REGISTRATION PURSUANT TO

PART X of

THE ENVIRONMENTAL PROTECTION ACT

FOR
THE STOG 'ER TIGHT GOLD DEPOSIT

Ming's Bight Area, Baie Verte,
Newfoundland

TENACITY GOLD MINING COMPANY LTD.
St. John's, Newfoundland

March 9, 2010

REGISTRATION FORM

Pursuant to Part X of

The Environmental Protection Act

NAME OF UNDERTAKING: **Stog 'er Tight Gold Deposit**

PROPONENT:

(i) Name of Corporate Body: **Tenacity Gold Mining Company Ltd.**

(ii) Address: 2 Forest Road,
St. John's, NL
A1C 2B9

(iii) Chief Executive Officer: Charles Dearin, P. Geo.
President
2 Forest Rd, St. John's, NL A1C 2B9
(709) 754-8844

(iv) Principal Contact Person for purposes of environmental assessment:
Charles Dearin, P. Geo.
President
2 Forest Rd, St. John's, NL A1C 2B9
(709) 754-8844

SUMMARY

Tenacity Gold Mining Company Ltd. (Tenacity) is the holder of Mining Lease No. 193-A located near Ming's Bight, Baie Verte, Newfoundland. Tenacity proposes to mine a portion of the Stog 'er Tight gold deposit; approximately 93,000 tonnes of moderate grade ore will be mined. This tonnage plus the existing 8,700 tonne low-grade gold stockpile will be trucked to and milled at the currently operating Nugget Pond gold mill facility near Snooks Arm.

The Stog 'er Tight area was first explored for gold by Noranda Exploration in 1986-87. Several gold anomalous areas were identified by soil geochemistry and multi-geophysical programs. From 1987 to 1989 Noranda drilled 76 holes into five separate gold zones but concentrated the bulk of this work on the Stog 'er Tight gold deposit. In 1996 Noranda sold the property to Ming Minerals. Ming immediately began a new trenching program and completed 30 holes to better define the Stog 'er Tight gold resources. From November 1996 to January 1997 Ming began open pit mining of the deposit and extracted and milled 32,000 tonnes of ore. Due to a number of circumstances Ming closed the operation due to financial problems. The property remained idle from 1997 to 2006 when Ming's Mining Lease was cancelled. In 2007 a new Mining Lease was issued to Tenacity. During 2008 and 2009 Tenacity carried out detailed geological mapping and sampling in the open pit, completed a reinterpretation of the gold deposits setting and finalized a new ore reserve-resource estimation. Mineable reserves-resources within the Stog 'er Tight pit area are 93,000 tonnes grading 4.9 g Au/t. This new geological work and reinterpretation by Tenacity has demonstrated confidence that this portion of the Stog 'er Tight gold deposit can be economically mined by open pit mining over a four to five month period.

The proposed mining project will occur almost entirely within an existing brownfield site which was abandoned by previous owners. Tenacity is fully committed to a full reclamation/restoration program at the completion of mining during the fall 2010 which will encompass the abandoned workings and waste left by the previous owners. Progressive reclamation will be on-going with the open pit mining to ensure proper pit wall stability and sloping is maintained and that proper benching and wall slopes on the waste piles are established. Final reclamation will be completed once mining is finished.

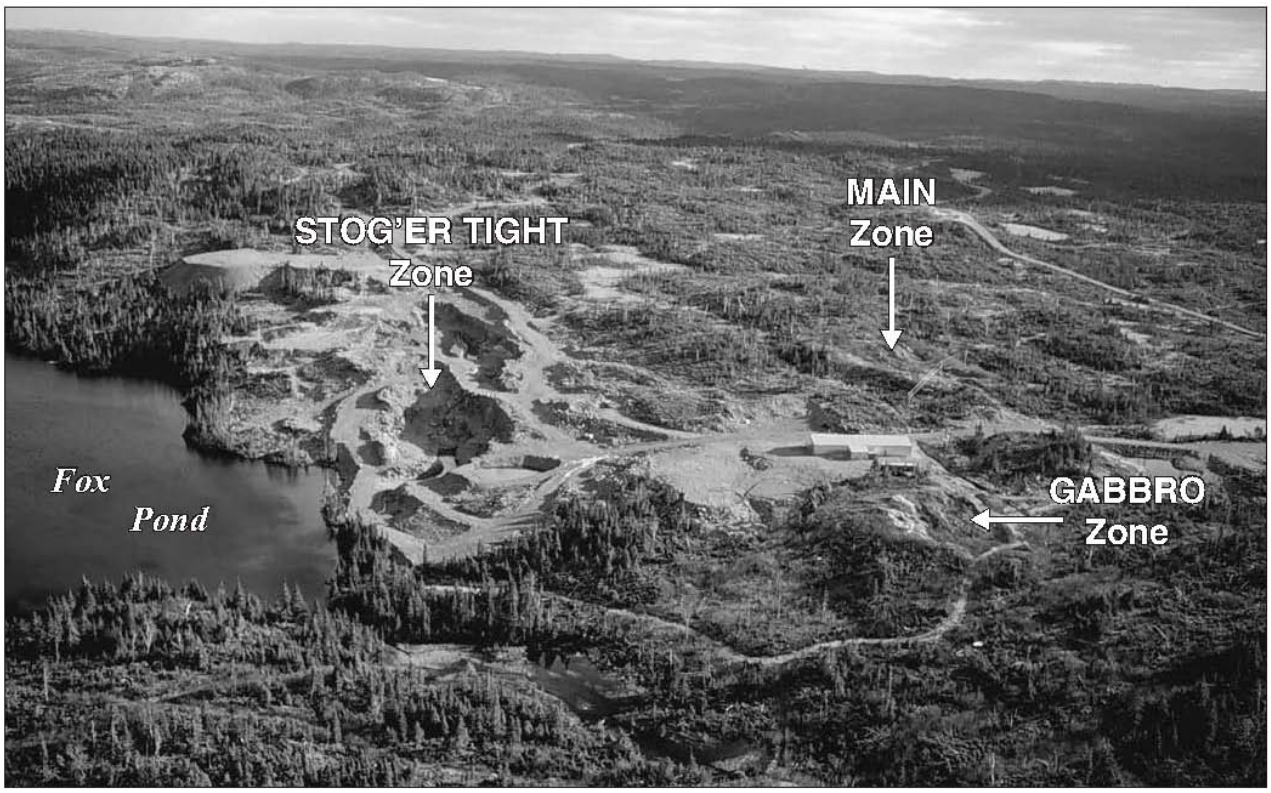
During 2009 Tenacity began a program of water quality collection and analysis in the Fox Pond area adjacent to the existing open pit for baseline database purposes. In addition, Tenacity initiated an ARD (acid rock drainage) rock sampling program from the open pit walls and ore zone to indicate if these host wall rocks have the potential to generate acid mine waters. Both sampling programs are under the direction of Stantec Consulting Ltd. (Stantec). Both programs will be continued into and beyond the mining operation with adjustments to comply with the appropriate requirements at each stage of the mine life.

The Baie Verte area has a long history of mining with mineral production beginning at Tilt Cove in the early 1860's. Many of the local communities, including Ming's Bight, have derived a significant portion of their livelihoods from mining, both in the Baie Verte area and more recently in many areas of the world as contract miners. These communities are highly

supportive of mineral exploration, development and mining especially in their home areas. Over the past 13 years the Baie Verte Peninsula has had a new gold mill and three new gold deposits proceed into production. In 2008 Anaconda Mining Ltd. placed the Pine Cove gold deposit into production and is currently in the process of upgrading their mill for input of 700 tonnes/day. This mine is located four kms west of the Stog 'er Tight Project.

The Nugget Pond mill now entirely relies on gold production from distant ore deposits and is fully set up to 'toll mill' other companies' ores on a contract basis. On March 2, 2010 Tenacity signed a formal toll milling agreement with Rambler Metals & Mining Ltd. the new owners of the mill. This production will be derived from tonnages from both Deer Cove and Stog 'er Tight gold deposits.

Development and mining of the Stog 'er Tight gold deposit will provide short term but lucrative employment for up to 14 people in the Baie Verte area.



Aerial View of Stog 'er Tight Open Pit Mine, ~1997; looking East.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1 THE UNDERTAKING

1.1 Nature of the Undertaking

Tenacity Gold Mining Company Ltd. (Tenacity) is the holder of Mining Lease 193-A located near Ming’s Bight, Baie Verte, Newfoundland. Tenacity proposes to mine and mill the Stog ‘er Tight gold deposit. This mineable ore reserve/resource totals approximately 93,000 tonnes. The deposit will be mined by open pit mining over a four to five month period commencing in mid-June 2010. All ore will be trucked to the currently operating Nugget Pond gold mill facility near Snooks Arm for processing.

1.2 Purpose/Rationale/Need for the Undertaking:

During 1987 to 1989 Noranda Exploration carried out a significant gold exploration programs with detailed geochemical and multi-geophysical surveys plus drilling of 76 diamond drill holes to partially some five separate gold zones. The main gold zone, the Stog ‘er Tight deposit, is the focus of this Undertaking. In 1996 Noranda sold the property to Ming Minerals Ltd. Ming carried out detailed trenching and drilled an additional 30 diamond drill holes to better define the gold zone. In November 1996 Ming commenced open pit mining to extract a 32,000 tonne bulk sample. This ore was milled at their nearby Rambler base metal mill with poor gold recoveries. By mid-January 1997 Ming was in serious financial trouble and the operation ceased. The property remained idle to 2006 and in 2007 a new mining lease was issued to Tenacity.

During 2008 and 2009 Tenacity carried out detailed geological mapping and sampling of the gold mineralization in the open pit. All drill holes were relogged and a detailed geological reinterpretation of the Stog ‘er Tight deposit was completed based specifically on the detailed geological pit mapping. This new interpretation led to a new ore reserve/resource calculation. Tenacity has confirmed an open pit mineable ore reserve/resource of approximately 93,000 tonnes grading 4.9 g Au/t. An analysis of the deposit indicates that the Stog ‘er Tight gold deposit can be economically mined by open pit mining with the current high gold price

Tenacity proposes to mine the currently defined mineable reserves/resources which are accessible by open pit mining. This ore plus the existing two low-grade ore stockpiles would be trucked to the Nugget Pond gold mill for mill processing.

2 DESCRIPTION OF THE UNDERTAKING:

2.1 Geographical Location:

The Stog ‘er Tight gold deposit is located approximately two km southwest of Ming’s Bight near Baie Verte, north-central Newfoundland. Ming’s Bight is about 26 road kilometres from the town of Baie Verte. The Pine Cove gold mine road, an existing gravel road, located approximately two km south of Ming’s Bight leads directly onto the Stog ‘er Tight property (see Figures 1 and 2).

The Stog 'er Tight property is included under Mining Lease 193-A and Map Staked License No's. 15808M & 12433M (Figure 2). The claims are located on NTS map 12H/16 at UTM coordinates 5,535,000N & 566,000E (NAD 1927, Zone 21) (Figure 2).

2.2 Physical Features:

Geographical Setting

The Stog 'er Tight property is located on the Pt. Rousse Peninsula of the Baie Verte Peninsula and within a small, locally restricted watershed containing Fox Pond plus several ponds and small streams. These water bodies flow westerly into the Atlantic Ocean at South Brook (Figures 1 & 2).

Larger fir and spruce tress cover the majority of the Stog 'er Tight property with outcrop making up <3%. Most of the area was logged by Kruger during the early 1990's and only small pockets of useable timber remain. Glacial till overburden is generally thin likely ranging from 0.1 m to less than five metres thick although it may be up to ten metres thick in prominent linears.

Topography

Topography in the area is generally rolling to steep and rough terrain with elevations ranging from sea level to 180 m above sea level (Figure 2). The existing open pit is at elevation 31 to 46 m above sea level, approximately 2 to 15 m above Fox Pond.

Climate

The climate in the north central Baie Verte area of Newfoundland is temperate with six to seven months of snow-free and ice-free seasons from April-May to November. Typical seasonal variation includes snowy winters from late November to March and summers from June through September. At the Baie Verte weather station the approximate 30-year averages of the mean winter temperature (i.e. the mean monthly averages of November to March) is -6^{O} C and ranges from $+0.2^{O}$ C in November to -10^{O} C February. Winter conditions, with moderate to heavy snowfalls usually begin in early December and remain until late-March. The average winter snowfall is approximately 49 cm per month with ranges of 31 cm in November to 88 cm in January.

The mean 'summer' temperature (mean monthly averages of April to October) is 9^{O} C and ranges from 0^{O} C in April to 15^{O} C in July. The average annual precipitation is 94 mm per month with ranges of 73 mm in April to 112 mm in December (Environment Canada, 2006). Mineral exploration work can easily be carried out year round on the property. Mining work could be efficiently carried out in Deer Cove from late May to late November. Mine related work during December to April would be costly for a small-scale operation due to snow removal and freezing conditions on equipment and rock stockpiles.

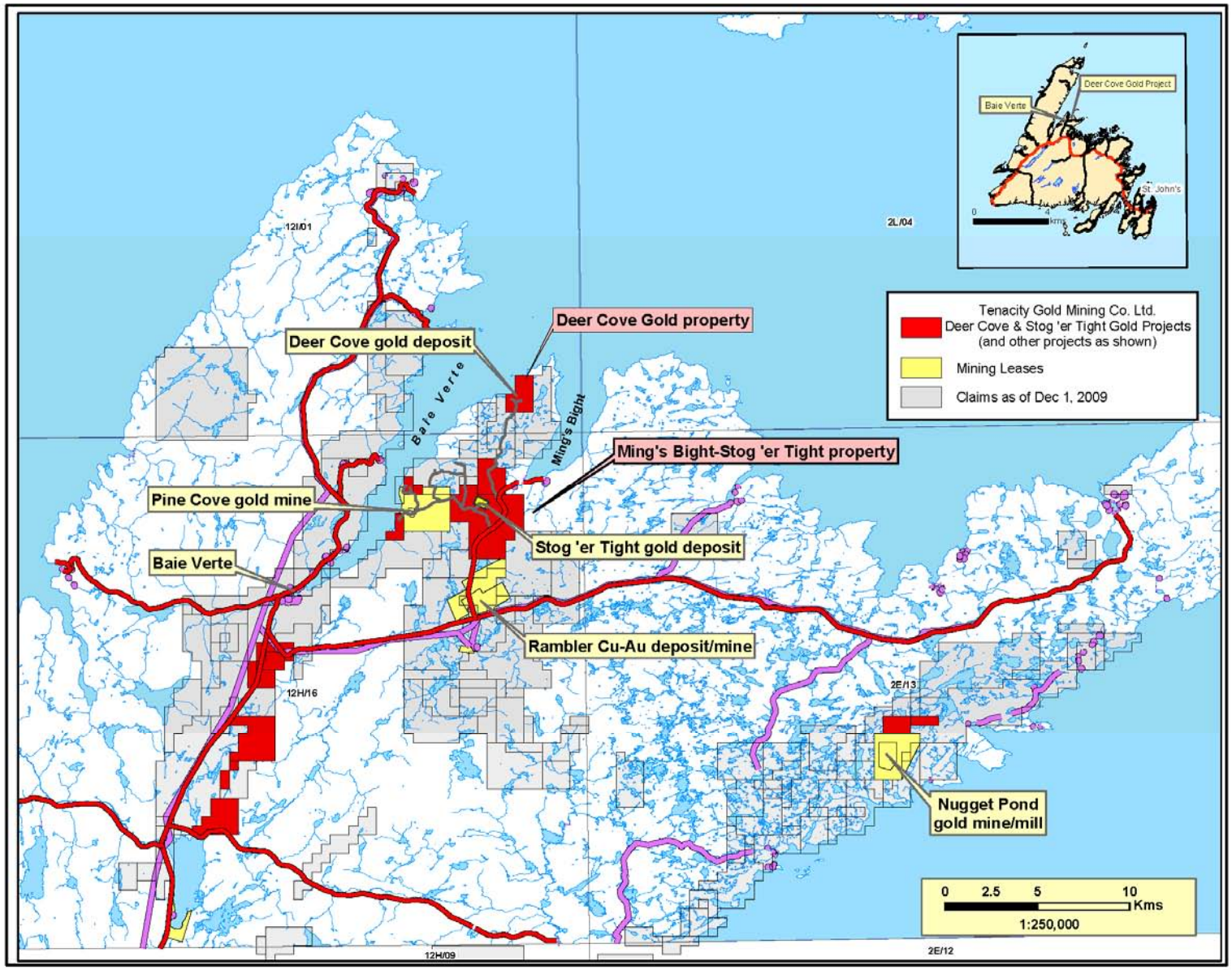


Figure 1 Location Map of the Stog ‘er Tight Gold Project, Baie Verte (1:250,000)

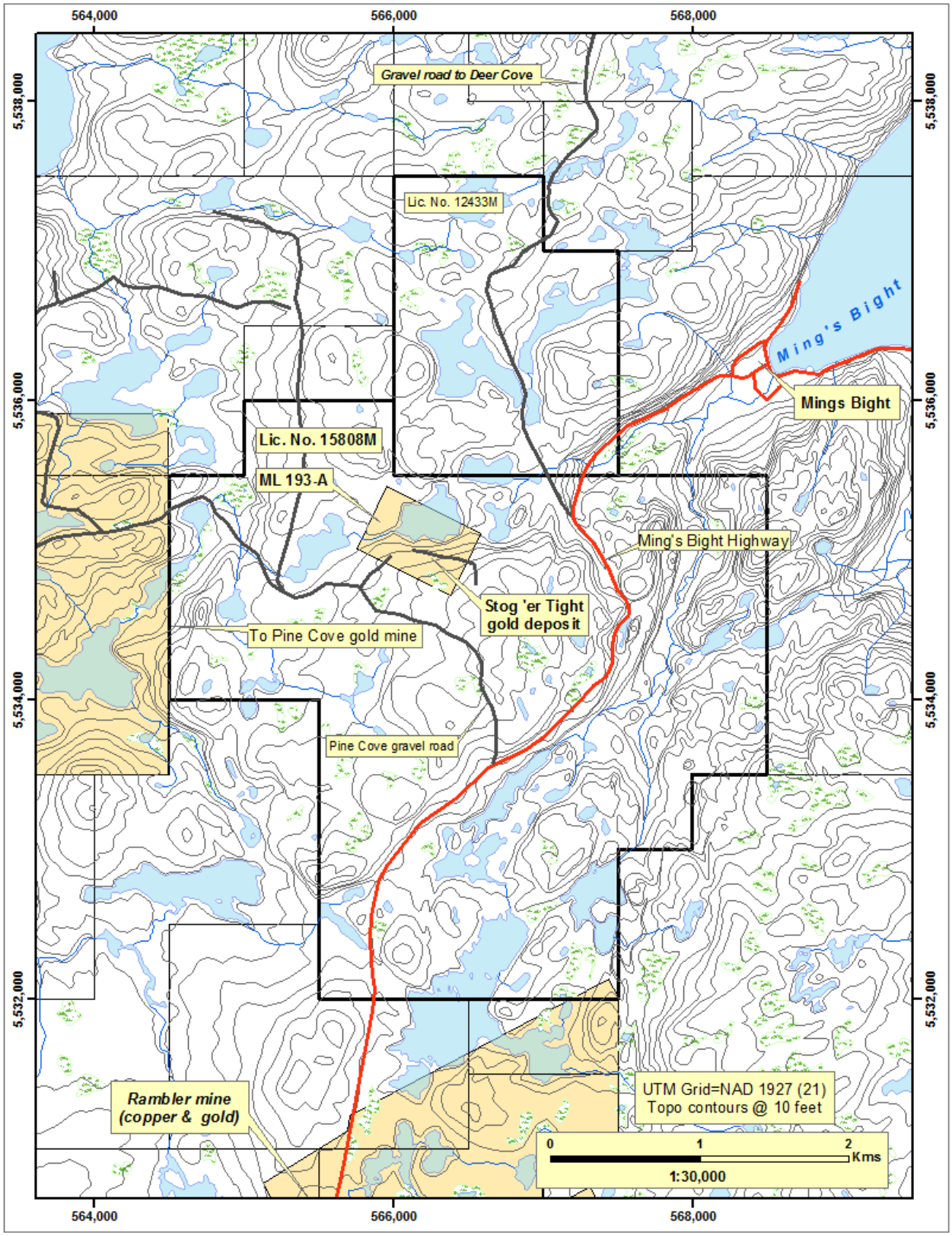


Figure 2 Stog 'er Tight Gold Project Property Map (1:30,000)

Water Quality

A baseline water quality sampling program has been started at the site as further described in Section 2.6.2, below. In general, the water quality upstream and downstream of the mine, and the water flowing from the historical mine workings is of good quality with normal pH and typical freshwater chemistry.

Wildlife Species & Fish

Wildlife in the Ming's Bight area is not abundant but moose, black bear, rabbit, fox and small song birds have been observed. Small birds and some grouse have been seen in the area; larger birds of prey such as eagles or hawks are known to occur and nest along the coast of Baie Verte; no nesting areas have been observed in the Stog 'er Tight area. The small ponds in the area are used occasionally by local residents for trout fishing.

2.3 Infrastructure

Most of the required physical infrastructure, such as access road, a partially defined open pit and marshalling/storage area, is already in place from Ming Minerals mining efforts in 1996-97. No new construction or infrastructures such as roads, power lines, stream diversions, dams or long-term buildings will be required.

Access Road

The Pine Cove mine road is an existing all-weather gravel road which turns off the Ming's Bight highway and extends westward for five km to Pine Cove (Figures 2 & 3). One kilometre in the Pine Cove road a 500 m branch road leads directly into the Stog 'er Tight open pit (Figures 2 & 3).

Open Pit

During 1996-97 Ming Minerals began open pit mining on the Stog 'er Tight deposit. This work included removing and stockpiling all topsoil and overburden and mining approximately 32,000 tonnes of ore and 120,000 tonnes of waste rock. The ore was trucked to the former Rambler mill for processing and tailings disposal and the waste rock was dumped approximately 75 m east of the current open pit. Ore was mined by benching down to depths of five to ten m below surface. The pit and pit walls are in excellent condition and there is no evidence of adverse water conditions in the pit.

Waste Stockpile

During the three month mining period by Ming Minerals approximately 120,000 tonnes of waste rock was stockpiled 75 m east of the open pit forming an area of 100 m by 25 m and about 5 to 7 m high (Figure 4).

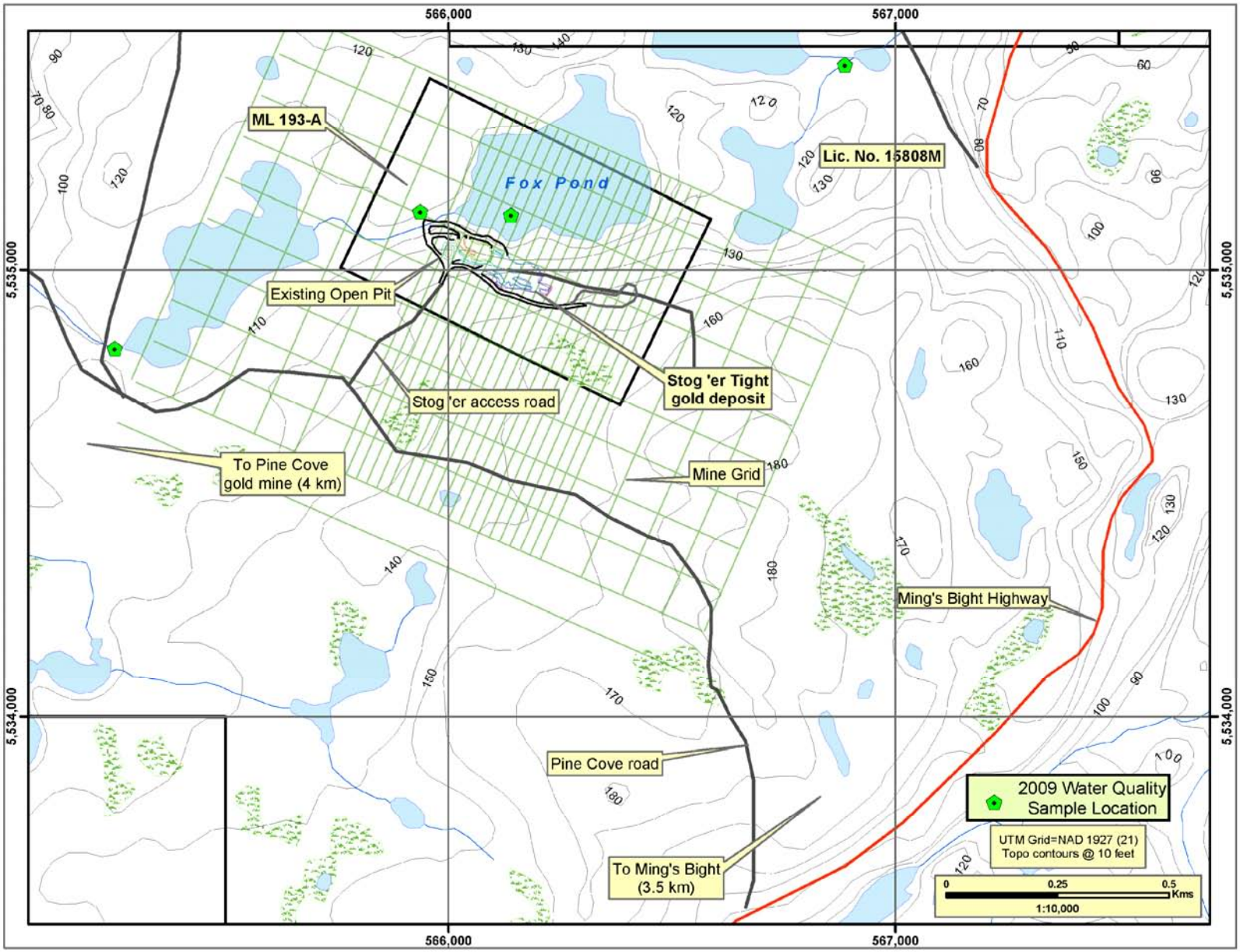


Figure 3 Detailed Property Map of the Stog ‘er Tight Gold Project, Ming’s Bight Area (1:10,000)

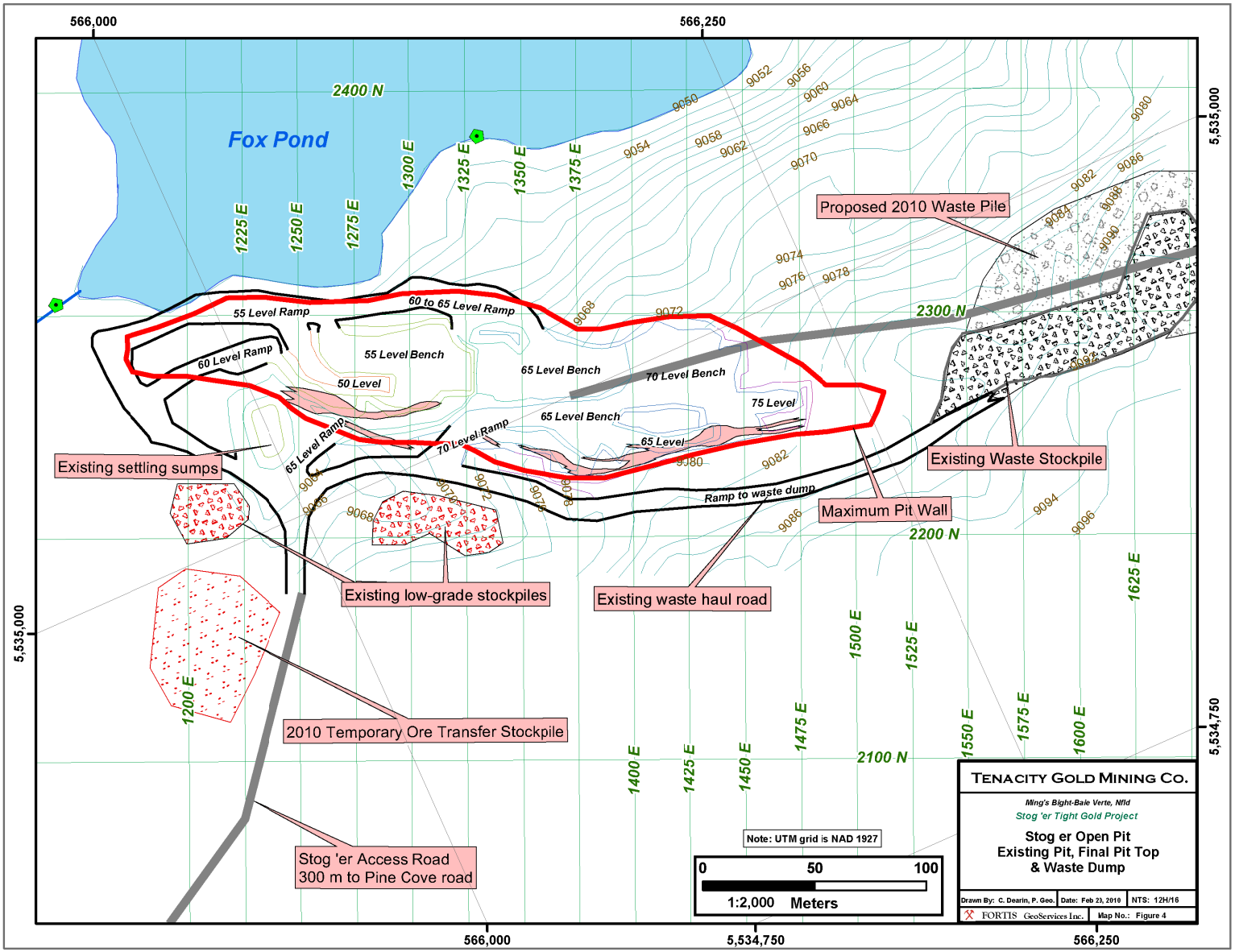


Figure 4 Stog ‘er Tight Open Pit, Final Pit Outline & Waste Piles (1:2,000)

Low-Grade Gold Stockpile

Ming Minerals formed two small low-grade ore stockpiles on the south side of the pit (Figure 4). This consisted mostly of large over-sized blocks of ore which were intended to be broken down to smaller sizes prior to trucking to the mill. Approximately 8,700 tonnes grading 2.3 g Au/t exist here; this tonnage will be trucked to the Nugget Pond mill for processing during 2010.

Electrical Power

The power line into the Pine Cove gold mine passes adjacent to the property and could be utilized if required. Alternatively we propose to use a portable diesel generator (75 kW) with enough capacity to supply the small operation.

Buildings & Accommodations

A portable trailer will be used on site for lunchroom and office. This will be removed at the end of the operation. The entire workforce will be local residents of the Baie Verte area and no on-site accommodations will be required.

Potentially Affected Areas

The entire Stog 'er Tight open pit currently covers an area 275 metres by 45 m wide and 2 to 8 m deep (below the original surface topography). Tenacity's proposed final pit size will be similar in area (300 m long by 45 m wide) and approximately 20 m deep (East end) to 10 m deep (West end) for an average depth of 18-20 m below the original surface topography (Figure 4).

Approximately 93,000 tonnes of ore will be mined and processed. This will generate an additional 255,000 tonnes of waste rock which will be added to the existing waste stockpile. This will cover an area of approximately 325 m long by 40 m wide and 8 m high. None of this stockpile will be within 100 m of any water body.

Progressive rehabilitation work will be initiated during the mining process and continued after. This will included the proper grading and side-sloping of the waste pile and final pit wall slopes to conform to regulations.

2.4 CONSTRUCTION

The Stog 'er Tight open pit mining will be a relatively small operation involving the removal of approximately 93,000 tonnes or ore from the existing open pit and 8,700 tonnes from the low-grade stockpile. Approximately one to two weeks will be required to clean up the existing 500 m access road and temporary ore stockpile-storage area, mobilize and setup the temporary facilities and clean up the open pit. The ore transfer stockpile area will be used for temporarily storing the Stog 'er Tight ore and for reloading into highway haul trucks for transport to the Nugget Pond mill.

It is anticipated to begin this construction work by early-June, 2010 and to complete the Construction stage and be ready to begin the mining Operations by June 15, 2010.

2.4.1 Potential Sources of Pollution

Potential sources of pollution during the Construction stage may include:

Water

During rehabilitation of the existing gravel access road and ore stockpile area, dust and fine material have the potential to get into ponds and streams near the road. To minimize this, sediment-trapping material such as approved filtration fabrics will be used in areas subject to siltation and erosion.

Noise

The Stog 'er Tight open pit site is two km from any homes in Ming's Bight. Equipment noise and truck travel will be attenuated by the surrounding forest growth and rolling topography. Noise is not expected to be a concern for residents of Ming's Bight or wildlife in the area.

Air Emissions

All company and contractor vehicles and equipment are required to be in good and safe operating conditions. As the road rehab is a minor job it is not anticipated that heavy equipment will spend much time on the access road or the proposed waste rock ramp.

Dust

The only potential source of dust is from the existing gravel access road. If needed during the construction stage we will use water to control any dust situations.

Fuel and Lubricants

Construction activity poses a risk for the release of diesel fuel and lubricants from construction equipment. Tenacity will ensure that all contractors and company equipment are inspected daily to ensure no hydrocarbon leaks occur.

During the construction stage an authorized diesel fuel storage tank will be established within a few hundred metres of the open pit. This fuel tank will be an approved double walled container with a self-contained holding berm to prevent potential leaks. This fuel tank will only be filled/serviced by an authorized fuel distributor in Baie Verte. Several emergency oil spill kits will be placed near the fuel tank and operating equipment. Spill kits will be placed at the ore transfer stockpile site as well as on all vehicles on the property.

Used oils and lubricants will be contained in proper bins and disposed of with a local, licenced waste oil handler.

Sewage

Sewage will be controlled by an on-site portable facility ('port-a-potty' type unit) during and after construction. The holding tank will be emptied by a pump truck on a regular basis and disposed of in an appropriate manner. There will be no dry-change rooms on site and hence no showers requiring grey water disposal.

Waste & garbage.

All solid waste (wood, steel, etc.) and small garbage will be collected and hauled to an existing local municipal landfill facility, with permission of the operator, on a regular basis. Any food or organic garbage onsite will be held in animal-proof containers to prevent attracting wildlife. All such foods and scraps will be removed daily.

2.4.2 Potential Resource Conflicts

No significant resource conflicts are expected during the brief construction phase. Any potential conflicts are outlined under Operations - Potential Resource Conflicts. Very little marketable timber exists in the area and the area is not known as an attractive fishing or hunting area. Any large, useable trees cut on the property during either the construction or Operations phase will be piled and available to local saw mills. Local residents do on occasion fish for trout in several small ponds adjacent to the property.

There are no new roads to be constructed and no stream crossings. Fish, wildlife and their habitats will not be altered, disturbed or destroyed during or after the construction phase.

2.5 MINING OPERATION

The Stog 'er Tight gold project will be a small open pit mining Operation. A total of 93,000 tonnes of ore and 255,000 tonnes of waste rock will be mined during 2010. It is anticipated that the entire mining-extraction period will range from four to five months. Following completion of the mining, approximately three to four weeks will be needed to rehabilitate final pit walls, grade the waste pile and remove the facilities.

2.5.1 Proposed Mining

The existing open pit was established between November 1996 and January 1997 by Ming Minerals. Because of the large amount of waste rock removed then, this work significantly developed and facilitated the future removal of ore reserves from the pit. A number of conditions existed during Ming's mining period which resulted in the operation not being economically positive including; heavy winter conditions, lack of control on mining personnel, excessive waste rock dilution into the ore, excessive

emphasis placed on unrealistic ore mining rates, very poor mill recoveries at the former Rambler base metal mill, etc.

During 2008 and 2009 Tenacity carried out detailed geological mapping and sampling of the gold mineralization in the open pit. All drill holes were relogged and a detailed geological reinterpretation of the Stog 'er Tight deposit was completed based specifically on the detailed geological pit mapping. A new mine geological interpretation has greatly facilitated the revised ore reserve-resource calculation. Mineable (but currently undiluted) ore reserves/resources total approximately 93,000 tonnes grading 4.9 g Au/t.

The Stog 'er Tight gold deposit consists of three to four narrow (2.5 to 7 m wide), elongate along strike (from 50 to >300 m), but significantly restricted down dip (5 to usually <25 m and seldom up to 40 m high). The gold is intimately associated with fine to medium grained disseminated pyrite (1 to 7% averaging <5% pyrite) in weak carbonate-quartz-albite stockwork zones hosted within shear zones and weak fracture patterns in carbonate altered gabbro sills. The gold zones occur as *en-echelon* lenses separated by 4 to 10 m across strike; the various lenses have a very consistent dip of 70^{O} north. Various intimate structural features as mapped in the pit confirm and add to the confidence level of this geological interpretation.

An analysis of the deposit indicates that the Stog 'er Tight gold deposit can be economically mined by open pit mining with the current high gold price. Tenacity proposes to mine the currently accessible section of the Stog 'er Tight ore reserves by continuing with the open pit to depths of 10 to 20 m beneath the existing floor levels of the pit. Benches will be drilled and blasted at a maximum thickness of 5 metres for ore grade control purposes.

The final pit will be approximately 300 m long (about 25 m longer than existing) and will remain close to the existing overall width (45 m existing). Total average depth will be approximately 19 m below the original surface topography (Figure 4).

Figure 4 shows the existing open pit and the estimated final pit extent with existing low-grade and waste stockpiles.

2.5.2 Trucking of Ore

All open pit mined ore will be hauled to the ore transfer stockpile approximately 100 metres south of the pit (Figure 4). From here the ore will be immediately reloaded into 30 tonne highway haul trucks and hauled approximately 48 km to the Nugget Pond mill.

Immediately upon completion of all trucking this temporary ore stockpile area will be graded to its original level.

2.5.3 Milling of Ore (Nugget Pond Mill)

On March 2, 2010 Tenacity signed a formal Toll Milling Agreement with Rambler Metals & Mining Ltd., the owners of the Nugget Pond gold mill for the processing of ore; this ore will be derived from the Deer Cove and Stog ‘er Tight gold deposits. This mill is fully permitted and operational and will be responsible for all processing and tailings disposal.

The Nugget Pond mill was built by Richmont Mines Ltd. in 1996 with first gold from the Nugget Pond gold deposit poured in March 1997. From March 1997 to August 2004 Richmont milled a total of 838,881 tons of ore with an average grade of 0.364 oz Au/t (304,976 ounces of gold) from both the Nugget Pond and Hammerdown gold deposits. A total of 301,220 tons were trucked from Hammerdown to Nugget Pond a distance of 136 km.

The mill was bought by Crew Gold Corp. in late 2006 and from February 2007 to May 2009 Crew shipped gold ore from Greenland to Goodyears Cove near Springdale. From there it was trucked by 30 tonne haul trucks a road distance of 135 km to the mill. The operation closed in May 2009.

During May 2009 Crew sold the milling operation to Rambler Metals & Mining Ltd. From June to December 2009 the mill processed ore at approximately 500 tonnes/day from the Pine Cove gold deposit owned by Anaconda Mining Inc. This deposit is located four kms west of the Stog ‘er Tight deposit.

The mill has a rated capacity of 450 tonne per day and has consistently yielded a 97-98% gold recovery on these four separate and different gold deposits. Dore gold bars are produced at the mill site in a processing facility, which includes crushing, grinding, leaching, gold recovery using CIP (carbon-in-pulp) technology and cyanide detoxification using the INCO SO_2 process. A leading edge computerized process control system assists mill operators for both production and environmental control.

Tailings disposal and wastewater control are the key environmental issues for the Nugget Pond mill. The tailings are subject to the INCO SO_2 air destruction process for cyanide destruction prior to being released to the tailings pond where they are submerged; therefore acid mine drainage is not an issue. There is a large capacity remaining in the tailings pond to allow for several more years of mill processing. Environmental sampling is carried out daily at the tailings outflow of water from the environmental control system. Since the start of the mill operation, all samples indicate complete compliance with the Environmental Certificate of Approval for the mill operation. In the recent past Richmont won several environmental awards for operating a very clean, efficient and safe operation, especially the tailings pond and discharge sites.

The Nugget Pond mill is located 48 km by road from the Stog ‘er Tight site. This includes approximately 12 km of gravel road and 36 km of paved highway. Tenacity

will truck the accumulated gold-ore stockpiles to a yard storage site at the Nugget Pond mill. From here the ore would be processed through the mill over a five to six month period.

2.5.4 Potential Sources of Pollution

Potential sources of pollution during the Operations stage may include:

Water

All water entering the open pit will be pumped to an adjacent series of sumps where mine drainage water will be settled out prior to entering the existing ditch (Figure 4). An oil-water separator will be installed in these sumps to trap and remove any oily substances from mining equipment.

All mechanical equipment will be inspected regularly to ensure leakage of fuel, hydraulics, oils or other hazardous products does not occur.

Blast residues have the potential to be contaminants through ammonia by-products, which can be toxic to aquatic fauna. All such contaminants will pool in the deepest level of the pit where it will be captured and pumped to a series of settling sumps. Any ammonia residues will be dealt with according to pertaining regulations. The discharge of all water exiting the sumps will be done in accordance with applicable regulations.

As required, standard mitigation methods, such as on-site drainage ditch channels, collection sumps-catchment basins will be used to control silt and sediment, prevent the introduction of contaminants and maintain the water quality in the watershed.

Noise

The Stog 'er Tight open pit site is 2 km from any homes in Ming's Bight. It is planned to operate in the open pit on one 12 hour shift per day during daylight hours. Equipment noise and truck travel will be attenuated by the surrounding forest growth and rolling topography. Most blasting at the adit will be at a specified time in the afternoon. Noise is not expected to be a concern for residents of Ming's Bight or wildlife in the area.

Air Emissions

All company and contractor vehicles and equipment are required to be in good and safe operating conditions.

Dust

During ore haulage and transportation of the ore from the open pit to Nugget Pond mill along the 1 km length of the existing Pine Cove gravel access road dust and fine material have the potential to get into ponds and streams near the road. If necessary,

dust will be controlled here by the application of water to the road. The ore haulage trucks will be hauling damp rock in large pieces (generally greater than 4-6") so dust is not anticipated to be a concern from the Ming's Bight highway to the Nugget Pond mill. It is anticipated that the ore will be hauled over a four to five month period.

Fuel and Lubricants

Mining activity poses a risk for the release of diesel fuel and lubricants from operating equipment. Tenacity will ensure that all contractors and company equipment are inspected daily to ensure no hydrocarbon leaks occur.

During the Operations stage an authorized diesel fuel storage tank will be established within a few hundred metres of the open pit in a secured area. This fuel tank will be an approved double walled container with a self-contained holding berm to prevent potential leaks. This fuel tank will only be filled/serviced by an authorized fuel distributor in Baie Verte. Several emergency oil spill kits will be placed near the fuel tank and operating equipment. Spill kits will be placed at the ore transfer stockpile site as well as on all vehicles on the property.

Used oils and lubricants will be contained in proper bins and disposed of with a local, licenced waste oil handler.

Sewage

Sewage will be controlled by an on-site portable facility ('port-a-potty' type unit) during the Operations stage. The holding tank will be emptied by a pump truck on a regular basis and disposed of in an appropriate manner. There will be no dry-change rooms on site and hence no showers requiring grey water disposal.

Waste & garbage

All solid waste (wood, steel, etc.) and small garbage will be collected and hauled to an existing local municipal landfill facility, with permission of the operator, on a regular basis. Any food or organic garbage onsite will be held in animal-proof containers to prevent attracting wildlife. All such foods and scraps will be removed daily.

2.5.5 Potential Resource Conflicts

Potential sources of resource conflict during the Operations stage may include:

Wildlife

Some moose, bear, rabbit, fox and squirrel and small song birds have been observed in the area. Eagles and hawks are known along the coast of Baie Verte. Over the past five years there have been no sightings of such birds or their nests anywhere near the Stog 'er Tight area. No wildlife conflicts are anticipated.

Fish and Fish Habitat

Fox Pond occurs adjacent to and within 25 m of the north side of the west end of the Stog 'er Tight pit. Small fish occur in this pond and a few other smaller ponds in the area. There are no plans to expand the width of the pit in this area and no degradation of water quality is expected. Water quality monitoring in Fox Pond was initiated in 2009 and will continue during the Operations stage and after Reclamation is complete. Sample locations are shown on Figure 4.

During the Construction and Operations stage no water body will be altered. There are no new roads and no stream crossings to be built during either the Construction or Operations stages.

Land Use

Minor amounts of woodcutting by local residents from Ming's Bight occurred in the Stog 'er Tight area over the years; this activity is restricted entirely to winter months. Any trees to be removed related to site clearing at stockpile areas will be piled and made available to local saw mills. Hunting and trout fishing by local residents is not a regular activity in the Fox Pond area and conflicts are not expected. Any such possible future activities will not be affected by the proposed mining activities.

Water Resources

Water use conflicts will not occur as there are no other users in the project area. All water requirements for open pit mining are estimated to be less than 1 gallon a minute. This water will be taken from Fox Pond and used water will be recycled and pumped to the settling sumps for final discharge. Bottled water will be used for drinking water.

2.6 RECLAMATION

Progressive reclamation of the mined areas and waste stockpile will be carried out concurrently with mining where possible and final reclamation will be initiated immediately upon completion of the mining operation, estimated to around the end of November, 2010. This final reclamation work is estimated to take several weeks and should be complete by early December 2010. The cost for this reclamation work will be posted as a bond before Construction begins, as is required under the Mining Act.

2.6.1 Rehabilitation

Environmental disturbances will be kept to a minimum during both the Construction and Operation phases. Steps to be taken in this regard will include the following:

- Any surface and vegetation disturbance will be strictly limited to the smallest area possible.

- Topsoil or overburden-tills and waste rock will be carefully removed only when necessary and carefully stockpiled in separate areas for later replacement and rehabilitation work.
- Any surface disturbances will be stabilized to limit erosion and promote natural revegetation.
- Natural revegetation of disturbed areas will be utilized.
- Tenacity will incorporate environmental measures in all contract work agreements and ensure all contractors abide by these rules and all environmental regulations set by Tenacity and all government regulatory agencies/

2.6.2 Water Testing

During 2009 Tenacity engaged Jacques Whitford & Associates (now Stantec) to set up an independent water quality sampling program in the Stog 'er Tight & Fox Pond area. This consultant has now collected two sets of water samples during September and December 2009 and the results, which show very good water quality, are summarized in Tables 1 and 2, attached. Four collection stations have been established to collect water from the eastern side of Fox Pond near the open pit, at the discharge brook just below Fox Pond, at a third site NE of the Fox Pond basin (reference), and a forth site southwest and downstream of the entire site (see Figure 3 and 4 for locations). Another set of samples will be collected in May-June 2010 prior to any construction or mining activities in order to establish a good baseline control. Stantec will then determine the frequency of future water samples for continued remediation testing.

2.6.3 Potential ARD (Acid Rock Drainage) Testing.

Under the direction of Stantec a series of eight rock samples were collected in November 2009 for potential acid rock generation from the existing wall rocks of the Stog 'er Tight open pit. These samples include 'ore' grade mineralized samples and adjacent wall rocks from both the hanging and footwall of the pit. Samples were taken along the entire 275 m length of the pit. These eight samples will be analyzed for 'acid based accounting' (ABA), bulk and trace elements and whole rock analysis; the results will provide an indication of the rocks net acid consuming ability and potential for generating acid mine water.

During the mining operations additional ABA rock testing will be conducted under the direction of Stantec on a larger number of samples to confirm the rocks net acid consuming ability. If a net acid production is detected then a reclamation plan specific to this situation will be developed by Stantec in consultation with the regulatory agencies having jurisdiction.

Visually the host wall rocks (moderately carbonate altered gabbros) contain none to a trace of fine grained pyrite; no acid rock generated water is expected. In addition, the water quality program conducted to date has shown very good water quality flowing from the historical underground workings, waste and low grade ore stockpiles. The

water samples indicate that pH is normal with no elevated metals concentrations considered consistent with ARD.

2.6.2 Open Pit Closure and Reclamation

During the open pit mining operation progressive reclamation work will be initiated. Final pit walls will be sloped as required so no high steep walls remain and the edges will be graded to a stable slope. A waste rock barrier with large blocks of rock will constructed around the outside periphery of the pit and conspicuous warning signs will be erected to ensure public safety. During mining, the waste stockpile will be progressively sloped and benched in order to produce a stable and safe stockpile sloped wall. This will continue after mining is complete with final sloping and benching and grading of the top done to promote natural revegetation.

The pit will be allowed to flood to the same, or slightly higher elevation as Fox Pond and a surface connection will be constructed to allow discharge to Fox Pond in an erosion control channel.

The temporary haul roads to the open pit and the 500 m long access road to the Pine Cove road will be reclaimed by grading and scarify the surface to promote natural vegetation.

This reclamation will work will be done in consultation with Stantec. The final work is expected to take three to four weeks.

2.7 OCCUPATIONS

The Stog 'er Tight mining process will employ approximately 14 people for a four to five month period working on one 10 to 12 hour shift per day. The open pit drilling and blasting and all rock trucking will be contracted out to local independent contractors. Required personnel are listed in Table 1 below. Other services such as carpenters, electrician, additional laborers, etc. will be on an as-needed basis and all will be employed from the Baie Verte region.

Table 1 Occupations Required for the Deer Cove Mining Operation

Occupation	Number Required	National Occupation Classification
Manager-Geologist	1	0811
Mining Supervisor	1	8221
Miners (Drillers, blasters, muckers)	5	8231
Mechanic	1	7312
Geological-surveyor technician	1	2212
Laborer	1	8411
Ore haul contractors	4	8231
Total	**14**	

These jobs are in addition to the approximately 20 people employed at the Nugget Pond mill where the ore will be processed.

The Manager-Geologist and geological surveyor technician positions will be supplied by Tenacity. All mining positions including the mine supervisor, miners, mechanic and laborer will be local Baie Verte personnel with extensive work experience in open pit operations. These positions will be on a contract basis; personnel will be hired based on their present health conditions and length of experience. All positions are open to both male and female. The ore hauling to Nugget Pond will be contracted out to one of the two trucking contractors in the Baie Verte region. Tenacity supports employment equity and diversity opportunities and will require the same from contractors where possible.

2.8 Project-Related Documents

There are no relevant environmental documents or studies related to the Deer Cove gold deposit or the immediate area.

3 APPROVAL OF UNDERTAKING

The following authorizations will be required for the Stog 'er Tight Undertaking.

Table 2 Permits and Approvals Required for the Deer Cove Project Undertaking

Permit, Approval or Authorization	Issuing Agency
Release from Environmental Assessment	Minister of Environment & Conservation
Certificate of Approval for Construction	DOEC-Pollution Prevention Division
Cert. of Approval to Establish a Water Supply and Sewage	DOEC-Water Resources Manage. Division
Water Use Authorization	DOEC-Water Resources Manage. Division
Blasters Safety Certificate[1]	Dept. Government Services
Water Discharge drainage	DOEC-Water Resources
Approval for Storing & Handling Fuel	Dept. Government Services
Fuel Tank Registration	Dept. Government Services
Fire, Life & Safety	Dept. Government Services
Operating Permit & Permit to Burn	NL Dept. Natural Resources(Forestry)
Temporary Magazine License[1]	Govt. Service Centre
Blasting Magazine License[1]	Govt. Service Centre
Approval for Waste Disposal	Town of Ming's Bight or Baie Verte
Permit to Occupy Crown Lands	DOEC-Regional Lands Manager
Certificate of Approval for Operation of a Mine[2]	Dept. Natural Resources (Mineral Lands)

Notes:

1 Blasters Safety Certificate and Magazine licenses will be obtained by the drilling & blasting contractor.

2 The Certificate of Approval for Operation of a Mine requires the submission by Tenacity of a Development Plan, a Closure Plan and Financial Security to be posted.

4 SCHEDULE

Construction is scheduled to begin in early June, 2010 and open pit mining operations commencing immediately after Construction completion or approximately mid-June 2010. The mining Operations stage would take four to five months and is scheduled for completion by November 1, 2010. These dates are during the optimal weather conditions and will assure the best working conditions for personnel and equipment.

Reclamation work will be progressive during the open pit mining schedule with the final two weeks of reclamation work to be completed before December 1, 2010.

5 FUNDING

Tenacity will wholly finance the proposed Undertaking; financing will be in place by mid-May, 2010. There is no requirement for a loan or grant from any government agency

6 SUBMISSION

March 9, 2010

Date

Name: Charles Dearin, P. Geo.
Title: President

Attachments: Tables 1 and 2: Water Quality Data

TABLE 1: INORGANIC CHEMISTRY ANALYTICAL RESULTS

2009 WATER QUALITY MONITORING, STOGGER TIGHT MINE, BAIE VERTE, NL

Parameter	RDL	STN-1 September 17, 2009	STN - 1 December 6, 2009	STN - 2 December 6, 2009	STN - 3 December 6, 2009	STN - 4 December 5, 2009	Comparison Criteria	
							FWAL	MMER
Total Alkalinity	5	47	47	30	48	13	-	-
Total Acidity	5	<	<	<	<	<	-	-
Sulphate	2	7	7	<	7	<	-	-
Calcium	0.1	15	15	10	16	5.1	-	-
Dissolved Chloride	1	5	5	6	5	5	-	-
Colour(2)	5 - 50	7	6	30	7	22	-	-
Magnesium	0.1	2.7	2.9	2.1	3.0	1.0	-	-
Nitrate & Nitrite	0.05	<	<	<	0.06	<	13	-
Nitrite	0.01	<	<	<	<	<	197	-
Nitrogen (ammonia)	0.05	<	<	<	<	<	pH and temp dependent	-
Orthophosphate (P)	0.01	<	<	<	<	<	-	-
Phosphorous	0.1	<	<	<	<	<	50% over baseline	-
pH (laboratory)	N/A	7.68	7.49	7.16	7.24	6.94	6.5 - 9	6.0
Potassium	0.1	0.3	0.3	0.2	0.3	0.2	-	-
Reactive Silica	0.5	1.1	1.3	2.2	1.4	1.2	-	-
Sodium	0.1	3.5	3.7	3.7	3.8	4.0	-	-
Sulphur	-	2.3	2.5	1.1	2.5	0.8	-	-
Total Suspended Solids(2)	1 - 2	<	<	1	<	<	See note	30
Turbidity(3)	0.1	0.4	0.4	0.5	0.4	0.2	See note	-
Hardness (as $CaCO_3$)(4)	1	48	50	34	52	17	-	-
Nitrate (calculated) (5)	0.5	<	<	<	0.06	<	-	-
Total Dissolved Solids	1	63	64	42	66	25	-	-

Notes:

Analysis completed by Maxxam Analytics Inc., Bedford, NS
FWAL = Canadian Council of Ministers of the Environment (CCME) Canadian Water Quality Guidelines for the Protection of Freshwater Aquatic Life (FWAL 2007, Update 7.1)
MMER = Schedule 4 Metal Mining Effluent Regulations Authorized Limits of Deleterious Substances
Stogger Tight Pond Outflow and STN – 1 are the same sampling location.

(1) RDL for colour: <50 TCU RDL = 5 TCU; >50 TCU RDL= 30 TCU; ranges up to 50 TCU and proportional to the dilution factor
(2) Total Suspended Solids: 25 mg/L increase when background is between 25 and 250 mg/L, but <10% increase when background is >250 mg/L RDL = 1 mg/L for samples of 500 mL, 2 mg/L for samples < 500 mL
(3) Turbidity - clear flow: 8 NTUs > background
- high flow or turbid waters: 8 NTUs > background <80 NTUs; <10 % if background > 80 NTUs
(4) Hardness determined using calcium and magnesium analytical results
(5) Nitrate determined using nitrite + nitrate analytical results
(6) The sample was decanted due to turbidity

RDL = Reportable Detection Limit
STN = Station

0.0 = above FWAL or MMER criteria
- = Not analyzed/No criteria
< = Parameter below detection limit

TABLE 2: METALS ANALYTICAL RESULTS (ug/L)

2009 WATER QUALITY MONITORING, STOGGER TIGHT MINE, BAIE VERTE, NL

Parameter	RDL	Stogger Tight Pond Outflow September 17, 2009	STN - 1 December 6, 2009	STN - 2 December 6, 2009	STN - 3 December 6, 2009	STN - 4 December 5, 2009	Comparison Criteria	
							FWAL	MMER
Aluminum (Al)	10	16	13	41	23	<	5[1]	-
Antimony (Sb)	2	<	<	<	<	<	-	-
Arsenic (As)	2	<	<	<	<	<	5.0	1,000
Barium (Ba)	5	<	<	<	<	<	-	-
Beryllium (Be)	2	<	<	<	<	<	-	-
Bismuth (Bi)	2	<	<	<	<	<	-	-
Boron (B)	5	<	<	<	<	<	-	-
Cadmium (Cd)	0.3	<	<	<	<	<	0.017[2]	-
Chromium (Total) (Cr)	2	<	<	<	<	<	-	-
Cobalt (Co)	1	<	<	<	<	<	-	-
Copper (Cu)	2	<	<	<	<	2	2[3]	600
Iron (Fe)	50-500	<	<	58	<	<	300	-
Lead (Pb)	0.5	<	<	<	<	0.5	1[4]	400
Manganese (Mn)	2	6	2	6	7	4	-	-
Mercury (Hg)	0.013	<	<	<	<	<	0.026	-
Molybdenum (Mo)	2	<	<	<	<	<	73	-
Nickel (Ni)	2	<	<	<	<	<	25[5]	1,000
Selenium (Se)	2	<	<	<	<	<	1.0	-
Silver (Ag)	0.5	<	<	<	<	<	0.1	-
Strontium (Sr)	5	36	37	23	38	9	-	-
Thallium (Tl)	0.1	<	<	<	<	<	0.8	-
Tin (Sn)	2	<	<	<	<	<	-	-
Titanium (Ti)	2	<	<	<	<	<	-	-
Uranium (U)	0.1	<	<	<	<	<	-	-
Vanadium (V)	2	<	<	<	<	<	-	-
Zinc (Zn)	5	<	<	<	<	<	30	1,000

Notes:

Analysis completed by Maxxam Analytics Inc., Bedford, NS
FWAL = Canadian Council of Ministers of the Environment (CCME) Canadian Water Quality Guidelines for the Protection of Freshwater Aquatic Life (FWAL 2007, Update 7.1)
MMER = Schedule 4 Metal Mining Effluent Regulations Authorized Limits of Deleterious Substances
Stogger Tight Pond Outflow and STN-1 are the same sampling location

(1) Aluminum guideline = 5 ug/L at pH < 6.5
= 100 ug/L at pH ≥ 6.5

(2) Cadmium guideline = $10^{[0.86[\log(\text{hardness})]3.2)}$

(3) Copper guideline = 2 ug/L at [$CaCO_3$] = 0-120 mg/L
= 3 ug/L at [$CaCO_3$] = 120-180 mg/L
= 4 ug/L at [$CaCO_3$] >180 mg/L

(4) Lead guideline = 1 ug/L at [$CaCO_3$] = 0-60 mg/L
= 2 ug/L at [$CaCO_3$] = 60-120 mg/L
= 4 ug/L at [$CaCO_3$] = 120-180 mg/L
= 7 ug/L at [$CaCO_3$] >180 mg/L

(5) Nickel guideline = 25 ug/L at [$CaCO_3$] = 0-60 mg/L
= 65 ug/L at [$CaCO_3$] = 60-120 mg/L
= 110 ug/L at [$CaCO_3$] = 120-180 mg/L
= 150 ug/L at [$CaCO_3$] >180 mg/L

0.0 = above FWAL or MMER criteria
- = Not analyzed/No criteria
< = Parameter below detection limit

RDL = Reportable Detection Limit
STN = Station