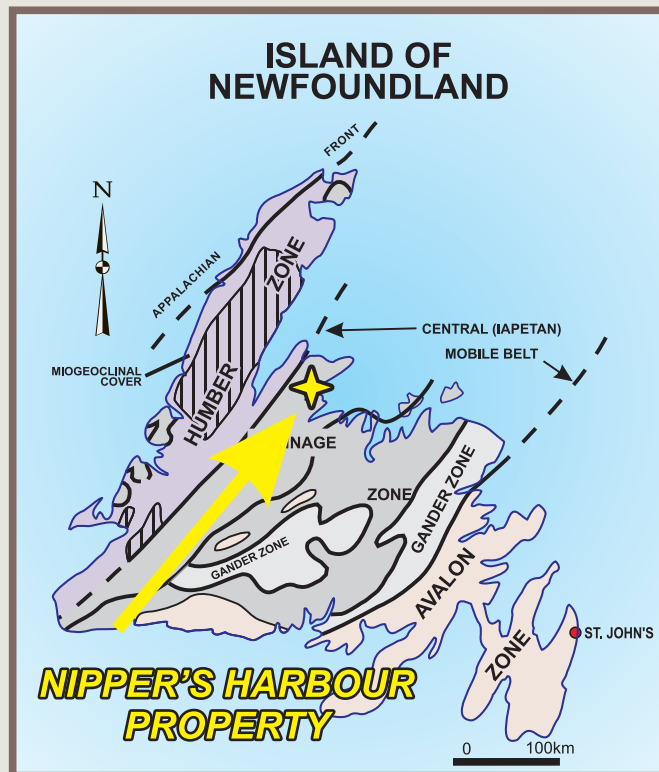


NEWFOUNDLAND & LABRADOR

Explore The Opportunities

NIPPER'S HARBOUR - GOLD



Map 1: Property Location

Ocean.

Local Geology

The western half of the property is underlain by gabbro and pyroxenite cut by diabase dykes of the Betts Cove Ophiolite. To the north, the ophiolitic rocks are intruded by quartz-feldspar porphyry of the Cape Brule Porphyry.

Mineralization and Previous Work

The principal historic showings and prospects, including the Muir's Pond and Nipper's Harbour copper prospects and the Gold Pond Showing, are indicated on Map 2 as well as some recent new gold discoveries.

At the **Muir's Pond Prospect**, rock types are gabbro with pods and layers of pyroxenite cut by mafic dykes. A grab sample of massive mineralization taken by Advocate Mines (1967) returned **1.78% Cu, .12% Zn and .88% Ni**. The mineralization consists of chalcopyrite, pyrite, pyrrhotite and arsenopyrite. Onyx Resources (1995) reported up to **15 g/t Au** which fell within the range of the **.12 to .5 oz/t Au** (from Advocate Mines, 1966) and a **25 g/t Au** reported by Varna Resources.

The **Gold Pond Prospect** consists of two surface gold showings. The main showing is located in a road cut and is characterized by a semi-continuous sulfide band up to 20 cm in width and exposed over a strike length of 30 m. In places, the sulfide band is surrounded by an altered mineralized gossan zone up to 1 m in width. The second showing is a moderate to highly altered gossan zone approximately 1 m wide, moderately to highly silicified, with 5 to 10% chalcopyrite, pyrite and arsenopyrite. The host rock is interpreted to be a very fine-grained gabbro containing stockworks of narrow quartz veinlets. Samples from the main showing assayed **53.9 g/t Au over 0.20 m and 6.3 g/t Au over 0.25 m**. Grab samples from the second altered and mineralized zone returned up to **11.30 g/t Au**.

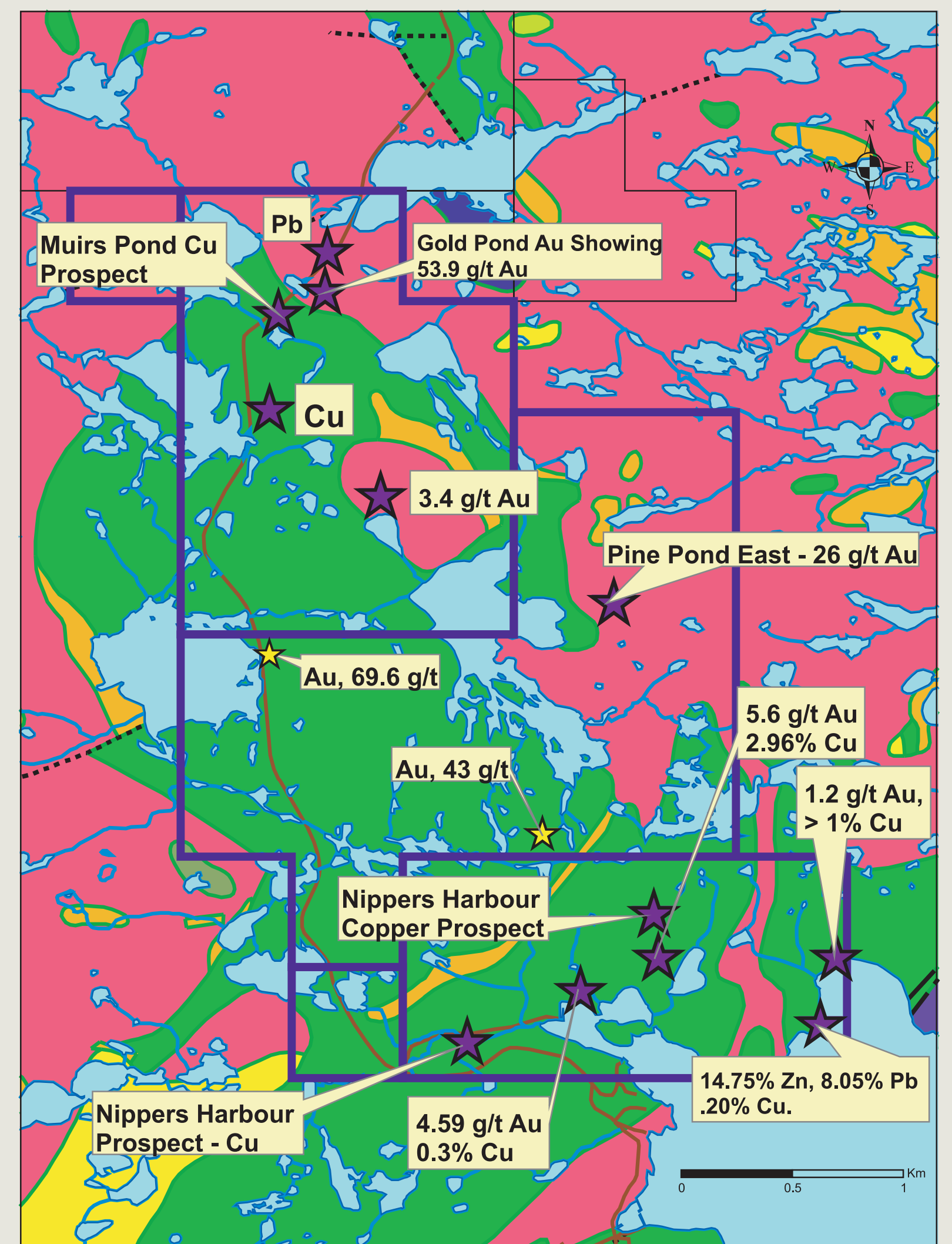
The **Pine Pond East Showing** was discovered during prospecting by Varna Gold Inc. (Christie and Dearn, 1986). A grab sample collected from a 1 m wide shear zone at the contact between diabase of the Betts Cove Complex and rocks of the Cape Brule Porphyry, assayed **7.53 g/t Au**. A repeat grab sample with minor arsenic and copper were collected from a gossan zone in pyritized gabbro and diabase and returned an assay of **26.12 g/t** (Wallace and Wesa, 1988). The 1987 sample location is described as a gossan zone associated with pyritized gabbro and diabase (Betts Cove Complex). The occurrence is located near the contact between ophiolitic rocks of the Betts Cove Complex and quartz-feldspar porphyry.

In 2004, Cornerstone Resources prospected and sampled the area and reported several anomalous samples from outcrop and float including two new significant gold finds of **69.6 and 43 g/t Au** (Map 2) in the area underlain by gabbro and pyroxenite of the Betts Cove Ophiolite. The samples that were anomalous in gold were generally either quartz veins or altered mafic volcanic rock or a mixture of both. Mineralization included pyrite, arsenopyrite and chalcopyrite.

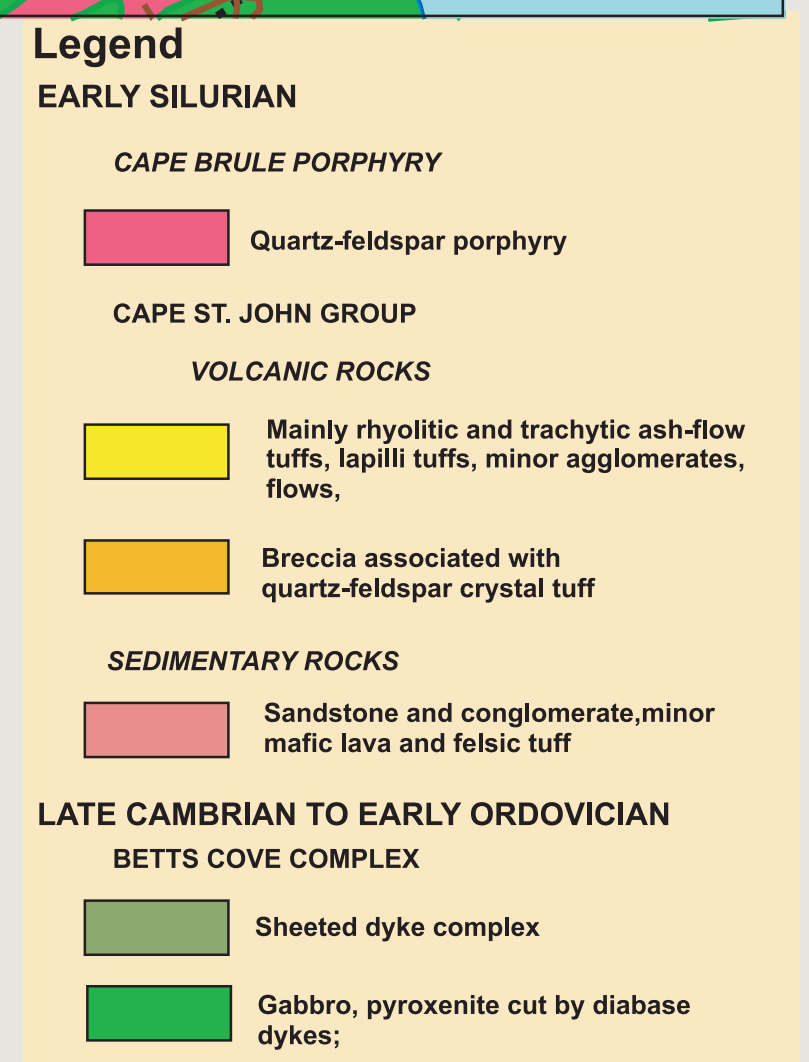
The **Nippers Harbour Cu Prospect** is underlain by gabbro of the Betts Cove Ophiolite, with pods and layers of pyroxenite, cut by dikes. The mineralized zone occurs in dark, chloritized lava (Nippers Harbour Group) which is associated with a shear zone. Mineralization has resulted in the replacement of the chloritized lavas by pyrite, chalcopyrite and some pyrrhotite. Development consists of one shaft about 6 m deep and some trenching. Only minor mineralization was encountered in drill core from the four drill holes on or near (.5 km to the west) the occurrence. The mineralization consisted of small blebs, stringers and disseminations of mainly pyrite with some chalcopyrite and pyrrhotite. Sulphide mineralization shows a definite association with breccia zones and both major pits are located in the major breccia zones. Smaller showings quite often occur in the major breccia zones. The brecciated rocks are noticeably chloritized and while quartz veins are associated, major silicification has not taken place (compare with Nippers Harbour prospect No. 1). The main sulphide mineral is pyrite with subordinate chalcopyrite and pyrrhotite. Malachite staining occurs near the S facing old pit, and, rarely, in the dykes.

Sulphides occur as disseminations, fracture fillings, and as cement in the breccia. Massive sulphides were rarely seen (Riccio, 1975, Appendix 3). According to Paul Dean's metallogenic classification the deposit is a Betts Cove Type.

The **Nipper's Harbour Prospect # 1** is a stratabound volcanogenic stockwork in ophiolite. Diabase dyke was the only rock type encountered within a 100 m radius of the occurrence. The dykes are coarse to fine grained and generally vary in colour from dark to light green respectively. The area is underlain by gabbro with pods and layers of pyroxenite cut by dykes, of the Betts Cove Ophiolite (DeGrace, et al., 1976).



Map 2: Claims Location and Geology



Source: Colman-Sadd, S. P., and Crisby-Whittle, L. V. J. (compilers) 2005: Partial bedrock geology dataset for the Island of Newfoundland. Newfoundland Department of Mines and Energy, Geological Survey, Open File NFDL/2616 version 6.0.

Mineral Occurrence Source: Mineral Occurrence Database - Geological Survey, Department of Natural Resources Website: <http://www.gov.nl.ca/mines/en/geosurvey>

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The potential for discovering both VMS type massive sulphide and orogenic gold deposits on this property is excellent.