest in the 125-claim, El Strato, gold property on the Baie Verte Peninsula. The initial option requires Agnico-Eagle Mines Ltd. to fund \$1.95 million of exploration over four years; subsequently, its interest could increase to 61%, on completion of a bankable feasibility study, and to 75%, at potential mine start-up.

The El Strato gold showing contains a 0.75-m-wide quartz vein that returned channel-sample assays of 17.5 g/mt gold over 0.55 m and a diamond-drillhole intersection of 9.9 g/mt gold over 0.3 m. Along strike to the northeast, the Voodoo gold showing contains large, angular, un-sourced boulders that returned 105.3 g/mt gold and 133 g/mt silver. The boulders overlie coincident gold-in-soil geochemical and induced polarization geophysical anomalies.

In 2004, Cornerstone Resources Inc. conducted prospecting, geological mapping, geochemical surveys and an airborne geophysical survey on the El Strato property. To the northeast of the Voodoo showing, a zone of quartz-vein arrays, associated with several parallel faults, has been delineated for 1.3 km. Twenty six grab samples of the quartz veining returned an average 10.3 g/mt gold and a maximum 54.3 g/mt gold.

The zone parallels the nearby Baie Verte Line, a crustal-scale fault that, potentially, is a major conduit of mineralizing fluids. Along this trend, numerous grab samples, of float and from outcrop, have returned from 20 to 155 g/mt gold in the area. The Baie Verte Line has been interpreted to be analogous to the Mother Lode gold camp in California, USA.

- ✖21 In addition on March 29, **Cornerstone Resources Inc.** announced that **Moydow Mines International Inc.** had elected to continue with its option on the 446-claim, True Grit, gold property in southern Newfoundland. Moydow Mines International Inc. has an option to earn up to an 80% interest in the property and is the current project operator.

- ✖22 Furthermore on March 29, **Spruce Ridge Resources Ltd.** announced that it had acquired an 80% interest in 70 claims from **Allan E. T. Keats** to the north of its Gales Brook property. The combined property consists of 104 claims covering base-metal potential and is located west of White Bay. Spruce Ridge Resources Ltd. has an option to acquire additional interest at 2% per \$25,000 of exploration spending up to a maximum of 90%.

The property contains several lead occurrences. In the north of the property, the Side Pond prospect returned 3.19% lead over 4.3 m and 1.91% lead over 7.3 m from diamond drilling by Noranda Exploration Company Limited in 1979. In the south, the Gales Brook showing returned 5.9% lead over 21.5 m and 18% lead over 1.5 m from diamond drilling by Noranda Exploration Company Limited in 1977. The Turners Ridge prospect is in the centre of the property and returned intersections of 18.2% lead, 0.33% zinc and 38.5 g/mt silver over 1.7 m and 11.5% lead, 0.56% zinc and 22.3 g/mt silver over 1.7 m. In 1978, Noranda Exploration Company Limited reported a historic resource estimate of 200,000 tonnes grading 4.5% lead from the Turners Ridge prospect.