

Newfoundland and Labrador

MINFO

Mineral Resources
INFORMATION

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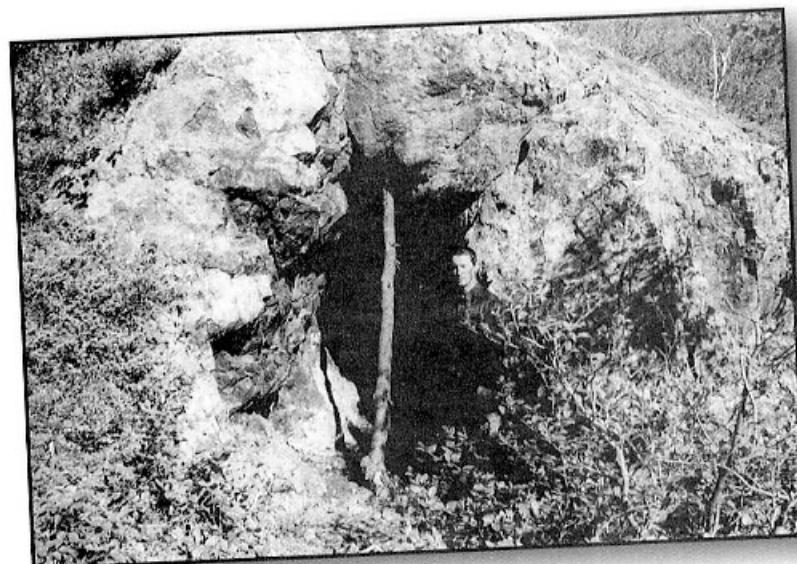
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GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR

Department of
Mines and Energy

Mines Branch



Mining: the past and the future.

Above,

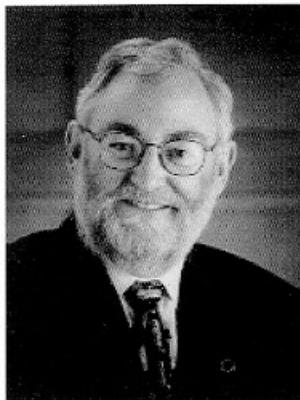
Barry Matthews of Harbour Round stands at the Mt. Misery prospect adit of the Bett's Cove copper mine. Bett's Cove produced over 130,000 tons of copper ore between 1875 and 1886.

Below,

David Pollard (left) of Richmont Mines maps the face for miners Rex Croucher (center) and Gerald Hewlett at the Hammerdown gold project near King's Point.



PAUL DEAN, ADM OF MINES – PRESIDENT-ELECT OF NATIONAL MINING INSTITUTE



Paul Dean, Assistant Deputy Minister of Mines with the Newfoundland and Labrador Department of Mines and Energy, is president-elect of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM).

Mr. Dean's election to this position was announced in March of this year at CIM's annual general meeting in Toronto. He will assume the position of president at the 2001 AGM to be held in Québec City.

Mr. Dean is the first native-born Newfoundland to be elected to the top executive position of CIM. This national organization, in its 102nd year, has 12,000 individual members and 200 corporate members in its 60 branches across the country.

Mr. Dean is a native of North Harbour, Placentia Bay. He is a graduate of Memorial University and holds a Bachelor of Science degree and a Master of Science degree in geology.

Prior to joining the Government of Newfoundland and Labrador, Mr. Dean worked in the exploration industry. He has also taught and worked as a research geologist at Memorial. He joined the Department of Mines and Energy in 1980 and in September of 1988 was appointed to his current position.

"CIM represents Canadian professionals who earn their living from the mineral and petroleum industries, and the challenge facing us today is to anticipate and fulfill the expectations of all our members," Mr. Dean said. "This is important when you consider the vital role mining plays in the economic well being and prosperity of our country."

RICHMONT MINES INC. RECEIVED ENVIRONMENTAL AWARD

The Prospectors and Developers Association of Canada environmental award is given in recognition of an individual or an organization demonstrating outstanding initiative, leadership or accomplishment with respect to environmental responsibility before, during and/or after operations.

Richmont Mines Inc. received this award "in recognition of its ongoing commitment to safe, efficient production while maximizing the protection of the environment at the company's Nugget Pond operation."

For Richmont Mines, protection of the natural environment at all of its operations is of the utmost importance. The company's Nugget Pond gold mine, located on the Baie Verte Peninsula, Newfoundland, is a fine example of the company's environmental responsibility.

MINERAL POLICY

The Government of Newfoundland and Labrador embarked on a public consultation process in September, 1999 to renew the province's economic agenda - more commonly known as the Jobs and Growth agenda. The Department of Mines and Energy was asked to conduct a sectoral forum on mining as a component of the Renewal Strategy for Jobs and Growth. On November 29, 1999, the Minister of Mines and Energy held a one-day session in St. John's. Twenty-five key stakeholders attended the session and throughout the day discussed and explored the challenges and opportunities that exist in the mineral sector. Mr. Stephen McAlpine, chairman of the Chamber of Mineral Resources, chaired the forum. A total of 36 recommendations were advanced for government's consideration and possible action. To date, a number of these recommendations have been implemented and others are being discussed with the Chamber of Mineral Resources.

An interim report on the Renewal Strategy for Jobs and Growth has been released by government with a full report to become available in the coming months. The department is currently working on a report on the mining sectoral forum, which it hopes to make available in the near future.

NEW MINING ACT PROCLAIMED

Mines and Energy Minister Paul Dicks announced on July 4, 2000, that the new Mining Act has been proclaimed into law.

The Mining Act deals with the operation of all mines and mills in the province. It sets out clear regulations for efficient planning, development, operation, rehabilitation and closure of mines in Newfoundland and Labrador. It also provides strong provisions to ensure the protection of the natural environment.

Mr. Dicks said that this new Mining Act is part of a legislative framework that will encourage mining companies to develop new projects in the province. "With this new legislation in place, mining companies will see that the province is a progressive place to do business," said Mr. Dicks. "Modern and unambiguous legislation will make it easier for mining companies to understand their responsibilities when developing our mineral resources."

This new Act also formalizes procedures for rehabilitation and closure of mines in the province. "Mine operators will now establish financial assurance as part of a rehabilitation and closure plan," said Mr. Dicks. "These new provisions will ensure that mining companies have their financial assurance in place before operating a new mine in the province. This will guarantee that funds will be available for rehabilitation once a mine has shut down."

Representatives from the mining industry provided government with their views. As well, other aspects of the new Act were adopted following public consultations. Steve McAlpine, chairman of the Chamber of Mineral Resources, said the development of this Act bodes well for the mining sector in the province. "The manner in which the provincial government and the mining industry co-operated during the development of this Act sends a strong signal that both parties will work together to build a strong, modern industry," said Mr. McAlpine.

Government believes that initiatives such as the new Mining Act strengthen the province's mining industry and encourages new growth. The Department of Mines and Energy will continue to work with the industry to develop new programs and initiatives that help develop and secure a progressive mining sector in Newfoundland and Labrador.

BAIE VERTE MINING CONFERENCE – THE LARGEST EVER

From June 16th to 18th, the Baie Verte and Area Chamber of Commerce hosted the largest mining conference ever held in the Baie Verte area. More than 200 guests took in most activities over the weekend.

The conference started with 192 seated to the opening dinner Friday evening. Brian Maynard, Deputy Minister of Mines and Energy, spoke on behalf of the Minister. He discussed current mining and exploration, and the new laws that govern these activities. Saturday's schedule consisted mostly of presentations on a variety of mining themes.

Spencer Vatcher of the Department of Mines and Energy spoke about the mineral incentive program. Chad Wells and Ramsay Way talked about the Norm Peters Prospectors Room in Springdale and the Matty Mitchell Prospectors Resource Room at the Department of Mines and Energy, St. John's, respectively.

Gerry Pritchett of International Granite spoke about the dimension stone sector. Allan Cramm of Richmont Mines Inc. and Bruce Bennett of Jacques Whitford made a presentation on the award-winning environmental control circuit at the Nugget Pond gold mine.

Dr. Tom Al, JD Irving Ltd., delivered a presentation on the rehabilitation activities at Newfoundland mine sites. Ferd Morrissey of the Department of Mines and Energy updated the Newfoundland and Labrador mining scene, and presented information about the Mining Act and reclamation.

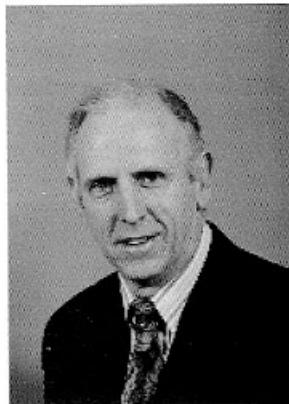
Gerry Squires of Thundermin Resources spoke about the development of the Duck Pond project. The talks concluded with Steve McAlpine's presentation on the development at the Hammerdown property near King's Point.

The conference concluded with tours at Eastern Analytical, the Norm Peters Prospectors Room and Richmont Mines' Hammerdown gold project.

PETER DIMMELL RECEIVED DISTINGUISHED SERVICE AWARD

The Prospectors and Developers Association of Canada (PDAC) Distinguished Service Award is given to a

person or persons who has/have for a number of years made a substantial contribution to mining exploration and mining development and has devoted considerable time and effort to the PDAC.



Peter received this award on March 9, 2000, at the Mining Millennium Conference in Toronto in recognition of the 30 years that he has represented the exploration industry and the PDAC in Newfoundland, both as a regional representative and since 1995 as a director.

THE 9TH PROSPECTORS TRAINING COURSE – REPEATED SUCCESS

If calls to the Department of Mines and Energy, and increased applications for Prospectors Grants are an indication of success, then this year's Training Program was a repeat of last year's. Students of the May 26 - June 8, 2000, course, held again at the Bay St. George Campus of the College of the North Atlantic in Stephenville expressed such statements as, "It was excellent" or "I enjoyed it, indeed." Seventeen candidates from around the province attended the course.

The 15-day course is a comprehensive preparation in foundational prospecting skills with emphasis on fundamental aspects of mineral prospecting, rendering an integration of classroom, laboratory work and prospecting field trips through geological principles. It is tuition-based, supported by the Department of Mines and Energy and is a joint initiative of the College of the North Atlantic and the Department. Instruction is given by both industry and Department of Mines and Energy geologists.

PROFILE OF A PROSPECTOR

Shirley Rideout was born in Marystow on the Burin Peninsula and now resides in Grand Falls-Windsor. Since she was a young girl, Shirley has been interested in rocks and their geological formations.

She graduated in April, 1999 with a diploma in Geological Engineering and has worked with junior mining companies, mine laboratories and exploration supply companies.

Shirley has spent two summers prospecting and has enjoyed it to the fullest. She continues to prospect in her spare time to do further exploration on what she hopes will become a promising property.

Shirley is designated as a genuine prospector and is looking forward to many years of prospecting, the wearing out of hammers and hiking through the woods, hoping to find the next "mother lode".



People are fascinated when she tells them she is a prospector. She says that she wants to be the one to FIND the next Voisey's Bay or Buchans. Shirley knows there is a mine waiting to be found and she would love to be part of the team that finds it.

GEOLOGICAL SURVEY FIELD PROGRAM – 2000

The Geological Survey's geoscience field program for 2000 consists of 10 projects.

Regional Geological Mapping

(i) Labrador

- 1) Bruce Ryan will conduct 1:50000-scale, helicopter-supported, bedrock geological mapping in the Nain area (NTS 14C/12), based out of Nain. The area is underlain by the Nain Plutonic suite, host to the Voisey's Bay nickel-copper-cobalt deposit, and the focus of the project will be subdivision of this suite, in particular features associated with mineralization.
- 2) Don James will conduct 1:100 000-scale bedrock geological mapping in the central Grenville Province area (NTS 13C/4, 5 and 13D/9, 10, 15,

Mining Analysts Tour

The Newfoundland and Labrador Chamber of Mineral Resources organized a group of Canadian Mining Analysts to visit the province in mid-June and meet with the exploration sector following the Baie Verte Mining Conference. The forum provided a unique opportunity for the junior companies to dialogue with the investment community and promote various properties which have demonstrated significant mineral potential.

The first event of this type for the province has received positive feedback from all key stakeholders as industry, the investment community and the provincial government collectively endeavored to stimulate the provincial investment climate. Ten junior mining companies and one producer made presentations to the group.

Paul Dean of the Department of Mines and Energy also addressed the group in terms of government support programs and relevant legislation that provide for a positive investment climate in the province.

Derek Wilton gave an excellent update on mineral deposit models and associated mineralogy just prior to the group taking a short tour of the local geology from Hammerdown to Tilt Cove.

The Chamber would like to acknowledge Ken Martin and Bob Angel of ACOA for their support in making this event a reality.

Key Areas of Focus**(a) Mineral Incentive Program**

On behalf of the exploration community, the Chamber has been actively working with the Department of Mines and Energy to increasing the flexibility of the Mineral Incentive Program.

(b) Dimension Stone

In addition to the flexibility requests under the Dimension Stone Incentive Program segment of the Mineral Incentive Program, the Chamber has been lobbying ACOA for an interim infrastructure agreement to develop the provincial dimension stone industry. It has also been working with the Department of Development and Rural Renewal on a five-year Strategic Plan for the industry to help it gain some critical mass and reach its full potential.

16), southwest of Lake Melville. Mineral evaluation studies to determine and promote the mineral potential of the area will be an important part of this study. Don will also be joined by GSC geoscientist Leo Nadeau, who will complement Don's mapping with tectonic analysis of the Grenville Province, as part of the federal Targeted Geoscience Initiative.

- 3) Charlie Gower will conduct 1:100 000-scale, helicopter-supported, bedrock geological mapping in the St. Augustin River area (NTS 13B/3, 4, 5 and 6). Gneisses and igneous intrusions of the Grenville Province will be delineated and their mineral potential evaluated.

(ii) Newfoundland

- 1) Brian O'Brien will conduct detailed bedrock geological mapping in the Roberts Arm area (2E/5). Geochemical analyses of volcanic rocks and the study of mineralizing systems will be emphasized.
- 2) Sean O'Brien will focus primarily on 1:50 000-scale bedrock geological mapping of the central Avalon Peninsula (1N/6 and adjacent parts of 1N/7). Areas of high gold potential will be mapped in greater detail.
- 3) Ian Knight and Doug Boyce will conduct brief field studies in east Greenland on rocks equivalent to carbonate rocks in western Newfoundland. This work is financed by the Geological Survey of Denmark and Greenland as a collaborative effort to better understand this economically important belt of rocks. Biostratigraphic studies will also be carried out in western Newfoundland under the auspices of the National Geographic Society.

Mineral Deposits Studies

- 1) Cyril O'Driscoll will continue his evaluation of Avalon Zone metallogeny. The focus this year will be the mineral potential of the rocks near Marystow, Burin Peninsula.

Geochemistry, Geophysics and Terrain Science Studies

- 1) Martin Batterson will commence a multi-year project to complete surficial geological mapping and till geochemistry on the Bonavista, northern Burin, and Avalon peninsulas.
- 2) Jerry Ricketts will conduct granular aggregate resource assessment on the Avalon Peninsula and in the Codroy Valley.
- 3) John McConnell will examine the effectiveness of remedial work and acid drainage from the Rambler mine tailings.

For membership information and the benefits of joining the Chamber, please telephone Bob Kelly, Executive Director, at (709) 722-9542 or e-mail executive.director@nf.sympatico.ca.

HAMMERDOWN – THE PROVINCE'S NEXT GOLD MINE

On March 30, 2000, Richmont Mines purchased the Hammerdown gold deposit near the town of King's Point. The company intends to develop and operate a gold mine at the property.

The deposit is located 142 kilometres from the company's Nugget Pond gold mine, which currently produces 45,000 ounces of gold per year.

This is a very important acquisition for Richmont because the continuation of the milling operations at the Nugget Pond mine will be assured for a minimum of seven years when the Hammerdown mine goes into production. The ore will be trucked to and treated at Nugget Pond where a milling facility, environmental control circuit and an underground mine exist.

The Hammerdown deposit contains proven and probable reserves of 297,000 tons of ore at a grade of 0.61 ounces of gold per ton, representing approximately 181,500 ounces of gold. Furthermore, resources are estimated to contain an additional 100,000 ounces of gold.

Richmont Mines has begun a three-phase, test-mining and test-milling program on the Hammerdown ore. If this program is positive, the company will make a commercial production decision.

EXPLORATION UPDATE

Exploration expenditure levels continue to decline in Labrador; however, in Newfoundland, exploration levels for base metals, gold and dimension stone remain healthy. The decline in Labrador exploration expenditures reflects a continued decrease in exploration for nickel.

During April and May, 2000, **Société Minière Mazarin Inc.** staked 90 claims covering graphite prospects in western Labrador. Mazarin, in joint venture with Ucar Graph - Tech, plans to develop the Lac Knife graphite deposit, located near Fermont, Québec. The deposit hosts geological reserves of 5.5 million tonnes grading an average of 17.1% carbon.

Major General Resources Inc. will complete an exploration program over selected areas of its Sarah Lake base-metal property, South Voisey's.

Diamond drilling, completed in 2000 by **Thundermin Resources Inc.** and partner **Queenston Mining Inc.**, on the Duck Pond deposit has confirmed the continuity and grade of the Duck Pond deposit mineralization. The new resource estimates by MRDI Canada stand at 6.2 million tonnes grading 3.5% copper, 6.3% zinc, 1.1% lead, 63 g/mt silver and 0.9 g/mt gold. MRDI is preparing a bankable feasibility study, during which additional diamond drilling will be done on Thundermin's entire Duck Pond land package.

Morgan Minerals Inc. is currently undertaking a program of prospecting, geological mapping, line-cutting and geochemistry on its Sandy Lake base-metal project.

United Carina Resources Corp. started diamond drilling again on its Linear Group gold property in early February, 2000. The company has terminated its options with Battle Mountain Canada Ltd. and on the Lush and Crocker claims.

Cornerstone Resources Inc. will continue to work the Princess group of properties in 2000. Cornerstone Resources Inc. staked 302 claims near Kings Cove, and 106 claims at Noel Pauls Brook, covering base-metal targets. On both properties, exploration will be completed throughout the summer of 2000.

Vinland Resources Ltd. conducted a diamond-drilling program on its Triangle Pond gold property during February - March, 2000.

On March 31, 2000, **Richmont Mines Inc.** announced that it had purchased the Hammerdown/Rumbullion deposit from Abiting Inc. (See related article).

On May 15, 2000, **Altius Resources Inc.** announced that it had signed an earn-in and joint-venture agreement with **Inmet Mining Corporation** on the Lockport and Point Leamington base-metal properties, central Newfoundland.

In May, 2000, **Gallery Resources Limited** staked 212 claims around a new base-metal discovery, the Katie Property, south of Bishop's Falls. The mineralization was discovered by prospectors Gary Lewis and Cyril Reid; values from massive zinc-rich boulders returned assays of 24% zinc, 2% copper, 1% lead and 1 g/mt gold.

Corner Brook Pulp and Paper will operate an exploration program on its Humber River Fee Simple Mining Grant, Corner Brook. The program is designed to test zinc potential.

Early in 2000, **Sandy and Robert Stares** and associates staked 102 claims covering gold potential near Benton.

In late March - early April, 2000, **British Canadian Mines Ltd.** staked 504 claims over and in the vicinity of the Strickland base-metal deposit, La Poile area, southern Newfoundland.

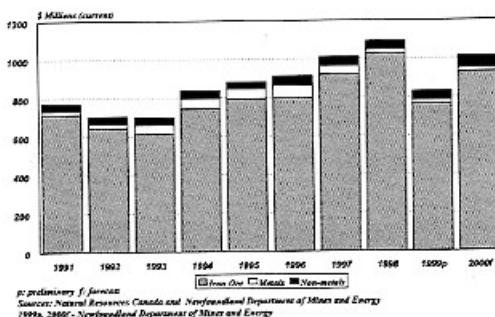
New Island Resources Inc. will conduct geophysical exploration over the Clyde base-metal/PGM showing within its Glover Island Property this summer. In June, 2000, 238 additional claims were staked, bringing the property holdings to 556 claims.

In April, 2000, **Altius Resources Inc.** staked 92 claims southwest of Roberts Arm, where the focus of the exploration is base metals.

On the isthmus of the Avalon Peninsula, **Phelps Dodge Corporation of Canada, Ltd.** is exploring for copper within a 132-claim area staked in late June, 2000.

VALUE OF MINERAL SHIPMENTS TO INCREASE

**Newfoundland and Labrador
Value of Mineral Shipments**



The value of mineral shipments in the province is expected to increase from \$833-million in 1999 (preliminary) to \$1.1-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 \$61-million in 2000. Metals, including iron ore products and gold, account for the remainder of the total shipment values. Direct employment in the mining sector is forecast to remain in the 2,700 range.

UPCOMING EVENTS

Mines Branch 24th Annual Review of Activities

November 2, 2000
St. John's, Newfoundland

The Annual Review of the Mines Branch activities and Open House will be held in conjunction with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Conference. For more information, please contact:

Norm Mercer
Tel: (709) 729-6193
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CIM Annual Meeting and Conference

November 2-4, 2000
St. John's, Newfoundland

The Newfoundland Branch of CIM and the Newfoundland Department of Mines and Energy host the 47th Annual Conference. The theme for this year's conference is "Exploration and the EnvironmentReflections and Directions". For more information please contact:

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Geological Association of Canada - Mineralogical Association of Canada 2001 Joint Annual Meeting

May 27-30, 2001
St. John's, Newfoundland

GAC and MAC will launch the new millennium by holding their 2001 Joint Annual Meeting in St. John's, Newfoundland. For more information please access the website www.geosurv.gov.nf.ca/stjohns2001, or contact:

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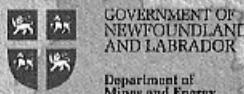
RICH MINERAL RESOURCES and A WEALTH OF OPPORTUNITIES...

- ✓ 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 LABRADOR

Department of
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& Terrain Sciences.....(709) 729-4014
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