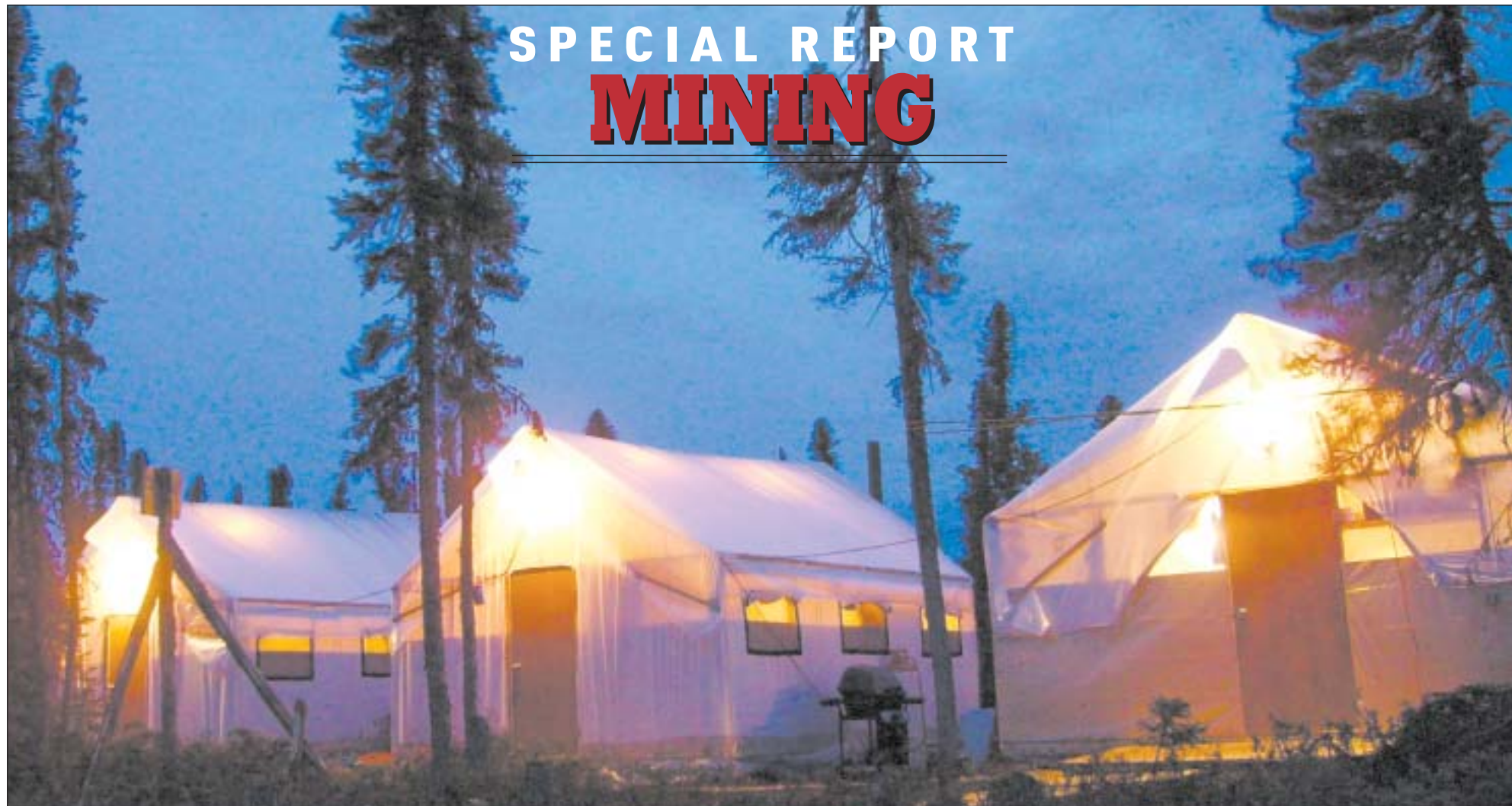


SPECIAL REPORT MINING



A group of juniors, including Probe Mines whose Victory Camp is pictured above, are hoping to light up their futures with a big base metal find in the James Bay Lowland.

Hunting for an elephant of a deposit near James Bay

By **ADELLE LARMOUR**
Northern Ontario Business

The virtually untapped region of McFauld's Lake in the James Bay Lowland has the potential to be the next "elephant" for copper and zinc deposits, says the head of a junior mining exploration company in the area.

J.C. Kirk McKinnon, president and CEO of MacDonald Mines Exploration Ltd. (MacDonald), compares the topography and geological environment of the area, located 250 kilometres west of James Bay, to Quebec's Noranda and the Mattagami mining camps.

"It has the ability to produce elephants for VMS (volcanic massive sulphide deposits)," he says, which are hosts for base and precious metals.

McKinnon says people are drawn there for the copper and zinc potential. He sees China's and India's increasing consumption of base metals, particularly copper, zinc and nickel, as only good news for the camp.

"Copper, zinc and nickel are the working

metals of industry," he says. "That is key."

Consequently, MacDonald Mines, Probe Mines and Spider/KWG Resources Inc., three major players, have staked claims throughout the eastern end of the Sachigo Greenstone belt in search of the elephant.

Neil Novak, president and CEO of Spider Resources Inc. (Spider), says between the three companies, they have "picked up land about 120 km in strike length."

Presently, Spider holds 33,664 hectares in the McFauld's area. In a joint venture with KWG Resources Inc. (KWG), it was the first company to announce the discovery of the VMS mineralization during a diamond exploration program in November 2002.

Since that time, the Spider-KWG joint venture has spent more than \$10 million drilling 68 holes, which led to the discovery of 10 anomalies and eight massive sulphide occurrences.

With the recent change of the Spider-KWG joint venture, Spider is now in the process of building up mineral resources on McFauld's 1 and 3 properties.

To date, Spider has completed a drill program on a property optioned from Freewest

Resources Canada Inc., and is focusing on the McFauld's 3 property. Back in November 2004, drill hole McF-04-57 intersected an average of 8.02 per cent copper over 18.8 metres. They have performed down-hole and deep-sounding geophysics, as well as gravity surveying.

"Of all the geophysics, it suggests the amount of sulphide we've intersected so far does not explain the magnitude of the gravity anomaly," Novak says. "That means there is something much bigger there that we haven't touched into yet."

Spider plans to drill down below the 600-metre level (top of the gravity anomaly), spending about \$750,000 to the end of April, with an additional \$150,000 from KWG as part of a prior commitment.

Satisfied that the grade is there, Novak says it becomes a question of size in order to make it economical.

Dr. David Palmer, president of Probe Mines Ltd., says VMS deposits tend to occur in clusters, which makes it easier to develop significant tonnage potential.

"That's the beauty of this thing, in VMS type of exploration is the potential to find a new

mining camp," he says.

Probe Mines has strengthened its position in the camp as the third largest single company in that area, with 12,800 acres of claims on its Tamarack and Victory properties, as well as several joint ventures giving the company access to over 10,000 hectares of land in the McFauld's Lake area.

The company acquired land based on the original Spider discovery and during an October drill program, intersected one of the VMS-type deposits on its Tamarack property last fall.

"We've done remarkably well for two years of exploration," Palmer says. "We've already hit into a significant VMS discovery."

A snowball's chance underground

Drill hole M6 encountered massive sulphide mineralization at a vertical depth of 50 m, consisting of a 7.8-m section of chalcopryrite mineralization grading 3.1 per cent copper.

"Then it started to snowball," Palmer says.

The Probe Mines 2006 exploration program

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Project sets stage for future

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will include drilling on the Double Eagle (a joint venture with Noront Resources Inc.) as a follow-up aimed at conductors along strike from known mineralization from Spider's McFauld's property and Probe's Tamarack property, says Fiona Child, Probe Mines corporate communications manager.

A geophysical survey completed on the McFauld's Lake property suggests the initial discovery (last fall) appears to be at least 500 m in length. Two additional anomalies with similar characteristics were discovered on the property with potential for massive sulphide mineralization.

Two drills are presently operating, one on each property, where \$500,000 will be spent for the next program. Palmer expects to spend just under \$2 million for drilling on the two properties in the foreseeable future.

In the same region, MacDonald Mines' properties total 30,000 hectares. The exploration program is under the direction of GeoVector Management Inc., a consulting group of three geol-

ogists and one geophysicist.

In 2004, the MacDonald carried out an airborne VTEM and magnetic survey consisting of 50 to 75 metre-line spacing, where 40 anomalies were defined on the Big Mac property and 25 on the MacNugget property. Later that year, the company performed follow-up geophysics on 10 EM anomalies along with diamond drilling where copper and zinc mineralization were intersected.

The 2006 program will focus on the MacNugget property near the town of Webeque, where accommodation and core logging facilities are available.

Five potential VMS target areas have been isolated, with one or two drill targets in each area, totalling 1,500 m.

The program will cost approximately \$700,000, with anticipated successes to require a follow-up drill campaign.

www.probemines.com

www.macdonaldmines.com

www.spiderresources.com

URSA working on other properties

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The company has built a bush road into the site and installed water monitoring wells.

"We won't be proceeding with any construction until we have the permitting," says Sutcliffe.

Golder Associates will manage the year-long permitting process.

"We're working hard to make sure the environmental issues are dealt with (and) we don't see any significant factors that will be negative to the environment," says Sutcliffe.

"Once people see the wealth and job creation from this type of project, it becomes clear on the economic spinoff," says Sutcliffe. He expects every direct mining job will create two spin-off jobs in the area.

Besides the Shakespeare project, URSA Major maintains other copper-nickel and uranium properties under exploration in

northeastern Ontario. They also have a 9.4-per-cent stake in Patricia Mining Corporation's Island Gold project near Wawa, which is expected to come into production this year.

Their advanced Shining Tree copper-nickel project, 110 km north of Sudbury, has a great potential, says Sutcliffe. They released a resource estimate in February revealing an indicated resource of 1.02 million tonnes grading 0.71 per cent nickel and 0.36 per cent copper plus an inferred resource of 1.49 million tonnes grading 0.67 per cent nickel and 0.36 per cent copper.

"We're quite encouraged with the resource there and think we've got a chance to advance that as a satellite to Shakespeare," says Sutcliffe.

Last year, the company acquired the former Agnew Lake uranium mine. It is conducting exploration to evaluate that property.

Although the resource is not high-grade uranium, Sutcliffe says Kerr Addison Mines spent a substantial amount of money on infrastructure and the cost of going back into production would be substantially less than starting from scratch. Kerr Addison mined 1.1 million pounds of uranium between 1977 and 1983.

But what's more intriguing to Sutcliffe are the other "rare earth" metals associated with uranium on the property that "enter the economic picture." Results from their October-November drilling program are expected this winter to evaluate the project's potential.

www.ursamajorminerals.com

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Drilling continues at URSA Major's Shakespeare project.



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