Third Year Assessment Report
Prospecting, Rock and Soil Sampling
Gull Lake Property
Lic. # 12155M (Eleven Blocks)
Map Sheet 12H/1

Submitted by:

Donna Lewis

for:

Alterra Resources

July 2009

Work year: 2008-09
Total claims: 11
Total expenditures: $5037.00
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Introduction

The Gull Lake consists of 11 claims and 1 licence #012155M located in Central Newfoundland approximately 26 km west of Badger on the TCH. The property was staked in 2006 for its gold, silver, lead and base metal potential. An area to the east of the property is known as Sturgeon River property has a Zinc showing and to the south-west there are several copper showings and a past producing mine.

Location and Access

1. **Region:** Newfoundland  
   **NTS Area:** 12H/01

**UTM Zone:** 21  
**NAD 27**

**Elevation (m):** 130

**Easting:** 5453000  
**Northing:** 562000

ACCESSIBILITY

The Gull Lake Property lies next to the Trans Canada Highway, 26 km north-west of the town of Badger on NTS sheet 12H/01. The Town of Springdale, which is a mineral exploration and mining service center lies 30 km due north. Access to the occurrence can be gained via a network of logging roads constructed by Abitibi-Price Ltd and foot paths along Gull Lake. The property is also accessible by boat via Gull lake or on the ice as the property has about 11 km of shore line.
FIGURE 1
LICENCE 012155M
PROPERTY LOCATION
FIGURE 2
LICENCE 12155M
CLAIMS LOCATION
<table>
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<tr>
<th>D_GROUP</th>
<th>D_FORMATN</th>
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<th>D_SUBUNIT</th>
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<td>SDg</td>
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<td>Roberts Arm Group</td>
<td>Gull Pond basalt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>COyn</td>
<td>COyn</td>
<td>volcanic marine</td>
<td>Iapetus Ocean</td>
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**FIGURE 3**

**LICENCE 12155M**

**GEOLOGY**

Page 4
FIGURE 4
LICENCE 12155M
SAMPLE LOCATIONS

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Physiographic Setting

Striation mapping in west-central Newfoundland indicate four ice flow events. Flow for these events was first northeast, secondly north, third north-northeast and most recently eastwards.

Till deposits range from three meters in thickness down to a very thin, discontinuous covering. Road access to the area is good however bedrock exposure is limited by till covering. There is about 10 km of shoreline and several rock outcrops.

Previous Work

Sulphides were discovered at Mineral Point in 1905. In 1918 the Great Gull Lake Copper Company Ltd., which held the prospect under Fee Simple Grant, sank a shaft to a depth of 75 feet and did about 68 feet of crosscutting. In addition, a second shaft was sunk to a depth of 80 feet, with 160 feet of crosscutting, 1 1/4 miles southwest of Mineral Point at what is now referred to as the Southwest Shaft.

In 1922-23 a diamond drill program was carried out at Mineral Point by Reid Newfoundland Company Ltd., who held the property under option at that time. Further drilling and some geophysical work was done in 1928 and early 1929. The property was acquired late in 1929 by Newfoundland Gull Lake Mines Company Limited.

Work on the deposit resumed in the winter of 1939-40 when the Geological Survey of Newfoundland drilled three holes in the Mineral Point area. Additionally, two geologists (R.E. Stoiber and D. Williams) also studied the Southwest Shaft (Douglas, 1940).

In 1950 Gullbridge Mines Limited, financed and controlled by Falconbridge Nickel Mines Ltd., was incorporated to acquire the property. Falconbridge explored the property from 1950-52 and in 1953 sold their interest in Gullbridge to Maritime Mining Corporation Ltd.

At the northeast end of the property numerous large boulders of ore-grade copper an area of approximately ½ square mile. In 1956 10 holes totaling 5,992 feet were diamond drilled in an attempt to locate the source of the boulders.

DDH 172-1 was drilled in October, 1956, by Sturgeon River, Mines Ltd, on claim 4122, with bearing 165° and dipping 50° to a final depth of 218 m.

During 1956, the shaft was deepened to 562 feet with levels established at the 250, 400 and 500-foot horizons. Lateral development and diamond drilling had outlined a zone 1,500 feet long, and up to a 100 feet wide containing 4,350,000 tons averaging 1.43% copper, to a depth of 450 feet. Included in the reserves was a central core containing 1,958,727 tons grading 1.93% copper.

Work was suspended in 1958 and was not resumed until 1963 when Maritimes Mining began pumping out shaft and rehabilitating the underground workings Plans formulated called for a 1,500-ton per day operation to replace the output of the Tilt Cove mine then nearing the end of its economic life. The construction and development program was continued throughout 1964, and in 1965 it was decided to up the proposed milling rate to 2,000 tons per day.

During 1965 the shaft was deepened to 1,050 feet and 4 new levels established. After many delays production finally began on January 1, 1967.

The owner of the property M.J. Boylen (i.e. First Maritimes Mining) sold his interest in the company and mine to K.C. Irving in August, 1967.

Total proven ore reserves at December 31, 1967, according to the company, were estimated at 3,821,000 tons grading 1.02% copper after allowing for 10% dilution, and prospects for discovering new ore beneath the present workings were considered good.
In 1968 the Gullbridge Mines Ltd. completed construction of its coffer dam which would permit the complete drying of part of the lake under which the main ore body lay. Removal of overburden from the ore body commenced in February, 1969.

In 1969, the company carried out diamond drilling of six holes totaling 3,082 feet in the vicinity of Mineral Point. At the end of 1969, the company commenced diamond drilling at the north end of the lake to investigate three E.M. anomalies. Limited electromagnetic surveys were carried out in the Southwest Shaft area.

On Dec. 5, 1971 the mine was closed down because of the high cost of operation and low price level of copper.

Although Noranda flew the property, during the fall of 1972, with Questor's Input system as part of a regional survey of the Brinex concession, which they had under option, neither known mineralization nor conductors previously located on the ground were picked up (Swinden, 1975).

O'Donnell (1973) did a study on glacial indicators near Gullbridge, in connection with graduate work for a Master of Science degree at the University of Western Ontario. Gemmell (1974) mapped the southern half of the property at 1" = 1000' and a map of the Southwest Shaft area at 1" = 100'.

During the Fall of 1974, Atlantic Coast Copper Corp. Ltd. carried out soil geochemistry and magnetometer surveys over the West Mine Grid. Later, EM 16 was done over selected lines. In late 1974, the same company carried out geochemistry, magnetometer and limited EM 16 work on the Boulder Grid. Additional magnetometer and EM 16 surveys were done during the winter of 1975.

Also during that time the company did EM 16 and magnetometer surveys on the ice over all of Great Gull Pond (Swinden, 1975).

A magnetometer survey of the Gullbridge Mines Ltd. property was carried out in conjunction with a TURAM survey conducted by Scintrex Surveys Ltd. Results from the above geophysical surveys, plus geologic mapping, resulted in 3 diamond drill holes to test out major anomalies (Swinden, 1975).

In 1976, H. S. Swinden geologically mapped and sampled rocks in the area as part of a study for a Master of Science degree at Memorial University of Newfoundland. The thesis focused on chemical sedimentation associated with Mid-Paleozoic volcanism in central Nfld (Swinden, 1976).

Atlantic Analytical originally staked the land. It was later transferred to Lewis Murphy, transferred to Rio Tinto, transferred back to Lewis Murphy, and in October, 1985 it was transferred to Esso Minerals Canada. As of August, 1988, the mineral rights to this occurrence were held by Rio Algom Exploration Inc.

In 1988 airborne EM and Magnetic surveys were conducted by Questor Surveys Ltd. for Rio Algom (Bonhan and Salib, 1989). In 1989 Rio conducted ground geology and geochemistry surveys (Lenters, 1989). In 1990 Rio Algom conducted ground EM, a magnetic survey and diamond drilling over Gull Pond (Lenters, 1990 and Lenters and Sears, 1990a,b). In 1991 they completed seven drill holes, borehole Pulse EM and a summer sampling program (Pudifin, 1991, 1992a,b).

In 2003 several holes were drilled next to the property, on the sturgeon river showing, but the core can not be located so as to re-evaluate the core. It was reported at the time they had intersected several meters of low grade Zn mineral.
Geology and Mineralization

The rocks belong to the Appalachian Geological Province in the Dunnage zone of the Roberts Arm Group and are of Ordovician Age. The rock type is acid to mafic volcanic rocks & associated sediments. The Roberts Arm Group consists of marine volcanic and volcaniclastic rocks extending from Notre Dame Bay to the southern boundary of Great Gull Lake, a distance of approximately 60 km. It attains a maximum thickness of 4 km south of Roberts Arm but thins considerably further south (Swinden and Sacks, 1986).

To the west, the southern Roberts Arm Group (SRAG) is unconformably overlain by unnamed Carboniferous red sedimentary rocks and by Silurian subaerial felsic volcanic rocks of the Springdale Group, and intruded by the Silurian Skull Hill alkali intrusive suite. To the east, the SRAG is intruded by the post-tectonic Twin Lakes granodiorite and Dawes Pond Granite.

Swinden and Sacks (1986) recognized a west-facing lithological succession in the SRAG which they tentatively suggested was also lithostratigraphic. They identified five informal units from east to west: the Baker Brook Basalt, Gull Hill sediments, Gullbridge felsic Volcanic and South Brook basalt. Contacts between units are locally structural and there is extensive evidence for shearing and faulting in the area.

The entire SRAG is structurally attenuated, deformed and metamorphosed in the green schist facies. The rocks are polydeformed and carry a prominent, northeast-trending schistosity. A post main schistosity thermal metamorphic overprint, probably related to intrusion of the post-tectonic Twin Lakes granodiorite, affected much of the SRAG and adjacent Sansom Greywacke.

The timing of deformation and second generation mineralization in the Lake Bond deposit is constrained to the Early Silurian by cross-cutting relationships with dated post-tectonic pluton. Comparisons with other deposits in the Roberts Arm Group and deposits elsewhere in central Newfoundland suggest a two stage metallogenic model comprising: 1) an early volcanogenic event coeval with the Lower Ordovician host rocks; and 2) early Silurian hydrothermal activity related to shearing and movement on major faults. The latter is tentatively correlated with a widespread lode gold mineralizing event in central Newfoundland. The second generation auriferous mineralization apparently preferentially overprinted early sulphide zones at Lake Bond suggesting an exploration potential for auriferous zones within low-grade volcanogenic sulphide stockworks in the Buchans-Roberts Arm Belt.
Prospecting 2008-09

A total of 7 man days were spent prospecting. Six rock samples and ten soil samples were sent for assaying. Rock sample GP11 returned anomalous values in copper and zinc (558 ppm Cu and 137 ppm Zn).

Soil within the property is poorly developed, much of which is very sandy. None of the soils returned anomalous values.

Conclusions and Recommendations

The area on the mag map shows up as a cool area. This may be a positive as the overlying rock may cover more potential rocks at depth. We are talking to companies about options which would a detail air born survey over the area with deep penetration. We would like to do a MMI soil survey on the area. It is not unreasonable that the boulders on the boulder claims may have come from this area.
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Wilson, A

Annual Census of Mines and Quarries

Return on Registry of Mines
SUMMARY OF WORK 2008-09
(Expenditures)
Licence 012155M

Larry Quinnlan 5 days
Gary Lewis 2 days

Total of 7 man days @ $300/day $2100.00
Meals for 7 days @ $50/day $350.00
Gas $340.00
Truck rental 6 days @ 75.00 $450.00
Quad rental 4 days @ 50.00 $200.00
Report fee $300.00

Assays
(Eastern Analytical)
16 ICP30 & Au$40.00 $640.00

Sub-Total $4380.00
Administration costs 15% $657.00

Total $5037.00