



FROM THE:

# EAST

Mineral industry takes long-term approach

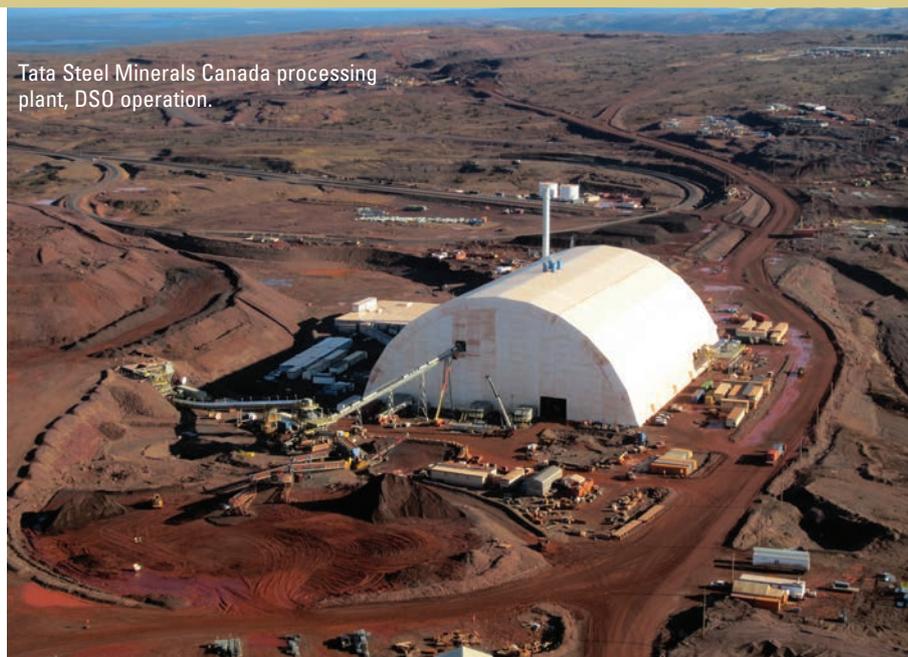
By Phil Saunders\*

The minerals industry in Newfoundland and Labrador is confronting the challenging conditions in the broader commodities market with innovative deals and productivity upgrades in both the mining and exploration sectors. Recent developments in plant and infrastructure have improved the mining outlook long-term, and impressive grades of gold and base metals in recent drill intersections provide a positive counterpoint to a moribund investment climate.

### Mining and Processing

The Iron Ore Company of Canada (IOC) has been producing iron ore in Labrador West since the 1960s. In 2014, IOC commissioned the final approved phase of IOC's concentrate expansion project, and turned it over to operations. Nameplate capacity at IOC is now 23.3 million tonnes of concentrate. Concentrate shipments for 2014 are expected to be about 15.5 million tonnes compared to 14.8 million tonnes for 2013.

Tata Steel Minerals Canada Limited (TSMC), a joint venture between Tata Steel of India and New Millennium Iron Corp. is developing/operating a high-grade iron ore (DSO) project in the Menihek area of northwestern Labrador. Ore is currently beneficiated using a portable dry crushing and screening process that was expected to produce about 800,000 tonnes in 2014. A new wet pro-



Tata Steel Minerals Canada processing plant, DSO operation.

cessing plant was 80% complete as of November 2014 and is expected to be operational in the second quarter of 2015. This should increase total capacity to nearly 3 million tonnes for 2015 and up to 6 million tonnes thereafter. In November, TSMC announced the commencement of rail haulage on the newly commissioned KéRail spur line that services the DSO Project.

In February 2014, Cliffs Natural Resources Inc. notified the Province of its intent to close its mining and processing operations at the Scully iron ore mine in western Labrador. Formal notification of closure was received in October 2014.

Vale Newfoundland and Labrador Limited (VNL) operates the Voisey's Bay Mine in Labrador and a hydromet pro-

cessing plant at Long Harbour, in southern Newfoundland. The mine opened in 2005 and produces both nickel and copper concentrates. VNL has committed to underground development at the site, and initial production from this phase is projected for 2019. During the first six months of 2014, VNL reported production of 26,500 tonnes of nickel, 14,100 tonnes of copper and 636 tonnes of cobalt. Once the hydromet processing plant is fully operational, it will process Voisey's Bay concentrates into finished nickel, copper, and cobalt metal products. In November 2014, VNL formally announced a major milestone at the hydromet plant with the production of first nickel.

Anaconda Mining Inc. is producing gold and generating positive cash flow



Thickeners area inside Tata Steel Minerals Canada processing plant.

Pine Cove Gold Mine,  
Anaconda Mining Inc.



from its Pine Cove Mine on the Baie Verte Peninsula. In the fiscal year ending May 31, 2014, the Company produced about 15,000 ounces of gold, and expects to increase this in FY 2015. Anaconda is expanding its tailings facility, and exploring for additional gold resources within trucking distance of the mine. Anaconda is also looking to increase their resource base through exploration on nearby properties. The company reported encouraging drill results from the Stoger Tight Project, and intends to upgrade current historical resources on this project to NI

43-101-compliant standards.

Rambler Metals & Mining plc continues to ship high-grade copper-gold concentrate from its Ming Mine, also on the Baie Verte Peninsula. For the year ending July 31, 2014, Rambler produced 6,968 tonnes of accountable copper metal, 6,043 ounces of gold and 28,887 ounces of silver. Rambler is evaluating cost-saving methods of mining and processing the much larger but lower-grade Lower Footwall Zone through a process of pre-concentration and dense media separation. The study is being supported by Research &

Development Corporation of Newfoundland and Labrador. Rambler recently published an updated resource estimate for the mine. The Mineral Reserve remains unchanged from the previous estimate published January 27, 2014; however, the updated Mineral Resource represents a 38% increase in copper metal content for the entire Ming Mine, based largely on the Lower Footwall Zone.

Atlantic Minerals Limited mines limestone and dolomite on the Port au Port Peninsula in western Newfoundland. The operation produces chemical-grade, high-calcium limestone, chemical-grade dolomite, and construction aggregates, and has year-round ship-loading facilities. Total shipments from Lower Cove were forecast to increase from 2.6 million tonnes in 2013 to 3.1 million tonnes in 2014. The Company has undertaken capital projects and productivity improvements that will increase capacity from approximately 3 million tonnes per year (Mtpy) to 4 Mtpy. In January 2014, Atlantic Minerals made its first shipment of limestone to a European market.

Barite Mud Services Inc. plans to reprocess tailings from ASARCO's historic base metal mine in Buchans to recover barite. The project has been released from environmental assessment, and is expected to yield about 10,000 tonnes of barite annually.

## Exploration

Gold and base metals remain the targets of choice for exploration companies in central Newfoundland. In spite of challenging market conditions, companies are finding ways to raise funds and advance their more promising projects.

On the gold front, Marathon Gold Corp. continued exploring its Valentine Lake Property throughout 2014, with very positive results. Drilling has expanded the recently discovered Sprite Zone, where Marathon plans to develop a new open-pit resource to add to their existing gold resources at the Leprechaun and Victory zones. The company also announced the discovery of a new prospect, the Marathon Zone, in 2014. Both prospects are characterized by broad intervals with substantial gold mineralization, including narrow



Rambler Metals & Mining, concentrate storage facility.

high-grade intervals. Marathon recently announced positive results from metallurgical testing that indicate very high gold recoveries from the Leprechaun Zone.

Benton Resources Corp. has signed a letter of intent with Nordmin Engineering Ltd. covering four of the six gold deposits with known resources at Benton's Cape Ray Project in southwest Newfoundland. Benton has reported encouraging results from recent drilling which suggest the possibility of continuity between the 04 and 41 Zones on the property.

Maritime Resources Corp. has reached agreement with Rambler Metals and Mining to evaluate the economic potential of the past-producing Hammerdown gold mine in the Green Bay area. If the project is feasible, this arrangement could allow Hammerdown ore to be toll-treated in Rambler's Nugget Pond milling facility.

Coastal Gold Corp. is re-evaluating the resource model for its Hope Brook gold project in southern Newfoundland, to focus on the potential higher-grade underground mineral resource. The work is expected to result in a modest increase in the high-grade resource and identify potential extensions.

In base metal highlights, Minco plc reported an intersection of very high-grade (Zn-Pb-Cu-Au-Ag) massive sulphides during exploratory drilling in the historic Buchans mining camp in central Newfoundland. The massive sulphides occur in a less-explored horizon adjacent to Minco's Lundberg resource, and suggest potential for an additional high-grade deposit of the type previously mined at Buchans.

Canadian Zinc Corporation also reported new intersections of very high-grade, zinc-rich massive sulphides from its Long Lake Project in central Newfoundland. The drilling is part of a larger, ongoing program to explore several such deposits recently acquired by the company in Newfoundland's Central Volcanic Belt.

In Labrador, Century Iron Mines Corporation is conducting bankable feasibility and environmental studies related to development of its Joyce Lake Direct Shipping iron ore project in western Labrador. The company reports a sub-



Atlantic Minerals Ltd. quarry, Lower Cove operation.

stantial cash reserve and is actively seeking new projects, including investments outside of the iron ore sector.

Paladin Energy Ltd. announced a revised Measured and Indicated mineral resource estimate of 84.1Mlb U3O8 for the Michelin Deposit, which represents a 25% increase in tonnage, and a 36% increase in the grade of recoverable, open-pit resources. Paladin is continuing to explore the Michelin Property for additional resources.

Search Minerals Inc. has extracted a 40-tonne bulk sample of high-grade mate-

rial from its Foxtrot rare earth prospect in southeastern Labrador. The sample will be used for larger-scale pilot plant testing of the company's proprietary metallurgical process.

In a notable event on the grass roots exploration front, Callinan Royalties Corporation staked approximately 5,000 claims in the Labrador Trough of western Labrador. The company is evaluating the base metals potential of this prolific belt. **CMJ**

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Data review, Canadian Zinc core facility.