<table>
<thead>
<tr>
<th>Licence/Property</th>
<th>No. of Claims</th>
<th>Assessment Year</th>
<th>Date Issued</th>
<th>NTS Map</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 901m</td>
<td>4</td>
<td>1</td>
<td>2008/04/30</td>
<td>ZE/10</td>
</tr>
<tr>
<td>14 902m</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Number of Volumes: 1

Enclosures (indicate number of each):

- CD-Roms: 1
- Diskettes: 
- DVD's: 
- Tapes: 
- Transparencies: 
- Paper Maps: 
- Microfiche: 
- Other: 

Received: 2009/04/09

Comments: No UTM coordinates provided for the 4 grab samples but location description (pg 16) in conjunction with Map (pg 9) provide adequate location information.

Signed: Andrea Mill

Date: 2009/04/13
NEW ISLAND
resources inc.

Suite 602, TD Place
140 Water Street
St. John's, NL, A1C 6H6

FIRST YEAR (2008) GEOLOGICAL ASSESSMENT REPORT FOR
MINERAL RIGHTS LICENCES 014901M, SLEEPY COVE AND 014902M, WILD
COVE, TWILLINGATE AREA (2E/10)

New Island Resources Inc.

by

Baxter F. Kean
GeoServices Consulting
13 Harrogate Place, St. John's, NL
A1A 5A8
Tel. (709) 738-3710; Cell (709) 690-6434

April, 2009
FIRST YEAR (2008) GEOLOGICAL ASSESSMENT REPORT FOR MINERAL RIGHTS LICENCES 014901M, SLEEPY COVE AND 014902M, WILD COVE, TWILLINGATE AREA (2E/10)

New Island Resources Inc.

by

Baxter F. Kean
GeoServices Consulting
13 Harrogate Place, St. John’s, NL
A1A 5A8
Tel. (709) 738-3710; Cell (709) 690-6434

April, 2009
# TABLE OF CONTENTS

INTRODUCTION..................................................................................................................1  
LOCATION AND ACCESS.................................................................................................1  
PHYSIOGRAPHY....................................................................................................................4  
REGIONAL GEOLOGY..........................................................................................................4  
LOCAL GEOLOGY..................................................................................................................6  
PREVIOUS WORK..................................................................................................................11  
MINERALIZATION...............................................................................................................13  
2008 GEOLOGICAL ASSESSMENT AND CONCLUSIONS.........................................................16  
REFERENCES.......................................................................................................................18  
ASSESSMENT EXPENDITURES.............................................................................................21  
APPENDIX A – Licence Information.....................................................................................23  
APPENDIX B – Assay Certificate............................................................................................28  

## FIGURES

**Figure 1**: Location of licences..............................................................................................2  
**Figure 2**: Location of licences, mineral prospects and assay samples..................................3  
**Figure 3**: Tectono-stratigraphic zones of the Newfoundland Appalachians...........................5  
**Figure 4**: Regional geology of the northern Dunnage zone..................................................7  
**Figure 5**: Geology and prospects of the Twillingate area.....................................................9  

## TABLES

**Table 1**: New Island Resources Inc. licences, Twillingate area..............................................1  
**Table 2**: Distribution of mineral licences expenditures for 2008............................................22  

i
INTRODUCTION

Mineral Rights Licence 014901M, consisting of four contiguous claims and constituting 100 hectares, and 104902M, consisting of two claims and constituting 50 hectares, (Table 1) were originally issued to Paul L. Dean in 2008/04/30, and were transferred to New Island Resources Inc. on 2008/08/05 (see Appendix A).

The licences are underlain by the Cambrian Sleepy Cove Group, which hosts the Sleepy Cove and Long Point copper and the Wild Cove zinc-copper (Au-Ag) prospects. Historically, the Wild Cove prospect and immediate area have been the focus of the most extensive geological and exploration activity in this area (see Bradley, 1999).

A review of the available data for the area was carried out as part of the assessment, and two days were spent in the field in late July 2008.

Table 1: New Island Resources Inc. licences, Twillingate area.

<table>
<thead>
<tr>
<th>Mineral Licence No.</th>
<th>No. of Claims</th>
<th>NTS Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>014901M</td>
<td>4</td>
<td>2E/10 (Twillingate)</td>
</tr>
<tr>
<td>014902M</td>
<td>2</td>
<td>2E/10 (Twillingate)</td>
</tr>
</tbody>
</table>

LOCATION AND ACCESS

The licences are located in the eastern and northern parts of North Twillingate Island, eastern Notre Dame Bay, Newfoundland (Figures 1 and 2). The area can be either reached via route 340 from the Trans Canada Highway at Notre Dame Junction or route 330 from Gander and then take route 331at Gander Bay. These routes lead to Boyd’s Cove from which a continuation of route 340, known as the “Road to the Isles”, leads to the town of Twillingate 30 km to the north on North Twillingate Island. From Twillingate follow the road to Wild Cove, Crow Head and Long Point Lighthouse.
Figure 1: Location of New Island Resources Inc. Licences, Twillingate area.
The Wild Cove prospect is located on the north side of the road (Route 340) at the entrance to the community of Wild Cove (Figure 2). The Sleepy Cove Mine is located off the Long Point Lighthouse road in the Sea Breeze rest area, just before climbing the last hill to Long Point Lighthouse. Overall, the area is general easily accessible by roads, paths and trails which criss-cross the island.
**PHYSIOGRAPHY**

The licences are characterized by ridge-like rolling hills separated by flat to gently rolling fields, with the highest elevation in the order of 100 meters above sea level. The coastline is dominated by beached coves and steep cliffs that plunge into the sea giving excellent bedrock exposures. With the exception of hilltops, road cuts and a small rock quarry located approximately 500 meters SW from the Wild Cove prospect, low-lying spruce and fir, glacial till and bog results in poor to moderate bedrock exposure in the interior.

**REGIONAL GEOLOGY**

The Island of Newfoundland comprises the northeastern extremity of the Appalachian Orogen (Williams et al., 1974), a Late Precambrian to Early Paleozoic orogenic or mountain belt. The orogen in Newfoundland is generally regarded as a “two-sided, symmetrical system” (Williams, 1964) that can be divided into four tectono-stratigraphic zones (Figure 3) that are from west to east – the Humber, Dunnage, Gander and Avalon zones (Williams et al., 1988). The Humber and Avalon Zones represent Precambrian continental platforms formed along the Laurentian and Gondwanan margins, respectively (Williams, 1964; Williams et al., 1974). The Dunnage Zone and the Gander Zone comprise the Paleozoic Central Mobile Belt and lie between the Humber and Avalon zones.

The Dunnage Zone has been further subdivided on the basis of contrasting geology into the Notre Dame Subzone in the northwestern and the Exploits Subzone in the southeastern (Williams, et al., 1988), juxtaposed along the Red Indian Line. The Notre Dame Subzone records the Cambrian to Early Ordovician geological development of a series of island-arcs and back arc basins that fringed the Laurentian margin. The Exploits Subzone represents a shallowing-upwards marine basin infilled with sediments of predominantly volcaniclastic and volcanogenic origin.

The Humber Zone comprises Grenville-age basement rocks overlain by Cambro-Ordovician shelf-facies carbonate and clastic sedimentary platformal rocks. The zone represents the rifted margin of ancient North America and the continental shelf that developed along its eastern margin. This rifting produced a complex series of Cambro-Ordovician marginal oceanic basins, locally preserved as ophiolite obducted onto the platform.
Figure 3: Tectono-stratigraphic subdivisions of the Newfoundland Appalachians.
The Dunnage Zone records the development of Cambrian to mid-Ordovician crust of the ancient Iapetus Ocean, including extensive volcanic arc, back-arc and associated marine sedimentary successions. The volcanogenic sulphide mineralization in the Twillingate area occurs in volcanic rocks of the Notre Dame Subzone of the Dunnage Zone.

The Gander Zone is a thick sequence of early Ordovician poly-deformed, quartz-rich marine clastic sediments that grade eastward into psammitic schist, gneiss and migmatite, intruded by megacrystic and two-mica granites. It is in structural contact with the Dunnage Zone to the west and occurs as windows within that zone. It represents a continental prism of sediment developed on the southeastern margin of the Iapetus Ocean.

The Avalon Zone, which lies east of the Gander Zone and in tectonic contact with it, records complex Late Proterozoic magmatic arc development, characterized by well preserved, high- and low sulphidation gold deposits. The Avalon Zone is a Pan-African terrane, a remnant of northern Africa or Europe that formed the southeastern margin of the Iapetus Ocean.

Closure of the Iapetus Ocean and resultant collision led to widespread magmatism and deformation throughout much of Newfoundland.

**LOCAL GEOLOGY**

The licences are located in the Dunnage Zone and are underlain by chloritized mafic volcanic of the Sleepy Cove Group of the Notre Dame Subzone which is separated from the Exploits Subzone to the south by the Luke’s Arm Fault (Figure 4).

The Sleepy Cove Group underlies North Twillingate Island and a small part of the west side of South Twillingate Island (Figure 5). It is intruded by the Cambrian Twillingate Trondhjemite along its eastern and southern border, and fine-grained felsic dykes related to Twillingate Trondhjemite are common within the Sleepy Cove Group. The Sleepy Cove Group is thus considered mid-Cambrian in age, and to represent the earliest episode of island arc-related volcanism in the Notre Dame Subzone. Jurassic lamprophyre dykes intrude both the Sleepy Cove Group and the Twillingate Trondhjemite.

The Sleepy Cove Group is composed of mafic volcanic rocks consisting of closely packed, dark-to pale-green, variably chloritized pillow lavas with local pillow breccias and massive flows.
Figure 4: Regional geology of the Dunnage Zone (after O’Brien, 2003a, b).
LEGEND

Early Devonian
- Loon Bay Batholith

Early and Late Silurian
- Mount Peyton Batholith

Silurian and Ordovician
- Hodges Hill Batholith

EXPLOITS SUBZONE (South of Red Indian Line)

Early - Late Silurian
- Botwood Group: west of Dog Bay Line
- Indian Islands Group: east of Dog Bay Line

Late Ordovician - Early Silurian
- Point Leamington Greywacke
- Point Leamington Formation
- Campbellton Greywacke
- Upper Black Island Greywacke
- Milliners Arm Formation
- Gull Island Formation
- Sansom Greywacke

Middle - Late Ordovician
- Unseparated Shoal Arm, Lawrence Harbour, Luscombe, Rogers Cove, and Dark Hole formations

Middle Ordovician or Younger
- Sops Head Complex
- Boones Point Complex
- Dunninge Melange
- Duder Complex

Middle Ordovician and Older
- Phillips Head Igneous Complex
- Hamilton Sound Group
- Exploits Group
- Wild Bight Group
- South Lake Igneous Complex
- Summerford Group

NOTRE DAME SUBZONE (North of Red Indian Line)

Early Silurian
- Springdale Group

Early - Middle Ordovician
- Chanceport Group
- Roberts Arm Group
- Cottrells Cove Group
- Cutwell Group

Cambrian or Ordovician?
- Moretons Harbour Group

Cambrian
- Twillingate Trondjemite
- Sleepy Cove Group
- Lushs Bight Group

Stratigraphical boundary or intrusive contact

Anticline (with plunge direction indicated)

Syncline (with plunge direction indicated)

Thrust or reverse fault
(bars drawn on hanging wall; relative age unspecied)

Strike - slip component to fault movement (dextral, sinistral; relative age unspecied)
Figure 5: Geology of North Twillingate Island (after Currie, 1997).
They are of dominantly basaltic composition (Bradley, 1999), and their geochemistry is that of low potassium tholeiites of island arc affinity. Dark green to black mafic dykes are locally present in the sequence.

Pillow basalts of the Sleepy Cove Group characteristically consist of grayish-green weathering, bulbous pillows 50 to 70 cm in diameter; however, the pillows are in places intensely flattened. Amygdules, typically less than 6 mm in size, are concentrated near the top of the pillows and consist of calcite and dark-green chlorite. Chlorite, as well as epidote and quartz, also fill the interstices between the individual pillows. The sequence is generally facing north to northeast.

Massive basaltic flows are common in the area, and are prevalent on the eastern shore where they occur in the hanging wall of the Wild Cove prospect, and in the rocky quarry located immediately south of Wild Cove (Bradley, 1999). The massive flows are divided on the basis of texture and composition into two types. Type 1 is characterized by buff-white to light grayish-green weathering basalt with a fine-grained, green matrix consisting of epidote, feldspar ± chlorite and carbonate. Numerous amygdules, generally less than 6 mm, of chlorite and calcite, sometimes epidote, are common. The flows exhibit a slight fracturing that intensifies in the vicinity of deformation zones. White carbonate or quartz is commonly found at the junction of fracture planes, and within open fractures. The type 2 basalt is characterized by the abundance of epidote and hence weathers light grayish-green to pale green. Epidote occurs as stringers, patches and in varioles in a fine-grained, dark-green feldspar, chlorite and epidote groundmass.

Pillow breccia is the least common rock type in the area. Fragmental pillows are characterized by abundant chlorite, epidote, and calcite (± hematite) in the interstices. Late, thin dilational quartz veins were also present.

The Sleepy Cove Group is intruded by felsic intrusions that are probably related to the Twillingate Trondhjemite, and they can be quite extensive. They consist of quartz and feldspar, locally porphyritic, and are commonly found in deformation zones. They have an orange-brown to rusty, grayish and cream beige weathering surface and range in thickness from 3 to 8 meters.

Dark green to black, fine grained mafic dikes are located on the northeast coast of North Twillingate Island. These are steeply dipping and are typically 1 to 2 meters thick. They occur in groups of two or three and are spatially associated with the felsic dikes. These dikes are moderately fractured.
All rocks within the Sleepy Cove Group have been metamorphosed to lower greenschist facies, and are locally rich in chlorite- and/or calcite-filled amygdules. The area is transected by northeast trending faults that parallel the general northeast striking fabric. Northeast trending folds are also common, as is kinking of earlier structures. The rocks are variably sheared, and a well-developed schistosity defined by dark-green chlorite may be developed, which in places form chlorite-schist shear or deformation zones. They generally contain epidote stringers and fine-grained, disseminated pyrite. Quartz veins, ranging from 1 to 3 cm wide, and felsic dikes may also be present and follow the schistosity. The zones are steeply to shallow dipping and are typically 2 to 3 meters wide, but locally can be quite wide. The intensity of deformation generally dissipates over 15 to 20 meters on either side. These deformation or shear zones generally form topographic lows.

Minor alteration and pyritization is common throughout the Sleepy Cove Group on North Twillingate Island, and there are three known prospects in the area. Copper-zinc mineralization is present at Wild Cove, and copper-bearing mineralization in the Sleepy Cove-Long Point area. All mineralization in the area is mafic volcanic-hosted, copper +/- zinc volcanogenic sulphides.

**PREVIOUS WORK**

The earliest known geological work in the area was in 1868 by miners who worked on the Wild Cove copper prospect for the Tilt Cove Copper Company. However, it was not until the early 1900s that serious attempts were made to develop any prospects in the area. Between 1907 and 1917 the Great Northern Copper Company attempted to develop the copper prospect at Sleepy Cove (Martin, 1983). They reportedly spent considerable sums on a mining plant and related infrastructure. A shaft was sunk to a depth of about 36.5 m, and an open cut 49 m long was driven (Swinden, 1991). Mining operations continued sporadically until the First World War, but little ore was ever shipped. The property lay mostly dormant until a brief survey was carried out by the Newfoundland Government in 1951 (McKillop, 1951). He recommended diamond drilling to further test the extent of the mineralization. Three holes were drilled by NALCO in 1970, but these did not encounter significant mineralization (Swinden and Kean, 1988).

Strong (1972) was the first to recognize that the mineralization was probably volcanogenic in origin and proposed that the Sleepy Cove prospect and several other smaller mineralized outcrops along a 1.2 km strike length to the northeast, including the Long Point prospect were related to a volcanogenic stockwork system.
The Long Point prospect was discovered in 1972 by NALCO, and aside from geological mapping has not been further explored.

After the initial geological investigations in the 1800s the Wild Cove prospect lay dormant for close to a century before it underwent further geological and exploratory work in the 1950s. In recent years the prospect has seen an increase in exploration (Bradley, 1999). The following summary adapted and edited from Bradley (1999) describes the geological work completed on the Wild Cove prospect and immediate area in the 1990s.

1868: A single shaft approximately six meters deep was sunk into the prospect by the Tilt Cove Copper Company during which time minor trenching is also believed to have been completed. Mineralization was reported to be exposed across the full width of the shaft at its base (Quinn, 1944). The shaft is presently covered by the paved road through Wild Cove.

1951: Six diamond drill holes were completed by NALCO to intersect the prospect and to test for mineralization along strike. All holes intersected sulphide mineralization, consisting of pyrite and chalcopyrite (± sphalerite) (McKillop, 1951). The drill core from these holes cannot be located and may have been discarded.

1953: J. Kallioski mapped and prospected the area encompassing the Wild Cove Prospect for Newmont Mining Corp. Ltd. under agreement with NALCO (Kallioski, 1953).

1955-56: McPhar Geophysics Ltd. conducted experimental EM surveys over the Wild Cove Prospect for NALCO. Responses coincided with known mineralization. Other responses indicated weak to moderate conductors along strike, west and southeast of the prospect (Hallof and Nowlan, 1956).

1974: Good Fortune Prospecting Syndicate, on behalf of NALCO, conducted an IP survey centered over the showing. Responses coincided with known mineralization. Another response was recorded 120 meters southeast of the prospect, coincident with one of the EM conductors (Good Fortune Prospecting Syndicate, 1974).

1988: James Wade Engineering conducted a reconnaissance soil sampling program on behalf of Murray’s Golden Venture immediately west of Wild Cove and at Sleepy Cove to the north. Soil anomalies were identified west of the Wild Cove Prospect (McBride, 1989).

1996: A diamond drill hole was completed by Lauren Exploration Ltd. and Cape Broyle Exploration Ltd. Hole WC-96-01 was drilled by East Coast Drilling to a depth of 10 meters and contained sulphide mineralization throughout the entire core.

1997 to 1999: Altius Resources Inc. obtained the mineral rights to the Wild Cove Prospect and conducted further sampling and prospecting on the property. Roderick Smith (1998) conducted a field and geochemical orientated B.Sc. (Geology) thesis study on the Wild Cove prospect and surrounding lithologies on behalf of Altius Resources Inc.

1999: Noveder Inc. under an option agreement with Altius Resources Inc. drilled two diamond drill holes on the prospect totaling 372 m in order to test the down-dip and westerly extension of the mineralization. Drill hole WC-99-02 was drilled to a depth of 198.1 m to test the prospect 132 m immediately down-dip from the surface showing. The hole intersected predominately amygdaloidal, massive basalt with felsic and quartz-feldspar porphyry dykes. Trace amounts of fine-grained, disseminated pyrite were encountered; however, 10-15% pyrite was noted between 93.66 m and 94.60 m. Drill hole WC-99-03 was drilled about 95 m west of WC-99-02 to test the western extension of the prospect. It was drilled to a depth of 174 m and intersected basaltic flows with felsic and porphyry dykes. Occasional trace amounts of disseminated pyrite mineralization were encountered.

**MINERALIZATION**

*Sleepy Cove Mine*

The Sleepy Cove mine is located on the northwest end of North Twillingate Island on the north side of Sleepy Cove. The mineralization occurs in pillow lavas of the Cambrian Sleepy Cove Group that are variably altered to black chlorite, epidote, quartz and calcite. Common but sporadic pyrite, pyrrhotite and chalcopyrite occur as stringers, disseminations and massive patches up to 10 cm in diameter. There is a close association between the presence of sulphides and black chlorite. This is best exposed and developed on the rocky shoreline at Sleepy Cove, especially within 30 m of the old shaft and open cut, although it dies out quickly in all directions.
Fine-grained, felsic dykes probably related to the Twillingate Trondhjemite cut the mafic volcanics and mineralized zone.

The third dimension of the mineralized zone can be inferred from the three NALCO drill holes previously mentioned in the section on ‘Previous Work’. A vertical hole was drilled 14.3 m east of the shaft to a depth of 53.3 m to test the depth continuity of the mineralization. Three low-grade copper zones were intersected, none with economically significant base metals. Two holes tested the strike extension to the northeast and encountered sporadic low-grade copper mineralization (Swinden, 1988).

The Sleepy Cove prospect and the prospects along strike to the northeast, including the Long Point prospect, appear to be remnants of a single large volcanogenic stockwork system. The strong linear expression of the mineralization suggests that it was originally controlled by faulting or has been modified by later faulting.

**Long Point Prospect**

This prospect is located on the east shore of Long Point, North Twillingate Island. It consists of chalcopyrite and pyrite in fractures, vesicles and pillow interstices in altered pillow basalts. According to Strong (1972) it is similar to the Sleepy Cove prospect in mineralization, alteration and nature.

**Wild Cove Prospect**

The Wild Cove prospect is located near the southeast end of the community of Wild Cove on the east side of North Twillingate Island. It occurs in a deformed and folded, chlorite schist zone derived from mafic volcanic rocks of the Cambrian Sleepy Cove Group. It is intruded by a quartz-feldspar porphyritic dike. The prospect has an exposed strike length of 11 meters and an apparent thickness of 8 m. The sulphide content varies within the prospect and appears segregated into chalcopyrite-pyrite and sphalerite-pyrite sulphide rich zones. Historic trenching and chip sampling of the prospect gave assay values up to 5.0% Zn, 1.42% Cu, 42g/t Ag and 1.2g/t Au over 2.0 meters. Banding of the massive sphalerite-pyrite mineralization is quite common while the chalcopyrite-pyrite mineralization is typically semi-massive or present as stringers and disseminations suggesting that both exhalative and stockwork facies are present.

The basalt in the immediate footwall of the prospect has been totally modified by the addition of silica, carbonate, epidote and chlorite and are variably deformed. It typical has a dark-green
colour and in places has a bleached green to cream beige, grey or light green colour. Pyrite is commonly disseminated throughout the basalt and along fracture planes. There is a well-developed, chlorite schistosity that dissipates away from the mineralized zone.

The contact with the hanging wall is under the road; however, rocks on the opposite side of the road have similar characteristics as the altered and schistose footwall basalt. Collectively, they thus form an altered and deformed basalt envelope to the mineralization that appears to continue along strike following the orientation of an inferred fault. The contact between the footwall and hanging wall basalt is moderately to steeply dipping (45° to 60°) towards the southeast. Drilling by NALCO in 1951 indicated that significant stringer and disseminated sulphides associated with quartz-carbonate and silicified volcanics occur on both ends of the prospect for a strike length of 120 m and is open in all directions.

According to Smith et al. (1998) and Bradley (1999), the prospect consists of essentially two zones defined on the basis of their sulphide composition, texture and host rock. The following description of the two zones is adapted from them.

**Zone 1:** Zone 1 has an exposed strike length of 8 meters and contains the best sulphide mineralization of the two zones. This zone is slightly elliptical, plunges to the SSE and structurally overlies Zone 2. Elliptical lens of massive sulphide, containing banded, fine-grained black sphalerite and medium to fine-grained deformed pyrite are located at the base of zone one. Drill hole WC-96-01 drilled by Lauren Exploration Ltd. and Cape Broyle Exploration Ltd. in 1996 indicates that these massive, banded sulphides are dispersed throughout Zone 1. At the top of Zone 1, the unit has a grayish, cherty appearance containing disseminated fine-grained pyrite and minor chalcopyrite but becomes more sulphide rich towards the bottom. Semi-massive pyrite is the most common form of sulphide. Quartz and carbonate stringers and quartz rich zones are commonly associated with this zone.

Grab samples from the massive, banded sulphides within Zone 1 returned assay values up to 25.0% Zn, 2.4% Cu, 86g/t Ag and 1.9g/t Au, and grab samples of stringer mineralization returned values up to 9.1% Zn, 1.8% Cu, 2.51 oz/t Ag and 1.9g/t Au. An average value based on 10 selected samples from Zone 1, including massive, semi-massive, stringer and disseminated mineralization, is 11.91% Zn and 1.33% Cu. Diamond drill hole WC-96-01 was collared in Zone 1 mineralization and returned an average assay value of 5.7% Zn, 1.2% Cu, 40g/t Ag and 1.0g/t Au over an interval of 4.0 meters. Drilling in 1999 by Noveder Inc. did not return any significant
sulphide mineralization or gold values, and it was concluded that the prospect has limited size potential (Bradley, 1999).

Zone 2: Zone 2 consists of a quartz-feldspar porphyry dike that appears to have intruded Zone 1 and assimilated the sulphides. The contact between the two zones is brecciated with fragments of both zones surrounded by a quartz-carbonate matrix over a 15 cm width. Mineralization consists of pyrite with minor chalcopyrite and trace, very fine-grained sphalerite and is typically fine-grained and disseminated. The dike is significantly altered and deformed and the original phenocrysts have a pink-orange color, possibly indicating potassium feldspar alteration. The intensity of deformation increases towards the footwall contact.

2008 ASSESSMENT AND CONCLUSIONS

Aside from a literature evaluation and review of the area, Paul L. Dean and Baxter Kean spent two days in the field evaluating the licences in late July 2008. The assessment consisted of geological reconnaissance and prospecting of the area, visiting the three prospects located on the licences, and sampling for base metals and gold. The Sleepy Cove and Wild Cove prospects were sampled for base- and precious-metals, and two orange-brown, rusty, altered felsic dykes intrusive into the Sleepy Cove Group were sampled for gold (Figure 2). These dykes are common and form prominent visual features in the area. Four samples were submitted to Eastern Analytical Ltd. in Springdale for assays (Appendix B).

Sleepy Cove sample one (SC-08-01) is from the mineralized zone at Sleepy Cove and returned 1.18% Cu, about average for this prospect. Sleepy Cove sample two (SC-08-02) and Crow Head (CH-08-1) were samples taken from altered and slightly pyritized, orange-brown, rusty-looking felsic dykes that intrude the Sleepy Cove Group and interpreted to be related to the Twillingate Trondhjemite. The SC-08-02 dyke intrudes the altered host mafic volcanics on the south side of Sleepy Cove and interestingly contains 1.7% Zn and 24 g/t Ag, this probably represents remobilization from the volcanogenic sulphides, as documented in Zone 2 of the Wild Cove prospect (see above). CH-08-01 is from the dyke at the wharf in Crow Head.

WC-08-01 is from the surface outcrop of Zone 1 of the Wild Cove prospect on the north side of the road. It returned assay values of 14.3% Zn, 1.75% Cu and 89.4 g/t Ag (Appendix B).

It is concluded that further geological evaluation of the area should be undertaken,
including geological mapping and geophysics; in particular the Wild Cove prospect.
REFERENCES

Bradley, P.

Butler, R., Jr.

Butler, R.W., Jr.

Currie, K.L.

Good Fortune Prospecting Syndicate
1974: Geophysical Reports on the Twillingate Islands, Moreton’s Harbour and Fortune Harbour, Newfoundland. Private Report, NALCO.

Hallof, P.G. and Nowlan, J.P.

Kallioski, J.
Martin, W.  

McBride, D.E.  

McKillop, J.H.  

O’Brien, B.H.  

O’Brien, B.H.  

Quinn, H.A.  

Smith, R.L., Butler, R. and Churchill, R.  

Strong, D.F.  
Swinden, H.S.

Swinden, H.S.

Swinden, H.S. and Kean, B.F.

Williams, H.

Williams, H., Kennedy, M.J. and Neale, E.R.W.

Williams, H., Colman-Sadd, S.P. and Swinden, H.S.
ASSESSMENT WORK

Personnel & Contractors:
- Baxter Kean, GeoServices Consulting, St. John’s, NL
- Paul L. Dean, St. John’s, NL

Expenditures:

- Geological Investigations:
  - Field (2-days) & Consultations.................................................................$2,122.00
  - Accommodations & Meals........................................................................653.38
  - Travel........................................................................................................305.48
  - Boat Hire.................................................................................................135.00

  Subtotal.........................................................$3,215.86

- Supplies, Maps & Reports...........................................................................178.72

- Assays........................................................................................................186.90

- Report Preparation:
  - Writing and Compiling............................................................................$1,437.50
  - Cartographic Services.............................................................................140.00
  - Reproduction...........................................................................................50.00

  Subtotal.........................................................$1,627.50

Total.................................................................$5,208.98

- Overhead and Administration @ 15%..............................................................$781.35

  TOTAL EXPENDITURES.............................................................................$5,990.33
EXPENDITURES PER LICENCE

The first-year (2008) assessment work requirements were completed for both licences as per the regulations. Both licences were subject to ground checking, prospecting and geological evaluation.

Table 2: Distribution of mineral licences expenditures for 2008.

<table>
<thead>
<tr>
<th>Mineral Licence No</th>
<th>No. of Claims</th>
<th>Required Expenditures</th>
<th>Actual Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>014901M</td>
<td>4</td>
<td>$800.00</td>
<td>$3,993</td>
</tr>
<tr>
<td>014902M</td>
<td>2</td>
<td>$400.00</td>
<td>$1,997</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2</td>
<td>6</td>
<td>$1,200.00</td>
</tr>
</tbody>
</table>

Baxter Kean
APPENDIX A
LICENCE INFORMATION
LICENCE 014901M

Last Updated: 2008/08/06
Licence Number: 014901M
File Number: 774:9558
Original Holder: Dean, Paul L.
Licence Holder: New Island Resources Inc
Address: Suite 602, TD Place, 140 Water Street
St. John's, NL
Canada, A1C 6H6
Licence Status: Issued
Location: Sleepy Cove, North Twillingate Island
Electoral Dist.: 17 Twillingate-Fogo
Recorded Date: 2008/03/31
Issuance Date: 2008/04/30
Renewal Date: 2013/04/30
Report Due Date: 2009/06/29
Org. No. Claims: 4.0000
Cur. No. Claims: 4.0000
Recording Fee: $40.00
Receipt(s): 56408898 (2008/03/31) $40.00
Deposit Amount: $200.00
Deposit: 1428109 (2008/08/06) $200.00
Map Sheet No(s): 02E/10

Comments:

Reg 13; Genuine Prospector Staking security deposit (rec# 098843 - now official rec# 1428109) posted by New Island Resources Inc. on 2008.08.05. - licence transferred in year 1.
Mapped Claim Description:

Beginning at the Northeast corner of the herein described parcel of land, and said corner having UTM coordinates of 5 506 500 N, 659 000 E; of Zone 21; thence South 1,000 metres, thence West 1,000 metres, thence North 1,000 metres, thence East 1,000 metres to the point of beginning. All bearings are referred to the UTM grid, Zone 21. NAD27.

Land Claims (effective 2005/12/01):

LISA: 0.00%  LIL: 0.00%  VBP: 0.00%  Crown: 100.00%

Extensions:  None

Work Reports:  None

$800.00 to be expended on this license by 2009/04/30

Licence Transfers:

<table>
<thead>
<tr>
<th>New Holder</th>
<th>Transfer Date</th>
<th>Fee</th>
<th>Receipt Number</th>
<th>Receipt Date</th>
<th>Volume/Folio</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Island Resources Inc</td>
<td>2008/08/05</td>
<td></td>
<td></td>
<td></td>
<td>23/53</td>
</tr>
</tbody>
</table>

Partial Surrenders:  None

This Licence replaces Licence Number(s):  None

This Licence is replaced by Licence Number(s):  None

Work Report Descriptions:  None

Detailed breakdown of projected required expenditure:

<table>
<thead>
<tr>
<th>Actual Year</th>
<th>Actual Expenditure</th>
<th>Work Year</th>
<th>Excess Expenditure</th>
<th>Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>-$800.00</td>
<td>4.0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LICENCE 014902M**

Last Updated: 2008/08/06  
Licence Number: 014902M  
File Number: 774:9559  
Original Holder: Dean, Paul L.  
Licence Holder: New Island Resources Inc  
Address: Suite 602, TD Place, 140 Water Street  
St. John's, NL  
Canada, A1C 6H6  
Licence Status: Issued  
Location: Wild Cove, North Twillingate Island  
Electoral Dist.: 17 Twillingate-Fogo  
Recorded Date: 2008/03/31  
Issuance Date: 2008/04/30  
Renewal Date: 2013/04/30  
Report Due Date: 2009/06/29  
Org. No. Claims: 2.0000  
Cur. No. Claims: 2.0000  
Recording Fee: $20.00  
Receipt(s): 56408899 (2008/03/31)  
Deposit Amount: $100.00  
Deposit: 1428109 (2008/08/06) $100.00  
Map Sheet No(s): 02E/10

**Comments:**

Reg 13; Genuine Prospector Staking security deposit (rec# 098843 - now official rec# 1428109) posted by New Island Resources Inc. on 2008.08.05. - licence transferred in year 1.
Mapped Claim Description:

Beginning at the Northeast corner of the herein described parcel of land, and said corner having UTM coordinates of 5 504 500 N, 660 500 E; of Zone 21; thence South 1,000 metres, thence West 500 metres, thence North 1,000 metres, thence East 500 metres to the point of beginning. All bearings are referred to the UTM grid, Zone 21. NAD27.

Land Claims (effective 2005/12/01):
LISA: 0.00%    LIL: 0.00%    VBP: 0.00%    Crown: 100.00%

Extensions: None

Work Reports: None

$400.00 to be expended on this license by 2009/04/30

Licence Transfers:

<table>
<thead>
<tr>
<th>New Holder</th>
<th>Transfer Date</th>
<th>Fee</th>
<th>Receipt Number</th>
<th>Receipt Date</th>
<th>Volume/Folio</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Island Resources Inc</td>
<td>2008/08/05</td>
<td></td>
<td></td>
<td></td>
<td>23/53</td>
</tr>
</tbody>
</table>

Partial Surrenders: None

This Licence replaces Licence Number(s): None

This Licence is replaced by Licence Number(s): None

Work Report Descriptions: None

Detailed breakdown of projected required expenditure:

<table>
<thead>
<tr>
<th>Actual Year</th>
<th>Actual Expenditure</th>
<th>Work Year</th>
<th>Excess Expenditure</th>
<th>Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$0.00</td>
<td>1</td>
<td>-$400.00</td>
<td>2.0000</td>
</tr>
<tr>
<td>SAMPLE NUMBER</td>
<td>Au (ppb)</td>
<td>Cu (ppm)</td>
<td>Cu (%)</td>
<td>Pb (ppm)</td>
</tr>
<tr>
<td>---------------</td>
<td>----------</td>
<td>----------</td>
<td>--------</td>
<td>----------</td>
</tr>
<tr>
<td>SC-08-01</td>
<td>5</td>
<td>&gt;10000</td>
<td>1.18</td>
<td>1</td>
</tr>
<tr>
<td>SC-08-02</td>
<td>505</td>
<td>7000</td>
<td>156</td>
<td>&gt;10000</td>
</tr>
<tr>
<td>CH-09-01</td>
<td>6</td>
<td>28</td>
<td>3</td>
<td>96</td>
</tr>
<tr>
<td>WC-09-01</td>
<td>1326</td>
<td>&gt;10000</td>
<td>1.75</td>
<td>99</td>
</tr>
</tbody>
</table>