

Canadian

Summer 2010

# MINING

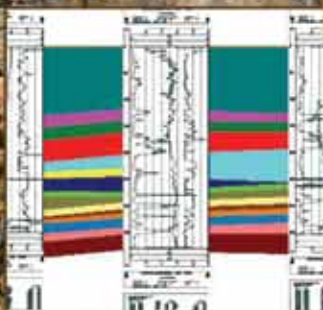
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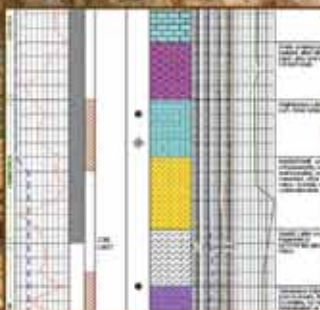
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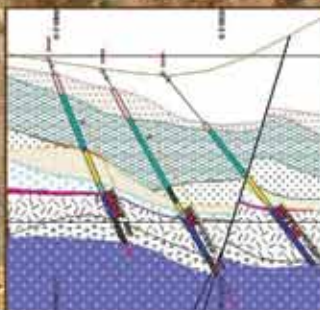
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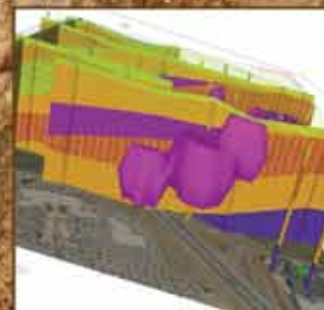
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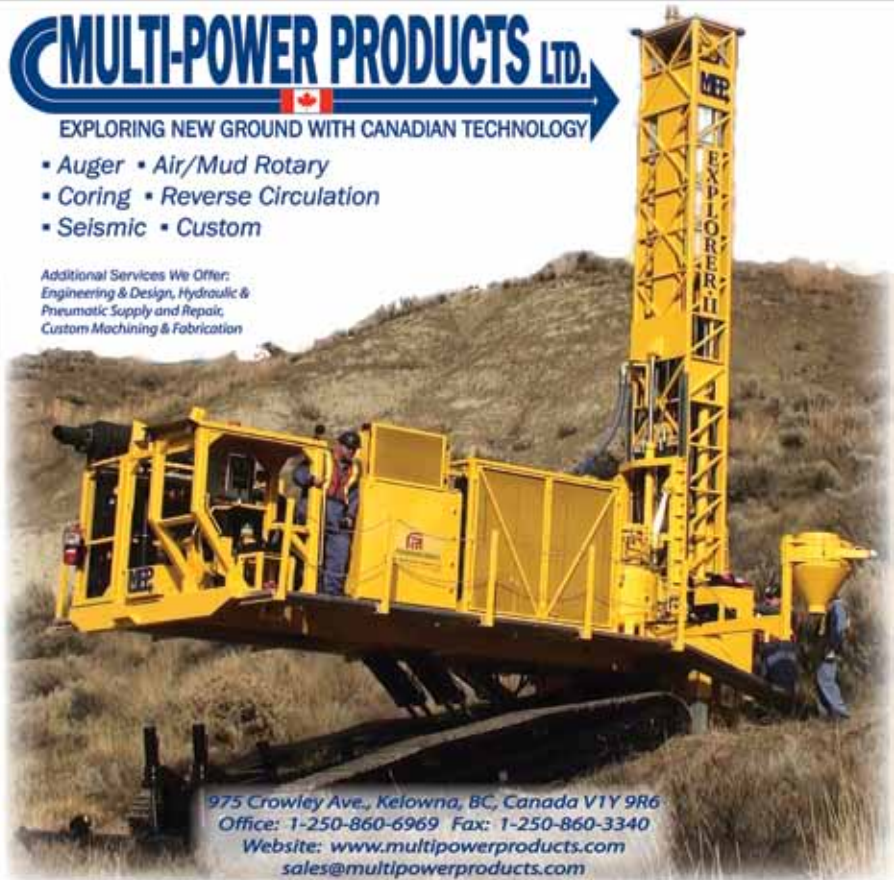


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# Yukon: A Modern Rush

*Kinross Gold's property at the epicenter of the White Gold area in central Yukon. Photo courtesy of the Government of Yukon.*

Plenty of new discoveries are adding to the success of Yukon's mining industry in 2010.

By Jesse Devost, Communications Analyst, Energy, Mines and Resources, Government of Yukon

**W**ith all eyes pointed north, the mineral industry in Yukon is expected to have a banner year in 2010. A number of regions are continuing to attract high-profile attention and with some new operating mines on the horizon, the upcoming year looks to be exciting.

## Exploration

Claim staking in the White Gold area, the Dawson Range and the 60 Mile area has been robust in 2010 with over 20 new companies involved in the staking rush.

Kinross Gold Corporation issued a friendly takeover offer for Underworld Resources, the company that discovered and owns the White Gold deposit, located 90 kilometers south of Dawson.

Kinross is a Canadian based gold mining company that operates mines around the world including the Fort Knox Gold Mine near Fairbanks, Alaska. They were named one of the 50 top socially responsible corporations in 2009. The takeover offer by Kinross for Underworld Resources is an acknowledgement of the quality of the White Gold discovery, the exploration potential for more discoveries on

Underworld's extensive claim holdings in the Dawson Range, and the attractiveness of Yukon as a competitive mining jurisdiction on a global scale.

Many additional companies have acquired ground in the White Gold area and throughout the Dawson Range Belt and exploration work in 2009 has resulted in several companies starting extensive drill programs this season.

One of those companies is Kaminak Resources whose first drill holes on the Coffee property of Kaminak Gold Resources has found impressive results of 17.07 grams per tonne gold over 15.5 metres and 3.95 grams per tonne gold over 11.95 metres. The exploration community will be watching Kaminak and others conducting drilling in the Dawson Range Belt very closely to see if the region can produce further significant results.

The Rau property of ATAC Resources is a new discovery that has caught the attention of the exploration world. The property located to the northeast of Keno City has been called the 'Silent Rush,' as the company has been conducting substantial claim staking under the radar and has expanded the property to 6,642 claims, approximately 1,300 square kilometres; an area larger than Hong Kong.

## Development

Impressive progress has been made on construction of the Wolverine Mine by Yukon Zinc Corporation. During the winter months, up to 300 people have been working on the site and the mine is on schedule to achieve production this summer.

In 2008, Yukon Zinc was acquired by the Jinducheng Molybdenum Group and the Northwest Nonferrous International Investment Company. The new owners are proceeding with development of the Wolverine Mine and are currently in the construction phase; having spent \$160 million in 2009 with a total development cost expected to be \$230 million and an anticipated date of June 2010 for production.

Alexco Resources enjoyed the mild Yukon winter and this allowed them to make considerable progress on construction of the mill at Bellekeno which is anticipated to start production in late 2010.

The Capstone Minto Mine has been in commercial production for three years. The Minto Mine is the first hard-rock mine to operate in the Yukon in several years.

An amendment to the company's mining license has been approved, which allowed Capstone to increase production to 3,200 tonnes of ore per

day. Ongoing exploration adjacent to the main ore body has produced very promising results and may extend the life of the mine well past its projected seven-year life span. Continuing exploratory drilling on the property from 2007 to 2009 has identified promising mineralization at areas adjacent to and near the main production pit.

Yukon Energy's construction of a hydro transmission line from Carmacks to Pelly Crossing in 2009 has provided economic benefits and has allowed the Minto mine and the community

of Pelly Crossing to switch from diesel generated power to hydroelectricity—reducing greenhouse gas emissions by up to 24,100 tonnes per year. This line is being extended to Stewart Crossing where it will be connected to the Mayo-Dawson system.

The transmission line will connect Yukon's two established hydro-based transmission systems—the Whitehorse-Aishihik-Faro grid and the Mayo-Dawson system. Complete, renewable power generated anywhere in the two systems will be

able to service loads throughout the integrated Yukon grid.

The interconnection of the grids will encourage further developments along the grid corridors, enhance overall Yukon power system reliability and flexibility, and enable the Yukon to increase its hydroelectric capacity. The Mayo B hydroelectric dam, starting construction in the summer of 2010, will add energy to this growing system. The Mayo B project is expected to be completed in 2012.

### Yukon's commitment

The Government of Yukon is committed in these challenging economic times to continue improving the investment climate by providing regulatory certainty.

Royalty regulation amendments recently approved for the *Quartz Mining Act* provide greater certainty to the mining sector and support direct sharing of mining benefits with local communities.

The regulations offer a modern and clear royalty regime for both government and industry which is comparable to other jurisdictions. The regulation is based on national, profit-based royalty standards; establishing a capped royalty rate at 12 per cent of net profit. The regulation gives clear instructions for calculating deductions, depreciation and value of the mineral. It also outlines the format for filing, penalties and other administrative provisions for government.

### The place to be

Success has been pervasive in every aspect of Yukon's growing mineral industry, including the operating Minto Mine, the mine development at Wolverine and Bellekeno, the exploration at White Gold, Rau and a host of other Yukon projects. Several other Yukon projects will be continuing their economic and environmental studies adding to the number of potential near term mines. The year ahead is expected to be an exciting one with mining clearly establishing itself as one of Yukon's main industries for the foreseeable future.


For more information on Yukon's advantage, visit: [www.miningyukon.com](http://www.miningyukon.com)

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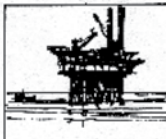

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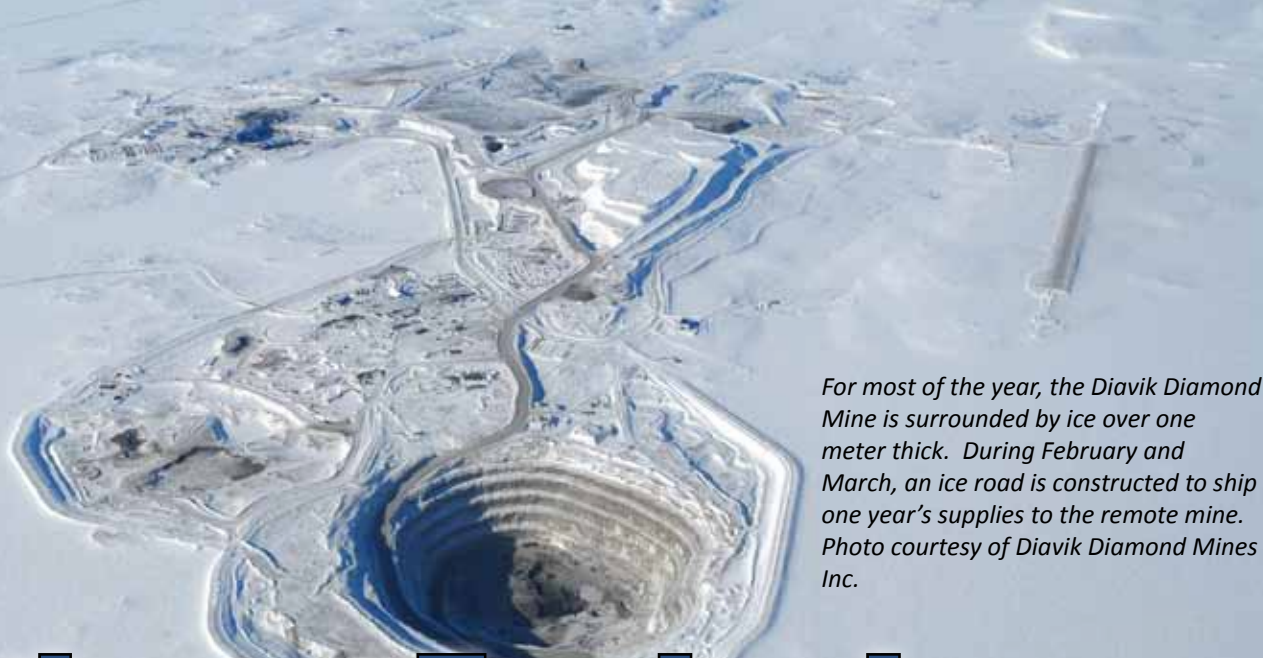
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*For most of the year, the Diavik Diamond Mine is surrounded by ice over one meter thick. During February and March, an ice road is constructed to ship one year's supplies to the remote mine. Photo courtesy of Diavik Diamond Mines Inc.*

# Northwest Territories: Strong, Sustainable Development

By Garrett Hinchey, Department of Industry, Tourism and Investment, Government of the Northwest Territories

In 1898, a man named B.A. Blakeney—a prospector on his way to the Klondike—discovered gold in the area where Yellowknife, the capital of the Northwest Territories, now sits. The discovery didn't set off a frenzied gold rush like the Klondike, but it did signal there was mining potential in a region that would become the modern-day N.W.T.

Since Blakeney made his discovery over 110 years ago, many other

prospectors have come and gone, claims have been staked and discoveries have been made in the N.W.T. This speaks to the enormous mineral potential the territory holds, some of which has already been realized. For example, the N.W.T. is the largest producer of diamonds in the Americas, and the third largest producer by volume on the planet.

However, the N.W.T.'s mining potential doesn't end with diamonds. Exciting opportunities exist within the territory

in gold, lead, zinc, copper, tungsten, silver, platinum, and rare earth elements. Lightly explored, and with its potential largely untapped, the N.W.T. is a treasure trove for the mining industry.

Diamonds are currently the lynchpin of the N.W.T. mining industry. The Northwest Territories currently has three commercially producing diamond mines, and a fourth mine is undergoing an environmental review. BHP Billiton Canada Inc.'s EKATI Diamond Mine started the diamond boom and has been in production since 1998. It was Canada's first diamond mine and production in 2009 was approximately 3.2 million carats.

The territory's second diamond mine, Diavik, has been in production since 2003. It is located near the EKATI site, 300 kilometres northeast of Yellowknife, and has produced over 50 million carats of diamonds since it opened. The mine's production for 2009 totalled approximately 3.3 million carats.

De Beers Canada's Snap Lake Mine is the N.W.T.'s third diamond mine, and has been in production since 2008. Located 220 kilometres northeast of Yellowknife, Snap Lake is Canada's first completely underground diamond



*As part of the underground mine construction, Diavik Diamond Mine needed to construct new surface works including a second power house. Photo courtesy of Diavik Diamond Mines Inc.*

mine, and was De Beers' first mine outside of Africa. De Beers Canada is also involved in a joint venture with Mountain Province Diamonds Inc. in the Gahcho Kué project. This would be the territory's fourth producing diamond mine and is currently under environmental impact review. The Gahcho Kué project has a total indicated resource of approximately 23.6 million carats.

The N.W.T.'s diamond industry was not immune to the effects of the recent global economic crisis, as production numbers for all three producing mines were down in 2009 compared to 2008. The outlook for diamond mining remains positive though, as improved economic conditions led to the cancellation of planned winter shutdowns at both the Diavik and Snap Lake Mines.

The diamond industry has had a massive impact on the Northwest Territories economy. The three mines employ hundreds of Northern residents, and they have spent over \$7 billion to date in goods and services from Northern businesses; with \$3 billion of that going to Aboriginal businesses.

“The mining industry is the major economic force in the N.W.T., creating over 2,000 direct jobs and accounting for over \$1 billion of the N.W.T.'s Gross Domestic Product.”

**More than diamonds**

The fourth producing mine in the N.W.T. is North American Tungsten Corporation's Cantung Mine, which has been producing tungsten since 1962 (although production has temporarily been suspended until tungsten prices improve.) The mine, located just east of the N.W.T.-Yukon border, has mined approximately 100,000 tonnes of tungsten per quarter for the last two years.

Traditionally, gold mining has been of the utmost importance to the N.W.T., and recent exploration suggests that the mineral is ready to make its return to prominence. Tyhee Development Corporation's Yellowknife Gold Project is currently undergoing an environmental assessment. Located 90 kilometres north of Yellowknife, it has an estimated 1.2 million ounces of gold resources. As well, Fortune Minerals' NICO project is currently moving through the permitting process. The project is located 160 kilometres

north of Yellowknife and contains 21.8 million tonnes of proven and probable gold, cobalt, and bismuth reserves suitable for a 15 year mine life.


Another project that shows great potential is Seabridge Gold's Courageous Lake Project, located 240 kilometres northeast of Yellowknife. With 4.2 million measured and indicated reserves of gold, the Courageous Lake Project represents one of the largest undeveloped gold reserves in Canada. Seabridge spent \$30 million this past year advancing the project.


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In one of Diavik Diamond Mine's underground tunnels, a bolt operator attaches a screen. Photo Courtesy of Diavik Diamond Mines Inc.

The N.W.T. is also poised to benefit from the global green revolution, as Avalon Ventures' Nechalacho project is a promising rare earth elements discovery. These materials are used in many projects integral to "green" technologies, including wind turbines and hybrid cars and they are in great demand. The Nechalacho project, located 100 kilometres southeast of Yellowknife, has an estimated nine million tonnes of inferred resources, with a potential resource base of 64.2 million tonnes. The proposed mine could have a life of 15 years or more. Avalon released a pre-feasibility study in June and hopes to have the mine producing by 2013.

**Government assistance**

The mining industry is the major economic force in the N.W.T., creating over 2,000 direct jobs and accounting for over \$1 billion of the N.W.T.'s Gross Domestic Product. The Government of the Northwest Territories (G.N.W.T.) recognizes the importance of the sector to the territory, and works with mines to improve business conditions in the territory.

One example of G.N.W.T. support to industry is the partnership between the federal government and the G.N.W.T. to gather new geosciences data. It's estimated that every \$1 million of government investment in the geosciences knowledge base stimulates \$5 million in private sector expansion. This investment could result in the discovery of an estimated \$125 million worth of new resources—discoveries that will please company shareholders and potentially lead to producing mines that create jobs and business opportunities for N.W.T. residents. This type of support for the mining sector is a win-win for both government and industry.

Current mining activity in the Northwest Territories, coupled with the immense potential in the region, promises a bright mining future for the territory. Diamonds may be the staple of the industry now, but with further exploration of minerals such as gold and rare earths, the foundation for strong, sustainable development that will anchor the N.W.T. economy for years to come is being forged today.






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# Nunavut: Back on the Ground in 2010

*The Meadowbank Gold Mine. Photo courtesy of Agnico-Eagle Mines Ltd.*

Nationwide in 2009, mineral explorers faced challenging economic times. With active exploration projects on the rise in 2010, Nunavut is in a great position to reap the benefits.

**By Minerals & Petroleum Resources Division, Department of Economic Development & Transportation, Government of Nunavut**

**T**he top story for Nunavut mining and exploration occurred early in 2010 with commencement of gold production at the Meadowbank Mine (Agnico-Eagle Mines), near Baker Lake, in late February. The Meadowbank mine plan is a three open-pit operation, with the Portage Pit currently being mined, and a total probable reserve of 3.6 million ounces of gold. Meadowbank is expected to produce close to 300,000 ounces this year, with an average annual production of 360,000 ounces thereafter, within a projected nine year mine life. Exploration efforts, ongoing since 2007, both around the known deposits and further along mineralized stratigraphy show significant promise to extend Meadowbank's production life.

Agnico-Eagle continued to make news in late spring, and consolidate its position in central Nunavut, by announcing an all-share purchase of the Meliadine gold project, near Rankin Inlet, from Comaplex Minerals. Agnico-Eagle had previously held a minority interest in Comaplex. Meliadine holds some three million ounces of indicated and inferred gold resource at the principal deposit, Tiriganiaq, with another half million ounces in two smaller area deposits. Agnico-Eagle presently projects a 2015 start-up date for Meliadine.

Nationwide in 2009, mineral explorers were challenged by difficult economic circumstances and financing effectively frozen. Exploration expenditures were about half of the 2008 high figures. Nunavut explorers fared similarly, with 2009 spending down to a little less than \$200 million. For 2010, a large portion of exploration activity is planned to resume, and spending in the range of \$250-300 million is anticipated.

The other large scale gold project, Newmont's Hope Bay project in western Nunavut, will be the focus of expanded activity in 2010. Newmont plans to spend nearly \$140 million in pre-development and exploration activity this year, with underground activity at Doris North (one of the related small Doris deposits) in the fall. The Hope Bay property comprises three developable deposits/zones: Doris and Boston (all high grade lode deposits), and the high-tonnage lower grade (4 g/t) Madrid deposit. The Doris deposits are situated nearest to sea access along the Hope Bay greenstone belt. Newmont anticipates Doris North (the most northerly of the related deposits) could be put into production in late 2011. A plan to develop the rest of the belt is expected later this year.

Elsewhere in Nunavut a number of other early stage gold projects will be experiencing renewed or expanded exploration work. Within the Committee Bay Belt, west of Repulse Bay, North

Country Gold (formerly CBR Gold) will continue to drill the promising Three Bluffs prospect in an effort to add to the present inferred resource of a half million ounces of gold. On west-central Baffin Island, Commander Resources has a \$4.5 million drilling program underway on its Baffin Island gold project, targeting their Malrok and Kanosak (Hebert) prospects, which have previously reported extremely high gold values from surface samples. Commander's program is being funded through a \$20 million farm-in arrangement with AngloGold Ashanti.

Returning to western Nunavut, Sabina Gold & Silver Corp. continues to diligently expand the resource at its already mammoth Hackett River silver-rich VMS deposit. To date, Hackett River contains some 58 million tonnes of ore containing 260 million ounces silver, 2.7 million tonnes zinc, 225,000 tonnes copper, 360,000 tonnes lead, and half a million ounces of gold. Sabina will spend \$10 million at Hackett River on deposit expansion testing in 2010. In 2009, Sabina purchased the Back River gold properties (from Dundee Precious Metals) east of Hackett River, and is ambitiously drill-testing the George Lake and Goose Lake deposits there this year; these deposits currently host a gold resource approaching two million ounces. The Izok Lake and High Lake (Zn-Cu-Pb) deposits are once again under new ownership. MMG

Resources, a subsidiary of China Minmetals Corporation, acquired control of Izok Lake and High Lake through its 2009 purchase of the majority of the assets of OZ Minerals. MMG plans a \$7 million program of drill testing new zones and extensions at both these deposits in 2010.

The lead diamond exploration story in Nunavut continues to be Peregrine Diamonds' Chidliak Project, on Baffin Island's Hall Peninsula. With three years' work on the ground, Peregrine has discovered eighteen kimberlites (two were added this spring), three of these (CH-1, CH-6 and CH-7) with demonstrated economic potential. The 2010 program includes 11,000m of drilling at a \$13.5 million budget, funded by partner BHP Billiton.

Moving north on Baffin Island to the Mary River high-grade iron ore deposit, Baffinland Iron Mines Corporation will continue regional exploration work in 2010 as part of a \$37 million program. Baffinland's efforts peaked in 2007-2008 with the completion of a major bulk sample program that successfully delivered 115,000 tonnes of direct-feed ore to steel mills in Western Europe. The ore, a mixture of hematite and magnetite, is a natural lump product, averaging 65 per cent Fe in situ. Current reserves exceed 360 million tonnes. In 2010 Baffinland will concentrate its resource definition drilling on two as yet untested deposits, one discovered just last year. The company continues to receive



*Baffinland's Summer shipment of iron ore on the tote road. Photo courtesy of Baffinland Iron Mines Corp.*




*Loading the CH-1 kimberlite mini-bulk sample at the Chidliak Project, Baffin Island, July 2009. Photo courtesy of Peregrine Diamonds Ltd.*

excellent metallurgical results from the steel mills that have been using the test ore as feed.

In addition, Nunavut has been the recent focus of a renaissance of geological survey research and mapping. Through the federal Geo-mapping for Energy and Minerals (GEM) program, \$100 million over five years has been injected into new mapping and

resources research north of 60°, with Nunavut hosting a large portion of that activity. The work is being jointly conducted by the Geological Survey of Canada and the territorial surveys, including the Canada-Nunavut Geoscience Office based in Iqaluit. Work is being undertaken across Nunavut, both regionally and selectively for key commodities/deposits. In 2010, the 'flagship' projects include the central Melville Peninsula (base metal, gold and diamond prospective) and the Cumberland Peninsula (diamonds and gold) of southeastern Baffin Island. The preliminary results from Cumberland Peninsula already have indicated a fundamental revision of much of the basement rock lithologies and age (now recognized as Archean). This work directly prompted Peregrine Diamonds to acquire land tenure over the entire peninsula (some 15,000 km<sup>2</sup> in area) in early 2010. Peregrine will begin reconnaissance sampling over this new ground this season.

Full details of all active exploration projects, including a comprehensive projects map, are available at Nunavut's data portal, [www.nunavutgeoscience.ca](http://www.nunavutgeoscience.ca), in either interactive or publication-style formats. 

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# TRANSACTION REPORT



## Deal reached between Norvista and Vior

In June 2010, Vior announced the completion of its previously announced transaction with Norvista Resources Corporation which is now considered as binding on both parties. Vior and Norvista plan to execute a formal agreement in relation with the transaction shortly.

Furthermore, Norvista has notified Vior that it could, in the next 18 months, acquire up to 100 per cent of Vior's issued and outstanding shares. In exchange, Vior has agreed during such period to limit future shares issuances to 10 per cent of the current issued and outstanding shares and has further agreed not to commence, undergo or complete any merger, amalgamation or any other form of corporate reorganization with a third party.

Under the terms of the April 28 agreement, Norvista shall create a new company that will have the right to earn up to 50 per cent of Vior's interest in the Douay property. The new company shall make an initial payment of \$1,500,000 to Vior and shall earn a 25 per cent interest. The new company undertakes to spend \$2,500,000 in exploration work on the property within 18 months. Afterwards, the new company shall have the option to earn an additional 25 per cent interest upon a second payment of \$1,500,000 to Vior. The new company will be the operator of the project.

## Callinan enters into agreements over Gurney Gold Mine property

Callinan Mines Limited announce in May 2010 that it has entered into a purchase agreement to acquire a 100 per cent interest in a property known as the Gossan Claims, and has entered into an option agreement to earn a 100 per cent interest in fourteen adjacent mineral claims, known as the

Rug Claims. Together, the claims comprise 3,679 hectares in The Pas Mining Division of the Province of Manitoba. The Gossan and Rug Claims encompass the property which includes the formerly producing Gurney Gold Mine, as well as the mineralized contact shear zone that hosts the former producer. Reports from previous operators, accessed through records at the Manitoba Department of Energy and Mines, show the Gurney Gold Mine's two years of production, from 1937-1939, produced a total of 25,164 ounces of gold and 71,953 ounces of silver from 90,500 tonnes of ore milled.

These reports further show gold bearing diamond drill intersections wider than 20 meters. Highlights from the assessment files include diamond drill intersections grading 0.25 ounces of gold per ton over 5 meters, 0.5 ounces of gold per ton over 1.5 meters, and 0.118 ounces of gold per tonne and 1.25 ounces of silver per tonne over 40.94 meters.

The company cautions that work done by previous operators was conducted before the implementation of National Instrument 43-101. Quality control methods by the previous operator are unknown, and the accuracy of the information cannot and should not be relied upon. The gold mineralization at the Gurney Property is hosted in a sheared diorite/gabbro, and a sheared feldspar porphyry structure containing quartz carbonate stringers. The structure is known to run for more than two kilometers. A diamond drilling program will be conducted on the Gurney Property this coming summer, and will continue through the winter season if necessary.

## Mineral Hill now second largest land holder

Mineral Hill Industries Ltd. has announced that following the acquisition of the Canadian and Martin McNeely

Property on May 26, 2010, the company has become the second largest land holder next to Canada Lithium in Val d'Or, Quebec. The Canadian and Martin McNeely property is located approximately 40 kilometres northwest of the mining town of Val d'Or and approximately 700 meters east-southeast of the old Quebec Lithium Mine property boundary line.

In addition to the Canadian and Martin McNeely property, Mineral Hill owns three other Quebec lithium properties (Chubb, International and Athona) consisting of 61 mineral claims covering 2333.45 hectares.

"Mineral Hill is planning to develop a drilling program for its Quebec lithium properties," says John Punzo, president of Mineral Hill Industries. "The Quebec Lithium Mine, which is now owned by Canada Lithium, is considered the biggest lithium carbonate property in the province and is the only lithium mine to have ever reached production in Quebec."

The major rock units found on the new property are hornblende granodiorite-monzonite associated with the early intrusive phase of the Preissac-Lacorne Batholith, andesitic to rhyolitic lavas and tuffs (Aurora Group) and metasediments (biotite schists) of the Lac Caste Group. The lithium mineralization is found in granitic pegmatite dykes containing spodumene as the economic mineral.

In 1955, Canadian Lithium Co. Ltd. drilled a total of 66 diamond drill holes in the area of the Canadian Lithium prospect, eight of which are located on newly acquired claims.

The Martin McNeely prospect is located approximately 700 meters directly east of the Canadian Lithium prospect. Spodumene-bearing granitic pegmatite dykes with secondary lepidolite and molybdenite intersect amphibolitized peridotite and mafic volcanic rocks. **M**

# Junior Mining News

## Corridor Resources Inc. announces new projects

On June 18, 2010, Corridor Resources Inc. announced that Apache Canada Ltd. is commencing drilling operations at the Green Road B-41 well, located approximately four kilometers north of the village of Elgin, New Brunswick. The well is the first of a planned two well commitment program by Apache to horizontally drill, frac and test a silty section of the Frederick Brook shale formation as part of a farm-out program by Corridor. The B-41 well offsets Corridor's Green Road G-41 vertical well which successfully flowed natural gas following fracturing operations in two separate intervals within the Frederick Brook shale formation. Completion and testing operations at B-41 are not expected to commence until later in the year.

Corridor also announced it has completed the mobilization of a coiled tubing drilling rig and associated equipment to Port Menier on Anticosti Island in preparation for drilling four onshore oil exploration wells on the Island this

summer. It is expected that the drilling operations will commence at the first well (Jupiter) around the beginning of July. The primary objective of the program is to evaluate the potential for light oil production from the carbonates of the Trenton/Black River formation. Corridor is partnered with Petrolia Inc. of Quebec for all four wells. As part of the planned drilling program, Corridor and Petrolia plan to cut a conventional core in the oil saturated Macasty shale (Utica equivalent) in one of the wells to evaluate the shale oil potential of this formation.

Corridor is a junior resource company engaged in the exploration for and development and production of petroleum and natural gas onshore in New Brunswick, Prince Edward Island and Québec and offshore in the Gulf of St. Lawrence.

## Alexis discovers two new high-grade gold zones at Snow Lake Mine, Manitoba

Alexis Minerals Corporation has reported the discovery of two new high-grade gold zones at its Snow Lake Mine in Manitoba in June 2010. The new zones contain mineralization which is similar in character to that of the Main and the No.3 Zones, however is of significantly higher grade. Compilation of these areas of the deposits is ongoing and initial observations are that many historic drill holes have not extended far enough to have tested them. The Snow Lake Mine has produced over 1.44 million ounces of gold from the Main and No.3 Zones.

Compilation has further confirmed strong potential for a new eastern extension to the Main Zone reported earlier in 2010. Although assay results from three unreported holes from the Feb 17, 2010 news release were low, there is growing evidence for additional ore potential in this area. An additional 800-m drill program is planned to test extensions of this mineralization in July.

Surface drilling on inferred resource areas of both the Main Zone and No.3 Zone has provided increased confidence in the resource areas and is expected to allow for additional indicated resources to be included in the ongoing Snow Lake feasibility work. Mineralization is consistent with the known deposits in the area.

Since the successful acquisition of the property in 2010, Alexis has completed 17,597 metres of a proposed 2010-program of 45,000-48,000 m. of surface drilling.

A preliminary Assessment of the economic potential of current resources was completed and reported by Alexis in March 2010. Alexis is targeting 150,000 oz. of annual gold production by latter 2011, which is anticipated to elevate the company to a mid-tier status gold-producing company.

## Marathon PGM announces 8,000 meter drilling program

Marathon PGM Corporation has plans for an aggressive summer exploration program commencing late May 2010 including 8,000 meters of drilling.

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This work will focus on advancing the Leprechaun Gold Deposit towards an open pit resource and exploring the multiple gold occurrences identified along the 30 km strike length of the Valentine Lake property.

Highlights include:

- 8,000 meters of drilling to start in late May and continue into the fall of 2010;
- A detailed IP survey, followed by trenching and drilling, will be performed along the 2 km long structure that hosts the Leprechaun Gold Deposit and the Sprite prospect as well as within the Valentine East prospect located 13 km along strike to the northeast; and
- Multiple gold showings throughout the 30 km long property will also be evaluated.

“Their highly successful winter 2010 drilling program at the Leprechaun Gold Deposit identified several high grade lenses of visible gold.”

Their highly successful winter 2010 drilling program at the Leprechaun Gold Deposit identified several high grade lenses of visible gold hosted by quartz-tourmaline stockwork within a >200m wide envelope of lower grade mineralization that extends into both the hanging wall and the footwall. The high grade lenses strike northeast with mineralized intersections grading 38.32 g/t over 9.0 m and 6.79 g/t gold over 25 meters in holes VL10-165 and VL10-160, respectively.

The parallel hanging wall zones are an important component of the deposit but were not drilled during the winter program because of poor ice conditions but they will be evaluated by this summer’s drilling from a floating barge on Leprechaun Pond. Drilling from the barge will also allow testing of the area up dip of where some of the best mineralization occurs at depth which could not be accessed this past winter. 



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## Medium voltage adjustable frequency drives now available

Yaskawa introduced Japan's first commercially produced PWM, medium-voltage adjustable frequency drive with multi-output connected in series. Building on this high-level technique, Yaskawa is now manufacturing the MV1S, an easy to operate, highly reliable medium-voltage adjustable frequency drive for Canada, Latin America, and South America.

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## GFCM, designed to clean and extend the life of your air filter cartridges

Diversi-Tech's Green Filter Cleaning Machine (GFCM) is specifically designed to clean and extend the life of air filter cartridges used in mining equipment. The GFCM will immediately reduce filter purchases as well as expensive disposal costs. Enables mining corporations to act responsibly by recycling air filters and helps with reducing landfill.

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## Boart Longyear upgrades and expands stage diamond coring bits

Boart Longyear Limited has upgraded and expanded its Stage® diamond coring bit product line. The new bits include engineering upgrades to the patented Stage3 waterways, a full selection of Stage bits with a 16 millimeter crown and an optional face-discharge feature.

Since its release in 2007, the Stage3 diamond coring bit remains the world's tallest, with a crown height of more than 25 millimeters. Its patented design delivers better penetration rates, longer active drilling in the hole and fewer rod trip-outs, increasing shift capacity and overall meters drilled.

"The new bits provide a benchmark for reliable, cost-effective, high-productivity drilling in any ground condition," says Monika Portman, product manager for coring products with Boart Longyear. "The new design features an expansion of our patented window to improve productivity, a revised window layout to increase strength and our new patent pending Razor-Cut™ face design, which provides the driller with a ready-to-cut bit right out of the box."

[www.boartlongyear.com/stage](http://www.boartlongyear.com/stage)



## NL Technologies releases industrial version of their traditional Northern Light™ mining cap lamp, called Rebel

The Rebel is a LED cordless, light-weight head lamp. It's rechargeable and designed to last for 500 recharges. It's rugged, high powered and hands free with 20 plus hours of light output and a super high beam for times when you need even more light. Unlike traditional lamps with incandescent bulbs that need to be changed every 1,000 hours the Rebel uses maintenance free LED technology that lasts up to 20,000 hours.

The Rebel is portable with 3 light settings including a super high 8,000 Lux beam, which is higher than anything else available in cap lamps today. It is also available with a range of accessories like a belt mounted pouch, a vehicle adaptor for charging, an adjustable clip and magnetic mounts.

NL Technologies (NLT) has been designing and manufacturing equipment for the underground mining industry for over twenty years and has offices in Canada, Australia, Chile and distribution partners globally.

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## The North

### NORTHWEST TERRITORIES Mineral exploration in decline

At the Annual General Meeting of the N.W.T. Chamber of Commerce, held April 15, 2010 in Yellowknife, the N.W.T. & Nunavut Chamber of Mines noted that mineral exploration in the Northwest Territories has declined significantly in the past two years and is falling way below other territories and provinces.

Exploration expenditures in 2009 in the N.W.T. were estimated by Natural Resources Canada at \$29.5 million, down a staggering 80 per cent from \$148 million in 2008, by far the largest decline in Canada. This is the lowest level since at least 1993 and represents only 1.7 per cent of Canadian exploration expenditures for almost 20 per cent of Canada's landmass. In 2006 exploration expenditure in the N.W.T. represented about 9.2 per cent of the total across Canada. Expenditures in Nunavut in 2009 were \$189 million, and in the Yukon were \$75 million, which is the first time in 15 years that the Yukon has seen more exploration expenditure than the N.W.T..

Between 2005 and 2009, total exploration and appraisal expenditure in the N.W.T. was \$642 million, less than half that of Nunavut at \$1.3 Billion, and only marginally ahead of the Yukon at \$500 million, but the Yukon passed the N.W.T. in 2009 with expenditures of \$75

million, more than double the N.W.T. at \$29.5 million.

For 2010, NRCAN's preliminary estimates show expected exploration expenditure in N.W.T. at \$66.3 million, which will represent more than a 100 per cent increase from 2009, but at 3.1 per cent of the Canada total, the N.W.T. will still remain eight ranked among the provinces and territories.

### De Beers Canada Socio-Economic highlights

De Beers Canada recently released its Snap Lake Mine 2009 Socio-Economic Report summarizing the company's contribution to the economic, social and cultural well-being of the Northwest Territories.

"As I reflect on the year, one thing rings loud and clear," says Brad Corrigan, Mine General Manager. "Our employees are a resilient, dedicated, hardworking team of ordinary people and they have done the most extraordinary things in 2009. I am proud of them."

Highlights of the 2009 Socio-Economic Report include:

- \$155.9 million spent in 2009, bringing De Beers' total investment on Snap Lake's construction and operations to \$1.39 billion at the end of 2009;
- Of the total expenditure, \$116 million was spent with N.W.T. companies

(74.51 per cent) and \$58.9 million was spent with Aboriginal companies (50.74 per cent of N.W.T. spend); and

- \$1.69 million in social investment spending during 2009, including \$1.2 million on education, training and literacy initiatives.

In late 2009, De Beers announced plans to ramp-up production at Snap Lake to reach full production by the end of 2012 and the hiring of 175 additional workers by the end of 2010.

### NUNAVUT New legislation to be reviewed by the Chamber of Mines

On May 12, 2010, the Honourable Chuck Strahl, Minister of Indian Affairs and Northern Development, introduced Bill C-25, the new Nunavut Planning and Project Assessment Act (NUPPAA) in the House of Commons.

The purpose of this long-awaited legislation is to ensure clarity, consistency and legal certainty with respect to land-use planning and environmental assessment processes in Nunavut.

The bill is intended to further advance objectives within the Government's Northern Strategy, particularly the promotion of economic development and protection of environmental heritage in the North by providing clear parameters for governments and industry.

"Maximizing the North's economic potential is tied to the implementation of effective, efficient processes to attract and sustain development," says Minister Strahl. "This legislation contains provisions for timelines and a comprehensive enforcement regime for land use planning and environmental assessment."

"The minerals industry has long called for the enactment of this Legislation," says John F. Kearney, Chamber of Mines president. "The Chamber of Mines and other industry associations appreciated having been given the opportunity to comment on the draft Bill and have given the industry's support to the initiative that the Minister of Indian Affairs and Northern Development has taken to set out a regime for land

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use planning and project assessment that recognizes the importance of responsible economic development.”

The Nunavut Planning and Project Assessment Act is intended to provide clarity, predictability, consistency and legal certainty to the planning and assessment processes in Nunavut that will foster economic investment for the benefit of Inuit, Northerners and industry. This bill emphasizes strong, predictable frameworks and lays out a clear, consistent and reliable planning and impact assessment process for development initiatives.

**YUKON**  
**Royalty regulation amendments show positive investments**

Royalty regulation amendments recently approved for the *Quartz Mining Act* will provide greater certainty to the mining sector and support direct sharing of mining benefits with local communities.

“These amendments provide Yukon with one of the most attractive mining investment climates in Canada,” Energy Mines, and Resources Minister Patrick Rouble says. “The changes will also provide a clear royalty regime that will ensure investment benefits are kept in Yukon.”

The regulations introduce new approaches to mineral sector investment, such as the community and economic development expense allowance, which ensures that revenues from the mining industry are reinvested in Yukon communities.

The regulations also offer a modern

and clear royalty regime for both government and industry which is comparable to other jurisdictions. The regulation is based on national, profit-based royalty standards and establishes the capped royalty rate at 12 per cent of net profit. A royalty is a share of profits that is paid by the mine operator to the government.

The regulation gives clear instructions

for calculating deductions, depreciation and value of the mineral. It also outlines the format for filing, penalties and other administrative provisions for government. The regulations come into effect immediately.

For information on the *Quartz Mining Act* and regulations visit [www.miningukon.com](http://www.miningukon.com). **M**



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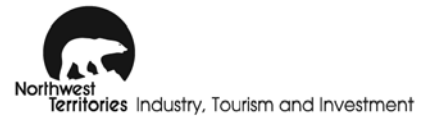
The tremendous mineral potential of the Northwest Territories continues to anchor our economy, providing our people with a strong foundation and creating the path to a sustainable future across the territory.

The continued growth of the mining industry in the territory means the continued growth of NWT businesses that support the industry. And a strong mining industry further diversifies our economy and solidifies our economic identity.

The Government of the Northwest Territories is committed to supporting this integral part of our economy. Together, we are creating a prosperous north for today, and we are working to realize our vast potential for investment, exploration and development for tomorrow.

*Robert R. McLeod*

Hon. Robert R. McLeod, Minister  
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## British Columbia

### Air quality monitoring unit arrives in Northeast B.C.

An innovative, fully equipped mobile air monitoring laboratory (MAML) arrived in Tomslake in early May 2010, showcasing B.C.'s environmental leadership and support for responsible natural resource management in the Peace Region, says Blair Lekstrom, Minister of Energy, Mines and Petroleum Resources.

"This initiative is the result of consultation with the public, where communities highlighted the importance of monitoring and reporting on air quality across the Northeast so residents can continue to enjoy the cleanest air possible," says Lekstrom. "In addition to this air monitoring lab, the Oil and Gas Commission is facilitating the development of a long-term and ongoing air monitoring program for the region, reaffirming our commitment to ensuring quality of life for residents in the Northeast."

The MAML will be stationed outside of the community hall in Tomslake for approximately three weeks, establishing baseline data for the air quality in the area, including the monitoring of any odour impacts from nearby natural gas and petroleum operations.

The MAML will then move to three other communities in the Peace Region—Groundbirch, Farmington and Rolla—to monitor other areas that have not been tested previously. The air monitoring system has been stationed in Victoria and Nanaimo since last month as part of local environmental emergency-response training.

The data collected by the mobile air-monitoring lab is available instantly on the Ministry of Environment's website. Anyone can go to [www.bcairquality.ca/](http://www.bcairquality.ca/) readings and see real-time results from air testing in their community.

### Mining industry leads the province

B.C.'s mining industry is leading the provincial recovery, providing ample reason to celebrate B.C. Mining Week, announced Minister of State for Mining Randy Hawes. The week of May 9 to

15 was officially proclaimed B.C. Mining Week in the legislature on May 6, 2010.

"We have a lot to be optimistic about when it comes to the mining and minerals industry in the province," says Hawes. "With rising commodity prices, our B.C. metals are in demand and we are responding. Expected mineral tax revenues are on the rise and, despite a difficult economic climate in 2009, we have two new major metal mines under construction, providing jobs and economic opportunities to our rural communities."

Two new major metal mines, Copper Mountain outside Princeton and the New Afton Mine outside Kamloops, are both currently under construction. Copper Mountain is expected to provide about 200 jobs during the construction and another 250 when the mine is fully operational. At New Afton, up to 550 jobs will be created during construction and 250 when the mine is fully operational. Construction is also set to begin this year at the Mount Milligan mine site, northwest of Prince George.

Mining Week aims to raise public awareness of the importance of mining and the collaboration between industry, government, First Nations, and communities to promote the industry.

To provide greater certainty to the mining industry, the B.C. government has extended the Flow-Through Share Tax Credit by three years, to 2013. Commencing in July the industry will see benefits from the implementation of the Harmonized Sales Tax. HST will save the mining industry about \$55 million annually and industry has identified additional millions in savings for new mine development and construction.

"Mining Week, a tradition for the past 103 years, celebrates the role the industry plays in making B.C. a great place to live, work and play. With major new mines in construction, existing mines expanding and proposed projects nearing final approvals, B.C. is on the cusp of a renaissance in mining," says Pierre Gratton, president and CEO of the Mining Association of BC.

### B.C.'s mining industry safety practices get recognized


The high safety standards of B.C.'s mining sector were recognized with the announcement of two of the Open Pit Mine and Quarry Awards by Minister of State for Mining Randy Hawes on April 29, 2010.

"Mining is one of the safest heavy industries in the province, and that is due to the diligence of miners, mine managers and mining companies across B.C.," says Hawes. The winner of the Edward Prior Safety Award (200,000 up to 1 million worker hours) is Greenhills Operations-Teck Coal. The award is named after B.C.'s first mines inspector, Edward Gawler Prior, who subsequently served as Minister of Mines and went on to become B.C.'s 15th Premier and 11th Lieutenant Governor.

"Mining is one of the safest heavy industries in the province, and that is due to the diligence of miners, mine managers and mining companies across B.C."

The John Ash Safety Award (1 million or more worker hours) went to Fording River Operations-Teck Coal. John Ash was B.C.'s first Minister of Mines, appointed in 1874. This position has always, and continues to be, a key leader and supporter of mine safety.

Established in 1961 by the Minister of Mines and Petroleum Resources, the Open Pit Mine and Quarry Awards recognize excellence in open pit and quarry safety.

Open pit mines and quarries that have the lowest injury frequency rate are eligible to compete at the annual Provincial Mine Rescue First Competition. 

## New bitumen refinery project negotiations underway

Negotiations were underway in May 2010 to build a new bitumen refinery project in Alberta's Industrial Heartland, northeast of Edmonton, as part of the government's Bitumen royalty-in-kind (BRIK) initiative. The 150,000 barrels-per-day refinery proposed by North West Upgrading, to be built in three stages, will also include the application of newer technologies and an integrated carbon capture and storage capability to reduce CO2 emissions.

"This project has significant potential for Alberta to support the Provincial Energy Strategy goals of increased value-added production and clean energy production," says Alberta Energy Minister Ron Liepert. "It's not a done deal but I am committed to pursuing an agreement that's in the best interests of Albertans."

Processing of the bitumen will go beyond upgrading to synthetic crude oil to include higher value products such as diesel fuel. Once completed, North West Upgrading would process 75,000 barrels per day of royalty in-kind-bitumen on behalf of the province.

The project was selected following a comprehensive review of proposals submitted to the Government of Alberta as a result of a Request for Proposals that was issued in July 2009 and closed in January.

As the steward of the resource for Albertans, the Alberta government is entitled to take its royalty share of bitumen production in-kind, as it currently does for conventional oil production. Negotiations on the processing arrangements are expected to conclude before the end of the year. Bitumen royalty in-kind and other value-added initiatives add value to the bitumen resource, diversify Alberta's economy, increase resource revenues and create jobs in the province.

## Alberta stimulates new energy investment, new technologies

To further energize investment, the Alberta government unveiled initiatives on May 27, 2010, to accelerate new

technologies to encourage development of Alberta's vast unconventional and deep resource pools and finalized royalty curves for conventional oil and gas.

"This initiative to unlock Alberta's unconventional resources offers the potential for decades of employment and community benefits," says Energy Minister Ron Liepert. "The final adjustments to royalty formulas will help industry make important investment decisions for the fall and winter drilling season and maintain Alberta as a competitive jurisdiction for investment."

Building on the work of government and industry that resulted in the release of Energizing Investment in March, the government says that the Emerging Resources and Technologies Initiative modifies the royalty rate for wells that require use of high-cost technologies.

"These rate modifications are a long-term investment in Alberta's future."

This strengthens a producer's ability to invest in additional wells, as well as research and development. Stimulating application of new technologies in resources that have not been tapped is expected to increase overall production, resulting in increased economic activity and secure long-term royalty revenue from new resource discoveries.

"These rate modifications are a long-term investment in Alberta's future," adds Liepert. In all, energy development in Alberta represents almost 30 per cent of the province's total gross domestic product and directly or indirectly supports almost one in every seven jobs.

## Input sought to encourage innovation in oil and gas


A broad range of stakeholders will have input into a comprehensive review

of Alberta's oil and gas regulatory system to ensure that it is effective and supports a competitive economy. The review by the Regulatory Enhancement Task Force includes engagement of industry, landowner, municipal, and environmental groups.

A series of stakeholder engagement meetings will take place through until the fall. The meetings are an opportunity for stakeholders to provide input to the development of recommendations to improve the oil and gas regulatory system. Written submissions will also be accepted through an online tool, available at [www.energy.alberta.ca/Initiatives/RegulatoryEnhancement.asp](http://www.energy.alberta.ca/Initiatives/RegulatoryEnhancement.asp). This stakeholder website will be regularly updated to correspond with the engagement process. Participants can register to receive email notifications when updates are made to the website.

"I look forward to working together with many interested groups to improve Alberta's competitiveness," says Task Force Chair and Drayton Valley-Calmar MLA Diana McQueen. "Regulatory enhancement means having a system that is modern, efficient, and effective, while maintaining our strong commitment to environmental stewardship."

The task force has also named Gerry Prottias an industry advisor to support the review. Most recently, Protti was an Executive Advisor with Cenovus Energy. Protti brings 35 years of experience on regulatory and environmental issues to the task force and was the founding President of the Canadian Association of Petroleum Producers (CAPP), as well as a former Assistant Deputy Minister with Alberta Energy.

A progress report will be delivered to government by the task force in June. This will include progress on implementation of near-term regulatory enhancements; changes to support deployment of innovative, new technologies; and the process for comprehensive review of the regulatory system, with specific milestones and measurable objectives. A final task force report will be delivered to government by December 31. 



## Saskatchewan

### BHP Billiton announces mineral resource estimate for its Jansen Potash Project

In June 2010, BHP Billiton confirmed the strength of its position in the Saskatchewan potash basin with the reporting of an in-situ Mineral Resource of 3,370 million tonnes at 25.4 per cent K<sub>2</sub>O at its wholly-owned Jansen Potash Project.

The Jansen project, located 140km east of Saskatoon, is nearing the end of its pre-feasibility study and is anticipated to progress to feasibility in the second half of 2010. Based on the current schedule, the project is expected to produce saleable potash from 2015. Jansen is the most advanced of BHP Billiton's multiple development options in potash, with nearby Boulder and Young projects both in the concept study phase.

The Burr project, acquired with Athabasca Potash in early 2010, is currently under review in the context of BHP Billiton's full potash development portfolio. Exploration in the Melville area, also acquired with Athabasca Potash, is due to begin in July 2010. In total, BHP Billiton has exploration rights to a total of over 14,000km<sup>2</sup> of highly prospective ground in the Saskatchewan basin.

### June land sale yields \$46.2 million

The June sale of petroleum and natural gas rights generated \$46.2 million in revenue, making it the second-highest June land sale on record. Land sale revenue for the 2010 calendar year now stands at \$275.8 million, well ahead of the \$36 million at the same time in 2009.

While the June sale historically has

been one of the quieter sales for the year, the 2010 edition more than doubled the amount raised in June 2009.

"Saskatchewan land sales continue to raise interest," Energy and Resources Minister Bill Boyd said. "It looks like the June sale picked up where the April sale left off. Not only was this the second largest June sale ever, the average price per hectare was more than \$1,200. Industry continues to place a premium on Saskatchewan oil and gas properties."

Boyd noted Bakken-prone lands in the southeast once again played a prominent role in the sale, accounting for nearly three-quarters of the total revenue.

"This remains our poster boy, although there was interest in other areas as well," Boyd said. "The overall picture looks promising. We're already comfortably ahead of last year's pace on land sale revenue."

June's sale included 6 petroleum and natural gas exploration licences that sold for \$21.4 million and 172 lease parcels that attracted \$24.8 million in bonus bids.

### New natural gas drilling incentive

The Government of Saskatchewan announced on May 27, 2010, an incentive to encourage increased natural gas exploration and production in the province. The new incentive will encourage application of horizontal well drilling techniques in Saskatchewan's proven and potential natural gas pools. No horizontal drilling for gas is currently done in the province.

The volume-based incentive establishes a maximum Crown royalty rate of 2.5 per cent and a freehold production tax rate of zero per cent on the first 25 million

cubic metres of natural gas produced from every horizontal gas well drilled between June 1 of this year and March 31, 2013.

Energy and Resources Minister Bill Boyd says the new incentive is similar to one already in place for initial volumes of oil produced through horizontal drilling. In Saskatchewan, roughly one-third of oil wells drilled in a given year are horizontal, and more than 10,000 horizontal oil wells have been drilled since 1987. This technique is widely credited with the continued growth and development of the province's crude oil resources and more recently, the Bakken light oil play in south-east Saskatchewan.


Natural gas drilling in the province has declined over the past seven years as a result of market changes brought on by the emergence of large shale gas plays in other jurisdictions that compete with conventional natural gas. This lower drilling has resulted in a subsequent decrease in natural gas production, with softness in price over the past two years also being a factor.

### Boyd congratulates Cameco on prestigious safety awards

Energy and Resources Minister Bill Boyd congratulated Cameco Corporation on receiving two major awards for outstanding safety performance in 2009.

Cameco was honoured with a John T. Ryan safety trophy, the premier award in Canada's mining industry at the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) conference in Vancouver. That award plus a special award certificate were for performance at Cameco's McArthur River and Cigar Lake mines.

Cameco received the national John T. Ryan safety trophy for the best safety performance in the metal mine category in 2009 for its McArthur River mine, recording one reportable injury for 756,990 working hours. Cameco's Cigar Lake mine recorded one reportable injury for 717,932 working hours in 2009 and was honoured with the special award certificate.

Cameco has a long history of recognition for safety, with awards in 2000 for its McArthur River and Key Lake mines as well as in 2001 and 1989 for its Rabbit Lake operation. 



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## Program to help bring jobs, business opportunities to Manitoba

The provincial government is providing \$1 million to support 23 new mineral exploration projects through the April 2010 offering of the Mineral Exploration Assistance Program (MEAP), Innovation, Energy and Mines Minister Dave Chomiak announced today.

"Continued support of mineral exploration leads to new discoveries and new mine development," said Chomiak. "Mining efforts in Wabowden, Bissett and the Lalor project near Snow Lake show the positive effects supporting mineral exploration can have in training, jobs and business opportunities for Manitobans."

The program provides assistance of up to 25 per cent of approved eligible expenses to a maximum of \$200,000 per recipient per fiscal year. MEAP also offers a higher level of assistance of up to 35 per cent to encourage exploration in areas where new discoveries can help sustain existing communities and in frontier regions that are difficult to access. Eight of the projects in the Lynn Lake and Leaf Rapids regions and other northern areas qualify for the higher level of assistance.

The companies are exploring for a variety of commodities including gold, copper-zinc, nickel and rare-earth metals. There is also one project each for diamonds and lithium. Nine of the 23 companies benefiting from MEAP's financial assistance will be exploring in Manitoba for the first time.

## Province recognizes northern Aboriginal mining graduates

The province recognized the critical role of northern and Aboriginal people in the mining industry as seven Aboriginal students received certificates in underground core mining at a ceremony in June 2010.

The program, led by Aboriginal instructors, is the product of a unique partnership between the University College of the North, Northern Manitoba Sector Council, Employment Manitoba, Cross Lake First Nation, Wabowden

Community Council, Manitoba Keewatinook Ininew Okimowin, Crowflight Minerals, Dumas Mining Contractors, and the Manitoba Métis Federation.

The seven students graduating will immediately begin a six-month work experience with Crowflight Minerals at the Bucko Lake Mine for the third and final phase of their training. Thirty-five miners have successfully been trained through the program to date.

## Record oil and gas rights sale for Manitoba

The latest offering of oil and gas rights for sale in Manitoba has resulted in record-breaking sales that will contribute more than \$6 million to the province's economy.

The competitive bidding process that closed on May 12 generated the largest single sales offering of oil and gas rights in Manitoba's history at just over \$6 million. The sale exceeded the previous record, set in 1997, by \$2.1 million.

A total of 68 lease parcels, covering 8,166 hectares was sold in this offering.

In 2009, there were approximately 3,000 wells in Manitoba, with the industry generating roughly \$620 million in production and \$485 million in investment in the province. The province forecasts that 420 wells will be drilled

in 2010, producing 9.5 million barrels of oil annually.

This is the second of four sales scheduled for 2010. The next sale will be held on August 11.

## Murgor acquires 40,000 hectares mineral exploration licence

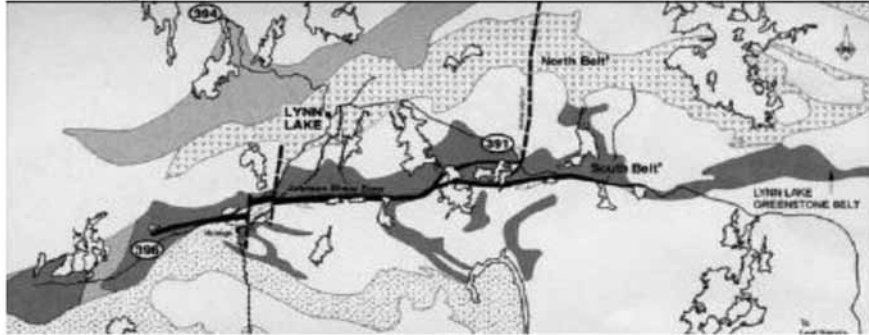
Murgor Resources Inc. announced on June 10, 2010, that it has acquired a Mineral Exploration Licence covering 40,000 hectares, located approximately 40 kilometres south of the Snow Lake Mining District in Manitoba.

"This is a very favourable area of the Flin Flon Belt, and one that remains very poorly explored," says André Tessier, president and CEO of Murgor Resources. "Strategically, Murgor continues to feed its portfolio of great grassroots exploration projects such as Moose Lake while advancing its Wim and Hudvam projects towards production. Exploration will start immediately at Moose Lake."

The newly acquired property covers the highly favourable volcanic rocks of the Flin Flon-Snow Lake Greenstone Belt below 50 to 100 metres of Paleozoic sedimentary rocks; a setting similar to that of the VMS Venture's Reed Lake Copper Deposit located approximately 40 kilometres to the NW of the property. ■

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## Ontario

### Wahgoshig First Nation eyes opportunities in mining industry

Wahgoshig First Nation, located about 50 kilometres east of Matheson, Ontario, is looking to the area's mineral exploration and mining industries to create new jobs for its members. With Northern Ontario Heritage Fund Corporation (NOHFC) assistance, the community is hiring a mining coordinator to build relationships and develop agreements with industry partners. The coordinator will also hold information and training sessions for members about job opportunities in the mining sector, and be a point of contact between the community and government agencies about mining activities.

"The hiring of a mining coordinator will help the community enhance mining related knowledge and business relationships that will benefit the First Nation and foster strong relations with the mineral development sector for years to come," says Michael Gravelle, Minister of Northern Development, Mines and Forestry, and Chair of the NOHFC. This initiative is part of the government's five-year Open Ontario plan to create jobs and economic opportunities in Northern Ontario.

The NOHFC is providing \$50,000 for this project under its Infrastructure and Community Development Program, which helps northern communities improve critical infrastructure, create jobs and improve economic prospects.

"By investing in this project, we are helping Wahgoshig First Nation better position itself and its members for economic growth and job creation opportunities that are expected from mining activities in the area," says David Ramsay, MPP for Timiskaming-Cochrane.

### Mining industry safety performance ranks second in 2009

The mining industry was the second safest industry among Ontario's industrial sectors in 2009. The mining sector achieved a collective lost time injury rate 0.6 incidents per 200,000 hours worked, which came next to the education sector with a lost time injury rate of 0.5 per 200,000 hours worked in 2009.

The average lost time injury rate for all industrial sectors was 1.3 in 2009. Mining's 0.6 rate for lost time incidents was ahead of the electrical industry and the pulp and paper sector, both at 0.9, and ahead of the average for manufacturing at 1.0 incidents per 200,000 hours worked.

Mining safety statistics are moving in the right direction because of personal diligence and concern for one's self and one's colleagues. There are a number of initiatives and institutions supporting this progress. Ontario Mining Association (OMA) programs, the Internal Responsibility System, inspections and programs from the Ministry of Labour, regulatory changes and adjustments to common core skills training along with the role of the sectoral safety group Workplace Safety North and unions have played strong parts in these gains. Overall, employees in the Ontario mining industry are safe, highly skilled, highly paid and highly productive.

While the safety performance of Ontario's mining industry day-in and day-out is certainly worthy of recognition, no one in the industry would consider

it good enough. Collective efforts on many fronts to get these various incident statistics to zero are ongoing throughout the industry.

### Changes coming for mining in Ontario


According to a May 2010 article in The Financial Post, things are looking up for mining in Ontario. The mining industry has been through a lot in the last year. In the latest edition of the Fraser Institute's rankings of mining jurisdictions, Ontario plunged from 10th place in 2009 to 22nd place in 2010. They also have dealt with strained relations with First Nations and land use restrictions.

But two big announcements were made in May that could show a turn for the better. First, U.S. mining giant, Cliffs Natural Resources Inc., has revealed two hostile takeover bids on two junior mining companies which should create development in Northern Ontario and be the next biggest mining camp. Also, Detour Gold Corp, a company based out of Toronto, has released a study for a gold mine that could be the largest mine in Ontario and the second largest in Canada.

The Financial Post explains that the feasibility study on the Detour Lake project "showed that it holds 11.4 million ounces of gold reserves, and should produce 649,000 ounces of gold a year at low cash costs. The proposed open-pit mine is likely to be the biggest gold producer in Canada after Osisko Mining Corp.'s Canadian Malartic mine."

Chief Executive Officer Gerald Panneton told The Financial Post that the study was done using US pricing at \$850 an ounce. If the price goes up, closer to current levels, it could result in more than 649,000 ounces per year once the mine is built.

"We could be in production in 2013, creating 1,000 jobs during construction and 500 jobs [afterwards]," he says.

Detour needs secure financing to cover the US\$992 million in construction costs. They already have over \$308 million and are expecting to raise the remaining funds needed. 



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## Z-Gold Exploration acquires two properties

In July 2010, Z-Gold Exploration Inc. announced the acquisition of two mining properties. The first property consists of 96 mineral claims located in the Casa Berardi Township in the Rouyn-Noranda Mining Division, Quebec. This property is located in Northwestern Quebec in the prolific Abitibi Greenstone Belt from where a large amount of Canada's gold has been extracted. Z-Gold acquired the property for its exploration potential. The property is characterized by splay faults of the Casa Berardi Break and the same type of alteration. Many geological input anomalies are present and represent the splay faults and need investigation by diamond drilling.

The second property consists of 2 mineral claims (3 units) and is located in the Munro Township, province of Ontario.

## Diamond Frank Exploration discovers new rare earth

Diamond Frank Exploration Inc. announced in June 2010, the conclusion of the first reconnaissance phase on the Blackrock property. The prospecting operations were carried out by Terrax Management on all 18 mining claims (1062 hectares) which make up the property located in the Villedieu Township in the Kipawa region (Province of Quebec).

The property is located in the Kipawa basin, within the Proterozoic Grenville Province. This basin is comprised of metamorphosed and folded sedimentary sequences that have been intruded by composite intrusive bodies. At the

southern border of the property, a banded rock sample with amphibole and garnet has revealed rare earth values of more than 1 per cent, such as 0.7 per cent in light rare earth and 0.3 per cent in heavy rare earth. The rock also contains more than 1 per cent Zr and 0.4 per cent Y. This new showing associated with gneissic-looking rocks is most interesting due to the continuity of these units on the property.

Diamond Frank and Terrax Management's technical teams are in the planning phase for a second sampling and cartographic campaign with stripping and grooving on the newly discovered zone.

## Uragold Bay Resources announces sampling and trial mining of Beauce Placer Gold

Uragold Bay Resources Inc. announced in June 2010 the start of its sampling and trial mining phase of the Beauce Placer Gold tailings project near the town of Saint-Simon-les-Mines. The landowner (surface rights owner) has granted Uragold full access to the property for all exploration and mining activities.

The sampling program will be supervised by Mrs Jovette Marois eng., of the Centre de Technologie Minerale et de Plasturgie (CTMP) in Thetford Mines. A caterpillar-tracked excavator will cut trenches in the tailing mounds left over from the former Beauce Placer Gold mining operation of 1960 to 1961. 20 channel samples will be analyzed for gold at the CTMP by gravimetric methods. Knelson gravimetric tests will help identify the

quantity of placer gold in the tailings. In addition to measuring the grade of gold, the placers must be classified according to size. Knowing the distribution of fine gold to coarse gold (nuggets) is important in the trial mining phase to evaluate recovery rates. The samples will also be sent for geochemical analysis for a complete measurement of gold and other elements.

The property is about 1 km long and 400 meters wide. The Gilbert River flows through the property parallel to the tailings. The tailings and three floatation ponds are flanked by hills built from the stripped sterile overburden. Forest has encroached up to the top of the hills and the whole mining area is segregated from the Gilbert River.

Beauce Placer Co. documented a reserve potential of 12,979,000 m<sup>3</sup> at a grade of 0.256 g/m<sup>3</sup> of gold or 107,045 oz of gold (Pre 43-101, Seber 1961 GM11010). It was reported that only 4,378 oz of gold was recovered by the company. Historical accounts point to the following reasons for the poor recovery rates of gold (Drouin 2002).

The Yuba dredge used by the Beauce Placer Company could not mine both fine gold and coarse gold at once. Therefore, they decided to mine the fine gold because its distribution was more consistent. As a result, any gold nugget was rejected by the sieve and thrown out with the tailings.

Two of the largest gold nuggets found in Canada came from the gravels of St-Simon-les-Mines, the Kilgour nugget at 52 ounces and the McDonald nugget at 45 ounces. **M**

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## Atlantic Canada

### NEW BRUNSWICK Major deposit of natural gas found

In a May 2010 article, CBC News reports that Corridor Resources, a Halifax-based mining company has discovered more natural gas in Kings County, New Brunswick than is available in all of Western Canada's proven reserves.

Houston-based Apache Corp, a partner of Corridor, plans to spend a lot of money in order to see if the area can be developed.

Norm Miller, president of Corridor Resources, told CBC, "It's a huge potential that stretches between Sussex and Elgin in terms of the concentration of gas per square mile. It's by far the largest. It's an order of magnitude larger than other shale plays on the continent."

CBC reports that Apache Corp will start drilling in June as part of a \$125 million exploration program. If the gas can be produced and the project goes forward, there could be 5000 wells in New Brunswick, according to Miller.

"It's a huge potential that stretches between Sussex and Elgin in terms of the concentration of gas per square mile."

The company first thought the gas deposit was a dud 11 years ago, but with new technology they came back to discover what they had nearly missed.

### NEWFOUNDLAND AND LABRADOR Altius's 2010 iron ore exploration projects

Altius has provided an update of exploration work anticipated on a number of iron ore projects under option and joint venture agreements with

other companies this pending field season as well as plans to undertake reconnaissance exploration on certain wholly owned projects.

Kamistiatasset Project-Alderon Resources Corp. announced in May 2010, plans for a 20,000 meter drilling program at the Kamistiatasset iron ore project in western Labrador to commence in early June. The program is designed to build upon prior successful drilling by Altius and to allow the calculation of a NI 43-101 compliant resource estimate. Alderon has the option to earn a 100 per cent interest in the project by incurring \$5 million in exploration expenditures on the property by November 2012, by meeting certain financing thresholds, which have been met, and by issuing a minimum of approximately 31.8 million shares to Altius. Altius will retain a 3 per cent gross sales royalty. Alderon anticipates it will be in a position to exercise its option to acquire the project before the end of 2010.

Labrador West Projects, under an option agreement with Altius, Rio Tinto Exploration Canada Inc. (Rio Tinto), continues to explore eight exploration licenses covering 24 iron ore occurrences throughout the western Labrador iron ore mining district. An earn-in exploration and royalty agreement was executed in December 2008 allowing Rio Tinto to earn up to a 70 per cent interest in the licenses in stages by spending up to \$7 million in exploration within five years. Altius retains a three per cent Gross Overriding royalty of which one per cent may be purchased for \$10 million on or before the tenth anniversary of the agreement. Drilling on some of the licenses is anticipated in early Q3 2010; specific targets are being refined and drilling permit applications are being prepared.

### NOVA SCOTIA Mountain Lake announces new exploration program

Mountain Lake Resources has announced plans for an aggressive spring/summer exploration program commencing later in May 2010 on the Valentine Lake Gold Property. The

program will include 8,000 metres of drilling and focus on advancing the Property's Leprechaun Gold Deposit towards an open pit resource, and exploring the multiple gold occurrences identified along the Property's 30 kilometre strike length.


Marathon PGM Corp. is the operator of the Valentine Lake Project under the sub-option and joint venture agreement ("OJVA") between Mountain Lake and Marathon.

"Our team is eager to delineate what could be Newfoundland's next gold mine," says Marathon's Project Manager, Sherry Dunswoth.

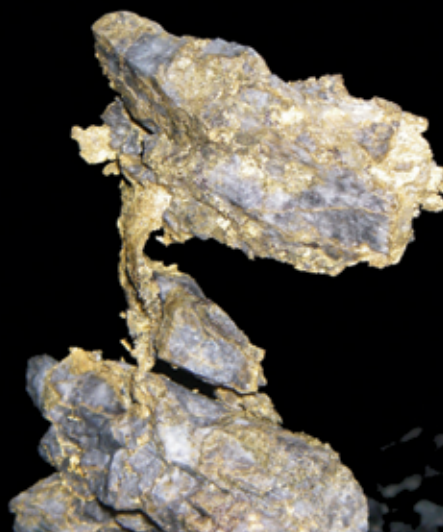
Highlights include:

- 8,000 metres of drilling to start in late May;
- A detailed IP survey, followed by trenching and drilling, will be carried out along the 2 km structure that hosts the Leprechaun Gold Deposit and the Sprite prospect as well as within the Valentine East prospect located 13 km along strike to the northeast; and
- Multiple gold showings throughout the 30 km long property will also be evaluated.

The highly successful winter 2010 drilling program at the Leprechaun Gold Deposit identified several high grade lenses of visible gold hosted by quartz-tourmaline stockwork within a >200 m wide envelope of lower grade mineralization that extends into both the hanging wall and the footwall. The high grade lenses strike northeast with mineralized intersections grading 38.32 grams per tonne (g/t) (1.12 oz/t) over 9.0 m and 6.79 g/t gold over 25 meters in holes VL10-165 and VL10-160, respectively.

While the parallel hanging wall zones are an important component of the deposit, they were not drilled during the winter program due to poor ice conditions. The Leprechaun Deposit mineralization starts near surface and is configured favourably for open pit mining, with mineralized intersections grading 4.43 g/t gold over 20.8 m and 2.78 g/t gold over 22 m at depths of less than 50 m below surface. 

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