

Jones, Larry EM:EX

From: Lefebure, Dave EM:EX
Sent: Wednesday, February 13, 2002 3:13 PM
To: Smyth, Ron EM:EX
Cc: McArthur, Gib EM:EX
Subject: FW: Northern Miner Online Article

-----Original Message-----

From: Payie, Garry EM:EX
Sent: Wednesday, February 13, 2002 1:46 PM
To: Lefebure, Dave EM:EX
Subject: FW: Northern Miner Online Article

Dave,

FYI

-----Original Message-----

From: Payie, Garry EM:EX
Sent: Wednesday, February 13, 2002 11:03 AM
To: Smyth, Ron EM:EX
Subject: Northern Miner Online Article

Trio to develop Sustut

2/12/2002

Vancouver -- **Northgate Exploration** (NGX-T), **Doublestar Resources** (DSR-V) and Procon Mining and Tunneling have joined forces to develop the Sustut copper deposit, 65 road km north of the Kemess mine in north-central British Columbia.

The Southeast zone at Sustut has a resource estimate pegged at 5.93 million tonnes grading 1.87% copper and 6.11 grams silver per tonne based on a copper cut-off grade of 0.7%. Of this, 4.2 million tonnes, grading 1.94% copper and 6.35 grams silver, are classified as measured. Some 1.7 million tonnes, averaging 1.68% copper and 5.4 grams silver, are indicated and inferred. This estimate was performed by Snowden Mining Consultants.

"This strategic alliance fits into Northgate's desire to expand within the Toadogone area of British Columbia and should provide the opportunity to enhance Northgate's profitability of the next several years," said Ken Stowe, President and Chief Executive Officer of Northgate. "We estimate that mining and processing of the Sustut ore could commence as early as mid-2003."

Under the terms of the strategic alliance, Northgate, Doublestar and Procon will spend up to \$300,000 to undertake a feasibility study to finalize the remaining permitting, mine development, milling, transportation and economic issues with regards to the development of Sustut. Procon will mine the ore under a contract basis and Northgate will acquire and process the ore at the Kemess mine site. The Sustut ore is expected to be blended with the existing Kemess ore and metallurgically is said to be compatible with the ore treatment circuit at the Kemess concentrator

Kemess is a 50,000 tonne-per-day operation that hosts reserves at the Kemess South deposit that are pegged at 145.9 million tonnes grading 0.65 gram gold per tonne and 0.24% copper. In 2001 Northgate's targeted production was 275,000 oz. gold and 30,390 tonnes copper at a cash cost of US\$200 per oz. gold (net of byproduct credits).

Northgate desires the Sustut ore because it would increase Kemess's copper production by 40% as well as increase the grade of their concentrate, improve the quality of their mine tailings and reduce the amount of grinding media required in their Semi-autogenous mills. Environmentally, Sustut ore and waste rock are acid consuming and appear not to leach metals into the environment.

Doublestar reports that initial scoping studies point to a capital cost in the range of \$12 to \$14 million. Using a US\$0.90 copper price the project's internal rate of return was calculated at 69%.

The Sustut project, a tabular, volcanic redbed deposit, was discovered and outlined by **Falconbridge** (FL-T) between 1971 and 1974. A total of 17,195 metres were drilled in 139 holes and defined three open pittable deposits with a total resource of 43.5 million tonnes grading 0.81% copper at a cut-off grade of 0.40% copper. In 1999 Doublestar acquired 13 mineral projects including 100% of the Sustut deposit, from Falconbridge in return for \$500,000 and 1.5 million shares plus 500,000 warrants.