

## AUGUST 2005

In August 2005, 7,687 new claims were staked; 7,349 in Labrador and 338 on the Island. At the end of August, the staking total for 2005 was 18,385; 13,140 in Labrador and 5,245 on the Island; and the number of claims in good standing at month's end was 70,323.

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

- ✖1 On August 2, **Messina Minerals Inc.** reported assay results for eight of nine new diamond drillholes at its Boomerang massive-sulphide discovery on the Tulks South property in west-central Newfoundland. Four of the diamond drillholes confirm the western extension of the massive-sulphide horizon reported on June 22; the remainder extend the massive sulphide a farther 50 m west. The best intersection on the new section grades 4.2% zinc, 1.1% lead, 0.4% copper, 36 g/mt silver and 0.5 g/mt gold over 16 m, including a 2.9-m interval assaying 17.1% zinc, 3.6% lead, 2% copper, 78 g/mt silver and 0.7 g/mt gold.

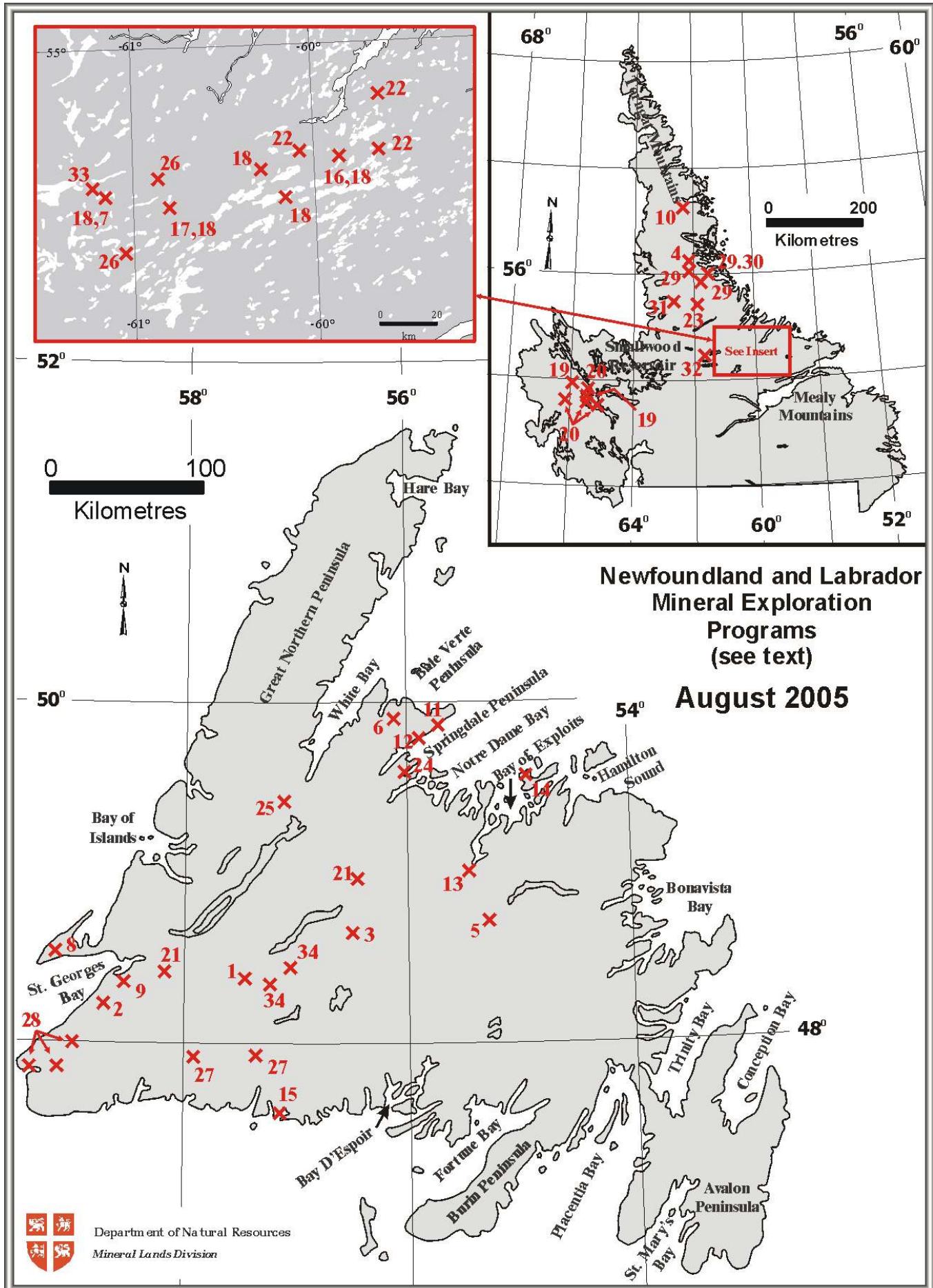
Eight infill diamond drillholes have been completed on sections farther east. The massive sulphide has been intersected over a strike length of 250 m and is open in all directions.

- ✖2 Also on August 2, **Vulcan Minerals Inc.** announced that it had entered into an oil-exploration, farm-out agreement at the Hurricane structure on its 280-claim, Robinsons salt property in southwestern Newfoundland. The agreement is with **Terralliance Technologies Canada Inc.**, which may earn a 33.33% interest in the Hurricane #1 test well by funding 50% of the drilling and completion costs. Terralliance Technologies Canada Inc. has the option to also earn-in, under the same terms, on the Hurricane #2 and Hurricane #3 wells.

The Hurricane location is 20 km to the south-southwest of the Flat Bay discovery well. The Hurricane structure is interpreted to contain target zones at several different depths. In addition, the Hurricane structure is 30 km to the southwest of the Storm structure, where test drilling is underway by Vulcan Minerals Inc. under a separate farm-out agreement with Terralliance Technologies Canada Inc. (see July 20).

- ✖3 On August 3, **Aur Resources Inc.** announced that \$2.7 million had been spent in the second quarter on engineering and infrastructure at its Duck Pond, base-metal minesite in central Newfoundland. Further infrastructure development, including mill construction and ramp extension, will bring the expenditures to approximately \$51.7 million for 2005. The remainder of the ca. \$92 million, two-year, capital expenditure program will be expended next year with mine start-up scheduled for late 2006.

- ✖4 On August 4, **Celtic Minerals Ltd.** and 50% joint venture partner **Jilby Gold Exploration Ltd.** announced that exploration had commenced on their West Voisey's Bay project in northern Labrador. The 451-claim property adjoins the southwest corner of Inco Limited's Voisey's Bay block and has similar nickel-copper-cobalt potential.



The first phase of exploration will consist of mapping, prospecting and ground geophysical surveys over much of the property. In particular, the DOZ target, identified by the partnership in 1999 from satellite imagery and occurring above coincident magnetic and regional gravity geophysical anomalies, will be investigated.

Results of the first phase of exploration may be used to design a diamond-drilling program.

- ✖5 Also on August 4, **VVC Exploration Corp.** announced a restructuring of the ownership of the Beaver Brook antimony project in central Newfoundland. In 2004, VVC Exploration Corp. purchased the property, including significant mine infrastructure, from **Beaverbrook Resources Ltd.** for approximately \$17 million and established a wholly owned subsidiary, **Beaver Brook Antimony Mines Inc.**, to plan and operate the mine reactivation program. Beaverbrook Resources Ltd. has written off the \$16 million debt remaining from the purchase in return for a 72.5% ownership of Beaver Brook Antimony Mines Inc.

A feasibility study is in progress. The price of antimony has increased approximately 50% over the past two years to US\$3,600 per tonne.

- ✖6 As well on August 4, **Altius Resources Inc.**, on behalf of **Rambler Mines Limited**, reported on the initial results of the diamond-drilling program at Rambler North on the Baie Verte Peninsula (see April 8). Altius Resources Inc. is operator of the project.

The entire program will include 20 diamond drillholes. Since 2003, nine diamond drillholes have been completed (see early September, 2003, and September 7, 2004, for results from the first four holes). Values fall within the historical range for the former Ming Mine (in production from 1964 to 1982).

Approximately 270 m down plunge of the limits of prior mining, the Ming massive-sulphide horizon consists of five, narrower zones of massive sulphide separated by stringer mineralization over a 28.35-m interval. The best massive-sulphide intersection in this diamond drillhole returned 1.7% copper and 7.3 g/mt gold over 5.95 m, including 6.6% copper and 40 g/mt gold 0.82 m. The best of six intervals of stringer mineralization over 75.28 m in the Ming Footwall Zone graded 1.92% copper and 0.19 g/mt gold over 12.2 m, and 1.62% copper and 0.17 g/mt gold over 7 m. At 1,250 m down-hole, one of the zones of stringer mineralization in the footwall yielded a strong, off-hole geophysical response.

Along strike to the northwest, the Ming massive-sulphide horizon was intersected over a 1.92-m interval assaying 1.29% copper. As well, three zones of mineralization were intersected in the underlying Ming Footwall Zone at 1,050 m, 1,100 m and 1,200 m depth. A downhole geophysical survey of this diamond drillhole recorded an in-hole response at the massive-sulphide horizon and three off-hole responses corresponding to footwall stringer mineralization.

- ✖7 On August 5, **Santoy Resources Ltd.** staked 228 claims for uranium in the Central Mineral Belt, central Labrador. The claims are 15 km west-southwest of Moran Lake (see Crosshair

Exploration & Mining Corp. for May 26), and the Santoy Resources Ltd., Bruce River property is centred approximately 25 km to the east of the current staking. The Bruce River property has been optioned from Monster Copper Resources Inc. (see May 25).

- ✖8 On August 7 and 8, **AggMapR Inc.** staked an additional 30 claims on the Port au Port Peninsula, western Newfoundland, covering limestone and dolomite potential.
- ✖9 Also on Aug. 8, **Vulcan Minerals Inc.** reported completion of the Storm No. 1 test well for oil on its Flat Bay salt property in southwestern Newfoundland (see July 20). Diamond drilling was stopped at 880 m. The target zones were intersected, however, no indication of petroleum was recorded. Geophysical logging of the diamond drillhole is in progress. On completion of the geophysical logging the rig will relocate to the Hurricane No. 1 test area (see ✖2).
- ✖1 As well on August 8, **Messina Minerals Inc.** reported assays for the ninth diamond drillhole of the latest round of diamond drilling (see above) at its Boomerang prospect. The diamond drillhole is located in the westernmost of six sections that contain intersections of the massive-sulphide horizon and returned 13 m averaging 6.8% zinc, 5% lead, 0.6% copper, 180 g/mt silver and 3.6 g/mt gold, including 2.4 m of 16.2% zinc, 11.8% lead, 1.3% copper, 445 g/mt silver and 5.7 g/mt gold. The 2.4-m intersection represents the highest grade assay to date for the Boomerang prospect at 29.3% combined (zinc + lead + copper) base metals.

Two additional infill diamond drillholes are in progress to the east (see above); assays for all ten infill holes are pending.

- ✖10 On August 9, **Cornerstone Resources Inc.** staked 72 claims at its Okak property in northern Labrador for base metals. The claims overlie anorthositic, troctolitic and granitoid rocks of the Nain Plutonic Suite.
- ✖11 Also on August 9, **Alexander T. Stares** (60 claims) and **South Coast Ventures Inc.** (9 claims), separately, staked ground in the general vicinity of Tilt Cove on the Baie Verte Peninsula. The claims cover gold ± base-metal potential. South Coast Ventures Inc. now holds 24 claims in the area: this property includes the formerly producing Tilt Cove copper–gold–silver–nickel mines.

From 1864 to 1917, Tilt Cove produced 122 million pounds of copper from 1,491,136 tons of ore. As well, 822,000 lbs of nickel was produced from the West Mine. From 1957 to 1967, the East Mine produced approximately 183.6 million pounds of copper and 42,425 ounces of gold from 7.4 million tons of ore. Both mines are exhausted, however, resource estimates for nearby occurrences include one million tonnes of 1% copper at the Cliff Zone and approximately 80,000 tonnes grading 2.06 g/mt gold in tailings.

- ✖12 As well on August 9, **Richmont Mines Inc.** staked an additional four claims to the northwest of Nugget Pond on the Baie Verte Peninsula and now holds 158 claims covering gold potential in the area.
- ✖13 In addition on August 9, **Eddie Quinlan** staked 38 claims having gold potential to the northeast of Altius Resources Inc.'s Moosehead gold property in north-central Newfoundland (see July 23, 2004). Eddie Quinlan holds an additional 15 claims, nearby along strike to the southwest covering similar potential.
- ✖14 Furthermore on August 9, **Eddie Quinlan** staked an additional four claims at the Moreton's Harbour property on New World Island, Notre Dame Bay. Eddie Quinlan (11 claims) and **Roland Quinlan** (52 claims) now maintain 63 claims covering gold potential in this property (see March 4, 2004).
- ✖15 On August 10, **Playfair Mining Ltd.** announced exploration plans for its 74-claim southern Newfoundland, Grey River tungsten property option (see October 28, 2004). The exploration program includes trench sampling and extraction of a bulk sample for metallurgical testing. Playfair Mining Ltd. intends to calculate a new resource estimate in the near future.

American Smelting and Refining Company previously explored the property and produced a historic resource estimate of 520,000 tonnes of 0.97% W<sub>0</sub><sub>3</sub> (see October 28, 2004).

- ✖12 Also on August 10, **Sino Pacific Development Ltd.** reported on Phase I results from its 45-claim, Baie Verte Peninsula, Burtons Pond, gold and base-metal property option from **Buchans River Ltd.** (see November 30 and December 21, 2004). The program includes prospecting, soil sampling and linecutting; ground geophysics and diamond drilling are planned. The prospecting program identified a new gossan zone containing zinc-, copper- and lead-bearing sulphides (assays pending) and the geochemical sampling program identified four base-metal ± gold soil anomalies.

The Burton's Pond showing was explored in the first half of the 20<sup>th</sup> century and included minor underground development. The property was also explored by Rio Tinto Canada Exploration (Riocanex) in the early-mid 1980's and by Granges Exploration Ltd. in 1988. The best diamond-drilling intersection from this work is 1.6% copper and 10.18 g/mt gold over 3 m.

- 16-18 As well on August 10, **Monster Copper Resources Inc.** reported that fieldwork, by optionee **Santoy Resources Ltd.** (see January 26), on its 62-claim, Mustang Lake uranium property (✖16), located in the Central Mineral Belt of east-central Labrador, had been used to identify diamond-drilling targets. Diamond drilling will be conducted at the Irving Zone and on the South Prospect (see November 3, 2004). At the same time, Santoy Resources Ltd. announced that its field crew had re-located from the Mustang Lake property to the Bruce River property (✖17), in the Central Mineral Belt of central Labrador. Both the Bruce River and Mustang

Lake properties cover uranium and iron-oxide–copper–gold (IOCG) potential and are under option from Monster Copper Resources Inc. (see January 26). The Bruce River property contains the Moran “A” Zone uranium prospect (see January 26).

Santoy Resources Ltd. also stated that its recent staking (see ~~X~~7) adjoins ground held by **Jens E. Hansen** (part of ~~X~~18), which contains the 7 and 7A uranium anomalies. Diamond drilling of Anomaly 7, by Canadian Nickel Company from 1978-1980, returned grades of 0.13% U<sub>3</sub>O<sub>8</sub> over 23.4 m, including 0.25% U<sub>3</sub>O<sub>8</sub> over 9.7 m. The Anomaly 7 mineralization is open along strike and at depth and additional diamond drilling is planned. A sample of outcrop from Anomaly 7A, 1,000 m to the west, assayed 0.098% U<sub>3</sub>O<sub>8</sub> and 0.4% copper.

Santoy Resources Ltd. controls 3,014 claims (~~X~~18), including 1,142 claims under option from Monster Copper Resources Inc. and 621 claims acquired from Jens E. Hansen, in six properties in the Central Mineral Belt of central and east-central Labrador. The airborne magnetic and radiometric geophysical survey, originally scheduled for the Bruce River property (see May 25), will now total up to 8,000 line km and will cover the entire property position.

- ~~X~~19 Furthermore on August 10, **Consolidated Abaddon Resources Inc.** announced that it had optioned its western Labrador, Gabbro Lake (406 claims) and Sims Lake (176 claims) uranium properties to the **Gallery Resources Limited - BHP Billiton Diamonds Inc.** partnership. The option to earn a 51% interest covers non-uranium metals only and initially includes \$1.3 million in exploration spending over three years. This includes expenditures of \$200,000 by the end of December 2005.

The Gallery Resources Limited - BHP Billiton Diamonds Inc. partnership is exploring for nickel, copper and cobalt on the nearby Shabogamo project (see ~~X~~20). Consolidated Abaddon Resources Inc. retains 100% ownership of any uranium found on the properties. The two groups will share in the cost of the recently completed airborne geophysical survey over the properties (see July 20).

- ~~X~~20 On August 11, **Gallery Resources Limited** reported that it had completed its 50% earn-in on the western Labrador, Shabogamo, nickel–copper–cobalt project from **BHP Billiton Diamonds Inc.** having expended the required \$1 million on exploration before the December 21, 2006, deadline. Exploration work on the 4,316-claim project will continue as a 50:50 joint venture. Diamond drilling is in progress (see July 5 and 26).
- ~~X~~21 On August 15, **Benton Resources Corp.** reported that airborne geophysical surveys had been completed on its central Newfoundland, LJG (Little Joe Glodes) and southwestern Newfoundland, Nita’s Brook properties.

Approximately 325 line km of magnetics and electromagnetics were completed over the 148-claim, LJG, nickel–copper–cobalt property (see June 9) and approximately 450 line km were completed over the 238-claim, Nita’s Brook, copper–silver–gold property (see July 27). Interpretation of the surveys is ongoing and ground follow-up is planned.

- ✖22 Also on August 15, **Fronteer Development Group Inc.** announced that it had increased its stake in Aurora Energy Inc., from 52% to 57%, by agreeing to fully fund the current (June 2005 - June 2006) \$5 million exploration program on the **Altius Resources Inc.** - Fronteer Development Group Inc., east-central Labrador uranium properties (see June 20). Aurora Energy Inc. was created by the Altius Resources Inc. - Fronteer Development Group Inc. strategic alliance to manage and operate the Central Mineral Belt uranium project in Labrador. The alliance controls 3,248 claims in three properties in this project.

As well on August 15, **Altius Resources Inc.** announced that the 13,000-m, diamond-drilling program on the alliance's main (3,192 claims), Central Mineral Belt uranium property had commenced (see June 20). Diamond drilling is being conducted by **Aurora Energy Inc.** The initial 3,000 m of diamond drilling will test the Michelin uranium deposit at depth. The deposit has a historic resource estimate, prepared by Kilborn Engineering for British Newfoundland Exploration Limited in 1980, of 6.426 million tonnes grading 0.13%  $U_3O_8$  and containing 18.3 million pounds of uranium. The resource is defined only above 270 m and compilation and interpretation of historic data (308 diamond drillholes and 642 m of underground workings) indicates the possibility of an increase in grade with depth.

- ✖23 In addition on August 15, **Donner Minerals Ltd.** announced that all conditions attached to its corporate restructuring (see May 9) had been satisfied or waived. Some reorganization of the corporate nomenclature has occurred and **Donner Metals Ltd.** will become responsible for the South Voiseys, nickel-copper property in northern Labrador on August 16, 2005.

- 7, 18 On August 16, **Santoy Resources Ltd.** announced that fieldwork had commenced on its Bruce River West uranium property in the Central Mineral Belt, central Labrador (✖7, part of ✖18). The program includes mapping, prospecting and sampling; diamond drilling is scheduled for the fall. Sampling by British Newfoundland Exploration Limited (1978 - 1980) returned up to 2.12%  $U_3O_8$  and 0.3%  $U_3O_8$  from locations 500 m west and east, respectively, of Anomaly 7 (see ✖7 at August 10).

Santoy Resources Ltd. also announced that its airborne geophysical survey (✖18) was about to commence.

- ✖24 Also on August 16, **British Canadian Mines Ltd.** staked an additional four claims at its Little Deer copper property on the Springdale Peninsula (see July 21). British Canadian Mines Ltd. now holds 76 claims in this property.

- ✖25 On August 17, **Altius Resources Inc.** announced that a diamond-drilling program had commenced on its 437-claim, Rocky Brook uranium property, located in western Newfoundland, southwest of White Bay. The property is under earn-in joint venture to **JNR Resources Inc.** (see December 14, 2004) and contains unsourced, uranium-rich boulders (1% to 11.5%  $U_3O_8$  and up to 29,448 g/mt silver) discovered by Westfield Minerals Ltd. in

1978. The program, designed to test the up-ice direction north of the unsourced boulder clusters, will consist of about 100 short, diamond drillholes.

- ✖26 Also on August 17, **Crosshair Exploration & Mining Corp.** announced that its airborne geophysical survey had commenced on its 2,445-claim, Moran Lake uranium and IOCG property (see June 22), located in the Central Mineral Belt of central Labrador.
- ✖27 On August 18, **Commander Resources Ltd.** reported additional assay results from its sampling program on its southern Newfoundland uranium properties (see July 12).

On the 209-claim, Blue Hills property:

bedrock samples from the main prospect returned 2.06%  $U_3O_8$  and 0.422%  $U_3O_8$ ;  
a boulder from 400 m south of the Main prospect graded 1.14%  $U_3O_8$ ;  
subcrop at the Baggs Hill prospect assayed 0.155%  $U_3O_8$ ; and  
bedrock from the Chan prospect ran 0.16%  $U_3O_8$ .

On the 114-claim, White Bear property:

angular float from the #3 prospect included assays of 0.512%, 0.564% and 0.714%  $U_3O_8$ ; and  
outcrop at the #2 prospect graded 0.108%  $U_3O_8$ .

The analyses confirm the results of historical sampling (see February 22 and March 29). Commander Resources Ltd. interprets the uranium mineralization to be of stratabound type, related to a volcano-sedimentary depositional basin.

Follow-up work will include trenching and trench and basal till sampling, as well as additional mapping and grab sampling. The results of these programs will be used to design a diamond-drilling program for late 2005.

- ✖28 On August 23, **Cornerstone Resources Inc.** announced an agreement with **Phelps Dodge Corporation of Canada, Limited** on its Codroy project in southwest Newfoundland. The Codroy project comprises 970 claims in five properties underlain by Carboniferous terrestrial sediments and will be explored, primarily, for sediment-hosted stratiform copper deposits. Historical grab sampling, during exploration for uranium by Shell Minerals in the 1970s, returned up to 4.1% copper.

Initially, the agreement calls for Phelps Dodge Corporation of Canada, Limited to contribute \$100,000 to a joint, \$175,000, reconnaissance, first year exploration program. The first year program will include mapping, prospecting, sampling and sedimentary basin analysis. Subsequently, Phelps Dodge Corporation of Canada, Limited may continue involvement in the project by expending \$3 million on exploration over three years for a 51% interest.

- ✖29 On August 24, **Inco Limited** staked an additional 6,884 claims in northern Labrador. The claims abut, to the south, the **Voisey's Bay Nickel Company Limited** Voisey's Bay

nickel–copper–cobalt property and also surround Inco Limited’s Garland Lake nickel property. The claims overlie the Nain Plutonic Suite, which, in this area, consists mostly of anorthositic rocks and younger granitoid rocks, and cover nickel potential.

- 30, 31 Also on August 24, **Cornerstone Resources Inc.** staked a total of 140 claims for nickel in two properties in northern Labrador. Sixty of the claims are southeast of Voisey’s Bay (X30), near Garland Lake (see X29), and form a second property in its Garland project. The remaining 80 claims form its Notakwanon property and are southwest of Voisey’s Bay (X31) and west of the South Voisey project (see X23).
- X32 On August 25, **10565 Nfld. Inc.** staked an additional nine claims over basaltic rocks in the Central Mineral Belt of central Labrador for copper (see July 23 and 31). 10565 Nfld. Inc. and associate **Lloyd Hillier** now hold 156 claims in 11 properties underlain by the Seal Lake Group in this area of Labrador.
- X33 Also on August 25, **10565 Nfld. Inc.** staked 12 claims in central Labrador, across the Seal Lake Group unconformity with Archean gneiss basement, covering uranium potential.
- X20 On August 26, **Gallery Resources Limited** reported assay results for its western Labrador, Shabogamo project joint venture with **BHP Billiton Diamonds Inc.** (see above). The three diamond drillholes (see July 26) were spaced 750 m apart along the strike of the 1.5-km-long, Evening Lake geophysical anomaly.

At the western end of the Evening Lake anomaly, a 65-m-deep diamond drillhole was completed to the north of the discovery intersections (see November 10 and 26, 2004). An upper zone of mineralization, interpreted to be equivalent to the initial discovery level, returned two, 1.7-m intervals grading 0.2% nickel, 0.17% copper and 0.03% cobalt, and 0.2% nickel, 0.12% copper and 0.03% cobalt. A separate, lower zone of mineralization returned 5.7 m grading 0.2% nickel, 0.21% copper and 0.023% cobalt.

In the central portion of the anomaly, diamond drilling returned values of up to 0.087% nickel and 0.07% copper over 0.45 m from an 18.5-m-thick zone of, generally, less than 5% sulphide mineralization.

At the eastern end of the Evening Lake anomaly, five intervals of mineralization returned 0.28% to 0.64% combined metals (nickel + copper + cobalt) over 0.4 - 1.1 m.

- X8 On August 30, **AggMapR Inc.** staked an additional 64 claims on the Port au Port Peninsula in western Newfoundland. The claims cover limestone and dolomite potential. The AggMapR Inc. property now consists of 291 claims.
- X1 On August 31, **Messina Minerals Inc.** reported analytical results for an additional 11 diamond drillholes at the Boomerang massive-sulphide prospect on its Tulks South base-

metal property in west-central Newfoundland. The 11 diamond drillholes were designed to test up-dip extensions of the eastern portion of massive-sulphide horizon. On the two sections tested, zinc-enriched mineralization was extended up-dip by 46 m and 30 m. The massive-sulphide layer has now been defined in three sections, spaced 50 m apart, over heights of approximately 170 m, 325 m and 160 m. The best intersection reported graded 14.9% zinc, 2.5% lead, 0.6% copper, 67 g/mt silver and 0.7 g/mt gold over a true thickness of 4.8 m.

Messina Minerals Inc. also reported that a concurrent field program, including mapping, soil geochemistry and magnetic surveys, together with re-interpretation of earlier geophysical surveys, has identified Boomerang-type stratigraphy, alteration and mineralization over a 6.5 km strike length.

Diamond drilling, at the Boomerang prospect and along strike, is expected to continue until the late fall and to total approximately 22,000 m for 2005.

- ✗34 Also on August 31, **Richmont Mines Inc.** and **Mountain Lake Resources Inc.** reported on the 8-hole, diamond-drilling program (see May 3) at their 502-claim, Valentine Lake, gold-property joint venture (see February 10) in central Newfoundland.

Four diamond drillholes (one abandoned) were drilled down-dip into the Main Zone to test the orientation of the quartz-tourmaline veining relative to the mineralization. The three diamond drillholes, spaced 50 m apart, returned best (uncut) intersections of 4.12 g/mt gold over 162.8 m, 5.73 g/mt gold over 23.67 m and 6.54 g/mt gold over 58.15 m. One of two diamond drillholes at the NE Zone did not penetrate the target at depth; the other intersected 23.68 m grading 4.7 g/mt gold. One diamond drillhole returned 18.74 g/mt gold over 0.68 m from a deep intersection of the Osprey Pond Zone, 1.5 km northeast of the Main Zone. Assays are pending for the eighth diamond drillhole, which tested the Valentine East prospect a further 11.5 km to the northeast.

3-D modelling of the vein systems is underway and will be used to plan the next phase of exploration and to update the resource calculation (see May 3).