MINERAL LANDS AND MINES DIVISION

90 01 10

CONFIDENTIALITY STATUS OF REPORTS

Location - 26/14/3/1

771:2159

NATURE OF REPORT;

☐ Regional ☑ Licence ☐ Entended Licence

☐ Mining Lease ☐ Impost ☐ Other Nfld (1917)

FIRST YEAR REPORT

CONFIDENTIAL UNTIL 93 11 28

LICENCE NO.	DATE ISSUED	NTS
3825(174clms)	89 09 29	2E/2 20/15
presently attached		

Signed: J. A. Hurley

GOLD EXPLORATION: THE SALMON POND PROPERTY

Licence 3825, Glenwood area, Newfoundland.
NTS 2E/2, 2D/15

for

VIRGINIA HOLDINGS LIMITED
Box 398, St. John's, Newfoundland, A1C 5J9

October 25, 1989

Report 019-3825-1

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GOLD EXPLORATION: THE SALMON POND PROPERTY
Licence 3825, Glenwood area, Newfoundland.
NTS 2E/2,2D/15

SUMMARY

The Salmon Pond Property consists of 174 claims registered as Licence 3825 in the name of Virginia Holdings Limited of St. John's, Newfoundland. It is situated over the contact between the Ordovician Davidsville Group and the Silurian Botwood Group and is centered approximately 4 km north of Glenwood, Newfoundland.

The gold content of 214 heavy mineral concentrates (HMC) of till, collected at an approximate density of 1 to 2 samples per claim, were determined by the fire assay-AA technique. A total of 46 HMC samples returned anomalous gold values in excess of 0.1 g/t with a maximum value of 5.9 g/t Au. Three separate clusters of anomalous samples are present in addition to isolated anomalous samples. This may suggest the presence of more than one gold source on the property. Delicate gold grains were recovered from one locality and indicate a proximal source. Reconnaissance geological mapping and photolineament interpretation were also performed.

The property is well located with respect to other gold exploration projects in central Newfoundland. The geology, presence of nearby gold anomalies in lake sediment, and abundance of gold in till indicates a potential for significant gold mineralization. Therefore, it is recommended that grids be cut over the anomalous areas and that geological mapping, magnetometer, VLF-EM and soil geochemical surveys be performed on the grids. In addition, further detailed studies of the till stratigraphy and of the distribution of gold in till should be undertaken.

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GOLD EXPLORATION: THE SALMON POND PROPERTY
Licence 3825, Glenwood area, Newfoundland.
NTS 2E/2, 2D/15

INTRODUCTION

Licence 3825 is registered in the name of Virginia Holdings Limited of St. John's, Newfoundland. A reconnaissance exploration programme to determine the gold content of heavy mineral concentrates (HMC) of till was performed by personnel of J. Tuach Geological Consultants, Inc. in September 1989. The work was authorized by A. C. Crosbie of Virginia Holdings Limited.

Three clusters of moderately anomalous gold values in till have been identified on the property. Survey details and results are presented in this report.

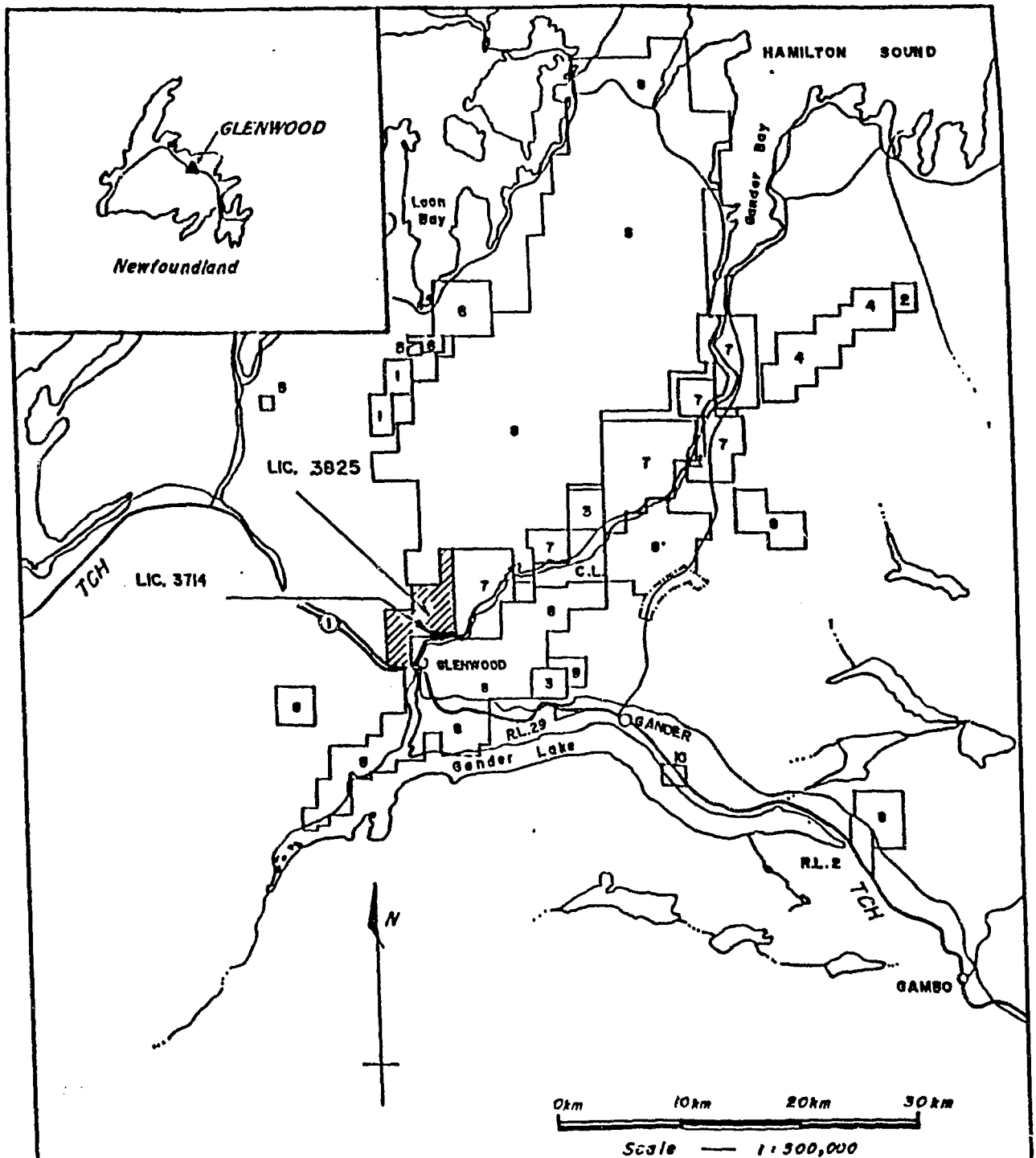
LOCATION, ACCESS, TOPOGRAPHY AND VEGETATION

Most of the property is located on NTS 2E/2 in the Glenwood area of central Newfoundland (Figure 1) with a small overlap onto 2D/15 at the southern end. The southern boundary follows the Trans Canada Highway and the western boundary runs through Salmon Pond. The Salmon Pond woods access road crosses the property in a north-south direction from the Trans Canada Highway. Glenwood is situated on the Trans Canada Highway about 20 km west of Gander which has a major international airport with routine flights to mainland Canada. The infrastructure in the Gander area is well developed.

Access can be obtained from the Salmon Pond woods road and subsidiary trails. Elevation varies from 40 to 115 meters. Gentle north-northeast ridges are present with shallow bog occuring between the ridges. The area was cut over approximately 15 years ago and is covered by a thick secondary growth of alders, spruce, fir and birch.

PROPERTY STATUS

Licence 3825 was issued on September 29th, 1989 and consists of 174 claims which were staked in 4 claim blocks by J. Tuach Geological Consultants, Inc. The claim blocks were transferred to Virginia Holdings Limited on August 16th, 1989 (Figure 2).



CORONA CORPORATION	1
EASTERN GOLDEN VENTURES LTD	2
FALCONBRIDGE LTD.	3
HOMESTAKE MINING LTD.	4
INDIVIDUAL	5
LUNDRIGAN CONSULTANT SER.	6
NFLD. RES. & MINING CO. LTD.	7
NORANDA EXPLORATION CO. LTD.	8
SHEAR EXPLORATION	9
SOUTH COAST RESOURCES	10

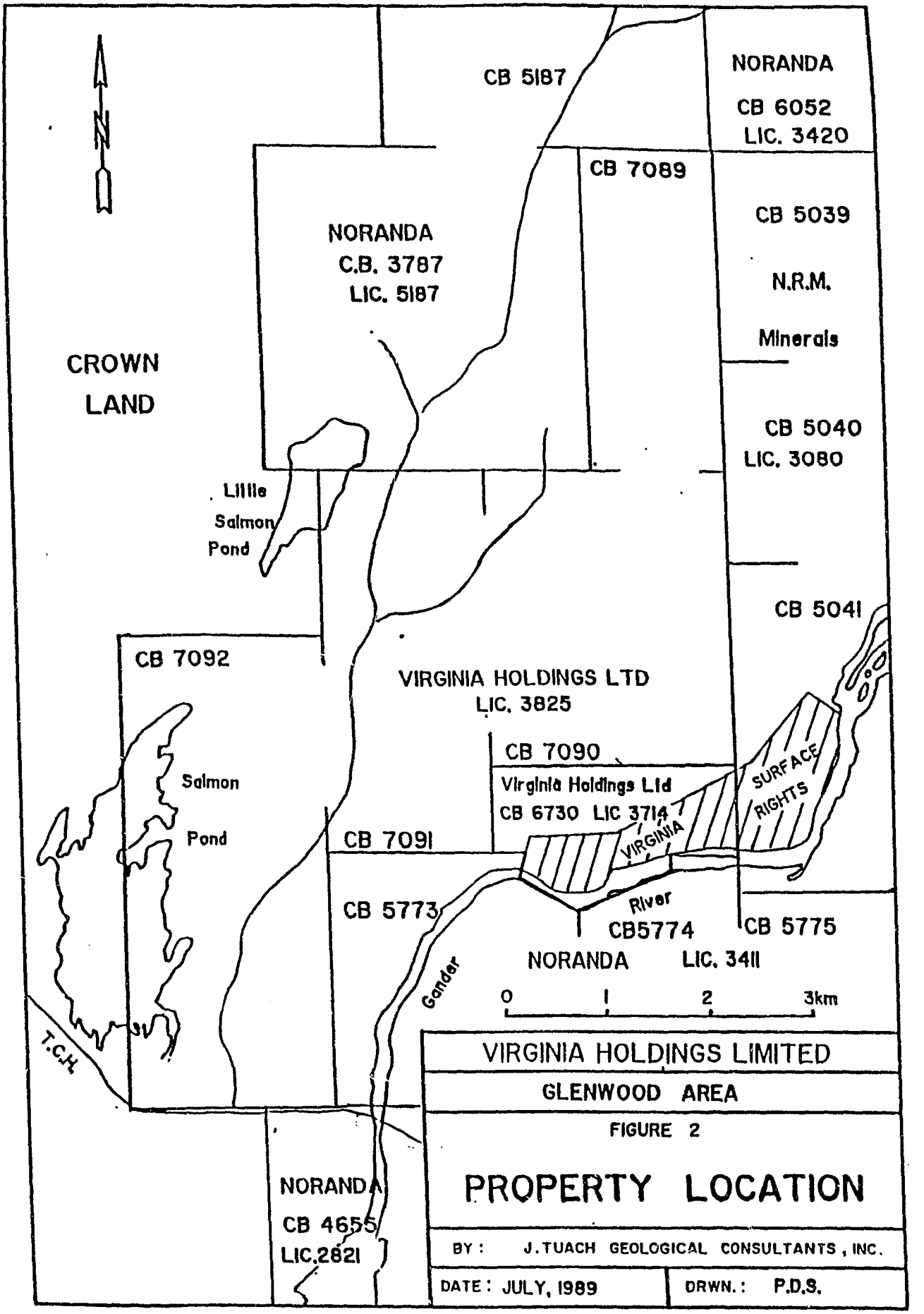
FIGURE 1

VIRGINIA HOLDINGS LIMITED

PROPERTY LOCATION
GLENWOOD AREA
Gander River — Newfoundland

BY: J. TUACH GEOLOGICAL CONSULTANTS, INC.

DATE: JULY, 1989 | DRWN.: T. K. T.



PREVIOUS WORK

Licence 2918, consisting of Claim Blocks 4551 and 4552 staked on October 20, 1986, was issued to Noranda Exploration Co. Ltd. and was cancelled on December 9, 1988. Assessment work was not reported on the Licence. A trench, approximately 20 m long and dug by backhoe, was found on the property 350 meters north of the northwest corner of Licence 3714 (Map 1). Two pits were found nearby. Local flagging and hammermarks on outcrops indicate that prospecting had been recently carried out over the property. No record of this work is available.

Regional maps of gold and associated elements in lake sediment were recently released by the Newfoundland Department of Mines and Energy (Davenport and Nolan, 1988; Davenport, Nolan and Hayes, 1988). No samples were collected on the Licence. However, duplicate samples from a small pond located approximately 350 m east of the northeast corner of Licence 3714 returned moderate to strongly anomalous gold values of 7.0 and 5.5 mg/t Au, with 1.3 and 3.5 g/t Sb respectively. Slightly elevated values of Zn and Mo are also present in one of the samples. The lake sediment sites, together with anomalous gold values and values in excess of 1 g/t Sb are shown on Figure 3. Large gold and antimony anomalies are present in the Duder Lake area and to the southwest of Glenwood in addition to those adjacent to the Licence.

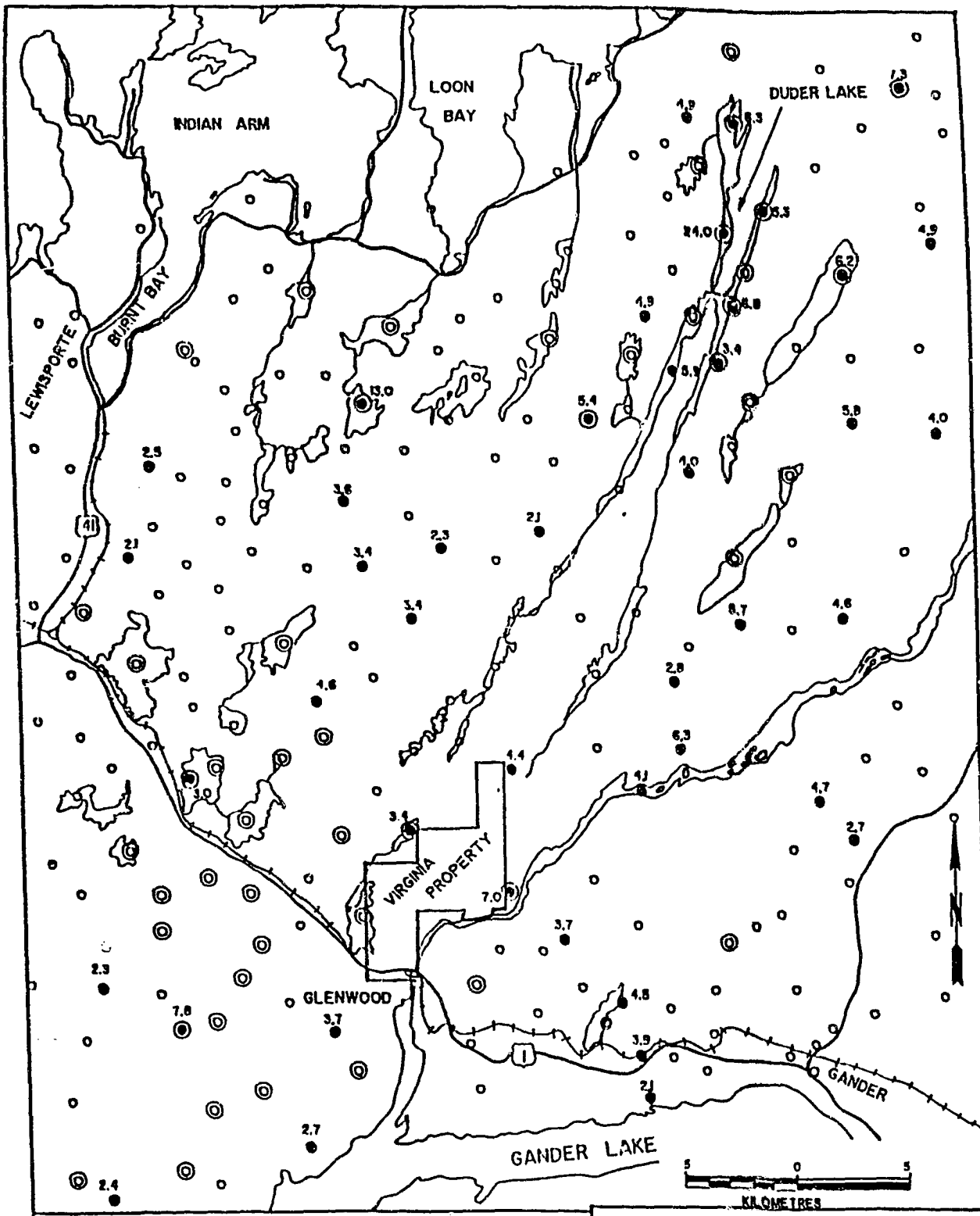
SURFICIAL GEOLOGY AND OUTCROP

Glacial till varying from 0.5 to in excess of 10 m thick covers the area and thin soil profiles are locally well developed. Till is thickest near the Gander River and till is exposed on its banks. Gently rolling drumlinoid till characterizes upland areas. Outwash channels may occur below the lowland bogs (Appendix B-1).

Glacial striae and regional glacial mapping indicate two sparate glacial events with the earliest involving ice movement to the east and the second involving ice movement to the north (Vanderveer and Taylor, 1987: Figure 4). Outcrop is common along woods access roads where construction has removed overburden. Elsewhere, outcrop averages less than 1%.

REGIONAL GEOLOGY AND MINERALIZATION

The property is located over the boundary between the Ordovician Davidsville Group and the Silurian Botwood Group (Figure 5). The Davidsville Group is characterized by thin- and thick-bedded turbidite, conglomerate, shale and slate, considered to have been deposited in deep water in turbidity and debris flows within a submarine fan (Blackwood, 1982). The fan was formed on a basement of ophiolitic rocks represented by the Gander River Ultrabasic Belt (GRUB) which is exposed 10 km east of the property.



LEGEND

- SAMPLE SITE, < 1 ppb Au
- SAMPLE SITE, ≥ 1 ppb Au
- SAMPLE SITE, ≥ 1ppm Sb, WITH ≥ 1 ppb Au

VIRGINIA HOLDINGS LTD.

FIGURE 3

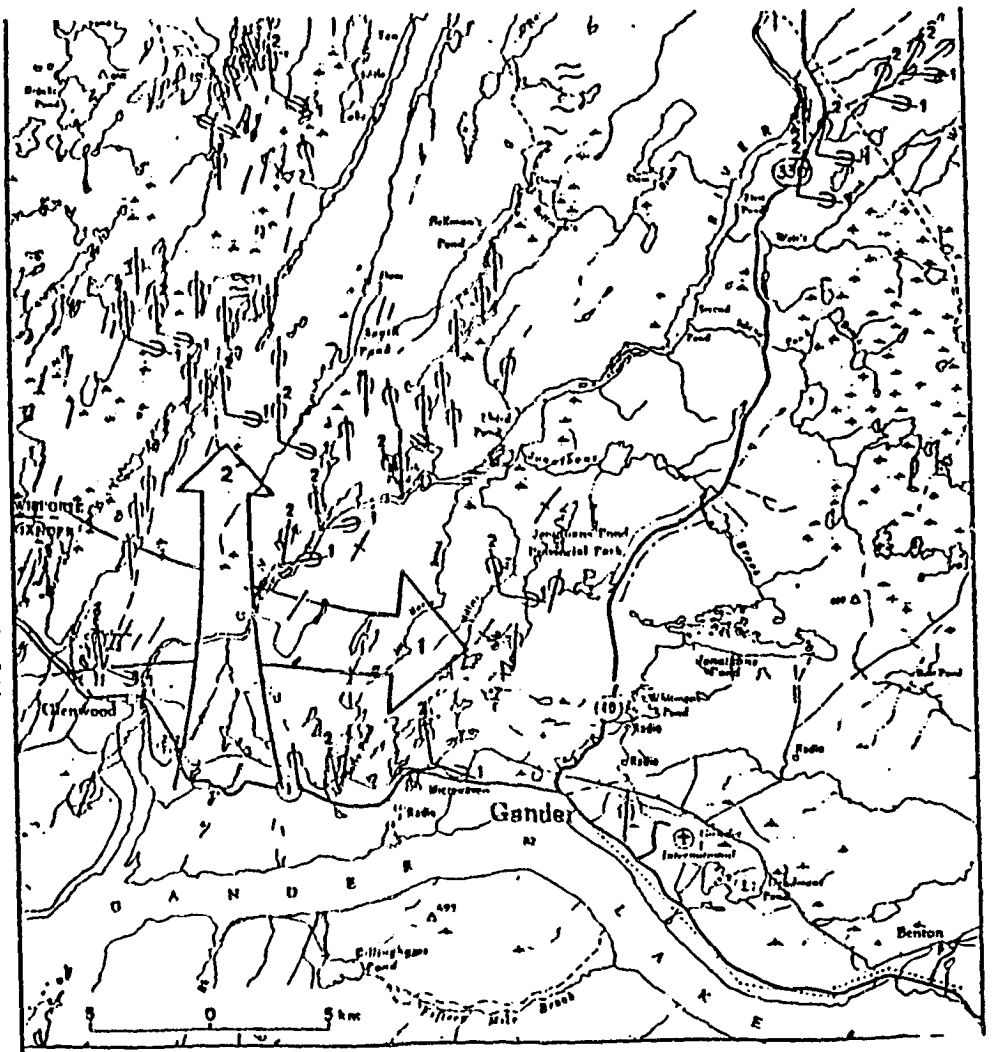
GOLD IN LAKE SEDIMENT

GANDER RIVER AREA

NEWFOUNDLAND

BY: J. TUACH GEOLOGICAL CONSULTANTS, INC.

DATE: OCT. 1989 | BY: JEANA T.



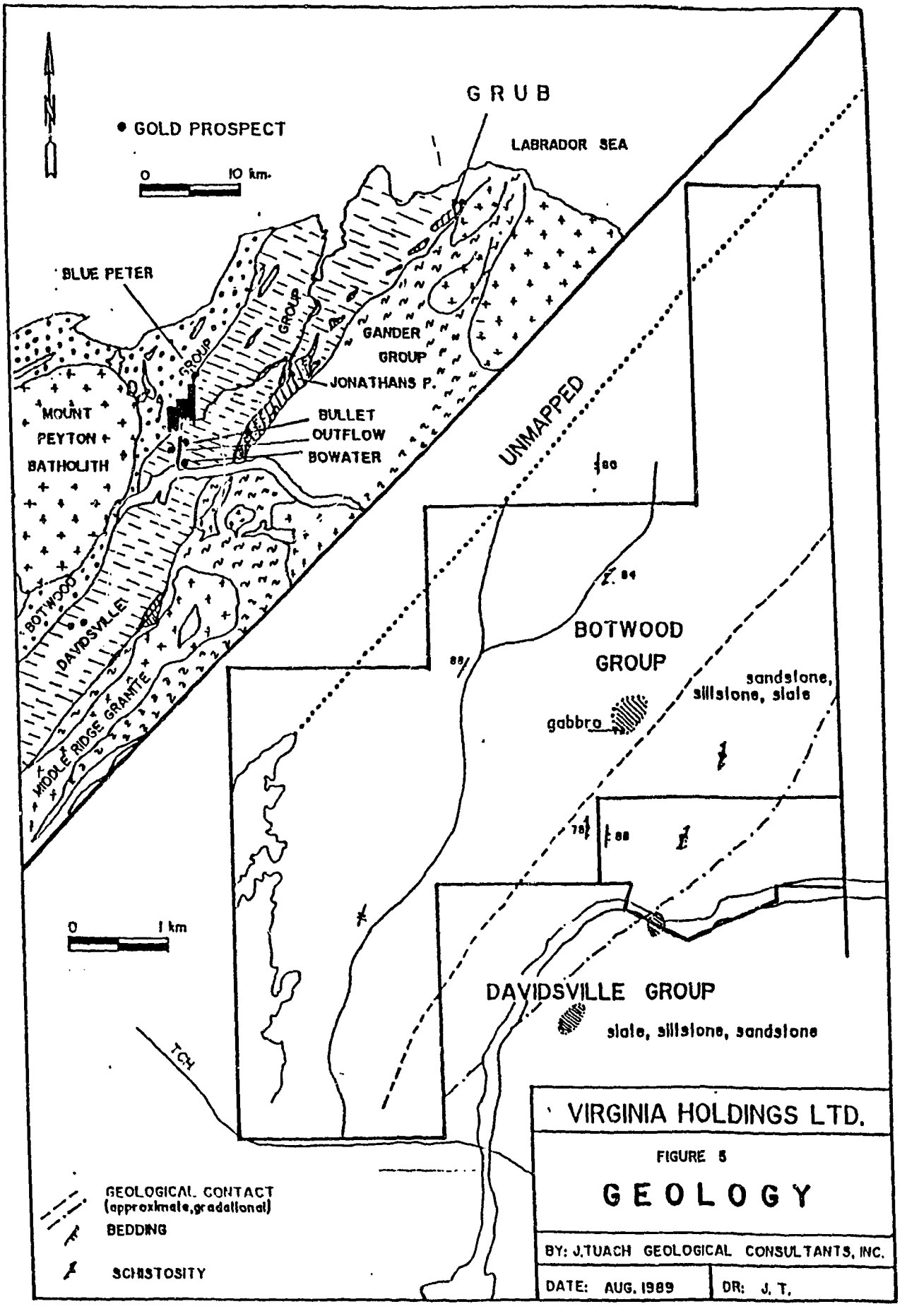
Glacial striae (direction known, unknown).
Number indicates relative age, 1 being the oldest ----------

Drumlinoid features (drumlins, flutes) ----------

Rib moraines ----------

FROM VANDERVEER AND TAYLOR, 1981

VIRGINIA HOLDINGS LTD.	
FIGURE 4 GLACIAL FLOW INDICATORS	
BY: J.TUACH GEOLOGICAL CONSULTANTS, INC.	
DATE: AUG. 1989	DR: J. T.



The Silurian Botwood Group, consisting predominantly of subaerial red beds, is exposed on the west half of the property and is thought to have been deposited in successor basins during the Acadian Orogeny. The regional north-northeast structural and stratigraphic trend developed during the Silurian Acadian Orogeny. Numerous small and large plutons intruded both the Davidsville and Botwood groups during orogenesis.

A major exploration effort is currently being performed over similar rocks along strike by Noranda Exploration Co. Ltd. and joint venture partners (Figure 1). This exploration was prompted by the discovery of large gold anomalies in till and by the presence of anomalous gold values in lake sediment samples over parts of the Davidsville Group.

Several discoveries have been reported within the Davidsville Group and in the underlying Gander River Ultrabasic Belt (GRUB). Many of the occurrences are associated with quartz veins, carbonatized gabbro and recently identified structures in the area. It is possible that Acadian deformation and plutonism involving the ophiolitic rocks of the GRUB resulted in emplacement of gold in the GRUB and overlying sequences.

In the Gander River area to the south of Glenwood, Springer Resources Ltd. of Vancouver reported channel samples assaying up to 43.2 g/t Au over 0.8 m and drill intersections up to 4.05 g/t Au over 1.1 m at the Bullet prospect. The mineralization occurs in quartz-carbonate veins with 3 - 5% disseminated pyrite and is associated with gold and arsenic anomalies in soil. Noranda have reported assays from channel samples assaying up to 12.23 g/t Au over 2.0 m from the Mustang or Outflow prospect located in the same general area.

Noranda, together with joint venture partner Noront, have recently reported significant gold assays from the Blue Peter showing and the Stinger, Goldstash, Corvette and Hurricane showings in the Duder Lake area to the north (Figure 5). Grab samples from the Blue Peter Showing returned assays up to 4.41 g/t Au. In the Duder Lake area, two gold mineralized shear zones up to 3 km long are present with grab samples assaying up to 30.8 g/t Au and channel samples up to 13.37 g/t Au over 2.6 m. Details of the geology of these occurrences are not available.

Antimony prospects with grades up to 31.3% Sb over 2.1 m have also been reported by Noranda and Noront in the Duder Lake area.

PROPERTY GEOLOGY AND MINERALIZATION

The property is predominantly underlain by sandstone and siltstone of the Silurian Botwood Group with lessor sandstone, siltstone and slate of the Ordovician Davidsville Group on the east side. Minor gabbro bodies intrude the Davidsville Group (Map 1).

Rocks of the Davidsville Group are very poorly exposed on the property, and the subdivision showing predominantly slate on the east and predominantly sandstone on the west is based on regional mapping by Blackwood (1982). The Botwood Group is here subdivided into predominantly grey to black muscovite-bearing siltstone, sandstone and greywacke in the eastern and predominantly red sandstone and siltstone in the western exposures. One large exposure of the Botwood Group in the southern claim block contains west-facing limestone and limey sandstone beds with Silurian coral, brachiopods and crinoid stems.

The stratigraphic and structural sequence trends north-northeast. Bedding and laminations indicate a subvertical west-facing sequence through much of the area with the rocks in the southwest corner dipping moderately to the southeast. Geological contacts between the units were not observed and are probably gradational.

Schistosity and fracture cleavage is locally well developed subparallel to bedding and both are gently folded on outcrop scale. Kink bands and minor folds of bedding and schistosity are locally common.

Photolinears with general trends of 015, 055, 140, and 160 degrees occur throughout the area (Map 2). Several of the more prominent linears are interpreted as faults, and are commonly subparallel to the structural and stratigraphic trends. Unusual attitudes of bedding in the southern claim block may reflect the presence of one of the interpreted faults.

No significant mineralization has been reported from the property. Quartz veins and veinlets are common and sedimentary host rocks to veins are locally carbonatized. Near two Mile Branch (Map 1), a subvertical 3 m-wide quartz vein exhibits hydrothermal brecciation and encrustation textures. Quartz vein float is common throughout the property and shows similar textures.

WORK PERFORMED - 1989

A total of 214 heavy mineral concentrate (HMC) samples of till at an approximate density of 1 to 2 samples per claim were collected over the property in September 1989 (Map 3). Between 15 and 25 kg of till were obtained from hand dug pits and were panned to approximately 20 g of concentrate in the field. The concentrate was analyzed by the fire assay-AA technique by Eastern Analytical Ltd. of Springdale (Appendix B).

Nine anomalous sample sites were revisited in late September and approximately 40 kg of till were panned at each site to obtain heavy mineral concentrates. An attempt will be made to recover gold grains from the concentrates and to study gold grain morphology using the scanning electron microscope (SEM) at Memorial University. Gold grains were recovered by Michael Milner from till at the trench located to the north of Licence 3714 (Appendix B-1). These grains were examined on the SEM and were found to be extremely delicate (Appendix D).

A limited amount of prospecting was performed during the staking, and some geological mapping and photo interpretation undertaken during September. Twenty rock samples were collected throughout the property. Sample locations are shown on Map 1 and rock assays from the area are presented in Appendix C.

RESULTS

Forty six of the HMC samples returned anomalous gold values in excess of 0.1 g/t with a maximum value of 5.9 g/t ppb Au (Map 3, 4; Appendix C). Three separate clusters of anomalous samples (Anomalies B, C, and D on Map 4) are present in addition to isolated anomalous samples. This may suggest the presence of more than one gold source on the property. Delicate gold grains were recovered from the trench encompassed by Anomaly D and indicate a proximal source.

The gabbro exposed in the trench within Anomaly D is pervasively carbonatized and contains up to 3% disseminated pyrite. Quartz and carbonate vein material is also present in boulders excavated from the trench. Samples of different lithologies returned low anomalous gold values with a maximum of 37 mg/t Au (Appendix C). Rock samples collected throughout the property did not contain anomalous gold values.

DISCUSSION

The property is well located with respect to the gold projects being conducted by Noranda Exploration in east-central Newfoundland. The encouraging results reported by Noranda, Springer and Noront suggest that significant gold deposits may be present in this geological environment. Three areas of anomalous gold in till, and isolated anomalous values, have been defined on the property, and together with anomalous gold in nearby lake sediments indicates that detailed evaluation is warranted.

RECOMMENDED WORK

1) Grids with crosslines at 100 m spacing and pickets at 25 m spacing should be cut over the anomalies on the property (Map 5). This will allow areal control over future work.

2) Study of the till stratigraphy and the distribution of gold and gold grain morpholoy in till should be undertaken. This may identify delicate gold grains and the direction to their source.

3) Geological and geomorphological mapping and prospecting should be performed over the Licence in a search for mineralization and to assist interpretation of results from other surveys.

4) A VLF-EM and magnetometer survey should be performed over the grids in an attempt to identify structure and to assist geological interpretation.

5) Soil samples should be collected on the grids at a 100 by 25 m spacing and assayed for gold and gold-indicator elements.

6) Trenching of significant anomalies, followed by drilling if warranted, may be required.

Respectfully Submitted

John Tuach

J. TUACH GEOLOGICAL CONSULTANTS, INC
October 25, 1989

REFERENCES

Blackwood, R. F., 1982:

Geology of the Gander Lake (2D/15) and Gander River (2E/2) area. Newfoundland Department of Mines and Energy, Report 82-4, 56 pages.

Davenport, P. H., and Nolan, L. W., 1988

Gold and associated elements in lake sediment from regional surveys in the Botwood map area (NTS 2E), Newfoundland Department of Mines and Energy, Open File 2E/563, 28 pages.

Davenport, P. H., and Nolan, L. W., and Hayes, J. P., 1988:

Gold and associated elements in lake sediment from regional surveys in the Gander Lake Map area (NTS 2D), Newfoundland Department of Mines and Energy, Open File 2D/175, 25 pages.

Tuach, J., 1989:

List of gold occurrences and deposits in Newfoundland. Newfoundland Department of Mines and Energy, Open File 1736, 57 pages.

Vanderveer, D. G., and Taylor, D. M., 1987:

Quaternary mapping on the Gander River area, Newfoundland. Newfoundland Department of Mines and Energy, Report 87-1, pages 39 to 44.

APPENDIX A

PROPERTY DESCRIPTION

Licence: 3825

Total Claims 174

Issued: 89-09-29

First year assessment required: $34,800

Licence consists of 4 claim blocks as follows:

Claim Block:	7089	7090	7091	7092
No. Claims:	32	42	40	60

APPENDIX B

MEMOS

B1 - Geomorpholoy (Mike Milner)

B2 - Geology (Phil Saunders)

FIELD MEMO

From: M. W. Milner August 15, 1989
To: John Tuach
Re: Gander River Property

Traversed roads by car; winter roads by foot. Traversed from Two Mile Branch Road to south of central bog through area mapped as gabbro to trenches on gabbro further southwest and to lowland, walking back to Glenwood along the river. Walked winter road from gabbro trench to main road 1.6 km south of branch road.

Gently rolling drumlinoid till dominates the upland topography. Convex bogs are characteristic of the upland while flat level bog is common on the lowland and glacial till is common. Outwash channels may occur below the lowland bogs. Till is exposed in places on the bank of the river.

Sedimentary rock occurs in broad whales backs in the upland while gabbro appears to produce more abrupt knobs. Outcrop is developed by stream erosion on the slope between the upland and lowland.

One sample panned on the winter road northeast of the trenches on altered gabbro contains gold with some primary character, and quartz is common on the coarse and fine screens.

Bush is bad and a grid would be necessary for proper evaluation. A dozer may be useful and cost effective for baseline and tielines. Recommend detail topographic-geomorphic mapping as part of grid survey integrated with airphoto interpretation for interpretation of till thickness for analysis of geochem and heavy mineral survey as well as geophysical surveys. This data can be gathered by all grid walkers. Locate crests inflection points and drainage lines; slope direction or contrary trends should be indicated regularly. This data will prove valuable in exploring for outcrop, for prospecting and for follow-up surveys on specific anomalies - geophysical, geochemical or geomorphic.

Till appears to be thick, except along the road in the north, with several different morphological forms - plateau, drumlinoid ridges long smooth slopes - but outcrop occurs on a random basis appearing in drumlinoid ridges clearly comprised of a thickness of till.

Bogs should be surveyed with an iron rod prior to geochemical auger sampling.

An orientation study should be done on the till early in the survey - perhaps with the aid of the bulldozer in baseline work. The two ice directions of government mapping have implications for interpretation of gold grain anomalies. Sites should include different land forms, different sides of bedrock high and different aspects of destination source rocks such as the gabbro with probable economic implication. The "upper" northward till and the "lower" eastward till should be sampled for heavy minerals gold grains and geochemistry. They should be recognizable as strata with associated unique dispersion direction.

Some consideration should be given to a late, valley till with floor direction parallel to the valley contour. Coluvial reworking of this till from the wall of the valley may be important together with a coluvial mixing of upland till and valley till.

Geophysical targets should be screened by deep till sampling, such as, auger or trench sampling.

Magnetic surveys should be directed towards the gabbro and its structural control and possibly for marker beds in the sediments. VLF should reflect both structural features, such as, strike and cross faults, as well as, some sedimentary markers. Anticlines should be explored as sources of gold.

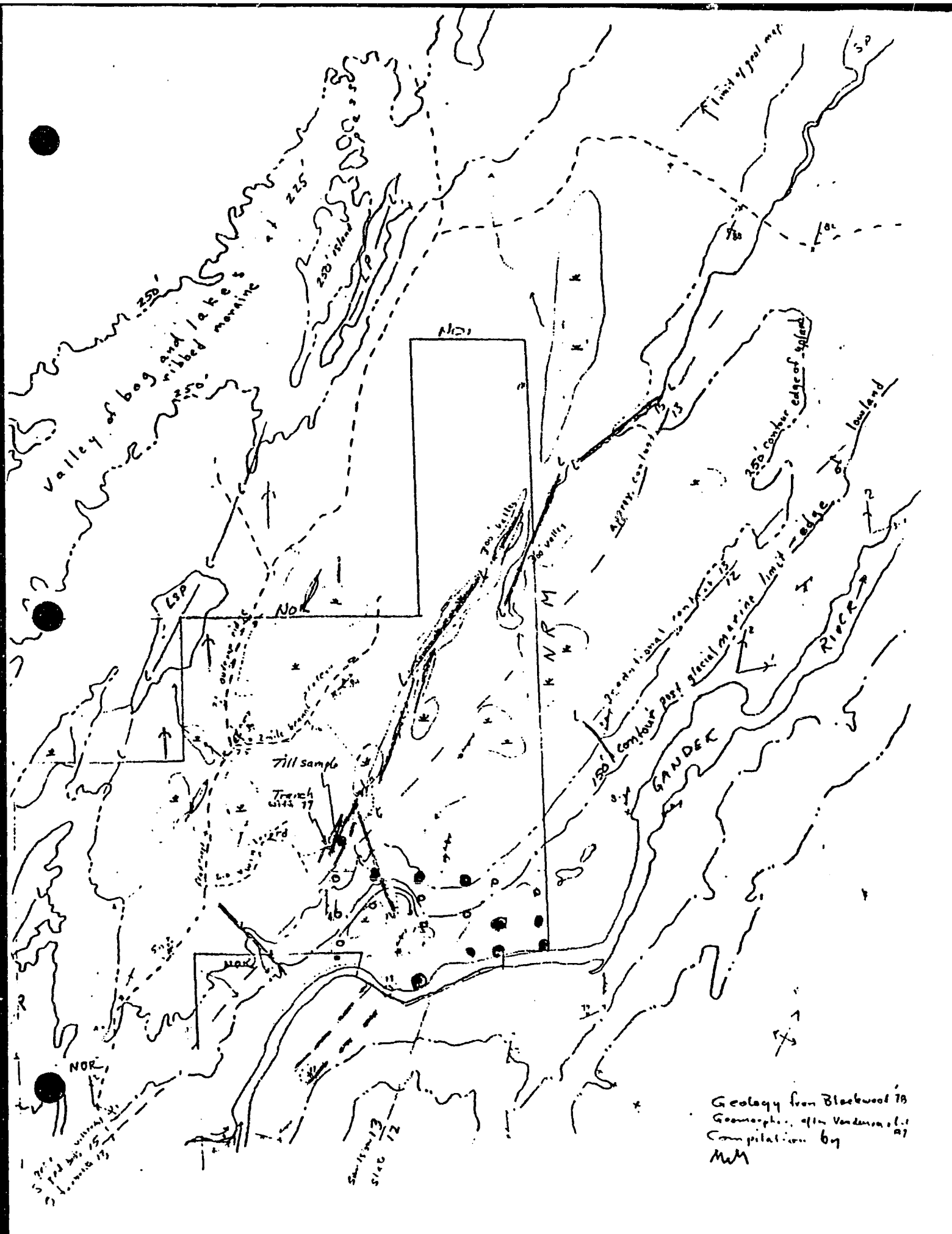
More to follow - map.

August 20, 1989

Very fine grained, very angular gold grains were found in microconcentrate upon examination with binocular 50 power magnification. Caution should be taken when searching that only one of two grain populations be detected.

The gabbro linears are important features to explore with primary genetic models, as well as, secondary structural principles in other gold camps. (heat source models, in general ore deposits theory and inert or structurally compilent or brittle masses, e.g., in Elmtree, New Brusnwick)

Other geological concepts are shale sandstone units boundaries 12/13 contact with both syngentic and structural models for metal concentrations and turbidite carbonate rich sandstone with red beds, 13/15 contact where chemical structural and depostional anomolies may act as control on mineralization. Structural control by linear fracture zones occupied by intrusive and saddle reefs in fold axis.



J. TUACH GEOLOGICAL CONSULTANTS, INC.

Box 8364 27 Austin Street St. John's Newfoundland Canada A1B 3N4 Tel: (709) 738-1073 FAX: (709) 738-2130

To: John Tuach
From: Phillip Saunders
Re: Reconnaissance of Gander River area.
Date: July 31/89

During our recent staking in the Gander River area, I made a brief reconnaissance of part of the property. The results are as follows:

1/ A total of 8 outcrops were located and examined as shown on the attached map. Most of these occur on the logging road which trends northeast across the new claims Although the claims were not prospected I believe that outcrop in the area is relatively scarce. Most of the outcrops seen consist of fine grained sediments (pelite/psammite) which are cut by a few, narrow quartz and carbonate veinlets, mainly along fractures. A single, large (2x10m) quartz vein was found on CB 7081. The only sulfide mineralization seen was a trace of chalcopyrite in narrow quartz veins at location 89-8. A single large outcrop of gabbro with minor quartz veining was found near the western boundary of CB 6730. The stretch of Gander River which forms the south boundary of CB 6730 was walked, but no outcrop was found.

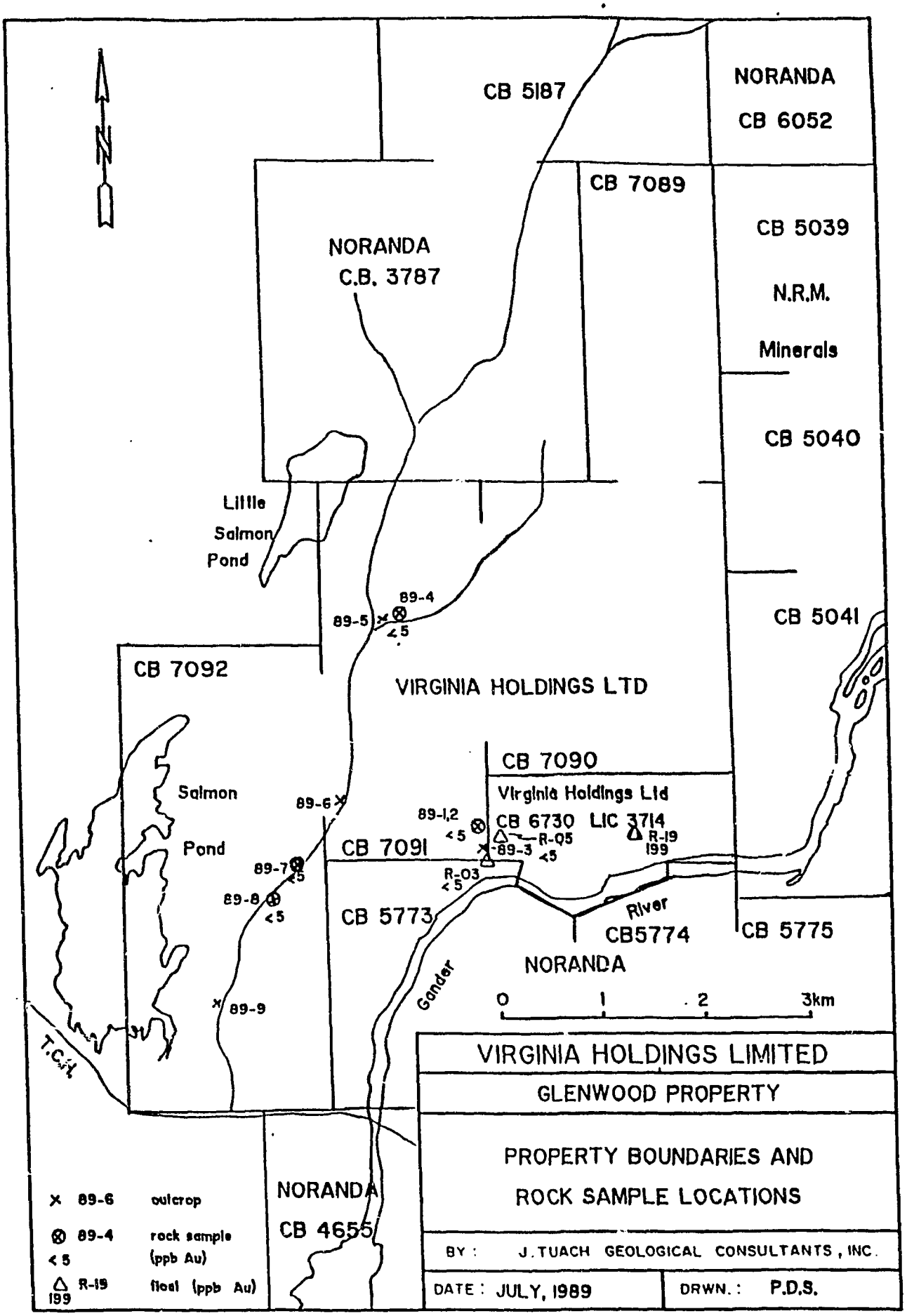
A total of 5 rock samples were collected (see map). They were assayed for gold at Eastern Analytical Labs in Springdale and all returned values of <5 ppb Au.

2/ The three till sample sites with the highest assay results from the original survey (GR-19T-11, 21 and 25) were relocated and examined. The sampled material consists of yellow-brown soil with interbedded, grey, clay and silt-rich layers. These layers contain well rounded cobbles of gabbro/diorite, siltstone, granite or quartz up to 15 cm across. From these observations it is considered likely that the low lying ground in the south part of the property may consist largely of river sediments which may have been transported for considerable distances. The higher ground to the north, however, may be covered by glacial till derived from a more proximal source. Therefore, anomalous gold in the till may also be locally derived.

Due to the scarcity of outcrop, it is recommended that a combination of till and soil sampling would be the best way to further evaluate the property. A cut and chained grid would be required to control the sample locations.

Phil Saunders

SCANNED IMAGE



APPENDIX C

ASSAYS

SCANNED IMAGE

J. TUACH GEOLOGICAL CONSULTANTS, INC.

LAB EASTERN ANALYTICAL. PROJECT NO. 019. - VIRGINIA N.T.S. 2E 2

CERT No. PROPERTY GANDER RIVER/SALMON POND DATE OCT/89.

Lic. 3714, 3325

SAMPLE REPORT

SAMPLE No.	FIELD No.	DESCRIPTION	TYPE	WIDTH	ppb ASSAYS Au	Ag	Cu	Pb	Zn	UTM CO-ORDINATES		SAMP
6R-019-JT	- 1	QUARTZ VEINLETS, TRACE PY, ± CARBONATE	CHIPS	2m x 18m	<5							JT.
	2	SUBANG. BOULDER. HYDROTHERMAL BRECC	SUBANG. FLOAT	—	<5							
	3	HORNSFELSED SILTSTONE / QTZ VUGS + VEINS + CARB	ANGULAR FLOAT	-	<5							
	4	HORNSFELSED SILTSTONE / 1CM CLOTS PY IN FRAGS	ANGULAR FLOAT	-	<5							
	5	CARBONATIZED GABBRO W. QTZ-CARB VEINS FINE DISS. PYRITE	ANGULAR FLOAT.	-	23							
	6	LAMINATED / CARBONATIZED SEDIMENT? 1-2% FINE DISS PY. ± ASPY	ANGULAR FLOAT.	-	<5							
	7	CARBONATE VEIN. TO 20% DISS PY. HYDROBRECCIA + BANDED TEXT.	ANGULAR FLOAT	-	37							
	8	CARBONATIZED GABBRO ± PY.	CHIP	4 m.	9							
	9	CARBONATIZED. SHEARED GREYWACKE / GABBRO?	CHIP	1 m.	<5							
	10	SILTSTONE W. QTZ-CARB VEINS. + COARSE PY	SUB ANG FLOAT		<5							
	11	3m WIDE, 30m STRIKE DIP - SV. STRIKE - 170° QUARTZ VEIN, LOCALLY BRECCIATED	CHIP	3 m	<5							
	12	QUARTZ VEIN + CARBONATIZED SLATE.	CHIPS	2m².	<5							
	13	SELECTED QUARTZ VEINS ± CARB ALT. COPWOOD SS	CHIP	10m².	<5							
	P1	GABBRO MINOR QUARTZ VEIN	GRAB		<5							
	P2	QUARTZ VEIN IN GABBRO	GRAB		<5							
	P4	QUARTZ VEIN ~2M WIDE		2m	<5							
	P7	QUARTZ VEIN IN DELITE (10.m)	GRAB		<5							
	P8	QUARTZ VEIN BOULDER/TR CHALCOPY	FLOAT		<5							
	S3	QUARTZ VEIN	FLOAT		<5							
	S5	QUARTZ VEIN	FLOAT		<5							
	S19	QUARTZ VEIN NUGGETS	FLOAT		199							

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BOX 8364,27AUSTIN ST
ST. JOHN'S, NFLD.
A1B-3N4

Page 1
Disk File: A:E1434020.DAT
Report : 4020
Date :09/13/89
Project: 3825

Method:FIRE ASSAY
Sample:ROCKS

Sig. :

SAMPLE #	ppb Au	SAMPLE #	ppb Au
019-JT-01	<5		
019-JT-02	<5		
019-JT-03	<5		
019-JT-04	<5		
019-JT-05	23		
019-JT-06	<5		
019-JT-07	37		
019-JT-08	9		
019-JT-09	<5		
019-JT-10	<5		
019-JT-11	<5		

EASTERN ANALYTICAL LIMITED
Little Bay Road
Springdale NF
A0J-1T0
Fone :709-673-3909
Fax :709-673-3408

J. TUACH CONSULTANTS
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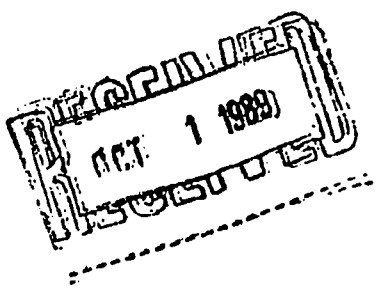
A1B-3N4

Page 1
Disk File: A:E1324117.DAT
Report : 4117
Date :09/25/89
Project: 3825

Method:Fire Assay
Sample:Rock

Sig. : _____

SAMPLE #	ppb Au	SAMPLE #	ppb Au
JT-019-012	<5		
JT-019-013	<5		



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ST. JOHN'S, NFLD.
A1B-3N4

Page 1
Disk File: A:E1430724.DAT
Report : 3629
Date :07/24/89
Project: 019

Method:FIRE ASSAY
Sample:ROCKS

Sig. :

SAMPLE #	ppb Au	SAMPLE #	ppb Au
GR-19R-03	<5		
GR-19R-05	<5		
GR-19R-19	199		

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ST. JOHN'S, NF
A1B-3N4

Method:Fire Assay
Sample:Rock

Sig. :

Page 1
Disk File: A:E1324041.DAT
Report : 4041
Date :09/17/89
Project: 3825

SAMPLE #	ppb Au	SAMPLE #	ppb Au
GRO19-89-111	<5		
GRO19-89-138	<5		
GRO19-89-69	<5		
GRO19-89-79	<5		

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Fax :709-673-3408

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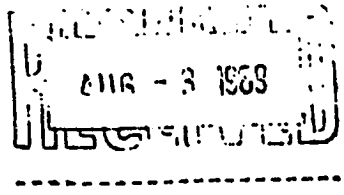
ST. JOHN'S, NFLD.
A1B-3N4

Page 1
Disk File: A:E1430731.DAT
Report : 3714
Date :07/31/89
Project: P.O.#1116

Method:FIRE ASSAY
Sample:ROCKS

Sig. :_____

SAMPLE #	ppb Au	SAMPLE #	ppb Au
GRPS-89-01	<5		
GRPS-89-02	<5		
GRPS-89-04	<5		
GRPS-89-07	<5		
GRPS-89-08	<5		



Old Showing

EASTERN ANALYTICAL LIMITED
Little Bay Road
Springdale NF
A0J-1T0
Fone :709-673-3909
Fax :709-673-3408

J. TUACH CONSULTANTS
BOX 8364-27 AUSTINST
ST. JOHN'S, NF
A1B-3N4

Method:FIRE ASSAY
Sample:TILLS

Sig. :

Page 1
Disk File: A:E1324043.DAT
Report : 4043
Date :09/18/89
Project: 3825

SAMPLE #	ppb Au	SAMPLE #	ppb Au
GR019-89-027	17	GR019-89-067	15
GR019-89-028	<5	GR019-89-068	19
GR019-89-029	520	GR019-89-070	<5
GR019-89-030	142	GR019-89-071	34
GR019-89-031	13	GR019-89-072	<5
GR019-89-032	175	GR019-89-073	53
GR019-89-033	1030	GR019-89-074	273
GR019-89-034	<5	GR019-89-075	<5
GR019-89-035	33	GR019-89-076	<5
GR019-89-036	72	GR019-89-077	<5
GR019-89-037	115	GR019-89-078	<5
GR019-89-038	<5	GR019-89-080	<5
GR019-89-039	<5	GR019-89-081	<5
GR019-89-040	122	GR019-89-082	367
GR019-89-041	<5	GR019-89-083	<5
GR019-89-042	<5	GR019-89-084	30
GR019-89-043	<5	GR019-89-085	<5
GR019-89-044	<5	GR019-89-101	<5
GR019-89-045	448	GR019-89-102	71
GR019-89-046	67	GR019-89-103	171
GR019-89-047	540	GR019-89-104	215
GR019-89-048	<5	GR019-89-105	23
GR019-89-049	<5	GR019-89-106	29
GR019-89-050	14	GR019-89-107	<5
GR019-89-051	<5	GR019-89-108	620
GR019-89-052	<5	GR019-89-109	<5
GR019-89-053	20	GR019-89-110	<5
GR019-89-054	<5	GR019-89-112	124
GR019-89-055	30	GR019-89-113	204
GR019-89-056	31	GR019-89-114	31
GR019-89-057	<5	GR019-89-115	1210
GR019-89-058	23	GR019-89-116	9
GR019-89-059	960	GR019-89-117	<5
GR019-89-060	18	GR019-89-118	125
GR019-89-061	<5	GR019-89-119	18
GR019-89-062	<5	GR019-89-120	151
GR019-89-063	<5	GR019-89-121	5900
GR019-89-064	124	GR019-89-122	202
GR019-89-065	<5	GR019-89-123	<5
GR019-89-066	<5	GR019-89-124	47

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J. TUACH CONSULTANTS
BOX 8364-27 AUSTINST
ST. JOHN'S, NF
A1B-3N4

Method:FIRE ASSAY
Sample:TILLS
Sig. :

Disk File: A:E1324043.DAT
Report : 4043
Date :09/18/89
Project: 3825

SAMPLE #	ppb Au	SAMPLE #	ppb Au
GR019-89-125	<5		
GR019-89-126	61		
GR019-89-127	<5		
GR019-89-128	63		
GR019-89-129	<5		
GR019-89-130	<5		
GR019-89-131	14		
GR019-89-132	91		
GR019-89-133	27		
GR019-89-134	<5		
GR019-89-135	570		
GR019-89-136	10		
GR019-89-137	155		
GR019-89-139	111		
GR019-89-140	130		
GR019-89-141	51		
GR019-89-142	24		
GR019-89-143	<5		
GR019-89-144	<5		
GR019-89-145	<5		
GR019-89-146	<5		
GR019-89-147	<5		
GR019-89-148	<5		
GR019-89-149	70		
GR019-89-150	<5		
GR019-89-151	92		
GR019-89-152	<5		
GR019-89-153	<5		
GR019-89-154	22		
GR019-89-155	40		
GR019-89-156	78		
GR019-89-157	107		
GR019-89-158	15		
GR019-89-159	<5		
GR019-89-160	48		
GR019-89-161	<5		
GR019-89-162	166		
GR019-89-320	252		

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Fax :709-673-3408

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ST. JOHN'S, NF
A1B-3N4

Method:Fire Assay
Sample:Tills

Sig. :

Page 1
Disk File: A:E1324115.DAT
Report : 4115
Date :09/26/89
Project: 3825

SAMPLE #	ppb Au	SAMPLE #	ppb Au
GR-019-100	<5	GR-019-217	290
GR-019-101A	<5	GR-019-218	<5
GR-019-163	297	GR-019-219	82
GR-019-164	52	GR-019-220	20
GR-019-165	<5	GR-019-221	26
GR-019-166	<5	GR-019-222	10
GR-019-167	9	GR-019-223	29
GR-019-169	63	GR-019-224	<5
GR-019-170	<5	GR-019-86	57
GR-019-171	11	GR-019-87	232
GR-019-172	28	GR-019-88	<5
GR-019-173	<5	GR-019-89	<5
GR-019-174	<5	GR-019-90	10
GR-019-175	<5	GR-019-94	<5
GR-019-176	<5	GR-019-95	<5
GR-019-177	110	GR-019-96	7
GR-019-181	<5	GR-019-97	147
GR-019-182	33	GR-019-98	<5
GR-019-183	<5	GR-019-99	<5
GR-019-184	<5		
GR-019-185	<5		
GR-019-186	<5		
GR-019-187	35		
GR-019-200	124		
GR-019-201	56		
GR-019-202	<5		
GR-019-203	<5		
GR-019-204	<5		
GR-019-205	52		
GR-019-206	670		
GR-019-207	11		
GR-019-208	<5		
GR-019-209	<5		
GR-019-210	106		
GR-019-211	115		
GR-019-212	500		
GR-019-213	113		
GR-019-214	330		
GR-019-215	610		
GR-019-216	21		

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BOX 8364-27 AUSTINST
ST. JOHN'S, NF
A1B-3N4

Method:Fire Assay
Sample:Till

Sig. :

Disk File: A:E1325001.DAT
Report : 5001
Date :10/03/89
Project: 3825

SAMPLE #	ppb Au	SAMPLE #	ppb Au
GR019-89-090	66		
GR019-89-091	51		
GR019-89-092	57		
GR019-89-168	37		
GR019-89-178	<5		
GR019-89-179	590		
GR019-89-180	7		
GR019-89-188	<5		
GR019-89-189	54		
GR019-89-190	27		
GR019-89-191	<5		
GR019-89-192	88		
GR019-89-193	78		
GR019-89-194	21		
GR019-89-195	12		
GR019-89-197	14		
GR019-89-198	31		
GR019-89-199	<5		
GR019-89-225	5360		
GR019-89-226	<5		
GR019-89-227	<5		
GR019-89-228	78		
GR019-89-229	41		
GR019-89-230	7		
GR019-89-232	9		
GR019-89-233	12		
GR019-89-234	31		
GR019-89-235	24		
GR019-89-236	14		
GR019-89-237	19		
GR019-89-238	52		
GR019-89-239	16		
GR019-89-240	11		
GR019-89-300	37		
GR019-89-301	187		
GR019-89A196	<5		
GR019-89B196	154		

APPENDIX D

GOLD GRAIN MORPHOLOGY

MEMO

To: J. Tuach
From: I. Al
Date: October 26, 1989

Re: SEM study of gold grains obtained by Mike Milner from Virginia Holdings' Glenwood Property.

Two gold grains were obtained from the sample (Figure 1 and 2). The grains were very delicate and have probably not been transported more than 100 m maximum, however, to have complete confidence in the estimate of transport distance, it is best to drawn conclusions based on a larger number of grains.

Figure 1. Very delicate gold grain from HMC sample near old trench over carbonate altered gabbro. Note the slightly deformed ribbon-like protrusions and pitted surface of the grain. These features may indicate a very short transport distance (less than 25 m) but could also result from movement during the sampling and panning operation.

Figure 2.

Slightly deformed gold grain from same location as grain from Figure 1. Curled edges, pitted and scarred surfaces indicate a short transport distance of less than 100 m.

APPENDIX E

CERTIFICATE OF QUALIFICATIONS

I, John Tuach of 18 Thorburn Road, St. John's, Newfoundland, hereby certify that:

1) I am a graduate of Edinburgh University (B.Sc. (Hons.), 1972) and of Memorial University of Newfoundland (M.Sc., 1976; Ph.D. 1987).

2) I am presently employed as president and consulting geologist with J. Tuach Geological Consultants, Inc., of 27 Austin Street, St. John's, Newfoundland.

3) I have been employed in my profession by various mining companies, by mineral exploration consulting and contract companies, and by government agencies since 1972.

4) I am a fellow of the Geological Association of Canada.

5) I am a member of the Canadian Institute of Mining and Metallurgy.

6) The information contained in this report was obtained by personnel under my supervision, and supplemented by a review of relevant government reports, assessment reports, and academic papers, and from personal knowledge of the area geology.

7) Neither J. Tuach Geological Consultants, Inc., nor myself have or expect to receive a direct or indirect interest in the property or in Virginia Holdings Limited or its associates.

8) I consent to, and authorize the use of, the attached report and my name in a Prospectus, Statement of Material Fact or other public document issued by Virginia Holdings Limited.

John Tuach
Consulting Geologist

Dated at St. John's, Newfoundland, this 25th day of October, 1989.

APPENDIX F

PERSONNEL AND EXPENDITURES
Licence 3825

Personnel	Address	Number of Days
J. Tuach	St. John's, NF	15
H. Saunders	Woodstock, NF	18
J. Decker	Woodstock, NF	18
G. Decker	Woodstock, NF	18
E. Collins	St. John's, NF	18
P. Saunders	St. John's, NF	1.5
J. Timbal	St. John's, NF	5
	TOTAL	93.50

All of above with J. Tuach Geological Consultants, Inc.

Expenditures

Supervision and Reports	$ 4,699.32
Sampling (Field)	16,817.50
Travel and Accommodations	5,499.64
Supplies and Miscellaneous Drafting, Assays	4,355.97
TOTAL	$ 31,372.43
10% Administration	3,137.24
	$ 34,509.67

Sport Swice repair
1,491.55
+10% 149.15
$ 1,640.70

1640.70

Total $ 36 150.37

L E G E N D

(AFTER BLACKWOOD, 1982)

SILURIAN

PLUTONIC ROCKS

3 GABBRO, COMMONLY CARBONATIZED

BOTWOOD GROUP

2b RED-BROWN SANDSTONE, MICACEOUS SILTSTONE, MINOR GREEN-GREY SANDSTONE AND SILTSTONE

2a GREEN-GREY MICACEOUS SILTSTONE, SANDSTONE, MINOR RED-BROWN SILTSTONE AND SANDSTONE, FOSSILIFEROUS LIMESTONE, LIMEY SANDSTONE AND SILTSTONE

ORDOVICIAN

DAVIDSVILLE GROUP

1b GREY TO BLACK SANDSTONE

1a GREY TO BLACK SLATE, SILTSTONE, MINOR SANDSTONE

S Y M B O L S

- GEOLOGICAL CONTACT (APPROXIMATE & GRADATIONAL)
- FAULT (PHOTO INTERPRETATION)
- OUTCROP, AREA OF OUTCROP
- PIT, TRENCH
- ROCK SAMPLE (ASSAY ≥ 5 ppb Au SHOWN IN BRACKET)
- QUARTZ VEIN
- FOSSILS: CORAL, BRACHIOPODS, CRINOIDS (IN LIMESTONE)
- APPROXIMATE LOCATION & NUMBER OF CLAIM POST OBSERVED DURING MAPPING
- QUARRY (ROAD FILL)
- BEDDING (INCLINED, VERTICAL, UNKNOWN, OVERTURNED)
- SCHISTOSITY OR CLEAVAGE
- KINK BANDS OR S_2(VERGENCE SHOWN)
- GLACIAL STRIATIONS / GROOVES (RELATIVE MOVEMENT)
- PROMINENT VEINLET / VEIN DIRECTION (INCLINED, VERTICAL, FLAT)
- MINOR CROSS CUTTING SHEAR ZONE

0 100 200 300 400 1000

METERS

1 : 12,500 ---------- (ORTHOPHOTO BASE)

MAP 019 - 01

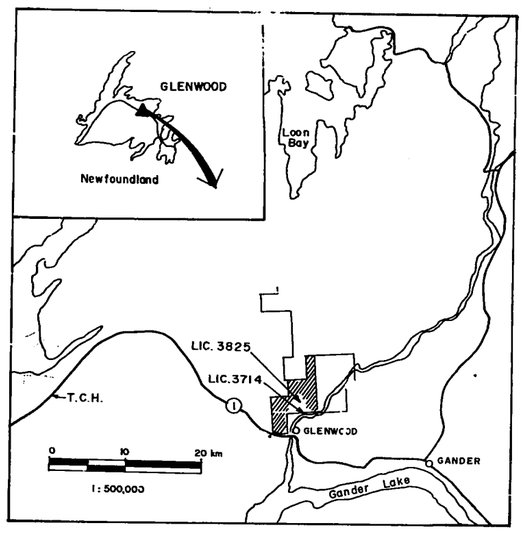
VIRGINIA HOLDINGS LIMITED

GLENWOOD AREA

G E O L O G Y
AND ROCK SAMPLES

BY: J.TUACH GEOLOGICAL CONSULTANTS, INC.

DATE: 25 OCT. 1989 | DRAWN BY: T.K.T. | GEO: J. TUACH



POND
LONG
SALMON POND ROAD
BOG
SALMON POND
CAMP
LICENCE 3825
LICENCE 3714
GANDER RIVER

LEGEND

WEAK LINEAMENT
STRONG LINEAMENT

N

0 100 200 300 400 1000
METERS

1 : 12,500 ---------- (ORTHOPHOTO BASE)

MAP 019 - 02

VIRGINIA HOLDINGS LIMITED

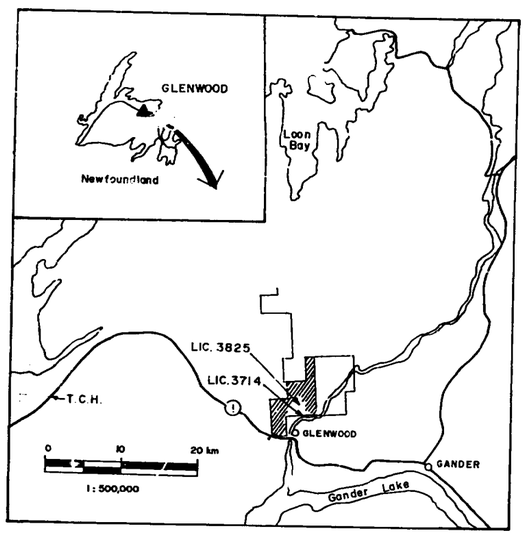
GLENWOOD AREA

PHOTO LINEAMENTS

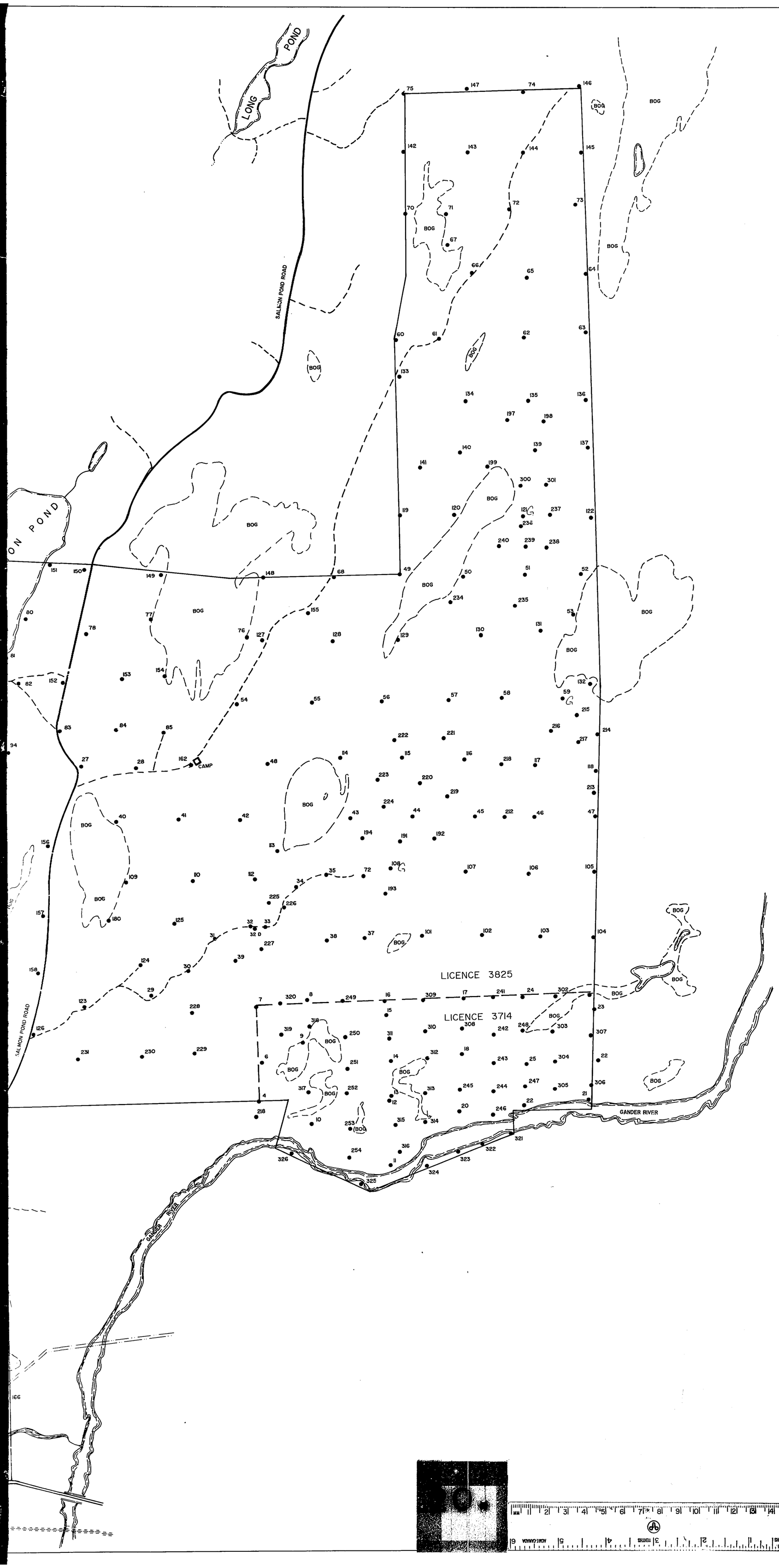
BY: J.TUACH GEOLOGICAL CONSULTANTS, INC.

DATE: 25 OCT. 1989 | DRAWN BY: T.K.T. | GEO: J. TUACH

20.



LONG POND
SALMON POND ROAD
LITTLE SALMON POND
SALMON POND
CAMP
LICENCE 3825
LICENCE 3714
GANDER RIVER
SALMON RIVER
POWER LINE
TRANS CANADA HIGHWAY
RAILWAY LINE
BOG



62 SAMPLE LOCATION AND NUMBER

0 100 200 300 400 1000
METERS

1 : 12,500 ---------- (ORTHOPHOTO BASE)

MAP 019 - 03

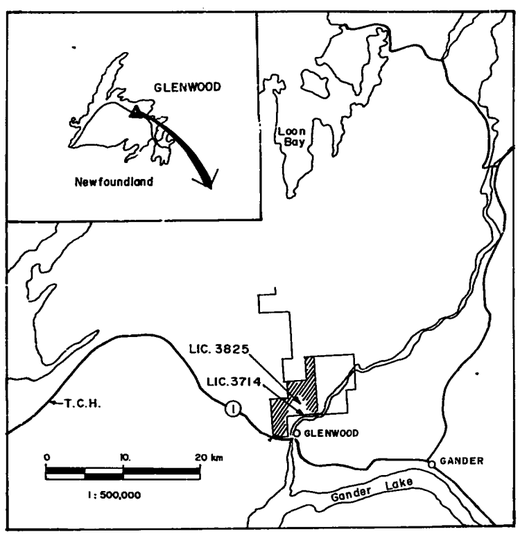
VIRGINIA HOLDINGS LIMITED

GLENWOOD AREA

TILL SAMPLE LOCATION GANDER RIVER (3714) & SALMON POND (3825) LIC.

BY: J.TUACH GEOLOGICAL CONSULTANTS, INC.

DATE: 25 OCT. 1989	DRAWN BY: T.K.T.	GEO: J. TUACH



LONG POND

SALMON POND ROAD

SALMON POND

LITTLE SALMON POND

SALMON POND ROAD

SALMON POND

BOG

CAMP

LICENCE 3825

LICENCE 3714

GANDER RIVER

POWER LINE

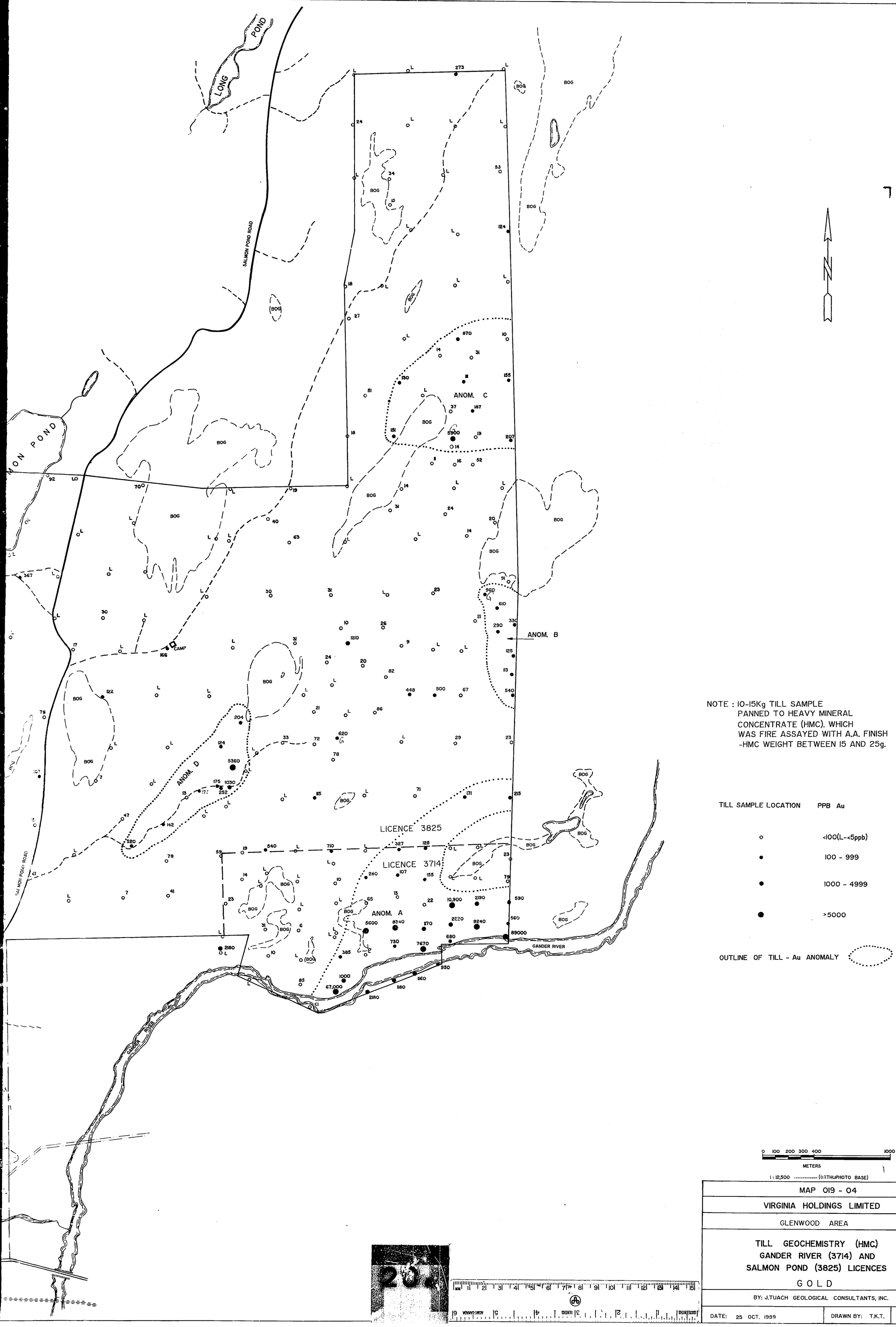
SALMON RIVER

TRANS CANADA HIGHWAY

RAILWAY LINE

GANDER

20.



NOTE : 10-15Kg TILL SAMPLE
PANNED TO HEAVY MINERAL
CONCENTRATE (HMC). WHICH
WAS FIRE ASSAYED WITH A.A. FINISH
-HMC WEIGHT BETWEEN 15 AND 25g.

TILL SAMPLE LOCATION — PPB Au

- o — <100(L-<5ppb)
- • — 100 - 999
- ● — 1000 - 4999
- ● — >5000

OUTLINE OF TILL - Au ANOMALY

0 100 200 300 400 1000
METERS
1 : 12,500 ---------- (ORTHOPHOTO BASE)

MAP 019 - 04

VIRGINIA HOLDINGS LIMITED

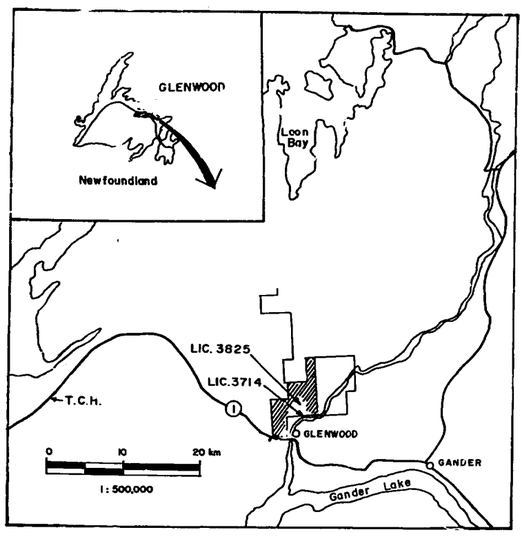
GLENWOOD AREA

TILL GEOCHEMISTRY (HMC)
GANDER RIVER (3714) AND
SALMON POND (3825) LICENCES

G O L D

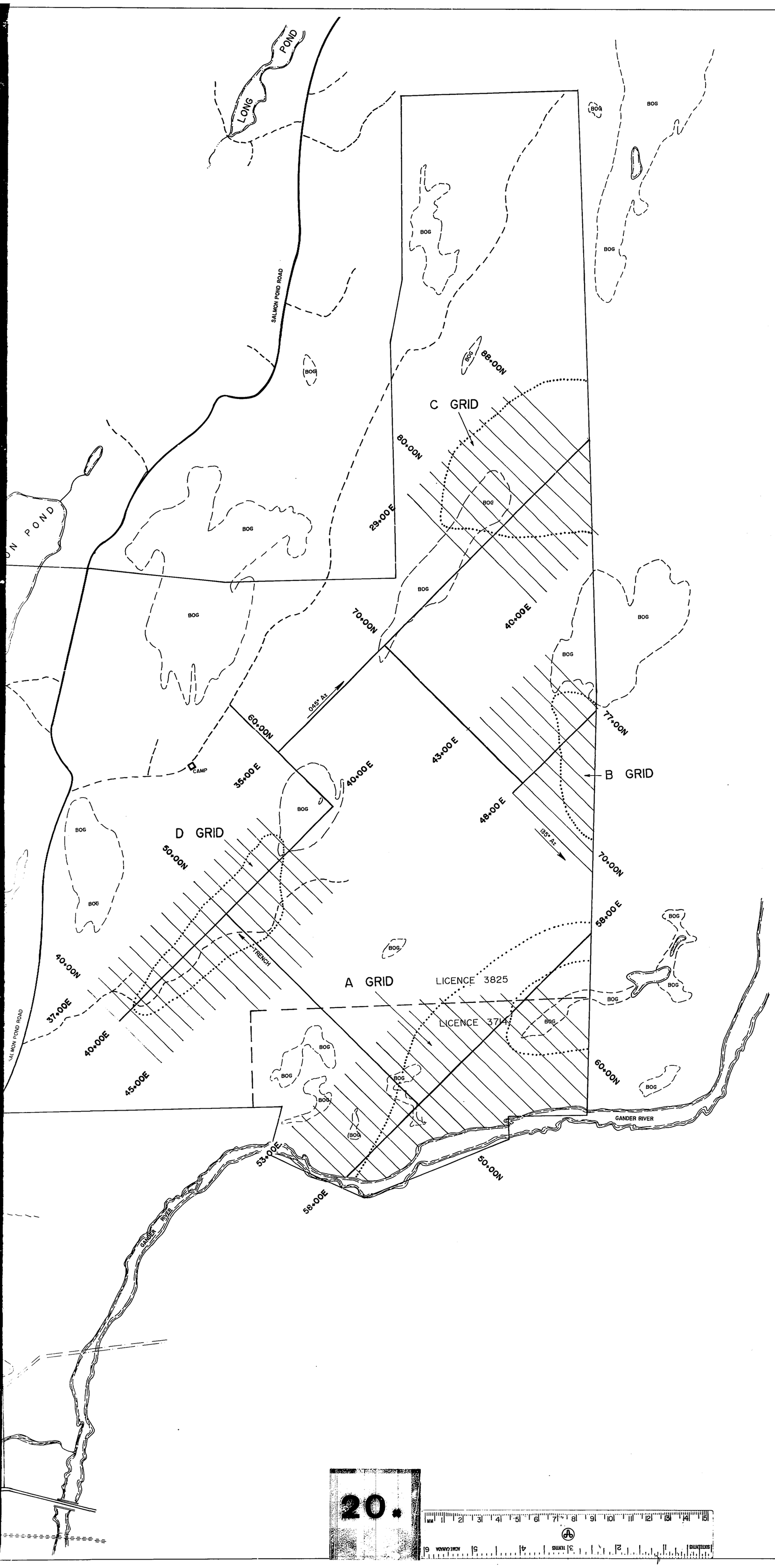
BY: J.TUACH GEOLOGICAL CONSULTANTS, INC.

DATE: 25 OCT. 1999	DRAWN BY: T.K.T.	GEO: J. TUACH



LONG POND
SALMON POND ROAD
LITTLE SALMON POND
SALMON POND
ANOM. A
ANOM. B
ANOM. C
ANOM. D
CAMP
LICENCE 3825
LICENCE 3714
GANDER RIVER
POWER LINE
SALMON RIVER
TRANS CANADA HIGHWAY
RAILWAY LINE
BOG

20



MAP 019 - 05

VIRGINIA HOLDINGS LIMITED

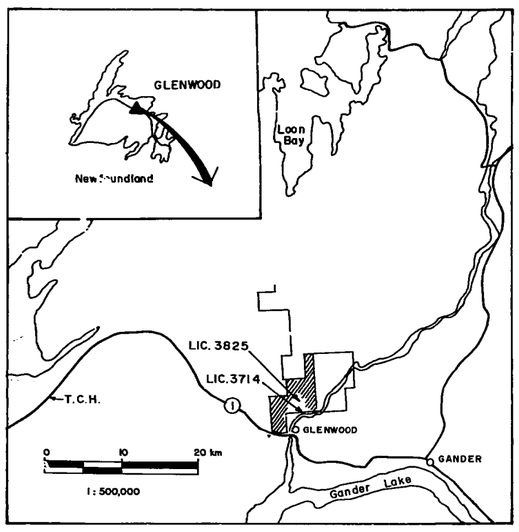
GLENWOOD AREA

PROPOSED GRIDS

BY: J.TUACH GEOLOGICAL CONSULTANTS, INC.

DATE: 25 OCT. 1989 | DRAWN BY: T.K.T. | GEO: J. TUACH

20.



LONG POND
SALMON POND ROAD
BOG
88+00N
C GRID
80+00N
29+00E
70+00N
40+00E
045° Az
60+00N
43+00E
77+00N
B GR
CAMP
35+00E
40+00E
48+00E
135° Az
D GRID
50+00N
70+00N
58+00E
TRENCH
40+00N
A GRID
LICENCE 3825
LICENCE 3714
37+00E
40+00E
45+00E
53+00E
50+00N
58+00E
GANDER RIVER
SALMON POND
LITTLE SALMON POND
POWER LINE
SALMON RIVER
TRANS CANADA HIGHWAY
RAILWAY LINE

20.