


Nunavut Miner
Premiere Edition

Major General Resources Inc.



Nunavut's exploration industry is rapidly gaining more positive attention with advanced exploration projects by major companies such as WMC International and Comaplex Minerals leading the way, and with Major General becoming a key player, Nunavut is quickly becoming a new exploration playground

Bernard H. Kahler

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VICTORIA ISLAND
DIAMOND PROJECT AREA

MAJOR GENERAL RESOURCES

A NUNAVUT RESOURCE

Interview by Lawrence Stephenson

When you are looking for diamonds the unprocessed kind, there are only a few ideal locations known in the world that have the kimberlite host rock. The South African Craton, home of De Beers, where diamond mining started; the Russian Craton, home of the greatest inefficient store of diamonds; the Australian Craton, home of the brash new mate of diamonds; and of course, the Canadian Craton, the cool methodical plodder of diamonds. Canadians, not brash - not the most efficient yet! - not the largest yet! - but always there doing what is necessary and doing it right. Major General Resources Inc., a Canadian Junior exploration company with properties throughout Canada, typifies this exemplary spirit of doing what is necessary.

"By selling our interest in the Hammerdown Project for \$3.4 million Canadian," William Coulter, President of Major General said. "We have enhanced Major General's cash position significantly. With most projects joint ventures, we will be able to find promising mineral properties in prospective overlooked areas."

Diamonds had long been suspected in the Canadian Shield Craton. De Beers through its subsidiary Monopros has been looking in Canada since the 1960s! Selection Trust who used to mine diamonds in Sierra Leone teamed up with Esso Minerals in the 1970s and 1980s to look for diamonds in the James Bay Lowlands. Although these international companies were there, it took a plodding Canadian, Chuck Fipke to prove that the Canadian North was the right place to be!

The new Canadian Territory of Nunavut is demonstrating that mineral exploration and development, the environment and the indigenous population can not only co-exist but also thrive. Four exploration programs are complete on its Victoria Island holdings which cover 1.4 million acres. The Company estimates that diamond exploration and land acquisition expenditures on Victoria Island will total about \$1.5 million this year. To date 15 kimberlites have been located of which 12 are diamondiferous. Included in the acreage are 29 mineral claims recently purchased from Monopros Limited.

Dia Met Minerals Ltd., which holds an option to acquire a 51% interest in the 988,800 acre Tahoe Lake Diamond Project has commenced a program of geophysics, sampling and prospecting to locate the source of the high interest diamond indicator minerals found in the 1999 program.

"Success does not mean rest," said Mr. Coulter, "even Diamet with 3-4 million carats of production established, is being asked, 'Well, what's next?'"

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Other projects such as Starfield's Ferguson Lake Property, Kinross/Wheaton River's St. George's Au property, and Miramar/Camdiex's Boston deposit, to mention a few are attracting active and positive interest from both the private and corporate investor sector on a national and international basis.

Major General is a rarity in the junior mineral exploration world - cash rich with a plethora of good mineral prospects most of which are under option with minimal cash drain on them. The cash

comes from the sale of their Springdale Newfoundland Hammerdown Rumbullion Gold Deposit to Abiting Inc.

Major General maintains a cash royalty from production. The properties come from the experience and effort of the two principal officers of the Company William Coulter, President and Bernard Kahlert, Vice President - Exploration.

"Our Green Bay Newfoundland Property geology is related to the Buchans base metal massive sulphide Mine located to the south," stated Mr. Kahlert, "the Nepisiguit Brook Property in the Bathurst New Brunswick Base Metal camp is in the right stratigraphy that hosts the main deposits. The Spider Lake Property in Ontario may be located on the eastern flank of a large felsic volcanic centre, the classical geological environment for the formation of volcanogenic massive sulphide deposits."

If it appears that most of Major General's properties outside of Nunavut are base metal properties, it would be in line with what William Coulter is sensing in the mineral exploration industry.

"There is a lot of interest from the major companies with improved balance sheets, in base metal properties," he said, "with ten base metal properties, Major General's corporate objective is to complete property earn-ins and then get them into joint ventures that will see between \$1 million to \$6 million in exploration expenditures."

This strategy will mitigate the drain on the company's cash position that with the completed sale to Abiting stands at approximately \$3 million. The only exception to this is the company's participation in the joint venture with Cameco Major General 30% participating interest on the Despinassy Property, Quebec. Results from over 8600 metres of drilling in the new millennium are continuing to confirm a large multiple vein gold system on the property with numerous ore grade economic width intersections.

The system has an east-west strike length of over 5 kilometres, is open along strike, to the south and to depth. The gold mineralization appears to be associated with felsic dykes and base metals in a 200-metre wide deformation zone. Geological setting and style of mineralization are typical of the Abitibi gold camps, which host multi-million ounce gold deposits.

"The interest in the Victoria Island properties," indicates

Mr. Coulter, "has been due to Dia Met's optioning the properties and their results published in April 2000 that 'Anomalous Indicator Minerals' were found in a group of 5 closely spaced samples. Dia Met is being an aggressive diamond explorer, even with their very successful Ekati Mine."

Major General is carried as Dia Met spends \$4.5 million to earn a 51% interest in the Tahoe Lake Project on Victoria Island of which \$500,000 has been spent to date.

"An airborne Magnetometer survey was mobilized by Dia Met to locate the target sources for these results,

monds on the island

"The kimberlites not only have to punch through these sediments," Bernard Kahlert commented, "but the diabase sills which are quite prominent in parts of the island. Somewhat like the situation in South Africa."

Enter Monopros. Although Monopros terminated its joint venture with Major General this year, it spent over \$1.25 million on Major General's behalf since its original diamond discovery in 1998 on the Major General/Ascot Joint Venture. During this time Monopros located 16 kimberlite pipes and found after drilling that 13 of them were diamondiferous, a very high success percentage.



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with follow up ground work and drilling," said Mr. Kahlert.

The results of Dia Met's 1999 exploration sampling program included eclogitic kimberlite indicators which indicated high diamond potential and as a consequence of these results Dia Met has staked additional claims in the area.

Victoria Island was one of the prime areas of diamond hunters in Canada. The ease of finding kimberlites on the mainland were more apparent with only glacial trends to chase. The geology of the island includes those glacial trends but also a one kilometre thick cover of sediments over the Archean Craton of the Canadian Shield. A weaker magnetic signature of the kimberlites was also drawback of exploring for dia-

Diamond recoveries in these drill holes have included Macro diamonds as well as high counts of micro diamonds with calculated grades similar to the Lac de Gras area.

Exit Monopros, enter Dia Met. The 1999 joint venture with Dia Met covering the Dodger, Blue Jay, Expo, Pirate, Ranger Properties and the Mariner North, Mariner South Properties will be focused on discovering the source of the anomalous sample in 2000.

As history has a tendency to repeat itself, the entry of Chuck Fipke's Dia Met onto the scene and the presence of so many diamondiferous kimberlites could suggest that Major General Resources' Victoria Island Properties are in the right camp.

