

# MINFO

Mineral Resources  
INFORMATION

*Volume 5, No.3  
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*Rod Mercer (right), Project Geologist, and Rick Legge, Project Engineer, discuss the initial mining of Pennecon's barite/celestite deposit at Boswarlos.*



GOVERNMENT OF  
NEWFOUNDLAND  
AND LABRADOR

Department of  
Mines and Energy

Mines Branch

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## **BRUCE RYAN AWARDED PROVINCIAL GEOLOGISTS MEDAL**

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*Bruce Ryan being presented with the Provincial Geologists Medal by the Mines Ministers Conference Co-chair, the Honourable Donald MacKinnon, PEI's Minister of Development.*

The inaugural Provincial Geologists Medal was presented to A. Bruce Ryan at the recent Canadian Energy and Mines Ministers Conference in Charlottetown, P.E.I. Mr. Ryan is a senior geoscientist with the Geological Survey of Newfoundland and Labrador, a division of the Department of Mines and Energy.

The Provincial Geologists Medal recognizes outstanding work by a geoscientist in one of Canada's provincial or territorial Geological Surveys. Each province/territory submits a nominee for the medal, and an independent national selection committee representing industry, government and academia selects the winner. This year, Bruce Ryan was the unanimous choice of the selection committee.

The citation for Mr. Ryan referred to his profound contributions to our understanding of the geological evolution of Labrador. Specific reference was made to his work in the Nain area, including the recognition and delineation of a new rock unit that would later be found to host the Voisey's Bay nickel-copper-cobalt deposit. Some of Bruce's other accomplishments were also cited, including his being selected as the GAC Robinson Distinguished Lecturer in 1996. The citation closed with quotes from letters of endorsement, including this one from the University of Toronto's Professor Tony Naldrett (known throughout the international geoscience community as "Dr. Nickel"): "These qualities, coupled with his inquisitive, logical mind, his unselfish

enthusiasm for geology and his courage in adversity make him, in my view, one of the most exceptional Canadian geologists active today."

**CONGRATULATIONS BRUCE. WELL DONE!**

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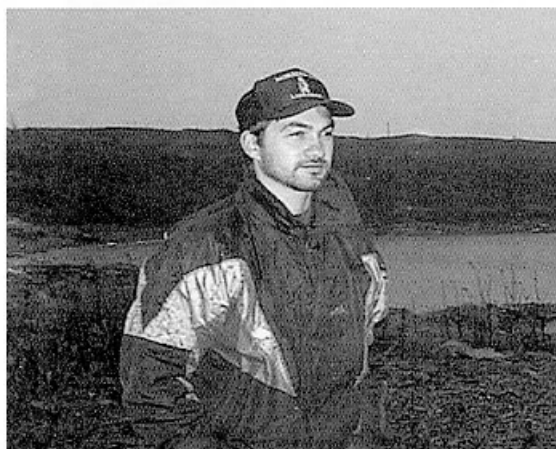
## **PROFILE OF A PROSPECTOR**

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Labrador is truly one of the last frontier regions of North America. Hosting the vast iron ore deposits in the west, to the world-class Voisey's Bay nickel-copper-cobalt deposits to the north, the "big land" has spectacular geology and tremendous mineral potential.

Keith Poole is one Labradorian who has become involved in prospecting in recent years. Keith has lived in St. Lewis (Fox Harbour) for most of his life, and has always loved the rural northern way of life and the challenges the remoteness has to offer.

Keith has served as Mayor of his community and was also on the Board of Directors of the regional economic development corporation. He continues to be active in southeastern Labrador through several business ventures.



Keith first became involved in prospecting in 1994, compiling and researching geological information provided by the Newfoundland and Labrador Department of Mines and Energy on prospective environments in southeastern Labrador. Keith says, "that although geology was not one of my strong points in school, I was always fascinated with rocks and minerals in the field." He staked his first mineral

claims in 1996, on the fault zone bounding the sapphire prospects held by Rockhopper Corporation in the St. Lewis Inlet area. Over the past two years, Keith has also prospected in the Hawke Harbour-Capelin Bay area of Labrador.

Keith believes that the biggest obstacles to individuals being able to prospect in Labrador is the inaccessibility to the interior and the cost of travel. He is anxiously following the development and construction of the Trans-Labrador Highway, particularly in the southern and southeastern regions, which will create a whole new opportunity for prospectors in the region, especially where the road passes through or nearby high-potential geological environments.

At 30 years of age and having completed the government-sponsored Prospectors Training Course in 1998 in Stephenville, Keith is aggressively pursuing prospecting activities through one of his companies, Poole Enterprises Limited. Keith will undoubtedly make his mark on the mineral exploration scene in the province over the coming years.

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### **CCFMS FIELD TRIP**

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The Central Canadian Federation of Mineralogical Societies (CCFMS), founded in 1969, arose out of the "Inter-Club Field Trip Committee", which had existed since 1964. The CCFMS assists its members promote earth sciences, protect collecting sites, educate collectors, and foster goodwill, friendship and rapport among all.

The CCFMS held its summer field trip in Newfoundland this year. This year's theme was "The Final Frontier - Newfoundland" as it is the last long trip planned for the

foreseeable future. The 13-day trip began in Stephenville on July 25th with an introduction and overview to the province. The group of 28 then collected minerals in many parts of the island while sight-seeing.

The trip was deemed a success as the participants, not only carried home numerous mineral treasures, but also experienced our Newfoundland culture.

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### **NEWS FROM THE CHAMBER**

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The Newfoundland and Labrador Chamber of Mineral Resources (NLCMR) is a non-profit organization that represents all sectors of the Province's mining and exploration sectors. The Chamber's main objectives include acting as a focal point for representation to government on issues of concern, acting as a source of information and education for members, and identifying and enhancing opportunities in the mining and exploration sectors.

The Chamber has played an active role in many significant events in 1999, and continues to act on behalf of our members. The Chamber led the push that resulted in the provincial government announcing the \$6 million dollar (government contribution) Mineral Exploration Incentive Program that consists of exploration assistance for junior companies, prospectors and the dimension-stone industry.

The Chamber was also involved in the establishment of the proposed Little Grand Lake Ecological Reserve. The reserve will not only provide protection for the Newfoundland pine marten, but will also ensure that mineral exploration will be allowed to continue on Glover Island through the establishment of a Public Reserve status for Glover Island.

The Chamber was able to provide financial assistance to member companies that participated in the recent North Atlantic Minerals Symposium in Dublin, Ireland. The Chamber also displayed corporate information for several other companies that could not attend the Symposium. All participants report establishing business contacts that have the potential to bring investment to Newfoundland-based exploration projects. The Chamber will also provide exhibitor space to our members at such upcoming events as the Cordilleran Roundup in Vancouver and PDAC in Toronto.

The Chamber will continue its efforts to improve the mineral industry in the province, but can only do so with a strong membership. For more information and membership details, please phone (709) 834-9542, fax (709) 834-8442, or e-mail [timfroude@nf.sympatico.ca](mailto:timfroude@nf.sympatico.ca).

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## **NORTH ATLANTIC MINERALS SYMPOSIUM (NAMS)**

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The first North Atlantic Minerals Symposium was held in Dublin, Ireland, September 19-22, 1999. Although the idea of a trans-Atlantic minerals or geology conference/symposium is not new, it did not come to fruition until the signing of the *Memorandum of Understanding* between the Government of Ireland and the Government of Newfoundland and Labrador. The *Geological Survey of Ireland* and the *Geological Survey of Newfoundland and Labrador* are joint organizers and sponsors. The symposium will be held every two years, alternating between Ireland and Newfoundland, with the second being held in St. John's in 2001. The idea of the symposium is to highlight the attractions, opportunities and benefits the North Atlantic region has to offer investors and entrepreneurs in the minerals and related sectors — a business event, as well as a geological conference.

The first NAMS attained these objectives with a highly successful and diversified technical program covering topics as varied as metallic and industrial mineral deposits, mineral potential, exploration activity, mineral policy, future trends, financing and environmental issues. There were 43 technical presentations and 13 trade exhibitors/posters. There were two, well-attended and informative post-symposium field trips: one to the world-class, carbonate-hosted zinc-lead ore deposits of central Ireland; the other to the sediment-hosted, gold mineralization in Northern Ireland. These trips accompanied by superb social events and entertainment. The Honourable Roger Grimes, Minister of Mines and Energy, addressed Tuesday's luncheon with a presentation on the province's mining and exploration scene and its opportunities.

Over 200 delegates, representing all aspects and most major players in the industry, attended the international symposium.

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## **EXPLORATION ASSISTANCE PROGRAM**

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During the 1999-2000 fiscal year, Prospectors and Industry Assistance has experienced significantly increased funding. In March, the Government of Newfoundland and Labrador announced a three-year, \$6 million program that included funding of \$2 million for 1999-2000.

This new Mineral Exploration Program consists of three main components: an expanded Prospectors Assistance Program (PAP) with funding of \$250 000; a Junior Company Exploration Assistance Program (JCEAP) with \$1.5 million; and a Dimension Stone Incentive Program (DSIP) with \$250 000.

The mineral industry's response has been very enthusiastic. To date, the JCEAP and DSIP programs have a total of 27 projects that comprise approximately \$1.6 million of public funds that require approximately \$5.5 million of private sector investment.

The PAP involved 101 grants and consumed the entire budget. To date, seven prospectors have concluded option agreements with mineral exploration companies that will result in private sector expenditures approaching \$2.0 million.

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## **EXPLORATION UPDATE**

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Mineral exploration expenditures for the province continue to decline mainly due to the reduction in exploration in Labrador. However, a significant upturn in exploration activity in central Newfoundland, particularly for gold and base metals has helped to sustain a significant level of activity.

In 1999, expenditures for mineral exploration are forecast to be \$38 million down \$13 million from \$51 million in 1998.

### **Newfoundland**

Following conversion of approximately 70 000 hectares of its central Newfoundland A.N.D. Charter Lands to mineral claims, Noranda Mining and Exploration Inc. signed exploration agreements with several companies. At Valentine Lake, Mountain Lake Resources Inc.'s drilling program has uncovered widespread Au mineralization with reported grades

ranging from 1.01 g/mt to 10.19 g/mt over thicknesses of 0.6 m to 5.7 m. Infill drilling at Duck Pond by Thundermin Resources Inc., in partnership with Queenston Mining Inc., has confirmed its base-metal deposit and indicated the presence of another deeper zone of mineralization. Current resource estimates stand at 6 million tonnes grading 3.4% Cu, 6.4% Zn, 1.1% Pb, 61.4 g/mt Ag and 0.9 g/mt Au. Diamond drilling is also being conducted by Phelps Dodge Corporation of Canada Ltd. on the Mary March property and by Kelmet Resources Ltd. on the Tulks North property. Other agreements made by Noranda in the area are those with Alto Minerals Inc. at Long Lake and Buchans River Ltd. at Harpoon Hill.

In the Buchans - Red Indian Lake region, Billiton Exploration Canada Limited has entered into joint-venture agreements with Celtic Minerals Ltd., Buchans River Ltd., Altius Resources Inc. and GT Exploration Ltd. An airborne geophysical survey was completed last winter and the follow-up program includes geochemical sampling, ground geophysics and diamond drilling of identified targets. Billiton is in joint venture with Altius Resources Inc., near Taylor Brook, southwest of White Bay, and has an opportunity to earn a 50% interest in either of Rubicon Minerals Corporation's Point Leamington or Lewis Lake base-metal properties. Altius staked 1415 claims and is conducting a mapping, prospecting, geochemical sampling and geophysical surveying program following grab sample analyses that yielded up to 7.96% Ni, 2.55% Cu, 0.14% Co, 229 ppb Pt, 334 ppb Pd and 2450 ppb Au.

United Carina Resources Corp. and joint-venture partner Consolidated Pine Channel Gold Corp. are completing line-cutting, trenching, soil sampling and geophysics on the Linear Group property near Appleton, west of Gander. Visible gold has been identified in several locations on the property and a drilling program has been initiated to test the "Dome", where one sample yielded 257.2 g/mt, and other showings.

Altius Resources Inc. acquired over 400 claims in the Northwest Gander River area where it is exploring for gold and, in its Botwood Basin gold project, agreements with Exploration Sulliden and Teck Explorations Ltd. have led to the completion of drilling programs on the Rolling Pond, Mustang and Moosehead properties.

Major General Resources Limited is bulk sampling its Hammerdown and Rumbullion gold prospects near Springdale, from which a current estimate of the

resource stands at 356 000 ounces in 614 000 tonnes of ore grading 18.01 g/mt Au.

Fort Knox Gold Resources Inc. has conducted diamond drilling at Diversion Lake, Grand Falls, and Wing Point, Gander Bay, which, respectively, have yielded up to 10.9 g/mt over 2.16 m and 9.98 g/mt over 1.15 m.

Near Musgravetown, Phelps Dodge Corporation of Canada Ltd. is line-cutting and conducting ground geophysics in exploration for red-bed copper or epithermal Cu-Au mineralization on the Princess Property, which it has optioned from Cornerstone Resources Inc.. Cornerstone is also working its Princess West Property and is trenching and drilling at its Pauls Pond gold project in central Newfoundland.

The industrial minerals and dimension stone sectors also have had a strong year (*see* also Mineral Industry Update). Pennecon Limited and Omya St. Armand Ltd. continue studies on limestone/marble on the Northern Peninsula. Atlantic Minerals Ltd. completed a drilling program on its Lower Cove limestone/dolomite property on the Port au Port Peninsula, and farther south Galen Gypsum Mines Ltd., Lafarge Gypsum Canada Inc. and Leeson Resources Inc. (salt) are active in the Flat Bay - Fishells Brook area. International Granite Corp. (central Newfoundland) and Kenny's Marble Works (Goobies and Terrenceville) are involved in new quarry developments for monument stone projects.

### Labrador

Voisey's Bay Nickel Company Ltd.'s exploration includes delineation drilling of the Eastern Deeps and geophysical programs throughout the Voisey's Bay camp where total reserves have increased to 136.7 million tonnes grading 1.71% Ni, 0.92% Cu and 0.09% Co. Exploration programs were also completed on its Kiglapait claims.

At Okak Bay, north of Nain, Gallery Resources Ltd. established grids and conducted geophysical surveys over the summer and are continuing work in the area with a drilling program. Gallery also undertook exploration programs at Harp Lake and Cabot Lake, in partnership with International Silver Ridge Resources Ltd., where geophysical surveys have been completed.

Industrial minerals exploration is taking place in northern Labrador, at the Iron Strand, where Freeport Resources Inc. bulk sampled both the onshore and offshore claims for its garnet-sand project.

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## **MINERAL INDUSTRY UPDATE**

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The value of mineral shipments in the province is expected to decrease from \$1.008 billion in 1998 to approximately \$800 million in 1999. This decrease is due to both a reduction in the volume and price of iron ore products. Shipments of industrial minerals, or non-metals such as dolomite, gypsum, dimension stone, peat, and sand and gravel, accounted for approximately \$46 million of the 1998 total and are expected to be about \$45 million in 1999. Metals, including iron ore products and gold, account for the remainder.

Employment in the mining sector is forecast to decrease to approximately 2 860 people in 1999 from 3 090 in 1998, mainly due to a reduction in the number employed in the iron ore sector, and a decrease in exploration activity.

**Pennecon Limited** started mining its deposit of barite/celestite located at Boswarlos in October, 1999. The deposit contains approximately 100 000 tonnes of mineable reserves. In 1999, the company expects to mine all of the ore and truck it to Aguathuna, where it will be jigged and blended. In 2000, the processing of the concentrate into a drilling mud for the offshore petroleum industry is scheduled to begin.

**Shabogamo Mining & Exploration Limited** started mining its high-purity quartzite deposit located near Labrador City in early October. The quartzite from the Roy's Knob mine will be processed in Wabush and shipped to SKW Canada Limited in Becancour, Quebec to produce silicon metal. The official opening ceremony and the first shipment is scheduled to take place on November 20, 1999.

**Midatlantic Minerals'** proposed dolomite/limestone operation at Aguathuna is in the final stages of environmental review by the federal government. Production is now scheduled to begin in the spring of 2000.

**Burin Minerals'** drilling program on the Blue Beach and Tarefare No. 2 deposits is ongoing. It is designed to firm up the reserves before a feasibility study on the reactivation of the fluorspar mines and mill is undertaken.

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## **MINERAL POLICY**

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A review and survey of national and international governments' mineral policies has been initiated by the Mines Branch. This activity is being conducted by Allister Taylor, the mineral policy consultant and its purpose is to determine this province's competitive position relative to other world mining centres. Mineral policy issues to be reviewed include mineral legislation and regulation, taxation, and incentive programs. This review will assist the Department to develop a provincial mineral policy strategy.

The Premier announced on September 27, 1999, a public consultation process to renew the province's economic agenda. The purpose of this consultation is to focus on building consensus and partnership to capitalize, in strategic areas, on the economic momentum the province is now enjoying, and identify new opportunities for growth. Public consultation forums will be held throughout the province. Exact dates and times will be announced through local media.

The mining sector has been identified as one sector having the potential to contribute to jobs and growth. Government will use the information arising from economic public consultations to focus its directions and overall policies. Copies of the consultation discussion document and information kit are available by contacting the Consultation Coordinator toll free at 1-877-729-6440, or in St. John's at (709) 729-6440. The information is also on the Internet at <http://www.gov.nf.ca>

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## **MATTY MITCHELL PROSPECTORS RESOURCE ROOM**

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The Matty Mitchell Prospectors Resource Room continues to mature into a fully functional information centre. Ramsey Way has been rehired as contract geologist to continue developing materials for the Room. He is also assisting prospectors prepare for the upcoming Cordilleran Round-up.

New resources available include rock and mineral specimens such as Bathurst (V.M.S.), Lac des Isles (p.g.e.), Hemlo (Au), Navan and Galmoy (Zn) and SW USA porphyry deposits; research papers; text books; a computer workstation; and a web site:

[www.geosurv.gov.nf.ca/matty/matty.htm](http://www.geosurv.gov.nf.ca/matty/matty.htm)

Come visit us soon: (1st Floor - Geological Survey, in the Natural Resources Building, 50 Elizabeth Avenue).

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**NORM PETERS PROSPECTORS  
RESOURCE ROOM - SPRINGDALE**

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The Springdale/Baie Verte area has long been recognized as a center for exploration and mining activity. In most recent months, a consortium of mineral industry and related people in the area set forth a proposal to initiate a Prospectors Resource Room.

The "Norm Peters Prospectors Resource Room" in Springdale is a fully functional exploration centre with geological data and academic aids available to help educate local prospectors, as well as provide a valuable database for regional exploration companies. The database, which focuses mainly on the central region of Newfoundland, has reports and maps on the geology, geophysics and geochemistry of the area. All literature pertaining to mineral claims, as well as up-to-date claims maps and the bi-weekly "Newfoundland Gazette", are present at the resource room. Past exploration and academic works (~1600 assessment files) in the form of microfiche for the region are also available. Exploration companies, prospectors, geologists or other individuals can contact Chad Wells, contract geologist:  
Tel: (709) 673-4773, Fax: (709) 673-4969

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**Y2K UPDATE - MINERAL RIGHTS**

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The Mineral Rights Database (MRD) is the official record of all ground- and map-staked licences issued under the Mineral Act. In June, 1999 the IT Division of the Department of Mines and Energy commissioned X-Wave to make the MRD Y2K compliant. This task was completed in August and testing was completed in September. In addition, X-Wave also completed some housekeeping and introduced another claim maintenance feature to the MRD. The MRD will be able to convert ground-staked mineral licences to map-staked licences. Some testing still needs to be completed on this feature, and some legislative changes are required to allow conversions.

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**UPCOMING EVENTS**

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**Northwest Mining Association Annual Meeting -  
Short Courses and Exposition**

November 28 - December 3, 1999

Spokane, Washington

This conference offers industry professionals the opportunity to gather and share technical information and view the latest products and services. NWMA pre-

convention Short Courses allow for professionals to learn about the latest technological innovations in specific fields. For more information :

Tel: (509) 624-1158

Fax: (509) 623-1241

email: [nwma@nwma.org](mailto:nwma@nwma.org)

**Cordilleran Roundup 2000**

January 25 - 28, 2000

Vancouver, BC

The British Columbia and Yukon Chamber of Mines are once again hosting the largest mining exploration conference and trade show on the West Coast. This year's theme is "Gateway to Discoveries". For more information:

Tel: (604) 681-5328

Fax: (604) 681-2363

email: [chamber@chamberofmines.bc.ca](mailto:chamber@chamberofmines.bc.ca)

**Mining Millennium 2000**

March 5 - 10, 2000

Toronto, Ontario

The Prospectors and Developers Association of Canada (PDAC) and the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) are coming together in 2000 to offer the most comprehensive mineral industry conference and trade exhibitions in the world. The Conference will offer an unparalleled opportunity for over 12,000 Canadian and international delegates to share ideas and learn from each other on global mineral exploration and mining issues. For more information, contact:

Serge Major

Tel: 1 800 667-1246

Fax: (514) 939-2714

email: [registration@cim.org](mailto:registration@cim.org)

**CIM District I Meeting**

June 28-30, 2000

Keltic Lodge, Cape Breton, NS

For more information, contact:

Dave Forester

Tel: (902) 539-6104

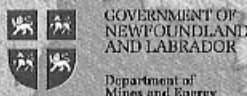
Fax: (902) 539-0020

## 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



P.O. Box 8700 Natural Resources Bldg.,  
 50 Elizabeth Ave., St. John's, NF  
 Canada A1B 4J6

## MINES BRANCH KEY CONTACTS

*Minister*.....(709) 729-2920  
*Deputy Minister*.....(709) 729-2766  
*Assistant Deputy Minister*.....(709) 729-2768

### Mines (Fax 709-729-6782)

*Director, Mineral Lands*..... (709) 729-6425  
*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  
*Wabush Office*.....(709) 282-3949

### Geological Survey (Fax 709-729-4270)

*Director, Geological Survey*.....(709)-729-2301  
*General Inquires*.....(709) 729-2301  
*Geoscience Publications and Information*.....(709) 729-3159  
*Mineral Deposits*.....(709) 729-2107  
*Mineral Occurrence Data System*.....(709) 729-6071  
*Regional Geology*..... (709) 729-2769  
*Geochemistry, Geophysics & Terrain Sciences*.....(709) 729-2171  
*Geoscience Data Centre*..... (709) 729-6693  
*Industry Services*.....(709) 729-6193  
*Geofile Database*.....(709) 729-6441  
*Goose Bay Office*.....(709) 896-5162