

MINFO

Mineral Resources
INFORMATION

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THIS ISSUE

Profile of a Prospector

Mineral Statistics

Mineral Exploration Update

Geoscience Needs Workshop

*North Atlantic Mineral
Symposium*

*New Minister and Deputy
Minister of Mines & Energy*

*Prospectors Resource Room
Update*

*Changes to the Quarry
Materials Act*

Upcoming Events



GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR

Department of
Mines and Energy

Mines Branch

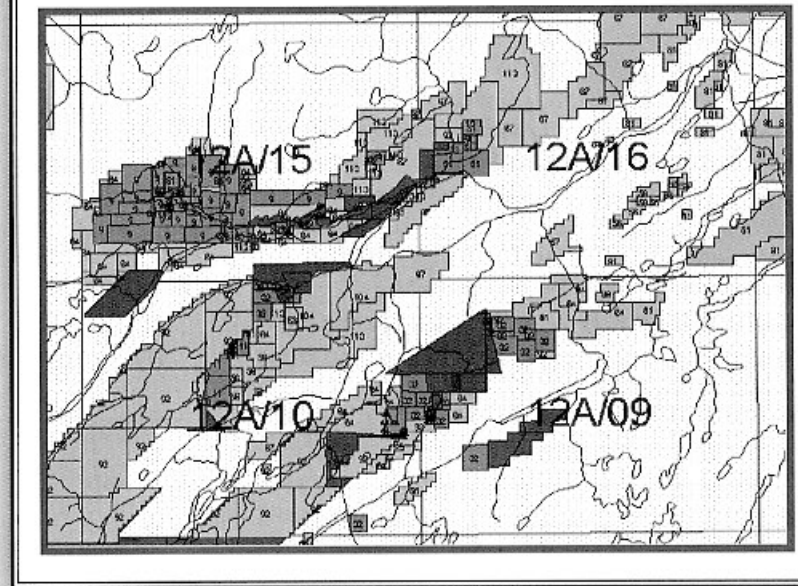
**NEW DEPOSITION (CLAIM) MAP OF
NEWFOUNDLAND NOW AVAILABLE**



Newfoundland Claim Map

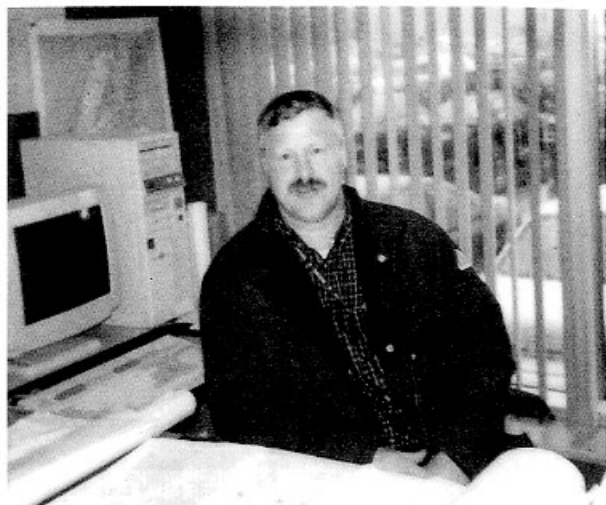
Updated January 8, 1999

Copies of the Newfoundland as
well as the Labrador Claim Map
are available upon request.
Claims information is also
available in digital form.



MINING WEEK MAY 10-16, 1999

Profile of a Prospector



Recently, as a result of the Prospectors Training and Assistance Program, a 'new generation of prospector' has become active in mineral exploration throughout the province.

One of the newest who is now involved in mineral exploration is Leroy Smith, from Arnold's Cove, Placentia Bay. Leroy was born in Brookside, Placentia Bay, on the Burin Peninsula. He and his family moved to Arnold's Cove in the early 1970s under the resettlement program. He is presently working with North Atlantic Refining Limited in Come By Chance.

For a long time Leroy has been very interested in rocks and minerals, but has been prospecting for only a couple of years. Last spring, realizing he needed to further his knowledge, he enrolled in the Prospectors Training course at the College of the North Atlantic in Stephenville. Leroy now spends all of his spare time, both on weekends and days off, in the woods prospecting, particularly for base and precious metals on the Avalon and Burin peninsulas. His efforts have already led to the discovery of a number of showings, including an important new gold prospect which has significant gold numbers (up to 16 g/t), in an area and geological setting previously considered to be of low mineral potential. He recently optioned this property to Noveder Inc.

Leroy is keen to learn and frequently visits the Geological Survey offices to consult with its project geologists and obtain reference materials. He is one of many recently trained prospectors who has demonstrated that initiative and hard work in this, his new part-time profession, can lead to successes.

Mineral Statistics

The total value of Newfoundland and Labrador's mineral shipments is forecast to decrease in 1999. This is due to both a reduction in volume and the price of iron ore. The 1997 (preliminary) value of mineral shipments was \$1.005 billion, which increased to \$1.041 billion in 1998 (estimate). For 1999, the total value is forecast to be \$905 million.

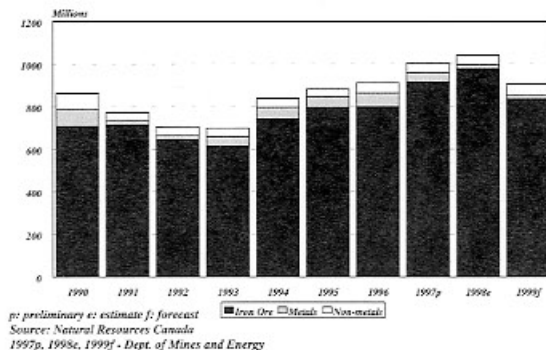
The province's mineral industry produces over a dozen mineral commodities that contribute significantly to our economy. Many of these commodities are critical elements in construction, and others are used on a daily basis.

Shipments of industrial minerals, or non-metals such as dolomite, gypsum, and peat, and structural materials such as slate, brick, cement, stone, and sand and gravel, account for about \$43 million of the 1998 (estimate) total, and in 1999 it will increase to about \$51 million, mainly due to the increased production of barite, dolomite, gypsum and dimension stone. Metals, including iron ore products and gold, will account for the remainder. Gold shipments are forecast to decrease from \$20 million in 1998 to \$19 million in 1999, due to the drop in the metal price. Western Labrador produces approximately 55 percent of Canada's iron ore products.

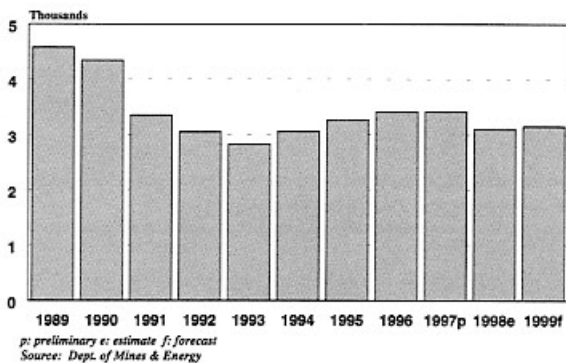
Employment in the mining sector is forecast to increase to 3150 people in 1999 from 3100 in 1998.

The mining industry remains an area of potential growth and offers opportunity for new developments, expansion, and further processing in 1999. Mining is an important market for hundreds of millions of dollars in goods and services.

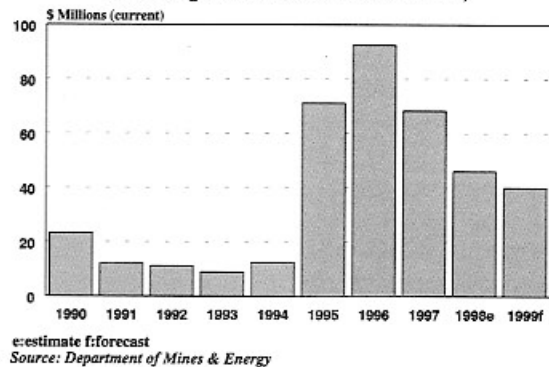
**Newfoundland and Labrador
Value of Mineral Shipments**



Newfoundland and Labrador Mining Industry Average Employment



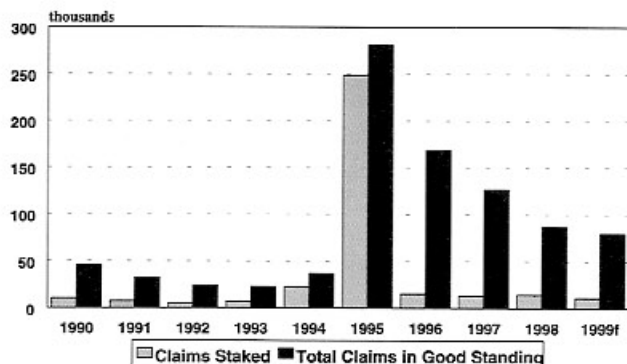
Newfoundland and Labrador Exploration Expenditures (Including Administration and Overhead)



Mineral Exploration Update

During 1998, 14 476 claims were staked; the forecast for 1999 is 11 000 claims and approximately \$40 million in exploration expenditures. Most of the expected 1999 exploration will be directed toward base-metal targets in central Labrador, the Buchans to Baie Verte area and Musgravetown area. Gold exploration will be undertaken on the Avalon-Burin peninsulas, the Diversion Lake area, the Gander Bay area and on the Baie Verte - Springdale peninsulas. Some exploration for industrial minerals is also anticipated, mainly in central Newfoundland.

Newfoundland and Labrador Claim Staking



f: forecast
Source: Department of Mines & Energy

Base Metal

During 1998, Billiton Exploration Canada Limited, signed separate joint venture agreements with Buchans River Ltd. and associated companies, Celtic Minerals Ltd. and Altius Resources Inc. on a substantial land package in the Buchans - Red Indian Lake area. A deep penetrating airborne geophysical survey was completed in late 1998. Results of this survey are expected by March 1999 and several drilling programs are anticipated.

Noranda Mining and Exploration Ltd. converted approximately 70 000 hectares of the AND Charter, central Newfoundland to claims, and surrendered about 10 000 hectares of the AND Charter to the crown in late 1998. The surrendered lands will come open for staking in mid-March. Separate exploration agreements on some of the converted claims have been signed with Kelmet Resources Ltd. and Buchans River Ltd.

Thundermin Resources Inc. finalized an agreement with Noranda Mining and Exploration Inc. on March 2, 1999. The company has started compilation work and is currently obtaining the necessary permits to complete diamond drilling on 7927 hectares of land encompassing the Duck Pond - Tally Pond base-metal deposits, 30 km southeast of Buchans. Exploration is designed to aid in putting the deposit in commercial production by March 31, 2006. Geological reserves stand at 6.35 million tonnes grading 3.29% copper, 1% lead, 6.3% zinc, 63.05 g/mt silver and 0.82 g/mt gold.

Buchans River Ltd. completed an exploration program over some parts of its 476-claim Duck Pond base-metal properties. This work has identified several new targets for follow-up work.

Noveder Inc. recently completed a diamond drilling program on its copper and cobalt Cabot Property, north of Baie Verte.

On February 12, 1999, Cornerstone Resources Inc. announced that it had signed a letter of intent to enter into an exploration option, share purchase and operating joint venture agreement with Phelps Dodge Corporation of Canada, Limited, on the Princess property, in the Musgravetown area.

Mutapa Gold Corp. and Ionex Mineral Exploration services have diamond-drill programs planned for their respective properties, in the Springdale area. First Labrador Acquisitions Inc. will complete a limited diamond drilling program on its Mings Bight property east of Baie Verte.

Gold

Fort Knox Gold Resources Inc. intends to complete several ground geotechnical surveys including diamond drilling on its Diversion Lake - Grand Falls, Wing Point - Gander Bay and Avalon properties. Values up to 201 g/mt gold from the Diversion Lake - Grand Falls properties and up to 31.6 g/mt gold from the Avalon property have been reported. Diamond drilling on the Diversion Lake property began in early March.

In early 1999, First Labrador Acquisitions Inc. completed trenching programs on its Monkstown and Kelstone properties and diamond drilling on its Kelstone and Braxton - Bradley properties all located on the Burin Peninsula. Recent assay values up to 4 g/mt gold from the Kelstone have been reported. Additional diamond drilling is planned.

Vinland Resources Limited completed a diamond drilling program on its Triangle Pond property, 25 km west of St. John's during January - February, 1999. Values up to 36.0 g/mt gold have been reported from previous exploration efforts.

During 1998, Altius Resources Inc. signed agreements with Exploration Sulliden and Teck Exploration on separate properties in its Botwood Basin project. Diamond drilling programs have been completed on the Rolling Pond and the Mustang properties.

In late 1998, NDT Ventures Ltd. completed a program of prospecting, gridding, geophysics and soil geochemistry on the Goobies property, 100 km west of St. John's. Results released include a chip-channel sample averaging 4.98 g/mt gold and 14.8 g/mt silver across 15.9 metres.

Industrial Minerals

Omya St. Armand Ltd. plans to complete additional site work at its Coles Pond marble deposit.

10324 Newfoundland Limited completed a preliminary sampling program of its Coney Arm, White Bay limestone property in late 1998.

Geoscience Needs Workshop

The Geoscience Needs Workshop was organized by the Geological Survey of Newfoundland and Labrador (GSNL) and the Geological Survey of Canada (GSC) to determine, as fully and accurately as possible, the geoscience needs of its clients and client groups. As broad a range as possible of the client groups who use products and services provided by the two Surveys were invited. Some 200 clients were identified with 40 client participants registering for the workshop. The workshop was supplemented by a questionnaire given to all 200 clients.

The chief facilitator presented the results of the workshop in a final report. The workshop reinforced the value of both the GSNL and GSC's work to the province. It was obvious that the Surveys' clients rely heavily on their products and services, including advice and consultation. Clients felt that the traditional programs should be continued and strengthened, and identified new endeavours to be addressed in the future. For a copy of the workshop report, please contact the GSNL.

North Atlantic Minerals Symposium September 19-22, 1999

The North Atlantic Minerals Symposium is sponsored by the Government of Newfoundland and Labrador and the Government of Ireland to focus attention on the mineral resource industry and potential of their respective areas. Specifically, the objectives of the Symposium are to:

- Facilitate interaction between entrepreneurs and investors;
- Provide entrepreneurs a platform to present their projects;
- Facilitate interaction between producers and end users; and
- Facilitate the development of the regions' mineral resources.

The Symposium will include Technical Sessions, a Trade Exhibition, a Business Forum and a Poster Session. There will be also pre- and post-symposium field trips. Pre-symposium field trips will be held in Newfoundland and include: (i) *Geology and Mineral Deposits of the Northern Dunnage Zone* and (ii) *Trans-Newfoundland Industrial Minerals*. Post-symposium field trips will be held in Ireland and include: (i) *The Carbonated-Hosted Base-Metals of Ireland Mine Tour*, (ii) *The Gold Deposits of Ireland* and (iii) *The Industrial Minerals of Ireland*.

Symposium topics and issues include: *Mineral Deposits in Regions surrounding the North Atlantic; Current activity in the Minerals Industry in the North Atlantic Region; Metallic Minerals – case histories; models trends, economics, financing; Industrial Minerals – case histories, markets, future uses and demands; Diamonds.*

For further information, please contact:

Mr. Baxter Kean

Co-chair, North Atlantic Minerals Symposium
Geological Survey of Newfoundland and Labrador
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Tel. (709) 729-5946, Fax (709) 729-4491

E-mail: bfk@zeppo.geosurv.gov.nf.ca

New Minister and Deputy Minister of Mines and Energy

Roger Grimes is a graduate of Memorial University of Newfoundland with degrees in Science (B.Sc.) and Education (B.Ed.) as well as a Masters Degree in Education (M.Ed.)

Prior to becoming involved in politics, Roger taught school in central Newfoundland for 15 years. While teaching, he also served as the President of the Newfoundland and Labrador Teachers' Association and as Director of the Canadian Teachers' Federation.

In the general election of 1989, Roger was elected as the Member of the House of Assembly for the District of Exploits. He was appointed Parliamentary Assistant to the Premier, a position he held until 1991 when he became the Minister of Employment and Labour Relations. Following the election in 1993, Roger was re-appointed to Cabinet and became the Minister responsible for Tourism, Culture and Recreation in 1994. After the general election of 1996, Roger was appointed Minister of Education, a position he held until December, 1998, when he became the Minister responsible for Mines and Energy.

Roger is well known in Newfoundland and Labrador for his athletic prowess, having represented the province in a number of national sporting events.

He is still active in recreational hockey and slo-pitch softball, and is an avid golfer.



Brian Maynard graduated from Memorial University of Newfoundland with a Bachelor of Commerce degree in 1983. He obtained the designation of Chartered Accountant in 1985.

Brian began his career in government in 1983 as an Auditor with the

Department of the Auditor General. He served as Director of the Hibernia Project Monitoring Committee in Executive Council from 1991 to 1996. In 1996 he was appointed Director, Petroleum Projects Monitoring with the Department of Mines and Energy.

In July, 1998 he was appointed Assistant Deputy Minister of Energy with the Department of Mines and Energy, a position he held until his appointment on January 1, 1999 to the position of Deputy Minister of Mines and Energy.

Prospectors Resource Room Update

As stated in the last issue of Minfo, a prospectors resource room has been established in the Natural Resources Building, 50 Elizabeth Ave., St. John's. The Matty Mitchell Room will be a multi-use facility equipped to serve the needs of the prospecting novice, the professional prospector, or other individuals in the Newfoundland and Labrador exploration industry. The resource room is overseen by a six-person committee made up of representatives from the Geological Survey of the Department of Mines and Energy, mineral industry organizations, and the Department of Earth Sciences, Memorial University.

Len Mandville has been hired, on a short-term contract through the Chamber of Mineral Resources, to work on the resource room. He will be working closely with members of the committee to establish a high-quality facility for the geological education and professional development of prospectors. The facility is looking for financial contributions as well as any resource materials you wish to donate to the room.

Users are invited to visit the room, which is located on the main floor of the Natural Resources Building, 50 Elizabeth Avenue, St. John's in the Geoscience Publication and Information Section, to view the progress and give your comments or suggestions.

Changes to The Quarry Materials Act

The Quarry Materials Act, 1998, was passed in the Fall session of the House of Assembly and was officially proclaimed with a notice in the Newfoundland Gazette on January 15, 1999. The Department of Mines and Energy was directed in 1996 to draft amendments to the Quarry Materials Act to provide for:

- a) clearer definition of quarry material;
- b) an expanded definition of what constitutes an offence;
- c) increased fines and penalties for an offence;
- d) a Court Order to require rehabilitation of areas upon conviction;
- e) seizure and confiscation of equipment involved in illegal quarry activity;
- f) elimination of the requirement for an application for a quarry permit to be in file prior to the issuance of an exploration licence; and
- g) any other items of a housekeeping or consequential nature identified during the preparation of the draft amendments.

Definition and Dimension Stone

The definition of quarry material in the former Act included the phrase "a mineral rock or stone capable of being cut or polished for use as an ornament, personal adornment or decoration". This part of the old definition made it quite clear that dimension stone was a quarry material. The reference to a stone used for personal adornment was problematic and left a number of materials open to interpretation as to whether or not they were quarry materials. For instance it could be argued, that diamonds were quarry materials. The new definition reduces the ambiguity.

After considerable discussion internally, and in consultation with industry, it was decided that the dimension-stone industry would be better served if dimension stone was treated as a mineral. Developers of

projects and groups exploring for dimension stone will have a more secure form of land tenure under the Mineral Act. Investors have a better understanding and appreciation of this form of land tenure and the change should facilitate investment in the sector.

Moving dimension stone and slate from administration under the Quarry Materials Act to the Mineral Act necessitated transitional provisions. Administratively, the simplest procedure was to have dimension stone and slate, automatically included in existing mineral interests upon proclamation. Provisions were required for dimension-stone interests, issued under the former Quarry Materials Act, to be continued and converted to a mineral title under the Mineral Act.

The transitional provisions would have the effect of changing existing third party interests. While this did not pose a problem for licences in Newfoundland, changing existing third party mineral interests in Labrador was not desirable in the midst of land claim negotiations. As a result it was decided to retain the former definition and maintain the status quo for Labrador.

Enforcement

The former Act was very weak in its provisions to ensure compliance. Rehabilitation conditions were difficult to enforce. The fines upon conviction for quarrying without a permit were insignificant.

The new legislation contains a number of provisions to improve compliance. Inspectors will have the authority to issue a stop work order to halt quarry activity that is taking place without a permit or in non-compliance with the conditions attached to the permit. In the past, it was becoming common practice for operators to resume quarry activity when our inspectors left the site; the minimum/maximum fine for disregarding a stop work order will be \$10 000/\$50 000.

It is now an offence to remove material, prepare to remove material, or have equipment on Crown Land, unless you have a quarry permit. Non-compliance with the terms and conditions attached to the permit is also an offence. The fines upon conviction have been increased to a minimum/maximum of \$2 000/\$10 000 for a first offence and \$10 000/\$50 000 for subsequent convictions within five years. If necessary, upon conviction, the Department of Mines and Energy can request a court

order for rehabilitation of a site. If the court order is not complied with, the department can complete the rehabilitation and charge the contractor with the cost of the work; the cost can be recovered as a debt to the Crown.

In extreme cases, employees of the department that are designated inspectors will be able to obtain a warrant for search and seizure of records or equipment, where an inspector believes, on reasonable grounds, that a person is contravening or has contravened, the Act. Upon conviction the judge may order any equipment seized, forfeited to the Crown.

Resource Management

The new Act will improve our ability to administer and manage the resource. Permits do not convey title or ownership to the resource; a permit simply allows a person or company to remove the material required from a particular site. Permit holders will not be able to monopolize the resource at a site; if a second party needs material from a site to which a permit has already been issued, the department can issue a Subordinate Permit to the second party.

Subordinate Permits will be issued for specified amounts of material; royalties will have to be paid in advance and a fee will be charged for these permits. The fee will vary depending on the term of the Subordinate Permit and volume of material required.

The issuance of a Subordinate Permit will require the approval of the Permit holder. However, if the Permit holder refuses for what the department considers unreasonable grounds, the Department of Mines and Energy has the authority to cancel the Permit in favor of the applicant for the Subordinate Permit. The Subordinate Permit provision in the new Act is intended to facilitate better resource management.

Companies that have a demonstrated an ongoing long-term need for a source of material will be encouraged to apply for Quarry Leases. Leases convey title to the resource and will not have Subordinate Permits imposed on them. The conditions for acquiring and maintaining Leases are more stringent than for Permits; the department will continue to be discriminating when issuing Quarry Leases for the sake of good resource management.

The new legislation, combined with changes in procedures over the past year, should improve the department's efficiency in issuing Quarry Permits to individuals or companies. With time, the overall visual

impact and proliferation of quarries should be reduced as the provisions in the new legislation take effect.

Upcoming Events

101st Annual General Meeting of CIM and Tradex '99.

May 2-5, 1999

Calgary, Alberta

CIM Calgary '99 will provide a global forum for the exchange of information. Multi-disciplinary sessions will cover topics ranging from technology and financing, to mining opportunities and the environment, amplifying the conference theme "Mining: Catalyst for Social and Economic Growth". For more information please contact Chantel Murphy at:

Tel: (514) 939-2710 ext. 304

Fax: (514) 939-2714

e-mail: calgary99@cim.org

GAC/MAC Annual Meeting.

May 26-28, 1999

Sudbury, Ontario

This is the premier geoscientific meeting in Canada with a strong international representation. For further information please contact:

Tel: (705) 673-6572 (ext. 6576)

Fax: (705) 673-6508

e-mail: gacmac99@nickel.laurentian.ca

Web site:

www.laurentian.ca/www/geology/gacmac99.htm

4th Annual Voisey's Bay & Beyond Conference and Trade Exhibition.

June 21-23, 1999

Happy Valley-Goose Bay, Labrador

For more information contact:

Tracey Pardy

Tel: (709) 896-8855

Fax: (709) 896-0585

Baie Verte and Area Chamber of Commerce Mining Conference.

June, 1999

Baie Verte, Newfoundland

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

Linda Pinksen

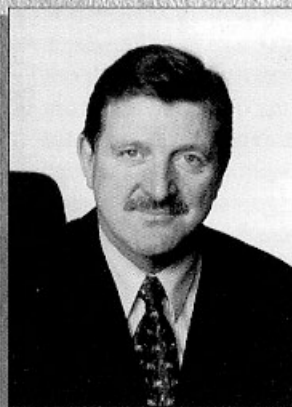
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RICH MINERAL RESOURCES

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



Roger Grimes

ROGER GRIMES
Minister



GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR

Department of
Mines and Energy

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Assistant Deputy Minister.....(709) 729-2768

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General Inquires.....(709) 729-6849
Mineral Rights.....(709) 729-6437
Quarry Rights.....(709) 729-4044
Exploration Monitoring.....(709) 729-6418
Core Storage, St. John's.....(709) 729-5833
Core Storage, Pasadena.....(709) 686-2054
Director, Mineral Development... (709) 729-3197
Engineering Analysis.....(709) 729-3197
Mining Project Analysis.....(709) 729-3197
Mineral Industry Assistance.....(709) 729-2358
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System.....(709) 729-5986
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& Terrain Sciences.....(709) 729-2171
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