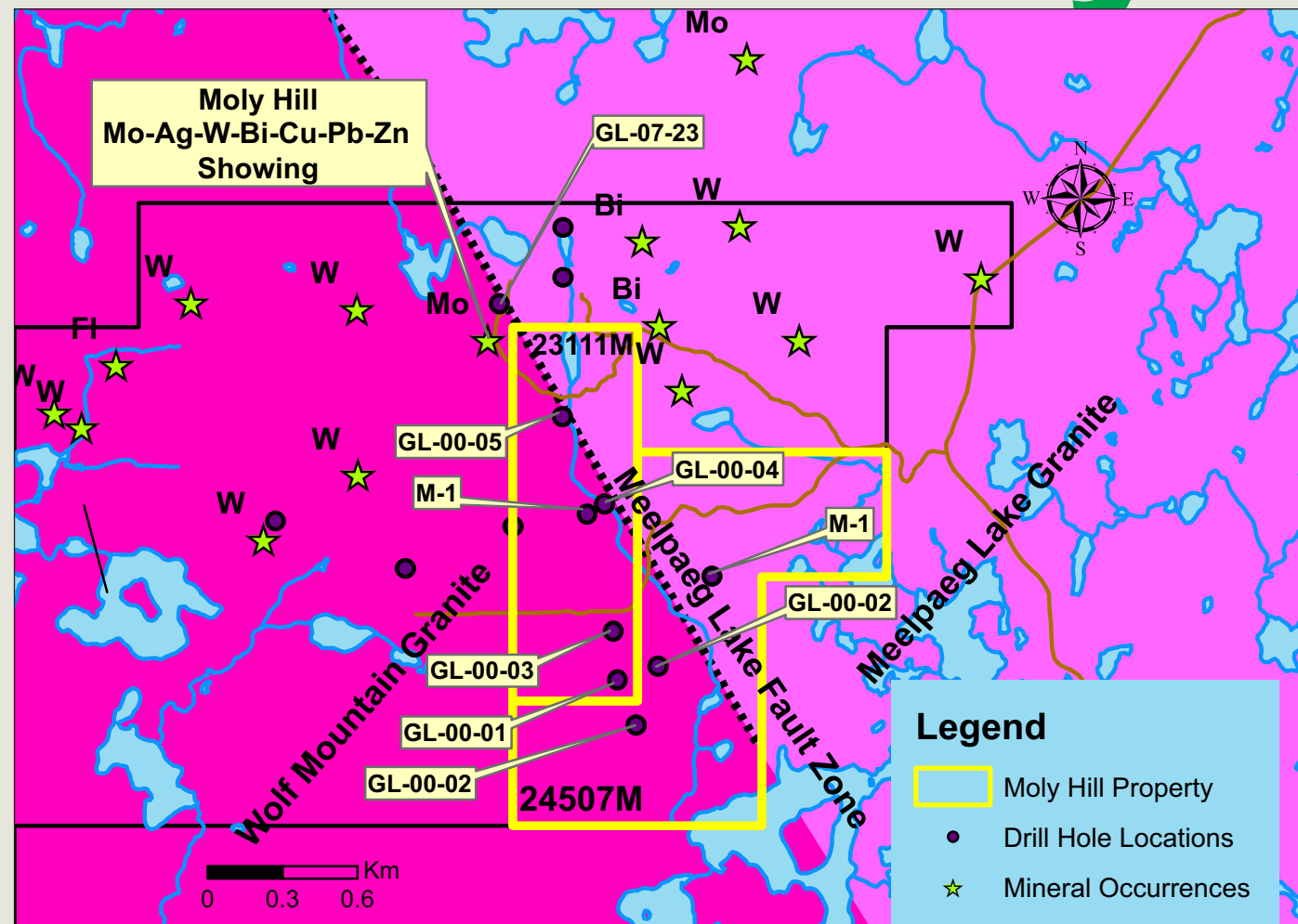


NEWFOUNDLAND & LABRADOR

Prospect · Discover · Develop



Moly Hill Mo - W - Bi - Ag



Map 2. Property Location and Geology Map

Geology Source:
Crisby-Whittle, L. V. J. (compiler): 2012: Bedrock geology dataset for the Island of Newfoundland. Newfoundland and Labrador Department of Natural Resources, Geological Survey, Open File NFLD/2616 version 7.0.

The **Moly Hill Property** is located about 70 Km south of the town of Buchans in south-central Newfoundland. Access to the property is provided by a 75-km long gravel road from Millertown to the Granite Lake and Meelpaeg Lake reservoirs (NTS 12A/02), (Maps 1 and 2). Access can also be gained by helicopter or float plane from either Deer Lake or Gander.

Regional Geology

The Granite Lake - Meelpaeg Lake area occurs within the Meelpaeg Subzone (Gander Zone), which consists of Lower Palaeozoic high-grade metasedimentary rocks outcropping in a structural window through the Exploits Subzone (Dunnage Zone). The metamorphic rocks were intruded by foliated tonalite and granodiorite, which are correlative with the Meelpaeg Lake Granite, and by undeformed biotite and muscovite-biotite granites correlative with the Wolf Mountain Granite. Both the Meelpaeg Lake and Wolf Mountain granites form part of the Siluro-Devonian North Bay Granite Suite.

Local Geology

The Wolf Mountain Granite consists of massive to weakly foliated, equigranular to K-feldspar-porphyrific granite. Foliated tonalite to trondhjemite in the eastern part of the area is correlative with the Meelpaeg Lake Granite. These two granites host most of the mineral occurrences in the area. The Meelpaeg Lake Fault Zone trends NNW near the eastern contact of the Wolf Mountain Granite (Map 2) and is a locus of fracturing, mylonization, hydrothermal alteration and Cu-Mo-Bi-W- mineralization,

Previous Work and Mineralization

Following the reporting of anomalous Mo-Cu-Zn-Ag in lake sediments (Butler and Davenport, 1978), Noranda, Northgate, Rio Algom, Teck and Falconbridge identified large soil anomalies and mineralization in float and bedrock. Basal till sampling by Buchans River Ltd over the Meelpaeg Lake Fault Zone delineated a large, strong Cu-Mo-Bi-Ag-W-Pb-Zn anomaly (Harris, 2001). East of the Meelpaeg Lake Fault, in tonalite-granodiorite, wolframite is present in thin sheeted quartz ± feldspar and quartz-greisen veins over widths up to 20 m. Values up to 3.52% W over 5 m have been reported (Tuach, 1996). In 2000, 6 diamond drill holes were drilled on the present Moly Hill Property (Map 2). Quartz veins with Mo-Cu-Bi-Zn-W and disseminated mineralization are present in all holes. Greisen veins occur locally. Assays indicate that the strongest mineralization occurs in holes GL-01, GL-02 and GL-06 (Map 2). Values range up to **.08% Cu and > .02% Mo** from core samples. Anomalous values of Bi, W and Ag were also returned.

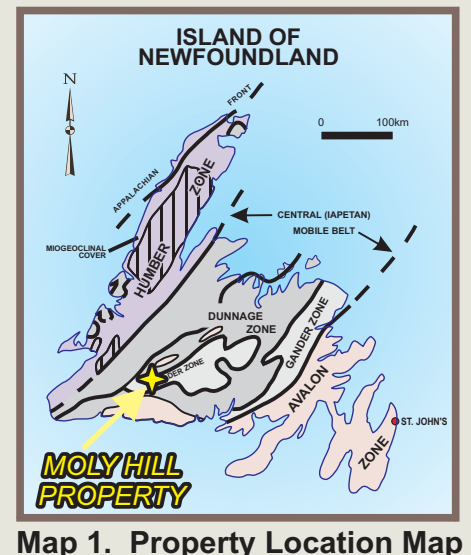
Recent diamond drilling efforts by Playfair have defined an east-west trending corridor, measuring an estimated 3.0 by 0.9 Km, hosting at least two styles of mineralization: (a) narrow high grade W-rich veins and (b) thick zones (>150 m) of predominately Mo mineralization. In late 2007, Playfair carried out a 24 diamond drill hole campaign on the prospective area. The following is an excerpt from the Playfair's January 18, 2008 news release. "The high priority area is bisected by the roughly north-south trending Meelpaeg Lake Fault Zone (MLFZ). Playfair's drilling suggests that the MLFZ is of considerable significance in controlling the location of the bedrock mineralization. To the East of the MLFZ Playfair has drilled a total of 15 holes, of which 14 show visual tungsten mineralization. Drill hole GL-07-17 intersected 85.6 m grading 0.024% WO₃. The first hole drilled to the west of the MLFZ (GL-07-23) was mineralized for its entire length and intersected 176.2 m grading 0.031% Mo (0.052% MoS₂) from 11.8 to 188.0 m, including 58.5 m grading 0.050% Mo (0.083 % MoS₂) (from 56.0 to 114.5 m). This is the first significant molybdenum discovery in this part of Newfoundland." Note that hole GL-07-23 occurs just metres NW of the Moly Hill Property (Map 2).

More recent drilling by Playfair (Silvertip Consultants and J. Harris, 2012) continues to indicate that bulk tonnage Mo mineralization occurs in an area measuring at least 600 m long by 500 m wide located on the NE corner of the Moly Hill Zone and is open in all directions except to the north. The Moly Hill Zone is defined by an extensive airborne magnetic low anomaly measuring about 2.4 by 2.6 km. Mineralization is typically associated with a network of (a) east-west trending, near vertical dipping and (b) near flat lying sheeted quartz veins and stockworks. Metal mineralization is dominated by Mo, with lesser amounts of Ag-W-Bi-Cu-Pb-Zn. The granitic host rocks are variably clay-epidote-silica altered, with local strong greisen alteration associated with particularly dense quartz veining. Mo commonly occurs at the top of drill holes, with many of the holes ending in mineralization (Moore, 2008).

Mineralization Model

According to Playfair (Moore, 2008), work to date indicates that mineralization associated with the Meelpaeg Lake Fault Zone and host granites is an early stage Mo (± W-Ag-Bi-Cu) bulk tonnage exploration venture. The deposit model may be best described as a very-large and low grade Mo-W-Ag hydrothermal system of structurally bound stockworks or veins and is perhaps most similar to Geodex Minerals Sisson Brook deposit in New Brunswick (Moore, 2008).

Field observations have identified at least two co-related styles of mineralization; high-grade W mineralization and bulk tonnage Mo (± W, Bi, Ag, Cu, Pb, Zn) mineralization. Significantly, the granite host rocks commonly show strong clay and epidote alteration in association with the sheeted & bi-directional quartz vein system; in addition to the narrow and local vein-greisen alteration.



Map 1. Property Location Map

Highlights:

- Extensive areas of qz-topaz greisen veins and stockworks
- Property straddles early stage potential Mo (± W-Ag-Bi-Cu) bulk tonnage deposit
- DDH adjacent to property intersected 176.2 m grading 0.031% Mo (0.052% MoS₂) from 11.8 to 188.0 m, including 58.5 m grading 0.050% Mo (0.083 % MoS₂)
- Highly prospective granite host
- Potential for Geodex Minerals Sisson Brook type deposit - NB

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