

Mineral Exploration Activity in Nova Scotia, 2007

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Mineral Exploration Monitoring

Monitoring of mineral exploration activity in Nova Scotia is coordinated through the Registry of Mineral and Petroleum Titles of the Minerals Management Division by the author, who works out of the regional office in Stellarton, Pictou County. Geologists of the Regional Services Branch offices in Coxheath (Brendan MacKenzie), Truro (Donald Weir) and Bridgewater (Sandra Johnston) assist in the field monitoring of mineral exploration activity in their respective regions.

The monitoring process covers exploration activities throughout the province and consists of visits to company offices and exploration sites, liaison with industry personnel, and the review of current assessment reports and other material submitted by industry. Liaison with industry allows the department to maintain an awareness of current exploration activities throughout the province. Assistance or advice is provided as necessary, and any drill core generated by mineral exploration activity in the province is recorded as part of the monitoring process. This core may be recovered for archiving in the Drill Core Library in Stellarton when no longer required by the companies.

The Exploration Monitoring geologist is also responsible for auditing confidential assessment reports that are submitted in the support of the renewal of exploration licences. In 2007, 200 assessment reports were received and audited for compliance with the Mineral Resources Regulations. This number is up substantially from the 162 reports submitted for assessment credit in 2006.

Mineral Exploration Activity in 2007

Mineral exploration in Nova Scotia during 2007 increased significantly in comparison to the previous two years, with field expenditures

estimated to be in the range of \$10 million compared with \$6.3 million in 2005 and \$8.0 million in 2006. The recent upswing in mineral exploration has demonstrated a steady increase in expenditures since the beginning of 2004 (Table 1, Fig. 1), breaking away from a relatively quiet period of exploration activity between 2000 and 2003 where annual expenditures hovered in the range of \$3.1 to 3.5 million. The current level of exploration expenditure primarily reflects the recent upswing in gold exploration in the province, which is focused on historical gold mining districts in southern mainland Nova Scotia. Exploration for base metals has also demonstrated a modest increase in recent years, with the majority of work focused on carbonate-hosted Pb-Zn exploration in Lower Carboniferous sediments of the Windsor Group throughout the northern mainland areas of the province and central Cape Breton Island. Exploration continued for industrial minerals, although the number of active exploration programs continued to show a modest decrease over the past three years in comparison to the level of activity prior to 2004.

The amount of money available for exploration in the province has continued to improve over the past several years, with most of the current exploration activity being carried out by the junior mining sector. The increase in exploration funding has been the result of a substantial increase in the price of gold over the past two years. Following a gradual rise in the price of gold from roughly \$300US/oz. in early 2002 to approximately \$450US/oz. in the fall of 2005, bullion prices continued to climb to an average of \$675US/oz. by the middle of 2007 and then climbed sharply to the \$825US/oz. range by the end of the year. Base metals also followed a similar trend, with prices rising from approximately \$0.75US/lb. for copper, \$0.20US/lb. for lead, and \$0.35US/lb. for zinc in mid-2003 to approximately \$2.10US/lb. for copper, \$0.60US/lb. for lead, and \$0.95US/lb. for zinc by the end of 2005. Prices then continued to increase dramatically in 2006, reaching highs of

Table 1. Details of exploration and development activity in Nova Scotia, 1998-2007.

	1998	1999	2000	2001	2002	2003	2004	2005	2006	P ²⁰⁰⁷
Total Field Exploration Expenditures (\$)	5 600 000	3 800 000	3 500 000	3 100 000	3 400 000	3 491 710	6 632 520	6 337 550	8 000 000	P ^{10 000 000}
Total Licences Issued (all categories)	711	707	606	498	553	728	521	743	911	P ⁹⁰⁹
Claims in Good Standing (new and reissued)										
General	11 452	14 045	10 951	8 406	12 492	18 711	10 579	21 721	25 924	P ^{49 650}
Special (Order in Council)										
Salt and Potash	820	804	255	255	500	500	218	349	349	263
Coal	253	173	-	-	102	102	102	128	1 380	1 348
Geothermal	158	158	158	158	158	158	-	-	-	-
Underground Gas Storage	106	106	106	183	183	183	201	201	201	-
Tailings	-	-	-	-	-	-	-	-	-	-
Other (gold, base metals)	130	132	10	10	10	78	78	78	100	100
Uranium*	(226)	(226)	(226)	(226)	(226)	(226)	(226)	(226)	(226)	(226)
Total (excluding closures and uranium licences)	12 219	15 418	11 480	9 012	13 445	19 732	11 178	22 527	27 954	51 361
Total Area Held Under Licence (ha)	209 132	249 586	185 838	145 886	217 647	319 421	180 949	364 666	452 518	P ^{831 430}
(acres)	516 760	616 720	459 200	360 480	537 800	789 280	447 120	901 080	1 118 160	P ^{2 054 440}
Work Reported for Licence Renewals (\$)	5 385 194	2 969 047	1 136 304	2 811 393	1 457 012	1 197 208	4 270 042	5 704 121	6 273 377	9 632 665
Number of Assessment Reports Received	134	100	85	72	102	96	141	113	162	200

^PPreliminary figures for 2007

*Parentheses around uranium claims indicate ground alienation due to the uranium moratorium

December 31, 2007

EXPLORATION EXPENDITURES IN NOVA SCOTIA (1998-2007)

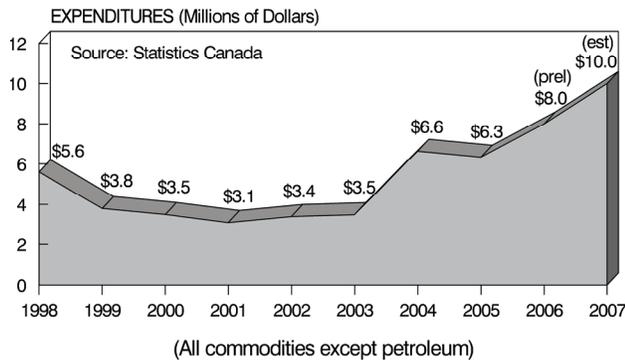


Figure 1. Exploration expenditures in Nova Scotia, 1998-2007.

\$3.50US/lb. for copper, \$0.75US/lb. for lead, and \$2.00US/lb. for zinc by the end of 2006. Copper prices continued in the range of \$3.25-3.50US/lb. during 2007 and lead continued to climb dramatically during the year reaching \$1.70US/lb. by late fall. In contrast, zinc prices reversed the trend, falling to roughly \$1.10US/lb. by the end of 2007, reflecting healthy inventories of the metal in global markets.

The availability of readily accessible equity capital in the Canadian market over the past three years, along with a favourable mining tax system and the lack of any impediments to investment in Canada by foreign companies, has continued to help sustain an overall increase in the level of mineral exploration in most areas of the country. In addition, a strong global demand for metal commodities, particularly in the rapidly growing economies in China and India, along with recent supply constraints, has helped to fuel investor interest and increase base metal exploration.

Preliminary figures for the total number of general claims staked in 2007 showed an increase of 91.5% over the previous year, from 25,924 to 49,650 claims (Table 1, Fig. 2). A preliminary total of 51,361 claims for all commodities were in effect at the end of 2007, represented by 909 general and special licences covering an area of 831 430 ha or 8 314 km², approximately 15.2% of the total area of the province. The amount of exploration drilling was up significantly over the previous year with a preliminary estimate of 28 000 m in 2007 compared with 24 100 m in 2006 and 14 100 m in 2005. In addition, an estimated 2 600 m of

New and Re-issued Claims in Nova Scotia (1998-2007)

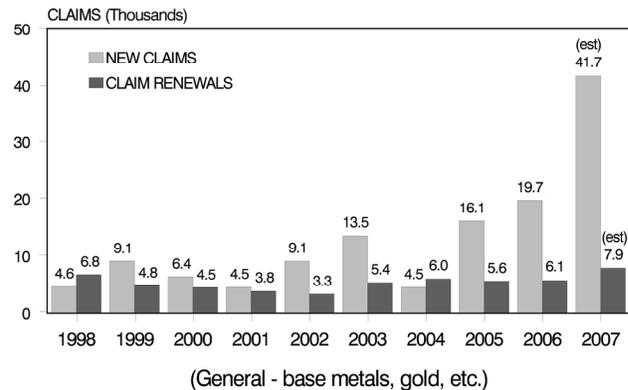


Figure 2. Claim staking in Nova Scotia, 1998-2007.

percussion drilling were also completed in 2007, compared with 22 100 metres in 2006 and 5 300 m in 2005.

Approximately 160 companies and individuals held exploration interests (licences or options) in Nova Scotia in 2007, including 3 major, 15 junior and 40 private companies (Tables 2, 3 and 4). In addition, several mining lease holders carried out exploration and development work on leases or on unclaimed ground where specific commodities did not require licences (e.g. limestone, gypsum). Organizations actively engaged in exploration during 2007 included 1 major, 8 junior and 18 private companies (Fig. 3, Table 5), as well as a number of individuals.

Exploration Activities

Gold

Exploration for gold continued to dominate mineral exploration in the province during 2007 with the level of activity showing a modest increase over 2006. The lower Paleozoic Meguma Supergroup of southern mainland Nova Scotia continued to be the principal focus for gold exploration, with the majority of work concentrated on the historical gold districts in Halifax and Guysborough Counties. A steady increase in the price of gold (\$835 US at year end) and an improved investment climate for the junior mining sector continue to support growing interest in exploration and development of the Meguma-hosted deposits.

Table 2. Major companies with exploration interests (licences or options) in Nova Scotia.

	2005	2006	2007
Acadian Mining Corporation (formerly Acadian Gold Corporation)	x	x	x
Aur Resources Incorporated	-	-	-
Georgia-Pacific Canada Incorporated	-	-	-
Intragaz Limited Partnership	x	-	

x indicates work performed

- company inactive

blanks indicate that the company did not hold an exploration licence in that particular year

Table 3. Junior companies with exploration interests (licences or options) in Nova Scotia.

	2005	2006	2007
Avalon Ventures Limited	x	x	x
Black Bull Resources Incorporated	x	-	-
Canstar Resources Incorporated (formerly Candor Ventures Corporation)	x	x	-
Atlantic Gold NL (formerly Diamond Ventures NL)	x	x	x
Exploration Orex Incorporated	x	-	-
Globex Mining Enterprises Incorporated	x	-	-
Heartland Resources Limited	-		-
Landis Mining Corporation	-	x	x
Merrex Gold Incorporated			x
Minotaur Exploration Ltd.			x
Monster Copper Resources Incorporated	x	-	-
Newfoundland Goldbar Resources Incorporated	-		
Pan East Petroleum Corporation	-	-	-
South-Malartic Exploration Incorporated	-		
Regal Goldfields Limited	-	-	
RJZ Mining Incorporated	x	-	x
Scorpio Mining Corporation	-	-	x
ScoZinc Limited	x	x	x
Titanium Corporation Incorporated (formerly Titanium Corporation of Canada Ltd)	-	-	
Wallbridge Mining Company Limited	x	-	

x indicates work performed

- inactive

blanks indicate that the company did not hold an exploration license in that particular year

Atlantic Gold NL (formerly Diamond Ventures NL), under an option agreement with Moose River Resources Incorporated, completed a detailed open pit feasibility study and resource evaluation of the Touquoy gold deposit at the Moose River gold property in Halifax County during 2007. The feasibility study was initiated in 2005 and included a comprehensive delineation diamond-drilling program, development of resource estimates, metallurgical test work, and other studies including geotechnical and hydrogeological test work. Work to date on the Touquoy deposit has outlined measured reserves of 11.3 million tonnes grading 1.8 g/t with a total of 653,500 contained ounces of gold. The company is currently waiting on the results of an environmental assessment study by the Nova Scotia Department of Environment and Labour on the proposed mining operation. The company also continued to evaluate the potential for Touquoy-style mineralization along the northeast and southwest strike extension of the Moose River property during the year.

Atlantic Gold NL entered into an option agreement with Scorpio Gold Corporation in May 2007 and initiated a detailed resource evaluation of the Cochrane Hill gold deposit in Guysborough County. Following a review of existing data, based on an open pit model, the company has announced revised gold reserves on the former producer which include indicated reserves of 1.8 million tonnes grading 2.5 g/t and inferred reserves of 2.9 million tonnes grading 2.4 g/t. The company initiated a reconnaissance reverse circulation drilling program on the property during the latter half of the year to test the strike extension of the main zone along the Cochrane Hill anticlinal structure. The company also completed detailed re-sampling of previously un-assayed diamond-drill core from previous exploration drilling programs. The company also completed additional work during the year in the Pleasant River Barrens area in Lunenburg County and the North Brookfield area in Queens County as part of a regional exploration program to evaluate the potential for additional Touquoy-style deposits.

Acadian Mining Corporation continued a large scale diamond-drilling program to evaluate both the open pit and underground resource potential of the Beaver Dam gold property in Halifax County. Diamond drilling has been in progress since 2005 and the company completed 212 drillholes on the

property totalling approximately 32 000 m by the end of 2007. Based on a cut-off grade of 3.0 g/t, published resources include measured and indicated reserves of 9 080 000 tonnes with an uncut grade of 2.01 g/t, and inferred reserves of 10 370 000 tonnes with an uncut grade of 2.16 g/t. Acadian also continued work on several other gold properties throughout Halifax and Guysborough Counties during 2007 including the Gold Mine Brook, Upper Seal Harbour, Spanish Ship Bay, and Waternish areas in Guysborough County, the Moose River, Fifteen Mile Stream, Sandy Pond, Meaghers Grant, Kent Lake and Tangier areas in Halifax County, and the Center Rawdon area in Hants County. Work on these properties included prospecting, geological mapping, rock and soil geochemical sampling, ground geophysics and overburden drilling.

Scorpio Gold Corporation entered into an option agreement in June 2005 to complete a detailed evaluation of the Caribou Mines gold property in Halifax County. The initial phase of the work program, which was completed in late 2006, included a compilation of previous surface and underground drilling on the property and the preparation of a resource estimate. The results of the resource estimate suggest an inferred resource of 350 305 tonnes grading 5.83 g/t. The company completed a preliminary surface diamond-drilling program on the property in 2007 and is planning to carry out an underground exploration and development program on the property beginning in 2008.

Ressources Appalaches, under an option agreement with Meguma Resource Enterprises Incorporated and Elk Exploration Limited, completed a preliminary diamond-drilling program on the Ecum Secum gold property in Halifax County late in the year. Under a similar agreement with Meguma Resource Enterprises Incorporated and Mr. John Ross, Ressources Appalaches carried out trenching and lithological sampling on the Miller Lake property in Guysborough County during 2007.

RJZ Mining Incorporated completed additional work in the area immediately to the east of the Beaver Dam gold property along the strike extension of the Beaver Dam - Fifteen Mile Stream Anticline, including prospecting, geological mapping and diamond drilling. United Reef

Table 4. Private exploration companies in Nova Scotia.

	2005	2006	2007
2134889 Ontario Incorporated			-
2403496 Nova Scotia Limited		-	-
2501023 Nova Scotia Ltd.			-
6179053 Canada Incorporated	-	-	X
Alpha Uranium Resources Incorporated			-
Atec Power Incorporated		-	
Ayarco Gold Corporation Limited	x	-	x
Alva Construction Limited	-	-	-
Annapolis Valley Goldfields Incorporated	-		
Billnor Forest Products Ltd.			-
Blackfly Exploration & Mining	-	x	x
Benrock Limited	-	x	
Burnt Point Resources Incorporated	-	x	x
Canada Direct Trading Limited		-	
Cape Crushing Company Limited	-		
Champlain Resources Incorporated	-	-	-
Chebucto Resources			-
Cobequid Gold Corporation Limited	x		
Conrad Brothers Limited	x	x	-
Copper Valley Holdings Limited	-		
Coxheath Resources Limited			-
D&D Metal Detectors Limited	-		
D.D.V. Gold Limited		x	x
Donkin Tenements Incorporated		x	x
Dufferin Resources Incorporated	-	-	
Ecum Secum Enterprises Limited	-	x	-
Elk Exploration Limited	-	x	x
Ellsin Resources Incorporated	x	-	
Gifhorse Resources			x
Golden Kamala Resources Incorporated	-	-	-
Gordon James Resources Company	-		
Geostorage Associates	-	-	
Glencoe Resources Incorporated	x	x	x
Gold 'n' Crystal Minerals	-		
Golden Ace Mineral Explorations Limited	-		
Goldenville Mining Corporation	x		
H & E Mullen Investments Limited	-	x	
Highland Range Minerals Limited	-		
Hudgtec Consulting Limited	-	x	-
John Logan Enterprises Limited	-	-	-
Jubilee Minerals	x	x	-

Table 4. Private exploration companies in Nova Scotia (cont'd).

	2005	2006	2007
Kaoclay Resources Incorporated	-	-	-
Kelly Rock Limited	-	-	x
Lynx Minerals Corporation	-		
MacLeod Resources Limited	-	-	
Meguma Resource Enterprises Incorporated	x	x	x
Minas Basin Pulp & Paper Company Limited	-		
Mindset Resources Limited	-		
Moose River Resource Limited	x	x	-
Mt. Cameron Minerals Incorporated	-	-	-
Municipal Capitol Incorporated	-	-	
New Road Resources Limited			-
Nycon Resources Incorporated	x	-	x
Pettizite Minerals and Exploration	-		-
Rainbow Resources Limited	x	-	-
Ressources Appalaches			x
Scratch Exploration			x
The Shaw Group Limited	-	-	-
Tripple Uranium Resources Inc.			x
True Metallic Explorations	-	x	x
Unama `Ki Resource Exploration and Investment	-	x	x
United Reef Limited		-	x
Votix Corporation Limited	x		
Yava Technologies Incorporated	x	-	x

x indicates work performed

- inactive

blanks indicate that the company did not hold an exploration license in that particular year

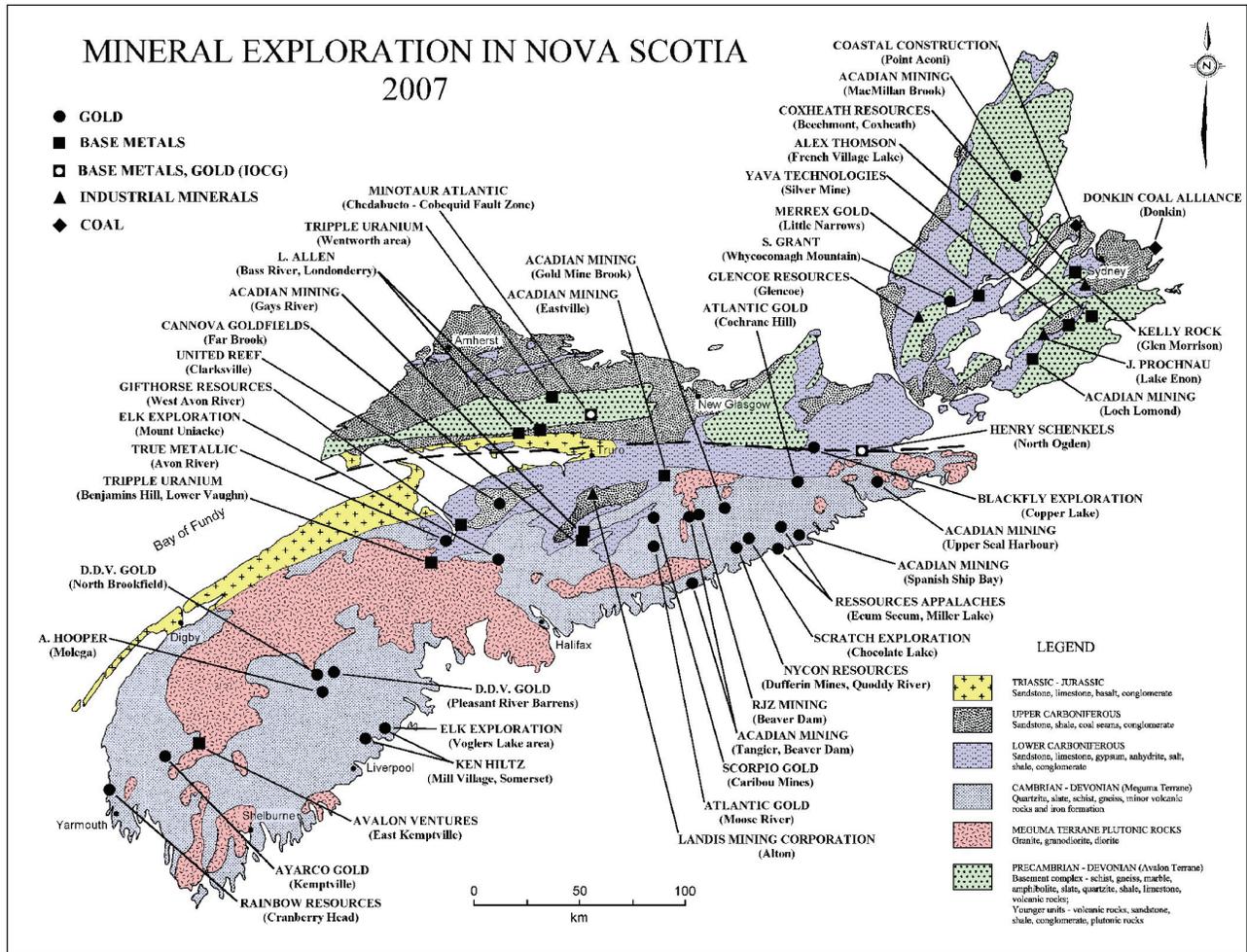


Figure 3. Mineral exploration in Nova Scotia, 2007.

Limited continued work northeast of Clarksville, Hants County, to assess the placer gold potential of the area. Work on the property included ground geophysics and diamond drilling.

Ayarco Gold Corporation Limited completed additional diamond drilling on the Kemptville gold deposit in Yarmouth County and Rainbow Resources Limited carried out detailed prospecting and sampling to evaluate the gold potential of the Cranberry Head gold property in Yarmouth County. True Metallic Explorations Incorporated completed ground geophysics and diamond drilling in the Avon River area south of Windsor as part of an ongoing program to evaluate the paleoplacer potential for gold in the Castle Frederick Bridge area.

Nycon Resources Incorporated completed soil sampling and stream sediment sampling in the Quoddy River and Dufferin Mines areas in Halifax County and Scratch Exploration carried out

surficial mapping and till sampling in the Chocolate Lake area in Halifax County. Blackfly Exploration & Mining carried out prospecting and geological mapping for gold at Copper Lake in Antigonish County. Elk Exploration Limited carried out prospecting, soil geochemical sampling and rock sampling in the Voglers Lake area in Lunenburg County and at the Mount Uniacke Gold District in Hants County.

Allen Hooper completed additional work during the year on the Molega gold property including prospecting, till sampling and rock sampling. Ken Hiltz carried out prospecting and soil sampling in the Somerset area in Queens County and in the Mill Village area in Lunenburg County. Scott Grant carried out additional prospecting and rock sampling in the Isaacs Harbour area in Guysborough County and completed prospecting and soil sampling in the Whycocomagh Mountain area of Inverness County.

Base Metals

Exploration for base metals in 2007 continued at roughly the same level of activity as in the previous three years. Current activity has focused primarily on exploration for base metals in the Lower Carboniferous Windsor Group sediments in northern mainland Nova Scotia and Cape Breton Island. Exploration for base metals was also undertaken in several other geological environments, including potential Olympic Dam style IOCG (iron oxide-copper-gold) deposits and associated polymetallic mineralization (Pb, Zn, Ag, Sn, W, Mo) along the Cobequid-Chedabucto Fault Zone throughout central mainland Nova Scotia, polymetallic mineralization associated with, in particular, greisen zones (highly altered granites and pegmatites) and vein systems in the South Mountain Batholith, Pb-Zn in Cambro-Ordovician metasedimentary rocks of the Meguma Supergroup in central mainland Nova Scotia, and porphyry-style Cu-Au-Mo associated with Late Precambrian volcanic rocks in the Coxheath Hills area in eastern Cape Breton Island.

Acadian Gold Corporation acquired the former Gays River lead-zinc mine and 1500 t/day mill facility (Scotia Mine) from ScoZinc Limited in July 2006 through the purchase of the company's assets from HudBay Minerals Incorporated. The company completed a feasibility study on re-opening the mine with plans to proceed with the development of an open pit mining operation in 2007. Current resources for the Scotia Mine include proven and probable reserves of 4 590 000 tonnes grading 1.7% lead and 3.6% zinc, and inferred reserves, at a 0.75% cut-off, of 1 800 000 tonnes grading 1.1% lead and 3.1% zinc. Prior to Acadian's acquisition of the property, ScoZinc completed diamond-drilling in the immediate vicinity of the mine early in the year. The company also carried out diamond-drilling during the year on the former Getty Mines lead-zinc property immediately to the west of the Scotia Mine. The Getty Mines deposit lies along the western strike extension of the Scotia Mine carbonate unit. Uncategorized reserves for the Getty property consist of approximately 4 500 000 tonnes grading 1.3% lead and 1.9% zinc.

Acadian has continued to acquire extensive ground holdings throughout the province as part of a program to expand on the company's base metal

reserves. The company completed a program of reverse circulation drilling and diamond drilling approximately 2.5 km west of the Scotia Mine and reported the discovery of significant Pb-Zn in a carbonate layer along the western strike extension of the Scotia Mine property. Acadian completed a preliminary diamond-drilling program in the Eastville area to evaluate the area's base metal potential in Cambro-Ordovician metasedimentary rocks of the Meguma Supergroup. The company reported that drilling has intersected wide zones of low-grade zinc and lead, and confirms results from previous work on the property. Acadian also carried out prospecting and diamond drilling in the Loch Lomond and Grand River areas during 2007 to evaluate the base metal potential of the Lower Carboniferous sediments of the Loch Lomond Basin. The company is currently evaluating several other base metal properties and plans to expand its base metal exploration program in 2008.

Merrex Gold Incorporated, under an option agreement with Jubilee Minerals Limited, continued a detailed evaluation of the Jubilee Pb-Zn property in the Little Narrows area of central Cape Breton Island. The company completed additional diamond drilling on the property during the year and reported the discovery of additional high-grade Pb-Zn intersections along the strike extension of the known mineral occurrence. The carbonate-hosted Pb-Zn is associated with vertical fault structures in rocks of the Lower Carboniferous Windsor Group. Inferred resource estimates currently include 3.1 million tonnes grading 4.7% Zn equivalent with associated concentrations of Pb. The company also completed preliminary exploration programs for carbonate hosted Pb-Zn on several other properties in central Cape Breton Island during the year.

Coxheath Resources Limited continued to evaluate the Cu-Mo-Au-Ag potential of the porphyry-style occurrence hosted by late Precambrian volcanic rocks of the Coxheath Plutonic-Volcanic Belt near Beechmont in Cape Breton County. The company carried out a diamond drilling on the property during 2007 and reported several new mineralized zones, which has significantly increased the strike extension of known mineralized zones in the area.

Minotaur Atlantic Exploration Ltd. in an option agreement with Dundee Precious Metals

Table 5. Exploration programs in Nova Scotia, 2007

COMPANY/INDIVIDUAL	LOCATION	COMMODITY	PROGRAM
Acadian Mining Corporation	Beaver Dam, Halifax County	Gold	Diamond drilling
	Center Rawdon, Hants County	Gold	Prospecting, rock sampling
	Eastville, Colchester County	Base Metals	Diamond drilling
	Fifteen Mile Stream, Halifax County	Gold	Prospecting, rock sampling, till sampling
	Gays River, Halifax County	Base Metals	Diamond drilling
	Gold Mine Brook, Guysborough County	Gold	Rock sampling, ground geophysics, percussion drilling
	Goldenville, Guysborough County	Gold	Rock sampling, till sampling
	Kent Lake, Halifax County	Gold	Prospecting, rock sampling, till sampling
	Loch Lomond, Richmond County	Base metals	Prospecting, diamond drilling
	MacMillan Brook, Victoria County	Gold	Prospecting, rock sampling, till sampling
	Meaghers Grant, Halifax County	Gold	Prospecting, rock sampling, till sampling
	Sandy Point, Halifax County	Gold	Prospecting, rock sampling, till sampling
	Spanish Ship Bay, Guysborough County	Gold	Prospecting, percussion drilling
	Tangier, Halifax County	Gold	Prospecting, rock sampling, till sampling
Upper Seal Harbour, Guysborough County	Gold	Prospecting, rock sampling, percussion drilling	
Watermish, Guysborough County	Gold	Prospecting, till sampling	
Alex Thomson	French Village Lake, Cape Breton County	Base Metals	Soil sampling, rock sampling, ground geophysics
Allen Hopper	Molega, Queens County	Gold	Prospecting, rock sampling, till sampling
Atlantic Gold NL (D.D.V. Gold Limited - subsidiary)	Cochrane Hill, Guysborough County	Gold	Percussion drilling, drill core sampling
	Moose River, Halifax County	Gold	Till sampling, percussion drilling
	North Brookfield, Queens County	Gold	Drill core sampling
	Pleasant River Barrrens, Lunenburg County	Gold	Rock sampling
	Renfrew, Hants County	Gold	Prospecting, rock sampling, percussion drilling
Avalon Ventures Limited	East Kemptville, Yarmouth County	Indium, rare earth metals	Drill core logging, sampling, and mineralogical studies
Ayarco Gold Corporation Limited	Kemptville, Yarmouth County	Gold	Diamond drilling
Blackfly Exploration & Mining	Copper Lake, Antigonish County	Gold, base metals	Prospecting, geological mapping
CanNova Goldfields Incorporated	Far Brook area, Halifax County	Base metals	Diamond drilling
Coastal Construction & Excavating Ltd.	Point Aconi	Coal	Geological mapping, pitting, coal sampling
Coxheath Resources Limited	Beechmont, Cape Breton County Coxheath, Cape Breton County	Base metal:s Pyrophyllite	Diamond drilling Rock sampling, diamond drilling
Donkin Coal Alliance	Donkin, Cape Breton County	Coal	Dewatering, bulk sampling, development drilling

Table 5. Exploration programs in Nova Scotia, 2007 (cont'd).

COMPANY/INDIVIDUAL	LOCATION	COMMODITY	PROGRAM
Elk Exploration Limited	Voglers Lake area, Lunenburg County Mount Uniacke Gold District, Hants County	Gold Gold	Prospecting, soil sampling, rock sampling Prospecting, rock sampling, till sampling
Gifthouse Resources Incorporated	Avondale area, Hants County	Base metals	Prospecting, ground geophysics
Glencoe Resources Incorporated	Glencoe, Inverness County	Carbonates	Diamond drilling
Henry Schenkels	North Ogden, Guysborough County	Copper, gold	Prospecting, rock sampling, soil sampling
John Prochnau	Lake Enon, Cape Breton County	Celestite	Diamond drilling
Kelly Rock Limited	Glen Morrison, Cape Breton County	Limestone	Geological mapping, rock sampling
Ken Hiltz	Somerset, Queens County Mill Village, Lunenburg County	Gold Gold	Prospecting, soil sampling Prospecting, soil sampling
Landis Mining Corporation	Alton, Colchester County	Salt	3D seismic survey
Lindsay Allen	Bass River, Colchester County Londonderry, Colchester County	Base metals Base metals	Prospecting, rock sampling Prospecting, rock sampling
Merrex Resources Incorporated	Little Narrows area, Victoria County	Base metals	Diamond drilling
Minotaur Atlantic Exploration Limited	Northern mainland Nova Scotia	Copper, gold	Ground geophysics
Nycon Resources Incorporated	Quoddy River area Dufferin Mines area	Gold Gold	Soil sampling, stream sediment sampling Soil sampling, stream sediment sampling
Rainbow Resources Limited	Cranberry Head, Yarmouth County	Gold	Prospecting, sampling
Ressources Appalaches	Ecum Secum, Halifax County Miller Lake, Guysborough County	Gold Gold	Diamond drilling Trenching, rock sampling
RJZ Mining Incorporated	Beaver Dam area	Gold	Prospecting, geological mapping and diamond-drilling
Scorpio Gold Corporation	Caribou Gold Mines, Halifax County	Gold	Diamond drilling
Scott Grant	Isaacs Harbour, Guysborough County	Gold	Prospecting
Scratch Exploration	Chocolate Lake, Halifax County	Gold	Surficial mapping, till sampling
Tripple Uranium Resources Incorporated	Wentworth area, Colchester Benjamins Hill area, Hants County	Copper, gold Base metals	Diamond drilling Airborne geophysics
True Metallic Explorations Incorporated	Avon River area, Hants County	Placer gold	Ground geophysics, diamond drilling
United Reef Limited	Clarksville, Hants County	Placer gold	Ground geophysics, diamond drilling
Yava Technologies Limited	Silver Mine, Cape Breton County	Lead	Hydrological studies, metallurgical testing

Incorporated, recently acquired approximately 17,300 claims along the Chedabucto-Cobequid Fault Zone in central mainland Nova Scotia to explore for potential IOCG (iron oxide-copper-gold) deposits in the area. The Chedabucto-Cobequid Fault Zone is host to numerous occurrences of iron oxide, Cu, Co, Ni, Au and Ba, along with widespread iron carbonate, silica and sericite alteration, typical of an IOCG environment. The company started a large scale gravity survey on the property during the fall and expects to complete this initial phase of the exploration program in early 2008.

Yava Technologies Limited continued to work on an *in situ* leach mining process during the year to recover Pb and associated by-products from the former Yava lead mine near Sydney in Cape Breton County. Work included a hydrogeological study and additional metallurgical testing. The property is host to a 4.5 million ton stratabound base metal deposit in Carboniferous sandstone grading 2.79% Pb with minor zinc levels.

Tripple Uranium Resources Incorporated, a wholly owned subsidiary of Capella Resources Ltd., initiated an exploration program for base metals and associated polymetallic mineralization in several areas of mainland Nova Scotia during the year. The company explored claims in the Wentworth area northeast of Truro, the Benjamins Hill and Lower Vaughn area southwest of Windsor, and several properties along the South Mountain Batholith in the Annapolis Valley area. Preliminary work included diamond drilling to evaluate the potential for IOCG mineralization in volcanic intrusives of the Byers Brook Formation near Wentworth, and regional airborne geophysical surveys southeast of Windsor.

Avalon Ventures Limited initiated a comprehensive review of the southwest extension of the former Rio Kemptville Tin Corporation mine at East Kemptville, Yarmouth County, during the year. Preliminary work focused on developing mineable reserves of indium and associated rare earth metals. In 2007, the company initiated a detailed compilation of historical data for the project area including re-logging, assaying and mineralogical study of additional drill core from the Baby Zone that may be archived at the NSDNR core storage facility, and other technical data from the mine site and surrounding area.

CanNova Goldfields Incorporated completed a diamond-drilling program for base metals in the Far Brook area south of the Gays River mine to follow up positive results of a previous soil geochemical survey in the area. Gifhorse Resources Incorporated carried out prospecting and ground geophysics in the Avondale area, Hants County, to evaluate the base metal potential of the Lower Carboniferous Windsor Group sediments east of Windsor.

Alex Thomson completed a detailed exploration program for base metals in the French Village Lake area south of Sydney. Work on the property included prospecting, ground geophysics, soil sampling and rock sampling. Lindsay Allen carried out additional prospecting and rock geochemical sampling for base metals in the Bass River and Londonderry areas northwest of Truro during the year. Henry Schenkels carried out prospecting, rock sampling and soil sampling for copper and gold in the North Ogden area, Guysborough County.

Industrial Minerals

Exploration for industrial minerals continued at roughly the same level of activity as the previous two years, although the focus on these mineral commodities has generally weakened in comparison to the level of activity prior to 2005. Current work has centered on the evaluation of several industrial mineral commodities in Cape Breton Island, including salt, carbonate resources, pyrophyllite and celestite.

Landis Mining Corporation completed additional work in the Alton area in Colchester County as part of an evaluation of the hydrocarbon storage potential of the extensive salt deposits of the Lower Carboniferous Windsor Group that underlie the area. Previous work included the acquisition of seismic and gravity data during 2005 and the completion of a deep, continuous-core drillhole in 2006. A 3D seismic survey was completed in the fall of 2007 in the immediate area of the site that has been selected for cavern development. Environmental approval for the project was received in December 2007, and the construction of the facility site is expected to begin in 2008. The project is operated by Alton Natural Gas Storage L.P., a joint partnership between

Landis Mining Corporation and Chicago Energy Partners L.P.

Glencoe Resources Incorporated continued to evaluate a large carbonate deposit in the Glencoe area near Whycomagh. The deposit is hosted by metasedimentary rocks of the late Precambrian George River Group and consists of various grades of metamorphosed limestone and dolomite, including an estimated 175 million tonnes of metallurgical-grade limestone and approximately 345 million tonnes of cement-grade limestone. The company completed diamond drilling on the property in 2007.

Coxheath Resources Limited completed a preliminary evaluation of a pyrophyllite zone hosted in Precambrian volcanic intrusives in the Coxheath area near Sydney. The company completed lithological sampling and diamond drilling on the property during the year. Kelly Rock Limited completed additional work on the Glen Morrison limestone property during the year, including geological mapping and rock sampling.

John Prochnau continued to assess the celestite potential of the Lake Enon celestite deposit in the Loch Lomond area of southern Cape Breton Island. Work on the property consisted of diamond drilling.

Coal

Exploration for coal in 2007 focused on the Late Carboniferous (Pennsylvanian) sedimentary rocks

of the Sydney coal basin in southeastern Cape Breton Island.

The Donkin Coal Alliance, a joint venture between Xstrata Coal Canada Limited and Erdene Gold Incorporated, began a program in the fall of 2006 to evaluate the feasibility of re-opening the Donkin coal mine near Sydney. Initial work included the removal of the Donkin tunnel seals followed by the dewatering and rehabilitation of the 3 500 m tunnels and a comprehensive review of previous exploration work completed on the property. The dewatering was completed in the fall of 2007 and this was followed by the extraction of a bulk sample from the Harbour seam late in the year. Development drilling was started at the coal face at the end of the year. Current resources for the Harbour seam include 101 million tonnes indicated and 115 million tonnes inferred of thermal- and metallurgical-grade coal.

Coastal Construction & Excavating Limited began work in the fall of 2005 to evaluate coal resources in the Point Aconi area near Sydney. Initial work included preliminary site planning and a review of previous work on the property. Geological mapping and the extraction of several coal samples from the Indian Cove seam was carried out near Mill Creek during 2006 and early 2007.

