

VOISEY'S BAY NEWS

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Exploration and Aboriginal Affairs

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ALTIUS ASCENDING

**WHY WE NEED
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Working together

Freeport and LIA hope to develop rich garnet beaches in tandem

BY CRAIG WESTCOTT

Brenda Clarke has no bad experiences to report when it comes to exploring Labrador in what may well be termed the "Age of Aboriginal rights."

For the president of Vancouver-based Freeport Resources, her problems working in the Big Land have more to do with government uncertainty.

Freeport has several properties in Labrador, but the one that's been most tangled up in doubt is the Hutton Garnet Beaches property on the edge of Torngat Mountains National Park.

Four years ago, Ottawa announced its intentions to protect 3,100 square kilometers of land in the area by giving it park status. Freeport had been exploring the garnet and titanium rich beaches since 1997, after Clarke had read about the region's heavy mineral potential in a report by provincial geologist Richard Wardle.

"We've been stalled for four years basically," says Clarke. "All of those things (park issues) being discussed at various levels of government, it put the project on hold for that long because we couldn't do anything. We haven't been allowed to sample, so what we've done is work on different aspects. We've been working on the beneficiation quite a bit, we have the processing methods almost finalized, and those kinds of things, the things that we could do without doing any work on the ground."

LIA'S HELP

However, hope now appears in sight. The Labrador Inuit Association, which is set to see its longstanding land claim turn into self-government next year, has managed to get the federal and provincial governments to agree to leave the area containing the beaches out of the park.

"There is a small lot of land that is set aside and we have priority access to that development," says the president of the LIA, William Andersen III, who adds his association is interested in working with Freeport. "We're certainly looking at what the prospects might be."

For both Freeport and the LIA, the beaches appear to harbour strong potential. Garnet, which is used for water jet cutting and other industrial purposes, has been trading recently at \$610 a ton. The market for it is predicted to grow 12 per cent annually.

"We really like the project, obviously," says Clarke. "Other people like the project too. It's very high grade. It's good because it's a simple project. We have lots of interest from basically all over the world. There aren't many deposits like this, I mean it's probably the highest grade alluvial deposit of garnet that there is. So we're looking at the European and the North American market, but we'd actually like to put some effort into the titanium as well."



Brenda Clarke of Freeport Resources.

Clarke doubts the company could exhaust the garnet supply of even one of the beaches in 20 years.

"It's a niche market," she points out. "You don't need a lot of it, 20,000 tons a year would be lots. It's sort of a small, light touch kind of project. We've basically looked at just one beach, but there's two and the other one is much larger, twice the size kind of thing."

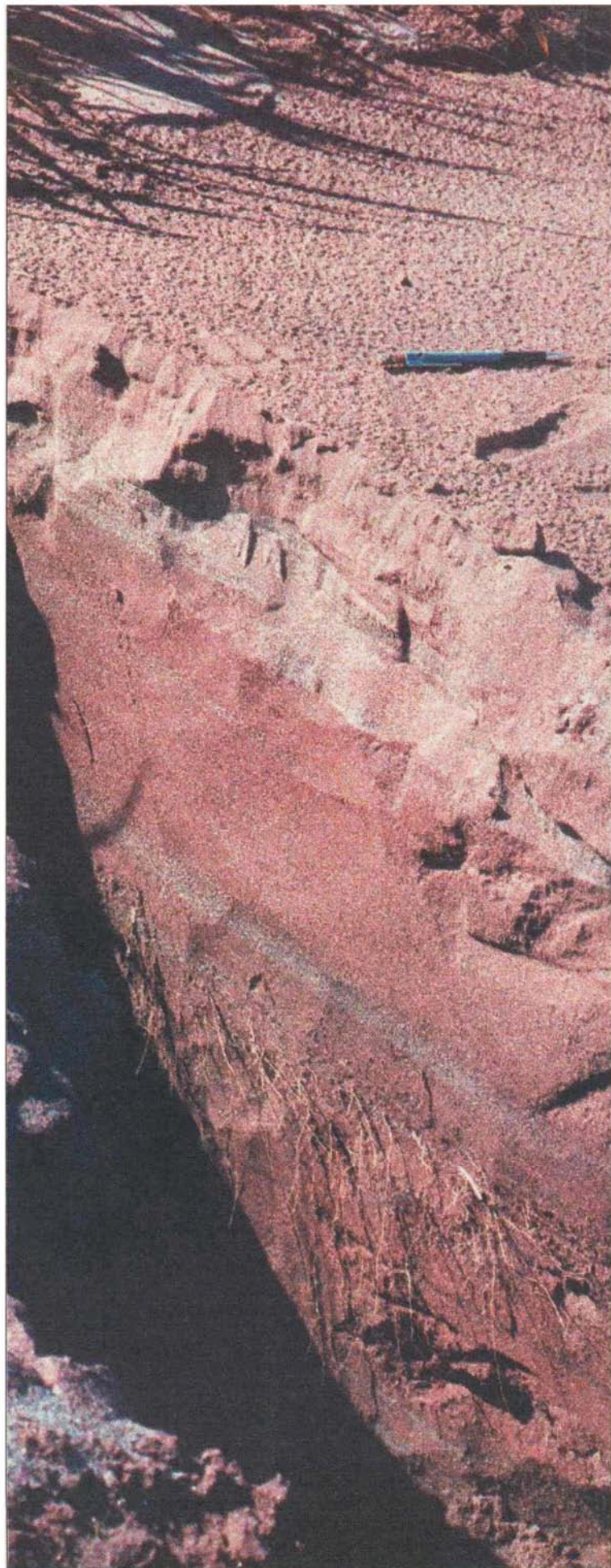
Clarke is hoping Freeport will be allowed in to conduct some bulk sampling this summer and to work on environmental studies. Production could begin in 2005 if the company gets all the necessary permits and the go-ahead from the LIA. Clarke says relations with the LIA have been good.

BENEFITS FOR INUIT

Like any mineral development on LIA land, Freeport will have to pay the association a royalty. Andersen says all future mineral developments on LIA land will involve royalties as well as agreements on jobs, training and other benefits for the Inuit.

"The LIA has never been opposed to development, but it has to be done in such a way that it's first of all to the benefit of all concerned, and secondly with the environmental protection measures in place to ensure that if at all possible, no disaster happens," Andersen says.

"The LIA is going to be open to any proposal. We're not closing our doors to any kind of development. I think there's always opportunities for the proponent, our people, everyone concerned. And I would like to think that in the future we will look at all options before we say, 'Sorry we don't want that.' So hopefully any future development will work in the best interests of all parties concerned, not only the Aboriginal people, but the proponent as well."



The Iron Strand, Freeport Resources' garnet play located on the edge of Torngat Mountains National Park, also contains titanium.