

Presidents Message

By Peter Oram



Happy New Year and welcome to 2009. Here's hoping that this year finds you healthier, wealthier and wiser!

As you are no doubt aware, the economic news just seems to get more and more unsettling on a global level. Many of us are having to look at cutting back on our expenses on a number of fronts. I want to take a minute to talk about MANS and its importance through these troubling times.

Experts agree that one expense definitely worth keeping is your membership in the professional organizations that have benefited you so much in the past and I believe that MANS fits that bill to a tee. It is during these times that the expert advice of your peers, the solutions they ultimately arrive upon and just the sharing of mutual issues is of enormous benefit in getting through this challenging period. As MANS continues to grow, we can serve as the conduit for these interactions. Our Annual General Meeting and our open house are great examples of this opportunity. We hope in 2009 to introduce more networking events and welcome your thoughts on how best to serve you in this regard.

I would also note that membership in an association such as MANS is an extremely cost effective way of keeping on top of developments in our industry. MANS is quite effective in making sure that we are all current on what is happening in our industry, both at the local and the national level. Our web site is updated weekly and provides all kinds of information including weekly media clips on mining matters. I would note that our web site is always a work in progress so suggestions on how to make it more useful to you are greatly appreciated.

Finally, it is critical that even in these "bad times" we ensure that government knows and understands our contribution to the economy of Nova Scotia. MANS has worked hard at developing relationships with politicians and bureaucrats over this last year and we continue to deliver our message at every opportunity. Given these relationships, I would be remiss if I didn't mention that MANS has been able to and will continue to quickly mobilize manpower to address issues and develop plans on behalf of member companies. This truly is one of our greatest accomplishments over this last year and we are now being listened to on many different fronts.

So, let's ensure that the momentum we have build over the last two years keeps going. We really do need to "ride this wave."

INSIDE THIS ISSUE

- 1** President's Message
- 2** Executive Director's Message
- 2** Mark the date: AGM 2009
- 3** Headlines
- 6** Mining Association of Canada (MAC) Activity Alerts
- 10** MANS Comes to Life

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Executive Director's Message

By Michelle Landreville

Happy New Year! I hope that each of you had the exact holiday that you were hoping to have.

After a bit of R&R, it is indeed time to get 2009 kick started, and what a start we had! Over 80 people crammed into our office space in Bedford to officially open our new premises. We were thrilled to have Premier Rodney MacDonald and the new Minister of Natural Resources, Carolyn Bolivar-Getson on hand to cut the ribbon. The event also afforded our members an opportunity to share their thoughts, insight and experiences in the mining industry in Nova Scotia with our special guests, a group that also included senior bureaucrats within the Department of Natural Resources. I want to extend a special thank you to the "floor installation and clean up crew" volunteers who helped make sure that we were ready for this event. Peter Oram, Paul Smith and Alan Davidson – your help was invaluable. Another special thanks to Kim Conrad for sponsoring the tasty treats at the event – loved the selection!

Peter Oram noted in his President's message how MANS can benefit each of you in these difficult economic times. I would add that now, more than ever, we need you to be engaged. We need to continue to send our strong message to regulators, politicians at every level, non government organizations and pretty much anyone else who will listen. Early this quarter, we will have our strategic communication plan in hand. At that time, it will be incumbent on all of us to make sure that our message is heard loud and clear. I look forward to sharing with you the outcomes of the work that Bristol Communications is doing on our plan and hope that each of you will spend just a bit more time with MANS making sure everyone knows who we are as an industry, what we mean to the economic development of this province and how we affect their daily lives. After all, mining does matter.



Mark the Date!

The Mining Association of Nova Scotia's AGM will be held on April 7 & 8, 2009 in Halifax.

The meeting will be held at the Citadel Hotel Halifax located at 1960 Brunswick Street. Overnight accommodations have been set aside and reservations can be made by calling 1-800-565-7162 before March 7, 2009.

Watch for program and registration details.

Development agency and Frances Gillies win Terance Coughlan Award

Source: *The Cape Breton Post*, November 19, 2008

PORT HAWKESBURY — The Strait-Highlands Regional Development Agency and one of its senior staff members has received an award for making a significant contribution to industrial mineral development in Nova Scotia.

The Nova Scotia Department of Natural Resources recognized the contribution of the SHRDA and Frances Gillies, its senior business development facilitator, by awarding him with the Terance Coughlan Award. The award was announced at the Mining Matters Conference held this month in Halifax.

Gillies has worked in the mineral development field since the late 1980s. His first interaction with DNR's mineral resources branch as a SHRDA representative occurred in 1999 when the department contacted the agency to discuss a carbonate resource mapping project that was being planned in the North Mountain area of Inverness County. This initial meeting led to a joint exploration program on a red marble prospect at River Denys in 2000. The study was a critical step in the development of the Macleod Resources Marble Quarry, and it marked the beginning of an excellent working relationship between DNR, SHRDA and Nova Scotia Economic Development.

The RDA later signed a memorandum of understanding with the department and several other projects followed in quick succession, including an exploration of the Eden clay deposit and the Judique red limestone deposit, promotion of cement grade limestone in the region, and a carbonate resource evaluation program which included work on the Glendale, Glencoe and North Mountain deposits.

Gillies and the SHRDA were instrumental in establishing the first Atlantic Canadian Stone Carving Symposium held at the Inverness County Centre for the Arts using marble from local deposits in 2005.

Gillies is also an active community voice for the mineral industry, with a focus on sustainable and responsible mineral developments and participates in many community events. He also has an active role in the Mining Society and Mining Association of Nova Scotia



Francis Gillies, senior business facilitator with the Strait-Highlands Regional Development Agency, from left, was recently presented with the Terance Coughlan Award for making a significant contribution to industrial mineral development in Nova Scotia by Garth Demont with the Nova Scotia Department of Natural Resources, Mineral Resources Branch and David Morse, Minister, of the Department of Natural Resources. Submitted by the Strait-Highlands Regional Development Agency

Donkin coalmine gets OK from province

Source: *The Nova Scotia Business Journal*, December 22, 2008

BY GREG MCNEIL, TRANSCONTINENTAL MEDIA

The Nova Scotia Business Journal

SYDNEY — The company exploring the possibility of opening the **Donkin** mine can proceed if certain environmental conditions are met. The provincial government announced Thursday **Xstrata's** underground coal exploration project passed its environmental assessment process.

However, surface water, ground water, plants and animals, air quality, noise, transportation and other issues will continually be monitored by the **Department of Environment**.

“After reviewing the science and other information submitted through the environmental assessment process — including comments received during the public comment period — I am approving this project with conditions, to ensure the environment is protected,” **Nova Scotia Environment Minister Mark Parent** said in a release.

Bruce Nunn, spokesperson for the Department of Environment, said the conditions established were unique to the Xstrata project but conditions are often applied to other projects, as well. “Often things like protection of water courses comes up whether it is a mine or a quarry,” said Nunn. “That kind of condition you might see elsewhere in other environmental assessments but these conditions are specific to this mine.”

The issue of transportation of coal from the mine was addressed by residents as recently as Nov. 27 during a public meeting in Donkin. “There is reference there to the trucks being watered down and tarped properly to reduce dust emissions,” Nunn said in reference to a condition in the report. “The road has to be upgraded for truck safety. That would be something the company would have to work out with the Department of Transportation and Infrastructure Renewal. The road is OK in some parts and in other parts it needs to be upgraded.”

The exploration project proposed by Xstrata is intended to determine if a longwall coal mine would be commercially viable. According to the province, the project is expected to take three years. The site will be prepared in the first year. Coal extraction, using continuous mining, will follow in the second and third years. “Work has to begin within two years. If they need more time, they have to make an appeal to the minister,” said Nunn.

As part of the process, the company established a community liaison committee to communicate with the public. Unfortunately, efforts made by the Cape Breton Post to reach Xstrata were unsuccessful.

The environmental assessment report can be found at:
<http://www.gov.ns.ca/nse/ea/donkin.exploration.project.asp>

PRESS RELEASE

Source: <http://www.marketwatch.com>

Appalaches Buys a Gold Producer in Nova Scotia

RIMOUSKI, QUEBEC, Dec 02, 2008 (MARKET WIRE via COMTEX) -- Ressources Appalaches (CA:APP: news , chart , profile) has just signed an agreement to acquire the gold producer Dufferin Resources, located in Nova Scotia. The transaction comprises the acquisition of the ramp-access Dufferin Mine, together with its processing plant (mill), mining lease, environmental permits, and all the other infrastructure required for production.

Details of the Agreement

The cost of the transaction was established at \$4,000,000, payable in four instalments spread over three years: a first instalment of \$500,000 payable following a due-diligence check lasting no more than five months; a second instalment of \$500,000 11 months after the signature; a third instalment of \$1,500,000 23 months after signature; and the final instalment of \$1,500,000 35 months after signature of the agreement. Once the final payment has been made, the acquisition will be free of all royalties. In the meantime, Appalaches must pay a royalty of 2% to Dufferin Resources. Appalaches intends to make the payments out of its net income from production.

Resource Estimate

The ore deposit at the Dufferin Mine consists of gold-bearing quartz veins of stratiform "Saddle Vein" type, folded en echelon and enclosed in sedimentary rocks. Thirteen veins have been identified by earlier drilling over a distance of 900 metres, down to a depth of 400 metres. The resources in the first two veins were estimated at 152,100 tonnes at a grade of 12.8 g/t Au (figures not compliant with NI 43-101). From 1994 to 2001, the first three veins were mined sporadically over a length of 450 metres and down to a depth of 75 metres. "The production data from this period are incomplete and open to question, but it is clear that the previous operators experienced problems regarding both the mining and the processing of the ore in the mill, and faced an unfavourable gold price. In fact, in 2005 and 2006 the addition of a flotation cell enabled a recovery of 3 g/t Au from the mine tailings" notes Andre Proulx, the Company's President.

Corporate Goal

The Company's objective is to put into production a 1,500,000-tonne ore deposit, grading 8 g/t. This objective is based on an extrapolation of the historical resources in the first two veins to all 13 veins, over the length of 900 metres indicated by the earlier work, which includes about fifty holes. The decision to purchase the mine was then based on a gold price of \$600/ounce, a grade of 8 g/t Au, and a mine life of 14 years. The due diligence will enable the accuracy of these assumptions to be checked, and will confirm the reliability of the infrastructure and of all the other legal aspects.

"After more than 18 months of negotiations, we are pleased to be finally taking over the Dufferin Gold Mine and to direct our efforts towards putting the existing mill back into production as quickly as possible. This is a very important event for Appalaches, which will now be able to move from being an explorer to a producer of gold in the near to medium term" observes Andre Proulx, the Company's President.

MANS becomes charter member of Nova Scotia *Come to Life* Program

The Nova Scotia Come to Life Program is the best use of word of mouth marketing.

The Nova Scotia government launched this campaign to raise awareness of the great quality of life us lucky 'Blue-nosers' experience everyday. Becoming a charter member of the program tasks organizations to share their business and life success stories – with people outside the province that they know, do business with or do business for – to encourage growth of our province as a place to live, to work and to visit. These success stories have already shown Nova Scotia to be a province filled with business innovators, cutting edge researchers and a wealth of opportunities.

MANS signed on as a charter member in December 2008.

For more information on this program, please visit <http://www.novascotialife.com/>.

