

MINING • OIL & GAS • ALTERNATIVE ENERGY

RESOURCEWORLD

INVESTMENT OPPORTUNITIES AND NEWS **magazine**

VOLUME 6 ISSUE 5

Noront Resources and the McFauld's Lake Ring of Fire

Richard Nemis
President/CEO

John Harvey
Executive VP

GOLD rises to prominence again

Exploring Ontario

NEW FEATURE: The Oil Patch Report

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– I'll go with my intuition
by David Duval



Richard Nemis, President/CEO, left, and John Harvey, Executive VP, of Noront Resources Ltd., with a mineralized sample from their Double Eagle Project in the James Bay Lowlands, northern Ontario. Photo by Glenn Brown.



Resource World is now entirely printed on Forest Stewardship Council certified paper. FSC certification ensures that the paper in our magazine contains fiber from well-managed and responsibly harvested forests that meet strict environmental and socioeconomic standards.

editor's comments

Ellsworth Dickson



When we launched *Resource World* magazine six years ago, our plan was to focus on covering mining, oil & gas and alternative energy stories more or less aimed at investors. It never occurred to us to report on food; however, the times now call for it.

Back in high school biology, we learned that all living things – both plants and animals – exist because they are somehow connected to each other, depend on each and are members of the food chain. Now, in an interesting article by Leonard Melman on page 28, we can understand how not only living things are connected, but how we humans are connected to living things (such as crops) through the world's financial system. This has become acutely obvious with the current food crisis affecting a number of developing and poorer countries. This topic is expanded upon in the article on page 26 by Eric and Dennis Hoesgen.

While well-intentioned, the U.S. initiative to grow corn for biofuel now appears to be back-firing. Here in Canada, the average person spends only about 14% of his or her income on food. In Mexico; however, it's 26% with about half of that being spent on corn products such as tortillas.

The International Monetary fund figures that ethanol production in the United States accounts for half of the increase in global demand for corn over the past three years. What this means is that growing food for fuel has exacerbated the increase in food prices which have soared by about 60% in the past year. This is in addition to rising fuel costs for food delivery trucks.

What can the world do to stop the impending food crisis? The Vietnamese spend about 65% of their income on food and it's worse in some other countries. There have already been demonstrations and riots in at least 18 countries around the world. Maybe more land needs to be devoted to food production. To make matters worse, a meat-based diet requires seven times more land than a plant-based diet; just when people in developing countries are becoming wealthy enough to buy more meat products.. Livestock production is responsible for producing more greenhouse gases than all the motor vehicles in the world.

Should the U.S. stop growing corn for fuel? Should there be fewer cattle ranches? What about producing biofuels from non-food, living things such as wood chips? Mining is involved as well, as can be seen from the increase in fertilizer prices (potash). In China, potash prices have risen from US \$400/tonne to US \$576/tonne during the past year. A number of countries have already stopped exporting rice in order to take care of their own populations first. In a related development, the price of sulphur, which is produced as a byproduct from processing natural gas and oil and used to make fertilizer, has rocketed from less than US \$50/tonne a year ago to about US \$650 today.

All these food problems are directly tied to world economics that include climate change policies, trade tariffs and barriers, and agricultural subsidies. Like never before, the world needs competent leadership to address these problems and, right now, it's hard to see how one leader or country can tackle these issues that are fast manifesting themselves on a global scale.

Since everything is linked together, there needs to be a major effort by many nations on a grand scale. A new book entitled *Common Wealth: Economics for a Crowded Planet* by Jeffrey Sachs, a Columbia University economist, summarizes these challenges and suggests some answers. Thanks to the *Vancouver Sun* for publishing some of the above figures. ■

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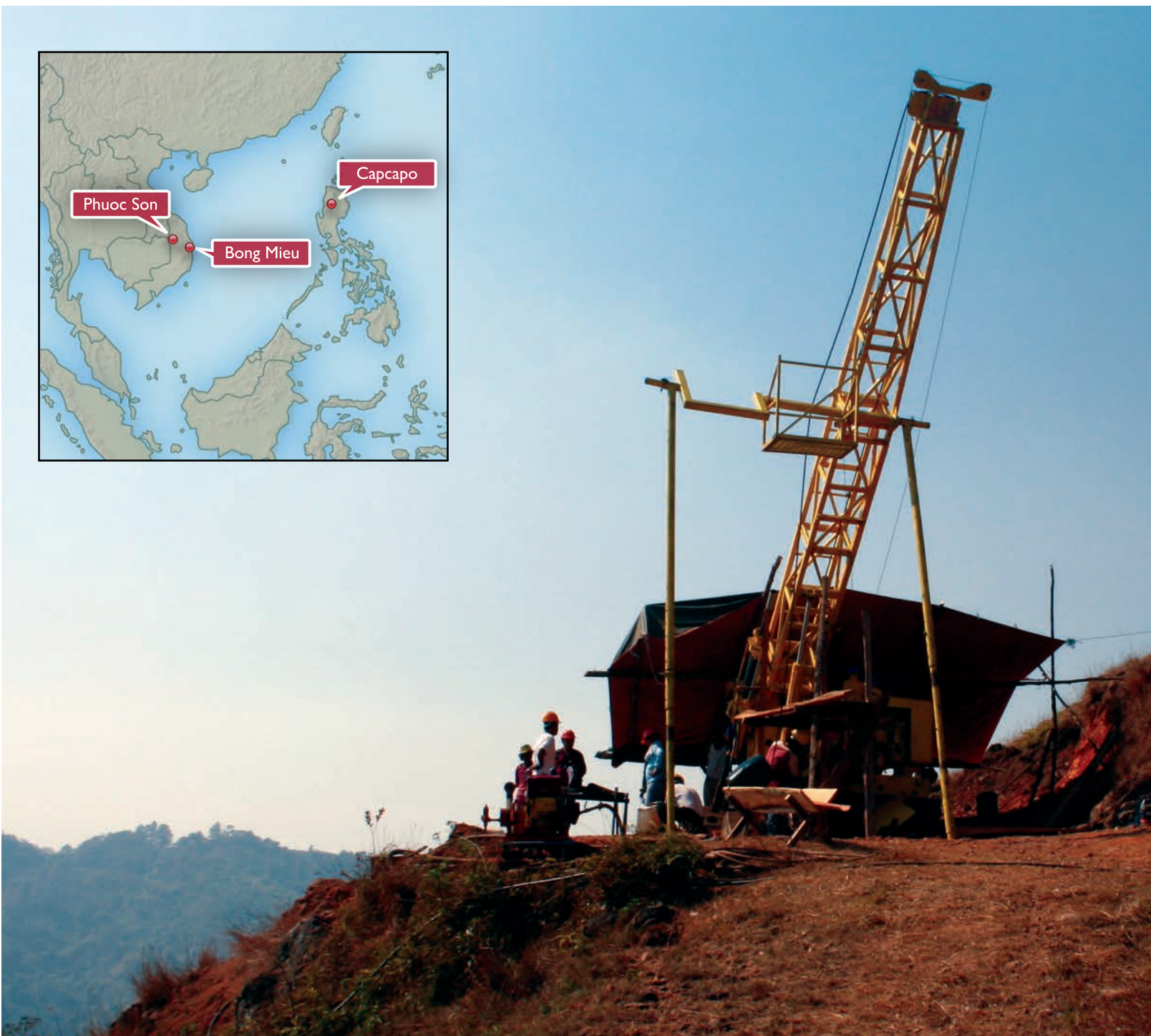
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- Exploration and development drilling forecast at 56,000 Meters.
- Phuoc Son resource doubled to 637,000 ounces gold. (Jan 15, 2008)
- Bong Mieu announces increased gold equivalent resource of 845,000 oz. (Oct 9, 2007)
- Producing gold at the Bong Mieu Gold Plant.
- Phuoc Son mine construction to commence once financing is secured.

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Gold **RISES TO PROMINENCE AGAIN**

by Staff Writer



Gold is a unique commodity in the global economy as it is produced for accumulation while virtually all other commodities are produced to be consumed.

The gold market has attracted the attention of investors globally with its spectacular run up in its price. Since 2001, the price of gold has tripled, increasing from below the US \$300/oz. level to US \$914/oz. at the time of writing. On March 13, 2008, the gold price went above the US \$1,000/oz. level for the first time in history, surpassing the US \$850/oz. high set in January 1980. The quoted benchmark price of gold (in US dollars) is known as the London Gold Fixing, which is based on daily meetings with five major gold-bullion firms.

Gold has been widely used as a store of wealth for centuries. People have used gold and silver largely in the form of jewellery and coins. Gold coins were used from 600 BC and the use of silver ingots in trade dates back even further to 2000 BC. The Persian Empire issued its own gold coin and collected its taxes in gold and the Roman Empire also minted its own gold coinage. Gold has unique characteristics in that it is durable, exchangeable and widely recognized as a store of value. However, several misconceptions exist about gold as a commodity. In this article, we will examine the role of gold in the global economy and the economic implications of the run up on gold prices.

Gold is a unique commodity in the global economy as it is produced for accumulation while virtually all other commodities are produced to be consumed. Although gold is used in the production of jewellery (which comprises 52% of above ground gold stockpiles and 69% of annual demand) – most jewellery is high-karat gold acquired because of gold's monetary characteristics, and not for reasons of adornment. Investment demand (19%) and industrial uses (12%) comprise the remainder of gold demand. Industrial uses of gold include electrical components and medical/dental applications that utilize gold's high thermal and electrical conductivity characteristics and resistance to corrosion. Essentially all of the gold mined throughout human history still exists in

above-ground stockpiles. Despite this, gold is considered to be a rare commodity with the entire above-ground gold stock being only about 158,000 tonnes in 2006 according to the World Gold Council.

In the past, paper currency had been backed by the gold standard – a system in which currency issuers guarantee to redeem notes, upon demand, in an amount of gold. Governments that had their currencies operating on the gold standard would redeem their notes to other governments in gold and would share a fixed-currency relationship. The last form of gold standard, the Bretton-Woods system, in which currencies in 44 participating countries (specifically the Allies of World War Two including Canada, the U.S. and UK) were 'pegged' to the price of gold from 1945-1971.

From the collapse of the Bretton-Woods regime in August 1971, all major currencies became fiat currencies quoted in floating rates and governments were free to print money without the concern that gold could be demanded for paper money. Bretton-Woods collapsed due to the Nixon administration's decision to pull the U.S. out of the system so that the U.S. could print money to finance the Vietnam war. Fiat money is typically backed by the good faith of the government maintaining or backing the money supply and the faith that government will accept the fiat currency in payment of taxes. With no gold backing, governments (specifically their central banks such as the Bank of Canada and the Federal

Reserve in the U.S.) are able to control its monetary policy (specifically, the money supply) by the printing of currency.

Although the Central Banks do not control the gold market, they can intervene and influence its price – as they intervene in many other markets. By keeping the gold price low, they make the demand for dollars higher than it would otherwise be – thus making the dollar appear more attractive. However, the Central Banks have been reducing the inventories of gold in their vaults, and now hold a relatively small part of the above-ground gold stock. After the Second World War, about 68% of the above-ground gold stock was in the vaults of Central Banks. The current estimate is around 19%.

FACTORS IMPACTING THE PRICE OF GOLD

The major factors impacting the price of gold, according to the noted gold guru, Paul van Eeden (www.paulvaneeden.com) are, in the short-term, the U.S. dollar exchange rate, and in the longer term, the relative inflation rate of gold and the U.S. dollar inflation rate (growth in the money supply as defined by M3, the broadest measure of money that refers to the money held by the non-bank public). The gold inflation rate is the annual mine production of gold as a function of all the gold mined (i.e., How much new gold is coming into stock and thus increasing the supply of gold?). History shows only increases in the above-ground stocks year after year by a relatively consistent 1.7% per annum.



Paul van Eeden



Jay Taylor

Originally from South Africa and now living in Canada, Mr. van Eeden, through his website, writes a weekly newsletter focused on the international gold markets. Van Eeden attributes the large run in the gold price in the past few years to over US \$1,000/oz. to speculators who are concerned about inflation and noted that going forward, the price of gold will be “extremely volatile.” The recent retraction to a little above the US \$900/oz. level reflects the price of gold normalizing from the speculative bid-up and van Eeden noted that the price should bottom at around US \$800/oz.

Van Eeden considers that the financial markets are entering into inflationary depression – similar to that of the 1970s – a condition economists call stagflation. His view is supported by the slumping U.S. economy, record levels of consumer debt and the increased prices in key consumer staples such as gasoline and food.

Well regarded New York-based gold expert Jay Taylor (www.miningstocks.com) commented that the recent interest in buying gold is due to a lack of investor confidence in the U.S. dollar and the U.S. economy. Taylor, who writes a weekly newsletter, *J. Taylor's Gold and Technology Stocks* via his website, mentioned “U.S. government initiatives such as the recent 2008 Bush economic stimulus package and the Hurricane Rita and Katrina aid packages have led to growing federal government budget deficits. Rising levels of public and private debt are problematic since the U.S. Federal Reserve has needed to print money to fund these programs and are effectively debasing the U.S. currency and are creating inflation.” This lack of

Ten-year gold price



confidence in the U.S. dollar is deepened by the depreciation in the U.S. dollar relative to other major world currencies.

Since 2001, under former U.S. Federal Reserve Chairman Alan Greenspan, the U.S. money supply increased 40%. His successor, Ben Bernanke, is known to his critics as ‘Helicopter Ben’ from his comment (originally attributed to the great U.S. economist Milton Friedman) that he would drop dollars from a helicopter if this is what it would take to stimulate the ailing U.S. economy. Based on Mr. Bernanke’s comment, the trend towards increasing the money supply by the Federal Reserve printing more currency appears to be continuing. Interestingly, in March 2006, the U.S. Federal Reserve ceased publishing M3 (the broadest measure of the money supply) statistics citing that it did not convey any additional information about economic activity than another measure – the M2.

Mr. Taylor’s view on the price of gold is that it will increase relative to equities as measured by the Dow Jones Industrial Average (DJIA). At present, the DJIA is 13.6X the gold price and Taylor expects this margin to reduce to 1:1 as deflation creeps into the equity markets.

Over the past few years, the lack of confidence in the U.S. dollar as well as increasing levels of inflation that have eroded the purchasing power of consumers have resulted in increasing numbers of people turning to gold as their preferred form of money. The pernicious impact of inflation is shown by the fact that it takes about \$10 today to purchase what \$1 purchased in the 1970s.

Gold acts as a hedge against inflation in that it preserves the purchasing power of consumers in an economic environment where the purchasing power of the dollar is falling. Given the threat of inflation, gold’s main advantage is that it cannot be debased since it is not being created ‘out of thin air’ by government fiat. In addition, gold is the only money *not* contingent upon anyone’s promise, an attribute that explains why gold is called ‘sound money’

– in contrast to the unprecedented levels of debt and financial derivatives that currently overhang the world economy.

The relative demand for gold and dollars also explains the importance of dollar interest rates, which need to be raised from time to time to entice people to accept the risk of holding dollars instead of gold. It is only real (i.e., inflation adjusted) interest rates and not nominal interest rates that are important. For example, if dollar interest rates are 6% and the inflation rate is 6%, then real interest rates are zero, and low or negative real interest rates are bullish for gold.

GOLD PRODUCTION

Gold is produced from mines on every continent except Antarctica, where mining is banned by international law. Operations range from small juniors to large international producers with approximately 400 operating gold mines worldwide. Today, the overall level of global mine production is relatively stable, averaging approximately 2,550 tonnes per year over the last five years. It should be noted that the new mines that are being developed serve only to replace the current levels of production.

Gold mining companies have found it difficult to keep pace with the increasing demand for gold – which translates into continued upwards momentum in the price of gold. Production from gold mines accounts for approximately 61% of the annual supply of gold, with recycled (scrap) gold accounting for 25% and central bank sales 14%. Due to the comparatively long lead times it takes for companies to explore for gold deposits, then determine if they are economic and finally build a mine, it can take as long as 10 years for gold production to come on stream. Thus, gold mining production is relatively inelastic and the improved economics of a sustained price rally, as experienced by gold over the last half decade, is therefore not rapidly translated into increased production.

Mining exploration and production requires significant monetary investment in order to extract the gold from the ground. Although gold deposits are located all over the world, many such deposits were previously not economic to mine due to the low

Golden Harp

TSX-V:GHR began its corporate

life with the acquisition of an enviable gold and base metal project in the heart of the Abitibi Greenstone Belt of Northern Ontario, one of the richest mining districts in the world, well known for its mineral diversity and prolific number of gold and base metal deposits. Golden Harp's 100%-owned, Copper Hill project covers 145 km² over portions of six townships in the Larder Lake Mining District.

Copper Hill Property Highlights

- 145 km² contiguous land package within the prolific Abitibi Greenstone Belt
- Situated proximal to important regional fault structures, along which gold has been found and mined
- Property offers excellent discovery potential – four known gold zones and a copper zone identified to date and extensive areas of the property remain to be explored
- Property hosts a variety of highly favourable geological settings prospective for gold, copper, and nickel, including:
 - gold-bearing iron formations
 - gold-bearing quartz-carbonate vein systems
 - potential VMS environments
- Extensive exploration and diamond drill program underway
- Property benefits from excellent road access, infrastructure and a year round exploration season
- Experienced board and management team with a transaction-based approach to building shareholder value



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Kevin Filo Senior Geologist

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GOLDEN HARP
RESOURCES INC.

gold price and remoteness of the deposits. However, mining technology is continually improving and gold exploration companies are able to investigate deeper into the ground and in more remote and previously inaccessible locations – such as the Canadian Arctic – although the cost of production has also increased.

GOLD AS AN INVESTMENT


Many regard gold as a prudent investment because of the problems facing the U.S. dollar, the recessionary U.S. economy, as well as problems with other national currencies. Although Central Banks do not typically announce their intentions to purchase gold, Russia in late 2005 and China in 2006, have expressed an interest in growing their gold reserves. A total of 53% of gold demand comes from five countries – India, Italy, Turkey, the U.S. and China. China and India are considered growth markets for gold with increasing

levels of affluence in their growing populations and cultural traditions that values gold. Gold has historically been an attractive investment in times when the world's financial systems faced crisis – such as the bank failures of the Great Depression in the 1930s. Given the recent global credit crunch, the collapse of the once mighty U.S. investment bank, Bear Stearns, and the continued free fall of the U.S. housing market – it is not surprising that there is a large scale renewed interest in gold. Gold offers a simple means to diversify and therefore hedges the risks inherent in national currencies. An investor can choose to purchase physical forms of the metal itself or purchase 'paper gold'.

Examples of the physical metal investors can own are coins, bars, high-karat jewellery and the gold offered by companies that store the gold in specialized and insured bullion vaults. Examples of paper gold are gold certificates issued by banks

and mints, pool accounts, futures accounts and the New York Stock Exchange-listed exchange-traded funds. With these products, you own a piece of paper representing gold, rather than gold itself. These paper products give you exposure to the gold price, but they come with the risk of default; namely, you may not be able to get your metal when you need it.

Despite the recent retraction in gold prices to just above the US \$900/oz. level, it should be noted that gold prices are still at record high levels and the demand for gold is expected to remain strong given the recent economic woes and international lack of confidence in the U.S. dollar – which was previously regarded as the standard of value. Gold, a commodity that has a long tradition of being regarded as a store of wealth, has a bullish outlook as nervous investors seek alternatives to the U.S. dollar and try to shield their wealth from the eroding impact of inflation. ■



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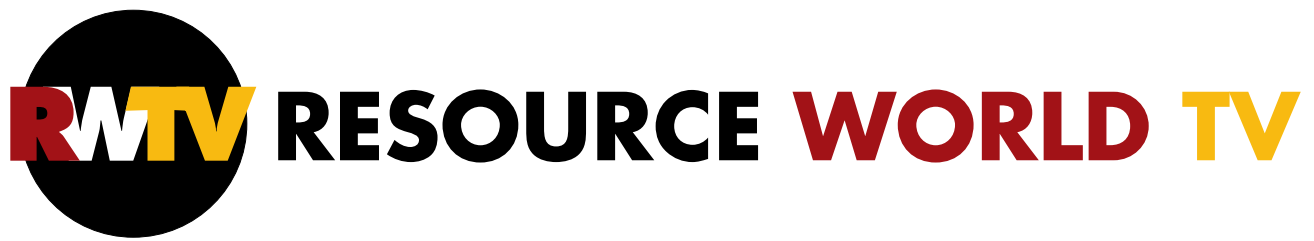
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Exploring Ontario

The province of Ontario, Canada, has seen it all – from the first gold mine in 1867 (which failed) to fabulous successes that include mining camps such as Cobalt, Kirkland Lake, Timmins, Sudbury, Kidd Creek, Red Lake, Manitouwadge (Geco Mine), Elliot Lake, Temagami and Hemlo to name a few. Even with those vast treasures of metal extracted from the Earth, Ontario still offers a wealth of mineral potential as evidenced by the new discoveries at McFauld's Lake in the James Bay Lowlands. See Dr. Ed Schiller's report on page 20.

by Ellsworth Dickson

If there were a Guinness Book of Records for mineral production, Ontario would be in it. Canadian government statistics state that Ontario's \$10.7 billion value of mineral production in 2007 was the greatest value of minerals ever produced in the province – more than a \$1 billion increase over the 2006 total of \$9.52 billion.

Indeed, last year Ontario saw 47% of Canada's nickel production, 53% of Canada's gold production, 31% of Canada's copper production and 84% of the country's platinum production. And don't forget the contributions of non-metallic minerals in 2007, including salt at \$244 million,

sand and gravel at \$490 million, and stone at \$629 million. There are so many exploration projects underway, there is not nearly enough space to include them all. We have covered what we can.

Alto Ventures Ltd. [ATV-TSXV] and **Wescan Goldfields Inc.** [WGF-TSXV] have been drilling their Mud Lake Project in the Beardmore-Geraldton Gold Belt. Significant gold mineralization was confirmed in 13 of 30 holes. The 2007 and 2008 drilling programs have demonstrated that the MLS is a major mineralized zone. The companies are now formulating a sum-

mer exploration program to test the gaps between drill holes along the MLS Zone and to identify deeper targets.

Apollo Gold Corp. [APG-TSX; AGT-AMEX] recently agreed to purchase the Stock Mine property, mill, related equipment, infrastructure, lab and tailings facilities near Timmins for \$20 million from **St. Andrew Goldfields Ltd.** [SAS-TSX]. The Stock Mine and mill acquisition will fit in nicely with Apollo's plans for its nearby Black Fox Project. Apollo will now be able to start milling operations in early 2009. In late February, Apollo reported an updated NI 43-101 compliant reserve

estimate for the 100%-owned Black Fox Project. Open pit reserves stand at 4,350,000 tonnes grading 5.2 grams gold/tonne (730,000 oz.) and underground reserves are pegged at 2,110,000 tonnes grading 8.8 grams/tonne (600,000 oz.).

SRK Consulting just completed a positive bankable feasibility study on the Black Fox, which states the project has a Net Present Value of \$302 million. There is an Internal Rate of Return of over 62% and a capital payback of two years. Gold production is forecast at 150,000 ounces per year.

Brett Resources Inc. [BBR-TSXV] has discovered high-grade gold mineralization during the winter drilling program at the Hammond Reef property 22 kilometres northeast of Atikokan. Hole BR-93 returned 37.5 metres grading 3.35 grams gold/tonne in an overall interval of 115.5 metres of 1.66 grams/tonne. Hole BR-91 intersected a higher-grade interval of 2.53 grams/tonne over 30 metres within an interval of 192 metres grading 1.20 grams/tonne, and drill hole BR-95 cut 22.5 metres of 3.61 grams/tonne. These holes all lie within an area about 200 by 250 metres, where no pre-Brett drilling was conducted. They are located between Mitta Lake and a previously undrilled area about 100 by 250 metres. Brett is drilling with two rigs on either side of this group of holes to expand on these encouraging results. Brett just signed a letter of intent with **Kinross Gold Corp.** [K-TSX; KGC-NYSE] to acquire a 100% interest in the Hammond Reef Project.

Castle Resources Inc. [CRI-TSX], through its acquisition of Legends of Cobalt Corporation, has an option to acquire any or all of a claim package covering most of the historic Cobalt Mining Camp of northeast Ontario. Stephen Wallace, president of Castle, said, "Our objective will be to quickly assess the rehabilitation of the historic producing mines, resume exploration on the advanced targets developed by Agnico-Eagle Mines in the 1980s while taking advantage of the opportunity to take a district-scale view, exploring



TOP LEFT: Prospector Ray Koivisto examining a gold-bearing quartz vein at the Hercules gold discovery in the Geraldton-Beardmore mining district in northwestern Ontario. Photo courtesy Kodiak Exploration Ltd.

TOP RIGHT: Darren Holden, executive VP, operations, Geoinformatics, writes up sample tags at the Midlothian property near Gowganda. The project is a strategic alliance between Laurion Mineral Exploration and Geoinformatics. Photo courtesy Laurion Mineral Exploration Inc.

BOTTOM RIGHT: Underground drilling at Apollo Gold's Black Fox Project near Timmins. Photo courtesy Apollo Gold Corp.



Map depicts northeastern Ontario where much exploration activity is currently under way, including the Copper Hill Project of Golden Harp Resources which is covered in Broker's Picks on page 26. Map courtesy Golden Harp Resources Inc.

orebodies that cut across historic claim boundaries.

Delta Uranium Inc. [DUR-TSXV] is involved in the exploration and development of uranium projects in the Timmins and Kenora regions of northern Ontario. The 100%-owned flagship Kenora Project has numerous historical and newly-discovered uranium prospects where recent channel samples from the Preston East Dome occurrence returned up to 4.8 lbs/ton U_3O_8 . A number of airborne radiometric and geochemical anomalies remain to be further explored.

Donner Metals Ltd. [DON-TSXV; D4M-Frankfurt] has a 50% option and joint venture agreement with **Xstrata Zinc Canada** for the joint exploration of the Matagami Mining Camp. Recent drilling has discovered previously unknown massive sulphides at a depth of 110 metres grading 18.10% zinc, 3.14% copper, 61.28 grams silver/tonne and 1.37 grams gold/tonne over 4.18 metres between the Bracemac and McLeod areas.

Endurance Gold Corp. [EDG-TSXV] has been carrying out an induced polarization survey on its 100%-optioned Pardo property 65 kilometres east of Sudbury. Drilling in 2007 returned gold values ranging up to 1.67 grams/tonne over 8.4 metres. The company also has a 100% interest in the Turner gold-uranium property 40 kilometres to the northwest where surface

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sampling returned 0.27% U_3O_8 over 7.0 feet.

GLR Resources Inc. [GRS-TSX; GKF-Frankfurt] and joint venture partner **RJK Explorations** [RJX-TSXV] have been exploring the Goldie property located on the Trans Canada Highway 45 kilometres west of Thunder Bay. In January 2008, the partners reported drill results that included hole GLD07-24 that returned 8.95 grams gold/tonne over 2.0 metres at a vertical depth of about 85 metres.

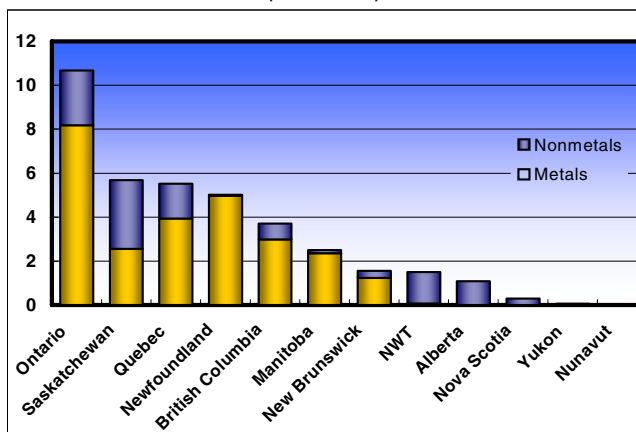
Gold Canyon Resources Inc. [GCU-TSXV] has been conducting a winter drill program at its Springpole Gold Project in the Red Lake Mining District. The program is designed to test outside of the Core Area Resource and along the new NW Extension Zone sedimentary-hosted, semi-massive sulphide discovery made at the end of last winter's drilling. Hole BL07-383 returned 8.4 grams gold/tonne over 4.26 metres and is believed to represent a new and geologically significant style of mineralization not known at Springpole. Gold Canyon has also farmed out an 80% interest in the Favourable Lake Project in the Red Lake District to **Shoreham Resources Ltd.** [SMH-TSXV]. Previous drilling by Noranda cut 391.2 grams silver/tonne across 33.3 metres. Gold, lead and zinc values were encountered in September 2007 during work by Shoreham. Diamond drilling is planned.

Gold Eagle Mines Ltd. [GEA-TSX] has been drilling the Bruce Channel Discovery on the 100%-owned Gold Eagle property near Red Lake. Hole BC 19-15 returned 13.30 metres of 38.26 grams gold/tonne, including 3.80 metres of 123.35 grams/tonne. Two recent holes intercepted 4.20 metres grading 29.85 grams gold/tonne and 1.20 metres of 127.28 grams/tonne.

Golden Harp Resources Inc. [GHR-TSXV], formerly a subsidiary of **International KRL Resources Corp.** [IRK-TSXV], is now focused on exploring gold and base metal mineralization on its 100%-owned Copper Hill Project 100 kilometres south of Timmins, between Gowganda and Shining Tree in northern Ontario. See Golden Harp article on page 26°.

Golden Valley Mines Ltd. [GZZ-TSXV] reports drilling has been under way at the

Value of Canada's Non-Fuel Mineral Production, 2007
(\$Cdn Billions)



Source: Natural Resources Canada, MNDM



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Cook Lake prospect, a joint venture with Kalahari Resources Inc. [KLA-TSXV]. Golden Valley and Kalahari are also exploring the Munro prospect 15 kilometres east of Matheson. Golden Valley and Osisko Exploration Ltd. [OSK-TSX; EWX-Frankfurt] have been drilling the Norrie Zone, a deep, distinct mineralized target about 2.5 kilometres east of the centre of the main Canadian Malartic deposit. Hole CHL07-2000 encountered four mineralized zones ranging from 5.8 metres grading 6.30 grams gold/tonne to 107.0 metres of 1.47 grams/tonne.

Goldstake Explorations Inc. [GXP-TSX; GOO-Frankfurt] has completed ground magnetic and electromagnetic surveys on its 100%-owned McGarry-McVittie copper-zinc property in northeast Ontario. The surveys outlined six closely-spaced magnetic responses in a 350-metre long trend where channel sampling averaged 0.19% to 0.71% zinc over widths ranging 2 to 6 metres wide.

Inspiration Mining Corp. [ISM-TSX; OI8-Frankfurt] recently reported drill results from its Langmuir Project 25 kilometres southeast of Timmins. Drilling was carried out at the Langmuir No. 2 Mine where hole LN07-89 encountered two mineralized zones with assays including 1.020% nickel over 52.40 feet true width and ranging up to 2.030% nickel over 5.45 feet.

International Millennium Mining Corp. [IMI-TSXV] has completed mobile metal ion soil sampling on its Cobalt-area property that are interpreted as being indicative of local Cobalt-style silver-copper-cobalt veins. Sampling was carried out to optimize drill targets for a drill program.

Klondike Gold Corp. [KG-TSXV] and Chalice Diamond Corp. [COD-TSXV] have staked the largest land package in the Wawa-Missanabie region covering 78,000 acres. Chalice Diamond has discovered 35 diamonds in an 8.4-kilogram rock sample that included 5 macrodiamonds.

Kodiak Exploration Ltd. [KXL-TSXV] has received the Bernie Schneiders 'Discovery of the Year Award' from the Northwestern Ontario Prospector's Association for the company's new gold

discovery on its Hercules Gold Project in the Beardmore-Geralton Gold Camp. Continuous gold mineralization has been traced along strike for 400 metres, with an average grade of 20.20 grams gold/tonne over an average width of 3.8 metres. This remains open along strike and to depth. Channel highlights within this interval include AMX-01: 3.1 metres of 119.63 grams/tonne, and 11.6 metres of 32.96 grams/tonne; AMX-04: 9.55 metres of 27.04 grams/tonne; AMX-07: 4.8 metres of 28.64 grams/tonne. Recent deep drilling has confirmed that high-grade mineralization extends to at least 300 metres in depth, thereby significantly increasing the resource potential.

Laramide Resources Ltd. [LAM-TSX] and its subsidiary **Treasury Metals Inc.**, which is about to go public, have reported initial assay results from the ongoing drill program at the Goliath Project near Dryden. Highlights include 9.0 metres grading 13.0 grams gold/tonne and 17.4 grams silver/tonne, including 1.0 metre of 82.4 grams gold/tonne and 64.6 grams silver/tonne. The Goliath Project combines the Thunder Lake property with the historic Laramide property.

Laurion Mineral Exploration Inc. [LME-TSXV] is involved in no less than 11 projects in northern Ontario. Laurion and strategic alliance partner **Geoinformatics Exploration Ltd.** [GXL-TSXV] hold the Gowganda Project. At the Midlothian Project 33 kilometres northwest of Gowganda, the partners plan to explore a high-priority nickel-copper-platinum group metals target that exists 18 kilometres along strike from Xstrata's Sothman nickel discovery. The nearby Raymond Project is centred on a northerly magnetic trend with several circular anomalies to be tested. The J/V partners are also busy at the Nipigon Project which comprises three properties. The Fox Mountain and the Graydon Lake targets are 45 kilometres northwest of Nipigon and cover circular anomalies. The Dorthea Project 16 kilometres northwest of Beardmore is centred on a low-amplitude, circular magnetic anomaly. On Laurion's 100%-owned Sturgeon River Project, a compilation of his-

torical data has been conducted. When a NI 43-101 report is completed, an exploration program will get underway. The formerly producing mine reportedly had 130,680 tons of 0.306 oz. gold/ton remaining (non NI 43-101 compliant).

Mantis Mineral Corp. [MINE-CNQ] has planned a 3,000-metre diamond drilling program for its 100%-owned Orphan Gold Mine property below its current depth of 250 feet. The northwest strike extension at this depth and beyond the mine workings will also be tested. During the 1930s, the mine produced 3,525 tons grading 0.689 oz. gold/ton. Another 2,000 metres has been earmarked to test the Foisey Vein 1,700 metres northwest. Kodiak's Hercules Project is located 9.5 kilometres to the west. Mantis is also active in the McFauld's Lake area – see page 20.

Maximus Ventures Ltd. [MXV-TSXV] and **NFX Gold Inc.** [NFX-TSXV] recently reported 18.3 grams gold/tonne over 4.8 metres, including 163.5 grams/tonne over 0.5 metres from its 2008 follow-up drilling program targeting the Bear Lake area of the Larder Lake property. Drilling continues to systematically test the Bear Lake Gold Zone along strike and down-plunge to a vertical depth of 1,000 metres.

Moneta Porcupine Mines Inc. [ME-TSX; MOP-XETRA/FSE] holds four primary gold projects in the Porcupine and Golden Highway Camps near Timmins. In November 2007, the company acquired Newmont's 50% interest in the Windjammer property that hosts a number of known gold zones. Drilling by Noranda in the 1980s identified widespread gold mineralization that has not been followed up since. Drilling is planned for the Windjammer property in order to complete a NI 43-101 resource calculation. Drilling is also planned for the 55 Zone on the Michaud Project, a joint venture with **Acrex Ventures Ltd.** [AKV-TSXV; AXVEF-OTCBB].

Namex Explorations Inc. [NME-TSXV] has carried out channel sampling on its Huffman property 200 kilometres northwest of Sudbury. Preliminary grab sampling gave maximum values of 54.2

grams gold/tonne, 1,620 grams silver/tonne, 8.63% copper, 12.6% lead, 2.3% zinc, and 5.94% antimony. Namex is also exploring other Ontario properties, including the Golden Pine, Post Creek and Woods Creek.

Nuinsco Resources Ltd. [NWI-TSX] has been exploring its 100%-owned Prairie Lake Project 45 kilometres northwest of Marathon which hosts a near-surface, historic (non NI 43-101 compliant) resource of over 180,000 tonnes grading 0.09% U₃O₈ and 0.25% niobium. Drilling has encountered uranium values in all 15 holes.

Q-Gold Resources Ltd. [QAU-TSXV; QX9-Frankfurt] has been de-watering and carrying out construction operations at its Foley Gold Mine at Mine Centre in north-west Ontario. The Mine Centre properties host five historical gold mines, including two that together produced over 16,000 ounces of gold. Pending receipt of permits and further de-watering, exploration will take place on the 400-foot level. The work is designed to confirm historic (non-compliant with NI 43-101) resource/reserve reports as well as prove up new ones to a level that will permit development and commercial gold production to ensue at the Foley Mine.

Q-Gold also acquired the assets of Nipigon Gold Resources in the first week of 2007, giving Q-Gold two additional gold-bearing veins – the McKenzie Gray and the Jolly Roger. It also includes a 1,500-metre exposure of the Finger Lake Fault, thought to be the main conduit for the gold fluids at Mine Centre. This was followed in March by the acquisition of the Iron Ridge prospect on the western shore of Bad Vermilion Lake and in April by the staking of a large 2,600-acre block in the Rainy River Greenstone district near Stratton, Ontario. Both properties were augmented in June and July respectively by the additional purchase of 5,154 acres at Rainy River and 1,000 acres at Iron Ridge. Q-Gold now owns 100% of almost 40,000 acres of gold, platinum/palladium and copper/nickel prospects at Mine Centre and Rainy River.

Queenston Mining Inc. [QMI-TSX,
continued on page 57

The McFauld's Lake Ring of Fire

Will it bring an exploration blaze to a new mining district in northern Ontario?

by Dr. Edward Schiller, P.Geol.

Ed reviews one of the hottest stories featured at the recent PDAC Conference in Toronto. McFauld's Lake demonstrates certain similarities to the 1960s base metal discovery of Ontario's Kidd Creek. McFauld's Lake's favourable geology and attractive geophysical targets combine to potentially host massive sulphides with base and precious metal deposits. Some dozen or so companies have acquired claims that should see comprehensive exploration programs conducted this year with the high probability of major discoveries of copper-nickel-platinum group elements and copper-zinc-silver-gold. The company spearheading this effort is Noront Resources, led by President Richard Nemis, geologist John Harvey and a team of seasoned geoscientists. Richard graduated from Osgoode Hall Law School and was called to the bar in Ontario in 1968. He soon got the mining bug and was involved with several exploration companies that led him to form Noront in 1980. VP of exploration, John Harvey has been involved in mineral exploration for several decades and was instrumental as VP of Noranda in the acquisition of the Hemlo Gold Mine in Ontario. Noront has put together a wide range of mineral properties in Canada and overseas culminating with the acquisition of McFauld's Lake.

The Kidd Creek Mine in northern Ontario and its fabulous deposit of copper, zinc, lead and silver brings back memories of a discovery based on a geophysical anomaly in the early 1960s at a time when the science of geophysics was appreciated by few geoscientists. Although located only a few kilometres north of Timmins, at that time nothing was known of the mineral potential of this muskeg covered terrain. A junior resource company flew an extensive airborne geophysical survey and detected scores of anomalies, of which some 40 or 50 were prioritized as drillable targets. With Texas Gulf Sulphur providing the funding, after drilling about 40 anomalies, it intersected the Kidd Creek deposit and discovered one of the most famous major base metal, massive sulphide ore bodies in the world. Production commenced in 1966 as an open pit and has continued until today, recovering ores entirely from underground workings.

The Canadian Shield of Ontario has brought forth major deposits like those at Sudbury and Timmins thanks to outcropping showings of copper/nickel or gold recognized by prospectors and followed up by geologists. With much of our Canadian Shield pretty well prospected, geologically mapped and, to a large degree, geophysically mapped by magnetic methods, the

challenge to find duplicates of Kidd Creek has led to a sophistication of geophysical methods combining magnetic with electromagnetic data. The degree of sophistication has become very exacting, thanks to the expertise of the Canadian geophysical industry.

There is no question the Canadian Shield is blessed with a treasure house of metals – gold, silver, platinum, palladium, copper, zinc and lead and one the best places to find these metals is Ontario, probably less in Québec, followed by the adjoining provinces and Territories.

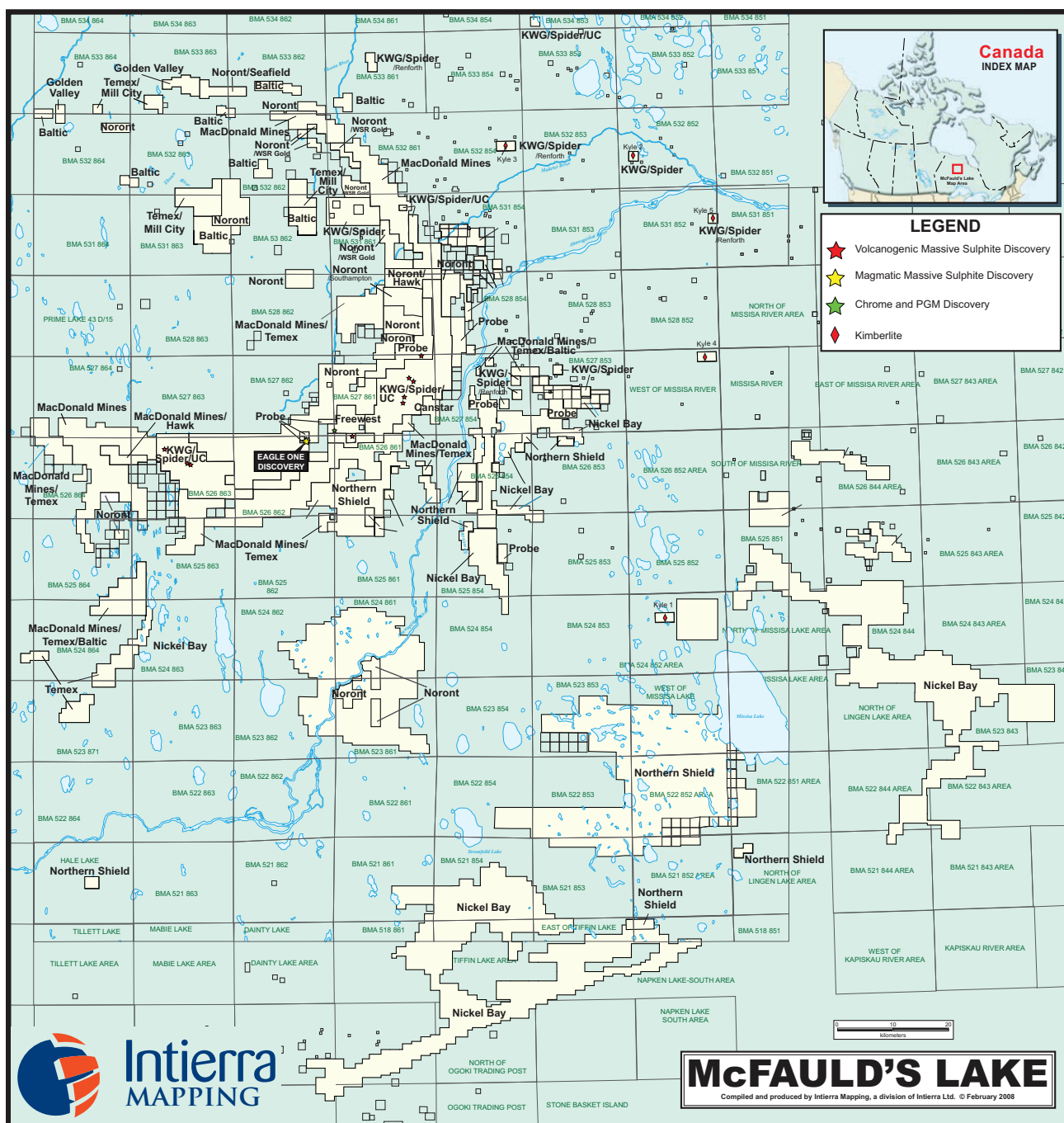
McFAULD'S LAKE – ANOTHER KIDD CREEK LOOKALIKE?

A new mining camp is possibly in the making at McFauld's Lake 300 kilometres north of Nakina, northern Ontario, with road access to provincial Highway 11/17. Nakina is one of the supply centres for McFauld's Lake activities and is 300 kilometres north of Thunder Bay. What happened at Kidd Creek in the early 1960s could be duplicated here. Both places have favourable Archean greenstone belts, but McFauld's has associated ultramafic intrusions that adds to the attraction of hosting potential nickel/copper/platinum/palladium deposits in addition to volcanic massive sulphide deposits (VMS) like Kidd Creek.

WHAT BROUGHT EXPLORERS TO McFAULD'S LAKE?

In 2002, De Beers was chasing diamonds and drilling geophysical targets considered to be kimberlite bodies in northern Ontario. In the 1990s, De Beers found the Victor diamond-bearing kimberlite 170 kilometres east of McFauld's Lake which is scheduled to go into production this year. In search for additional kimberlites, they began to drill magnetic anomalies over much of the James Bay Lowlands. In 2002, they intersected massive sulphides containing base metals near McFauld's Lake. Having little interest in base metals, they returned the claims to KWG Resources Inc. [KWG-TSXV] and Spider Resources Inc. [SPQ-TSXV], which then undertook exploration to determine the importance of the discovery.

The discovery attracted modest attention and several companies acquired claims in an attempt to duplicate the original discovery. KWG and Spider found other massive sulphides occurrences with base metals but not of sufficient interest to trigger major industry interest. So here was an example of looking for diamonds and finding base metals, much like Diamond Fields did the 1990s when in Labrador they were looking for diamonds and found a major nickel/copper deposit at Voisey's Bay – now in production and operated by Vale/Inco



What created the real excitement at McFauld's Lake was a **Noront Resources Ltd.** [NOT-TSXV] press release of September 10, 2007. President Richard Nemis, a Bay Street executive with decades in the exploration business, released drilling results from the Eagle One discovery on its Double Eagle Project. Although the claims had been staked four years prior to the discovery, litigation related to a bankruptcy of one of the owners held up exploration until the spring of 2007, at which time Noront optioned the claims.

Hole NOT-07-05, part of a 27-hole drill program that began in the summer, inter-

sected 117.4 metres of 2.2% copper, 4.1% nickel, and 9.64 grams platinum group elements/tonne that led to a staking rush of major proportions in the vicinity of McFauld's Lake. Another hole intersected 6.25% nickel, 2.75% copper, 1.85 grams platinum/tonne, 10.23 grams palladium/tonne, 3.0 grams gold/tonne and 10.3 grams silver/tonne over 46.6 metres. The drilling outlined a north-south striking mineralized body over 150 metres long and over 50 metres wide. A second mineralized body located two kilometres southwest of Eagle One, characterized by nickel-copper massive sulphides in a sheared defor-

mation zone hosted by peridotite, was encountered in four holes. The mineralized zone intersected variable widths of veined, semi-massive and massive sulphides in widths from 3 to 26 metres. In two out of the three holes, chromite was intersected in massive seams up to 5 metres thick.

According to geological consultant and massive sulphide expert, Dr. Jim Mugall, the large amounts of sulphide and of ultra-mafic cumulate (peridotite) make it clear that the Eagle One deposit has formed in a magmatic conduit and could present potentially a deposit of considerable size. The announcement precipitated a major



Flying into Noront's Double Eagle Project exploration camp. Year round access is by fixed wing aircraft. Photo courtesy Noront Resources Ltd.

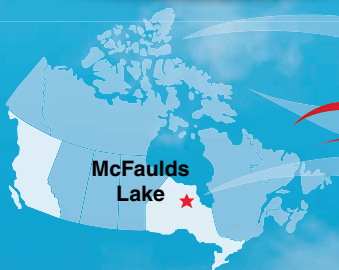
staking rush covering an arcuate magnetic feature that came to be known as the Ring of Fire. Other magnetic structures not related to the Ring of Fire attracted company interest and expanded the area of interest considerably.

SO WHO'S HERE AND WHAT ARE THEY DOING?

MacDonald Mines Exploration Ltd. [BMK-TSXV], the second largest landholder in the McFauld's/Webeque James Bay Lowlands district with claims covering 63,712 hectares, has a 100% interest in the McNugget property, where newly flown airborne geophysical surveys by the Company have revealed even more high-priority targets in addition to the already numerous targets identified previously. As well, the most recent airborne delineated a 20-kilometre Mag/EM coincident anomalous structure believed to represent Noront – Eagle One copper/nickel/platinum group elements targets. MacDonald Mines also has a number of joint ventured projects, including the Hornby property with Temex, which is situated less than 2 kilometres from the Noront – Eagle One discovery, and where a number of geophysical targets have been identified and are currently being prioritized in preparation for drilling; the Adelaide property with Temex and Canadian Orebodies where ground surveys, as a follow up to airborne surveys, are about to start; as well another Temex/Canadian Orebodies J/V on the Wellington property. MacDonald Mines also has J/Vs with Temex on the Howe, York and Bay properties and a J/V on the Big Mac property with WSR Gold. MacDonald Mines has over five years of exploration experience in the Webeque District of the James Bay Lowlands.

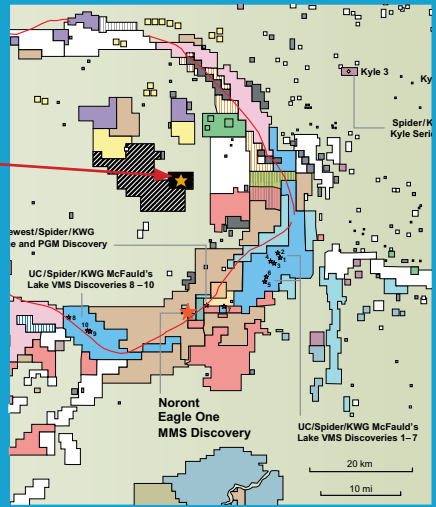
In 2005, **Probe Mines Ltd.** [PRB-TSXV] conducted airborne geophysical surveys covering two project areas staked in 2003 – 1) the McFauld's Lake West Project within the Ring of Fire and 2) the Victory Project lying east of the Ring of Fire covering a north-striking volcanic belt containing 34 airborne electromagnetic anomalies. At McFauld's Lake, the company has a contig-

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uous block of claims north of the Eagle One nickel-copper-platinum group elements discovery of Noront. Ground geophysical and geochemical surveys delineated two distinct magnetic anomalies to the north of the Eagle One discovery. Geochemical samples display anomalous values in nickel, copper, silver and cobalt and anomalous values in gold. Recently a mafic/ultramafic intrusive outcrop was found, indicating a potential extension of the Eagle One intrusive system on the Probe's property. The outcrop corresponds to an 800-metre long northwest-trending magnetic anomaly and represents a potentially important drill target. A drill program is scheduled to commence following break-up.

Temex Resources Corp. [TME-TSXV] has embarked on an extensive staking and partnership program at McFauld's Lake and has acquired more than 7,500 claims totaling more than 300,000 acres. Its interest varies from 100% to residual royalty interests. Partnerships include joint ventures with **MacDonald Mines Exploration Ltd.** [BMK-TSXV], **Canadian Orebodies Inc.** [CO-TSXV], formerly **Baltic Resources Ltd.**, **Mill City Gold Corp.** [MC-TSXV] and **East West Resources Corp.** [EWR-TSXV]. All joint ventures include airborne geophysical surveys either completed or to be completed this spring, follow-up ground geophysical surveys and planned drill programs of delineated anomalies.

WSR Gold Inc. [WSR-TSXV] is conducting a 2,500-metre drill program on its James Bay Lowlands properties. Through three separate agreements, the company will operate the exploration of 17 claim blocks in the northeast area of the Ring of Fire on behalf of its partners – **Noront**, **Metalex Ventures Ltd.** [MTX-TSXV] and **MacDonald Mines Exploration**. Under the agreements, WSR is earning 50% interests in the Noront and Metalex claims and a 75% interest in the MacDonald Mines claims. WSR can also earn a 50% interest claims owned by **Arctic Star Resources Inc.** [ADD-TSXV] (8.5%) and **Metalex** (91.5%).

Bold Ventures Inc. [BOL-TSXV] has optioned a six claim block from Noront located 30 kilometres north of Noront's

Eagle One nickel, copper and PGE discovery. Airborne geophysical surveys have identified several high priority conductors that will receive ground geophysical follow-up this spring.

Fancamp Exploration Ltd. [FNC-TSXV] has claims immediately east of the Eagle One and Eagle Two discoveries of Noront and are underlain by geophysical conductors comparable to the Noront discovery. The Spider-KWG-Freewest base metal discoveries Nos. 1, 2, and 3 lie six kilometres to the east including a high-grade drill hole intersection of 24.3% chromium, 0.115% nickel, 0.185 grams platinum/tonne, 0.210 grams palladium/tonne, 0.32 grams ruthenium/tonne, and 0.049 grams rhodium/tonne during 2006 drilling. Norant's Eagle One discovery is located 350 metres north-northwest of Fancamp's northwest boundary. Ground geophysics and drilling are underway.

Freewest Resources Canada Inc. [FWR-TSXV] has four 100%-owned claims and five additional claims under option to Spider and KWG that collectively are called the McFaulds joint venture project. The project is 3.8 kilometres northeast of the Eagle One and Eagle Two discoveries. Based on geological and geophysical evidence, the project covers the extension of the Noront Double Eagle



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John Harvey, Executive VP, left, and Richard Nemis, President/CEO, Noront Resources Ltd., with a mineralized sample from their Double Eagle Project in the James Bay Lowlands, northern Ontario. Photo by Glenn Brown.

discoveries. Ground geophysical surveys are prioritizing airborne surveys with drilling expected late spring/early summer.

Mantis Mineral Corp. [MINE-CNQ] owns the Tamarack Project held under option through an option-joint venture with Probe Mines covering a southern and northern block within the McFauld's volcanic belt. The company's consultants are assessing the geophysical data from which a drill program will be implemented. Previous drilling by Probe intersected a 7.8-metre zone grading 3.1% copper and a second drill hole 50 metres to the west and down dip from the zone that cut 2.4% copper over 6.0 metres. Both intercepts returned anomalous values of zinc, gold and silver.

Nickel Bay Resources Inc. became the latest entrant to the McFauld's Lake frenzy by securing a large land package comprising 394,000 acres. Nickel Bay is a wholly-owned subsidiary of **Diamondex Resources Ltd.** [DSP-TSXV], the well known diamond explorer headed by Randy Turner. Drawn to the St. James Lowlands in search of diamonds as a result of property acquisitions from **Trigon Uranium Corp.** [TEL-TSXV], Nickel Bay expanded big time into base metal exploration by staking favourable magnetic structures south of the Ring of Fire. Follow-up airborne electromagnetic surveys were completed this winter with resultant

high-priority conductors to be drill- tested this summer.

Northern Shield Resources Inc. [NRN-TSXV; N9S] has been exploring its Highbank Lake platinum group elements-chromium property in partnership with Impala Platinum Holdings since 2005 and their adjoining Eastbank property since 2007. The properties lie south of McFauld's Lake and were staked as a result of favourable magnetic conductors and coincident chromium and platinum group elements soil anomalies. The Eastbank target is believed to be vast layered ultramafic intrusive complex some 1,000 square kilometres. Earlier drilling at Highbank intersected narrow bands of chromitite. Airborne geophysical surveys have been completed over the Eastbank property with ground follow-up planned this spring.

Canstar Resources Inc. [ROX-TSXV] has completed an airborne geophysical survey over its McFauld's 1 and McFauld's 3 properties. The company has two projects in the McFauld's Lake area – the 100%-owned McFauld's 1 property and the McFauld's 3 property, which is under an option-joint venture agreement with Geocanex Ltd. Drilling is planned for this year.

Hawk Uranium Inc. [HUI-TSXV] reports that 50/50 joint venture partner Noront has begun the 2008 field program. Noront has completed 345 line-kilometres

of airborne geophysical surveys over the joint-ventured property. Line cutting is underway over a number of targets to be followed by ground geophysics and diamond drilling.

UC Resources Ltd. [UC-TSXV] has advised its partners, Spider and KWG, that it will exercise its right to opt into year two of its option agreement. UC must spend an additional \$1 million by March 2009 to earn a 25% interest. Line cutting and ground geophysics are planned. The Aerotem2 target is on trend with the Noront Eagle Two discovery and is located to the southwest on the property known as McFauld's West.

THE PROGNOSIS

The Ring of Fire and associated geological/geophysical features make McFauld's Lake a major Canadian attraction for 2008. Discoveries to date indicate a lot of base and precious metal smoke coming from the Ring of Fire and it could spread throughout the James Bay Lowlands. The success in achieving production at the Victor Diamond Mine by De Beers in a remote part of the Lowlands demonstrates how viable mineral deposits can be developed regardless of pre-existing infrastructures. The Noront discovery put McFauld's Lake on the map and it is now destined to be an important exploration site in 2008 and in the future. ■



Significant Land Position in the James Bay Lowlands

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- 63,712 hectares

Quality of Land Position

- 30 high-quality targets identified, 6000 meters planned for 2008 drill program
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- Properties selected from high-quality, aeromagnetic data, flown at 100m spacing

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TSX-V:VCG

- Fern Elizabeth Project: Test drilling discovers 7.6 g/t of gold over 3.0 metres
- Mt. Logano Porphyry Gold Property in Northern Ontario added to stable of high-grade gold properties
- Geophysical and diamond-drill programs on priority targets scheduled for summer 2008
- Experienced exploration and management team



Golden Harp Resources

Large exploration program underway on Copper Hill gold/base metal project

With gold currently hovering over the US \$900/oz. mark, this may be an opportune time to look at a new gold exploration company such as **Golden Harp Resources Inc.** [GHR-TSXV]. The company acquired a gold and base metal project located in the prolific Abitibi Greenstone Belt of northern Ontario in May 2006. This project and its potential for new discoveries, combined with the experience of its geological team, management and board, bodes well for GHR shareholders.

Golden Harp's 100%-owned, 145 square kilometre, Copper Hill Project covers portions of six townships in the Larder Lake Mining Division (see map p.16). It hosts a variety of under-explored, favourable, geological environments as well as known gold deposits and base metal mineralization. GHR's property is about 100 kilometres south of Timmins, between Gowganda and Shining Tree and about 40 kilometres southwest of Northgate's Young-Davidson Mine, which is located proximal to the Cadillac Larder Lake Break (CLLB). GHR's project has excellent infrastructure, vehicle access via Highway 560 and a year-round exploration season, which brings the possibility of steady news.

The historic Abitibi region is one of the richest mining districts in the world, well known for its mineral diversity and prolific number of gold and base metal deposits in established mining camps such as the Kirkland-Larder Lake Camp in Ontario and the Cadillac/Malartic-Val d'Or Camp in Quebec. Production from these camps is recorded to be over 75 million ounces of gold. The southwestern part of the Greenstone Belt is cut by a number of large, regional-scale, east-west trending breaks such as the CLLB and the Destor Porcupine Fault, which have a direct relationship to gold deposition. The Copper Hill property covers the projected western extension of the CLLB.

Limited budgets kept the focus of past exploration programs on four gold zones (Golden Sylvia, Cook, Jude and Decker) and a base metal zone (Copper Hill), which all together represent a small portion of GHR's total land package. Despite small budgets, new discoveries continued to be made. The focus was on gold, although copper and nickel show potential as well. To date, a variety of favourable geological settings have been identified, including: gold-bearing iron formations; potential VMS environments; gold-bearing quartz-carbonate vein systems and komatiitic volcanics associated with known nickel and gold zones.

The Golden Sylvia is a gold-rich banded iron formation, with a projected extent of approximately 22 kilometres across the property. Only a small portion of this has been tested. Preliminary diamond and reverse circulation drilling within the iron formation have outlined a near surface, 450 by 200-metre gold zone open in all directions, including to depth. Golden Harp has started to evaluate the iron formation with an extensive induced polarization (IP) survey, which will be followed by MMI soil geochemical surveys over the most prospective areas identified by the IP survey.

Additional gold zones include the Jude, the Cook and the Decker. Mineralization in these zones is typical of shear zone-hosted gold which is cut by quartz-carbonate shears, and rocks are abundantly carbonate-altered. Each of these zones warrant additional drill testing and further investigation into the controls on the distribution of the gold at each occurrence. Base metal mineralization at the Copper Hill Zone consists of chalcopyrite-rich quartz-carbonate veins that occur in and proximal to the copper-rich Red Dome rhyolite.

Golden Harp has reviewed historical exploration data on the known mineralization and occurrences and built a comprehensive

geological database. The company has also completed several preliminary exploration programs including: mapping, prospecting, an airborne VTEM geophysical survey and MMI soil surveys. Continued advances in exploration technology have enabled Golden Harp to identify more detailed geological clues, to look deeper below surface and with better accuracy than previously possible.

The company's exploration programs were successful in building on the existing information and identifying new information about previously unexplored areas of the project. The recent MMI soil geochemistry survey completed by GHR over the Cook Zone highlighted distinct gold anomalies (up to 750 times background) within a known gold-bearing trend, coinciding with previously detected IP anomalies. Ground mapping and prospecting subsequent to the MMI survey confirmed the orientation indicated by the soil geochemical response and resulted in a number of high priority drill targets. A spring drill program, designed to test five targets in and around the Cook Gold zone is underway. Four holes have been completed, logged and sent to the lab. Assays are pending. ■



Dorothy Hoffert has been an investment advisor for 20 years with a focus on the Mining Sector. She can be reached at 604-662-5271. Wolverton Securities was the lead underwriter for the company's Initial Public Offering completed in February; Miss Hoffert was the lead broker. The information contained in this article was obtained from sources believed to be reliable, however we do not represent that it is accurate or complete. This report is provided as a general source of information and should not be considered personal investment advice or solicitation to buy or sell any securities. The views expressed are those of the author and not necessarily those of Wolverton Securities. Member CIPF.



Gone Turtle

by Rod Blake

Gone Turtle – you may or may not know the expression, but in my world it's when a combatant tucks his head in and covers it with his arms and then hopes that his adversary won't pound on him for very long, such as in a one-sided hockey fight. And I'm sorry to say that gone turtle is how the majority of resource stock investors went from mid March until April 1, when the price of gold bullion finally broke down from its six-month run from US \$700 to \$1,000 an ounce, and in two short weeks, dropped back to just under US \$900 an ounce. Base metal and crude oil prices also experienced a similar rout.

I know this because in that tumultuous two-week period, not one of my clients phoned up to buy any their favourite resource stocks. Not one! Nada! Zippo! Zilch! Not one of my clients took the time to realize that this was just a hard correction in a secular, (long-term), bull market in commodities and was probably their best buying opportunity in the last year or so. Oh, they phoned all right. But they didn't act. They whined about how the resource bubble had burst and they didn't have the chance to get out. Or they complained that the people running their companies weren't doing enough promotion. Or they theorized that the U.S. sub-prime mortgage problem will be the end of the Asian economic boom and that the world's economies were heading for the abyss. Instead of buying, they wanted to run with the herd and get out at any cost, and only some very firm countering on my part kept them in the game.

It was an amazing and puzzling thing

to watch, as most of my clients have been long-term resource stock investors. Many have held various positions, some going back through the post-Bre-X lean years of the mid 1990s to the bottom of the resource cycle at the turn of the century, and I'm sure they were more enthusiastic about their investment prospects when gold bullion was US \$275 an ounce, or copper was US \$0.50 a pound, or crude oil was US \$12 a barrel than they were during this correction. It would almost be comical if it wasn't so sad.

I'm afraid our resource market will never really experience a runaway bull market until its investors learn to put their heads in there and take a little pain for the team by buying stock on the bad days. Remember, the game is long, and those who participate on the bad days will surely enjoy the good days all the more. ■

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Food prices are insane

The World Bank estimates that global food prices have risen by about 83% over the past 3-years

While we normally write about mineral resources, food can also be considered a valuable resource. We live in an area of downtown Vancouver, BC, Canada where there has been much development in the last 10 years. In the last six months a trendy grocery chain has moved in next door, the neighbourhood's first. Thank god, *we think*. Now our favourite foods can be gotten on foot in a matter of minutes. When we're hungry, we walk over to pick up a few items.

However, we've done something one should never do. We've gone to the grocery store on an empty stomach where we will undoubtedly buy almost anything for any price with no thought whatsoever. We get home, fill our stomachs, and only then do we take a look at the bill from our adventure to the grocery store. Not only did we purchase a bunch of useless snack food that will sit in our cupboards for eons, but the prices were insane!

The point is that the food industry is being squeezed from all sides. The price of food has become an increasing problem in today's consumer market, not only for Americans and Canadians, but even more so in less-developed countries. While commodity prices are rising and trading at their highs, America's economy is plagued with no sign of a cure. Meanwhile, food companies and retailers are desperately trying to adapt to these rapidly changing conditions.

Last year, prices for almost all edible commodities, including milk, eggs, corn, wheat, and oils climbed to never before seen levels. They are still rising, although at a slower pace. The prices of electricity and fuel are also advancing, which makes processing and distribution more expen-

sive. And passing on higher costs is not easy when U.S. customers are also feeling the pinch as unemployment rises, the value of their homes falls and inflation erodes their purchasing power.

In one sense, food prices should be somewhat recession-proof, since people have to eat in good times and bad; however, over the past 30 years the share of food in American and European household spending has fallen from an average of 30% to less than 10%, so consumers do care about price hikes as much as they did in the past. Even so, they are responding to the economic gloom by changing what they eat, where they eat and where they buy their groceries. One-dollar, double cheeseburger fast food to the rescue.

The relentless rise in agricultural prices shows how all markets are actually connected. Due to high oil prices, governments are implementing and supporting ethanol subsidies, which has led to record corn acreage in the United States. Forgotten was that more acreage for corn means less acreage available for other crops such as wheat and canola. When acreage goes down, supply goes down. When supply goes down and demand stays strong, prices go up.

Meat is very grain-intensive – you have to feed the cows and pigs – and that puts an even bigger demand on crop acreage. Meat consumption is also rapidly rising, resulting in increased prices. Why? Developing countries are making economic leaps and bounds and, as hundreds of millions of new labourers graduate to

a middle-class lifestyle, they want to eat more meat. There is nothing better than a juicy, beautifully-marbled ribeye and millions more people are demanding it all over the world.

In the case of rice, the unfortunate reality is that the world's poor may be the hardest hit by food inflation. The price of rice is at 20-year highs (see chart for rice futures). That is devastating news for the 3 billion people who have it as their staple food. These people and families are all at risk. The World Bank has declared 33 nations at risk for civil unrest due to the high cost of food.

With economic growth, the share of agriculture in the global economy declines. Even so, agriculture remains important in many developing economies and the source of income for many poor people. In some African countries more than half the GDP is in agriculture – in Liberia it is 64%, in Guinea-Bissau 60%, and in the Central African Republic 54%. On average, agriculture contributes more than 20% to value added in low-income economies. Globally, about 40% of the active labour force is in agriculture, but in Sub-Saharan

Rice Futures



Africa and Asia and the Pacific, about 60% is in agriculture. Compare that with 18% in Latin America and 4% in high-income economies.

Variations across countries are even greater, with agricultural employment's share ranging from less than 2% in the United Kingdom and the United States to 44% in China and 80% in Nepal. Agriculture is associated with natural wealth – particularly in developing economies. A recent World Bank study estimates that roughly two-thirds of the natural wealth in low-income countries is embodied in cropland and pastureland.

Food prices are likely to remain high for some time. The trends that are feeding the inflation, including increased demand from developing countries and the growing diversion of crops to make biofuels, show little sign of slowing. We need urgently to examine the impact on food prices of different kinds and the production methods of biofuels to ensure that their use is responsible, sustainable and does not drive the price of food even higher. These rising food prices threaten to reverse the progress we have made in recent years in advancing developing countries around the world. Stay tuned for more on this topic. ■

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* Non NI 43-101 compliant

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The inter-connectedness of world financials

One of the most dramatic ways in which our world has changed during the past few generations is that the effects of important economic and social events seldom stay isolated. Not too many years ago, most traumatic financial occurrences affected only one or two communities or just a few families. These might have included things like bank runs or factory closures. The events occurred, spread local distress and then were over. Frequently, people just two or three villages away might not have known they ever took place.

How times have changed. Today, when important financial events take place, the effects frequently spill over, not just into associated industries or communities, but could conceivably circle the globe.

A recent example of how inter-connected our lives have become is illustrated by the housing markets in America. As everyone knows by now, the purchase of homes at inflated prices in America became ludicrously easy. Interest rates were artificially depressed, credit became almost stupidly available to one and all, money was shoveled out by willing lenders to equally willing recipients and the entire coagulating mess was then sold to unknowledgeable buyers in distant lands as "Asset Backed Collateralized Paper" (ABCPs) which were packaged, rated AAA by mortgage insurance agencies, and then found their way into asset portfolios worldwide.

Then real estate prices in America did

the unthinkable. They began to level off and then, most horrible of all, they began to fall. As they fell, the instability of the U.S. mortgage market became visible.

Instead of one loan made to one buyer by one lender in an isolated community, which failure would have affected only that one loan, mortgagee, mortgagor and community, the shock waves from the sub-prime mortgage mess spread like wildfire. Mortgage lenders were the first to collapse, followed by several asset-backed mutual funds. When those institutions fell, banks and mortgage insurance companies found their portfolios falling in value and they began to default. Securities of institutions in locations such as CIBC in Canada, Citibank in America and UBS in Switzerland saw their quotes plunge vertically. Falling securities values brought about a decline in consumer confidence which led to declining consumer purchase activity so retail stocks such as J.C. Penney Co. took it on the chin as well. Even mining companies which parked private placement funds in so-called safe ABCPs were hit hard.

Once the scope of the failures grew exponentially, governments stepped in, taking the resources of hundreds of millions of shareholders (taxpayers) and began to manipulate those as well, leading to currency fluctuations which impacted major transactions in every nation. Finally, politicians of every stripe, the International Monetary Fund, the Bank for International Settlements and even the United Nations felt compelled to demand action.

We also find interconnectedness resulting from the actions of governments as well. For instance, the U.S. government enacted a law requiring the addition of specific quantities of ethanol to gasoline in order to reduce pollutants. This requirement resulted in

more corn being taken off the food markets and transferred to the ethanol market. Less corn supply in the food chain quickly showed up in rising prices for tortillas, resulting in food riots in Mexico and rising prices for other grains. Farmers were forced to shift planting allocations to satisfy the new requirements of the grain-to-ethanol marketplace. Now, we are facing food shortages, food riots, spiraling prices in rice, oats, soybeans and wheat and downward revision in the eating habits of billions of people on earth.

These rising food prices could trigger explosive increases in inflation indexes, in which case interest rate investors would demand higher returns and those bond and note rates, should they rise rapidly, could completely collapse whatever economic strength still remained.

It seems likely that as these events unraveled, governments around the world, in combination with each other, would step in with their coercive powers and attempt to control and regulate the entire situation and that – should it occur, leads us to this speculation:

Is it possible that the next major economic calamity could spread so far, so wide and so rapidly, that it will engulf the entire planet, unlike in previous times when economic disasters were localized and seldom affected any persons or community not immediately involved? If it is possible, then taking insurance positions by buying hard money assets – gold, for example, would appear to be a wise course of action. That is the speculation. ■

This material is taken from sources believed to be reliable and is provided for information only. Any investment decision should be made only after prior consultation with investment professionals. Leonard Melman is a financial and political writer who focuses on issues relating to the resource sector. Mr. Melman lives in Nanoose Bay, British Columbia, Canada and can be reached at lmelman@shaw.ca



Copper Ridge to drill minimum seven projects

by Ellsworth Dickson

Copper Ridge Explorations Inc. [KRX-TSXV; CRXOF-Pink Sheets; 502845-Berlin] has ambitious exploration plans for 2008. Headed up by well-known Vancouver geologist, Dr. Gerry Carlson, Copper Ridge has active mineral projects in British Columbia, Yukon and Alaska that are targeting gold, silver, copper, lead, zinc, molybdenum and tungsten. The company has two advanced projects, the Clear Lake zinc-lead-silver massive sulphide deposit and Babine, including the NAK and Dorothy porphyry deposits. Several other projects will be drill-tested by Copper Ridge's optionees.

At Clear Lake, 225 kilometres north of Whitehorse, the Yukon Geological Survey database states there is a "geological reserve" of 5,570,114 tonnes averaging 11.4% zinc, 2% lead and 38.01 grams silver/tonne. Although these figures are based on over 18,000 metres of drilling in 91 holes, they are not NI 43-101 compliant and, as such, Copper Ridge plans to upgrade them to 43-101 reporting standards with its exploration programs this year and is considering a drill program to complement this work. Clear Lake is a shale-hosted sedimentary exhalative (SEDEX) massive sulphide deposit within the Selwyn Basin, home to other large SEDEX deposits. The pyritic massive sulphide body is about 1,000 metres long and up to 120 metres wide.

At the Babine copper-gold-moly porphyry project north of Smithers, central British Columbia, the company is digitizing the historical drill data from the 1995-96 drilling on the NAK copper-gold porphyry. Drilling in the 1990s at Nak intersected 70.7 metres of 0.248% copper and 1.166 grams gold/tonne and 12.5 metres of 2.614% copper and 0.143 grams gold/tonne. An 85-kilometre IP survey over both the NAK and Dorothy deposits, started in late 2007, will be completed in spring 2008. The results will be used to plan a major drill test in 2008.

In February the company released encouraging 2007 diamond drill results from the 108 square kilometre Scheelite Dome

Project 35 kilometres northwest of Mayo, central Yukon, where **Riverside Resources** [RRI-TSXV] can earn a 65% interest. The five-hole, 601.5-metre program focused on the Aorta structural corridor, an east-west striking zone of gently-dipping monzonite dykes and intrusion-related gold mineralization. Results included several 10-metre intervals of potentially ore-grade gold mineralization and one high-grade interval. Hole SD 07-34 intersected 10.18 metres grading 2.03 grams gold/tonne and a second zone of 22.70 grams/tonne over 0.25 metres. Other intercepts included 10.08 metres of 1.01 grams/tonne and 19.64 metres of 1.25 grams/tonne that included 10.1 metres of 2.21 grams/tonne.

When combined with earlier intercepts, the latest results demonstrate the continuity of low-grade, near-surface gold mineralization along the Aorta structural corridor. More drilling is planned in hopes of outlining a gold deposit similar to other large bulk-mineable Yukon gold deposits such as Dublin Gulch and Fort Knox.

At Copper Ridge's Kalzas Tungsten Project in central Yukon, optionee **Prospector Consolidated Resources Inc.** [PRR-TSXV] is planning a major drill program for this field season.

Vale Inco (formerly CVRD Inco), which is earning an interest in Copper Ridge's Ironman Iron Oxide Copper-Gold (IOCG) Project in north-central Yukon, is preparing for a 2008 drill program to follow up on a geophysical survey over the main Ironman gravity anomaly.

The Yukon Olympic IOCG Project, Yukon, is under option to **Richmond Capital Corp.** which is preparing a NI 43-101 report on the property that recommends drilling the Blackstone gravity-induced polarization anomaly.

The Willoughby Gold-Silver Project near Stewart, northwest BC, will see a drill program when optionee **Bonterra Resources Inc.** completes a NI 43-101 report and becomes publicly listed. Drilling is



Diamond drillers add another section of drill rods to the rig at the Copper Ridge Explorations Scheelite Dome Project located 35 kilometres northwest of Mayo, Yukon, where Riverside Resources can earn a 65% interest. Photo courtesy Copper Ridge Explorations Inc.

expected to start this summer.

Sampling and mapping have been completed on the 100%-owned Joss'alun Copper Project in northwest BC. **Lomiko Resources Inc.** has completed a NI 43-101 report and is planning a spring airborne geophysical survey, to be followed by drilling.

Copper Ridge is also considering a drill program on its 100%-owned Lucky Joe Copper-Gold Project located in west-central Yukon where a 13-hole, 2,400-metre drill program was completed last year on the Ryan's Creek trend. This trend extends for over 4,500 metres along strike and is defined by a strong copper-gold soil anomaly coincident with a geophysical anomaly. Last year's assays included 12.05 metres grading 0.37% copper and 0.80 grams gold/tonne, including 3.05 metres of 0.76% copper and 0.38 grams gold/tonne that included 2.4 metres of 0.17% copper and 3.24 grams gold/tonne. Another hole returned 7.3 metres of 0.905% copper and 0.50 grams gold/tonne.

Exploration plans are being formulated for the Borealis Uranium Project north of Dawson City, Yukon, where airborne radiometric and magnetic surveys have defined a number of strong target areas. Preliminary grab samples returned 0.1% to 2.1% uranium.

Copper Ridge is seeking a partner for its Ogopogo Gold Project located four kilometres from the Teck-Cominco-Sumitomo Pogo deposit in west-central Alaska. ■

Sultan Minerals advancing toward Jersey-Emerald production decision

by Ellsworth Dickson

Sultan Minerals Inc. [SUL-TSXV; RZN-Frankfurt], a member of the Lang Mining Group, continues to expand tungsten and zinc mineralization at its 100%-owned, formerly producing Jersey-Emerald tungsten (WO_3) – molybdenum (MoS_2) flagship property located near Salmo, in the Kootenay District of southeast British Columbia. Eight holes show a sizeable zone of low-grade, bulk tonnage, tungsten mineralization in the East Emerald Tungsten Zone, two holes demonstrated potential for large extensions to the historic East Dodge Tungsten Mine and 23 holes confirmed eastern and western extensions of the formerly-producing Jersey Zinc Mine. Drilling on the East Emerald Tungsten Zone shows 6 tungsten bearing horizons within a 2,000-foot long by 700-foot wide by 700-foot thick zone that remains open to the north, south and west. The highlight of this zone is hole JS07-38 which intersected 0.14% WO_3 across 122.70 feet including 0.20% WO_3 across 53.70 feet and 0.45% WO_3 across 14.20 feet.

Hole JS07-22, located 1,200 feet north of the East Dodger workings, intersected a 6.6-foot-thick tungsten-rich zone that assayed 0.57% WO_3 within a 41.2-foot-thick horizon that assayed 0.2% WO_3 . Hole JS07-25, located 500 feet south of the East Dodger

workings, intersected 3.9 feet that carried 2.21% WO_3 within a 14.20-foot wide zone that assayed 0.65% WO_3 . Drill hole JS07-25 also intersected a 2.9-foot wide quartz vein carrying 0.40% MoS_2 in a granite intrusive beneath the tungsten zone.

In 2005, an extensive molybdenum deposit, the East Dodge Molybdenum Zone, was discovered beneath the old Emerald tungsten underground workings. A highlight of the molybdenum drilling was hole JM07-04 that returned 0.10% MoS_2 over a core length of 548.0 feet and averaged 0.04% MoS_2 over its entire length of 1,529 feet.

The Emerald Tungsten Mine began production in 1942 for the war effort and was Canada's largest tungsten producer. After the war Placer Dome purchased the mine and produced the valuable metal from five deposits before closing it in 1973 due to low metal prices.

Currently, the property hosts a measured and indicated resource of 18.67 million pounds grading 0.37% WO_3 and an inferred resource of 9.6 million pounds of 0.40% WO_3 at a cut-off grade of 0.15% WO_3 . In addition, there is potential to significantly increase the size and economics of the operation by exploring both the historically mined areas and the surrounding favourable ground.

In May 2007, Sultan received a scoping study completed by independent consultant Wardrop Engineering which concluded that there is a potentially commercial operation at current metal prices and offered some possibilities of substantially improving the economics. Wardrop has also been conducting environmental baseline studies since summer 2007.

At the present time, about 20 workers are employed at the project. Work includes underground rehabilitation as well as surface and underground diamond drilling. In addition, three metallurgical studies are underway under the supervision of Wardrop with favourable results received so far. A bulk sampling program is also planned for this summer.

Soil sampling surveys that focused on the Jersey Mine area have identified zinc and tungsten anomalies as far away as 3-kilometre from the mine. It is already known that a lead-zinc deposit lies above the molybdenum deposit which recent diamond drilling has confirmed. Highlights included hole JS-07-01 which assayed 10.53% zinc and 3.02% lead across 5.0 feet within a 60-foot thick zone that returned 3.35% zinc and 0.73% lead. Hole JS-07-17 assayed 7.69% zinc across 5.9 feet within an 85.0-foot thick zone that assayed 1.46% zinc and hole JS-07-08 assayed 5.22% zinc across 20.0 feet



Consulting geologists Ed Lawrence and Perry Grunenberg inspect molybdenum veins in the underground workings at the Jersey-Emerald project. Mr. Lawrence was formerly Placer Dome's mine manager at the Jersey-Emerald Mine. Photo courtesy Sultan Minerals Inc.

within 60 feet grading 1.33% zinc.

Art Troup, P.Eng., president, says the company's goal is to define 6.0 million tonnes of ore-grade material in total (any and/or all metals), which would provide about 10 years of reserves at a production rate of 2,000 tonnes per day. He says he hopes Sultan can make a production decision sometime in 2009 and, upon completion of the construction of a mill, possibly be in production in 2010. Initial capital costs are estimated to be approximately \$120 million if new equipment is used and about half that figure if used equipment is sourced. Troup says bank financing would be used to raise a good part of the required funds.

The Jersey-Emerald Project features excellent infrastructure that includes about \$150 million in underground development, road access, power, water and a nearby skilled workforce. The existing old underground workings total about 16 kilometres.

About 25 kilometres north of the Jersey-Emerald Project, Sultan is also exploring the 100%-owned Kena gold-copper-silver property. Situated 60 kilometres northeast of the historic Rossland Gold Camp, 16,000 metres of diamond drilling has been completed in 115 drill holes on the Kena property. A resource calculation was prepared in 2004 that estimated a measured and indicated resource of 541,000 ounces of gold and an inferred resource of 557,000 ounces.

Recent exploration at Kena has resulted in encouraging soil geochemical and rock chip sampling from the Kena Copper Zone. Thirteen contiguous rock chip samples taken from a short adit showed a 26-metre zone grading 0.51% copper. The best 2-metre chip sample assayed 1.65% copper and 530 parts per billion gold (ppb). Grab samples from cross-cutting quartz veins and mineralized shear zones assayed up to 4.62% copper and 1,033 ppb gold.

The 8,000-hectare Kena property encompasses the Gold Mountain and Kena Gold zones which host porphyry-style gold deposits. An expanded work program is planned for this year. ■



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International Beryllium acquires U.S. processor

by Peter Caulfield



A step in making beryllium alloy products: Pouring molten beryllium into ingots at International Beryllium's subsidiary Freedom Alloys Inc. Photo courtesy Freedom Alloys Inc.

International Beryllium Corp. [IB-TSXX] recently signed an agreement to acquire 100% of **Freedom Alloys Inc.** IBC is an up-and-coming Vancouver, BC-based beryllium producer. Freedom Alloys, located in Royersford, Pennsylvania, is a manufacturer and supplier of beryllium, beryllium copper and beryllium alloy products.

IBC president and CEO Anthony Dutton called the deal an "important and strategic combination for both IBC and Freedom." He said Freedom's technical experience and market knowledge "will be invaluable" as IBC pursues "additional downstream acquisitions" and expands its manufacturing and marketing capabilities.

IBC owns and controls 90% of seven beryllium properties in Uganda and 100% of two beryllium properties in Brazil. The properties in Brazil and Uganda are all formerly operating open pit artisanal mines. The company also recently acquired 371 beryllium claims in Utah. By the end of 2008, IBC will have other exploration properties, some with proven reserves, in North America. Its goal is to consolidate the steps in beryllium's mine-to-market value chain

and become a vertically integrated beryllium company. IBC believes this strategy will enable it to become a global beryllium giant.

BERYLLIUM – THE WONDER METAL

Beryllium is a unique metal with special characteristics. It is extremely stiff and very lightweight, has excellent thermal characteristics, is non-magnetic and non-sparking, transparent to X-rays and has a low thermal neutron absorption cross-section.

More prosaically, beryllium is, Dutton said, "twice as strong as steel and half the weight of aluminum."

Beryllium has many applications: telecommunications equipment and computing (broadband hubs and gateway equipment; mobile phones, PDAs and notebooks); automotive electronics (engine control computers; heat-sensitive switches); aerospace and defense (electronics and guidance systems; brake components; nuclear and other weaponry); industrial components (any tooling where sparks are a concern; high-impact bearings). One of the single biggest applications of beryllium is nuclear power generation (blast shields).

Deposits of beryllium are concentrated in Colorado, Utah, Brazil and Uganda. Brazil, followed by Uganda, is the world's largest producer.

BASIS OF COMPANY IS NUCLEAR RENAISSANCE

IBC was co-founded in 2006 by Dutton and James Passin, portfolio manager of New York-based Firebird Global Master Fund, Ltd. Dutton said the company was formed to capitalize on the continuing strength of the "nuclear renaissance."

"The world-wide demand for energy feeds the demand for nuclear power-generating capacity – and for beryllium," Dutton said.

At the moment, there are about 450 nuclear power reactors producing electricity around the world, with an additional 350 nuclear reactors in various stages of planning and permitting.

Beryllium demand is expected to increase sharply in the future. Between 2005 and 2010, consumption in North America is

expected to grow from 86 tonnes to 319 tonnes; in Europe, from 95 to 125; and in Asia Pacific, from 45 to 65.

At the same time that demand for beryllium is increasing, sources of supply are less certain. Passin said the world has been living off stockpiles of beryllium that were built up by the U.S. and the Soviet Union during the Cold War. Since then, no investment has gone into the exploration, mining or processing of beryllium, as the old stockpiles have gradually been used up. Production of beryllium is controlled by two companies, **Brush Engineered Materials Inc.** [BW-NYSE] and **NGK Metals Corp.** And, because beryllium is not traded on an exchange, Brush and NGK effectively control not only the production of beryllium alloys but also their price.

IBC'S GAME PLAN

IBC has three immediate goals:

- Acquire, explore and develop beryllium assets world-wide
- Procure and set up modern, efficient beryllium processing facilities located close to target markets, and
- Acquire and develop an international marketing and distribution network for beryllium and beryllium alloy products

The mine-to-market value chain for beryllium has five steps: mining; chemical concentration; processing into pure beryllium and master alloys; casting, milling/forging, manufacturing; and sales, marketing, distribution. IBC wants to consolidate these steps in one efficient company that will be able to compete against Brush and NGK.

"The purpose of consolidating the value chain is to drive the price of beryllium down, which we hope will increase the demand for the metal over the longer run," Dutton said. "There are many potential applications for beryllium – for example, in lightweight bicycle frames – if the price comes down."

IBC hopes to consolidate the chain within the next 12 to 18 months and, after that, to concentrate on strengthening the links. Dutton said IBC is part-way toward completing its goal and is ahead of schedule. ■



Miners from JS Redpath Group preparing for the first blast at the Niblack Mining site on Prince of Wales Island, Alaska, in Sept. 2007. Photo courtesy Niblack Mining Corp.

major underground program that comprises 1,200 metres of tunnelling and 9,000 metres of underground drilling. The underground drilling program is currently testing about 1,500 metres of unexplored stratigraphy between the Mammoth and Lookout zones (now known as the North Limb) as well the testing of about 600 metres of depth extension at the Lookout Zone. Meanwhile underground mining crews are advancing about 4.8 metres per day and have also completed the blasting out of drill stations and a 'muck' bay at the Mammoth crosscut tunnel. Muck is miner's slang for blasted rock.

About 15 kilometres northeast of the Niblack Project, the company has been exploring the 100%-owned, earlier-stage Cayenne property that includes the formerly producing Khayyam and Stumble-On deposits. The Khayyam deposit was the largest of four VMS mines in production in the region between 1901 and 1907 with historic production totalling 210,000 tons grading 1.7% copper, plus gold and silver credits. A 1945 survey by the U.S. Bureau of Mines estimated an additional resource of 78,700 tons grading 2.9% copper, 0.8% zinc, 0.04 oz. gold/ton and 0.5 oz. silver/ton (non NI 43-101 compliant).

In 2007, the company carried out geological reconnaissance work, rock sampling and geophysical surveys. Sampling of 0.3 to 0.5 metre boulders from the mine dump assayed up to 14.6% zinc, 15.4% copper, 109 grams silver/tonne, and 5.72 grams gold/tonne. This year the company plans to drill test several of the geophysical anomalies.

Located about 17 kilometres southeast of the Niblack property, the 2,300-acre Ruby Tuesday property hosts two major copper-zinc showings 1,000 metres apart separated by several smaller showings. Work by various past operators included mapping, soil sampling and geophysics and drilling. Grab samples have assayed up to 16.1% zinc, 1.74% copper, 9.48% lead, 2.5 grams gold/tonne and 76 grams silver/tonne. Niblack Mining will be conducting mapping, prospecting soil sampling and geophysics this year. ■

Immortalized in songs and stories, the state of Alaska brings to mind images of a frozen, snowy wilderness; however, there is another Alaska – namely its panhandle. Situated between the Pacific Ocean and northwest British Columbia, the coastal panhandle of southeast Alaska with its many islands is blessed by a temperate climate with mild winters, making for easy year-round mineral exploration.

Niblack Mining Corp. [NIB-TSXV] has three mineral projects in the panhandle – the Ruby Tuesday, Cayenne and its flagship project, the Niblack Project on Prince of Wales Island. Classified as a volcanogenic sulphide deposit (VMS), the 100%-owned Niblack Project is polymetallic, hosting values in gold, silver, copper and zinc. Having received the necessary state permits, the company is currently advancing the project with surface and underground drilling and is constructing extensive underground workings. The short-term objective of the drilling is to successfully delineate an economic mineral resource in the Lookout Mountain Zone. With about \$7 million in the treasury, there are sufficient funds for completing the drilling programs. Some \$15 million has been spent on surface exploration since 1995.

Previous surface drilling results have been very favourable, including 27.88 metres grading 7.89 grams gold/tonne, 262 grams silver/tonne, 1.33% copper and 7.33% zinc as well as 68.67 metres grading 2.39 grams gold/tonne, 47 grams silver/tonne, 1.67% copper and 4.05% zinc.

There are six known massive sulphide occurrences on the 3,200-acre Niblack Project property, including the Trio, Dama, Mammoth and Lookout Mountain zones, as well as some interesting mineralized surface showings such as the Lindsay.

In early February, the company reported drill results from the Trio Zone. Drill hole LO-207 intersected four separate sulphide zones with a cumulative width of 33 metres, including:

- 7.53 metres grading 2.11 grams gold/tonne, 50 grams silver/tonne, 1.37% copper and 2.89% zinc
- 6.28 metres of 2.15 grams gold/tonne, 20 grams silver/tonne, 0.59% copper and 4.31% zinc
- 4.11 metres of 0.55 grams gold/tonne, 12 grams silver/tonne, 0.17% copper and 4.38% zinc
- 5.67 metres of 4.06 grams gold/tonne, 55 grams silver/tonne, 2.52% copper and 5.31% zinc

Paddy Nicol, president, states, "We are pleased with how the Trio Zone is developing. The zone, only 360 metres on strike from the Lookout Zone, remains open at depth and to the south, and has the potential to add significantly to the resource base. The Trio Zone is one of the several massive sulphide zones we plan to drill in 2008."

Drill results at the Dama Zone, located about 800 metres east of the Trio Zone, have also returned polymetallic values.

In addition to the surface exploration programs, the Lookout Zone is the focus of a

VIETNAM – Good for Gold

by Paddy Moore

Vietnam is on the move. Traditional cone hats are being replaced by shiny new helmets on the young riders of the millions of 'xe may' – those motorcycles and scooters that go everywhere. Eighty million people (average age 30) are squeezing their way through the traffic jam between India and China. Vietnam has been a highly successful member of the World Trade Organization for over a year and is consistently rated as one of the world's top 10 countries for investment.

The Vietnamese people are resilient. After centuries of war and bloodshed repelling invaders from all sides – Chinese, Japanese, French, and Americans to name a few – the people of Vietnam are finally finding peace and welcoming the world. Traces of 100 years of French "Indochine" can still be found, but were mostly erased by the determination and iron will of modern Vietnam's founder, Ho Chi Minh. You can find everything for sale here – and cheap. The political brakes may slow this socialist state, but the capitalistic free market economy is speeding ahead, bringing plane loads of tourists and investors.

One of those investors is Toronto-based **Olympus Pacific Minerals Inc.** [OYM-TSX; OLYMF-OTCBB]. For the last 18 years, Olympus has been exploring a large portfolio of properties including advanced-stage projects within the most economically productive mineral provinces. Olympus is the first company to commission and operate a modern gold processing plant in Vietnam – at Bong Mieu. David



A miner displays a gold brick from the Olympus Pacific Minerals Bong Mieu Gold Mine in Vietnam. Photo by Jim Hamilton, IR Director of Olympus Pacific.



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History repeating itself could be a very good thing...

Garson Gold Corp. owns a 100% interest in the historically producing New Britannia Gold Mine located in Snow Lake, Manitoba. The Company is currently conducting a scoping study and is assessing viable strategies with the objective of re-establishing gold production at the mine.

For more information visit www.garsongold.ca or call toll free 1-877-784-2161.



Seton, Executive Chairman, explains, "At Bong Mieu, we are now producing a small amount of gold. We have proven that the production story works in Vietnam. We're making money and we're also working on expanding production."

Bong Mieu is convenient to Da Nang, headquarters for Olympus Pacific's field office; and is a modern metropolis that is Vietnam's fastest growing economic hub. Dozens of international companies are pouring money into this attractive area of central Vietnam, lured by the nearby tourist appeal of the UNESCO designated city Hoi Ann, and the beauty of the TV-famous China Beach. Da Nang provides all the infrastructure and logistical support that Olympus Pacific needs.

Just 90 kilometres away is an even bigger project where the company is scheduled to begin production in late 2008. On April 1, Olympus Pacific released positive results of the Technical Report on Feasibility Studies for their Phuoc Son Gold Project. The report, authored by independent

mining and geological consultants, Terra Mining Consultants/Stevens & Associates, recommends development of the project as a financially robust gold project with a 3.08-year pay back, a net present value range of \$17.7 million to \$21.5 million, and an internal rate of return of 27.9% at current gold prices over the life of the mine.

Olympus holds 85% of the Phuoc Son Project which is comprised of two deposits; the South (Bai Dat) and North (Bai Go) deposits, about one kilometre apart. David Seton says, "At Phuoc Son, the exploration potential is spectacular, in my opinion. We've really concentrated our efforts on the southern part of the property. The deposits are both high and medium-grade and average about 10 grams gold/tonne. They represent a small portion of the ground under lease. As we move north through the lease, there are other similar areas that have strong indications of high and medium-grade gold values. Over the next two years we are going to exploit those to the maximum and I personally believe that we will get well over

2 million ounces in the Phuoc Son area by the end of next year."

Olympus Pacific takes its corporate responsibilities seriously. The company now has 400 plus employees in Vietnam with good paying jobs and benefits. Together, they developed a vision statement that includes all stakeholders, and it is on prominent display throughout the operation.

Olympus has "local hire" guidelines, ongoing training programs for employees, conscientious environmental policies, and supports local community initiatives. David Seton expresses the company philosophy, "It's very important for all stakeholders in the company to be successful. This is not a situation of just taking from the country – we want to deliver back and involve the whole community in what we're doing. If we do that, it's going to be a successful venture." Olympus' senior management members are all significant shareholders and are focused solely on the company, on gold, and on Southeast Asia. In Vietnam, momentum is everything. ■

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Buffalo Gold drill-testing Sardinian Gold Project

Vancouver company working to expand resource at only operating gold mine in Italy

by Peter Caulfield

Buffalo Gold Ltd. [BUF-TSXV] of Vancouver, BC has started a 3,250-metre drill program to expand resources at its Furtei Gold Project in Sardinia, Italy. Buffalo president and CEO Brian McEwen said the known deposits at Furtei occur at structural intersections and lithological contacts. The reverse circulation drill program will target the delineation of new mineralization close to known underground deposits.

Founded in 2006, Buffalo has a portfolio of projects around the world. They include the gold deposit at Furtei; grassroots exploration in known gold regions of Australia; and an advanced gold project in Papua New Guinea. The company's goal is to capitalize on the current high price of gold "to... [grow] a gold mining company through a combination of exploration and acquisition."

GOLD IN SUNNY SARDINIA

In 2007, Buffalo completed a friendly merger with Sargold Resource Corp., which had gold properties in Sardinia. The properties include the largest precious metals exploration land area in Sardinia. Buffalo now holds

a 90% interest in the assets, which include the mine at Furtei, a host of exploration prospects at Monte Ollasteddu and advanced exploration properties at Osilo.

"Buffalo has the only operating gold mine in Italy and the only mineral mine in Sardinia," McEwen said.

Sardinia has a long history of mining, including the production of tin, alumina, industrial minerals, coal, base and precious metals. The island is located in the Mediterranean Sea approximately 150 kilometres west of Rome. It has good transportation, communication, business and political infrastructure.

The Furtei Mine consists of a processing plant and a fully permitted mining concession, including future tailings disposal and employs 44 people. The processing plant has a maximum annual capacity of 400,000 tonnes of ore. The mine produced 135,000 ounces of gold between 1996 and 2002. The plant was successfully re-commissioned in Q4 2006. Since its acquisition of the mine, Buffalo has poured over 1,000 ounces of gold.

In February 2008, Buffalo entered into an off-take agreement with MRI Trading AG of Switzerland to purchase gold and copper concentrate produced at Furtei. The initial contract is for up to 5,000 tonnes to be produced in 2008. The contract is open and can be extended if required.

With the assistance of its consultants, Wardrop Engineering Inc., Buffalo is completing an in-house feasibility study on the current underground targets, with a goal of starting production in late 2008 or Q1 2009.

In addition to its mine at Furtei, Buffalo has two exploration projects in Sardinia. Osilo has an internal resource in five veins of 376,000 ounces of gold grading 7.0 grams/tonne, with the veins traced up to six kilometres in length. Monte Ollasteddu

is an historic mining area with gold in stock works, veins and silicification.

EXPLORATION PROPERTIES IN PAPUA NEW GUINEA AND AUSTRALIA

In Papua New Guinea, Buffalo holds a 60% interest in the Mount Kare Gold Project. According to a NI 43-101-compliant resource estimate, Mount Kare has 1.4 million ounces of gold in the indicated category and an inferred resource of 0.3 million ounces. The company is awaiting final government approval of its third exploration license application in an area adjacent to the western edge of the Mt. Kare license. The new license is a strategic acquisition: surface and geophysical work indicate that significant geologic structures and anomalies are continuous onto this ground. Buffalo now controls a total of 584 square kilometres of ground in three license blocks.

In Australia, Buffalo has a portfolio of gold exploration properties that includes holdings in the Drummond Basin and Croydon Goldfields in Queensland. The properties are composed of 14 licenses totaling 2,150 square kilometres.

STRATEGIC INVESTMENTS

Buffalo holds a number of strategic investments. The company has a 25.4% interest in **Kinbauri Gold Corp.** [KNB-TSXV], a Canadian mineral exploration company that has gold and copper projects, including the El Valle project, in northern Spain.

In May 2007, Buffalo spun off its portfolio of uranium properties to Australian explorer **Bondi Mining Ltd.** [BOM-ASX] in exchange for a 40% interest in the company. Surveys have highlighted 17 drill targets within seven priority areas chosen for ground surveying and Bondi intends to carry out 10,000 metres of drilling in 2008, with field activities beginning early in the year.

And in January 2008, Buffalo acquired a 22% interest in **AMI Resources Inc.** [AMU-TSXV]. AMI is exploring for gold at its North Ashanti Project, Ghana, which straddles 15 kilometres of the Ashanti Gold Belt, about 20 kilometres west of Newmont's Akyem deposit and 50 kilometres northeast of AngloGold Ashanti's Obuasi Mine. ■



Loading gold concentrate into shipping bags at Buffalo Gold's Furtei Mine in Sardinia, Italy. Photo courtesy Buffalo Gold Ltd.

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Newcastle Minerals completes NI 43-101 report on Iskut polymetallic deposit

Kevin Whelan, president, reports **Newcastle Minerals Ltd.** [NCM-TSXV] has just completed a NI 43-101 compliant report on its Iskut deposit located on the 100%-owned Snip North property about 115 kilometres northwest of Stewart, northwest British Columbia. Prepared by independent consultants, Burgoyne Geological Inc., the report recommends further exploration on the newly-discovered and defined Iskut gold-copper-molybdenum porphyry deposit. The property is situated in a highly mineralized region and is on trend and two kilometres northwest of Skyline Gold's Bronson Slope gold-copper-silver-molybdenum deposit and three kilometres north of Barrick Gold's formerly producing SNIP gold-silver-copper mine (1991-1999). The Snip North property was explored in the late 1980s by Meridor Resources Ltd.

Drill results from the 2006 and 2007 programs have defined a separate copper-gold-moly porphyry mineralized zone, called the Iskut deposit, measuring 500 to 600 metres along strike 200 to 300 metres wide and to a depth of 200 metres. Using dimensions of 500 to 600 metres of strike length, a width of 225 metres and a depth of 175 metres along with a specific gravity of 2.90 yields a potential quantity of 57.1 to 68.5 million tonnes. The grades vary from 0.3 to 0.6 grams gold/tonne, 0.09 to 0.17% copper and 0.003 to 0.023% molybdenum. Still at an early stage, this estimate is conceptual in nature with insufficient exploration to define a mineral resource.

The Iskut deposit hosts widespread mineralization and alteration comprising pyrite, chalcopyrite, molybdenite, magnetite, quartz and calcite in veins, veinlets, fractures and stockworks, breccias and as disseminations.

Near the East Zone, located about 550 metres east of the Iskut deposit, exploration to date has defined low-grade copper and gold mineralization that remains open to the east and west. A 2007 drill hole in the East Zone returned 61 metres grading 0.32 grams gold/tonne. Company geologists speculate that the Iskut deposit and the East Zone are probably contiguous on trend and together are open on strike to the east, west and to depth with a potential 700 metres of favourable trend.

Burgoyne Geological is of the opinion that the Iskut deposit is of sufficient merit to warrant further exploration. Plans for summer 2008 are designed to further define and extend the known porphyry polymetallic mineralization on both the Iskut deposit and the East Zone. A two-stage program is being formulated with Phase I to include geological modeling, geological mapping, induced polarization and resistivity geophysical surveys, site remediation and 3,000 metres of infill diamond drilling on the Iskut deposit. This will be followed by a Phase II core drilling program of 2,000 metres, pending favourable Phase I results.

Newcastle Minerals also holds three other 100%-owned mineral properties in northwest British Columbia – the Target property 45 kilometres east of Telegraph Creek and the Phiz property seven kilometres west of the SNIP Mine. A \$125,000 exploration program is planned for the Waratah/Bug Lake property located two kilometres west of the SNIP Mine where 17 mineralized showings have been discovered to date. Previous exploration has included prospecting, geological mapping, trenching, heavy mineral, silt, soil and rock sampling as well as VLF and EM geophysical surveys. ■

ZEOX Corporation Montana zeolite

LuVerne Hogg, President/CEO, reports ZEOX Corporation is finalizing the acquisition of a 20 ton-per-hour zeolite processing facility located in Butte, Montana. Under a letter of intent signed with Machinery and Equipment Co. Inc., ZEOX has purchased a 66-inch Raymond roller mill and associated processing equipment and a product storage plant for US \$2 million. The plant is situated by a railway and features pneumatic loading and unloading.

ZEOX plans to operate the facility under a lease option agreement with MSE Technology Applications, Inc. which covers an approximate 8-acre portion of MSE's facility in Butte, with an option to buy the 8 acres, plus an additional adjacent 26 acres for a total consideration of US \$1.5 million. The term of the lease option runs from January 1, 2008 to June 30, 2008 with lease payments credited toward the purchase price. To date, US \$300,000 has been paid against the purchase price. A balance of US \$1,090,000 is payable June 30, 2008. The Butte facility will provide production capability estimated to exceed 120,000 tons per year. Processing is scheduled to begin in the second quarter of this year to produce the product lines for Canada and the northern U.S. markets.

Zeolite is a valuable industrial mineral with unique characteristics that can be used in a variety of applications that include zeolite-based cements for oil and gas projects and light weight, high strength cement and concrete for building materials.

In January 2008, ZEOX received its first commercial order for its patented ZMM®-ZeoFume product for down-hole cement formulations. Mr. Hogg was instrumental in developing the technology to produce the zeolite products.

acquiring processing plant

by Ellsworth Dickson

ZEOX has a license agreement with the National Research Council of Canada covering patents in the U.S., Canada and Mexico covering zeolite-based light weight concrete products as well as non-exclusive worldwide license rights to globally commercialize five patents related to zeolite-based lightweight concrete products for use in the application in the oil and gas industry from Haliburton Energy Services Inc.

ZEOX has also received NSF 60 certification for its processing and distribution facilities at Ash Meadows, Nevada and White Cliffs, Arizona. The NSF Mark is a high quality standard recognized internationally. The certification covers the production process of ZEOX's CABSORB®ZS500Fe, a product developed as a specialty water treatment catalyst for treatment and removal of organic compounds, heavy metals and other contaminants in drinking water. The company is currently pursuing business opportunities in water and soil remediation domestically and internationally.

ZEOX is also involved in mining and processing other industrial minerals, including chabazite at Bowie, Arizona; saponite (plastic additive) at Burro Creek, Arizona; and sodium sulfate product for cement at its mine and plant at Palo, Saskatchewan. The plant at White Cliffs can produce up to 40,000 tons per year of fine micronized zeolite and diatomite (diatomaceous earth) products.

In addition to servicing the oil and gas industry and its application in water treatment, with zeolite's ability to absorb odours, liquids and heavy metals, ZEOX's products are used by the nuclear power industry for adsorption of radio nuclides. ■

Centamin building Egyptian gold reserves

by Greg Barns

Centamin Egypt Limited [CEE-TSX; CNT-ASX; CEY-AIM] is looking for gold in one of the most ancient mining areas on the planet – the Eastern Desert of Egypt. The company hopes to establish the first modern gold mining operation in Egypt with its Sukari Project – an area which includes mine sites that date back to Roman times.

On April 8, Centamin Egypt announced a resource upgrade for its flagship Sukari Project. The project now has measured and indicated resources of 8.12 million ounces of gold, with 3.5 million ounces in the inferred category. Significantly, the company already has 3.7 million ounces of gold in proven and probable reserves.

The Sukari Project is hosted by a large, sheeted vein-type and brittle-ductile shear zone developed in a granitoid intrusive complex. Gold mineralization is contained by a granitoid body of a granodiorite-tonalite composition called the Sukari porphyry. The project covers 160 square kilometres and Centamin is continuing to drill the area. Its latest results, released in February by Managing Director Josef El-Raghy, would have pleased shareholders. Results show that exploration is still discovering high-grade structures with spectacular grades such as 35 metres of 164.09 grams gold/tonne.

Things haven't always been easy for Centamin in this part of the world. In 2003, the Egyptian government unexpectedly stopped work on the Sukari Project, and it was only in 2005 that the way was cleared for project development to resume. Since then, the company says the Egyptian government has been fully supportive of the project. Centamin has a 30-year tenure over the project area with an option of another 30 years when that period expires.

Mining is set to begin Q4 this year. The plan is for open pit mining over an initial 15-year period. During that time, Centamin intends to mine 78 million tonnes of ore grading 1.5 grams gold/tonne, producing 3.7 million ounces of gold. A further 374 million tonnes of waste material is also expected to be mined. Ore and waste will be mined using conventional open pit mining methods. The operation will utilize selective mining techniques to separate ore and waste. On an annual basis, about 5 million tonnes of ore will be mined and 4 million tonnes processed to produce around 200,000 ounces gold at a current cash cost of US \$290/oz.

The plant is already on site. Centamin announced last October that it delivered to the mine site the Kori Kollo processing plant from Bolivia, and the 28 MW Isparta power plant from Turkey. Water will be drawn from the Red Sea and pumped about 25 kilometres to the mine site to satisfy all process plant and mining requirements.

Centamin, which raised CDN \$134.4 million late last year, estimates the capital cost of the project to be about US \$216.5 million. But with around US \$226 million in the bank at this stage, it is telling the market that the Sukari Project is 100% fully funded through to gold production and, as a result, the company no longer needs to pursue debt financing. If the gold price continues to rise over 2009 and 2010, Centamin should be able to take full advantage by selling into the spot market. ■

Arcana acquires Shafter Silver Mine

Ken Booth, president, reports Aurcana Corp. [AUN-TSXV] has agreed to acquire a 100% interest in the Shafter Silver Mine from Silver Standard Resources Inc. [SSO-TSX; SSRI-NASDAQ]. Shafter is located in southwest Texas and is fully accessible via paved highway from El Paso, Texas. The mine has an estimated measured and indicated resource of 21,000,000 ounces of silver and an inferred resource of 20,200,000 ounces of silver. This estimate is based on a previously prepared technical report for Silver Standard by Pincock Allen and Holt on the Shafter Silver Mine dated April 10, 2001 and filed on SEDAR June 3, 2002. Details of the estimated resource are shown in the table below:

Aurcana plans to commission a NI 43-101 compliant technical report to confirm the resource estimate. Shafter's past production history spanned the period from 1883 to 1942 when the mine was closed by the War Act. Total production during that period was 2.306 million tons of ore containing 35.153 million ounces of silver at an average grade of 15.24 ounces of silver per ton.

Estimated Resources	Tons	Silver oz/ton	Contained Silver oz
Measured	658,000	9.89	6,500,000
Indicated	1,427,00	10.14	14,500,000
Measured & Indicated	2,085,000	10.06	21,000,000
Inferred	1,572,000	12.83	20,200,000

All necessary infrastructure is in place at Shafter with a major power line and paved highway crossing the property, an electrical sub-station on site, a 320-metre shaft serviced by a 80 ton per hour hoist, 1,555 metres of underground development and an 800 ton per day conventional mill that was moved to Shafter in 2003.

Aurcana will use the expertise and experience of its operating team, which successfully refurbished and restarted the La Negra Mine in 13 months, to assemble the mill and re-start the mine at Shafter. The company estimates that the Shafter

mine could be in production in just over 15 months.

The acquisition terms require Aurcana to pay Silver Standard \$23 million in cash; 15 million Aurcana shares; and a \$10 million convertible debenture paying a 3% coupon with a three-year term and convertible into 6.62 million Aurcana shares at \$1.51 per share. Total consideration based on Aurcana's closing price of \$0.64 on April 1, 2008 is \$42.6 million. The acquisition is subject to the signing of a definitive agreement and a closing on or before June 30, 2008. The acquisition is subject to certain conditions including acceptance by the TSX Venture Exchange.

Off the Wire

Aurcana has an 80% interest in the 1,000 tonne-per-day (TPD) La Negra silver-lead-zinc-copper mine in Queretaro State, Mexico, a 100% interest in the Rosario silver-lead-zinc-gold mine in Sinaloa State, Mexico, which is advancing to begin production at a planned rate of 800 TPD in 2009.

Terrane Metals completes Mt. Milligan feasibility study

Robert Pease, president/CEO, Terrane Metals Corp. [TRX-TSXV], reports results of a feasibility study on its 100%-owned Mt. Milligan Copper-Gold Project in central British Columbia, Canada.

The report was prepared by Wardrop Engineering Inc. following a 22-month and \$20 million work program. The report describes scope, design features and economic viability of a conventional truck-shovel open pit mine and 60,000 tonnes per day copper flotation process plant. The capital cost is estimated at \$917 million and commercial production is scheduled to begin in Q1 2012. The project would create 400 permanent jobs over a 15.3-year mine life.

The report considered a base case commercial production plan that utilized London Metal Exchange three-year rolling average metal prices and exchange rate as noted below. All amounts are in Canadian funds unless otherwise stated (see table below).

The operating cost is \$7.12 per tonne of ore milled. The Mt. Milligan copper-gold porphyry deposits contain a measured and indicated resource of 590.8 million tonnes averaging 0.193% copper and 0.352 grams gold/tonne containing 2.52 billion lb. copper and 6.70 million oz. gold. The NI 43-101 compliant resource is based on 218,700 metres of core drilling in 960 drill holes. The reserve was developed through the construction of an ultimate open pit within the mineral resource model. The proven and probable reserve totals 333.7 million tonnes averaging 0.217% copper and 0.428 grams gold/tonne containing 1.60 billion lb. copper and 4.59 million oz. gold.

Base Case Highlights (US \$2.75/lb Copper, US \$600/oz Gold and FX 0.89)

Average Annual Metal Production
Copper lb, million
Gold oz

Average Annual Production Cost (US\$/lb/oz)

1 lb copper net of gold credit

1 oz gold net of copper credit

Pre-Tax Payback (years)

Pre-Tax Internal Rate of Return (%)

Pre-Tax Net Present Value (8%)

Years
1-6

Years
1-15

97
265,100

88
217,000

\$0.36
- \$268

\$0.64
- \$250

3.7

18.1

\$606 million

Tamerlane hits Pine Point lead-zinc

Ross F. Burns, president/CEO, **Tamerlane Ventures Inc.** [TAM-TSXV], reports intersecting additional extensive high-grade lead-zinc mineralization at the it's Pine Point property, located in the Northwest Territories, Canada. Drill hole P499-TV2 returned a significant 156.5-foot true vertical thickness of 15.19% combined lead and zinc, including an interval of 92 feet of 22.66% lead and zinc. P499-TV2 was drilled at -83°.

Drill hole P499-TV1 included five sections where zinc was reported greater than 30%, and an additional 7.5-foot section where both zinc and lead were reported greater than 30% (zinc+lead% > 60%). P499-TV1 was drilled at -90° and represents the true vertical thickness of the prismatic deposit.

These new assay results are part of the confirmation drilling program started in November 2007 for the purpose of converting a portion of indicated and historical resources into proven and probable reserves. These results conclude the winter 2007/2008 drill program, in which Tamerlane drilled 3,200 meters in 16 holes.

For 2008, the company has scheduled an extensive drill program to be completed on the East side of the Buffalo River, where favorable ground conditions facilitate Spring and Summer drilling. Tamerlane expects to drill approximately 5,000 metres in 2008. Additional drill results will be forthcoming.

Baja Mining receives Korean funding

John Greenslade, president, reports **Baja Mining Corp.** [BAJ-TSXV] has a new development partner and has made financing arrangements for the construction of its El Boleo project located in Baja California, Mexico. Baja signed an agreement with a Korean consortium led by Korea Resources Corp. (Kores) under which the consortium will acquire a 30% interest in the project through the acquisition of a 30% inter-

est in the company's Mexican subsidiary, Minera y Metalurgica del Boleo S.A. de C.V. (MMB).

As consideration for the acquisition of a 30% interest in the project, the consortium will provide a financing package of up to US \$435 million. This will consist of an upfront cash payment to Baja, reimbursement of agreed project expenditures since completion of the definitive feasibility study, payment of the consortium's proportionate share of project capital costs, and, in conjunction with a Korean lending agency, a package of senior and subordinated debt financing. In addition, the consortium will provide a completion guarantee in respect of its share of project financing. Through the transaction, the consortium will also acquire a right to off-take 30% of the El Boleo Mine production on commercial terms.

The signing of the sale and purchase agreement took place at a ceremony in Washington attended by a delegation from the government of Korea led by Youn Ho Lee, the Minister of Knowledge Economy. The delegation included Han-Ho Lee, president and chief executive officer of Kores, and a number of other senior Korean government officials, demonstrating the importance of this transaction.

Baja appointed Bayerische Hypo-und Vereinsbank AG, a member of Unicredit Group (HVB), as the mandated lead arranger to arrange and underwrite a project debt financing comprising a debt facility of US \$475 million and an additional US \$40 million cost overrun facility. Baja is in discussions with HVB about increasing the size of the debt financing through the involvement of the Korean lending agency.

Kores is a state-owned corporation of the government of Korea. The transactions are subject to the approval of the boards of the Korean consortium and Baja, the government of Korea, the Mexican Federal Commission of Competition, and the TSX, and are also subject to the negotiation and bank approval of the final debt terms and credit structure. Baja and its financial

adviser, Endeavour Financial International Corp., continue to progress these final negotiations with a view to closing each transaction as expeditiously as possible.

Baja Mining completed a definitive feasibility study in May, 2007 that estimated the capital cost to construct the mine and mill facility at US \$568 million (about US \$680 million with finance costs, contractor fees, working capital and spares).

Adanac Molybdenum arranges \$80 million financing

Adanac Molybdenum Corp. [AUA-TSX; AUAYF-PINK SHEETS; A9N-Frankfurt] signed a term sheet with a leading global institutional investor to provide \$80 million bridge financing to fund continued development of its proposed Ruby Creek Molybdenum Project near Atlin, northwest British Columbia. The financing would be in the form of senior secured notes, and is subject to regulatory approval, due diligence by the investor and mutual agreement of definitive terms; with final acceptance by both parties expected by mid-May, 2008.

"This financing would advance our Ruby Creek Project to the next level," said Dr. David Stone, CEO. "The funding would enable Adanac to continue its engineering and construction planning activities and take possession of processing equipment we have ordered for the molybdenum mine. The financing will provide the funds through the time period to secure the balance of the money necessary to build and start-up the mine, processing facilities and related infrastructure."

The offer was arranged through Adanac's United States-based investment banker and forms part of the overall project financing initiative underway since October 17, 2007, which is contemplated as a debt and equity offering of about \$750 million. Completion of the balance of financing is targeted for summer 2008. The project contains an open pit reserve of 157.7 million tonnes grading 0.058% Mo using a 0.040% cut-off grade. ■

Commerce Resources controlling conventional deposits rich in exotic metals

by Mike Kachanovsky

By now the commodity boom is old news to investors. Most people are keenly aware that just about every metal from aluminum to zinc has been on a wild bull market run for most of this decade. The good times are also rolling for a group of lesser known exotic metals with special properties that make them essential for products and technologies that we all take for granted, yet few people have even heard of these metals.

Tantalum is known for its ability to hold and release an electric charge and the metal is used in the fabrication of capacitors which are essential in most modern electrical circuitry, including cell-phones. The other metal, niobium, is blended with steel, forming an alloy that is lighter and stronger.

Both of these metals are subject to increasing worldwide demand and yet they are produced in relatively limited quantities. It is therefore very attractive to control a large resource that could potentially become a significant new production source.

Canadian-based **Commerce Resources Corp.** [CCE-TSXV; D7H-FSE] is advancing exploration at its Blue River property, near the town of Blue River, eastern British Columbia. Within the wholly owned, 1,000 square kilometre property area controlled by the company, a growing resource of tantalum and niobium has been defined in several distinct deposit areas, and the project is rapidly approaching a critical mass that could support development into a mine.

And since much of the current production for these metals is generated from countries with uncertain political stability, suffice it to say that the end users of tantalum and niobium are interested to see Commerce Resources achieve a successful outcome to its efforts.

Multi-million tonne deposits have now been defined at the Verity, Fir, and Upper Fir deposit areas, and significant exploration work continues at the Upper Fir with the objective to expand the size of the deposit.

In addition, an emerging discovery area, the Howard Creek carbonatite at the northeastern part of the property, was recently reported by the company. Analysis of sample material from Howard Creek has revealed extremely high grades of vanadium, along with the presence of titanium, phosphate and zircon. This area of interest further emphasizes the prospective nature of the district and adds a new dimension to the overall potential for the property.

In terms of economics, Blue River has many favourable considerations that may help provide a tailwind to arrive at a development decision. The property is well served by road and hydro-electric power access. The deposits are relatively shallow, hosted within wide intervals of carbonatite mineralization bearing high grades



Rod Tyson P. Geo., (Commerce Resources) showing Dr. Rob Woodside, carbonatite drill core from the 2007 Upper Fir program with visible tantalum and niobium bearing pyrochlores at the Blue River property, British Columbia. Photo courtesy Alistair Eagle / PeopleShots.com

of tantalum and niobium in the same rock mass. And preliminary metallurgical testing suggests that conventional processing will yield high recovery rates.

A pre-feasibility study should be completed this year that will help to quantify the economic variables and determine the viability of the project for development. Ideally, Commerce would like to demonstrate that the deposits have economic merit to attract a development partner and build a mining operation.

Commerce also controls an early-stage exploration prospect in northern Quebec, a province noted for economic incentives to encourage exploration activity. Geophysical work has indicated a wide zone of carbonatite mineralization and positive sampling results have demonstrated high grades of tantalum and niobium occur on the property.

Amidst the backdrop of a credit crisis that has put some good mining projects on hold, investors can be assured that Commerce is well-funded to continue with its strategy, since the company recently raised over \$32 million through a timely equity offering completed in August 2007.

Despite the strong performance of the metals, the market has not been kind to junior exploration companies. Commerce Resources shares are currently priced well into value territory, considering the extent of the defined mineral resources after eight years of work. The company remains speculative and many hurdles lie in the path ahead, but the exact same circumstances often represent the most optimum times for investors to participate in a discovery story.

The management is experienced and talented, with numerous impressive accomplishments to their credit. On a chunk of property encompassing over 1,000 square kilometres there are still many rocks left unturned that could provide greater upside potential in the resources. The resource boom is probably a long way from winding down and for Commerce investors, though the ride may be bumpy, it will probably never be boring. ■

BCGold to explore historic Engineer Mine

Following the receipt of very high-grade gold assays and a favourable independent technical report on the formerly-producing 100%-optioned Engineer Mine near Atlin, northwest British Columbia, BCGold Corp. [BCG-TSXV] is formulating plans for a summer exploration program.

In late February 2008, BCGold received bonanza-grade gold and silver assays collected from the Shaft Vein at the Engineer Mine. A select grab sample taken from a narrow vein exposed in the drift back (ceiling of the tunnel) on Level 5 assayed 860 grams gold/tonne (25.08 oz/ton) and 1,774 grams silver/tonne (51.74 oz/ton). This sample, retrieved from more than 85 metres below any previous development on the Shaft Vein, demonstrates that the Shaft Vein hosts bonanza-grade gold and silver at depth.

During the 1920s, the underground Engineer Mine produced 18,000 ounces of gold and 9,000 ounces of silver grading 39 grams gold/tonne and 20 grams silver/tonne from narrow, high-grade veins. All veins remain open at depth with

no exploration having been conducted below 200 metres from surface. BCGold asserts that there is geological evidence for a potential bulk tonnage gold deposit at Engineer Mine, and will conduct a staged exploration program implementing recommendations from a technical report prepared by Clive Aspinall, M.Sc., P.Eng.

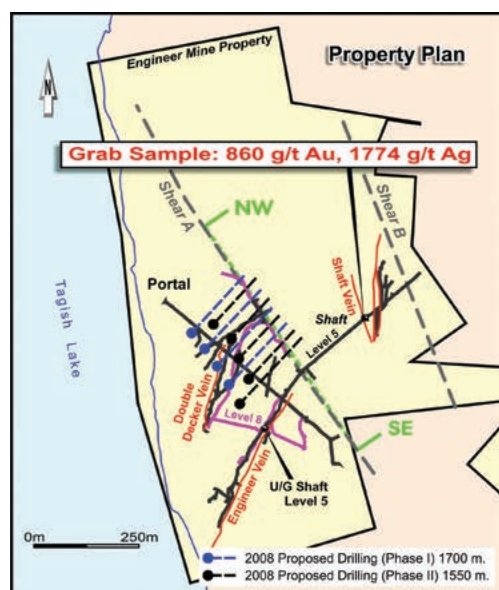
BCGold has documentation which refers to significant historic underground chip sample results on Shear Zone A (see map) at the deepest mine level (Level 8, currently flooded). This sampling reportedly returned an average grade of 5.1 grams gold/tonne over a width of 45 metres and thus supports the assertion that Shear Zone A could host a 500,000-2 million ounce gold deposit grading 6-12 grams gold/tonne. Brian Fowler, P. Geo., president, states that this quantity and grade is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain that further exploration will result in the target being delineated as a mineral resource.

In 2007, BCGold completed a \$250,000 exploration program on the Engineer Mine property. For the current exploration season, work will include surface diamond drilling on the Shear Zone A bulk tonnage gold target, as well as limited underground

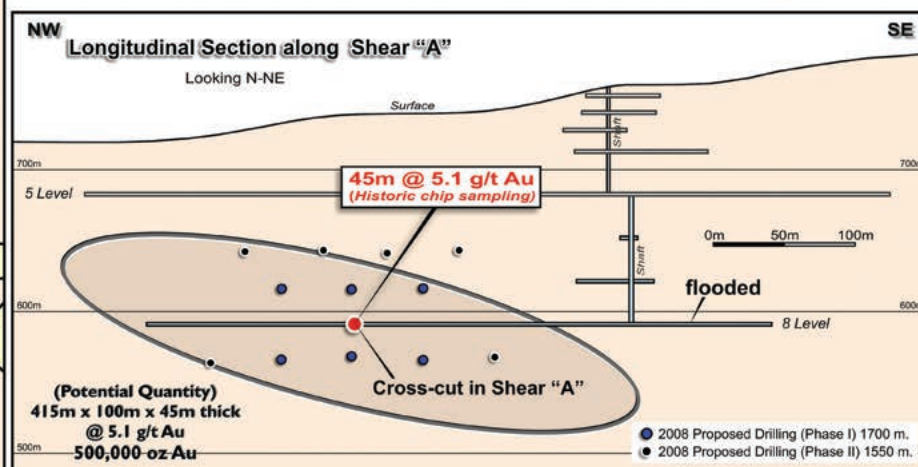
drilling on the Engineer Vein bonanza shoot between Level 5 and 6. Dewatering of the lower three levels will be followed by underground rehabilitation, geological mapping and sampling. Limited test-mining and bulk sampling is being considered on segments of the Engineer, Shaft and Double Decker veins.

In Yukon Territory, BCGold is the largest land holder around Sherwood Copper's producing Minto Mine and Western Copper's Carmacks copper-gold deposits. BCGold's drilling in 2007 defined two 'Carmacks-style' near-surface copper-oxide horizons. At present, the company is interpreting results from a winter induced polarization geophysical program on the WS property and formulating drill targets for the 2008 summer season. The company intends to spend up to \$1 million in exploration on the Carmacks copper-gold properties in 2008.

An exploration report and recommendations for BCGold's Sickle-Sofia property, near Northgate Minerals' Kemess South Mine in the Toodoggone region of north-central BC is currently awaited. Significant low grade, porphyry-style copper-gold mineralization (47 metres grading 0.17% copper and 0.08 grams gold/tonne) was intersected by diamond drilling on the Sofia Zone in 2007. ■



ENGINEER MINE PROPERTY Shear Zone "A" Bulk Tonnage Gold Target





Oil explorers targeting Saskatchewan's Bakken formation

The cavalry has officially arrived for the province of Saskatchewan. Clamoring for their right to play in the wheat fields are many oil and gas players looking for a piece of the pie in what is being hailed as the largest conventional oil discovery in Canada since 1957. With cash in hand, companies of all sizes are racing to partake in the re-branding of the Bakken oil formation situated in southeastern Saskatchewan, southwestern Manitoba, Montana and North Dakota.

Over the last three years, the play has drawn attention away from Canada's oil and gas epicenter – Alberta. Aside from its oil sands operations, which have an almost insurmountable entry cost to junior companies, Alberta's losing its reputation for new oil production to its humble neighbours to the east. Saskatchewan's Bakken produces light oil, requiring less processing than Alberta's heavier supply, and there are plenty of opportunities remaining for those willing to join the party.

And bartending this party is Calgary-based **Packers Plus Energy Services Inc.**, virtually monopolizing the field's activities with its multi-stage fracturing technology that greatly improves the recoverability of horizontal wells. With a reserved seat at the bar is southeastern Saskatchewan's

largest producer, **Crescent Point Energy Trust** [CPG.UN-TSX]. "We're (Packers Plus') biggest customers," said Scott Saxberg, president and CEO of Crescent Point. "Their technique has tripled the net present value of our wells – all without a significant cost increase."

Prior to multi-stage fracturing, the Bakken had a reputation for being oil-rich, but tightly held into the ground and hard to penetrate fully. Luckily for Crescent Point, they had the foresight to get in early and start acquiring land, including 120 sections in 2007 alone, before the prices leapt upwards. As of March, the company held 363 net sections of undeveloped Bakken land and was producing more than 12,000 barrels of oil per day.

As the big fish in the pond, Crescent Point was able to start the year by acquiring **Innova Energy**, **Landex Petroleum** and **Pilot Energy**, and most recently by investing \$120 million in the privately-held **Shelter Bay Energy Inc.** for a 20% share of ownership. The creation of Shelter Bay may have been the biggest indicator of trust investors have in the region, as the final closing of the financing resulted in \$625 million, all of which will be injected into Saskatchewan development.

"From our perspective, southeast Saskatchewan and the rest of the province in general has been better in the last two years," added Saxberg. "There originally wasn't a lot of competition, and the province's royalty regime attracted more drilling than Alberta's recently revised royalty system. Not to mention the fact that the perceived size of the

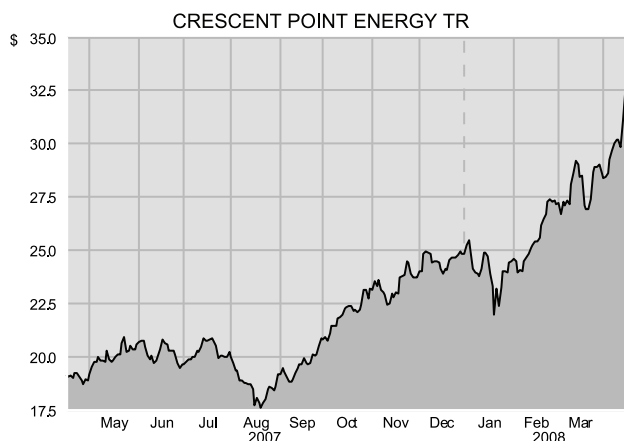
Bakken has quadrupled in the past year, arguably making it the second largest oil pool in western Canada."

Further expanding that view of the pool is another player in the mix. Formed in May of 2007, smaller-scale **Painted Pony Petroleum Ltd.** [PPY.A and PPY.B-TSXV] has been stalking the outer edges of the pool, quietly accumulating land and pushing the boundaries of the uncharted waters. "We pride ourselves on exploring new areas and getting in early," said Patrick R. Ward, president and CEO of Painted Pony. "Like in the gold rushes of the past, it's the first ones to arrive that got rich."

For investors interested in junior-sized companies, it's hard to ignore the fact that Painted Pony has established itself with 87,000 net acres of land in southeastern Saskatchewan, and in its only year of existence has participated in the drilling of 16 Bakken wells (5.65 net). With a spacing limit of one well per 160 acres, Painted Pony has a lot of room to stretch its arms. For 2008, they've announced an additional three wells to be on production after spring breakup.

As companies like Painted Pony expand the view of where the Bakken ends, others come at it from other directions. South of the border in North Dakota and Montana another rush is happening, with plenty of land for everyone. Calgary-based **Second Wave Petroleum Ltd.** [SCS.A, SCS.B-TSXV] and U.S. based **Western Standard Energy Corp.** [WSEG-NASDAQ OTC BB], to name a couple, are among numerous companies jockeying for position near Williston, North Dakota, where the two-thirds of the Bakken resides.

The formation is large enough for new companies to join, and the excitement is still fairly new. For investors looking for the right timing to join the fun, it's now, because the potential for this area is enormous, and the party's only just begun. ■



Candax Energy reports El Bibane start-up

Michael Wood, president/CEO, Candax Energy Inc. [CAX-TSX], reported the start of production from the El Bibane Field, offshore Tunisia. During the week of March 3, the EBB-5 well was tested and flowed gas and condensate to the onshore central processing facility to clean up the well and enable the onshore plant commissioning to begin. The EBB-4 well began oil production the week of March 16. Oil production rates have been variable due to onshore plant commissioning and weather-related delays to the offshore tie-in activities, both of which necessitated several shut-downs.

The peak daily production rate thus far is about 1,400 barrels of oil per day. Candax expects oil production levels to rise considerably over the coming weeks as production from EBB-4 is optimized and the EBB-3 well is tied in and brought on stream.

The final well in the El Bibane re-development project, EBB-3, was completed March 18 and the West Titania rig move has started for demobilization to Malta. The installation of the EBB-3 platform and pipeline hook-ups with the other wells is ongoing. The SEEB power station is also being commissioned and will be ready to begin operations once gas production has been stabilized in April.

Wood commented, "We are pleased to have completed the three-well drilling program at El Bibane and are encouraged by the initial oil production rates from the EBB-4 well. We are focusing efforts on completing the EBB-3 platform installation, pipeline hookups and commissioning to optimize the oil production capability of the field in the coming weeks."

Candax reported a loss of \$9.3 million (\$0.05/share) for the year ended December 31, 2007, compared to a loss of \$11,000 (\$0.00/share) for the year ended December 31, 2006. Included in the \$9.3 million loss

is a \$4.9 million expense attributable to foreign exchange, due to the strength of the Canadian dollar which accounted for over 50% of the company's before-tax loss for the year.

Revenues of \$12.9 million were earned from the sale of 170,470 barrels of oil. Production for year was 169,670 barrels of oil and, as was the case in 2006, no production was recorded from the El Bibane field. As at December 31, 2007, Candax had cash and cash equivalents of \$22.2 million.

Wood said, "Our 2007 results reflect expenses attached to our investment program at El Bibane and for the organizational restructuring earlier in the year. With the near-term onset of full field production at El Bibane and associated high netback cash flow, Candax is expecting strong results in 2008 and is pursuing a number of new business ventures as well as further development and exploration drilling starting in April and through the balance of the year." ■



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Pluris Energy acquiring Argentine oil/gas opportunities

Staff Writer

Pluris Energy Group Inc. [PEYG-OTCBB] is a company focused on building a portfolio of producing Latin American oil assets, particularly, in Argentina. Argentina is the third largest oil producer in Latin America behind Venezuela and Brazil with an average oil production rate of 800,000 barrels of oil per day over the past five years.

Pluris entered the fast growing South American oil market in 2006 after successfully winning the bid to purchase 100% of the shares of San Enrique Petrolera, SA. This positioned Pluris with the opportunity to acquire 251,000 net acres in the Neuquén, Golfo San Jorge and Austral Basins with production of 1,000 BOE/d and proven reserves of over 4.4 million BOE.

Located in the south eastern region of Argentina, the Neuquén Basin, Golfo San Jorge Basin and the Austral Basin are three of five producing basins in the country. These basins account for total proven reserves of 2.95 billion barrels of oil and 27.1 trillion cubic feet of natural gas. The Neuquén Basin and the Golfo San Jorge Basin are considered the most prolific oil production areas while the Austral Basin is known for its rich,

under-developed natural gas reserves.

Pluris's strategy is to acquire under-developed producing and exploration properties and has recently entered into two further agreements towards this end.

Pluris Energy entered into an exclusive acquisition agreement to acquire from oil producing Clear, SRL, up to 100% interest in Clear's 186 square kilometre Cerro Negro concession in Chubut Province, Golfo San Jorge Basin, Argentina with proven reserves of as much as 6.2 million BOE. The purchase will include seismic data sets as well as all gathering, oil treatment and storage facilities on the concession. Upon successful completion of this acquisition, Pluris plans to begin drilling to complete numerous identified drilling locations.

Pluris has also entered into a third exclusive acquisition agreement to acquire 100% of the shares of a second Buenos Aires based E&P company with concessions located in the Neuquén Basin, Rio Negro Province, representing some 200,000 BOE in proven reserves. Pluris plans to complete these acquisitions during 2008.

These three acquisitions represent over

430,000 net acres of combined producing oil and gas concessions in Argentina within the Neuquén, Golfo San Jorge and Austral Basins and have been estimated to represent 11 million BOE in proven reserves and production of over 1,350 BOE per day.

President and COO, Sam Sen, attributes the successful development of Pluris's South American interests to its Argentine technical and business development team which has over 90 years of combined international energy industry experience including Eduardo Dávila, Senior Advisor, who has extensive experience in Latin America specifically.

Argentina's oil consumption has grown in the past five years and currently uses over 60% of the country's oil production with the balance exported primarily to Brazil and Chile. Argentina is also the largest natural gas producer in Latin America currently producing at an average rate of 4.34 billion cubic feet of gas per day. Argentina's natural gas consumption has increased significantly over the past decade and it has become the second largest consumer of natural gas in Latin America. ■

Admiral Bay gas sales total 3 million cf/day

Admiral Bay Resources Inc. [ADB-TSXV] reports it currently has gross sales of approximately 3.0 million cubic feet of gas per day from all three producing projects in Kansas. Based on present production and present realized prices above US \$9.00 per thousand cubic feet the company is cash flow positive.

In the Mound Valley Project, a new compressor and dehydration unit put in place has increased sales by 30% to over 1,000 thousand cubic feet of gas

per day. Producing rates have been as high as 1,400 thousand cubic feet of gas per day. Currently production is curtailed at 800 thousand cubic feet of gas per day as adjustments are made to the new facilities. As the field pressures are drawn down, the field has experienced higher water production. As this water production decreases, gas production will increase.

The project has seen an increase of over 300% of gross sales since January 2008. The upgraded facilities were needed due to the company's successful recompletion program in the Mulky Summit. To date, Admiral Bay has recompleted 25 wells in the Mulky Summit with average initial

production of 28 thousand cubic feet of gas per day. The company has a 100% working interest interesting over 28,000 net acres in the Mound Valley Project. There are 11 additional wells awaiting completion and over 300 potential drilling locations.

With the success of the program in Mound Valley, the company has begun a similar program in its Shiloh Project. The company to date has recompleted six wells at the Shiloh Project with initial production figures ranging from five to 40 thousand cubic feet of gas per day. The company could have as many as 105 additional wells in the Shiloh Project that could be recompleted in the Mulky Summit in the future. ■

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In the news by Joel Bainerman

Global Energy goes global with Covanta Energy

Global Energy Inc. [GEYI-OTCBB] has signed a contract with U.S. renewable energy company **Covanta Energy Corp.** [CVA-NYSE] for the establishment, operation, and ownership of plants using proprietary technology for the production of diesel fuel from organic waste.

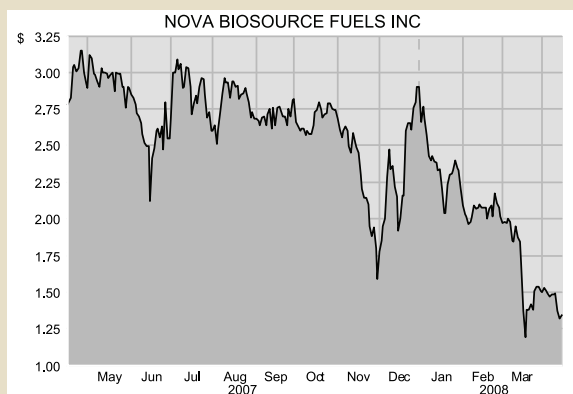
The deal will grant Covanta exclusive rights in the U.S. and non-exclusive rights in China, the UK and Ireland to use Global Energy's technology and know-how in household, contracted, and commercial, as well as radial biomass projects, and a right to sell systems based on the technology to governmental organizations.

Covanta is due to order 600 systems over 10 years at a cost of \$4-5 million for each unit. Each unit can process one ton of waste per hour to produce 500 litres of diesel. Assuming a conservative price of \$0.50 per litre, each unit will produce \$2.5 million worth of fuel per year, from which Global Energy will make \$250,000 in royalties.

Global Energy has also signed a contract with **American Renewable Diesel LLC**, to establish renewable energy projects in New York, California, and Texas. American Renewable Diesel will find sites, customers, as well as waste that does not compete with the waste being handled by Covanta, such as waste from oil refineries, agriculture, and industry.

Global Energy plans to raise \$10-15 million in equity this year to finance its expansion. Founded in 1999 as an oil company, with Canadian oil wells as its core business, the company later quit the oil business when it entered the renewable energy industry in May 2007.

Nova Biosource Fuels raises \$41 million



Nova Biosource Fuels, Inc. [NBF-AMEX], a refiner and marketer of biodiesel, has secured funding of \$41 million in senior secured

credit facility from **WestLB AG**, one of the world's leading financial services providers for alternative energy companies. Proceeds of the loan will be used to pay project costs and related fees and expenses in connection with the on-going construction of its 60 million gallon per year biodiesel refinery in Seneca, Illinois.

Nova Biosource Fuels is in the business of synthesizing and distributing renewable fuel products and related co-products. Nova's initial focus will be to construct and operate two to four biodiesel refineries with production capacity of between 120 to 240 million gallons of biodiesel fuel on an annual basis. Its business strategy for the next three years includes construction of up to seven biodiesel refineries with production capacities ranging from 20 to 60 million gallons per year. All of Nova's refineries will use its proprietary patented technology, which enables the use of a broader range of lower cost feed stocks.

Ormat Technologies signs \$76 million deal with NGP Blue Mountain

Red hot **Ormat Technologies** [ORA-NYSE] just keeps thrusting forward into new deals. Along with **Sierra Pacific Resources** [SRP-NYSE], Ormat will collaborate to open a new frontier bringing geothermal to the forefront of utility energy development.

Ormat Nevada, Inc. and **Nevada Power Company**, respective subsidiaries of the two companies, have entered into a Joint Ownership Agreement for a geothermal power project that is currently under development by ORMAT Nevada, Inc.

The project, known as the Carson Lake Geothermal Project, is located in Churchill County, Nevada, on federal lands, a portion of which includes the Naval Air Station Fallon. Ormat Nevada will develop the project until the resource is sufficiently defined at a level that is capable of supporting at least 30 MW and Nevada Power has regulatory approval to acquire its 50% ownership. Following such acquisition, Ormat Nevada will continue to develop the project on behalf of the owners. If the development results in a resource that cannot support at least 30 MW, the parties are not obligated to close the acquisition and Ormat may continue development of the project by itself.

Ormat also recently won a \$76 million engineering, procurement, and construction contract from **NGP Blue Mountain I LLC** for a 49.5 MW power plant at the Blue Mountain Geothermal Project in Nevada. The company will supply three Ormat Energy converters and incorporate the company's proprietary power generation technology with water-cooling for maximum efficiency.

The output of the power plant at Blue Mountain will meet the Phase 1 power delivery requirements of the existing 20-year power purchase agreement between NGP and Nevada Power with a reserve of excess power. NGP is currently in discussions with Nevada Power for a Phase II power contract covering the reserve power. ■

Globe 2008 Conference

The renewable energy bull market and the search for patient money

by Harold Waldock

Renewable energy and cleantech investors may be asking themselves: "What are the business conditions facing companies now?" as the solvency crises unfold and global capital markets correct. Furthermore, Angus McCrone of New Energy Finance reports cancellations of conventional bio-fuels projects in the U.S. as well as some plant shutdowns in Europe. The European governments are removing subsidies for conventional ethanol and biodiesel production, citing concerns about energy costs, food costs and environmental impacts.

To get an overview of the situation, on March 12-14, 2008, questions were asked at Globe 2008, an influential biennial global business of the environment conference and trade show in Vancouver, Canada. This year there were 2,187 conference attendees and 11,206 tradeshow participants with 72 countries represented.

VENTURE CAPITALISTS UPBEAT

At the Clean Technology Venture Funding session, venture capitalists were cheerful and optimistic. They said that most early stage financings are longer term, five to eight years and noted that there have been no IPOs in the past 18 months – unlike during the technology boom. In their view, any slowdown would be a short-term market correction as all the fundamentals are in strongly in place. Some of the fundamental drivers mentioned were growing energy demand, expensive oil, energy security concerns, renewable energy mandates, a reluctance of regulatory bodies to approve carbon intensive energy projects, and a general acceptance of global climate change.

Matt Horton, a venture capitalist for @Ventures, a CMGI Inc. [CMGI-NASDAQ] company in Menlo Park, California., says that early stage financings have no slow-

downs. He said that the word 'bubble' is being hinted at for the solar sector, but other sectors, except conventional ethanol, are doing well. There is significant competition from strong early stage companies for equity financings and he has found some pricings too high. The question came up, "Has the dumb money arrived?" as an indicator for bubble conditions. He said, "No, not in his experience...yet." Later stage financings usually have more investment from private equity and he has seen some slowdowns there.

Another venture capitalist, Whitney Rockley, who is with Japanese bank **Nomura** [8604-TYO, NMR-NYSE] in the UK, observed that she has not seen any slowdown in early stage financings. However, she noted that the larger late stage private equity financings are now taking longer to complete. Furthermore, she thought that several planned IPOs in Europe and Asia are in a waiting game for better market conditions.

LATE STAGE PATIENT MONEY CAN BE FOUND – IT'S PRIVATE EQUITY

Since clean energy technology development takes time and venture capitalists have a reputation for a lack of patience, perhaps not as deserved these days in the cleantech sector, it seems reasonable to ask if there is patient money available for late stage financings. Since most funds have a short-term view, one would not expect mainstream fund managers to be funding start-ups or commercialization of new technologies.

About eight small companies said that there were eight to 10 investment bankers that had approached them about providing financing. Three companies – two public, one private – said that they could not talk

further about investment situation because they were in the middle of a financing. Two or three others had recently received financing. It is encouraging that during an unfolding solvency crisis, investment bankers had the interest to investigate the funding of cleantech companies. However, these appearances may be deceiving as many fund managers call themselves investment bankers.

While it has long been recognized that Europe has the most developed late stage private equity finance market, venture capitalists mentioned that there was much growth in this area in the U.S., but little in Canada. This dearth of late stage finance is known as the "Valley of Death." A CEO of a private ocean energy company said that there are consequences, as investors in small public companies tend not to understand the technology development cycle. He gave the example of what he called a good company, **Finavera Renewables Inc.** [FVR-TSV], whose share price was punished for a pilot technology test failure when such events are to be expected. Nevertheless, enterprising new leadership is stepping up to the challenge.

For example, Damien Reynolds, known for his success in building mining companies at **Longview Capital Partners** [LV-TSX], has founded a new innovative private fund called **Kyoto Planet Capital Partners** which has financed Finavera. Patient money, apparently, is to be found in private equity funds that are more knowledgeable and understanding of what it takes to grow small clean technology companies.

Harold Waldock can be reached at hwaldock@yahoo.ca

Developments in Alternative Energy

by Joel Bainerman

ENDLESS POWER JUST AROUND THE CORNER?

Colorado-based **Magnetic Power Inc.** (MPI) has set for itself an awesome mission: nothing less than to supply the world with clean, abundant, and inexpensive electricity. The company intends to do this with its GENIE™ (Generating Electricity by Non-destructive Interference of Energy) technology.

GENIE generators were designed to operate continuously, without fuel. The principle energy source is the Zero Point Field, which permeates the universe and is a source of abundant, renewable and pollution free energy. When generators are mass produced, the cost of electricity is expected to be less than any competing form of power generation, today or in the foreseeable future.

MPI is currently developing GENIE devices of advanced design, capable of producing a few watts of electricity on a self-sustaining basis. When these demonstration devices are completed, MPI will be ready to begin the commercialization process for GENIE generators as a scalable power source, analogous to an inexhaustible electric battery.

The company is reluctant to provide details of its zero-point-energy technology but has stated publicly, "We're seeing energy produced in a way that has to have a source. The only explanation we see is zero-point energy. There could be another, but we don't see what it could be."

A GENIE generator powering an electric automobile might be thought of as a fuel cell that uses magnetism instead of hydrogen. The magnetic cell can easily be switched on or off. When the car is being driven, the GENIE cell is switched on, providing energy to the electric motor

that propels the car. When the vehicle is parked, the electric motor is turned 'off', but the GENIE cell remains 'on', continuing to produce energy, like a fuel cell that runs on magnetism instead of hydrogen.

In larger cars, trucks and buses, up to 150 kW, produced by the GENIE cell while the motor is off, can be transferred from the vehicle through a wireless technology requiring no physical connection to the parked vehicle, providing power to the utility grid. The idea is that instead of paying to park, the power company will pay vehicle owners, because their vehicles become a source of electricity, a clean alternative to any existing type of power plant.

Within a year the company aims to have 1,000 watt pre-production modules producing 2,000 watts of power that can readily be drawn from a wall outlet to recharge the battery of a plug-in hybrid car. Two compact 1,000 watt GENIE generators are expected to demonstrate replacement of the plug needed by a plug-in hybrid car. According to *Aviation Week & Space Technology* magazine, the Pentagon and at least two large aerospace companies are actively researching zero-point energy (ZPE) as a means of propulsion. "If their efforts pay off," the magazine reported last year, "ZPE-driven power plants might enable Mach 4 fighters, quiet 1,200-seat hypersonic airliners that fly at 100-mile altitudes as far as 12,000 miles in about 70 minutes and 12.6-hour, trips to the moon."

Caveat emptor: the technology that this company claims to be developing is highly controversial and there are many non-believers.

AMERICAN SCIENTISTS DEVELOPING A "MICROBIAL FUEL CELL"

Researchers at the Biodesign Institute at

Arizona State University are using the tiniest organisms on the planet – bacteria – to create electricity with the primary application being for microbial fuel cell (MFC) technology.

"We can use any kind of waste, such as sewage or pig manure, and the microbial fuel cell will generate electrical energy," said Bruce Rittmann, director of the Biodesign Institute. "Unlike conventional fuel cells that rely on hydrogen gas as a fuel source, the microbial fuel cell can handle a variety of water-based organic fuels. There is a lot of biomass out there that we look at simply as energy stored in the wrong place. We can take this waste, keeping it in its normal liquid form, but allowing the bacteria to convert the energy value to electricity."

Bacteria have such a rich diversity that researchers can find a bacterium that can handle almost any waste compound in their daily diet. Linking bacterial metabolism directly with electricity production eliminates the extra steps necessary in other fuel cell technologies.

The scientists knew that the MFC process is relatively stable, but they had to figure out how the bacteria get the electrons to the anode as the bacteria depend on the anode for life. The bacteria at the anode breathe the anode, much like people breathe air, by transferring electrons to the anode. Because bacteria use the anode in their metabolism, they strategically position themselves on the anode surface to form a bacterial community called a biofilm.

The biofilm matrix is rich with material that can potentially transport electrons. The sticky biofilm matrix is made up of a complex of extra cellular proteins, sugars, and bacterial cells. The matrix also has been shown to contain tiny conductive nanowires that may help facilitate electron conduction.

"Our research indicates that the bacterial matrix is conductive," said Rittmann. "In electronics, conductors are most commonly made of materials like copper that make it easier for a current to flow through." In a conductive matrix, the movement of electrons is driven by the change in the electrical potential." Like a waterfall, the resulting voltage drop in the electrical potential pushes the flow of electrons.

MAKING BETTER INDUSTRIAL LIGHTING

Start-up company **Metrolight** has engineered a lighting control system that prolongs the life of industrial high-intensity discharge (HID) lights, while making them more efficient. HID lights are the most common type of lights used in city streetlights. They are also found in grocery stores and shopping malls. Brighter than fluorescent, HID lights suffer quickly from wear and tear, via an igniting and operating mechanism known as a ballast. To keep the HID light strong and long lasting, the core of Metrolight's solution is its ballast, which controls the light ignition process slowly, by not destroying the electrode.

Metrolight's "Smart Electronic Ballast," is a new kind of ballast that not only extends the life of the lamp, but can also make industrial lighting up to 65% more efficient.

"We are selling energy savings," says Metrolight's CTO Jonathan Hollander, who developed the ballast. "The traditional magnetic ballasts used in HID lights, quickly reduce the output of the light by about 50%. To compensate, as a rule, light designers install lights that are stronger than necessary which is wasteful."

PRODUCING HYDROGEN ON-DEMAND JUST GOT CLOSER TO REALITY

Engineers at Indiana's Purdue University are developing a new aluminium alloy that they believe could help bring the hydrogen highway one step closer to reality. The work was led by electrical and computer engineering professor Jerry Woodall who developed

a new method of generating hydrogen on demand from water using aluminium and gallium catalysts. His research team has increased the amount of aluminium in the alloy finally producing a material made of 95% aluminium and 5% gallium, indium and tin combined, with only a very small amount of expensive gallium metal.

The aluminium in the alloy reacts with water at room temperature to give off hydrogen, leaving behind aluminium oxide or alumina. Water will be carefully added to small plugs of the material arranged in serial form to produce enough hydrogen to power a one-kilowatt generator. The material can then be recharged several dozen times back into aluminium using a process that Woodall described as more "competitive with other energy technologies," with a cost of just 10 cents per kilowatt-hour.

ROAD HEAT

To absorb heat from the sun efficiently you need large, flat, black surfaces. One way to do that is to construct those surfaces specially, on the roofs of buildings. But why go to all that trouble when cities are full of black surfaces already, in the form of asphalted roads?

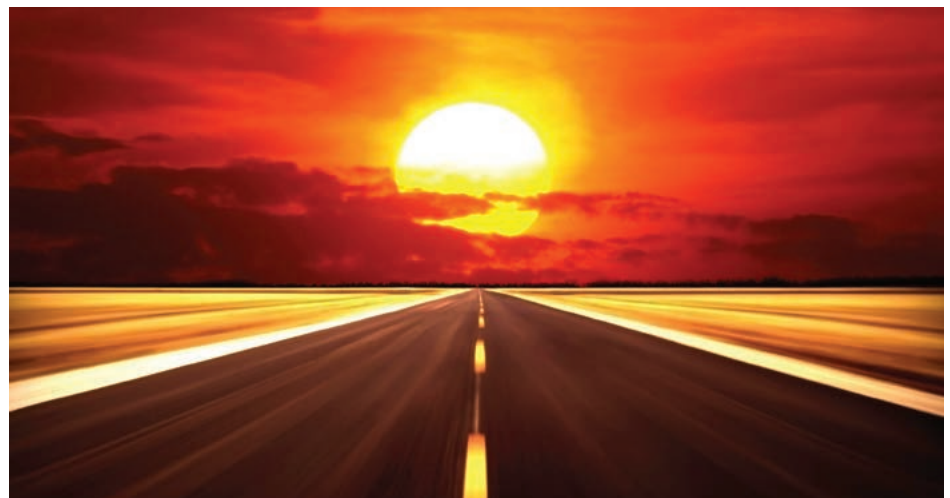
This is what Dutch engineer Arian de Bondt figured out and he eventually used the concept to build a heating system that

derives its heat from the surface of a road.

The heat-collector is a circuit of connected water pipes. Most of them run from one side of the street to the other, just under the asphalt layer. Some, however, dive deep into the ground. In summer, when the surface of the street gets hot, water pumped through the pipes picks up this heat and takes it underground through one of the diving pipes.

About 100 metres down lies a natural aquifer into which a series of heat exchangers have been built. The hot water from the street runs through them, warming the groundwater, before returning to the surface via another pipe. In this way the aquifer is used as a heat store.

In winter, the circuit is changed slightly. Water is pumped through the heat exchangers to pick up the heat that was stored during summer. This water goes into a building and is used to warm it up. The water is then pumped under the asphalt, and the residual heat it carries helps to keep the road free of snow and ice. By now the water has been cooled to near freezing point, and it is once again sent underground, this time through a different pipe, to a second aquifer. Here, another set of heat exchangers is used to keep the groundwater cold. This store of cold water is then used in summer to keep a building cool. ■



Sierra Geothermal drilling Reese River Project

Sierra Geothermal Power Corp. [SRA-TSXV] has been drilling additional temperature gradient wells at its Reese River Project. Temperature gradient wells measure the rate of change in temperature from surface to the bottom of the hole. The Reese River Geothermal Project, located in Lander County, central Nevada, encompasses 25 square kilometres.

Drilling operations started on the first of several nominal 600-metre temperature gradient wells. The proposed wells are in the vicinity of Well 13-4, which is located within a large thermal anomaly. As a result of previous drilling of Well 13-4, commercial grade temperatures were confirmed. The proposed temperature gradient wells will be used to further define

this thermal anomaly at depth. Drilling of the temperature gradient wells is expected to be completed in four to six weeks. A production assessment well is planned for subsequent drilling.

"We are looking forward to the drilling results from these additional wells, as they will be useful in refining our model and increasing our confidence level in determining the location for the first full-size production assessment well on the Reese River property," said Gary Thompson, president/CEO.

Exploration to date on the Reese River property has included 52 shallow temperature gradient wells; two deep slim wells; seismic, gravity, MT and radiometric geophysical surveys; structural and geological mapping; soil, water and bio-geochemistry; shallow temperature probe measurements; and 3D modeling.

Independent geothermal consultants Richards and Blackwell have stated that the Reese River Project has been rated as one of



Drilling temperature gradient wells at the Reese River Geothermal Project in central Nevada. Photo courtesy Sierra Geothermal Power Corp.

the top 10 undeveloped geothermal prospects in Nevada. GeothermEx's 2004 PIER study assessed the Reese River geothermal resource to be 13-30 megawatts. A 30 megawatt power plant is enough electricity to power 24,000 homes. The previous work



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has mapped approximately a five-kilometre by two-kilometre thermal anomaly. Sierra Geothermal holds geothermal rights or options on 17 properties that cover more than 880 square kilometres in Nevada and California, where a number of geothermal projects are operating successfully. The company is actively developing five of these geothermal prospects – the 100%-owned Reese River, Silver Peak, Alum and Wilson, plus the 50%-optioned Pumpnickel Valley Project.

At the 30 square kilometre Silver Peak Project in Esmeralda County, Nevada, Sierra Geothermal is currently in the final stages of the permitting process. Through independent analysis, Silver Peak has been given an estimated resource capacity of 15-40 megawatts of power. The property has two 55 kV transmission lines connecting to the Nevada and California power grids and a substation located on the leased property.

At the Pumpnickel Project, located in Humboldt County, Nevada, previous work

has produced reservoir temperature estimates from 150°C (302°F) to 218°C (424°F). Future work will include temperature gradient wells, a full size production test well, transmission studies and feasibility studies. The Pumpnickel site is estimated to contain a 20 – 30 megawatt resource.

Sierra Geothermal recently reported its financial results for the 14 months (change of fiscal year end) ended December 31, 2007. Being an exploration and development company, as can be expected, Sierra Geothermal had a net loss of \$2,852,975 or \$0.06 per share, as compared to a net loss of \$409,491 or \$0.05 per share for the year ended October 31, 2006. As at December 31, 2007, the company had working capital of \$10,676,587 of which \$10,804,369 was held in cash and short-term investments, compared to a working capital deficiency of \$173,329 as at October 31, 2006.

Some of the highlights reported for 2007 include acquiring Cayley Geothermal Corp. and its pipeline of geothermal projects and completing financings totaling \$14.9 mil-

lion. Sierra Geothermal added strength to the board of directors, management and technical team. These included the appointment of Alfred Sorensen as an independent member of the board of directors and chair of the audit committee. Other recent management additions include Lesley Russell as corporate secretary and Jeff Finkelstein as chief financial officer.

Out in the field, during 2007, the company conducted seismic, gravity and MT geophysical surveys, geological mapping and drilled two deep wells, which confirmed commercial grade temperatures at Reese River. It also conducted permitting surveys and submitted exploration permitting documentation to the Bureau of Land Management at Silver Peak and acquired new assets in the Dixie Valley and Desert Peak area of Nevada.

Unlike most alternative energy sources such as wind and sun, geothermal power plants produce long-term stable, revenues and provide continuous base-load power, often at or above 95% capacity. ■

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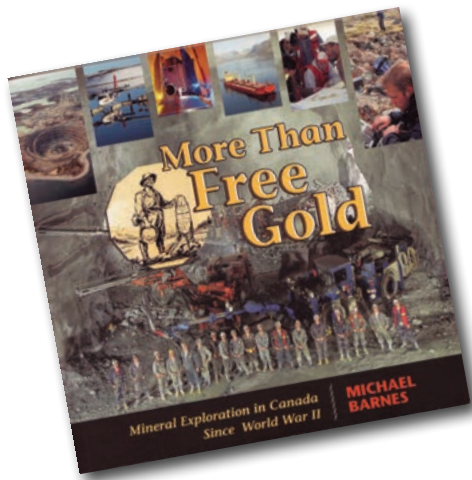




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NEW BOOK DETAILS CANADIAN MINING HISTORY

More Than Free Gold – by Michael Barnes

by Ellsworth Dickson

For anyone interested in how the Canadian mining industry operates and its history, a new book by author Michael Barnes is one to pick up at major book stores. *More Than Free Gold* is a continuation of a book written in 1946 by mining engineer Arnold Hoffman entitled *Free Gold: The Story of Canadian Mining* which covered this sector to the end of World War II.

When I purchased *More Than Free Gold* at the recent PDAC Conference in Toronto, I didn't realize that the book was a non-profit project under the auspices of the Prospectors and Developers Association of Canada with proceeds from book sales going to Mining Matters, the education arm of the PDAC.

Of course, we all know that the PDAC presents the world's largest mining conference every March; however, I was not aware of the important and continuing role that the organization plays in acting as a liaison between the mining industry and the Canadian government. Most politicians and lawmakers are not mining engineers or geologists, so the PDAC stepped up to the plate and has made sure the federal government understands the needs and concerns of the mining industry. The PDAC has been involved in the implementation of a better tax and regulatory environment and has also been responsible for successfully lobbying for funding for country-wide geological surveys, flow-through share financing, as well as the creation, in 1999, of a scientifically-based approach to the protection of the environment and a process of community engagement that includes the publishing of a manual – *Environmental Excellence in Exploration*, or e3.

While many folks living in big cities are far removed from actual mining operations, the book stresses the magnitude of the Canadian mining industry which employs some 388,000 workers, contributes \$42 billion to the gross national domestic product and accounts for 14% of Canadian exports.

More Than Free Gold also goes into great detail on modern exploration methods. These chapters should prove valuable for stock brokers involved in the resource sector as well as investor relations people, lawyers and anyone who needs to understand how mineral deposits are discovered. Although fairly technical, the science of exploration is presented in layman's language. These same readers will also find the chapters on the various types of mineral deposits enlightening.

Cram-packed with old photographs and beautifully executed pen-and-ink drawings of famous old mines, the book also features a number of hilarious cartoons that illustrate the adventures and mis-adventures of mining people.

The book concludes with a detailed list of Canadian mines and their production from 1946 to 2006. My only criticism is that the book could have benefited from more personal anecdotes covering how prospectors and mine developers discovered important mineral deposits and brought them to production. There are many exciting stories yet to be told of the brilliant contributions of men and women in the world of exploration and mining.

If you find the high-risk/high-reward world of exploration and mining fascinating, you will find *More Than Free Gold* a most enjoyable read. ■

Frankfurt, Stuttgart] has completed resource drilling at the Upper Beaver property, Kirkland Lake. Two drill holes returned 14.3 grams gold/tonne with 0.8% copper over 21.2 metres and 8.7 grams gold/tonne with 0.2% copper over 25.0 metres. The company has now begun a seven-hole, 10,000-metre deep drilling program to test a series of geophysical anomalies identified within the Upper Beaver mineralized corridor below the area targeted by the resource definition drilling program.

Rainy River Resources Ltd. [RR-TSXV] recently made another gold discovery, the ODM Zone, at its 100%-owned Rainy River Project 80 kilometres south of Kenora, northwest Ontario. Seven new gold zones have been discovered and the 17 Zone has been drilled to 300 metres in depth on 30-metre centres. Three drills are currently defining the commercial gold potential of the 17 Gold Trend., the 433 Zone and other gold targets. The deepest drill hole (NR07-198) intersected 12 separate gold intervals and demonstrated that the principal gold trends remain intact and predictable at great depths.

Raytec Metals Corp. [RAY-TSXV; XZT-Frankfurt] has acquired the Brulé iron property in Adrian and Conmee Townships in the Thunder Bay Mining District. The planned exploration program includes drilling and will be used to complete a NI 43-101 report.

Sage Gold Inc. [SGX-TSXV] has received drill results from the Lynx #1 Zone on the Onaman Project near Beardmore. Hole S08-40 returned 9.5 metres (true width 8.55 metres) grading 1.38% copper, 100.3 grams silver/tonne and 2.28 grams gold/tonne from 156.5 to 166.0 metres. Within this interval is an interval of 0.80 metres (true width 0.72 metres) from 160.0 to 160.8 metres grading 1.0% copper, 525 grams silver/tonne and 6.2 grams gold/tonne and another good smaller interval within.

Skyharbour Resources Ltd. [SYH-TSX] has made a new discovery of volcanogenic massive sulphide mineralization by drilling at its 100%-owned South Bay copper-zinc-silver project 80 kilometres east-northeast of Red Lake, northwest Ontario. The prop-

erty hosts the former South Bay Mine that produced 1.6 million tons grading 2.3% copper, 14.5% zinc and 3.5 oz. silver/ton. Drilling is also continuing at the Broulan Reef gold property.

Shoreham Resources Ltd. [SMH-TSXV] has conducted extensive mapping and surface sampling from its 100%-optioned Setting Net Lake molybdenum target in the Red Lake Mining Division. The company is conducting a 3,500-metre, 10-hole drill program designed to confirm and expand the historic Setting Net Lake moly target that has a non NI 43-101 resource of 100 million tons grading 0.09% molybdenite.

Starfire Minerals Inc. [SFR-TSXV] has been drilling its Langmuir South Nickel Project in the Timmins area.

Superior Diamonds Inc. [SUP-TSXV] has been drilling its Tipahaakaaning (Canopener) Gold Project in northwest Ontario. The program comprises 30 to 40 holes totaling 6,000 to 8,000 metres. The company has also added almost 19,000 more hectares to the project, which is a 50/50 joint venture with **Lake Shore Gold Corp.** [LSG-TSX]. An earlier bedrock grab sample from the Rowlandson Trench returned 9.57 grams gold/tonne. Superior is also exploring its AEM Diamond Project in northwest Ontario where 1970s airborne geophysical surveys were flown. Superior has completed extensive overburden sampling and limited diamond drilling.

Temex Resources Corp. [TME-TSXV; TQ1-Frankfurt] has been conducting two drill programs – one on its Whitney Township gold property near Timmins and the other on the its Juby North prospect 100 kilometres south of Timmins. There is a \$2 million budget for the Whitney Township prospect that covers several past-producing gold mines. A 2,500-metre drill program is underway testing several targets. At Juby North, a 2,000-metre drill program is underway testing for extensions of a 2007 high-grade intersection of 15 grams gold/tonne over 2.15 metres. Temex has also planned a drilling program for its Latchford Gold Project. (See McFauld's Lake info on page 20.)

Tribute Minerals Inc. [TBM-TSXV]

has been receiving drill results from the Copperlode and Garnet Lake properties in the Confederation Lake Belt, Red Lake Mining District. At Copperlode, assays included holes that intersected multiple mineralized zones, including hole CL-2007-4 that cut 3.4 metres of 1.92% zinc, 0.11% copper and 3.7 ppm silver as well as 6.8 metres of 2.30% zinc, 0.4% copper and 4.7 ppm silver. There is a historic (non NI 43-101 compliant) resource at Copperlode of 160,000 tons grading 8.2% zinc and 1.02% copper. At Garnet Lake, Tribute is planning to extract a 10,000-tonne bulk sample from the Arrow Zone.

Ucore Uranium Inc. [UCU-TSXV; UURAF-OTC] has completed a low-level, airborne, hi-res, multi-channel spectrometer survey of its Elliot Lake uranium prospect north of Lake Huron between Sudbury and Sault Ste. Marie, west-northwest of the past-producing Elliot Lake uranium mines. One of the number of anomalies was the three-kilometre by 700-metre Ten Mile Lake East target. Float samples have returned up to 0.51% U₃O₈ equivalent. More work is planned.

Wallbridge Mining Company Limited [WM-TSX; WC7-FWB] has executed a three-way joint venture with **Vale Inco Ltd.** and **Xstrata Nickel** on a mining claim adjacent to its Frost Lake property near Sudbury. The claim of interest is immediately next to the Capre 3000 copper-platinum-palladium-gold discovery of Vale Inco and Lonmin plc.

West Timmins Mining Inc. [WTM-TSX], 60%, and **Lake Shore Gold**, 40%, report that follow-up drilling on their Thunder Creek property near Timmins has intersected additional high-grade mineralization. Drill hole TC07-43 returned 8.57 grams gold/tonne over 9.00 metres, intersecting the Rusk Zone 120 metres down-plunge of earlier hole TC07-36. Other Rusk Zone holes also returned high-grade assays.

In December 2007, Lake Shore completed the acquisition of the Bell Creek Mine and mill from the Porcupine Joint Venture, which it plans to put into production later this year. ■

coming events

The **Hard Assets Investment Conference** is being presented May 12–13, 2008 at the New York Marriott Marquis in Times Square, New York City, New York. Keynote speakers include Lawrence Kudlow who will speak on the impact of the presidential election on U.S. markets and Benn Steil, who will speak on the end of national currency and the coming global gold digital currency. Well-known newsletter writers will also provide stock picks and investment advice. For more information, go to www.iiconf.com or call 1-800-282-7469.

The Middle East's investor focused forum, the **Commodities Investment Forum MENA 2008**, on commodity investment and trading is back for its third successful year at the Shangri-La Hotel, May 25–28, 2008, Dubai, UAE. For more information, contact Starlina Sequeira

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The **Invest Fest Conference** is being held at Vancouver Convention & Exhibition Centre 999 Canada Place, Vancouver, British Columbia, Canada June 6 – 9. There is an excellent lineup of speakers, including Brian Tracy, Chet Holmes, Frank Holmes, John Tansowny, Les Brown, Michael Lathigee, Ozzie Jurock, Rick Rule and Bryan Rundell. Phone: 1 (866) 785-8232 for price of admission. For more information go to website: www.vcec.ca

The **2008 Morningstar® Investment Conference** is being held June 25–27 at McCormick Place, West Building, Chicago, Illinois. It's the year's must attend event for financial advisors. The cost is US \$745.00. For more information, go to www.morningstar.com

Cambridge House International Inc. is presenting the **Vancouver Resource Investment Conference** June 15–16, 2008 at the Vancouver Convention & Exhibition centre, Vancouver, British Columbia, Canada. For more information and registration, go to www.goldshow.ca In the US and Canada, call 1-877-363-3356. Greater Vancouver Registration Line 604-878-1114 or send a Fax at (604) 687-4726. Pre-registration is free; however, there is a \$25 cost at the door.

The **Investing in African Mining Seminar** is being held June 17 at the Vancouver Convention & Exhibition Centre, Vancouver, British Columbia, Canada. MineAfrica® is a business development company promoting African mining investment, and a secondary focus on promoting bilateral trade and investment between Canada and Southern Africa. Contact Bruce Shapiro at 416-588-7749. For more information, go to www.mineafrica.com

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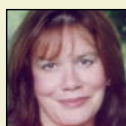
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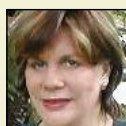
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To hell with Wall Street Wizards – I'll go with my intuition

Maybe I'm too much of a news hound, but hardly a day goes by it seems that I don't read some Wall Street analyst calling for an end to the commodities boom. Gold was first on their hit list and recently they've been targeting base metals, claiming that an economic downturn in the United States will drive them appreciably lower. The basis for that assertion is the belief that historic prices determine future prices. Well, I wouldn't bet the farm on it – or even the outhouse for that matter.

In actual fact, most of the world's largest investment firms were negative on gold for most of its mercuric rise from the mid-US \$250 an ounce. Who can forget Goldman Sachs' November 2007 recommendation to sell dollar-denominated gold because it thought the U.S. dollar would soon stabilize.

"We would now use a short exposure in gold, expressed in U.S. dollars, to capitalize on a gradual relaxation of credit concerns in the financial sector over the coming months," Goldman analysts said. In the annals of bad calls, this must qualify for an Olympic gold – the only "tarnished" one ever to be awarded.

In early March, I was in Toronto on business and took in a few technical sessions at the PDAC which drew more than 20,000 delegates from well over 100 countries. What I gleaned from these presentations reinforced my belief that we are in a super cycle for commodities that will likely not end any time soon – if ever. Mind you, that's not to say there won't be a few speed bumps along the way.

Nowadays you don't have to look too far for tangible indications about the future of commodities markets – especially for base metals. London-based Rio Tinto PLC and Australia's BHP are presently seeking a 71% increase in iron ore prices from the

Chinese who are resisting demands from both companies to sell a portion of their contracted volume on spot markets where prices are substantially higher.

As most people know, iron ore is used to manufacture steel which is critical to every industrial society. But a lot of other mineral commodities are used in the steel manufacturing process. So increased steel production is positive for them too!

Don't be hoodwinked into believing that the U.S. is the main driver for commodity prices these days. Raw material demand is booming in China as consumers there use more grains, metals and energy products. In addition, the economy of China's next door neighbor, India, is expanding rapidly and is sorely in need of infrastructure improvements which will create new demand for metals that are already in short supply.

With real economic growth largely confined to Asia, currencies such as the Chinese Yuan and the Indian Rupee are destined to become stronger. That will make commodities in these respective currencies cheaper, including gold which has strong cultural underpinnings in Asia.

Nevertheless, despite this positive outlook for metals, some analysts are predicting a significant downturn in base metal prices as the U.S. economy cools. This has prompted Ernst & Young (a leading professional services organization) to note that metals analysts generally don't stray too far from the "comfort zone of historic averages" which has proven thus far to be a big mistake in this historic bull market for commodities.

In the case of gold, I see continued safe haven buying as the sub-prime mortgage crisis unfolds and a subsequent rotation into resource stocks across all commodity sectors. Briefly, here's what I envisage on the horizon for the following commodities.

Global copper demand has been growing at an estimated 3.7% annually over the past decade. However, copper consumption in the U.S. and Europe has actually been declining. In China, annual copper growth has averaged around 11% over the past 10 years. Other developing countries – mostly Asian – have also contributed to copper's amazing increase in demand. So worries about a downturn in the U.S. housing market significantly affecting the broader copper market appear to be unfounded given the probability that increased Chinese demand will more than offset any recession-induced reduction in U.S. demand.

For nickel, Chinese demand has been the main price driver in recent years. However, the marginal cost of nickel production has risen sharply and is now estimated to be around US \$10/lb. The primary market risk for nickel relates to new production coming on stream. For the most part, new production will be from second generation High Pressure Acid Leaching (HPAL) projects which are technically risky and have generally not achieved production expectations.

There's not much liquidity in uranium markets and that likely won't change anytime soon. Spot prices for uranium have been extremely volatile. At time of writing, the spot price for uranium (US \$71/lb) is trading below the term price (US \$95/lb) which is unusual in a historical context. Term (contract) prices are driven by utilities who want to lock in prices for obvious reasons.

When jurisdictions like Alberta are considering nuclear power, that's probably a sign of things to come. Now a similar commitment by British Columbia – that would be a whole new ball game, given the province's historic reluctance to promote fossil fuel or nuclear energy for power production ■

Developing the Harper Creek Deposit in British Columbia

Indicated copper resource estimate of 3.8 billion pounds

Yellowhead Mining is a private Canadian company with a 100% interest in the Harper Creek project, in South Central British Columbia, approximately 90 kilometres North-East of Kamloops. The Harper Creek Project is an advanced copper-gold-silver-zinc exploration project and offers exceptional potential as the largest greenfield volcanogenic sulphide project in British Columbia.

- Located adjacent to railway, highway, power, water and town infrastructure.
- 49,000 metres of drilling at Harper Creek through 2007, with a 50,000 metre program planned for 2008.
- NI 43-101 Indicated resource estimate of 538 million tonnes at 0.32% copper (3.8 billion pounds copper) and an Inferred resource estimate of 64.7 million tonnes at 0.34% copper (0.5 billion pounds copper), using a 0.2% copper cut-off and not including potential future gold and silver values. Metallurgical testing has demonstrated potential gold and silver revenue credits to be in the range of 10%.
- Mineralized envelope greater than 2 kilometres along strike, over 2 kilometres down dip and over 1 km in depth. Resource remains open along strike, down dip and at depth.
- Metallurgical testing is ongoing, with results to date producing a very clean concentrate grading 28.8% copper, 4.75 g/t gold and 91.5 g/t silver at a copper recovery of 88%.
- Pit modelling demonstrates a strip ratio of 1.0:1 over a 23 year mine life.
- Preliminary Economic Assessment completed, with a feasibility study to start in mid-2008.
- Numerous additional targets have been identified from airborne geophysics over 9,000 ha.

The company is well-financed having raised over \$13 million. Yellowhead has experienced management and enjoys a favourable mining investment environment in British Columbia.

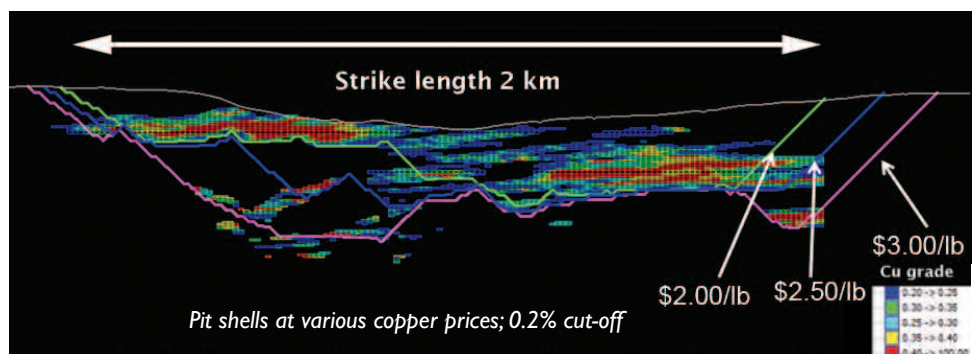


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