ASSESSMENT REPORT
COUNTRY HARBOUR
GOLD PROSPECT
Licence 04629

N.T.S.11F/5B, I 1F4/C
Guysborough County, Nova Scotia

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J.O'Sullivan, P.Eng.
Dartmouth, Nova Scotia
June 2004

SUMMARY

The Country Harbour Gold Prospect, located in Guysborough County, Nova Scotia, hosts high-grade gold mineralization considered unique in the Goldenville Formation of the province Nova Scotia.

In contrast to the regional east northeast striking folded sediments of the Meguma rocks, the strata at Country Harbour have been rotated more than 100 degrees sinistrally in a large S-fold associated with the Country Harbour Fault.

Unlike the typical interbedded quartz/slate packages which host numerous gold mines and occurrences, the Country Harbour gold mineralization appears to be shear controlled with an en echelon arrangement of pay zones in Chlorite/biotite schist formed near a granite stock where influenced by spur faults off the regional Country Harbour Fault. Widow Point Prospect located on the same structure about three kilometres to the southeast and exhibits identical style mineralization.

Sporadic mining took place in the Country Harbour Gold District from 1892 to 1895 during which time 10,219 ounces gold were produced at a grade of 12.6g/tonne. Most of the gold was produced from the Mason belt, a zone of quartz/schist about 4 metres wide. Recoveries at the time were about 77% using stamp mills and amalgamation techniques. The zone remains open along strike some 400 metres between the two areas mined. Limited small diameter diamond drilling beneath the workings revealed mineralised belts 8-9 metres wide.

Geological mapping and prospecting during 2004 covered the main showings and confirmed the need for additional diamond drilling.

A diamond drilling program is proposed to test the Mason belt between the two mined areas. Excellent tonnage potential exists. This zone is considered the northward extension of the rich Widow Point prospect three kilometres to the Southeast.

The proposed program is budgeted at $50,000.

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MGZ

INTRODUCTION

Dennis Forgeron holds mineral rights covering the Country Harbour Prospect. The 10 claims, each of 40 acres, which constitute the claims group, are shown on Figure 3 . The property was staked on the basis of result of the area's previous mining history and the recognition that the geological setting represented a strike continuation of the strongly gold mineralized structure on Rainbow Resources Limited ground at Widow Point which is on contiguous claims, to the south. Work on the Country Harbour Gold District in the past, included sporadic gold production for a total of 10,219 ounces gold at a grade of 0.369oz/ton (12.6 gm/t).

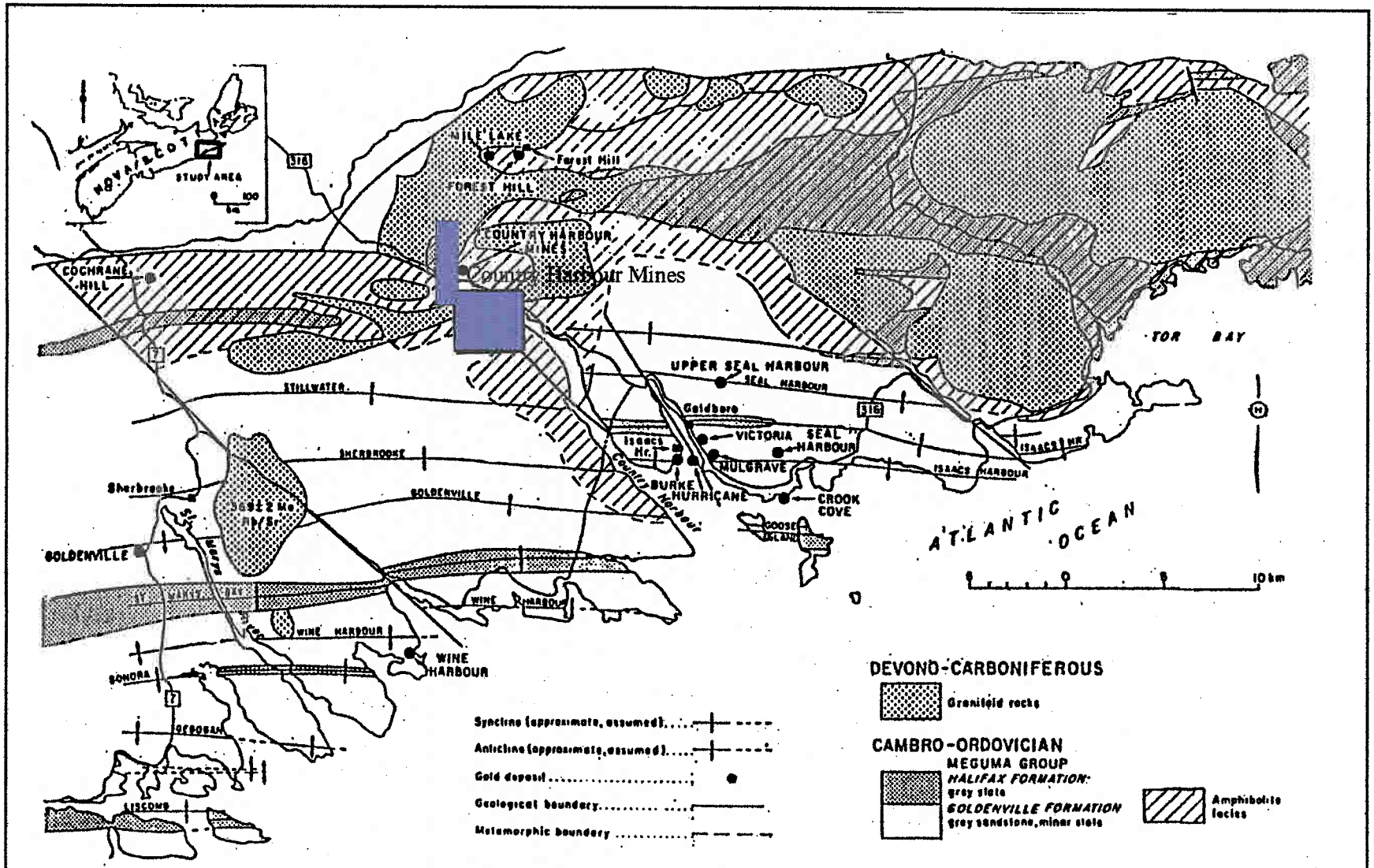
LOCATION AND ACCESS

The claims are located on NTS 11 F/4C and 11 F/5B, in the Country Harbour Gold District, Guysborough County, approximately 55 kilometres to the southeast of the Town of Antigonish, in Nova Scotia. The property may be reached by Highway 316, which leads directly to the property at Country Harbour Narrows. The Johnson Brook workings lie about 600 metres to 1 kilometer to the north of the highway and the Narrows Mine lies to the south of the highway. The area is sparsely inhabited and covered largely with a variety of softwood and hardwood.
Elevations range from sea level in the central part, rising to 75 metres in the south of Country Harbour and to 120 metres in the upper Johnson Brook area to the north.

PROPERTY

The 10 mineral claims that constitute the property are located on NTS Map Ref 11F/4C and 11F/3C are described as follows:

Holder	Tract	Claims	No. Claims	Anniversary	Licence
D.Forgeron					
1 1F/4C	99	FLMNQ	5	June 18. 2003	04629
11 F/5B	3	DE	2	June 18, 2003	04629
1 1F/5B	4	HJQ	3	June 18, 2003	04629
Total			10 Claims		



Geological map of the eastern Meguma domain (from Haynes, 1984).

Figure 1 Geological Location Map Country Harbour Claims

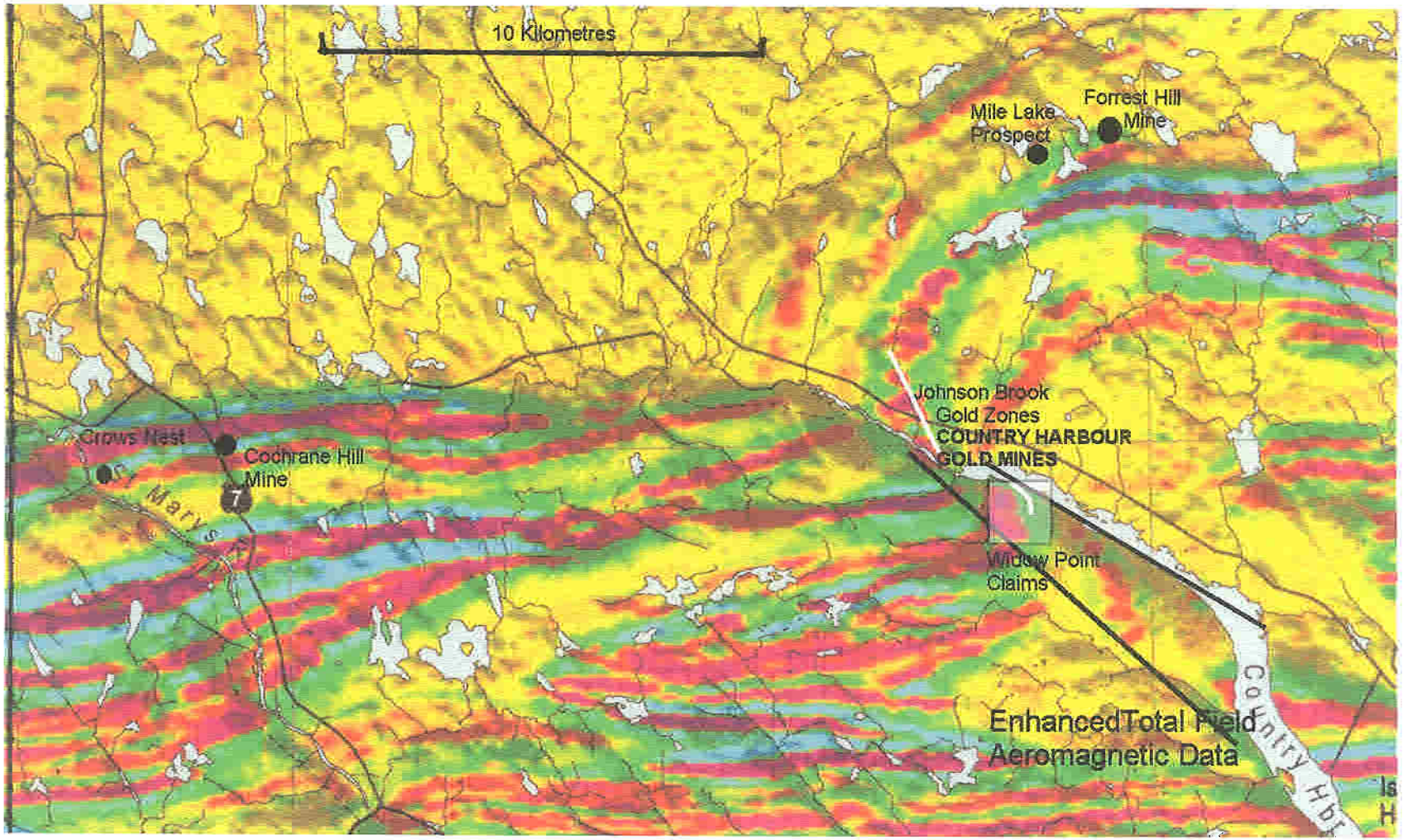


Figure 2 Location of Gold Occurrences in Relation to Aeromagnetic Features and Country Harbour Gold Mines

HISTORY

The first recorded gold discovery in the area was made in 1861 near Johnson's Brook located several kilometres northwest of Widow Point. Most of the nearby mining activity occurred in the 1890's in this area. Sporadic mining took place in the Country Harbour Gold District from 1892 to 1895 during which time 4.290 ounces gold were produced at a grade of 0.317 oz/ton from the Antigonish Mine. Around the same time the Country Harbour Mining Company produced 1,935.23 ounces at a grade of 0.319 oz/ton. A total of 10,219 ounces of gold is reported for the district at a grade of 0.369 oz/ton.

In 1909 the Sydney Mining Company worked the Fraser Belt near the shoreline of Country Harbour Narrows. 455 ounces of gold were produced from 510 tons of ore. This area is known as the Narrows Mine.

Between 1935-1938 some of the old workings were de-watered and bulk sampled principally by Maritime Minerals Limited via the Blair adit, which was open and extended to a length of 127 metres. Bulk testing of the Prince belt along a length of almost 50 metres averaged 7g/t across 2.5 metres. Additional work recommended by E.H. Henderson was not done due to lack of financing.

In 1979 MEX Explorations drilled one hole beneath the Stuart shaft intersecting 7.2 g/t over1.12 metres. Three other sections with visible gold within a mineralised belt 10.2 metres thick assayed only trace gold.

In 1981 Paragon Explorations optioned the property and carried out airborne magnetics, chip sampling and 772 metres of "A" size diamond drilling. One drill hole (COHA 3) cut a 0.3 metre section of the Prince lode assaying 83.64 g/t gold.

During 1987-1988 Seabright Explorations Incorporated completed soil sampling and trenching west of the Blair adit and the main workings. Soils revealed very high gold values but only minor values were returned from the trenches.

REGIONAL GEOLOGY

The regional geology and structure of the area from Cochrane Hill Gold District in the west to Forrest Hills Gold District in the east are shown on Figure 1 and the magnetic map (Figure 2) reflects the structures well. The locations of Cochrane Hill Mine to the west and Forrest Hills to the northeast suggest that they may be on the same mineralised belt as Widow Point and Country Harbour.

All gold production on mainland Nova Scotia has come from numerous small mines hosted by the Cambro-Ordovician Meguma Group. The metasedimentary rocks of this group have been folded into long waves of anticlines and synclines, running from Canso in the northeast to Yarmouth in the southwest, a distance of about 400 kilometres. Best gold is found where the anticlines have undergone secondary folding or faulting within domed portions of the anticlines. In Eastern Nova Scotia practically all gold was mined from quartz veins in slate interbedded with massive bedded greywacke.

The best mineralization is found in well-defined ore shoots formed by secondary flexures and crosscutting quartz feeders near the domed portion of the anticlines. The nearby Forrest Hill and Cochrane Hill gold zones have undergone regional and contact metamorphism associated with granitic intrusion during the Devonian.

The most important regional feature influencing the Country Harbour Mines area property is the Country Harbour Fault. This fault is estimated to have left-lateral displacement of almost three kilometers. Figure 2 shows the regional magnetic signature and apparent as a result of movement along this fault. Northwesterly movement has twisted the normally east-west trending regional grain through 130 degrees to a northwest orientation in the vicinity of the gold zones at the Country Harbour Mines area. The Country Harbour Mines is very similar in character to the Widow Point Prospect to the south and shows a combined potential mineralized strike potential of more than 5 kilometres.

PROPERTY GEOLOGY AND MINERALIZATION

The local geology of the Country Harbour Prospect is unlike that of typical Meguma-type gold deposits. The influence of the Country Harbour Fault and the local contact metamorphic affects of granitic intrusions have produced a variety of altered and sheared rocks. In addition, numerous quartz veins and stringers cut all units at various angles.

Slates and greywackes, which are typical of the Meguma, have been altered to chlorite/biotite schist, chloritic greywackes commonly exhibiting "breccia-like" quartz flooding and mixed varieties of both with staurolite-garnet-andalusite-biotite alteration.

The trend of the lithology is northwest-southeast at the Narrows Mine and Johnson Brook Mines. These old mining areas are thought to be on the same gold-bearing structure as Widow Point.

It is unclear as to what the setting of the geology of the Meguma rocks in the Country Harbour area is in relation to the typical east-northeast strike setting associated with the sequence. Obviously, from the overall geology and airborne magnetic signature, the Meguma in this area has undergone a major dislocation due to

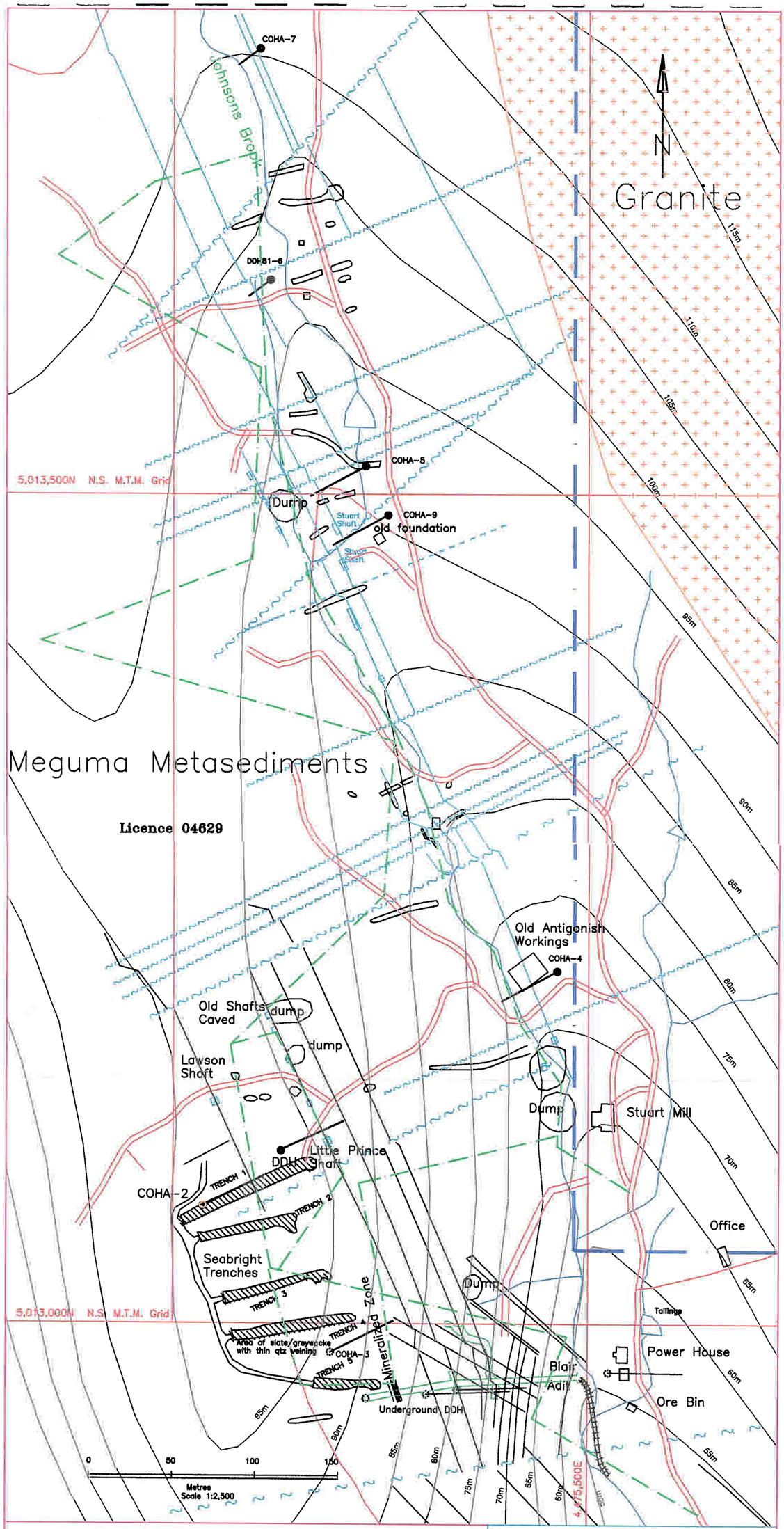
movement along the Country Harbour Fault and its associated spur faults. The rocks in the vicinity of Widow Point and Johnson's Brook, to the north of Country Harbour (Figure 1) appear to have been rotated as a block into their present strike.

Most of the productive zones occur along the bottom of the Johnson Brook valley extending over a length of two kilometres. Mapping show gold-bearing veins lie on the western flanks of a poorly defined anticlinal structure, which roughly follows the brook. Gold is found in quartz and chlorite-biotite schist lodes and belts up to 9 metres in width. Best values occur in ore shoots, which rake 25-30 degrees south.

The gold, which is present as small specks and nuggets, is found almost exclusively in quartz veins in the schists and the greywackes. Occasionally smears of gold occur on shear planes in the schist. The quartz is of at least two generations and carries minor amounts of pyrite, pyrrhotite, chalcopyrite, galena, sphalerite and carbonate.

REVIEW OF PAST MINING AND EXPLORATION

- Almost all of the gold produced was from the Mason belt near the Stuart Mill. The small volume of surficial waste piles indicates most material mined was milled. Henderson(1938) reports a mining width of 3.3-4.6 metres and mill returns of 12.6 g/t. Recoveries reported were 77%.
- The Stuart workings, located 400 metres north of the main operations, consists of two shafts less than 30 metres deep. Crosscuts to the west and east cut mineralised belts 10metres or more in thickness. 47 tons of this rock was milled and returned 9.5 ounces of gold (7.54 g/t). The 1979 and 1981 drilling cut mineralised belts 8.8 to 10.1 metres thick.
- No mining or drilling activity is known to have been done between the two main zones worked an the Mason belt. Furthermore, only 6 small diameter diamond drill holes have been drilled. Hole COHA-1, drilled beneath the Stuart shaft, cut a mineralised belt between 58.2 and 68.6 metres. Visible gold was logged in three sections of this belt but only trace gold was reported from the assays. Almost 4 metres of core were lost between these intervals.
- The latest exploration by Seabright in 1987-1988 resulted in trenching to the west of the main workings. Although several narrow belts were exposed it is not known why efforts were not focused on the wide belt of potential mineralization on the Mason zone.
- There are no reports of exploration near the site of the Narrows Mine. There is little doubt that this zone lies on the same mineralised belt as Widow Point and Johnson Brook. It is possible that overburden cover prevented surface testing (as at Widow Point). At the Narrows Mine, past mining from a 44 metre deep shaft on a 1.5 metre wide belt returned 523 ounces from 760 tons of ore milled in the early 1900's. The location of the mine is hard to determine today as cultural development and quarrying have altered the area.



Legend

- Shafts
- Faults
- Location of old buildings
- DDH COHA-3
- Underground workings
- Traverses
- Licence Boundary

Dennis Forgeron Claims
Country Harbour

Country Harbour, Guysborough County, Nova Scotia

Prospecting Johnson's Brook
Old Mine Area
Licence 04629

N.T.S.	11F/5B	Figure	4
Drawn By	John O'Sullivan	Approved by	D.Forgeron
Scale	1:2,500	Date:	June 2004

WORK PERFORMED

Prospecting and geological mapping was carried out over the old mine areas in the Johnson Brook and Narrows Mine Areas.

Traverses were made along the stream at Johnson's Brook, within the mine area. Panning of bank till and stream sediment produced a few pans full with trace fine visible gold. The dump areas were examined and although much slate material was seen, only sparse quartz was located. No visible gold was seen in the quartz.

The area of trenching by Seabright in the middle 1980's was examined. The trenches were well rehabilitated and are supporting vegetation. The position of the trenches appeared to be further south than marked on the map in relation to the Lawson Shaft and other old workings and dumps. A more precice survey of the trench locations is required. At the southern end of the trenching around Trench 5, some interbedded slates and greywackes were observed. No gold was seen in the quartz in the slates and assays have not yet been received.

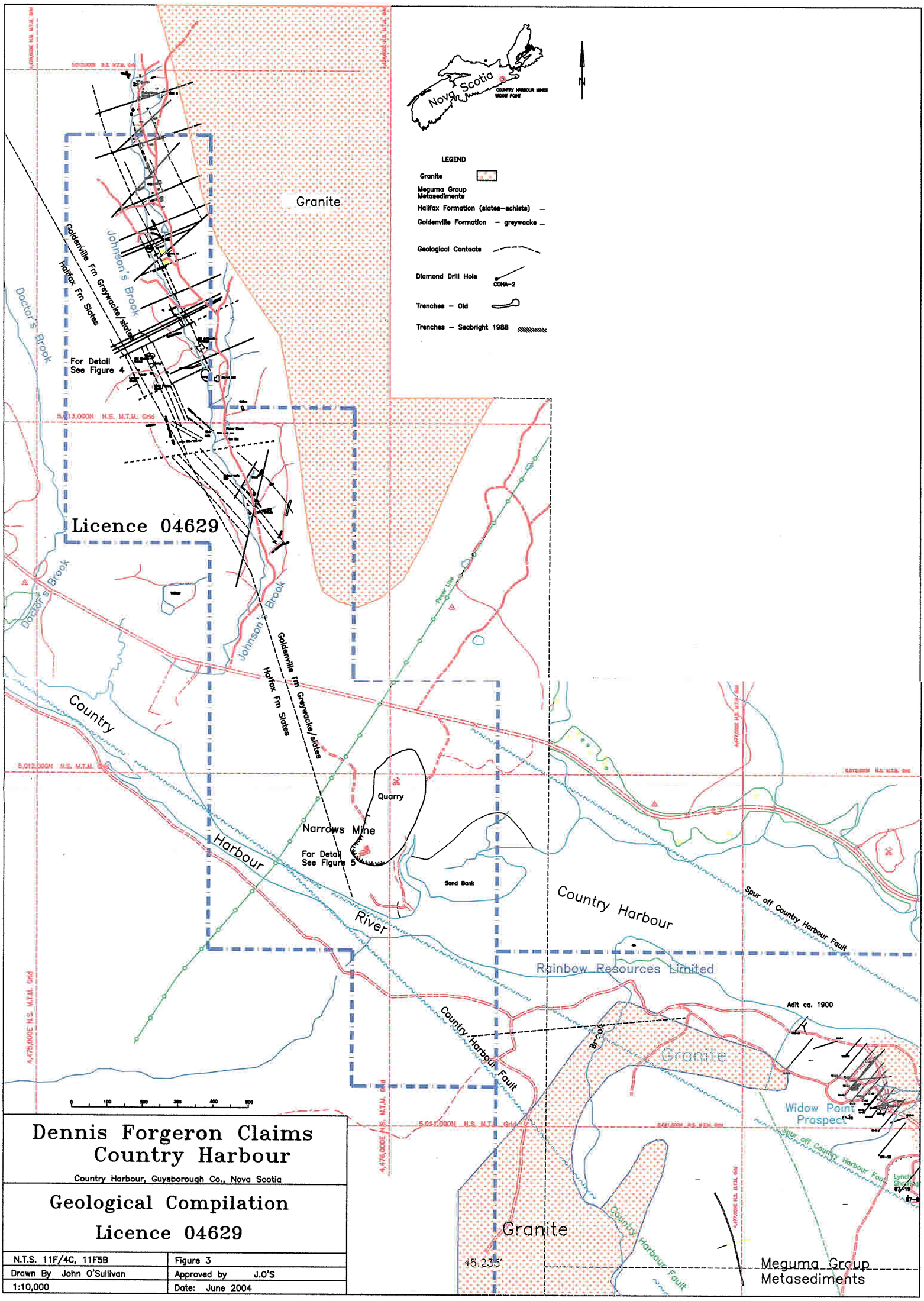
In the area south of Highway 316, is the Old Narrows Mine. This could not be located as there has been extensive quarrying and may have obliterated the site. However, some altered silicified greywackes were observed in the southern wall of the quarry and some quartz veining was noted within slate horizons in the greywacke.

On the shore of Country Harbour River, just to the south of the quarry, a contact was located, between granite on the east side and silicified greywacke to the west. This would appear to be a very similar contact zone to that at Widow Point on the south of the Country Harbour River. The Widow Point structure is gold enriched and it is likely that the zone on the north side would also be mineralised. This would represent the structure on which the Old Narrows Mine was operating. Material from thin quartz veined slate within the greywacke was panned and a couple of specks of visible gold were obtained. This is certainly an area for follow-up work.

Field personnel consisted of Dennis Forgeron and John O'Sullivan, geologists and Joe Collier and Theresa Forgeron, prospectors.

CONCLUSIONS

- The property offers an excellent target for immediate exploration and development drilling. The Mason belt, which was the focus of past mining activity, has untested strike potential and good width. The limited drilling adjacent the Stuart shafts and Stuart mill indicates additional belts 5-8 metres thick
  20-30 metres west of the Mason belt.
- The small bore diamond drilling programs resulted in poor recoveries and insufficient sample size to properly assess grades. In addition, analytical techniques used standard fire assay methods instead of currently accepted screen assays of samples with coarse gold.
- The Johnson Brook, Narrows Mine and Widow Point zones form part of one mineralised belt which has been highly distorted and metamorphically altered. Unlike most Meguma - style gold deposits

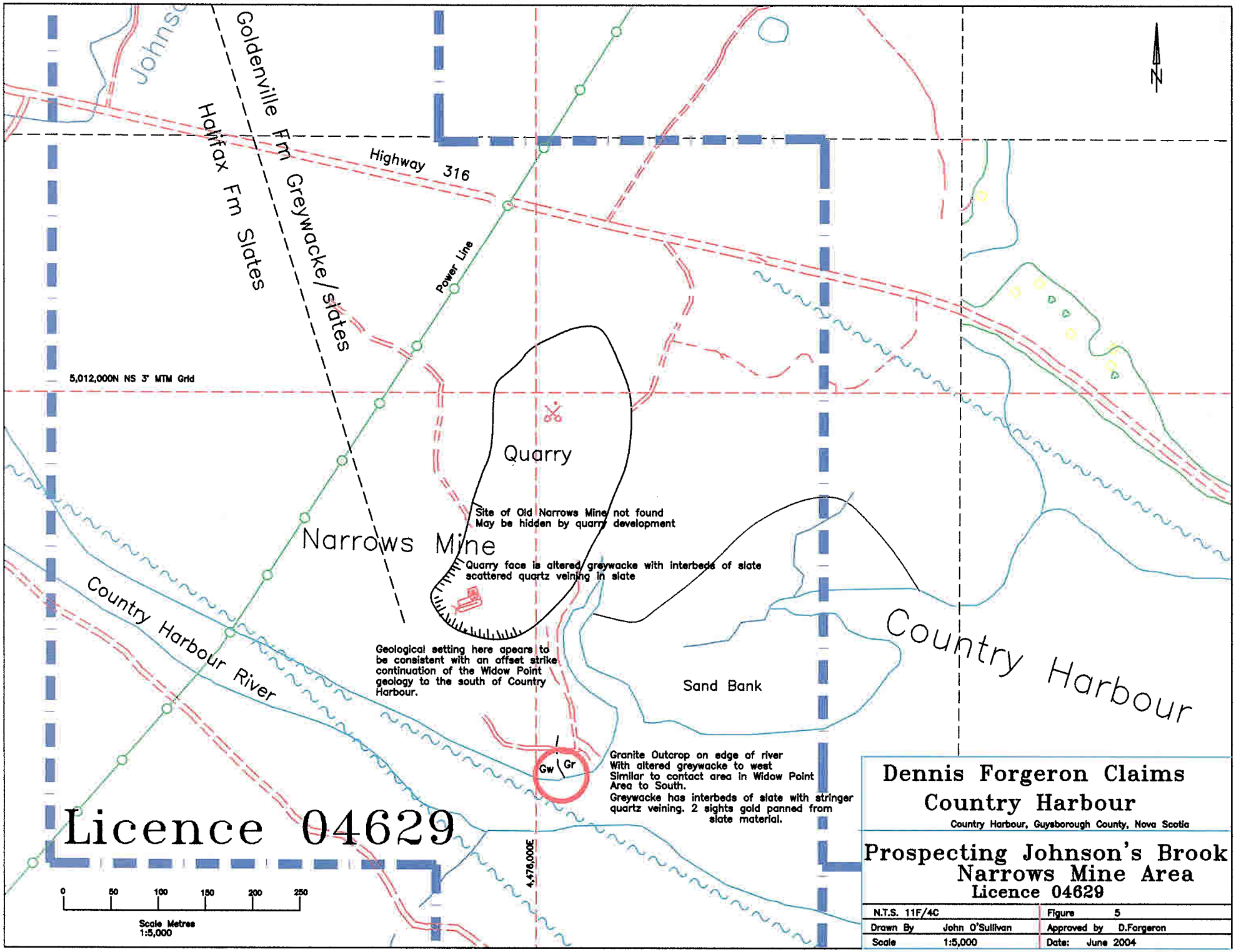


Dennis Forgeron Claims
Country Harbour

Country Harbour, Guysborough Co., Nova Scotia

Geological Compilation
Licence 04629

N.T.S. 11F/4C, 11F5B	Figure 3
Drawn By John O'Sullivan	Approved by J.O'S
1:10,000	Date: June 2004


Johnson
Goldenville Fm Greywacke/slates
Halifax Fm Slates
Highway 316
Power Line
5,012,000N NS 3° MTM Grid
Quarry
Site of Old Narrows Mine not found
May be hidden by quarry development
Narrows Mine
Quarry face is altered greywacke with interbeds of slate
scattered quartz veining in slate
Country Harbour River
Geological setting here apears to
be consistent with an offset strike
continuation of the Widow Point
geology to the south of Country
Harbour.
Sand Bank
Country Harbour
Gw
Gr
Granite Outcrop on edge of river
With altered greywacke to west
Similar to contact area in Widow Point
Area to South.
Greywacke has interbeds of slate with stringer
quartz veining. 2 sights gold panned from
slate material.
Licence 04629
4,476,000E
0 50 100 150 200 250
Scale Metres
1:5,000
N
Dennis Forgeron Claims
Country Harbour
Country Harbour, Guysborough County, Nova Scotia
Prospecting Johnson's Brook
Narrows Mine Area
Licence 04629
N.T.S. 11F/4C
Figure 5
Drawn By John O'Sullivan
Approved by D.Forgeron
Scale 1:5,000
Date: June 2004

these prospects exhibit wide belts of chlorite-muscovite schist with veins and stringers of gold-bearing quartz over substantial widths.

RECOMMENDATIONS

There is sufficient information currently available to direct a first phase diamond drilling program initially to test the Mason belt between the Stuart shafts and the Stuart mill. A five hole program of NQ-size diamond drilling totalling 500 metres is proposed. Hole COHA-1 should be re-drilled. This hole cut a wide zone of mineralization with visible gold under the Stuart shafts. The poor assays and low recoveries need to be addressed. In addition, four additional 100 metre-long holes should be spaced at 100 metre intervals between the main workings.

This drilling will confirm continuity and width of the Mason belt and the underlying thick belts cut by past drilling. The larger diameter core will provide larger samples for screen assays not performed previously. A budget of $50,000 is proposed for this work.

BIBLIOGRAPHY

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Hood C.E. Geology of the Country Harbour-Narrows area. Guysborough County NS. B.Sc. Thesis St. Francis Xavier University, Antigonish. 1951

Henderson E.H. Report on the Mountain Mine Gold Property. Maritime Minerals Limited. Halifax NS 1938

Malcolm. W Goldfields of Nova Scotia GSC Memoir 385.

Thornton R.C. Report on Drilling – MEX Exploration Limited 21-G-07(10) 1979

Woodman K.K. Seabright Resources Limited. Assessment Report on Exploration Licence 14738 Country Harbour Mines. NSDNR Assessment Report AR 9-060 1988

NSDME. Mine Inspection reports 1935-1938

Statement of Qualifications

I, Dennis Forgeron, of P.O. Box 1367 Red Lake, Ontario, hereby certify that:

1. I am a graduate of St. Francis Xavier University, from which I received a B.Sc degree in Geology in 1970

2. I am the qualified person responsible for the preparation of this report, and [if applicable] I am registered as a Professional Geoscientist with the Association of Professional Geoscientists in the Province of Nova Scotia.

3) I have worked as a professional geologist since 1969 and have been employed with various mining exploration mining in Nova Scotia, & worldwide, etc.

4) The report is based on work that I completed on the property during June, 2004.

5) I have not directly or indirectly, received or expect to receive any interest, direct or indirect, in the property of the company for which the report was made.

Signed

Dennis Forgeron, Consulting Geologist
Date: June 15/04

Department of Natural Resources

Form No. 10

MAP REFS. 11F/5B 11F/4C

STATEMENT OF ASSESSMENT WORK EXPENDITURES

(N.B. Complete as necessary to substantiate the total claimed)

RE: EXPLORATION LICENCE NO. 06 4629 DATE OF ISSUE 18 June 2003

TYPE OF WORK			AMOUNT SPENT
1. Prospecting	4	days	600
2. Geological mapping [illegible]	8	days	3200
3. Trenching/Stripping/Refilling		m²	
4. Assaying & whole rock analysis		#	
5. Other laboratory		#	
6. Grid: a) Linecutting		km	
b) Picket setting		km	
c) Flagging		km	
7. Geophysical Surveys: Airborne: a) EM		km	
b) Mag or Grad		km	
c) Radiometric		km	
d) Combination		km	
e) Other		km	
8. Geophysical Surveys: Ground: a) EM		km	
b) Seismic Soundings		#	
c) Magnetic/telluric		km	
d) IP/Resistivity		km	
e) Gravity		km	
f) Other		km	
9. Geochemical Surveys: a) Lake, stream, spring (seds/water)		samples	
b) Rock/core/chips		samples	
c) Soil/Overburden		samples	
d) Gas Method		samples	
e) Biogeochemistry		samples	
f) Sample Collection		days	
g) Other			
10. Drilling: a) Diamond (#holes/m)	/	m	
b) Percussion (#hole/m)	/	m	
c) Rotary (#hole/m)	/	m	
d) Auger (#holes/m)	/	m	
e) Reverse circulation (#holes/m)	/	m	
f) Logging, supervision etc.	/	days	
g) Sealing (# holes)			
11. Other: (describe) Accomodation + meals			460
Field Supplies			50
MILEAGE			380
SUBTOTAL			4690

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OVERHEAD COSTS	
12. Secretarial Services	
13. Drafting Services	
14. Office Expenses (rent, heat, light etc.)	
15. Field Supplies	
16. Compensation Paid to Landowners	
17. Legal Fees	
18. Other (describe)	
	469
SUBTOTAL	
TOTAL	5159

I hereby certify that the above information is true and correct and that it has not before been submitted for assessment work credit.

As Agent I am duly authorized to make this certification.

(Position in Company or Licensee)

DATED AT Halifax in the Province of Nova Scotia

this 18 day of June 2004

Name and Address of Licensee: DENNIS FORGERON

Mar G dien Cape Breton

Signature [illegible]