

## MAY 2005

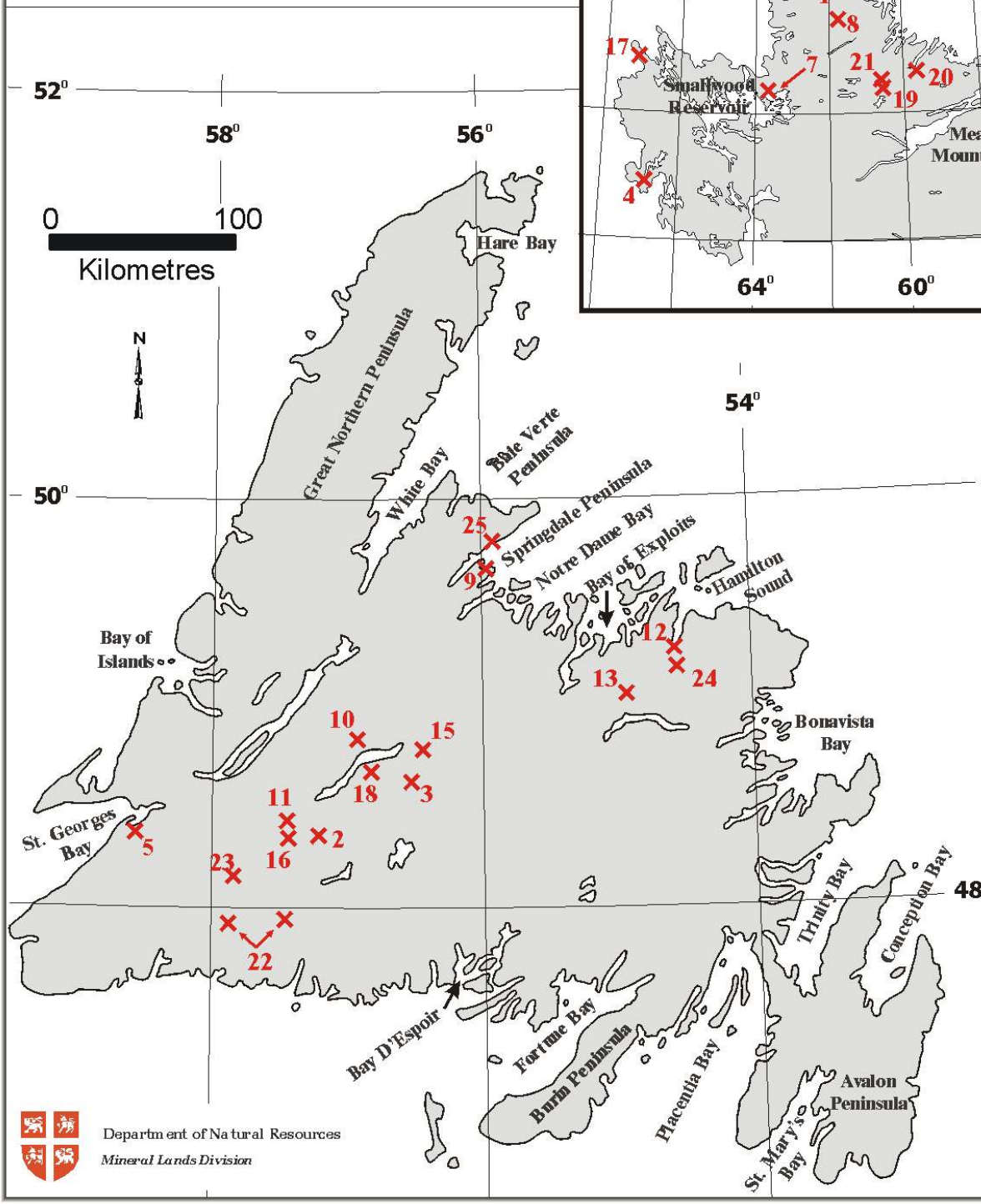
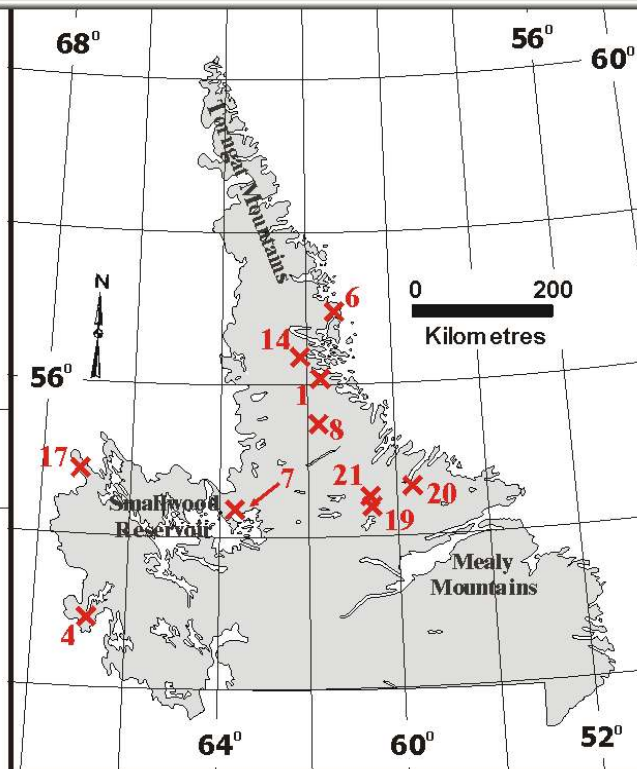
In May 2005, 583 new claims were staked; 346 in Labrador and 237 on the Island. This increased the staking total for 2005 to 7,284; 4,807 in Labrador and 2,477 on the Island.

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

- ✘1 On May 2, **Freeport Resources Inc.** released an update on its 23-claim, Notakwanon nickel property in northern Labrador. Work completed in 2004 located rock types reported, by Inco Limited for its adjacent property, to have Voisey's-Bay-like characteristics. In addition, an audio-magnetotelluric ground geophysical anomaly, coincident with areas containing troctolitic breccias located on the adjacent property held by Inco Limited, extends for 600 m into the Notakwanon property. Summer 2005 fieldwork will include geological mapping and rock geochemistry in the area of the anomaly.
  
- ✘1 Also on May 2, **Cornerstone Resources Inc.** staked 150 claims to the southwest of Voisey's Bay in northern Labrador. The claims are in two licences adjacent to Inco Limited's Garland Lake project and Freeport Resources Inc.'s Notakwanon property (see above) and cover similar nickel potential.
  
- ✘2 On May 3, **Richmont Mines Inc.** announced that start-up of a diamond-drilling program on the 502-claim, Valentine Lake, gold property, in west-central Newfoundland, was scheduled for late May. Initially, 2,225 m in eight holes is planned. Five diamond drillholes will test the continuity and extent of the Main Zone. Two diamond drillholes will follow up on Mountain Lake Resources Inc. 1998 diamond drilling grading 31 g/mt gold over 1 m at the Valentine East prospect, 13 km northeast of the Main Zone. The last diamond drillhole will test the Osprey Zone, located one kilometre northeast of the Main Zone. Previous diamond drilling by Mountain Lake Resources Inc. at the site returned 12g/mt gold over 3 m. All three zones occur along the same geological contact.  
  
All 502 claims are now held by **Mountain Lake Resources Inc.** and under option to Richmont Mines Inc. (see February 10). The inferred resource, reported February 10, is upgraded in this release to 439,654 troy ounces of gold from a resource grading 10.5 g/mt gold.
  
- ✘3 On May 5, **Aur Resources Inc.** reported that the \$92 million, capital development program at the Duck Pond base-metal minesite is proceeding as planned. In 2005, this program includes detailed engineering, site preparation and ramp portal construction for a budget of approximately \$51.7 million. Annual production of 76 million pounds of zinc and 41 million pounds of copper is scheduled to commence late in 2006.
  
- ✘4 Also on May 5, the Labrador Iron Ore Royalty Income Fund released its financial results for the first quarter of 2005. The "Fund" reports that the US\$ benchmark, 2005 over 2004 price increases of 71.5% for concentrates and 86.1% for pellets (see March 17) should be realized for all international sales and that **Iron Ore Company of Canada** has a market for whatever it can produce in 2005.

# Newfoundland and Labrador Mineral Exploration Programs (see text)

May 2005



Department of Natural Resources  
Mineral Lands Division

- ✖5 On May 6, **Vulcan Minerals Inc.** announced an agreement to purchase its own drilling rig. The purchase is designed to reduce program delays and costs due to competition for drilling equipment. The rig has a depth range of 1,200 m and will be used to test targets for oil-bearing strata on Vulcan Minerals Inc.'s southwestern Newfoundland, 345-claim, Flat Bay salt property.

Interpretation of a seismic survey (see February 10) has been completed and additional targets identified. The 2005 diamond-drilling program will include additional diamond drilling on the Flat Bay structure, as well as at the Storm and Hurricane prospects (see February 10). Drill-rig delivery is expected in late May with diamond drilling to commence soon after.

- ✖6 Also on May 6, **North Range Resources Ltd.** staked 64 claims in the Kiglapait Mountains of northern Labrador for nickel. North Range Resources Ltd. and associate **Victor A. French** control 94 claims at this location.

- ✖7 On May 9, **Altius Resources Inc.** reported results of 3-D modelling of a 2004 airborne geophysical survey completed over its Michikamau nickel property in west-central Labrador. The property covers the margin, which contains several large gossans, and parts of the interior of the Michikamau anorthosite-gabbro intrusion.

Modelling of the airborne survey (deep-penetrating, MegaTEM electromagnetics) has identified four target areas. A T-shaped, magnetic anomaly, at a depth of over 100 m and located within the intrusion, is interpreted to be the most significant target.

Processing and interpretation of ground geophysical surveys, over targets identified by the airborne survey in the marginal zone of the intrusion, are pending. Grab samples from the gossans in the marginal zone have returned up to 1.06% nickel, 0.14% cobalt and 0.05% copper.

Geological mapping and additional ground geophysical surveys prior to diamond drilling are planned for the summer 2005 field season.

**Teck Cominco Limited** has an earn-in, joint-venture agreement with Altius Resources Inc. on the 1,771-claim, Michikamau property (see August 4, 2004).

- ✖8 On May 9, **Donner Minerals Ltd.** announced that, subject to regulatory approval, the shares and assets of Donner Minerals Ltd. would get transferred to a new subsidiary company, Newco, and then be partitioned between the two companies. Donner Minerals Ltd. is to become an oil and gas exploration company and **Newco** will assume responsibility for mineral exploration. In Newfoundland and Labrador, Donner Minerals Ltd. is involved in the South Voisey nickel project.

- ✖9 On May 11, **Commander Resources Ltd.** reported the intersection of two, gold-bearing quartz veins in diamond drilling (see April 7) on its Big Hill gold property on the Springdale Peninsula. The two veins contain 5-10% pyrite, with traces of copper, lead and zinc sulphides, and returned 4.06 g/mt gold and 36.29 g/mt silver over 0.6 m and 3.92 g/mt gold and 29.1 g/mt silver over 0.71 m. Narrower vein intersections (0.1 to 0.35 m) returned 0.1 to 0.9 g/mt gold in three of a four-hole, 544.36-m, diamond-drilling program.

The veins are hosted by strongly altered and fractured mafic rocks. The vein system is 25 km along strike to the northeast of the Hammerdown gold deposit within the same regional deformation zone. The veins have similarities to the Hammerdown gold deposit.

Compilation and re-interpretation of all prior data are in progress. Infill ground geophysical surveys may be conducted prior to additional diamond drilling.

- ✘10 Also on May 11, **Buchans River Ltd.** announced that the start-up of an approximately 1,000-m, 2-hole, diamond-drilling program was imminent at its Buchans base-metal property. The diamond drilling will test a previous (2001) high-grade intersection (see February 28) located approximately 0.6 km from the former Lucky Strike Mine. The Lucky Strike Mine produced 5.05 million tonnes grading 18.42% zinc, 8.61% lead, 1.63% copper, 112.5 g/mt silver and 1.68 g/mt gold.

2004 geological and geochemical studies on the Buchans property have identified additional drill-ready targets.

- ✘11 On May 12, **Messina Minerals Inc.** reported assay results for five diamond drillholes along a section located 50 m east of previous diamond drilling at the Boomerang, volcanogenic-massive-sulphide, base-metal prospect on its Tulks South property in west-central Newfoundland. All diamond drillholes on this section intersected the target massive-sulphide horizon.

One diamond drillhole returned a true-thickness intersection of 4.8 m grading 5.8% zinc, 2% lead, 0.7% copper and 25 g/mt silver, having a lowermost 2.1 m grading 10.8% zinc, 4.2% lead, 1% copper and 47 g/mt silver. A second diamond drillhole returned 9.7 m grading 8.5% zinc, 1.8% lead, 0.5% copper, 59 g/mt silver and 0.4 g/mt gold, including a lowermost interval of 4.4 m grading 17.4% zinc, 3.6% lead, 0.7% copper, 111 g/mt silver and 0.7 g/mt gold. These two diamond drillholes mirror the basal, zinc-rich zoning seen in the section containing the discovery hole, 50 m to the west (see February 28 and April 1), and in a section 50 m west of the discovery hole (see April 27). The remaining three diamond drillholes returned true thickness combined metals (zinc + lead + copper) intervals of 2.5% over 5.5 m, 21.8% over 1.3 m and 9.7% over 0.9 m.

Messina Mineral Inc. plans to expend about \$2 million on the Boomerang prospect between May and December, 2005, mostly on diamond drilling and related activities. The diamond drilling will test for extensions to the known mineralization, which is open in all directions.

- ✘12 Also on May 12, **Crosshair Exploration & Mining Corp.** reported results of a Phase 2, diamond-drilling program at the Titan gold prospect in northeastern Newfoundland. The Titan prospect is a part of its Wings Point - Titan property option from **Rubicon Minerals Corporation**. Phase 1 diamond drilling was completed in June 2004 (see September 2, 2004).

The Phase 2 program comprised 678 m in nine diamond drillholes. Intersections of up to 1.68 g/mt gold over 11.82 m (including 6.26 g/mt gold over 1.55 m), 5.22 g/mt gold over 1.2 m, and 4.18 g/mt gold over 2 m were returned. This program indicates that both gabbro and metasediment contain gold mineralization and that the Titan prospect is open at depth. In addition, 13 of 20 diamond drillholes, drilled since the discovery of high-grade, gold mineralization in trenches (see April 21,

2004), have intersected additional mineralization. There are 118 claims in three properties within the Wings Point - Titan option; Crosshair Exploration & Mining Corp. maintains a total of 174 claims in four properties in this area.

- ✘13 As well on May 12, **Crosshair Exploration & Mining Corp.** reported that diamond drilling had commenced at the Clydesdale prospect on its 717-claim, Glenwood property-option, also from **Rubicon Minerals Corporation** and also in northeastern Newfoundland.
- ✘14 On May 18, **Evolving Gold Corp.** staked 124 claims covering nickel potential in northern Labrador. The claims are adjacent to those of Geocore Exploration Inc. on the northwestern margin of the Voisey's Bay Nickel Company Limited nickel-copper-cobalt property.

15-16 On May 19, **Crosshair Exploration & Mining Corp.** released an update of exploration on its Southern Golden Promise gold-project option from **Rubicon Minerals Corporation** located in central and west-central Newfoundland. The project comprises four property blocks.

- ✘15 On Block 1, a soil geochemical survey, completed during the winter of 2005, returned up to 8,164 ppb gold near the Snow White gold discovery. Grab samples from quartz veins uncovered during trenching at the Snow White gold showing returned up to 105.28 g/mt gold (see November 30, 2004). Additional lake and soil geochemical surveys are ongoing in the same area and are to be followed, in the summer, by further trenching and sampling and, in the fall, by diamond drilling.

The Snow White showing is 25 km along strike to the southwest of the gold-bearing Jaclyn vein systems on the adjacent Rubicon Minerals Corporation Golden Promise property (see October 7, 2004).

- ✘16 As well, base-metal-directed exploration is scheduled for Block 4, which is adjacent to Messina Minerals Inc.'s Boomerang prospect (see above), on 215 claims held under the option.

- ✘17 On May 20, **New Millenium Capital Corp.** reported a mineral resource estimate for the main, 473-claim property in its LabMag Iron Ore project in western Labrador. A diamond-drilling indicated mineral resource of 1.045 billion tonnes grading 69.4% iron in concentrate and an additional inferred mineral resources of 760.7 million tonnes has been determined for Block A on the property (see April 21). The low silica-in-concentrate values of 2.34% for the indicated resource and 1.6% for the inferred resource also are considered positive.

Additional diamond drilling and metallurgical work will be conducted over the summer. This program is designed to further upgrade the resources.

New Millenium Capital Corp. intended to develop a mine and concentrating complex in Labrador that could supply a pellet plant in Sept Iles, Quebec, with ten million tonnes of concentrate from 33 million tonnes of crude ore mined annually for at least 20 years. The indicated resource above is sufficient to meet the operational plans for mining the ore for 30 years at ten million tonnes per year.

- ✘18 On May 25, **Mountain Lake Resources Inc.** announced that it is to purchase a 100% ownership in the Bobbys Pond base-metal massive-sulphide deposit, in west-central Newfoundland, from **Inco Limited**. The Bobbys Pond deposit has been delineated over a strike length of 250 m and to a depth of 430 m. In 1990, Inco Limited estimated a mineral resource of 1.233 million tonnes grading 6.91% zinc, 1.06% copper, 0.71% lead, 16.8 g/mt silver and 0.2 g/mt gold at a combined (zinc + copper + lead) cut-off of 2.5%; the resource was calculated down to a depth of 300m.

In 2005, Mountain Lake Resources Inc. will construct a 3-D structural model and conduct diamond drilling along-strike and down-dip of the deposit.

- 19-20 Also on May 25, **Monster Copper Resources Inc.** announced that its option to **Santoy Resources Ltd.** on the Bruce River and Mustang Lake properties (see January 26) had been signed. The properties are located in east-central Labrador in the Central Mineral Belt and cover uranium and iron-oxide-copper-gold (IOCG) potential. The Mustang Lake property is eight km northeast of the Michelin uranium deposit, which is located on the Altius Resources Inc. - Fronteer Development Group Inc., Central Mineral Belt property (see February 24). The Bruce River property is adjacent to Crosshair Exploration & Mining Corp.'s Moran Lake, IOCG-uranium properties (see March 29 and April 5).

- ✘19 On the 1,080-claim, Bruce River property, a 3,465-line-km, helicopter-borne magnetic and radiometric survey will commence in June and will be integrated with an airborne gravity survey completed in 2003. Anomalies will be screened by mapping and prospecting; the field program is scheduled for August.

- ✘20 The 62-claim, Mustang Lake property contains three uranium targets; the Irving Zone and the South Prospect (see November 3, 2004) and Mustang Lake East. A recently completed airborne radiometric survey has identified anomalies coincident with known uranium occurrences and a boulder train anomalous in uranium.

- ✘21 On May 26, **Crosshair Exploration & Mining Corp.** reported results of the Phase 2 core-sampling program for its Moran Lake uranium-IOCG property in the Central Mineral Belt of central Labrador (see March 2 and April 5). The program consisted of 81 samples, from which 30 samples returned from 0.05% to 0.28% U<sub>3</sub>O<sub>8</sub> over intervals ranging from 0.25 to 0.7 m. The historic and current sampling programs indicate very variable grades and thicknesses of uranium mineralization over relatively short lengths of core (see, for example, October 15 and November 2, 2004).

The Phase 2 core samples were also analysed for their IOCG potential. The samples returned up to 0.2% copper and 26 g/mt silver over 1.75 m and included higher-grade intervals of up to 0.8% copper and 139.5 g/mt silver. These results are similar to results from hematitic breccias sampled in the Phase 1 program (see March 29) and confirm the potential for IOCG-uranium, Olympic-Dam-style mineralization on the property.

- ✘22 Also on May 26, **Commander Resources Ltd.** announced that fieldwork would commence on its southern Newfoundland uranium project (see January 31 and February 22) on May 29. The project covers two properties totalling 323 claims (131 claims under option).

Initially, prospecting and mapping crews will relocate historic occurrences (see February 22 and March 29) and map and sample these areas. Subsequently, ground geophysical surveys and trenching programs will be conducted and then evaluated for potential diamond-drill targets.

✘14 As well on May 26, **Evolving Gold Corp.** announced that the 124 claims staked on May 18 (see above) were adjacent to 192 claims optioned from **Geocore Exploration Inc.** on May 4, 2005. The terms of the option include any subsequent staking to within a 2 km distance from the initial property boundary.

✘23 On May 30, **Candente Resource Corp.** reported results of diamond drilling on its 196-claim, Staghom, gold property in southwest Newfoundland. The property is under earn-in option to **Goldcorp. Inc.** (see March 23, 2004).

The 12-hole, 1,868-m, diamond-drilling program was completed in April and tested combinations of geophysical anomalies, structural interpretations and anomalous gold values in trenches, float and lake sediment. Of nine diamond drillholes along the main structural trend, two intersected a felsic intrusion grading 1.47 g/mt gold over 22.5 m and 0.23 g/mt gold over 52.9 m. Within these zones, higher grade intervals occur, for example, 6.25 g/mt gold over 1 m, 1.69 g/mt gold over 1.5 m and 11.25 g/mt gold over 1.5 m. Two diamond drillholes tested interlayered mafic volcanic and metasedimentary rocks for volcanogenic-massive-sulphide base metals without intersecting any mineralization. The last diamond drillhole was to test felsic volcanic rocks along a subsidiary structure but did not reach the target due to the overburden.

Despite the locally, strongly anomalous gold values, Candente Resource Corp. reports reduced potential for the large-tonnage, intrusion-hosted mineralization model proposed, and is to change focus towards Boomerang-style, base-metal, volcanogenic massive sulphides in the northern area of the property.

✘24 On May 31, **Alexander T. Stares** staked 59 claims for gold at his Weirs Pond property in northeastern Newfoundland. Alexander T. Stares now holds 64 claims in this property.

✘25 Also on May 31, **Dimitriy Mezhinskiy** staked an additional 7 claims at the Nippers Harbour property on the Baie Verte Peninsula. Dimitriy Mezhinskiy and associate **Edward Martin** now control 84 claims in this property block and 90 claims in three properties in the local area.