

## **Miners digging rebates**

### **Eastmain gets \$1.3M for James Bay projects**

**LYNN MOORE, The Gazette**

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Tremendous mineral potential and government incentives are fueling exploration activity in James Bay region, the president of Eastmain Resources Inc. said yesterday.

Eastmain last week received a \$1.3-million exploration rebate cheque from Quebec for exploration activities centred in the region, Donald Robinson said. The program combines tax credits and mining duties refunds.

"Essentially, it is half-price exploration," Robinson said in an interview.

"And it is allowing us to really put a huge effort into the province this year." The Toronto-based company, which lists 11 James Bay projects, has allocated \$3 million for exploration and development in the region this year, Robinson said.

Activity is focused in the Eastmain River area. The company's flagship gold project is its Clearwater Project which hosts the Eau Claire gold deposit.

Another high-profile property is Eleonore South, a joint venture with Goldcorp Inc. and Azimut Exploration Inc.

Robinson was an enthusiastic supporter of Quebec's incentives to promote mining exploration during yesterday's interview and an appearance on the Business News Network, "Quebec's is the best, absolutely, bar none," he said.

The total value of rebates for mineral exploration companies was not available yesterday from the Department of Natural Resources. But the provincial incentive package was a key reason the Fraser Institute ranked Quebec as the fifth most pro-mining jurisdiction in the world and the best place in Canada for mineral exploration.

Quebec's stance is in marked contrast to Mongolia, where a windfall profits tax for mining companies has been introduced, Robinson said. Canadian mining companies had been active in Mongolia, with Canada second only to China in terms of foreign investment, almost all of it in the mining sector.

"We have been big advocates of (Quebec) for a long time now. Nowhere do you get that kind of incentive to support companies," said Robinson, whose company has interests in Ontario and New Brunswick.

"The biggest grant we ever got from Ontario was \$30,000," said Robinson. Ontario no longer has monetary incentives for exploration, he said.

Since 2000, gold and diamond discoveries in the James Bay region have brought waves of prospectors, geologists and junior mining companies to the area in two major claim-staking frenzies - one for diamonds, the other for gold.

Another attribute is the road and power infrastructure, thanks to Hydro-Quebec installations in the region.

In 2005, 66 exploration projects were reported in the James Bay region, compared with 43 in 2004, an increase of 35 per cent.

In December 2005, Vancouver-based Goldcorp announced it would buy the Eleonore gold property from Quebec's Virginia Gold Mines Inc. in an all-stock deal worth about \$420 million. That purchase, in combination with diamond exploration by Ashton Mining Co. - which was taken over by Stornoway Diamond Corp. last year - has maintained keen interest in the area.

Eastmain took over the Clearwater Project from its venture partner Soquem Inc., "when gold was about \$250 an ounce and no one was really clamouring for those kinds of projects," Robinson said.

"Quebec's incentive program has "allowed us to find an ounce of gold for \$6 per ounce" at the Eau Claire gold deposit, Robinson said.

That calculation is based on indicated and inferred resources of about one million ounces and total company expenditures of about \$6 million, he said.