

Firms exploring more of Labrador

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Other areas of Labrador, like the South Voisey's Bay project, have the potential to host a Voisey's Bay-like deposit, according to two companies which have joined forces to step up the search for such mineralization.

"Many areas of Labrador were underexplored during the Voisey's Bay staking rush when the details of the Voisey's Bay model were not available," the president of Vancouver's Donner Minerals Ltd. said Tuesday.

Harvey Keats said his company and Toronto-based Falconbridge Ltd. have entered into the Labrador Regional Agreement (LRA) to explore for Voisey's Bay-type nickel-copper-cobalt deposits in Labrador outside of the Voisey's Bay and South Voisey's Bay areas.

"The purpose of the Labrador Regional Agreement is to combine the ideas and expertise of Donner and Falconbridge to realize this potential," Keats said.

In September, Donner, Falconbridge and others entered into a separate agreement whereby Falconbridge can earn a five per cent interest in the entire South Voisey's Bay project by spending \$23 million on exploration.

Under the LRA, the partners have each agreed to spend a minimum of \$200,000 a year over a two-year period.

"Any properties acquired will form part of a joint venture in which both Donner and Falconbridge will have a 50 per cent interest," Keats said.

Falconbridge will be the operator of the joint venture under the direction of a management committee comprised of one representative from each of the firms.

"Exploration programs will be planned, developed and finalized by both parties and all programs and property acquisitions will be decided by the management committee," said Keats.

Falconbridge will be entitled to designate the treatment facilities to be used for processing the ore and other mineral products and market those products for the joint venture at rates, charges and costs competitive for the industry, he said.

"Donner and Falconbridge both have a right of first refusal to purchase all or any part of the other party's interest in any property acquired by the joint venture," Keats said.

As part of a 1997 agreement, TeckCominco Ltd. of Vancouver has a right to acquire 50 per cent of Donner's interest in any deposit discovered and developed by Donner in Labrador by funding Donner's share of feasibility costs and arranging Donner's share of production financing.

CORNERSTONE UPDATE

Meanwhile, St. John's-based Cornerstone Capital Resources Inc., through its wholly owned subsidiary Cornerstone Resources Inc. (CRI), has provided an update on its Red Cliff property, located on the northwestern tip of the Bonavista Peninsula.

The property is the subject of a joint-venture agreement with Noranda Inc. of Toronto.

Subsequent to the drilling on the Blue Point grid, a helicopter-based lake sediment sampling survey was carried out during August and September which identified several distinct copper anomalies, Cornerstone said Wednesday.

"A followup soil sampling program was carried out over selected targets to further define the sources of the anomalies, and subsequently two new grids were cut," the company said.

The new grids have been covered by induced polarization geophysical surveys and will be mapped during the 2002 field season.

"During the winter season, further analysis of all the drilling, geological, geochemical and geophysical results will be carried out in order to focus on the areas which will be the subject of a minimum \$350,000 exploration program during 2002, some of which is expected to be spent on drilling programs."