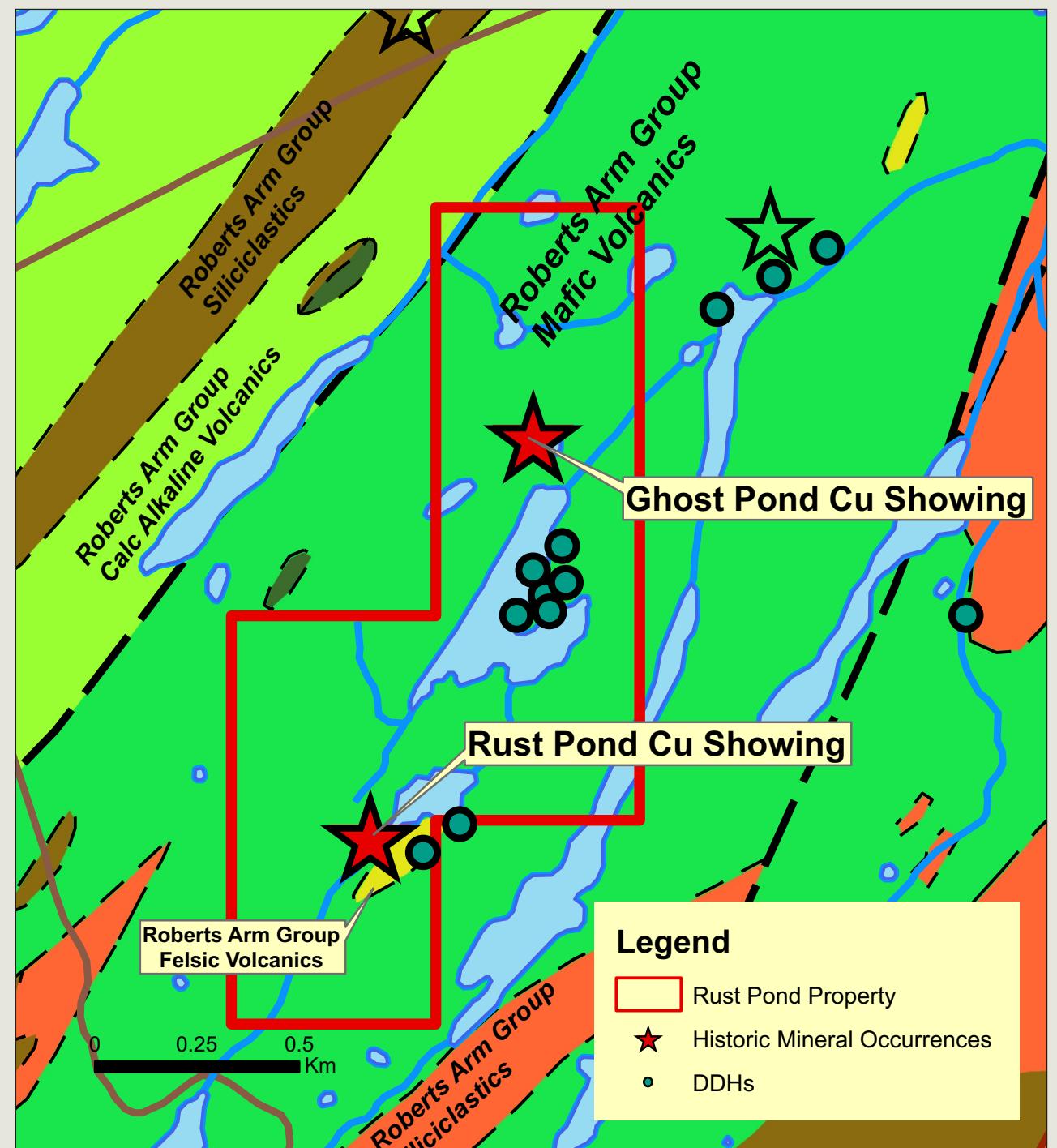


NEWFOUNDLAND & LABRADOR

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Rust Pond Gold

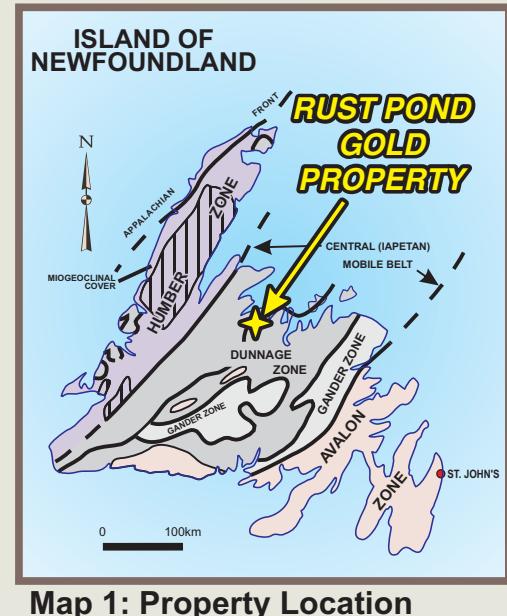


Map 2: Claims Location and Regional Geology

The **Rust Pond Gold Property** is located approximately 400 m south of Highway 380 to Roberts Arm (2 km to the north) in Northern Newfoundland (Maps 1 and 2).

Regional Geology:

The property lies within the Notre Dame Subzone (Dunnage Zone) of the Newfoundland Appalachians. Geology of the region is dominated by Cambro-Ordovician mafic marine volcanic and marine siliciclastic rocks of the Robert's Arm Group (Map 2).



Map 1: Property Location

Local Geology

The property is underlain predominantly by a sequence of variably deformed, strongly hematized and epidotized, locally variolitic pillow lava, pillow breccia and lesser intermediate pyroclastic rocks with minor deformed red chert (Roberts Arm Group) and lies within the tholeiitic basalt-dominated Crescent Lake terrane (Kerr, 1996).

Exploration History and Mineralization

There are two historic mineral occurrences on the property, the **Rust Pond and Ghost Pond Cu showings**, defining a 3.5 km long stringer-sulphide mineralization system. The Rust Pond - Ghost Pond area was included in the extensive Brinex concession granted by the Newfoundland Government in 1955. In 1959, a Brinex - New Jersey Zinc joint venture resulted in the discovery of mineralized boulders in the Ghost Pond area, which assayed up to **6.55% Zn, 1.85% Pb and 0.80% Cu**. The source of the boulders has yet to be found. In 1961, Brinex drilled five diamond-drill holes including two at Rust Pond. One of the holes drilled at Rust Pond intersected significant copper mineralization, **1.7% Cu over 11.4 ft** (Smajorie, 1961). Subsequent drilling (Brinex, 1962) intersected similar mineralization, grading up to **2.93% Cu over 4 ft** in hole 62-12. In 1975 a joint venture agreement between Brinex and Texasgulf resulted in three diamond drill holes being drilled at Ghost Pond in 1977, which intersected minor sulphide mineralization (Kelly, 1977). Drill core from Ghost Pond and Rust Pond exhibit stockwork-style stringer and disseminated pyrite and minor chalcopyrite associated with black chlorite.

Highlights:

- Two historic Cu showings
- Define a 3.5 km long stringer-sulphide mineralization system
- Boulders assayed up to 6.55% Zn, 1.85% Pb and 0.80% Cu.
- DDH Intersection of 1.7% Cu over 11.4 ft, 2.93% Cu over 4 ft
- Part of Buchans/Roberts Arm Belt, host to many VMS deposits

volcanism. They are generally polymetallic (lead-zinc-copper-gold-silver) but some are stockworks containing chalcopyrite and pyrite only. Previous exploration in the area has focussed on massive sulphide mineralization; no systematic exploration has been directed at gold. The mineralization known in the Rust Pond area suggests that the area has high potential for the discovery of economic concentrations of Buchans type polymetallic base metal mineralization (Fryer, 1981). Previous geophysical surveys have outlined several magnetic anomalies that as yet remain untested.

Mineralization Model

The project area is part of the prolific Buchan's - Roberts Arm Belt, a sequence of correlative volcanic rocks containing abundant polymetallic massive sulphide deposits such as Buchans, Pilley's Island, Crescent Lake, Gull Pond, Handcamp and Lake Bond. Volcanogenic sulphide mineralization within the Buchans - Robert's Arm Belt occurs in mature calc-alkaline shallow marine volcanic rocks, chiefly in areas of extensive felsic

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