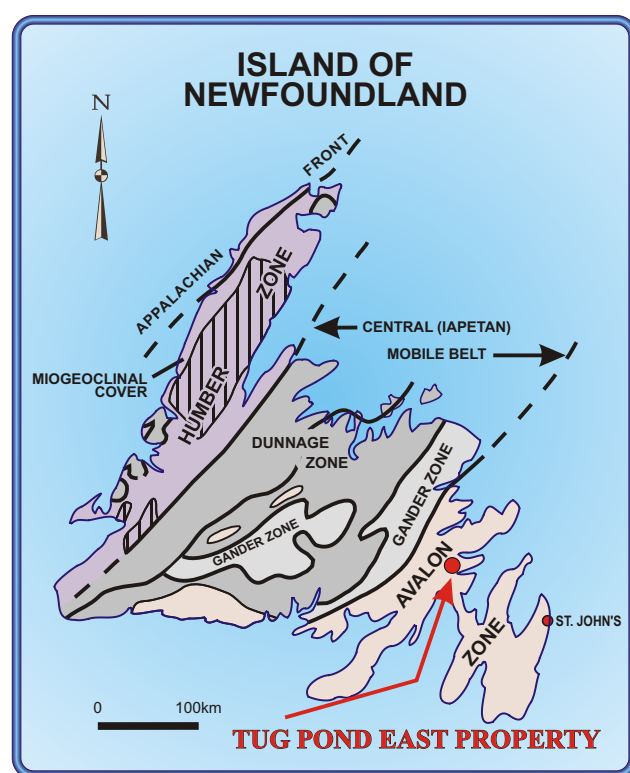


NEWFOUNDLAND & LABRADOR

Explore The Opportunities

TUG POND EAST – EPITHERMAL GOLD



The **Tug Pond East** property consists of 49 claims accessible by ATV trails several km west of the old CN rail bed and 6 km from the Trans Canada Highway and the town of Clarenville.

Regional Geology

The area lies in the NW Avalon Zone of Newfoundland and is underlain by belts of Late Precambrian volcano-plutonic and sedimentary rocks bounded by a series of north trending faults.

Local Geology

The property is underlain by the eastern belt of the Love Cove Group and the northern lobes of the

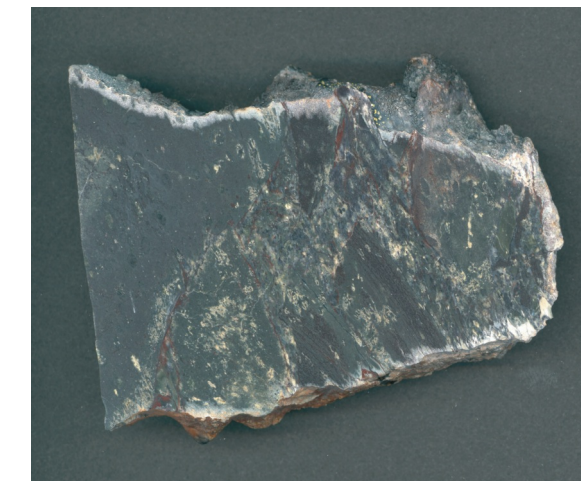
Swift Current Granite. The boundary between these two units is assumed to be a fault. The Love Cove Group is composed of pyroclastic rocks and lesser flow rocks with abundant felsic to mafic tuff and agglomerate. Quartz eye rhyolite, pisolitic tuff as well as an occurrence of well preserved pillow lavas occur 600-700 m SW of the gold showing. The pyroclastics are predominantly intermediate in composition but there are also significant felsic components including probable ignimbrites. Finely bedded tuffs to very coarse agglomerates-volcanic breccias (vent breccias?) occur locally. The matrices range from chloritic to very siliceous. Quartz shards & subvolcanic felsic blocks in an intermediate matrix is not uncommon. Broad areas of silicification occur which include stockwork-like veins and/or hydrothermal brecciation as well as, locally, irregular thin veins of grey banded silica. Chalcedonic silica, adularia? and sericite are associated with hydrothermal breccias. Some coarse-grained quartz-adularia?-chlorite veins are present locally.

The Swift Current Granite is mostly pink, medium to coarse grained, locally massive with some high strain zones. Diabase dykes cut both the volcanic rocks and the granite. The variably developed fabric is generally steeply dipping and north trending but with an apparent gentle warping of the fabric on an approx E-W trending, steeply plunging axis.

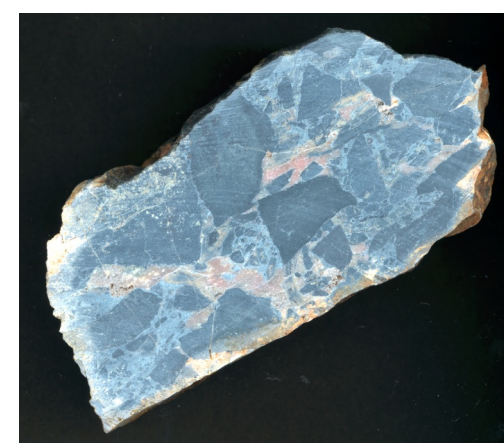
Mineralization

There is pervasive silification in some areas (& palaeosinters?) and development of hydrothermal breccias with chalcedonic silica, red hematite, vuggy K-feldspar (adularia?), illite, sericite, minor chlorite and remnant carbonate. Sulphides are << 1%. Such breccias run up to **1 g/t Au** in grab samples.

Nearby outcrops (within 30m) of agglomerates (vent breccias?) are impregnated with bright white “wormy” chalcedonic silica and run up to **524 ppb** in grab samples. Red hematite rims some fragments and hematite staining is pervasive in some areas. Approx 1.3 km NNE of the principal Au occurrence, mafic tuffs with silica, quartz, K-feldspar veins run up to **14 ppb** in grab samples. In the south, there are occurrences of devitrified obsidian with pervasive perlitic texture as well as banded silica veins.



Left: Very coarse volcanic breccia with hydrothermal component. Chalcedonic silica in matrix with red hematite. Grab samples returned 0.25 to 0.5 g/t gold. Right: Agglomerate - Red hematite rims fragments with white-grey siliceous matrix. A grab sample returned 0.5 g/t Au.

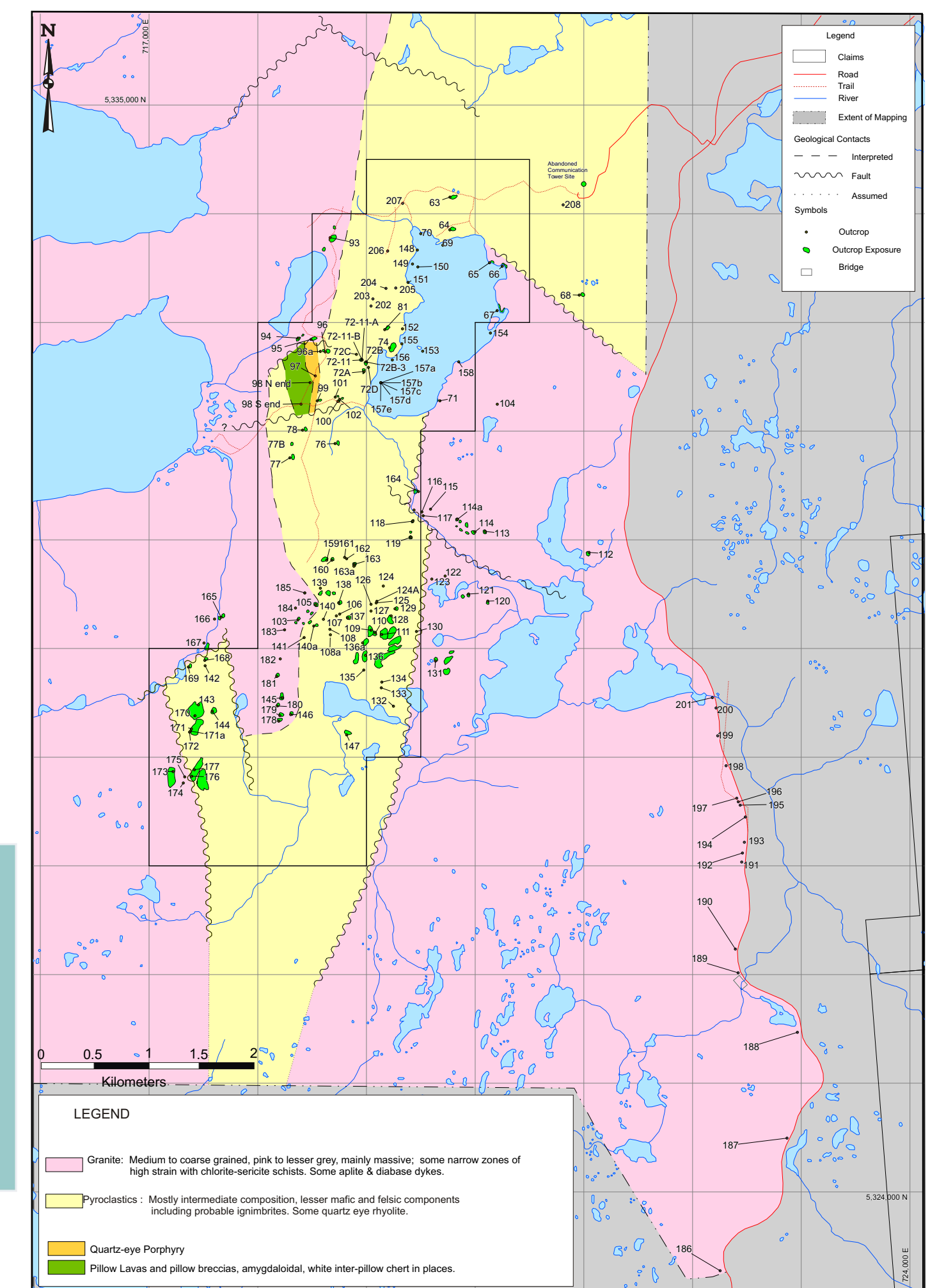


Left: Hydrothermal Breccia - Grey-white chalcedonic silica rims fragments with later vuggy K-feldspar (adularia?) - up to 1 gpt Au in grab samples. Right: Hydrothermal Breccia - matrix of chalcedonic silica & adularia(?).

Au	Fe	Hg	As	Mo	Zn	Cu	Ag	Pb	Bi	Cd	Co	Ni	W	Sn	Cr
ppb	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
10	1.58	1	5	12	62	15	0.2	2	2	0.8	4	3	10	10	164
14	1.41	1	5	9	53	2	0.2	2	2	0.6	3	2	10	10	111
13	1.2	1	5	8	49	1	0.2	2	2	0.5	3	3	10	10	117
690	3.25	1	5	6	64	2	0.2	2	2	0.6	10	1	10	10	94
27	3.93	1	5	5	60	17	0.2	2	2	0.8	11	4	10	10	97
285	2.54	1	8	4	59	10	0.2	2	2	0.5	10	1	10	10	73
11	1.1	1	5	6	21	4	0.2	3	2	0.5	7	17	10	10	134
524	3.23	1	11	3	71	17	0.2	2	2	0.5	11	6	10	na	79
338	3.07	1	14	2	66	19	0.2	3	2	0.5	10	4	10	na	35
34	3.42	1	5	8	98	9	0.2	2	2	0.5	17	1	12	na	155
963	3.51	1	5	6	70	5	0.2	9	2	0.5	12	1	10	na	98
5	1.99	1	5	30	589	181	0.7	85	2	2.7	8	12	10	n/a	435

Sampling Issues

Most of the outcrops in the area have been glacially smoothed and sampling was done where feasible. There is significant scope for an expanded trenching and sampling program.



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