

Mining and Exploring in Atlantic Canada

While Canada is one of the first places investors and speculators think of when it comes to natural resources and especially precious and base metals, the Atlantic region of Canada is normally not the first geographical area that comes to mind. Provinces like Quebec, Ontario and British Columbia tend to jump out first. This has led to some very significant opportunities in Atlantic Canada being either overlooked and/or undervalued.

One area that was up and coming until it was literally slammed shut was Labrador's uranium exploration and development. On April 8, 2008, the Nunatsiavut Government imposed a three-year moratorium on uranium mining on Labrador Inuit Lands. While I believe the intentions were honorable, a lack of understanding about the outcomes of those actions has set back this area and those who were working to develop projects within it. Thankfully, there seems to be serious talk of having the moratorium end ahead of schedule. Even if it doesn't, I don't believe we're going to see anything like it going forward. This has created opportunity in a highly-speculative junior resource company that was severely impacted by the moratorium and can now seemingly benefit greatly from its lifting.

That company is Crosshair Exploration [TSX:CXX, NYSE Amex: CXZ], a dominant player in the exploration and development of gold, uranium and vanadium in the U.S. and Canada. The Bootheel Project, an important part of the CXX story, is located in uranium mining-friendly Wyoming. With its in-mining potential and initial NI 43-101 uranium resource estimate of 1.09 M lbs indicated and an additional 3.25 M lbs inferred, the project has exceeded the minimum mining threshold and is designed for near-term production.

In Newfoundland, Crosshair is advancing its gold projects; The company recently completed 7,220 m of drilling and has a bulk sampling program that is set to commence Q3-2010. Stantec Consulting Ltd. has recently been contracted to prepare an Environmental Compliance Plan and design a method of removing the overburden for the trenching that is anticipated to begin September 2010.

In Labrador, Crosshair has already demonstrated the

multi-deposit potential of the Central Mineral Belt (CMB) Uranium/Vanadium Project by successfully developing four currently defined resources (C Zone, Area 1, Armstrong and Two Time Zone). All four resources are open for expansion.

Vanadium, already irreplaceable in several industries including aerospace, aviation and construction due to its unrivalled ability to strengthen steel, has also become very important in the advancement of battery technology and its use for connecting large-scale power grids. Phase I of the Vanadium Resource Expansion Program is complete and Phase II commenced mid-July 2010.

Thanks to the great success of Consolidated Thompson and its Bloom Lake project, another developing iron ore play in the Labrador region is Alderon Resources Corp. (TSX.V:ADV). Alderon, which employs several key executives who were instrumental in Consolidated Thompson's success, is an exploration and development company with an iron ore project slated for near-term production. The Kamistiatasset ("Kami") Property is located next to the mining towns of Wabush, Labrador City and Fermont in Western Labrador. The property is also within close proximity to roads, the railway and hydro power.

Based on drilling to date, the Kami Property may contain 200-to-250-million tonnes with grades between 28-to-35 per cent iron. These grades are analogous to those at Consolidated Thompson's Bloom Lake Deposit. The goal of the 2010 \$7-million program is to delineate 400-to-500-million tonnes at grades between 28-34 per cent iron. The potential tonnage and

grade are conceptual in nature and it is uncertain if further exploration will delineate a mineral resource.

Continued worldwide demand for steel will keep driving iron ore prices upward and Alderon is well positioned to benefit from the continued demand. Particularly since the Alderon team is comprised of skilled professionals with significant iron ore expertise to advance Kami towards production.

While Atlantic Canada is well known for its beauty, uranium and iron-ore can add to its popularity among investors and speculators. | **ABM**



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