

Are we there yet?

"Are we there yet?" is an infamous line most everyone has heard from the back seat of a car while on vacation. In the case of Porcupine Gold Mines, this question undoubtedly comes hand-in-hand when we discuss one of our six strategic focus areas People, Partnerships, Safety, Production Margins, and Reserves. In our quest to grow a business which balances each of these pillars, the road may seem long, but each project brings us a little closer to our destination.

PEOPLE

A number of initiatives have been implemented over the last year to keep PGM as one of the preferred employers in the Timmins area.

Our Lifestyle Improvement Program now includes family swim days; we have Perfect Attendance draws (this time the prize is a \$10,000 home shopping spree) and we also have other new programs which will continue to be developed and / or modified for the benefit of our employees.

In addition, I was pleased to announce the new Gain Share Program for all PGM employees. This program will allow us to share in PGM profits (above budget) and can be directly impacted by lowering our costs, increasing our production and even by rising gold prices.

PARTNERSHIPS

Our employees, contractors, community, and government agencies make day to day

interactions with our partners as diverse, as they are many. All our partnerships have a key role to play in the current and future potential of PGM. During the quarter we selected our underground equipment partners by aligning with Goldcorp Canada to choose common ground. We will also be looking to repeat this process for a number of other commodities and services to improve our margins and secure supply. Our number one partnership is with you, our employees, and we need your continued support internally to make our operations the best they can be and externally to promote our future operations within the community so they get the support they need to succeed.

SAFETY

By now all of you have had the pleasure of listening to Roch Bilodeau speak at our operational information meetings. Roch's message not only came from personal experience, it also came from the heart and stressed the importance of wearing the proper PPE's when on the job and at home. I want to thank Roch for having the courage to deliver this powerful message and helping people act, think and care on our journey to being 'Safe Enough for our Families'.

MARGINS

The world is experiencing cost pressures like never before; food and oil prices are sky rocketing, ultimately impacting everyone's bottom line. Porcupine is no different with many

of its suppliers keeping pace with these new market pressures and passing their costs on to us. Fortunately the gold price has held above US\$900 with the exception of a brief dip to \$800 last month. Meeting our production targets directly impacts our margins and exceeding our margins allows us to continue the drive to invest in our future and find new mines.

PRODUCTION

The challenge in having three operations is having a period where everything goes as planned at each site. So far in 2008 each operation has had challenges. However, I believe the end is in site as DUG has new screens coming to handle the backfill, HUG has set production records recently and gained back some of their tonnage, POP has sent its highest grade ever during the first half of the month and the Mill is working through its challenges to regain full tonnage.

RESERVES

Reserves are our future and may be the longest part of the trip but it's also the most rewarding. Porcupine is blessed with a prolific land package with much potential to fill the mill for years to come. As high costs are offset by high gold prices we will continue to evaluate key projects such as Hollinger, Hoyle Pond, Dome, Millerton, CPZ and Nighthawk Lake to find our next mine.

Sometimes the trip seems long and like its taking forever to

get there but once you get to your destination it all seems worthwhile. If we remain focused on restoring our past, and growing our present value to invest in our future, we will get there sooner than later.

Have a safe, happy and healthy summer!

Chris Cormier
Mine General Manager



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Rockbreaking News

Helping the Environment



Recently the students of the Construction Craft Worker Apprenticeship program at Roland Michener Secondary School engaged in a partnership with “The Porcupine Watchful Eye”, a local advisory group, to construct twelve cedar duck nesting boxes.

John Hardy (teacher of the program) said:

“It was a Perfect Fit... for South Porcupine students to become active and involved with their local environment, conservation and wildlife while focused on demonstrating a new skill learned in a High School shop environment... My thanks to Goldcorp and all committee members who helped make this tremendous learning experience possible.”

Porcupine Watchful Eye is a very active community liaison committee whose mandate is to work with Porcupine Gold Mines to assist in problem solving to ensure a sustainable community. The duck nesting boxes will be tagged with each student’s name and will be placed in and around both active and rehabilitated mine sites within the Porcupine Camp to track the activities and varieties of nesting ducks.

The Employee and Family Assistance Program will help you:

- Achieve Personal Well-Being
- Manage Relationships and Family
- Get Legal Clarity
- Get Financial Clarity
- Research Child and Elder Care Resources
- Address Workplace Challenges
- Tackle Addictions
- Understand Nutrition
- Get Healthcare Advice

Help is Available!

EMPLOYEE AND FAMILY ASSISTANCE PROGRAM

Call toll-free 24 hours a day, seven days a week:

1-800-387-4765

Online counseling at:
www.shepellfgi.com/ecounseling

Online resources at:
www.shepellfgi.com

This is a confidential service. The workplace will not be informed that you are seeing a counselor. You can access the program directly without asking anyone at work.



Pictured above are the students from Roland Michener Secondary School who were involved in the Construction Craft Worker Apprenticeship program to build the twelve cedar duck nesting boxes.

Larry Labelle, a Porcupine Watchful Eye Member, naturalist and surveyor is pictured at right checking the existing duck boxes.



Edwards Lake East
Duck Box #3

Nova Award for Environmental Achievements

Once in a while, there is a terrific feeling associated with seeing your team's efforts rewarded by the community. On April 18, 2008, Porcupine proudly accepted the Timmins and District Chamber of Commerce 2008 Nova Award for Environmental Achievement. The award was presented at a gala awards reception hosted by the Chamber of Commerce at the McIntyre Community Centre in Schumacher.

Receiving this award was a culmination of years of hard work and dedication from PGM's environmental and mine reclamation personnel, as well as its consultants and contractors. Efforts to improve and en-

hance the environmental conditions at historic mine sites has certainly been acknowledged. In particular, this award reflected on the four-year effort to substantially reduce the environmental footprint of the Coniaurum Mine Tailings, a facility that had had a negative environmental impact for more than 40 years. The project, a first of its kind for Porcupine represents a blend of innovations in tailings reclamation technology and synergies with other resource industries. It also represents the first gold tailings facility in Ontario to be entirely reclaimed using paper mill biosolids as an organic soil amendment to enhance and accelerate revegetation.



Pictured above left to right:

Jason Postma	Environmental Technician (in back)
Londie Cameron	Environmental Technologist
Rachel Primeau	Environmental Technician
André Perreault	Environmental Engineer
Paul Dambremont	Union Gas Representative Sponsor of the Environmental Award

Absent from Photo:

László Götz	Environmental Manager
Roger Taillefer	Project Supervisor
Kathy-Lynn Morrish	Environmental Technologist

I want to extend my thanks and appreciation to the environmental / project departments and those individuals who supported them on their quest to restore our past. PGM's winning of this year's Environmental Award recognizes the dedication and high standards our people put into every project they take on within Timmins. Setting high standards and demonstrating to our community that mining and the environment can coexist will help ensure the acceptance of future projects. Congratulations again on this significant achievement and allowing PGM to be recognized for our ongoing commitment to Restoring our Past.

Chris Cormier
Mine General Manager

Congratulations to all those involved in winning the prestigious Nova Award for Environmental Achievement. The great work that has been done in reclamation over the last few years reflects the commitment of the operation to a high level of environmental performance. To have this work recognized in such a public way in the local community is particularly gratifying.

Many challenges lie ahead, and I'm sure that this award will encourage you to attack them with renewed enthusiasm. Well done!

John Allan
Vice President, Sustainable Development

Rockbreaking News

Joining the Green Team

“WE DO NOT INHERIT
THE EARTH FROM OUR
ANCESTORS, WE
BORROW IT FROM OUR
CHILDREN.”



First off, I would like to congratulate the Environmental Team and all those who contributed to the success we achieved in winning this year's Environmental Nova award. What an awesome achievement to get within the City of Timmins! It definitely goes to show that hard work and dedication can go a long way.

This year has been a challenge for the Environmental team with more and more projects coming on line and more area to cover. Each day we work towards ensuring our operations remain within compliance of all government requirements.

I would like to extend a warm welcome to our new recruits in the department. Earlier this year, Kathy-Lynn Morrish went off to become a new mother and will be taking her maternity leave for one year. Congrats to the family and welcome baby Erika! As a result, we have drafted a new player to our team

from the Pamour Pit operations, Jason Postma! He comes to us from a forestry background prior to working in the pit and has provided nothing but excellent work and is a very ambitious player. Thus far, he has proven to have very strong field techniques and a pleasant attitude that keeps all our spirits up.

Our latest addition to the team is Richard Francoeur who also joined us from the forestry industry. He is our new Environmental Coordinator and with his knowledge and experience within an operations type atmosphere will continue to lead PGM in the right direction.

How can I forget the students! Over the course of the spring and summer months our students: Justin Strachan and Morgan Michaud will be working all over the PGM sites monitoring surface and groundwater for closure and compliance requirements. Matthew Beveridge will be

working on several projects. Hopefully Mother Nature treats them better during the summer months as she was fairly unpredictable during May with more rain and snow than sunshine!

Finally, I would like to extend our thanks to all those folks out there who dedicated a helping hand to the mine and/or the community in the clean up activities that were held during the spring. One of our ambitions at PGM is to enhance our sites to appear as green as possible and upgrade systems to reduce any environmental affects.

Over the next few months we will be planning projects for greening up our sites. Please feel free at any time to contact one of the members of our team to give your suggestions.

~ Green is Powerful ~

Londie Cameron
Environmental Technologist

PGM Gold Diggers



This year, PGM's **Gold Diggers** raised a total of \$3,474 for the Heart & Stroke Foundation.

None of this would have been possible without the generosity of everyone who donated to all participants in their quest to support a great cause.

Thanks to all team members for your time, your efforts and your enthusiasm. See you again next year!

PGM Scholarships

THREE UNIVERSITY SCHOLARSHIPS

Offered to a Porcupine Gold Mines employee's son or daughter entering a course of full time studies leading to a bachelor's degree from a recognized university. The successful applicants will be eligible to receive the following scholarships:

First Place	\$5,000 annually for a maximum of four years
Second Place	\$3,000 annually for a maximum of four years
Third Place	\$1,000 annually for a maximum of four years

THREE COLLEGE SCHOLARSHIPS

Offered to a Porcupine Gold Mines employee's son or daughter entering a course of full time studies leading to a diploma from a recognized college. The successful applicants will be eligible to receive the following scholarships:

First Place	\$3,000 annually for a maximum of three years.
Second Place	\$2,000 annually for a maximum of three years.
Third Place	\$1,000 annually for a maximum of three years.

Eligibility

- i. applicant must be the son or daughter of a Porcupine Gold Mines employee
- ii. applicant must demonstrate academic proficiency sufficient for acceptance at university or college level
- iii. applicant shall have demonstrated a high degree of involvement in school sanctioned activities or community programs
- iv. applicant must be graduating from a secondary school and attending a post secondary institution in a full time program
- v. applicant shall have effected an acceptable demeanour during his / her undergraduate years

The selected individuals must provide a copy of their academic marks and proof of eligibility to continue schooling at university or college to the Human Resources Manager for subsequent payment beyond the initial year.

Completed application forms along with final grade transcripts or report cards will be accepted by Cheryl Monahan, Human Resources Coordinator from July 1st to July 15th.

Applications may be obtained from the Human Resources Department.



*“Education costs money, but then,
so does ignorance.”*



The Stork Report

We would like to congratulate the following proud parents on the birth of the newest addition to their family:

Keith & Cindy Orr
Baby Girl
Reiley Orr
January 23, 2008

David & Melanie Bucar
Baby Boy
Jacob Bucar
February 15, 2008

William Martin & Sylvie Bellavance
Twins
Baby Boy Jaden & Baby Girl Jasmine
March 10, 2008

Marc & Natalie Poirier
Baby Boy
Nathan Poirier
March 26, 2008

William (BJ) St. Onge & Bonnie Woods
Baby Girl
Paige St. Onge
April 14, 2008

Kenneth Borgford & Janik Lapierre
Baby Boy
Owen Borgford
January 27, 2008

Kathy-Lynn Morrish and Ron Mann
Baby Girl
Erika Mann
March 2, 2008

Ken & Lynn Tylee
Baby Girl
Isabelle Paige Tylee
March 19, 2008

Jessie Lamothe & Tania Lefebvre
Baby Boy
Peyton Lamothe
April 1, 2008



Jacob Bucar



Peyton Lamothe



Isabelle Paige Tylee



Erika Mann

McRae Competes in Prestigious Marathon

Porcupine Gold Mines' Don McRae, Senior Planner for the Dome Underground operation recently competed in the 112th running of the Boston Marathon.

Don qualified for the Boston in a marathon run in Niagara Falls (only run in the world that starts in one country and finishes in another) in the fall of 2006.



A grueling training schedule throughout the winter months, along with his determination and endurance enabled him to complete the 26.2 mile race (42.17 kilometers) under his projected goal at an official time of 3 hours, 42 minutes and 15 seconds.

Congratulations, Don, on achieving this inspiring feat. Great job!!

"THE ROOTS OF TRUE ACHIEVEMENT LIE IN THE WILL TO BECOME THE BEST THAT YOU CAN BECOME."

2008 Job Shadowing

Dear Rachel and Jason: (Rachel Primeau and Jason Postma ... Environmental Department)

Thank you for allowing me to job shadow you. It was a great experience for me. I learned a great deal while I was in your workplace. I never thought that environmental technicians did so much to protect the land! Your job seems very interesting and I may even consider choosing a career in the environmental field.

Thanks again,
Katherine Harvey
(daughter of Peter Harvey, Exploration Geologist)



New Faces ... WELCOME ABOARD

Orry Baker	Serviceman	Marc Lapointe	Shaftman (Journeyman)
Denis Beaulieu	Journeyman	Leo Lavigne	Labourer
Jason Bourgon	Miner 4	Kishan Leakram	Long Hole Planner
Steven Charbonneau	Journeyman	Constance Legault	IT Implementation Analyst
Trevor Croucher	Chief Assayer	Kevin Ludgate	Miner 3
Nigel Cox	Labourer	Bruce MacMillan	Labourer
Paul Demers	UG Trainer / Project Supervisor	Jean Mallette	Labourer
Robert Deraiche	Labourer	Roland Miron	Miner 4
Amanda Farrell	Labourer	Daniel Paul	Labourer
Roger Fortin	Miner 3	Carole Porteous	Labourer
Richard Francoeur	Environmental Coordinator	Justin Roy	Labourer
Jason Frappier	Miner 3	Sylvain Savoie	Bulk Serviceman
Marcel Gagnon	Miner 3	Kirk Sullivan	Miner 3
Chad Haley	Labourer	Guy Trudel	Labourer
Dale Hollingshead	Miner 4	Heather Turnbull	Exploration Geologist
Arnold James	Miner 2	Kevin Vickers	Miner 3
Eric Lacroix	Accountant	Daphne Walsh	Metallurgist
Yvon Lapierre	Miner 2		

Rockbreaking News

Safety ... Everyone's Full Time Job

Welcome Students of 2008!

This year PGM is in the process of hiring 64 summer students. All will receive a general induction, site specific induction, WHMIS and for a few, basic common core.

For the majority, this is a brand new work environment and it is imperative that we oversee these fine individuals and strive to provide them with a safe example to emulate. If at any time you can assist our students in any way, please do so. Your experience and leadership will ensure them a safe and enjoyable summer!

Safety Month

March was PGM's designated Safety Month. Each department took on projects which identified potential areas of risk, analyzed the risks, and then came up with solutions to correct these risks from occurring. Teams were made up of hourly, support services and management. Together they worked diligently to accomplish their projects and improve safety for all Porcupine Gold Mines employees.

The following are just a few of the projects identified and corrected:

Signage throughout the site has improved significantly. If you look around, you will likely see new signs posted in your work area.

Improved "Tool Box" Safety Meetings. A much higher quality of safety meetings are now being presented to our workers including how information shared is captured and recorded.

A system to record conceptual meetings has been implemented for underground planning, stope planning etc. for Dome Underground.

Managing water inflow - Underground Dome site. This is a major concern since water enters the ore/waste passes underground creating a major safety hazard. Steps are being implemented to manage our inflow of water, particularly during spring time.

Hoyle Pond site committee tackled the following items: electrical blasting line installations, ventilation installation, housekeeping in storage areas and headings, barricades and proper signage.

The Mill Operations and Maintenance project involved revised handling of spillage at the slot feeder; not only from a tripping and/or falling hazard, but also from a freezing hazard.

The Dome Asset Management group looked at ways to improve efficiency by improving safety. To implement this goal welding receptacles were implemented. Another project was removal of ice build up from roof drains and near oxygen/acetylene storage areas.

Overall, March's Safety Month was a huge success. Thanks are extended to all participants. Please remember that "SAFETY BEGINS WITH YOU".

SAP (Systems, Applications & Programs)

This is a system that being implemented at PGM to help track safety related items such as statistics, inci-

dents, recommendations, inspections etc.. The Human Resources, Information Technology, and Safety Departments have done a great job to ensure that we have the best possible system to work with. Many of our employees have received training for navigating and incident logging within SAP. Thank you to all departments for their help and patience as we work towards moving to this system.

Proper Protective Equipment Initiative

We are in the process of acquiring new hard hats for all PGM employees. We are also testing rubber and leather boots in every area of our operations. As most of you are aware, proper underground footwear is extremely difficult to find, especially a good rubber safety boot. Four different styles of boots are being tested by our group and more will be coming. Once the test is complete, a formal report will be compiled with recommendations on which boots will work for us here at PGM. We are looking at Safety Eyewear as well. Our current policy has changed to include the fact that all safety glasses must have side shields. No exceptions! We are also in the final stages of testing and approving which prescription safety glasses will be allowed at PGM.

Thank you to all employees who help us out by testing, wearing and trying new PPE products. Your participation is invaluable. Together we will ensure that PGM provides the best PPE possible.

Brenda Ferrari
Safety & Training Clerk

Everyone has a reason to work Safely ... who is yours?

2008 Mine Rescue Team

Porcupine Gold Mines' 2008 Mine Rescue Team competed in the District Mine Rescue Competition held at the Whitney Arena on May 8th and 9th. Even though the team did not win the competition, it was nice to see how well the eight team members performed with 5 rookies.

Approximately 100 hours of competition training was spent to prepare for the District Competition. "We don't train to win the District Competition. Whenever you're given the opportunity to provide the guys with 12 additional training days you use them to make them better trained to respond to a real life emergency. Understanding and perfecting mine rescue procedures, specifics and special equipment is always the focus to prepare the guys for real life, not the competition."

It is not only important to prepare the team for the competition, it is more important that the team be properly trained should they be required to respond to an underground emergency. It is comforting to know that Porcupine has such a high caliber of trained and dedicated mine rescue personnel that are willing to train and study on their own time.

We have a slogan mounted on the wall at the entrance to each PGM Mine Rescue room, "**It Means Something To Be Here**". It must mean something to each Mine Rescue person that they put in the time, commitment, and dedication to better themselves. It must mean something to work as a team, and to be working in a room where the 1992 and 2006 Provincial Mine Rescue Champions once trained.

We have a slogan mounted on the wall visible as you exit each mine rescue room, "**It Means More To Leave**".

It must mean more to each team member that they leave after each emergency. It means more to management that each team member leaves, and it means more to each wife, child, mother and father that each one of these men leaves this room safely.

When each team member understands these slogans, then they are already Champions.

Thanks for your commitment and sacrifice! Another excellent performance.

Ken Cook
Safety & Training Coordinator



Front Row L-R:

Paul Magny (Briefing Officer)
Rick Ladouceur (Captain)
Chris Cormier (Mine General Manager)

Back Row L-R:

Adam Ladouceur (Vice Captain)
Dave Payne (# 7 Man)
Mike Thayer (# 3 Man)
Carl Uusivirta (# 2 Man)
Glen Finnila (# 4 Man)
Dave Chaloux (# 6 Man)



Safe Enough for our Families

Rockbreaking News

Computer Training Facility

Back in January, senior management addressed the need for more computer training. It has been mentioned that a lot of money has been spent on training our employees to do their everyday job, but hardly any money has been spent on computer training. Let's face it, times have changed and computer technology is now a part of our everyday life. Even young children are communicating through computers. Porcupine Gold Mines is making every effort to ensure that its' employees are well trained and have the ability to effectively make use of this technology.

That said, the old conference room has been renovated into a modern computer training room which holds a total of eight work stations, plus that of the instructor and a 52" LCD TV which serves as a computer monitor for teaching purposes.

Our new computer technician, Mike Gagnon, was quickly put to the test installing all this hardware at the last minute. This guy is a true perfectionist. All the wiring is neatly organized and concealed in a panel underneath the table.

During the construction phase, I was busily preparing material for training in **Ultramain**, **Outlook 2007** and **SAP**. Both the SAP and Outlook training are under-

way and it is expected that Ultramain training will likely begin in June.

I would like to thank Nicole Bélanger for welcoming me into her IT department; Bill McMillan for giving me the opportunity; and of course Chris Cormier for noticing the need for more training.

I look forward to meeting you in our new training room soon.

Connie Legault
IT Implementation Analyst

*I really hate this darn machine;
I wish that they would sell it.
It won't do what I want it to,
But only what I tell it.*

Author Unknown



L to R: Connie Legault, Nicole Bélanger and Mike Gagnon

Condolences

We, at Porcupine Gold Mines, have recently said farewell to three of our pensioners:

Paula Kuhelj	February 9, 2008
Jean Joseph Doire	February 22, 2008
Stanislaw Brechun	March 5, 2008



We would like to extend our deepest condolences to their friends and family members. They will be greatly missed.

The Porcupine Joint Venture Recycles:

- POP CANS
- OFFICE PAPER
- TONER CARTRIDGES
- CARDBOARD
- SCRAP STEEL
- WASTE OIL
- ANTIFREEZE
- VARSOL (PARTS WASHERS)
- BATTERIES (LEAD-ACID + NI-CD)



Active Directory Migration - IT GROUP

The last few months have been a busy one for our group with the push towards Office 2007, the active directory migration, a new training room, and SAP implementation among other various daily projects and tasks. It has all certainly proven to be a good introduction to PGM's information systems for me.

Although somewhat intimidating at times, the outcome thus far has exceeded my expectations and I look forward to tackling other projects and initiatives that are headed our way.

I'm certain that you all remember the active directory migration we went through at the end of March and some of the growing pains we endured throughout the week. You're probably wondering what purpose this project served.

Firstly, the migration allowed us to move all of our PC's and servers out of the Placer Dome 'administrative boundary' (domain) and join Goldcorp's. This allows the corporation to better manage and track its assets and licenses, and provides a means for setting corporate wide standards which should facilitate computer usage regardless of your location.

This first item alone should help our travelling employees enjoy the system setup regardless of their location. (i.e. printers can all be found in similar ways, email can be accessed in the same way, etc.).

Secondly, this migration has allowed us to move towards single sign-on. This essentially means that for most applications/systems currently implemented or in the works, we'll need nothing more than our Windows username and password to gain access and will only need to log in once.

Email, SharePoint, and SAP amongst others tie into the Windows Active Directory security database and are able to grant or deny access based on how your windows account is setup. This eliminates the need for multiple usernames and passwords for different systems. I'm sure this has or at least will come in handy for everyone (myself included).

The one pitfall of the migration we've experienced so far is that we broke our software deployment server. Although we knew this would happen and were confident that we could easily repair it, we've still not yet managed to do so and have resorted to calling out for help among the IT groups of other Goldcorp operations.

With any amount of luck, we should be able to get this issue sorted out soon enough and restart the push towards Microsoft Office 2007.

And yes, I heard you groan when you read Office 2007.

Although drastically different in appearance, the new version provides many features not present in previous versions and will allow novice to intermediate computer users to better use what have been traditionally been considered 'advanced features' because of its intuitive task based menu.

Furthermore, with a training room of our own, I'm sure we'll be able to deliver the types of instruction that would best suit our employees and quickly get everyone up to speed.

Mike Gagnon
IT Support Technician



*Treat your password like
your toothbrush !!*

*Don't let anybody else use it
... and change it often!*

Rockbreaking News

Hoyle Pond Deep Update

For some time now, managers and technical services staff have considered the idea of a second shaft at Hoyle Pond.

This year, geologists and engineers will be working hard to evaluate this possibility. It is a long and costly project, but would be required to expand well beyond the current mine infrastructure.

In order to complete the pre-feasibility study, a 400m diamond drill drift was completed on the 1200mL in February. This is the platform from which two electric drills are currently testing the rock to a depth of 2000m below surface.

There will always be some uncertainty when trying to justify deep mining projects such as sinking a new shaft. So, it must be demonstrated that there is enough potential to find new reserves at depth which would cover the cost of the proposed #2 Shaft.

Approximately 6 months of drilling (8 planned holes with 4 wedges) and over a million dollars was budgeted to complete this project.

There are three goals which need to be achieved in order to call this drilling a success.

1. To demonstrate that the “deep rocks” are similar in nature to the rocks in the upper part of the mine.

This includes the relative position between important contacts such as volcanics and sediments, so that models can be projected to greater depths. This would open up fantastic areas to continue to explore in the future. So far, the first goal has been met because the rocks in the drill core match those from the geologic model.

2. To intersect a mineralized structure or shear.

It is nearly impossible to hit a specific vein over 400m down dip or down plunge because veins are so narrow and irregular. To further complicate things, the path of the drill hole “wanders” as the hole gets deeper. But by targeting a “football field” sized window, several quartz veins and areas of sulfide enrichment have been intersected to date. Thus, the second goal has been met.

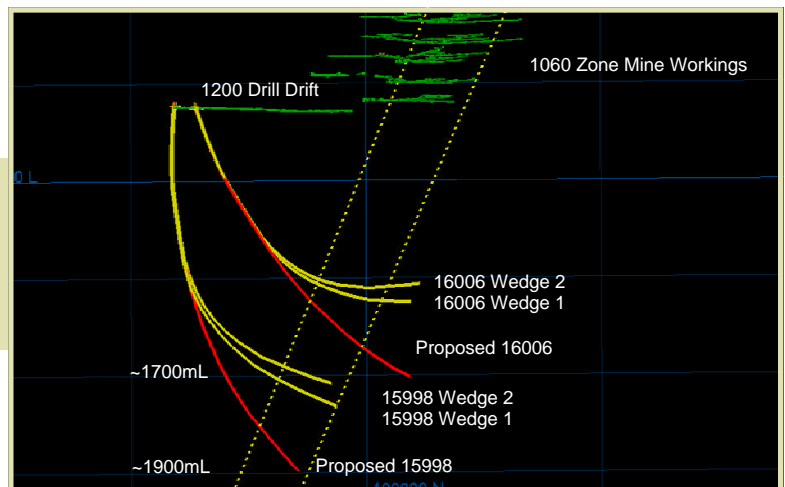
3. To find at least one economic intersection.

We already have success! Results to- date include: 4.63 gpt over 7.2m and 7.40 gpt over 1.8m in sulfide rich veining about 450m below the bottom of the current mine. Also, 5.05 gpt over 0.8m was intersected in what may be the UM vein at the 1600mL. Several other assays are pending, but there is early indication that ore grade intercepts do continue to greater depths.

As of mid May, all the goals of the project have been met and about 40% of the deep drilling budget has been spent. Results of this drill program will be finalized towards the end of the 3rd quarter. This data will become the basis of the #2 Shaft Pre-Feasibility study.

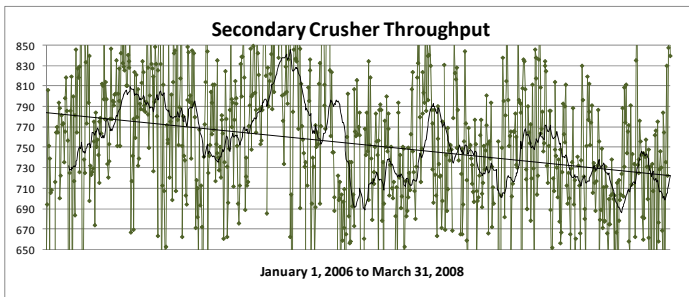
Jason Rockel
Senior Minex Geologist

Deep Drilling at Hoyle Pond



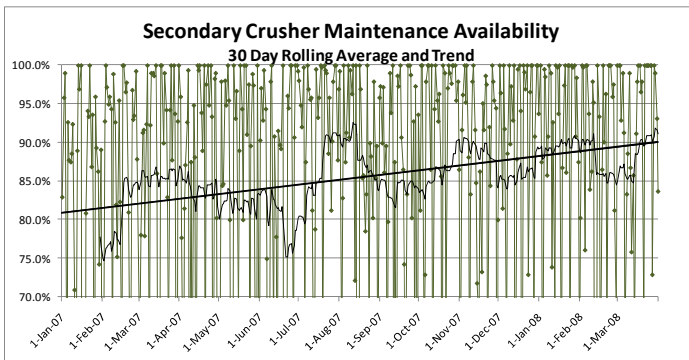
Mill Department

As with other areas of the operation, the Mill Department also faced it's share of challenges in the first quarter with production falling short of plan by over 31k tonnes. The primary shortfall was the result of a lack of fine ore to the mill bins which were related to issues with frozen muck and feeders, contamination from backfill in both underground and pit operations, increasingly harder muck as the volume from the Pamour increased and abnormally high moisture content in the ore related to a wetter than normal first quarter. All of these factors contributed to significantly lower throughput (tonnes per hour) in the secondary crusher as illustrated below.



The unfortunate part of this is the fact that all of the improvements and gains made through the continued hard work and efforts of the operating and maintenance crews which resulted in record availabilities and increased utilizations were masked by the lower throughput and overall

shortfall of muck. Had these improvements not been realized, however, the production shortfall would have been much worse than realized so I want to acknowledge all who contributed to these improvements.



Going forward, our efforts will focus on maintaining the trends on availability, working on solutions to dealing with the muck issues through re-engineering, programming, automation and trying to find solutions to overcome plant bottlenecks which are negatively impacting throughput.

With the continued support and efforts of our employees, I believe we will make some significant gains as the year progresses.

On the safety front we have not had a good start to the year in the Mill. However, the crews in the Analytical and Environmental Services Department have again shown that triple zero safety performance is achievable by adding another full year to their impressive record ... Congratulations! I urge all employees to stay focused on the tasks and take the extra time to assess and address any risks before proceeding.

In closing, have a safe and productive summer and enjoy your time with family and friends.

Ron Millions
Mill Manager

“WITH THE CONTINUED SUPPORT AND EFFORTS OF OUR EMPLOYEES, I BELIEVE WE WILL MAKE SOME SIGNIFICANT GAINS AS THE YEAR PROGRESSES.”

Rockbreaking News

Pamour Open Pit

On the safety front, 2008 is off to a good start for the Pamour pit. At this time last year we had ten high potential incidents or close calls compared to only four this year. In particular, we reduced the number of equipment collision incidents or close calls from four last year to one this year. Thanks to all crews for being aware of your surroundings, driving to conditions, communicating effectively with one another and looking out for the people you are working with.

Summer students have started arriving on site so please, take the time to make sure they are working safely. This summer will be a success when they all go home safely.

Congratulations to Lindsey Martin who has been appointed as second Joint Health and Safety Committee member for the pit. Lindsey will provide an enhanced safety presence for Bob Young and Gary Hodgins' crews.

March was safety month for PGM. The focus this year was on identifying and completing safety improvement projects. Thanks to Darcy Steep, Garnet Brooks, Dan Huard, BJ St. Onge, Kevin Ferrari and Joel Trivers for being on our safety improvement team. They identified 22 worthwhile projects to improve safety in the pit areas. Eleven of the improvements have been completed and the other eleven are well underway.

Recently we've had a few uninvited visitors on the mine property. A mother bear and her three cubs have been making the rounds. They have been sighted near the offices, haul road, lunch rooms, stockpiles and highway. Although they may appear harmless, please keep your distance and put garbage only in secured bins.

With the recent additions of new employees, the pit is now at our budgeted levels for the first time in the last couple years. Thanks to Marcel, Darren, Angela and Cheryl for their recruiting efforts. Welcome to new employees Robert Deraiche, Rodney Devries, Craig Friese, Leo Lavigne, Dave Levesque, Jean Malette, Justin Roy and Denis Vieno. Brian Hughson will be rejoining the pit crews after some time as the lube man. Welcome back Brian! Good luck to John Gosselin, Jake MacRae and Eric Vandal who have transferred to other departments. Thank you for your contributions to the pit. Congratulations are also in order for Jason Postma who has taken a temporary one year posting with the Environmental group.

On the training front we've increased the number of drill training and equipment training postings to 12 and 15 respectively. Having enough trainers on all crews to provide training to all our trainees remains a challenge that we will continue to work on with Mike Lepine.

We've seen significant improvements in production. At this time last year we had only mined 68% of our planned tonnes. This year we are at 99% of planned tonnages. In addition, we've improved our efficiencies by 5% over last year. Over the same period Maintenance has increased the availability of the haul trucks by 9%. It is only through the continued efforts of our crews and our partners that we have been able to make these improvements.

The grade of the ore from the pit has been improving lately as we mine deeper into the heart of the deposit. The hole in the centre of the pit, which was the old Pamour #3 pit, is getting

smaller every bench leaving more ore behind for us to mine. The recent Pamour mill batch test produced encouraging results, confirming that grades are improving and that the ore is becoming thicker and more continuous as we mine deeper in Stage 2. The geologists are smiling a lot more these days!!

Spring thaw is never an easy time for operating in the pit due to uneven, muddy and slippery conditions on our roads, benches and dumps. Pit crews did an excellent job of maintaining good operating conditions during the thaw. This resulted in safer conditions, higher production, lower maintenance costs and significantly lower tire costs. Overall tire costs were 27% below budgeted levels for the first four months of the year.

Some of the projects we have on the go this year include completion of the Three Nation Lake dam, progressive reclamation of the East waste dump, final reclamation of the T2 tailings pond and road construction improvement projects.

We continue to receive good suggestions from our crews on how we can improve. One suggestion was to change the way we drill and blast to improve the digging of the rock. Not only does tough digging slow down production but it places undue stress on the equipment, and also on the rock breaker operators who have to break the resulting oversize. Over the next few months we will be focusing on making improvements in this area. Our employees continuing commitment to improving the pit operations is essential to our future success.

Have a safe and enjoyable summer.

Paul Miller
Operations Superintendent



The old Pamour #3 pit is getting smaller as we mine deeper in the Open Pit.



Mike Kitts
Open Pit Truck Driver



Luc Pronovost
Open Pit Driller



Greg Pigeau
Dispatcher



Kevin Helmer
Open Pit Driller

2008 Schedule of Events

- Annual Golf Tournament**
Saturday, August 16, 2008
- Family Swim Days**
June 1, 8, 15, 22, 29 (noon - 1pm)
- Quarter Century Club Dinner**
Saturday, September 13, 2008
- 1st Christmas Party**
Friday, November 28, 2008
- 2nd Christmas Party**
Friday, December 5, 2008
- Children's Christmas Party**
Sunday, December 7, 2008
- 3rd Christmas Party**
Friday, December 19, 2008

Dome and the Backfill Dilemma

Normally when you think of an underground mine, you think of backfill going into the mine to be placed into stopes. In contrast, the challenge for the Dome Underground's Bulk zones is to safely remove backfill from old stopes and efficiently separate it from rock so that it can be placed into other old stopes. Engineering's Paul Levesque and Don McRae have been working on this problem and have found a solution. The solution is Terrex's Powergrid 1200 scalping/screening plant. Normally these plants are used in surface quarry type applications. However, through some innovative thinking and Roger Carriere's expert assistance, the plant is being converted to underground use. Rock development for the scalping/screening plants is now in progress in the 155549AL and 257260AL Bulk Zone scrams. When in production, the plants will be able to process 90 tonnes per hour and recover 93% of the gold in the stopes. With many of the Dome's resources containing fill, the success of the scalping / screening plant could result in many new stopes being developed that take advantage of the fill separation process. This is good news for the Dome's future.

Enjoy a safe summer.

Paul Miller
Operations Superintendent

Rockbreaking News

Hoyle Pond Updates

“... WE HAVE TENTATIVELY REACHED AN AGREEMENT WITH MILLER PAVING TO PAVE OUR ACCESS ROAD.”

Well, the new gear has finally begun to arrive here at Hoyle, and what a nice sight it is.

The first was a 2 Boom Jumbo from Sandvik and then came the new 3½ yard Caterpillar scoop. As with all new equipment, there will be training issues to be addressed. Thanks to all the guys who have assisted us during this training period.

On the safety front, we are doing excellent. As of May 22, 2008 we have had only 2 Medical Aids in the entire department and 6 First Aids.

Supporting these positive results was the success of Safety Month in March and the increase in the number of step ups and team ups we continue to see.

On a final note a number of crews have reached triple zero milestones:

Crew A Lower - 1 Year
Crew B Upper - 1 Year
Stationary Mtce Crew - 2 Yrs
Mobile Mtce Crew A/B - 1 Yr
Electrical Crew - 3 Years

Congratulations to all!

More changes have recently occurred. Eric Dusault has accepted a full time supervisory position. Congratulations Eric on your new position.

Most of you are aware; I have recently accepted the position of Project Manager for the Hoyle Deep Project. While I am working on this project, Rick Blakey has assumed the position of Underground Superintendent and Jim Parisi has accepted the General Foreman position replacing Rick on the lower beat. Congratulations Rick and Jim.

A warm welcome back to Roch Bilodeau who is returning to work after suffering an unfortunate accident last November. We were all looking forward to your return, Roch! Nice to have you back.

Again this year PGM is delighted to have the ability to hire summer students. Please remember to help and guide them along the way. They are our future!

Over the last several years we have been continuously challenged with the condition of our access road. At this time, I am glad to report we have tentatively reached an agreement with Miller Paving to pave our access road. This work could begin very soon!

Our Winze Phase 2 deepening project is progressing quite well, although we did require some additional slashing due to an alignment error.

With current production demands requiring all material below 920m to be hauled up, the commissioning of Phase 2 is much anticipated.

Dynatec is also on site working on the twinning of the fresh air ventilation system.

On the production front, things have really picked up over the last two months, our entire team has certainly been firing on all cylinders. In fact, the main service hoist broke a new record, hoisting 60,000+ tonnes to surface. An excellent job done by all.

As we enter in the holiday season, please play it safe while you enjoy your summer.

Ken Wojtus
Project Manager
Hoyle Pond Deep Project



New 2-Boom Jumbo

Craig Ritchie, Rob Goulet and Gilles Dufour in the operator's compartment

Asset Management - Hoyle Pond Updates

The Asset Management Team at Hoyle has been very busy during the first quarter of 2008. During that period, we had no incidents to affect our triple zero stats. We have had some movement of people - Denis Vieno moved to the Pamour Pit and Allister Snow has taken the Hoistman position here at Hoyle Pond.

The locomotive and rock breaker automation is nearing completion. The rock breakers are fully automated and the locomotives are waiting for speed control devices to be mounted. When they arrive, we will be able to run these units from surface between shifts when we can't have personnel underground due to blast gases, and we can run the whole system from one of two locations.

Automation Console



We are also receiving some of our new equipment this quarter; our new 2 boom jumbo (page 14), and to arrive shortly is our 3 1/2 yard scooptram.

New 3 1/2 Yard Scooptram



We have rebuilt another scooptram in house. Rebuilt off site would have cost \$120,000; we did it for half that price.

Overhauled Scooptram



As a team, we looked at items we had been sending off site for repairs and overhauls such as air tuggers, slushers, air cylinders, and even longtom drill units. We made a decision to try doing these in house, keeping in mind we needed to keep up with the needs of the mine department and still do the daily tasks required. I'm proud to say we have been very successful at this. We have had good comments from the mine department on the quality of repairs being done on site verses off-site repairs. We are planning to expand on this as soon as the automation project is completed by including our submersible pumps.

Eric Wickens with overhauled slusher



Overhauled Longtom



The new Gain Sharing Plan was introduced in this quarter and I feel that Hoyle's Asset Management Team has bought into it and will be a strong contributor in making that plan a success for all in the PGM group by doing the things listed above and looking at other opportunities. I would like to challenge all departments to look at every opportunity to be a contributor to the success of this new plan by challenging yourselves and your crews. With costs for supplies and energy at all-time highs, we need to look at every opportunity to save effectively.

Our team at Hoyle has...can yours?

Harry Kennedy
Asset Management General Foreman
Hoyle Pond Mine

Rockbreaking News

Dome Underground

“WE HAVE FOUR STUDENTS WORKING FOR US UNDERGROUND THIS YEAR. LET’S MAKE THEIR SAFETY A PRIORITY AND GIVE THEM THE BENEFIT OF OUR EXPERIENCE SO THEY CAN ALL GO HOME SAFELY AFTER EVERY SHIFT.”

For the first part of 2008 we have continued to work safely. Early in the year the operations and maintenance groups were combined into one group for tracking safety statistics. Keep up the safe work.

Thanks to Mike Thayer from underground maintenance for his participation on PGM’s Mine Rescue competition team. Although the team did not win the competition, their dedication to being better makes us all safer and is well worth celebrating.

March was safety month. The underground’s safety team members Rick Ragogna, Mike Beard, J.P. Rozon, Rick Kenny (Dumas) and Erik Barr put into action a number of safety projects that will enhance everyone’s safety. Key focus areas were scram design, training, underground water flows, fences and manways, signage and the tool box meeting format. All projects are either complete or are now in progress. Thanks to all the team members for their contributions.

In April we saw high water, spring thaw and inflows into the mine that caused overflowing of the 19 level water storage stope onto 18 level, resulting in water flooding into the shaft and ore pass on the lower levels. Dave Demarchi, Rick Tambeau, Daryl Woodrow, Steve Mitchell, Nevio Salvati, Bert Merenda, Frank Narda,

Brent Telfer, Marcel Jalbert, Mark Vien and all the underground crews and Dumas crews who helped out are to be commended on getting us through the high water conditions. Their coordinated and dedicated efforts ensured that we were able to safely bring the mine back into production.

Employees joining DUG since the New Year include Paul Demers, Bert Brazeau, Marcel Gagnon, John Gosselin, Kevin Ludgate and Kevin Vickers. Welcome back to John, who is rejoining the Dome after transferring from the Pamour pit. Leaving the Dome to work in the open pit were Rodney DeVries and Dave Levesque. Thanks to them for their efforts while with us. Paul Demers will put a renewed focus on training to ensure we continue to upgrade the skills of our miners to meet the operational challenges ahead of us. Over the next few months, we will be recruiting additional miners and mechanics for the 257260AL Bulk Zone, as we gear up to start production this fall.

The first four months of the year have been challenging. Production tonnage is 30% behind budget and ounces recovered are 27% behind budget. The shortfall has come entirely from the 155549AL Bulk Zone, where difficulties with handling the back fill from the stope and more recently with handling

oversize have combined to hinder production. Early on in the year we saw the affects of putting too much backfill into our ore passes and the mill, with plugged chutes, plugged ore passes and blinded screens being the result. Thanks to all our crews we’ve been able to make up some of the 155549AL shortfall by producing more ore than planned from our other longhole stopes.

Looking ahead, we will make up some of our ounces by changing the focus of our development from longer term stopes to shorter term high grade stopes. Production from the 257260AL Bulk Zone is on schedule, with development nearing completion. There is an opportunity to start production earlier than the planned October startup in the 257260AAL stope, if Dumas meets or exceeds their rockbreaker/grizzly and chute construction schedule. In the 184856AL and 296557AL stope development areas, Dumas crews are going to go on 5-5-4 shift rotation to get these stopes back on schedule. Boart is now adding more drills and drillers as we move on to the production drilling phase of the 257260AL Bulk Zone and the new stopes that we are developing. All of these milestones and changes to the plan are positive news for DUG as we meet the challenges we face with the continuing contributions from our crews.

Paul Miller
Operations Superintendent

Asset Management - Dome Updates

During the first quarter, our Electrical employees have exceeded 2 years of triple zero, and our Plate Shop employees have surpassed the 5 year mark. Excellent work everyone!

Two electricians recently transferred to the Underground Department. We would like to wish Ken Millions and Bert Brazeau much luck and success in the future.

We have three new additions to announce; the Pit Shop welcomes Denis Beaulieu and Daniel Paul, and the Electrical Shop welcomes Eric Vandal to our team.

Over the next few months, the Plant will be home to several summer students. Welcome to Katrina Kaiija, Jean Claude Lavigne, Jessica Heyland, Spencer Stefanich, and Shawn Vucko. We look forward to working with you all.

In April, Mario Lachance and Ernest Plante graciously took some Theriault co-op students on a tour of the Plant building and the Dome Open Pit. This tour was organized by Frederic Vetter and Kim Cloutier, the Educational CO-OP coordinators of the High School. In general, the event was to provide explanations of the various trades in a mining environment.

Mario and Ernest spoke to the students about the mining industries, the trades and the qualifications required to pursue a career in these trades.

We have recently received some feedback from the school. Overall, they were very impressed with the house keeping of every shop and the warehouse; they were impressed with the level of cleanliness.

Winter is over and the warmer summer months are on the horizon. Hopefully, you will all have an opportunity to take advantage of this warm weather and spend some quality time with your loved ones!

Danielle Radske
Asset Management Clerk



**PLATE SHOP - MACHINE SHOP
LIGHT VEHICLE SHOP**

L to R:

Ed Hocevar, Ernest Plante, Peter Heyland, Mel Dicks, Dennis Wagner, Charlie Caron, James Gervais, Mike Lachance, Steve Mitchell, Darryl Woodrow, Richard Daigle, Dave Pigeon, Luke Ethier and Jim Robichaud



ELECTRICAL "A" CREW

L to R:

Richard Mongeon, Vesa Autio, Ken Millions, Ray McCord, Carl Penttila, Jay Burnley

Absent from photo:
Bert Brazeau



ELECTRICAL "B" CREW

L to R:

Shawn Merritt, Bob Moylan, Mike Vallier, George Fera, Pierre Laneville, Domenic Lachance, Jay Burnley



**ECOLE SECONDAIRE
THERIAULT STUDENTS**

Restoring our Past ... Growing our Present ... Investing in our Future

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Rock Breaking News



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*"Challenges make life interesting;
overcoming them
makes life meaningful."*