

# Mining companies are lining up for uranium exploration in Labrador

BY JAMIE TARRANT  
*The Labradorian*

Stock market prices for minerals have a huge impact on exploration. In Labrador 35 companies from six provinces and one American company set up shop in remote areas along the Big Land's central mineral belt located 135 kilometers north of Happy Valley-Goose Bay.

The history of uranium goes back to the early 50s, which later led to exploration in the early 60s and 70s by Shell Canada. However exploration efforts were halted when stock market prices for the precious metal crashed.

Since 2004, rising uranium prices from \$7 a pound in 2001 to a staggering \$140 today have increased exploration in the region significantly.

Several uranium deposits have already been discovered at Kitts, Michelin, Inda, Nash, Rainbow, and Moran Lakes. The most significant highlights have been the resource drilling at the Michelin and Jacques Lake deposits staked by Aurora Energy.

Most mining companies are exploring for nickel-copper, iron ore, copper-zinc, mineral sands, and gold, although uranium is showing early signs of having the most potential.

George Leary, President of Vancouver based Bayswater Uranium, is encouraged by uranium exploration results in Labrador.

"We are now at a 100 million pounds. I think the potential in this district is probably ten times that," attests Mr. Leary.

Working in the industry for 40 years, Mr. Leary feels Labrador's central mineral belt is emerging as one of the most significant in Canada.

"The reason why we are here is because this is the

most important uranium district in Canada. The Athabasca (Saskatchewan) is the number one basin in the world, but Labrador I think is

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**- Chad Wells,  
Altius  
vice-president  
of corporate  
development**

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number two in Canada," says Mr. Leary.

Bayswater's philosophy involves acquiring large strategic land positions in the three most important uranium districts in Canada, so as to gain the most from their exploration efforts. They currently control 7.5 million acres combined in Saskatchewan, Labrador and Nunavut.

Mr. Leary believes the sampling of lake sediment projects by the federal and provincial governments in the early 90s helped build support again for exploration.

"An anomalous uranium picture emerged from that data set. It reflected the historic uranium belt in Labrador, where all of these known occurrences were located. It also indicated that there was substantial potential to the north in lobes that were

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# Significant number of B.C.-based companies exploring Big Land's mineral wealth

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coming off the main district," he says.

## Western interest

Another noteworthy observation is the 15 mining companies from British Columbia presently exploring for minerals in Labrador, which is significant considering the province is a pioneer in the mining scene in Canada.

This fact is nothing new for Mr. Leary, but he also feels exploration has been given a real boost by Vancouver's TSX venture stock exchange.

"These are the best stock exchanges in the world, they have generated more discoveries and raised so much capital over the years, it's phenomenal. Vancouver is the resource capital of the world for junior mining ventures, no question," explains Mr. Leary.

Newfoundland based Altius is another company that has a stake in uranium exploration. In June 2003 they acquired a piece of the Voisey's Bay royalty, which allowed them to find a sustainable cash flow to maintain their business, while examining future exploration projects in Labrador. When the possibility of uranium exploration started to take shape in 2004 their joint venture approach led to the merger with Vancouver-based Fronteer Development Group to form Aurora Energy.

The Altius portfolio of joint venture projects, equity stakes and royalty holdings will see \$50 million spent in Labrador exploration this year. They are actively involved with mineral projects in Notakwanon and Nuiklavik, Labrador. Drilling for iron ore will also commence this fall in Wabush.

Altius Vice President of Corporate Development Chad Wells feels the real focus for

Altius is generating new concepts, ideas and mineral belts in Labrador. One of these innovative approaches is the use of global analogs.

"There might be initial deposits in Niger, Africa that have certain attributes, or ear-

marks in age, mineralization, and geological character that might fit a particular bed of rock in Labrador. We tend to take those analogs and models and apply them to unexplored belts in the province," explains Mr. Wells.

With 600 companies around the world currently mining uranium - compared to just 12 seven years ago - Tim Froude senior Vice President of Exploration for Crosshair Exploration and Mining Corp sees these numbers as sort of a uranium renaissance. This is especially true when it comes to the scare of global warming.

"Uranium is definitely an environmentally friendly source of electricity. The world is realizing that burning oil and coal is not acceptable with respect to Kyoto and green house gas emissions. Uranium will definitely be a fuel of the future."

Crosshair is currently enjoying their second year of exploration on the Moran Lake project, an area of about 640 square kilometers. The company is currently investing \$9 million into their project, which they hope will achieve the same success as Aurora Energy, Michelin Lake investment.

## Is it safe?

Uranium exploration and drilling has always drawn negative criticism from environmental groups who often focus on the questionable safety procedures of mining companies in

the past.

Mr. Leary doesn't doubt that historically around the world mining has gotten itself into a bad situation.

"I remember when I was a young guy going on some of these mining sites. I was appalled at the way stuff was left. It was just awful, drums laying around, tailings ponds that were eroding, and materials going into creeks," contends Mr. Leary.

A big concern raised by these groups concern tailings, which result from the crushing and separating of uranium from iron ore. Waste rock is collected in pools outside the mine, which can be just as radioactive as the yellowcake uranium extracted.

When installing a tailings area, you first have to look at the hydrology, which includes the ground water, and soil conditions, as well as surface draining.

One of the safety measures Mr. Leary's company employs involves non-biodegradable plastic liners, and sealers to confine a tailing pond base, so there is no leakage during production and when a mine is decommissioned.

Even though his company is not yet producing in Labrador. Some of their advanced projects in the U.S. involve following guidelines engineered to create zero emissions in the air, water and soil, so there is no discharge.

All mining companies have to follow strict health and safety guidelines set out by both levels of government before they are granted a license for exploration.

One of the ways Altius eases local fear about uranium exploration is through open consultation with community leaders.

"I think in this day and age being pro active at the community level is very important, and it is a core value of Altius in general," attests Mr. Wells.

Mr. Froude believes with Crosshair's 40-member workforce made up of Newfoundland and Labradorians, the province will benefit from uranium exploration and eventual drilling. 80 per cent of their \$9 million budget will be spent through local services providers.

Mr. Wells feel Labrador's mineral diversity will change the face of the province's resource based economy.

"Traditionally we have been known for mostly fish and wood. I think going forward oil, gas, hydro and minerals will be the future of Newfoundland and Labrador."

reporter@thelabradorian.ca