

# WELLGREEN PROPERTY

## Coronation Minerals

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Stock symbol: CMV (Toronto Venture Exchange)



## PROJECT STATUS

Exploration ongoing

### Location

125 km northwest of Haines Junction

### Ownership

Coronation Minerals

### Commodities

Copper, nickel, platinum, palladium

### Ore type

Sulphide

### Mineral resource\* (0.20% Ni-equivalent cut-off grade)

#### Indicated

East Zone: 6.4 million tonnes grading 0.45% Cu, 0.43% Ni, 0.309 ppm Pd and 0.377 ppm Pt

#### Inferred

East Zone: 5.5 million tonnes grading 0.26% Cu, 0.37% Ni, 0.274 ppm Pd and 0.309 ppm Pt

West Zone: 18.4 million tonnes grading 0.29% Cu, 0.26% Ni, 0.274 ppm Pd and 0.411 ppm Pt

\*NI 43-101-compliant technical report by Watts, Griffis and McQuat Ltd., July, 2008

## HISTORY

The Wellgreen deposit was discovered in 1952 by the Yukon Mining Corporation Limited and optioned to Hudson Bay Mining and Smelting Ltd. From 1952 to 1955, Hudson Bay explored with 4267 m of drifting and raising from four levels, two internal shafts and 19 815 m of surface and underground drilling. The property was transferred in 1955 to Hudson-Yukon Mining Company Ltd. They conducted a Turam survey in 1968, drilled 762 m, prepared a feasibility study in 1969, and arranged a marketing agreement with Sumitomo in 1970. Due to underground problems, initial production from the 544 tonne/day mill was delayed from September, 1971 to May, 1972, and was suspended in July, 1973 after treating only 171 652 tonnes. Total production was 33 853 tonnes of concentrate, grading 7.4% nickel and 6.6% Cu.

The property was optioned in June, 1986 by the Kluane Joint Venture (All-North Resources Ltd. and Chevron Minerals Ltd.) which carried out grid soil sampling, mapping, prospecting, bulldozer trenching and test

geophysical surveys. Hudson-Yukon was purchased by Galactic Resources Ltd. in June, 1986 and merged with All-North Resource Ltd. in November, 1986. In 1987, additional soil sampling, bulldozer trenching, geophysical surveys, underground rehabilitation, and 4932 m of diamond drilling in 45 holes were carried out. In 1988, the 4250 level was rehabilitated, and 34 underground holes were drilled totaling 5500 m. On surface, bulldozer trenching, and 37 holes totalling 6073 m were drilled, in addition to bulldozer trenching. Metallurgical tests and a preliminary feasibility study were carried out in 1988 and 1989.

J.P. Sheridan and Northern Platinum optioned the property in June, 1994 from All-North Resources. All-North Resources granted an option to earn an 80% interest to Sheridan in return for \$80 000 cash and a commitment to spend \$4 million on exploration by November 30, 2002. Sheridan, in turn, assigned the option to Northern Platinum, retaining back-in rights for half of that company's interest at the feasibility stage.

Northern Platinum carried out reserve evaluation drilling, underground sampling and exploration.

In the summer of 1999, Northern Platinum Ltd. received Vancouver Stock Exchange approval to purchase Kaieteur Resource Corp. (formerly named All-North Resources Ltd.) and J.P. Sheridan's 20% interest in the Wellgreen property for \$25 000 cash and 150 000 Northern Platinum shares. Northern Platinum now owns 100% interest in Wellgreen, subject to a 1.5% net smelter return in favour of Hudson Bay Mining and Smelting Co. Ltd. Upon completion of a positive feasibility study, Belleterre Quebec Mines Limited has the right to back into the project for a 50% interest upon paying 50% of Northern Platinum's costs.

In October, 2005, Coronation Minerals Inc. and Northern Platinum Ltd. (NP) signed an agreement giving Coronation the right to purchase 100% interest in NP's Cu-Ni-PGM Wellgreen property for CDN\$25 million. The property will be subject to a 5% net smelter royalty in favour of Northern Platinum. A 1.5% net smelter royalty can be purchased for CDN\$7.5 million. Under the terms of the Placement, Coronation purchased \$1 million worth of Northern stock.

## **PROJECT SUMMARY**

The Wellgreen platinum-group element (PGE)-rich, copper-nickel deposit is located in the southwestern Yukon, approximately 317 km northwest of Whitehorse and 125 km northwest of the town of Haines Junction. The property consists of 91 claims held under a renewable 21-year mining lease. An intensive underground sampling program took place on the Wellgreen deposit during the winter of 1997-98. The goal of the program was to determine the grade and tonnage of massive sulphide minerals which could quickly be extracted if a mining operation was to commence.

### **Geology, mineralogy and ore reserves**

Mineralized rock on the Wellgreen property occurs within a variably serpentized, 20-km-long Triassic ultramafic body, known as the Quill Creek Complex that intrudes Permian sedimentary and volcanic rocks. Three main zones of PGM-enriched copper-nickel mineralized rock have been outlined on the Wellgreen property: the East zone, the West zone and the North zone. A geological resource (1989) was estimated at 42.37 million tonnes grading 0.35% Cu, 0.36% nickel, 0.51 g/t Pt and 0.34 g/t Pd.

Northern Platinum did not conduct any exploration on the property during 1995. During the 1996 program, a total of 57 holes were drilled. The drill results confirmed previous tonnage and grade calculations, and several zones of higher grade material were indicated. A mining plant, complete with compressors, generators, office facilities, bunk house and cook house facilities was established near the portal of the adit.

During the summer of 1997, drilling took place on the Linda claims, southeast of the Wellgreen deposit. Assays over 1.3 m of massive sulphide minerals returned average grades of 4.12% Ni, 0.89% Cu, 0.06 oz./ton (2 g/t) Pt and 0.043 oz./ton (1.5 g/t) Pd. The lower showing is disseminated to semi-massive-sulphide minerals over a width of 20 feet (6 m) of broken rock ranging from 2.94% Cu and 3.02% Ni, with platinum and palladium assays as high as 0.13 oz./ton (4.5 g/t) Pt and 0.40 oz./ton (14 g/t) Pd. Drilling in the vicinity of the lower showing intersected sulphide mineralized rock grading 0.175% Cu and 0.187% Ni over 20 feet (6 m).

Northern Platinum conducted a program during 2001 of geology, geochemistry, geophysics, underground rehabilitation, trenching and diamond drilling on the Wellgreen property. A significant new showing was discovered, the SP, which highlights the potential of the entire Kluane Mafic-Ultramafic Belt.

In 2004, relatively high surface values of platinum and palladium were located in the new North Ultramafic zone, a 40-m-long zone parallel to, and 500 m north of, the main Wellgreen deposit.

Percussion-drilling was undertaken at the newly discovered Platinum shear on the Wellgreen property in 2005. Four Holes were completed from two sites: 1 and 2 from a site 70 m east of the Discovery Pit and 3 and 4 from a site 5 m west of the Discovery pit. The Discovery Pit is located about 650 m north and 1135 m west of the main portal.

During 2006-2007 Coronation Minerals twinned drill holes to advance the deposit towards 43-101 standards. Drilling was also conducted on the north zone which is not included in any historical resources. Surface trenching, mapping, and sampling on the under-explored eastern portion of the property was also carried out. In November, 2007, Coronation staked 265 mineral claims totalling approximately 4300 hectares adjoining its Wellgreen property. In May, 2008, the company released a new mineral resource prepared by Watts, Griffis and McQuat using a block model and excluding all blocks

grading less than 0.20% nickel equivalent. Indicated resources for the East zone equal 6.4 million tonnes grading 0.45% Cu, 0.43% Ni, 0.309 ppm Pd and 0.377 ppm Pt. Total Inferred resources for the East and West zones equal 23.9 million tonnes grading 0.28% Cu, 0.29% Ni, 0.274 ppm Pd and 0.377 ppm Pt.

35 million watts and the project would have employed 400 to 500 people.

## Production

A 1989 preliminary feasibility report by consultants Watts, Griffis and McOuat proposed open-pit mining at 10 000 tonnes/day (3.65 million tonnes/year) at an average stripping ratio of 3.5:1; processing by conventional mill producing a concentrate with approximately 15% combined copper and nickel as well as PGMs and cobalt, gold and silver in the ore; and, a Noranda reactor-type smelter to reduce the shipping cost. The smelter would produce a 40% copper-nickel matte on site. Capital costs were estimated at \$228 million and operating costs were thought to be about \$18.61/tonne of ore. The power requirements were expected to be about