<table>
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<tr>
<th>Licence/Property</th>
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<th>Date Issued</th>
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<td>2000-05-29</td>
<td>12H/16</td>
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<tr>
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<td>7</td>
<td>2000-12-18</td>
<td>12H/16</td>
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Sixth Year Assessment Report
(Prospecting & Soil Sampling)

Dorset Gold Project,
Map Staked Licenses: 7486M & 7825M
Baie Verte Area, Newfoundland

Field Work Performed: June 2007

 Licenses Held By: South Coast Ventures Inc.

2007 Exploration Expenditures

<table>
<thead>
<tr>
<th>Licenses No.</th>
<th>No. of Claims</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7486M</td>
<td>6</td>
<td>$6,822</td>
</tr>
<tr>
<td>7825M</td>
<td>2</td>
<td>$1,705</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>$8,527</strong></td>
</tr>
</tbody>
</table>

Prepared By:

Charles Dearin, P. Geo.
FORTIS GeoServices Ltd.
2 Forest Road,
St. John’s, Nfld A1C 2B9

Tel (709) 754-8844

September 24, 2007
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(Prospecting & Soil Sampling)

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<tr>
<td>Total Expenditure</td>
<td></td>
<td>$8,527</td>
</tr>
</tbody>
</table>

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September 24, 2007
TABLE OF CONTENTS

I. INTRODUCTION
   Scope ............................................................................................................................... 1
   Property Location & Access ........................................................................................ 1
   Ownership & Land Tenure ......................................................................................... 1
   Infrastructure ............................................................................................................. 4
   Previous Exploration Work ....................................................................................... 4
   2007 Program & Work Completed ............................................................................. 8

II. GEOLOGY
   Regional Geology & Structure.................................................................................... 10
   Property Geology ........................................................................................................ 11
   Property Mineralization & Potential ......................................................................... 14
   2007 Program and Results ....................................................................................... 14

III. CONCLUSIONS & RECOMMENDATIONS ................................................................ 16
   Proposed Future Program ....................................................................................... 16

IV. REFERENCES .............................................................................................................. 17

List of Figures
   Figure 1: Location map of the Dorset property, Baie Verte area, Nfld. ...................... 2
   Figure 2: Detailed claim map of the Dorset property and area .................................. 3
   Figure 3: Geological setting of the Baie Verte area and Dorset Project .................... 13
   Figure 4: June 2007 b-soil samples & 1988 Noranda compilation ............................. 15

List of Tables
   Table 1: Summary and statistics of the Dorset claims ............................................... 1
   Table 2: Personnel/contractors employed on the Dorset Proj., Licenses 7486M & 7825M .... 9
   Table 3: Expenditures incurred on the Dorset Project, Licenses 7486M & 7825M ......... 9

List of Appendices
   Appendix A: 2007 Geochemical analysis; Eastern Analytical Ltd
I. INTRODUCTION

Scope
This sixth year assessment report summarizes a prospecting and soil sampling program carried out during June 2007 by **FORTIS** GeoServices Ltd. on the Dorset Gold Project on behalf of South Coast Ventures Inc.

Property Location & Access
The property is located adjacent to the town of Baie Verte in northwestern Newfoundland and is linked by a paved road (Route 420) to the Trans-Canada Highway approximately 60 km south of Baie Verte. Deer Lake airport, with daily scheduled flights to and from St. John’s and Toronto, is located about 96 km west of Route 420 via the TCH or about 156 road km from Baie Verte (Figure 1).

All parts of both Licenses are easily accessible by foot from the Baie Verte and La Scie highways and several gravel roads and trails on the property.

The claims are covered with a mixture of secondary growth trees and small spruce. Outcrop makes up less than 5% and overburden ranges from 0.5 to possibly less than 3 metres except in bogs and linear valleys where it may exceed 5 metres thickness.

Ownership & Land Tenure
The two Dorset Licenses being reported on in this current assessment report form part of the larger Dorset Gold Project (see Figure 2). The two Licenses consist of eight mineral claims (200 hectares) under Map Staked Licenses 7486M and 7825M, issued on May 29 and December 18, 2000 respectively; these dates are the yearly anniversary dates for the Licenses. The claims are held 100% by South Coast Ventures Inc. of St. John’s, Nfld. The claim statistics are summarized in Table 1 below.

The Crown holds all surface rights with local logging companies and Abitibi-Price holding significant areas of timber rights. None of the property or adjacent areas are encumbered in any way. The Baie Verte area has been a source of logging over the past 75 years and minor, intermittent logging continues today. The Baie Verte area has a history of mining since the 1860’s with production from a variety of Cu-Zn, Cu-Au, asbestos and gold deposits. The area is not in an environmentally or archeologically sensitive zone.

### Table 1: Summary and statistics of the Dorset claims.

<table>
<thead>
<tr>
<th>License No.</th>
<th>No. Claims</th>
<th>Area (ha)</th>
<th>Issuance Date</th>
<th>Next Report Due Date*</th>
<th>Next Expenditure Required*</th>
</tr>
</thead>
<tbody>
<tr>
<td>7486M</td>
<td>6</td>
<td>150</td>
<td>May 29, 2000</td>
<td>July 28, 2008</td>
<td>July 28, 2008; $1,284</td>
</tr>
<tr>
<td>7825M</td>
<td>2</td>
<td>50</td>
<td>Dec. 18, 2000</td>
<td>February 16, 2013</td>
<td>Feb 16, 2012; $968</td>
</tr>
</tbody>
</table>

Note * these dates & expenditures refer to the dates & amounts due after this current report & assessment expenditures, listed in Table 3 are filed.
Figure 1: Location map of the Dorset Gold Project, Baie Verte, Newfoundland.
Figure 2: Claims map of the Dorset Gold Project, Baie Verte, Nfld
Infrastructure
The claims are near the town of Baie Verte. Paved roads, power lines, experienced exploration personnel, several heavy equipment construction contractors and a diamond-drilling contractor are located in Baie Verte. The TCH lies 60-road km to the south of Baie Verte. An assay lab, geophysical and several drilling contractors are located in Springdale 100 km to the SE. The La Scie highway and a major power line lie along the center of the property.

The Nugget Pond gold mill is currently operating at 500 tonnes per day and is located approximately 45 km to the east of the Dorset Project via the La Scie highway (Figure 1). The Pine Cove gold deposit, located approximately 20 road kilometers north of the Dorset Project is currently under development and should have its mill (500 tpd) operational in early 2008.

Previous Exploration Work
Mineral exploration and development in the Baie Verte region began in the late 1850’s which resulted in the development and mining of a number of copper deposits. The first copper deposit to be developed and mined (via five shafts) was the Terra Nova deposit in 1860. This deposit occurs near the Dorset Project near Baie Verte. Within a decade the Tilt Cove & Betts Cove copper deposits were producing high-grade copper and the area became one of the largest copper producers in the world. Significant Cu-Au VMS-type deposits were discovered in the late 1950’s with continuous mine production from 1964 to 1981 at the Rambler Mines located about 10 km east of the Dorset Project. The largest mining venture in the Baie Verte area was the Advocate asbestos deposit; discovered in 1955 this large deposit (~50 million t) was mined from 1963 to 1987 with production of ~36 million tonnes grading 3.6% short-medium length fibre for ~1.3 million tons of fibre production.

A number of small gold prospects were discovered near Ming’s Bight in the 1860’s and short adits were driven on several narrow but high-grade Au-bearing veins at the Barry & Cunningham zones. The Goldenville gold deposit, discovered in 1903 near Ming’s Bight, became Newfoundland’s first gold mine when it produced approximately 158 ounces of gold in 1906 via several shafts and a ten-stamp mill & Wilfley concentrator. This was the last of the gold exploration-development era in the Baie Verte Peninsula until 1985. During intermittent prospecting for base metals around the Rambler area in the 1940’s a number of narrow Au-quartz veins (i.e. the “Uncle veins”) were discovered. From the early 1900’s to 1985 only very minor exploration work for gold was carried out in the area due to the unfavorable political land-mineral claim situation in the Province.

Periodic government mapping was carried out in the Baie Verte Peninsula from the 1930’s to 1980’s with significant University thesis work done from Princeton University. The government geological mapping by Hibbard (1983) in the early 1980’s was instrumental in defining the geological setting of the region. Interpretations of this work and a knowledge of well known exposures of highly altered ultramafic-mafic volcanics and regional structures in a number of accessible localities along the Baie Verte highway and northward through the eastern side of Baie Verte was instrumental in mineral deposit modeling and in defining the area as being highly
conducive to hosting ‘Mother Lode’ mesothermal-type gold mineralization (Dearin, 1984 and Christie & Dearin, 1986). Subsequent exploration work in the Baie Verte area by a number of junior explorationists and Noranda from 1986 to 1990 led to the discovery of several hundred new gold showings and prospects and four to five economic to sub-economic gold deposits.

Summarized below is a brief history of mineral exploration work carried out on and adjacent to the Dorset Gold Project.

**Pre-1985:**
- During the late 1950’s and 1960’s Advocate Mines and Johns-Manville carried out some exploration work for asbestos following the discovery of the large Advocate asbestos deposits near Baie Verte. This work was generally restricted to the ultramafic rocks along the western side and north & south of the Dorset Project.
- During the mid-1970’s Consolidated Rambler Mines carried out regional and locally detailed base metal exploration along the SW side of the Dorset Project. This work was mainly in the Flat Water Pond mafic and felsic volcanic rocks in search of Cu-Zn deposits similar to the nearby Rambler VMS deposits. Several geochemical and geophysical surveys produced base metal anomalies that were followed up with at least two diamond drill holes drilled adjacent to the property. Both holes cut interesting base metal alteration and mineralization with values up to 0.5% Cu over 7.5 metres in Flat Water Pond felsics. No follow-up work was done on these separate zones.
- During the late 1970’s and early 1980’s several groups carried out preliminary work for base metals along the north side of Flat Water Pond within the south end of the Dorset Project in a freshly exposed road cut of widespread sericitic-carbonate alteration in felsic volcanics. High-graded copper bearing grab samples gave high silver values (66 oz Ag/t) and a limited amount of follow up exploration work was carried out up to 1988 in the immediate vicinity.
- No other recorded exploration is known along the Baie Verte highway area near the property.

**1983:** Hibbard (1983) produced a monumental compilation of detailed geological mapping, structure and economic geology of the Baie Verte Peninsula. This Geological Survey of Newfoundland Memoir is still the ‘bible’ for a geological understanding of the Peninsula.

**1985:** Using Hibbard’s (1983) geological map and an intimate knowledge of Mother Lode-type gold deposits the writer (Dearin, 1984) carried out a large land acquisition program in July 1985 along the Baie Verte-Brompton Fault. This staking-prospecting program led to the staking of approximately 750 claims in four parcels of Mother Lode potential land; the Baie Verte Highway claims (partially the current Dorset property); the Ming’s Bight claims (now hosting the Pine Cove, Romeo & Juliet, Anoroc, etc. gold deposits); the Nippers Harbour claims (near the current Nugget Pond gold deposit); and the Glover Island claims (now hosting significant Au resources). Prospecting by the writer while staking the Baie Verte Highway claims found a number of mesothermal style, wide quartz veins and significant carbonate-silica-sericite alteration (Christie & Dearin, 1986).

**1986:** Recce geological mapping, prospecting and heavy mineral stream sampling was carried out by the writer on the Baie Verte Highway claims (Christie & Dearin, 1986).
Significant Au values were found in several heavy mineral stream samples and anomalous Au in rocks from several localities. Extensive, moderate to strong alteration was first encountered on the claims over several km of strike length and at a number of different localities.

- In early June 1986 Noranda carried out an extensive claim staking program on the Baie Verte Peninsula in response to their May 1986 discovery of spectacular visible gold in the Deer Cove-Devil’s Cove area approximately 15 km NE of Baie Verte. Noranda essentially staked all ground (> 3,600 ground staked claims) available to them from the tip of Baie Verte and for 90 km to the south all along the Baie Verte-Brompton Fault. Noranda immediately carried out an extensive and regional program of heavy mineral till and stream sampling (MacDougall, 1987 to 89). This was followed up with prospecting and detailed heavy mineral till and stream sampling.

- During the course of Noranda’s work, while following up the source of fine to coarse panned gold in South West Brook, Noranda prospectors discovered a series of narrow quartz veins containing coarse visible gold and auriferous sulfides. Named the Dorset showing, this was the first significant gold discovery in the Baie Verte Lineament rocks. Over the next several months an additional 10 to 15 structurally controlled gold-bearing quartz veins and auriferous carbonate alteration zones were located in a 1,500 m radius around the Dorset veins; most of these gold prospects in addition to others are included within the current Dorset Gold Project.

- In November-December, 1986 Noranda carried out a regional Dighem airborne geophysical survey which covered a 70 km strike length of the Baie Verte fault from the Deer Cove area south to the TCH and approximately five to seven km wide across the fault totaling 2,882 line km. The survey consisted of helicopter-flown, two channel EM (900 & 7,200 Hz), magnetometer and VLF-EM (2 station) surveys on 200 m spaced lines (Smith, 1987). This survey covered the vast majority of the entire current Dorset Project.

1987: Detailed follow up exploration was carried out by the writer on the northern section of the current Dorset Project. This was in response to the discovery of significant quartz veining and alteration in this area by the writer’s exploration team (Dearin & Jacobs, 1987) south of the Dorset veins. The soil geochemical survey carried out here later revealed several significant Au, As, Cu, etc. anomalies (Ferguson, 1988) which generally aligned with the trend of Noranda’s Dorset and other prospects. A number of altered rock samples contained highly anomalous Cu and As.

- Noranda continued with exploration programs consisting of detailed mapping, ground geophysics, prospecting, stripping, trenching and diamond drilling on their claims. Several new alteration-Au zones were located and worked. Drilling was carried out on their Dorset, Phoenix, Albatross, Phoenix, Baz, Gunshot and Casa Loma gold zones with good to mixed results (MacDougall, 1988).

- Several other junior explorationists carry out geochemical sampling along the NW and NE areas of Flat Water Pond with high gold in till and soil results (up to 6.5 g Au/t in tills) (Bradley & Milner, 1988 and Mercer, 1988).

1988: Varna Gold carried out line cutting, ground geophysics, soil sampling and prospecting along the northern and western parts of the current Dorset Project. Several soil Au anomalies and coincident VLF-EM anomalies were identified. Roadside prospecting
along the west side of the claims located anomalous Au (to 1,080 ppb Au) in pyritized float samples; some of these samples also contained anomalous Cu (1,270 to 19,942 ppm) and Zn (1,314 to 11,194 ppm) the source for which has yet to be found (Bobyn & Peregoodoff, 1989).

- Noranda carried out additional geological grid mapping, prospecting, trenching, geophysics and soil sampling over their Dorset JV property; 1,323 m in 14 holes were drilled on the Dorset, Albatross, Phoenix, & Gunshot showings. No further work was carried out by Noranda on their Baie Verte Lineament Project (MacDougall, 1988).

- Follow up soil geochem and stripping & trenching at the NW and NE Flat Water Pond areas produce good but inconclusive results; the source for the high gold-in-tills and soils and panned visible gold is not established (Bradley, 1989 and Mercer, 1989). No further exploration work is done in these areas up to 2007.

1989: Follow up soil sampling on the Varna soil Au anomalies defined in 1988 yielded additional Au anomalies with values up to 1,110 and 3,634 ppb Au with As & Cu anomalies (French, 1989).

1990: Varna carried out a final program of geological mapping, line cutting and soil & till sampling; several significant linear soil and till samples were identified but not followed up on (MacKenzie, 1990). Due to corporate and financial problems Varna did not carry out any further work on the property and the claims subsequently lapsed.

1990-95: Detailed structural studies by government on the Dorset veins are reported on (Dube, 1990a; Dube et. al., 1992; Dube, 1992; and Belanger, et. al., 1992 & 1996).

- All of the Varna claims expired in early 1993; the entire 10 km strike length of this ground was immediately staked by a number of companies.

- The area covering part of the current Dorset Project was staked by New Island Minerals which carried out a brief program of gridding, soil sampling and VLF-EM and magnetics immediately north of Five Mile Brook. This work defined several Au soil anomalies over and adjacent to areas of moderate to intense silicification and carbonatization and coincident with VLF conductors (Dimmel, 1994). Despite positive recommendations no further work was done.

- Most of the Baie Verte fault is staked by Rex Resources in 1994 and a limited exploration program & review is carried out (MacKenzie, 1996).

1996-2000: No exploration work is carried out along the Baie Verte fault; all land holders gradually allow their claims to lapse.

2000: Most of the Noranda ground holding the majority of the Dorset area showings comes open and South Coast Ventures Inc. immediately acquires several strategic claim blocks. Check mapping and prospecting is done in the Dorset-Phoenix vein areas and widespread mesothermal-style alteration/veining with significant visible gold in narrow veins is confirmed (Dearin, 2001). A brief prospecting program is carried out along the eastern linear at the east side of the current Dorset Project; extensive silica-carbonate +/- sericite alteration and quartz veins, breccias and quartz-carbonate stockworks are discovered which reinforces the orogenic-mesothermal gold model.

2002: South Coast Ventures options the Dorset Project to Grayd Resource Corp. During June to October, 2002 FORTIS GeoServices carried out on behalf of Grayd Resource Corp. a preliminary exploration program consisting of the following work:
A program of regional till heavy mineral concentrate sampling was carried out over the central and eastern part of the Dorset Project. Sampling included taking ‘c- to d-horizon’ till and b-horizon soil samples on lines spaced 1,000 metres apart with samples spaced ~200 m apart; a total of 84 tills and 63 soils were collected.

Preliminary prospecting was carried out over the property but concentrated mostly along the eastern linear where significant widespread alteration and mesothermal quartz veining was first discovered in 2000 (Dearin, 2001). A total of 182 rock samples were collected on and adjacent to the Project. A new gold zone (up to 18 g Au/t) hosted in quartz veins in a widespread alteration and quartz stockwork zone is discovered (the Perseverance vein).

2003: A brief follow up program is carried out on the west side of the property by Grayd Resources. Despite a new significant gold discovery by South Coast and Grayd on the east side of the Project, Grayd drops the option to concentrate exploration in Mexico.

2004: The Project is optioned to Anaconda Gold who carried out reconnaissance geology and prospecting over most of the Dorset Project. Despite favorable results, in 2005 Anaconda drops its option to concentrate on the development of their adjacent Pine Cove gold deposit.

2005 to 2006: South Coast carries out brief prospecting programs over selected areas within the Project. Favorable results continue to come from the Perseverance vein and area. The Dorset Gold Project is reduced in size from 277 claims to 88 claims.

2007: South Coast carried out a brief program of prospecting and soil sampling immediately along strike of the Dorset veins.

2007 Prospecting Program
During June 2007 the writer carried out a brief program of prospecting and b-horizon soil sampling immediately north of the Dorset veins-trenches (Figure 3). Four days were spent on the claims in completing this work. Thirty soils were collected and analyzed for Au (fire assay) and 30 elements (ICP-AES); analytical results are included in Appendix A and shown on Figure 4. Due to the scarcity of outcrop no rock samples were collected for assay.

A total of 15 man-days were spent on the Dorset Project with 2007 program expenditures totaling $8,527. The following Tables 2 & 3 summarize personnel who worked on and expenditures incurred on the two Licenses of the Dorset Project.
Table 2: Personnel & contractors employed on the Dorset Project, Licenses 7486M & 7825M, Baie Verte area, Newfoundland.

<table>
<thead>
<tr>
<th>Name</th>
<th>Residence</th>
<th>Dates Worked</th>
<th>Work Done</th>
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<tbody>
<tr>
<td>C. Dearin</td>
<td>St. John’s</td>
<td>June 2007 = 6 days July 2007 = 3 days</td>
<td>Prospecting, soil sample, travel Report and map</td>
</tr>
<tr>
<td>C. Dearin</td>
<td>St. John’s</td>
<td>Sept, 2007 = 3 days</td>
<td></td>
</tr>
<tr>
<td>D. Dearin</td>
<td>St. John’s</td>
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<td>Soil sampling &amp; travel</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>15 mandays</td>
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Contractors

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<tr>
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<th>St. John’s</th>
<th>June-Sept, 2007</th>
<th>Field work &amp; report</th>
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</thead>
<tbody>
<tr>
<td>Eastern Analytical</td>
<td>Springdale</td>
<td>Sept, 2007</td>
<td>Assaying</td>
</tr>
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</table>

Table 3: Expenditures incurred on the Dorset Project, License 7486M & 7825M.

<table>
<thead>
<tr>
<th>Expenditure Item</th>
<th>Amount</th>
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<tr>
<td><strong>Prospecting &amp; Soil Sampling</strong></td>
<td></td>
</tr>
<tr>
<td>Fees &amp; Wages</td>
<td>$3,900</td>
</tr>
<tr>
<td>Assays &amp; Supplies</td>
<td>765</td>
</tr>
<tr>
<td>Truck, gas, field expenses, etc. (St. John’s-Baie Verte-St. John’s)</td>
<td>855</td>
</tr>
<tr>
<td>Accommodations &amp; Meals - 4 days Baie Verte</td>
<td>620</td>
</tr>
<tr>
<td><strong>Report &amp; Maps</strong></td>
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</tr>
<tr>
<td>Fees – report writing &amp; maps</td>
<td>1,200</td>
</tr>
<tr>
<td>Reproductions – copy report &amp; maps</td>
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<tr>
<td>Overhead @ 15%</td>
<td>1,112</td>
</tr>
<tr>
<td><strong>Total 6th Year Program Costs</strong></td>
<td>$8,527</td>
</tr>
</tbody>
</table>

These costs are allocated to the two Licenses based on the number of mandays and samples incurred on each License; costs should be distributed as follows:

<table>
<thead>
<tr>
<th>Licenses No.</th>
<th>Amount</th>
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<tr>
<td>7486M</td>
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<td><strong>Total</strong></td>
<td>$8,527</td>
</tr>
</tbody>
</table>
III. GEOLOGY
Regional Geology & Structure
The Baie Verte Peninsula is underlain by two contrasting geological environments in the northern most section of the Appalachian Mountain Belt or Orogen; these two environments make up two of the four tectonostratigraphic zones in the Newfoundland Appalachian section. The western tectonostratigraphic zone, the Humber Zone, represents late Paleozoic to mid-Ordovician continental margin rocks, termed the Fleur de Lys Belt. The Fleur de Lys rocks consist of older rift-type siliclastic and volcanic rocks which are transitional upwards into continental slope facies rocks of the Fleur de Lys Super Group (Old House Cove and Ming’s Bight Groups). These are overlain by deeper water continental slope facies rocks consisting of sandstone, shale, etc. of the Rattling Brook Group. These rocks have been poly-deformed into schists and gneisses during and after the Taconian Orogeny and later intruded by Siluro-Devonian granitic batholiths (Hibbard, 1983).

The eastern tectonostratigraphic zone, the Dunnage Zone, represents segments of the western edge of the Lower Paleozoic Iapetus Ocean consisting of obducted and now deformed ophiolitic suites, unconformably overlying volcanic-sedimentary rocks and intrusive rocks which make up the Baie Verte Belt. The ophiolitic rocks comprise up to four early-Ordovician allochthonous complexes (Birchy, Advocate, Point Rousse and Betts Cove Ophiolite Complexes) obducted onto continental rocks during the Taconian Orogeny. Similar age, arc-type maﬁc and felsic volcanics of the Pacquet Harbour Group form important sequences adjacent to the ophiolitic rocks. These ophiolite and arc volcanic complexes are conformably (?) overlain by olistostromes and maﬁc-felsic volcanics of the Flat Water Pond Group. Silurian bimodal to mainly felsic subaerial volcanics and variably amounts of fluvialite sedimentary rocks presumably of continental caldera volcanic complexes (the Cape St. John and Mic Mac Lake Groups) unconformably overlie these maﬁc units. All rocks of the Baie Verte Belt are intruded by Siluro-Devonian granitoid suites (Burlington granodiorite and Cape Brule granite porphyry) which are possibly subvolcanic to the Mic Mac Lake and Cape St. John Groups (Hibbard, 1983) (Figure 3).

The Baie Verte Peninsula is a highly unique area in mountain building architecture as it hosts one of the world’s best-exposed contact-fault zones between an ancient continental margin and the early Paleozoic Iapetus ocean basin (i.e. a paleo subduction/continental collisional zone.

The boundary separating the Humber and Dunnage Zones is a regional fault structure termed the Baie Verte-Brompton Line (Fault) (BVF). Traceable as a major fault throughout the Appalachian Mountain Belt this world-class structure is a crustal suture zone demarcating where two continents collided; it contains the remnants of a major Taconian subduction zone. Importantly, from a mesothermal gold environment, the Baie Verte Fault is defined by both early dip-slip faulting (westward directed thrusting-subduction) followed by latter strike slip and has produced both brittle and brittle-ductile type structures.

This major fault is the loci of the vast majority of the known gold prospects and deposits on the Baie Verte Peninsula. It’s geological setting in conjunction with the proximal maﬁc-felsic-
sedimentary rocks (Figure 3) makes this fault zone comparable to the Melones Fault of the Mother Lode gold belt, California, the Destor-Porcupine Fault in the Porcupine gold district, Ontario-Quebec, and many other famous orogenic-mesothermal gold districts throughout the world.

Property Geology
The Dorset Gold Project straddles about eight km of the NE trending Baie Verte Fault. The western part of the property is underlain by a mixture of Cambrian to lower Ordovician aged metasedimentary rocks (pelitic, psammitic and graphitic schists) of the Rattling Brook Group and higher-grade greenschists and amphibolites of the Birchy Complex (Fleur de Lys Supergroup) (Hibbard, 1983). East of these metasediments, juxtaposed against the Baie Verte Fault is the Advocate Ophiolite Complex consisting of deformed serpenitized ultramafics which in places have been moderately to pervasively altered to talc-carbonate schists and listwanites (quartz-carbonate-fuchsite-pyrite alteration). In places, variable to pervasive carbonatized and/or silicified alteration zones occur; these are commonly cut by narrow and wide quartz veins and quartz-carbonate stockworks.

Immediately east of the Baie Verte Fault (BVF) are sheared and deformed submarine mafic and intermediate volcanics and volcanioclastics rocks of the mid-Ordovician to Silurian age Flat Water Pond Group; the contact zone is a major fault zone (BVF) which has undergone moderate to severe listwanitic alteration with anomalous to ‘ore grade’ gold mineralization intermittently along it’s 70 km strike length. These favorable rocks are approximately 1,200 to 2,500 m wide across the property and form the core of the Dorset Project for it’s entire length. Conformable above these mafic volcanioclastics is a 200 to 1,000 m thick unit of variably mixed mafic and felsic submarine to subaerial (?) volcanioclastics with minor conglomerate and diabase dikes. These rocks have been faulted and sheared for considerable strike lengths and are hosts to zones of intensive alteration (silicification, sericitization and carbonatization, +/- pyritization) and intense quartz veining and quartz-carbonate stockworking. A poorly exposed but extensive and wide (possibly >10-25 m) quartz-breccia /stockwork zone occurs along the easternmost linear on the property and has been traced intermittently by the writer for over eight km. These strong alteration zones and sheared-faulted and quartz veined areas are the hosts and potential hosts for both mesothermal-type gold-quartz lodes and disseminated auriferous-sulfide deposits. These features are the current focus of the Dorset Projects orogenic-mesothermal gold exploration program. This important fault-linear zone is here named the FWP fault as it is one of the ‘main-breaks’ and a primary gold exploration target on the property.

The entire eastern side of the Dorset Project is marked by a steep, westerly dipping thrust fault which has juxtaposed Ordovician-Silurian aged Burlington granodiorite above the Mic Mac Lake and Flat Water Pond Groups. At the southeastern most part of the Dorset Project, a ~6,000 m long, narrow sliver (100 to 250 m wide) of Devonian aged, red quartz-feldspar porphyritic ash flow tuffs and trachytic to rhyolitic flows of the Mic Mac Lake Gp. (Silurian-Devonian-Carboniferous (?) caldera volcanics) has been faulted and highly sheared between Flat Water
Pond Gp. felsics and the Silurian age Burlington granodiorite. This thrust fault has been previously
Figure 3: Geological setting of the Baie Verte Peninsula and Dorset Project area.
named the **Burlington thrust fault** (Dearin, 2003). This important fault zone is another prime-importance gold target; splays and other subsidiary structures emanating from and into this fault and the adjacent FWP fault-linear are also primary gold exploration targets on the Dorset Project.

The geology underlying the two Licenses which are the subject of this report consists of mafic volcanics of the Flatwater Pond.

### Mineralization & Potential

Approximately six gold zones have been located on the Dorset claims. These include the following; Dorset (channel samples > 60 g Au/t over 0.25 m); Albatross (grabs 13.8 & 30.3 g Au/t); Phoenix (grabs of 5.5 g Au/t); Baz (channels to 1.5-4 g Au/t over 2 m); Gunshot (visible gold); Casa Loma (grabs 1-3 g Au/t carbonate alteration). Numerous other highly anomalous showings occur on the claims. In addition, many strong linear Au-As etc. soil anomalies have been outlined in over ten areas on the claims; most have not received serious follow up prospecting or trenching. The Dorset Project holds a considerable potential to host structurally controlled, mesothermal, high grade gold deposits similar to the Mother Lode gold deposits in California.

### 2007 Program and Results

During June 2007 four days were spent in random prospecting and b-horizon soil sampling on three lines immediately north of the Dorset veins in an attempt to locate extensions of these narrow but high-grade gold quartz veins. A total of 30 soil samples were collected on three compassed and chained lines (Figure 4).

Prospecting did not turn up any quartz-mineralized outcrop or boulders but did confirm the very low amount of outcrop in the area. A dozen or so outcrops all revealed the rock types to be generally fresh, unaltered mafic volcanics and minor gabbro.

All soils were analyzed by Eastern Analytical Labs in Springdale by fire assay for gold and ICP-AES for 30 additional elements; assay certificates are included in Appendix A.

The NE extension of the Dorset veins on the Project is not evident from the gold values of the soil samples: all samples analyzed 5 ppb Au. In general soil conditions are surprisingly poor to very poor and only three samples had a decent b-horizon the remaining soils being a mixture of A-horizon (wet black peat-humus), immediately followed by a light grey C-horizon and D-horizon soil. However a geochemical expression of the veins is possibly reflected in the base metal and arsenic where values up to 50-491 ppm As, 25-55 ppm Pb and 25-156 ppm Cu have been obtained (see assay sheet, Appendix A and Figure 4)
June 2007 soil samples
Lic. No's: 7486M & 7825M

Note:
Claims to Aug. 7, 2007
UTM grid: NAD 1927, zone 21

Dorset Veins & Trenches
Noranda 1987-88 Grid & Soil Samples

Dorset Project
June 2007 soil sampling
Lic. No's: 7486M & 7825M

Powerline
La Salle Highway
Paulville

Dorset Veins & Trenches

June 2007 prospecting traverses

June 2007 soil samples
1001 to 1030
(Au ppb in red)
II. CONCLUSIONS AND RECOMMENDATIONS

The brief soil sampling program carried out to the immediate NE of the Dorset gold quartz veins did not detect gold anomalies in the vicinity of the strike projection of the veins. Interestingly As and some base metal values are anomalous along the strike projection for at least 200 meters to the north. Although poor soil development exists over most of the area, the As and Pb soil values may be useful as prospecting aids in future exploration.

Proposed Future Program

The following exploration work is proposed for the Dorset veins strike extension:

- Backhoe trenching along the NE strike extension of the Dorset veins should be done.
- Additional soil sampling should be done to the north of the current soil sampling.
- Detailed trenching should be carried out across several ENE trending, moderate (50-150 ppb Au) soil anomalies
- If the above work is successful a program of shallow diamond drilling should be carried out.
IV. REFERENCES


Dearin, C. 1984: Mother Lode gold environments in the Baie Verte, Ming’s Bight, Nippers Harbour, Glover Island (Baie Verte-Brompton Line Fault) and Gander (GRUB Line) areas, Newfoundland; a proposal for staking & prospecting. Priv. Report for South Coast Resources Ltd., Calgary, Alta, 10 p.


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MacDougall, C S & Walker, S. D., 1988: Second year assessment report on geological, geochemical, geophysical, trenching and diamond drilling exploration for licence 2833 on claim blocks 4659-4660, licence 2834 on claim blocks 4661-4662, licence 2845 on claim block 3994, licence 2846 on claim block 3995, licence 3024 on claim blocks 4800-4801 and licence 3026 on claim block 5011 in the Castor Pond, Flat Water Pond and Southwest Brook areas on the Baie Verte Peninsula, North-central Newfoundland, Noranda Exploration, GSN Assessment File 12H/16/0982, 333 pages.

APPENDIX A

2007 Geochemical Analysis

Dorset Project

Licenses 7486M & 7825M
# Au Fire Assay/ICP Geochemistry Certificate

**Eastern Analytical Limited**

P.O. Box 187  
Little Bay Road  
Springdale, NF  
A0J 1T0  

Phone: 709-673-3909  
Fax: 709-673-3408  

E-mail: easternanalytica@nfl.aibn.com

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**Concentrations in assay range may cause interferences in associated elements.**

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| Sample Number | Au (ppb) | Ce (ppm) | Sr (ppm) | Ba (ppm) | Fe (%) | P (%) | Hg (ppm) | Mg (ppm) | As (ppm) | V (ppm) | Na (ppm) | K (ppm) | Al (ppm) | Be (ppm) | Ca (ppm) | Cr (ppm) | Cu (ppm) | Zn (ppm) | Cd (ppm) | Co (ppm) | Ni (ppm) | W (ppm) | La (ppm) | K (%) | Mn (ppm) | Sn (ppm) | Cr (ppm) |
|---------------|----------|----------|----------|----------|--------|------|---------|---------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|        |        |        |        |