

## MINING

## Vulcan Minerals spins off potash subsidiary

By DANIEL MAC EACHERN

THE TELEGRAM

With unanimous approval from the company's shareholders, Vulcan Minerals is spinning off a new subsidiary company that will focus on potash exploration and development.

Red Moon Potash got the conditional go-ahead at Vulcan's annual shareholders' meeting Wednesday in St. John's, with shareholders getting one share of the new company for every 3.812 shares held in Vulcan. Vulcan president Patrick Laracy said distribution will happen when the new company receives approval for the TSX Venture Exchange, after it receives regulatory approvals.

Laracy said the new company has been spun off because Vulcan's not getting full value for the "potash potential" in the company.

"Vulcan Minerals is primarily focused on petroleum exploration in western Newfoundland, and we discovered this potash intersection by virtue of our petroleum work," he said.

"We've had it for several years, but what's happened, of course, is that the price of potash has increased probably five, sixfold over that period of time. It's a commodity which is in significant demand worldwide. ... It's a green product, something that the world needs, and that's looking out in the long term."

Laracy said there are few good potash mining opportunities in the world, and even fewer are near tidewater.

"So the fact that we're in the North Atlantic, we're basically on the ocean, is a very attractive competitive advantage compared to somebody who's not near the

ocean and there are deposits around the world like that."

Vulcan's president says the demand is there, pointing to PotashCorp's \$1.67-billion expansion of its New Brunswick operations to produce two million tonnes a year.

"We're dealing with the same sequence of rocks, same environment," he said. "The challenge that we have is to prove that there's sufficient tonnage there that would warrant mining."

Red Moon will spend about \$8 million to \$10 million, in stages, to drill exploratory holes, he said.

"The homework part of it really is all ready, in terms of analyzing the existing geological information that we have and designing a program. The actual field work, in terms of drilling, may not occur until next spring."

Once Red Moon proves that a mining program would be successful, Laracy expects a larger company will buy it.

"If we have success with our exploration drilling, and we can demonstrate high probability of tonnage of then potash, then some larger companies would come courting us, so to speak, and would want to take this project," he said.

"These types of projects are multi-billion-dollar projects. To build a mine, a potash mine, is an expensive proposition. You're talking a scale of dollars that is beyond our capacity at this point in time. Our challenge is to discover and prove the existence of the deposit, and let the bigger financing come from bigger companies."

dmaceachern@thetelegram.com  
Twitter: TelegramDaniel

## DEVELOPMENT

## Granite plan a no-go

Town considers alternatives for Plaza Park

By RENELL LEGROW

TRANSCONTINENTAL MEDIA—GRAND FALLS-WINDSOR

Grand Falls-Windsor isn't waiting around for granite to complete ongoing projects in the town.

About \$20,000 worth of rock was ordered to complete the High Street project and the Plaza Park fountain, but Mayor Al Hawkins said that plan ran into trouble.

"This has been a very frustrating exercise," he admits. "Through the contract which was awarded, they contracted out to Terra Nova Granite."

"We had ordered the granite to complete our Plaza Park and in front of the town hall, and I'm not sure if they've gone through bankruptcy or whatever they've gone through, but apparently we've not been able to

secure the granite that we originally ordered."

Hawkins said enough is enough.

"We've had a number of phone calls, trying to get a hold of the company, and really not getting a whole lot of satisfaction out of them with regards to if they're going to be able to supply the amount of granite," he said.

"So we've had to make a decision to look at some other alternatives. Right now, the contractor is exploring aggregate to go into that particular Plaza Park and in front of the town hall."

Hawkins said work needs to start in the next couple of weeks. He said it's too early to say if the town will be out money as a result of the deal.

The Advertiser

## First denials since province took over ... Continued from page C1

He said wherever possible the department has taken money from other programs under the LMDA to supplement the Skills Development funding.

"We've cut down as many denials as possible."

He said this is the first time there have been any denials since the province took over the programs two years ago.

When the program was transferred to the province it included two years of additional LMDA funding of \$14.7 million per year, under the federal government's stimulus package. The additional funding ran out this year.

The 2011 program is supporting 7,200 people. About 340 applicants (4.7 per cent) were denied funding due to the decrease of about \$16 million in the budget for the programs, which went from \$147.9 million in 2010-11 to \$131.9 million this year.

Applicants that have been denied funding can re-apply for the January-March 2012 semester. The deadline is Nov. 10.

"Individuals may avail of the student loan program," the department official said. "Details and contact information were provided along with the letter indicating they were not eligible for funding this fall. If clients are currently in receipt of EI benefits, they may be entitled to alternate programming, but should contact HRLE to explore this option."

Meanwhile, NDP Leader Lorraine Michael asserts the money has been mismanaged and

is demanding government honour its commitment to students.

"These are unemployed people who are trying to do their best, and they have rearranged their lives to contribute to the province's economy and make things better for themselves and their families. It is completely unfair that the government should pull the rug out from under them so abruptly."

Michael said a number of people contacted NDP offices on Thursday and Friday.

"All of these people have made extensive plans with childcare, purchased tools and materials and it's a horrendous experience to find out a few days beforehand there is no funding. To have that laid on people at this point in time is not acceptable. They all thought they would be in school on Monday. What's the impact on their lives?"

HRLE Minister Darin King says government's commitment was to put a budget in place to spend the money in areas that were important to the province and "that's what we've done," he said. "It's unfortunate for those who made choices, but our offices advised there was no guaranteed funding and people should not depend on that. The NDP totally missed the mark."

He added there are other options for students, including student aid, "which many thousands of people" have availed of.

liliansimmons7@gmail.com



Air Canada plans to charge a new bag fee of \$25 for flights to the U.S.

— Telegram file photo

## TRAVEL

## Air Canada to charge bag fee for U.S. flights

By ROSS MAROWITS

THE CANADIAN PRESS—MONTREAL

Air Canada will soon begin charging even its tiniest passengers a fee to check one bag when they fly economy class to the United States as Canada's largest air carrier searches for new sources of revenue.

A posting on the company's website Friday informed passengers that it plans to begin charging \$25 for the first checked bag — and for the first time infants travelling on an adult's lap will also incur the charges if a bag is checked on their behalf. They will, however, still be allowed one car seat and one stroller at no additional cost.

The airline is also increasing the current charge for a second bag to \$35 from \$30, bringing the total cost of two checked bags to \$60.

"Everyone understands that airlines are under tremendous cost pressures and I think they can appreciate that we need to take some steps to ensure our financial sustainability," spokesman Peter Fitzpatrick said in an interview Friday.

There will also be a new \$70 charge for second bags on some international flights, though the first checked piece remains free of charge. The charges apply to tickets issued beginning next Wednesday for travel on or after Oct. 11, and the checked

bags must weigh no more than 23 kilograms.

The Montreal-based carrier isn't changing its baggage fees for flights within Canada. The first bag is free but a second checked bag costs \$20.

Fitzpatrick said the new baggage charges bring Air Canada in line with most U.S. carriers, which charge \$25 for the first bag and \$35 for the second checked bag on flights to Canada.

"The majority on the transborder market do charge for first bag and a lot of them have been doing it for a long time, so in a lot of ways we're playing catch up here," he added.

WestJet Airlines and Porter Airlines don't charge a fee for first checked bags on any of its flights. A \$20 fee applies for second bags and \$50 for additional checked bags.

Calgary-based rival WestJet said it is assessing the impact of Air Canada's decision and hasn't decided on whether to change its baggage fees. It recently agreed to waive baggage fees for Canadian military personnel travelling in uniform.

"Changes in fee structures have a significant impact on the competitive landscape of the airline industry as a whole and it is prudent for WestJet to take some time to assess this impact before making any decisions," spokesman Robert Palmer said.

## LABOUR DAY MESSAGE FROM THE DEPARTMENT OF HUMAN RESOURCES, LABOUR AND EMPLOYMENT

Labour Day is a time to celebrate those who have contributed their talents, skills and efforts toward building Newfoundland and Labrador's prosperity. Our provincial labour force has helped make our economy one of the strongest in Canada. It has also played an important role in helping our province weather the economic changes around the world.

With the wealth of opportunities in the province, we want to make sure that everybody in Newfoundland and Labrador plays a role in our continued prosperity.

We want to take this opportunity to congratulate everyone who has contributed to positive employment relations in the workplace, and we encourage all employers and employees to maintain an ongoing spirit of partnership. In doing so, we will continue to build a healthy employment relations climate that benefits everyone.

This Labour Day, the Department of Human Resources, Labour and Employment offers thanks to all employers and employees for their hard work and cooperation, and wishes everyone a safe holiday weekend.

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Human Resources, Labour and Employment

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