

NEW COMPANY TAKES FLIGHT

MATAMEC HOLD ONE OF THE LARGEST LAND POSITION IN QUEBEC

Interview by Linda E. Thorstad, MSc, P Geo

Matamec Explorations Inc. is a growing junior exploration company with a focus on gold, diamond and emerald exploration in Quebec. Listed on the Montreal Stock Exchange in August 1998, the company holds more than 170-square-kilometers of land along the Sakami Fault zone, located 80 kilometers southeast of Radisson, Quebec. The Sakami Property has excellent potential for all three commodities and as much as 90% of the zone remains unexplored to date.

Luc Lamarche, President, is a geologist who graduated from Montreal University. Following graduation, he worked in Calgary in the oil and gas industry for two years. In 1986, he moved to Val d'Or where he worked with a consulting group for four years. From 1993 to the present he has been involved as a principal with public companies, joining Matamec in 1999.

Matamec bases its exploration strategy on the application of solid geological concepts in relatively unexplored areas. The company has identified a major fault zone that had not been previously recognized, between two geologic sub-provinces. They are systematically following the fault corridor to the north from the initial showings they had discovered.

The company goal is to develop a large open-pit deposit with a minimum of one million contained ounces of gold. Management recognizes that if they are successful in locating a deposit of this size, they would have to bring a partner to provide the project financing or a company who wants to purchase the Company.

What is the history of the Sakami project?

We discovered the initial showings on the property three years ago when we were searching for emeralds in a relatively unexplored area.

Could you describe your key project ?

We currently control over 35 kilometres along the Sakami fault zone at our Sakami Property that is located 80 km southeast of Radisson, Quebec. The 170-square-kilometre property is prospective for gold, emeralds and diamonds. We expanded the size of the property from 15,4 square kilometers in June based on the results of a structural and metallogenic study by SRK Consulting, the compilations of drilling results and the discovery of two new mineralized occurrences on the original property.

The structural study states that the “geological setting of the gold mineralization, we found on our property present striking similarities with the geological setting of several others major Archean gold mining camps. It goes on to state,” in particular, this setting is very similar to that found in the southern Abitibi belt near Val d’Or where the Cadillac fault is renown of its formidable gold endowment. Cadillac and Sakami faults are complex fault zones located at the contact between two geological sub-provinces.”

These two sub-provinces; the La Grande and Opinaca sub-provinces are similar to the Abitibi and the Pontiac sub-provinces, respectively in the Abitibi Camp. We just recognized this major fault zone during last year’s exploration.

A channel sampling program last summer cut perpendicular to the main structural zone across three distinct areas, Zones 23, 25 and 26 returned some very encouraging results. In Zone 23, samples returned 1,9 gpt gold over 9,7 metres. In Zone 25 and 26, samples returned 1,7 gpt gold over 20,8 metres and 2,1 gpt gold over 9,97 metres, respectively. As a result of our exploration success, we have succeeded in raising more than \$1,1 million during a year where difficult market situations prevailed making it challenging for companies to raise venture capital, particularly in the natural resource sector.

We completed a 14-hole, 2 713-metre drill program in March of this year. This program was designed to test the lateral and vertical continuity of surface showings identified by channel sampling. Several of these holes intersected significant gold vales over substantial widths. In particular, hole 10 returned one intercept grading 2,48 gpt gold over 54,65 metres. Several samples were re-analysed at a different lab due to the presence of visible gold, the second lab confirmed the first lab results.

We began our summer exploration program in mid-June. The work consisted of geological mapping, stripping of overburden and prospecting in order to better detail Zones 23, 24, 25, 26 and to prospect the gold corridor where these zones along with the Peninsula and J.-R. showings are found. We will initiate a second drill program in late Fall.

I understand that you are also going to look at the emerald and diamond discovery potential during your exploration season.

Yes, the Sakami Property was originally targeted for its high emerald potential. The discovery of gold, however, changed our original plans. Our emerald investigation was postponed while we focused on gold exploration. We are now planning to carry out work on two new sites that are conducive for an emerald discovery.

The property also has potential to host diamonds as it is located in the Wemindji – Caniapiscau corridor. This corridor has been identified for its diamond potential by the Quebec Ministry of Natural resources. As such we will also initiate a preliminary program to explore for diamonds.

Who are your key management and exploration people ?

Our Board of Directors includes David Laplante, Gilles Paquet, Diane Bournival and me. David is a well-known specialist with respect to the internet and is developing our public relations and communications program with our investors. Gilles has been involved with a number of successful businesses in Quebec. Diane, a Notary Public, is managing our corporate and legal affairs.

Your head office is in Val-d'Or. Is there any particular reason for that location ?

I have been located in Val-d'Or since 1986 but frequently visit Montreal to manage the financial aspects of the Company. Our Sakami Project is located on the other side of Val-d'Or so that, in essence, we are strategically located between the cash and the gold.

Have you been involved since the Company's inception ?

No, I joined the Company two years ago, in 1999.

What is the company's financial position ?

We have raised \$1,2 million since December 2000. We currently have \$600 000 earmarked for exploration work. We plan to spend one-half of those funds this summer and the balance in the fall for a second drilling program.

Where does the Company trade and what is the recent trading pattern?

Matamec trades on the Montreal Stock Exchange. Our trading symbol is MAT. We currently trade in the \$0,25.

How many shares are outstanding ?

There are 12 million shares outstanding with 14 million shares outstanding on a fully-diluted basis.

Who are your major shareholders ?

Management and close friends control approximately 75 % of the outstanding shares.

What are your plans and how would you see those impacting the company's value ?

We plan to continue our exploration and will be drilling the property again this fall. We anticipate positive results from our exploration efforts. We have also applied for a grant from the Quebec Ministry of Natural Resources and expect to hear from them in the near future.

Is there anything else you would like a prospective partner or shareholder to know?

Yes, one to two years ago, we found two additional showings, 1,5 and 8 kilometres north of the main area of showings. This demonstrates that our theory regarding the gold mineralization is sound.

We expect to have continued success in expanding the zone based on our sound geological concepts and work.

Source: The Canadian Miner, Quebec special edition 2001.