

Newfoundland and Labrador

MINFO Mineral Resources **INFORMATION**

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(SPRING, 2000)**

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Petro Drilling Co. Limited and New Valley Drilling Co. Ltd. diamond drilling on the Hammerdown gold deposit.



Prospector Frank Pollett examining mineralized rock specimens in the Matty Mitchell Room.



GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR

Department of
Mines and Energy

Mines Branch

NEW MINISTER OF MINES & ENERGY

Paul Dicks was born on April 13, 1950, and is a native of Corner Brook.

He graduated from Regina High School, Corner Brook, in 1967. In 1973, Mr. Dicks graduated from Memorial University with B.A. (Hon.) and B.Ed. degrees with First Class standing in both Education and Arts. In that year, he also received the University Gold Medal in Philosophy and the Newfoundland Teachers' Association Medal for Outstanding Student in Education.

In 1973, Mr. Dicks was awarded a Sir James Dunn Scholarship at Dalhousie University Law School and graduated with a LL.B. in 1976. He was called to the Newfoundland Bar on December 10, 1976, and practised law in Corner Brook from January 1977, to April 20, 1989, when he was elected to represent the District of Humber West. Mr. Dicks was President of the Humber West District Association in 1978, Constitutional Chairman of the Liberal Party in 1981 and was elected President of the Liberal Party of Newfoundland and Labrador in 1984.

Mr. Dicks was appointed Minister of Justice and Attorney General on May 5, 1989, and held that post until November 1991. He was re-elected in the General Election on May 3, 1993 and was elected Speaker of the House of Assembly on May 20, 1993. On August 9, 1995, Mr. Dicks was sworn in as Minister of Finance and President of Treasury Board. He was appointed Minister of Finance and Minister of Justice on December 15, 1998. On January 13, 2000, he was appointed Minister of Mines and Energy.

NEW MINING ACT

On December 14, 1999 the provincial legislature passed a new Mining Act that deals with the operation of mines and mills in the province. The Mining Act will provide the mining industry with clear rules and regulations for operating in the province, formalize many practices now in place, and replace the Mines Act. The Mining Act focuses on all aspects of mining operations, including closure plans, financial assurance, progressive rehabilitation, development plans, and operational plans. The Act meets government's responsibilities regarding prudent resource management, while recognizing the mining industry as a significant contributor to the province.

Representatives of the mining industry, and other interested parties, provided input during the development of the Act. The Newfoundland and Labrador Chamber of Mineral Resources, which represents all sectors of the provincial mining industry, supports the new Mining Act. The Chamber has issued a press release stating that the Act is progressive, modern legislation, which provides for the orderly planning, development, operation, rehabilitation and closure of mines. It further states that the Act has strong provisions to help maximize the protection of the environment.

The Department of Mines and Energy and the Department of Justice are currently preparing regulations under the authority of the Act. When the regulations have been completed both the Act and the regulations will be proclaimed into force. The Act will apply to all mining operations and some quarries operating under a lease issued under the Quarry Materials Act.

The new Mining Act is available on the Department of Mines and Energy's web site :
<http://www.gov.nf.ca/mines&en/legislation/mills.htm>

NEW PUBLICATIONS ON MINERAL COMMODITIES

Mineral Commodity Series

The Geological Survey is publishing a new series of brochures describing the major mineral commodities of the province. The first of these, zinc and lead, will be available in early March and will be followed later by similar brochures on nickel and copper. Further issues will deal with such mineral commodities as gold and silver, iron, rare metals (yttrium, zirconium, etc.), uranium, dimension stone and industrial minerals. The publications will also be posted on the Departmental web site. Each brochure describes the geological environments in which the commodity is found and provides details of past production, undeveloped resources, and further exploration potential. Simplified geological maps show the location of all major occurrences of the commodity.

New Gold Map

A new map (by G. Pollock, G. Stapleton and D. Evans) showing all the known gold occurrences in Newfoundland will be released in early March. The map, at 1:1 million scale, shows gold occurrences against a geological background with insets for more

complex areas. The occurrences are taken from the updated Mineral Occurrence Data System, which now includes all gold occurrences reported to date.

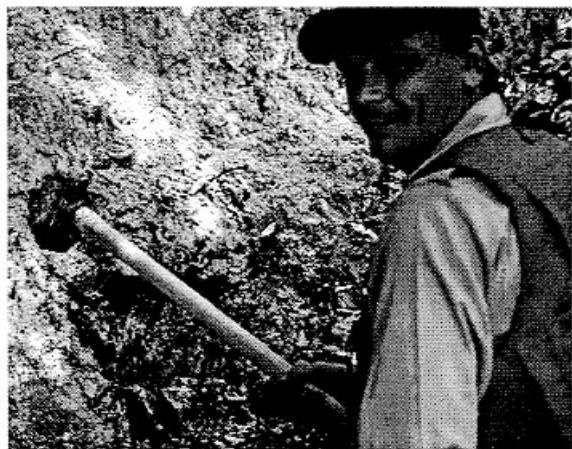
Enquiries concerning these publications should be directed to the Geoscience Publications and Information section, Geological Survey.

PROFILE OF A PROSPECTOR

The small community of Benton, located just a few kilometres east of Gander in central-eastern Newfoundland, is home to many of this province's "new generation" of active prospectors. Some of the most respected and well-known Newfoundland prospectors over the past 25 years have been born and raised in Benton, and have grown up around the prospecting stories and adventures of the Keats family, in particular.

One of the keenest and most energetic Benton prospectors is Alexander (Sandy) Stares who has spent considerable time prospecting, along with serving a number of years as an Air Defence Technician in the Canadian Military. From 1980 to 1995, Sandy was posted at Canadian Defence Installations from Ontario to Alaska, and received several promotions, and numerous awards and decorations.

Since the mid-1990s, Sandy has been very active in mineral exploration and prospecting, also holding prospector licences in Quebec and Ontario. He has worked as a prospector for several major and a number of junior mineral exploration companies along with undertaking independent prospecting activities. His work has taken him across Canada and also to Indonesia.



Sandy truly loves the outdoors and has a wide range of mineral exploration experience. Recently, he teamed up with his father, Bob Stares, and have prospected for precious metals close to home, where they discovered a wide area of anomalous gold mineralization. Their recent discovery has attracted junior exploration company interest and they hope to option their property.

Sandy is determined to succeed in discovering an economic mineral deposit, and believes it is only a matter of time before another major mineral deposit is discovered in the province.

NEWS FROM THE CHAMBER

Cordilleran Roundup 2000

The Newfoundland and Labrador Rock Room, paid for by the Chamber of Mineral Resources and made available to Chamber members for property promotion, has been a fixture at the Cordilleran Roundup in Vancouver for the past several years. It always receives a lot of attention from both investors and junior companies, and this year was no exception. Exhibitors in the Room indicated that this was one of the best years for investor and corporate interest in Newfoundland properties.

Participants in the Rock Room included Altius Resources, Buchans River, Cornerstone Resources, Thundermin Resources, and a number of private companies and prospectors. Interest focused on the base-metal belts of central Newfoundland and emerging targets in eastern Newfoundland brought forth by Cornerstone and Altius, as well as several prospectors active in the region. Early indications point to several options and joint ventures arising from contacts made in the Rock Room.

The Chamber was pleased to provide drafting services to our prospector members in order to improve the quality of the exhibits and increase the profile of the prospecting community. It also contributed to the production of the **Properties Available for Option** map which highlighted the mineral wealth of our province, and identified many of the prospector properties with contact numbers and addresses. This map accompanied the **Properties Available for Option** booklet that the Chamber also sponsored. This service is also offered to our prospector members to promote their properties at the Prospectors and Developers Association of Canada in Toronto.

Other Developments

The Chamber of Mineral Resources is actively promoting the Focused Flow-Through Share Program as proposed by the PDAC to spur investment in the junior exploration sector. It is also lobbying for increased funding to the Mineral Exploration Program announced by the Department of Mines and Energy in March, 1999. This program has been warmly received by the industry and will go a long way toward discovering new deposits in Newfoundland and Labrador.

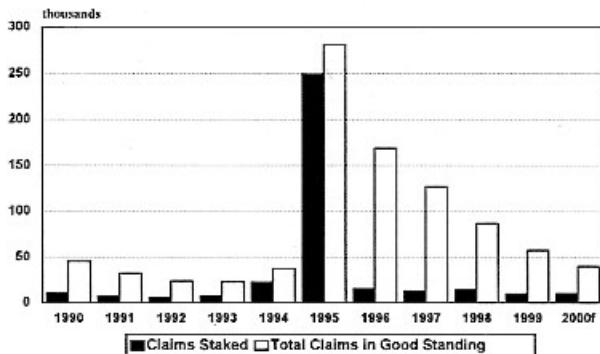
The Chamber has moved its office from Topsail to the 4th floor of the Beothuck Building, 20 Crosbie Place, St. John's. For membership information and the benefits of joining the Chamber, please contact:

Timothy Froude, P. Geo., Executive Director, Newfoundland and Labrador Chamber of Mineral Resources Inc., P.O. Box 21463, St. John's, NF A1A 5G6. Telephone: (709) 722-9542; Facsimile: (709) 722-8588.

EXPLORATION UPDATE

During 1999, 9643 claims were staked and 16 mining leases issued, compared to 14,476 claims staked and four mining leases issued in 1998.

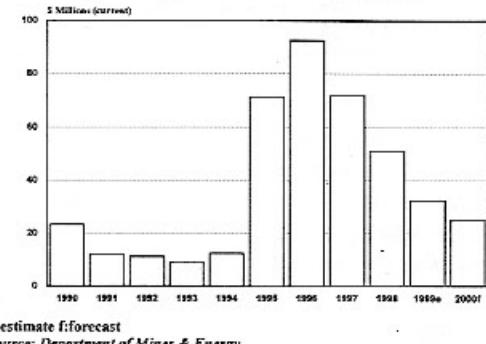
Newfoundland and Labrador Claim Staking



Exploration expenditures in 1999 totalled \$32.3 million, down from \$51 million in 1998; the forecast for 2000 is \$25 million. Exploration expenditure levels have continued to decline in Labrador; however, in Newfoundland they increased slightly from \$11 million

in 1998 to \$14.1 million in 1999. This increase is attributed to a resurgence in base-metal exploration, mainly in central Newfoundland the discovery of several gold showings and the exploration and development of several dimension-stone targets.

Newfoundland and Labrador Exploration Expenditures (including administration and overhead)



Voisey's Bay Nickel Company Ltd. conducted geophysical and diamond-drilling programs on both its Voisey's Bay deposit area and its Kiglapait Mountains claims. This latest round of exploration included delineation drilling of the Eastern Deeps from surface. Total expenditures for 1999 exceeded \$16 million and incorporated over 50,000 m of drilling in 56 holes. Reserves (all categories) stand at 136.7 million tonnes grading 1.71% nickel, 0.92% copper and 0.09% cobalt.

Gallery Resources Limited conducted ground geophysical +/- diamond drilling surveys at its Okak Bay, Harp Lake and Cabot Lake base-metal properties; and **Shabogamo Mining & Exploration Ltd.**'s diamond-drilling program tested the silica potential on its claims near its Roy's Knob silica mine located near Labrador City.

Companies working the former A.N.D. Charter properties of **Noranda Mining and Exploration Ltd.** conducted geological mapping, geophysical, geochemical and diamond-drilling programs on their areas. A major infill and delineation drilling program by **Thundermin Resources Inc.** and its partner **Queenston Mining Inc.** at their Duck Pond and Boundary base-metal deposits, respectively, has confirmed the previous resource estimates.

During 1999, **Billiton Exploration Canada Limited** completed programs of geological mapping, diamond

drilling, ground geophysical surveys and geochemical exploration on anomalous areas identified by an airborne geophysical survey. **Rubicon Minerals Corporation** reported promising zinc and gold results from its Point Leamington deposit.

In the Buchans area, **Vinland Resources Ltd.**, **Rio Algoma Exploration Inc.**, **10514 Newfoundland Limited**, **Copper Hill Resources Inc.** and **Loydex Resources Inc.** were active. A variety of ground surveys and some limited diamond drilling was completed.

Celtic Minerals Ltd. completed a review and compilation of all existing historical data and an IP geophysical survey on its Great Burnt Lake deposit.

United Carina Resources Corp. is involved in an ongoing program of trenching, geochemical sampling ground geophysics and diamond drilling on the Linear Group gold property. Values up to 257.2 g/mt gold have been received from the "Dome Showing".

Phelps Dodge Corporation of Canada, Ltd. completed ground geophysics and geochemical surveys on the **Cornerstone Resources Inc.** Princess base-metal property in the Musgravetown area. In late January, 2000, Phelps Dodge Corporation of Canada, Ltd. elected not to extend its option on the Princess Property.

First Labrador Acquisitions Inc. and **Braithwaite Minerals Inc.** conducted diamond-drilling programs on their Burin Peninsula gold properties.

Fort Knox Gold Resources Inc. completed diamond drilling on its Diversion Lake (Grand Falls), Wing Point (Gander Bay) and Foxtrap gold properties. Fort Knox Gold Resources Inc. has terminated all options on these properties.

Altius Resources Inc. continued work on six epithermal gold prospects in its Botwood Basin project. Diamond-drilling programs have been completed on several properties. At the Taylor Brook Property near White Bay, Altius Resources Inc., in joint venture with Billiton Exploration Canada Limited, is following up on anomalous grab sample results for nickel, copper, cobalt, gold and platinum group elements.

On November 3, 1999, **Major General Resources Ltd.** announced the intended sale of its Hammerdown/Rumbullion gold deposits, Springdale area, to **Abiting**

Inc. of Quebec. Abiting Inc. has completed a due diligence evaluation program that has included 4 426m of diamond drilling in 47 holes. The sale is intended to be completed on March 3, 2000.

Companies active in the Baie Verte - Springdale region include **WMC International Limited**, **Noveder Inc.**, **Richmont Mines Inc.**, **Canadian Magnesium Corp.** **British Canadian Mines Ltd.**, **Ming Minerals Inc.**, **First Labrador Acquisitions**, **Mutapa Copper & Cobalt Inc.** and **Lewis, Hurley & Rice.**

Pacific North West Capital Corp. staked 294 claims and **David M. Barbour and Associates** staked 94 claims with PGM in western Newfoundland.

During 1999, **Boliden Westmin (Canada) Limited** staked 213 claims covering zinc potential, including 129 claims around the former Daniel's Harbour zinc mine.

Raventures Inc. officially transferred its rights to the Grey River tungsten deposit, located 160 km east of Port aux Basques, to **Liberty Minerals Exploration Inc.**

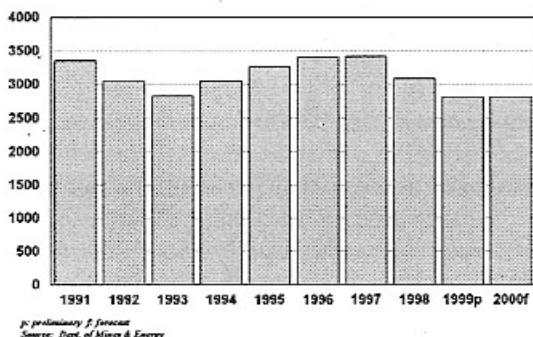
International Granite Corp., **10324 Newfoundland Limited**, **Galen Gypsum Mines Ltd.**, **Lafarge Gypsum Canada Inc.**, **Atlantic Salt Corporation**, **Kenny's Marble Works Limited**, **Burin Minerals Ltd.** and **Atlantic Minerals Limited** were actively exploring dimension stone and industrial minerals at locations around Newfoundland.

MINERAL INDUSTRY UPDATE

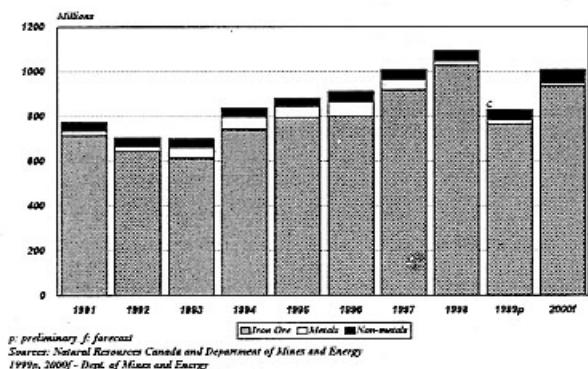
The value of mineral shipments in the province is expected to increase from \$833 Million in 1999 to \$1.09 billion in 2000. This is due mainly to an increase in both the volume and prices of iron ore products. Shipments of industrial minerals, or non-metals such as dolomite, gypsum, dimension stone, peat, and sand and gravel are forecast to increase from approximately \$50 million in 1999 to \$59 million in 2000. Metals, including iron ore products and gold, account for the remainder of the total shipment values.

Employment in the mining sector is forecast to remain stable at approximately 2800 people in 2000.

Newfoundland and Labrador Mining Industry Average Employment



Newfoundland and Labrador Value of Mineral Shipments



For the year 2000, the Department of Mines and Energy expects Burin Minerals to complete a feasibility study on its St. Lawrence fluorspar property; and Thundermin Resources Inc. and Queenston Mining Inc. to complete a feasibility study on the Duck Pond base-metal project near Millertown. Hurley Slate Works Company Inc. will reactivate slate production at Nut Cove, Trinity Bay; and the Hammerdown gold project near Springdale will start construction.

MATTY MITCHELL PROSPECTORS RESOURCE ROOM

The Matty Mitchell Prospectors Resource Room is pleased to report progress on two new initiatives for the year 2000. The first is a project to aid prospectors in promoting their mineral properties at the Cordilleran Roundup (Vancouver) and the upcoming Mining Millennium PDAC/CIM meetings (Toronto). The Matty Mitchell Room partners collaborated in preparing a map of mineral deposits and prospective terranes in Newfoundland, upon which was overlain a

selection of properties available for option, as well as information on commodity, deposit type and vendor contacts. Professionally designed posters outlining salient features of eight of these properties were prepared for Vancouver, and representative samples were cut and polished for display. All were exhibited in the Newfoundland and Labrador Rock Room. Additional property posters are currently in preparation and will be ready for display at the PDAC Atlantic Canada Rock Room.

Planning is also underway to take the Matty Mitchell Prospectors Resource Room "on the road" later in 2000. Display materials, slide presentations and handouts on prospecting tips and resources available to prospectors are currently being prepared. These items will be presented in a tour of regional centers outside St. John's. This weekend "road-show", conducted in partnership with the Norm Peters Prospectors Room in Springdale and the province's Economic Zone Boards, will initially target two separate regions of the province. Informal evening information sessions are envisaged, followed by a day of more structured presentations on prospecting and related geology and exploration themes and issues. Short field trips will be used to familiarize interested individuals with local prospective geology and to demonstrate sampling methods.

NORM PETERS PROSPECTORS RESOURCE ROOM - SPRINGDALE

The Norm Peters Prospectors Resource Room has certainly matured into a fully-functional exploration centre. Aside from providing valuable resources and materials for regional explorationists, the facility has been "dedicated to the promotion and public awareness of mineral exploration". Regular interaction with regional schools and interest groups has provided a strategic avenue to educate Newfoundlanders about the province's mining industry.

Due to the overwhelming public response, the resource room will be implementing a short course in the basics of prospecting. The facility's mandate is to create a core of prospectors that will enhance the success of mineral exploration. In alliance with the Chamber of Mineral Resources and the Matty Mitchell Prospectors Resource Room, our facility will cater and foster the needs of a growing prospecting community for, "the prospector is the most useful man to commerce and the most valuable man of civilization" (William Sulzer, 1938).

TRAINING OUR FUTURE MINERS

The Mining industry, like many industries in the next few years, is going to face a crisis as the "baby boom" workforce retires. To compound matters, advances in technology are putting ever increasing demands on industry to keep its employees' skills up to date. The College of the North Atlantic, the public college of Newfoundland and Labrador, is finding solutions to these crises through partnerships with industry.

One example is the co-operation between the College of the North Atlantic and the Iron Ore Company of Canada (IOCC) in Labrador City, Labrador. They have developed the Mining and Mineral Processing Program, a three-year program that trains individuals in academic, trade-specific, and industry-specific courses. It consists of seven academic semesters and three work terms.

Graduates will be able to work in any mining operation, but will possess specific skills on IOCC equipment and processes, thanks to their work-term experience with the company and the input IOCC is having in the development of some of the courses.

The demand for the program, which commenced in January, 2000, was enormous but only 120 applicants could be accepted. Students can look forward to paid work terms and an almost certain job at the end of the program. IOCC will benefit from continuity in its workforce and employees being trained and skilled in its operations - indeed a win-win situation for all involved.

The College of the North Atlantic also offers the two-year Mining Engineering Technician Program at its campus in Labrador City, graduating 15 students annually. Students not only get the theoretical training, but thanks to an agreement with IOCC and Wabush Mines, students learn practical aspects through a one-week work placement each month in year two of the program.

For more information, telephone Mary Murphy at the College of the North Atlantic, Labrador West Campus at (709) 944-7210, or visit its web site at www.northatlantic.nf.ca.

UPCOMING EVENTS

9th Annual Investing In The Americas 2000

April 10-11, 2000

Miami Beach, Florida

This premier conference on mining investment in Latin America, continues to bring together the governments and the businesses, private companies and the ever important financial and investment communities.

For more information:

Tel: (305) 669-1963

Fax: (305) 669-7350

In US/Canada: (800) 282-7469

Email: eveliogaravito@iiconf.com

Web Site: <http://www.iiconf.com>

Baie Verte and Area Chamber of Commerce Mining Conference.

June 16-18, 2000

Baie Verte, Newfoundland

This is an annual review of developments in the local exploration and mining scene. For more information, contact:

Steve McAlpine (chairman)

Tel: (709) 661-5162

Fax: (709) 661-5154

5th Annual Voisey's Bay & Beyond Conference and Trade Exhibition.

June 26-28, 2000

Happy Valley-Goose Bay, Labrador

For more information, contact:

Trina Whelan

Tel: (709) 896-8855

Fax: (709) 896-0585

CIM District 1 Millennium Meeting

June 28 - July 1, 2000

Keltic Lodge and Resort

Ingonish Beach, Nova Scotia

The Mining Society of Nova Scotia is proud to be your host for the CIM District 1 Millennium Meeting. For more information contact:

Dave Forrester

Tel: (902) 539-8743 Ext. 425

Fax: (902) 539-0020

Email: forrester@mynet.ca

RICH MINERAL RESOURCES

and A WEALTH OF OPPORTUNITIES...

- ✓ Produces over a dozen mineral commodities
- ✓ Produces 55% of Canada's iron ore
- ✓ Access to tide-water and deep-water ports
- ✓ Comprehensive geoscientific database
- ✓ Skilled workforce and well-developed infrastructure and service industry
- ✓ Developing dimension stone industry
- ✓ Active geological survey group
- ✓ Newfoundland and Labrador boasts geological diversity and potential for further world-class discoveries



Paul Dicks

PAUL DICKS
Minister



GOVERNMENT OF
NEWFOUNDLAND
AND LABRADORS

Department of
Mines and Energy

P.O. Box 8700 Natural Resources Bldg.,
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Assistant Deputy Minister.....(709) 729-2768

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General Inquiries.....(709) 729-6849
Mineral Rights.....(709) 729-6437
Quarry Rights.....(709) 729-4044
Exploration Monitoring.....(709) 729-6418
Core Storage, St. John's.....(709) 729-5833
Core Storage, Pasadena.....(709) 686-2054
Director, Mineral Development... (709) 729-3197
Engineering Analysis.....(709) 729-3197
Mining Project Analysis.....(709) 729-3197
Mineral Industry Assistance.....(709) 729-2358
Wabush Office.....(709) 282-3949

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& Terrain Sciences.....(709) 729-4014
Geoscience Data Centre.....(709) 729-6693
Industry Services.....(709) 729-6193
Geofile Database.....(709) 729-6441
Goose Bay Office.....(709) 896-5162