Assessment Report:

GEORGE RIVER GROUP CARBONATES

COMPANY LAKE NORTH

INVERNESS COUNTY, CAPE BRETON ISLAND

Exploration License #05293

Submitted by:

Joe Richman
Halifax, Nova Scotia

for

July 23, 2004

I SUMMARY

This report is submitted to the Nova Scotia Department of Natural Resources as per the requirements of the Mineral Resources Act.

The work herein described is part of an ongoing regional program to evaluate the economic potential of George River Group carbonate deposits. Target markets include decorative construction materials and chemically demanding applications such as industrial fillers and feed supplements.

This report relates to the area immediately north of Company Lake on North Mountain, Inverness County, Cape Breton Island. Although no carbonate occurrences have been previously mapped in the claim area, it is surrounded by historically noted occurrences and recent discoveries.

The 2003 work program included a comprehensive compilation and field reconnaissance. The following conclusions were reached:

1. The area has a dearth of outcropping.
2. Indicators of interesting carbonates occur in the claim area.
3. There is no evidence of deposit quality or quantity.
4. Given the nearby discovery, on strike to the northeast of the claim area, of carbonate underlying granite, further work may locate similar less-than-obvious features.

II INTRODUCTION

This report describes work done on two claims located near Company Lake on North Mountain, Inverness County that are covered by Exploration License #05293. The claims are within an existing Crown Limestone area.

The current program was intended to identify and evaluate possible white carbonate occurrences in the context of a regional project that has been targeting George River Group carbonate resources in southwestern Cape Breton Island.

Preliminary reconnaissance did not reveal any significant carbonate occurrences. However, given findings on strike in nearby areas and the general knowledge gained, additional fieldwork in the claim area has a better chance of uncovering any occurrences that may exist.

The following sections describe the work undertaken to date and its results.

III RESOURCE DESCRIPTION

A License Tabulation

This report describes work performed in relation to Exploration License #05293 per the requirements of the Mineral Resources Act. The license, held by Joe Richman, is described as follows (see Figs. 1 & 2):

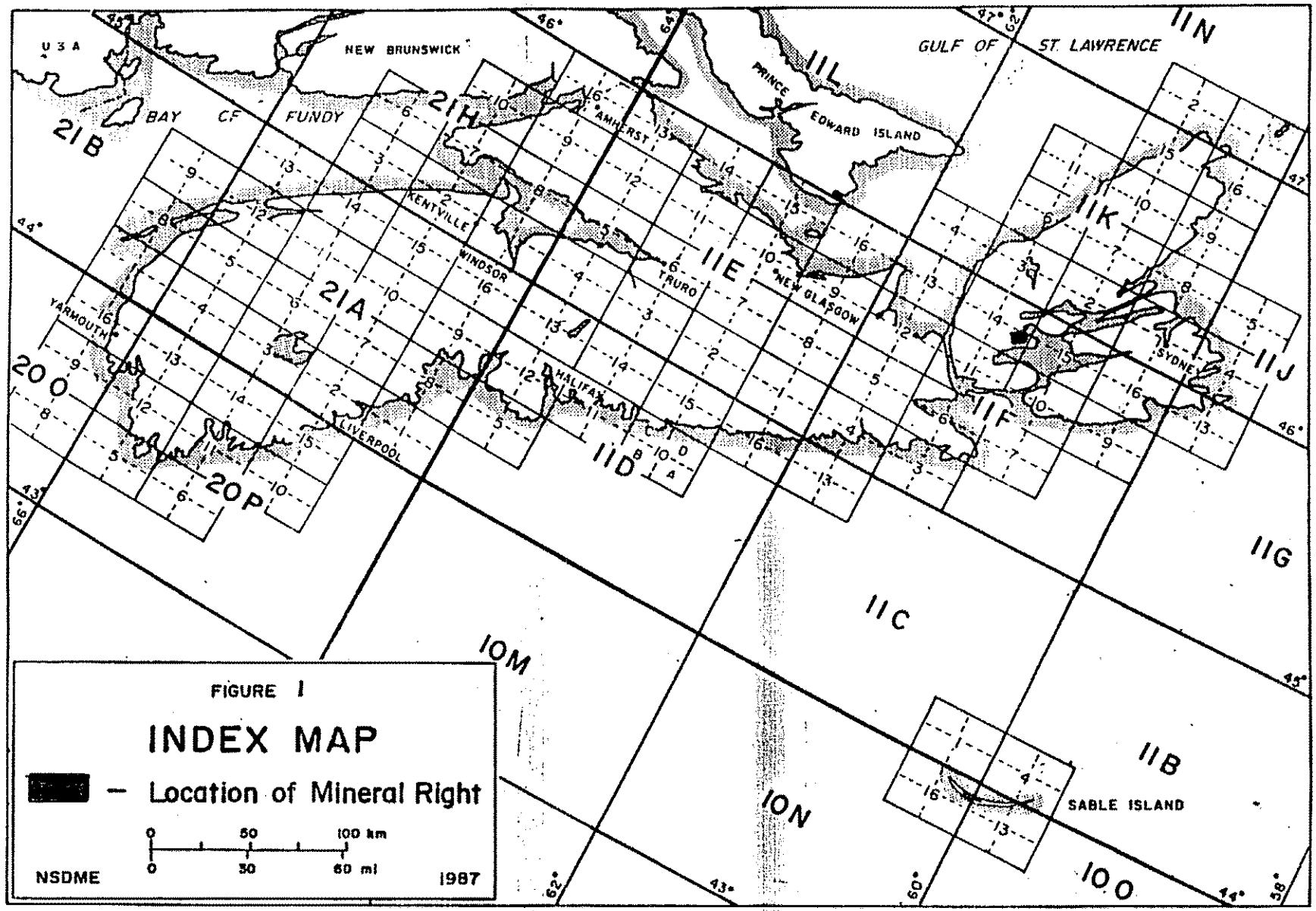
License #	Claim Map	Tract	Claims	Date of Issue
05293	11F/14A - River Denys	75	BG	July 23, 2003

B Location and Access

The claims area is located on the top of North Mountain, Inverness County, Cape Breton Island, approximately one-and-a-half kilometers north of the old Marble Mountain quarry. It is only accessible by foot: from the westward via baselines cut by the author from near the Mountain Road and from the southward off ATV tracks to MacDonald's Lake.

The old quarry sits amidst the community of Marble Mountain above the paved road that runs along the shore of West Bay of the Bras d'Or Lakes. To the southwest, the road goes through the community of West Bay and connects to Highway #4, and hence Pt. Hawkesbury, at Cleveland. To the northward, via Crowdis Bridge and Orangedale, various roads lead to the TCH #105 at Iron Mines, near Whycocomagh.

The homes and real estate values beside the Bras d'Or Lakes raise concerns about access to a working quarry in the area. However, there is a history of large-scale quarrying in the area; and, Shaw Resources is currently permitted to operate the Marble Mountain quarry. As well, the claims area lies in undeveloped terrain that is well removed from the residences near the shore. If necessary, access might be reasonable via a connector road running northerly from the claims area towards Crowdis Bridge. The old Mountain Road which crosses North Mountain in the area is still a provincial right-of-way, although only the West Bay end is maintained.


U S A
NEW BRUNSWICK
BAY OF FUNDY
GULF OF ST. LAWRENCE
PRINCE EDWARD ISLAND
21B
21H
21A
20O
20P
IIL
IIN
IIE
IIK
IIJ
IIF
IID
IIG
IIC
IIB
10M
10N
10O
AMHERST
KENTVILLE
WINDSOR
TRURO
NEW GLASGOW
SYDNEY
YARMOUTH
LIVERPOOL
HALIFAX
SABLE ISLAND
FIGURE 1
INDEX MAP
— Location of Mineral Right
0 50 100 km
0 30 60 mi
NSDME
1987

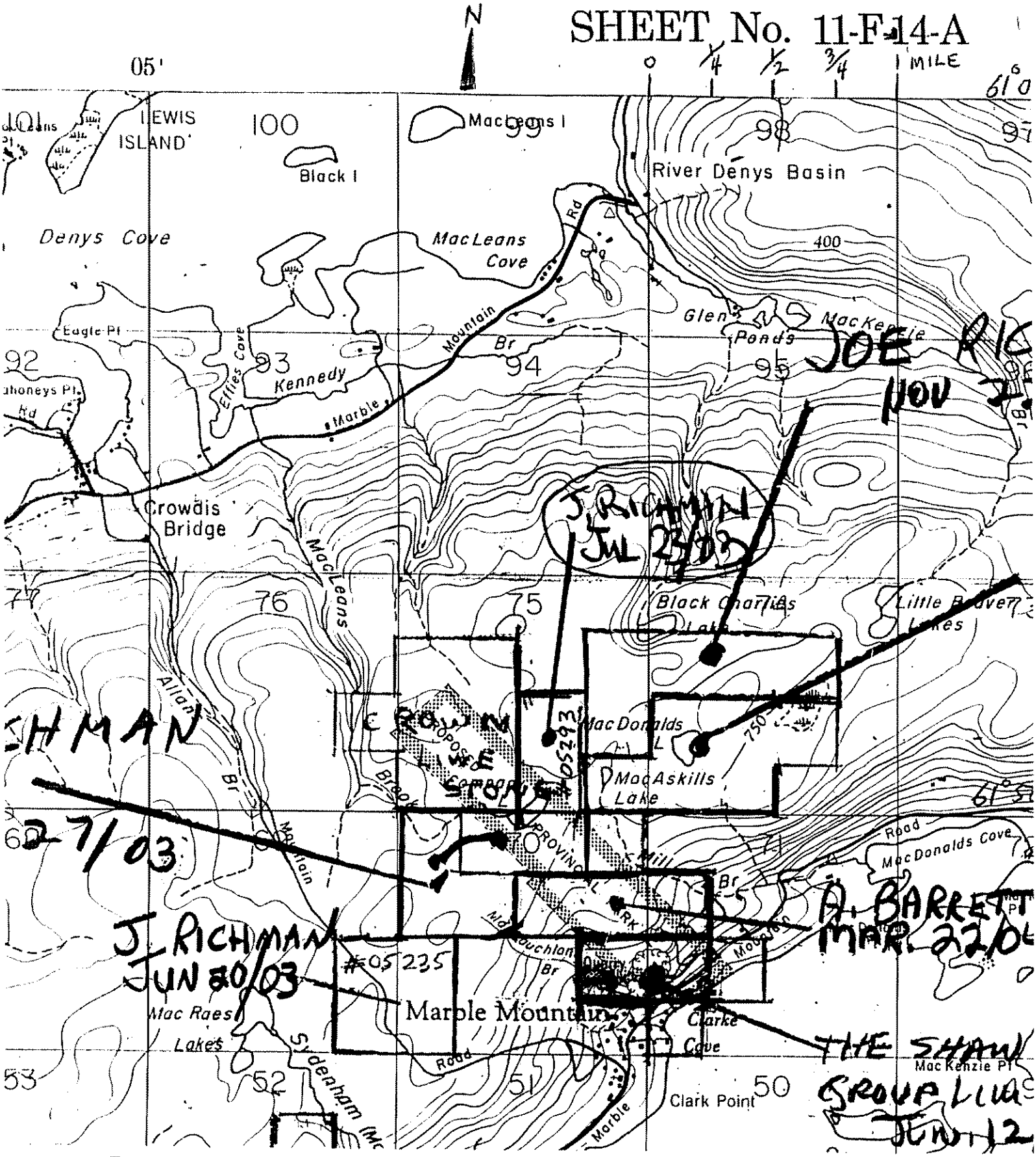


Fig. 2: Company Lake North Claims Area
Ex. Lic. #05293 Issued: July 23, 2003

Reference Map: 11F/14A
Scale: 2" = 1 mile

C History

The Company Lake North area has been largely ignored by previous workers. The scarcity of outcrops has contributed to its depiction as an unbroken expanse of granodiorite (Milligan).

D General Geology

The claim area is centrally located on the tableland atop North Mountain between West Bay and Valley Mills. This highland region is a fault block comprised of granites of undetermined age in depositional, fault and intrusive contact with the metasediments of the Pre-Cambrian George River Group. The North Mountain block is surrounded by contacts with Carboniferous sediments.

The North Mountain highland contains zones and bands of Pre-Cambrian George River Group calcitic and dolomitic marble for a distance of about 23 kilometres, extending from Ross Brook at the southwest end to Little Harbour in the northeast. The marbles in the southwestern part are commonly serpentinized and/or mineralized. The Lime Hill zinc deposit is well-known and the hematite in the rocks near Big Kennedy Brook has sparked the recent development of a red marble dimension stone quarry. Pyrite often contaminates the marbles in the northeastern part of the region.

The carbonate horizons are discontinuous with the longest bands being less than one kilometre. Their quality varies throughout their length; the marble is only white and pure enough to be of economic interest in very localized areas. Besides pyrittic contamination, the calcitic marbles in the northeastern part often suffer from problematic amounts of silica and magnesium. Various deposits in the region have been repeatedly evaluated as potential sources of dimension or metallurgical stone, specialty aggregates and industrial fillers. Past efforts have not been encouraging.

E Local Geology

The Company Lake North area runs northward from the marble/quartzite and granite/marble contacts at the east end of the previously reported Company Lake South deposit. Although the two-claim area lacks the distinctive topographic/botanical mounds that mark marble deposits in neighbouring areas, its more pervasive overburden undoubtedly covers some carbonate occurrences.

Typically, the local marble deposits are narrow bands of George River Group carbonates, up to 200 metres wide, much of which is siliceous, grey marble. The bands appear to have been doubly folded with the core axis running northwestward and the second running north-northeasterly. The folds have been subjected to faults oblique to the core axis, resulting in truncated target structures. This horizon has been subjected to intense faulting – most likely thrust faulting predominates, with possible transverse movement in later faulting. The horizon is not of uniform grade due to the faulting, sedimentary lensing, uneven dolomitization and serpentinization.

A recent discovery, on strike to the northeast in the Black Charlie's Lake area, has implications for interpreting the geology throughout the region. A narrow, natural trench beside a small, granite outcrop revealed carbonates underlying the granite knob. Further work is needed to determine if this is more than just an anomalous curiousity.

IV WORK PROGRAM

A Introduction

The work program included:

1. Comprehensive compilation
2. Field reconnaissance

B Compilation

The comprehensive, regional compilation relevant to George River Group marble targets continued through 2003. Regular consultations with Anthony Barrett, who has a proven track record for developing and marketing carbonate resources, helped hone the priority list of occurrences worthy of further exploration. The overriding consideration was the likelihood for finding a significant quantity of direct shipping ore. The general parameters for judging a deposit were the obvious quality of the stone, the potential for economic reserves and the least impediments to development approval.

Aided by the findings of the current years' fieldwork, this second-stage compilation involved a review of historic and recent literature with a focus on structural evidence, and the combined, detailed analysis of aeromag maps and several series of aerial photographs.

C Reconnaissance

Given the dearth of outcropping in the claim area, the fieldwork was focused on a search for evidential "hidden" features. Although most of the area is covered in dense growth or bogs, many sites have little actual overburden. The key is to locate those topographic features that signal buried, geologic contacts. An increasing familiarity with the field characteristics of eastern North Mountain occurrences, combined with the regional thrust fault structural model, helps the effort.

The recent discovery, on strike to the northeast in the Black Charlie's Lake area, of a buried carbonate/granite contact has increased the probability of cheaply

finding significant information under the overburden. This contact showed as a narrow, natural trench about 40 m long with a small sinkhole at one end.

A number of traverses were made across the claim area in search of other such hidden contacts and occurrences. Although no similar discoveries were made, it is believed that previously unmapped carbonate does occur in the area.

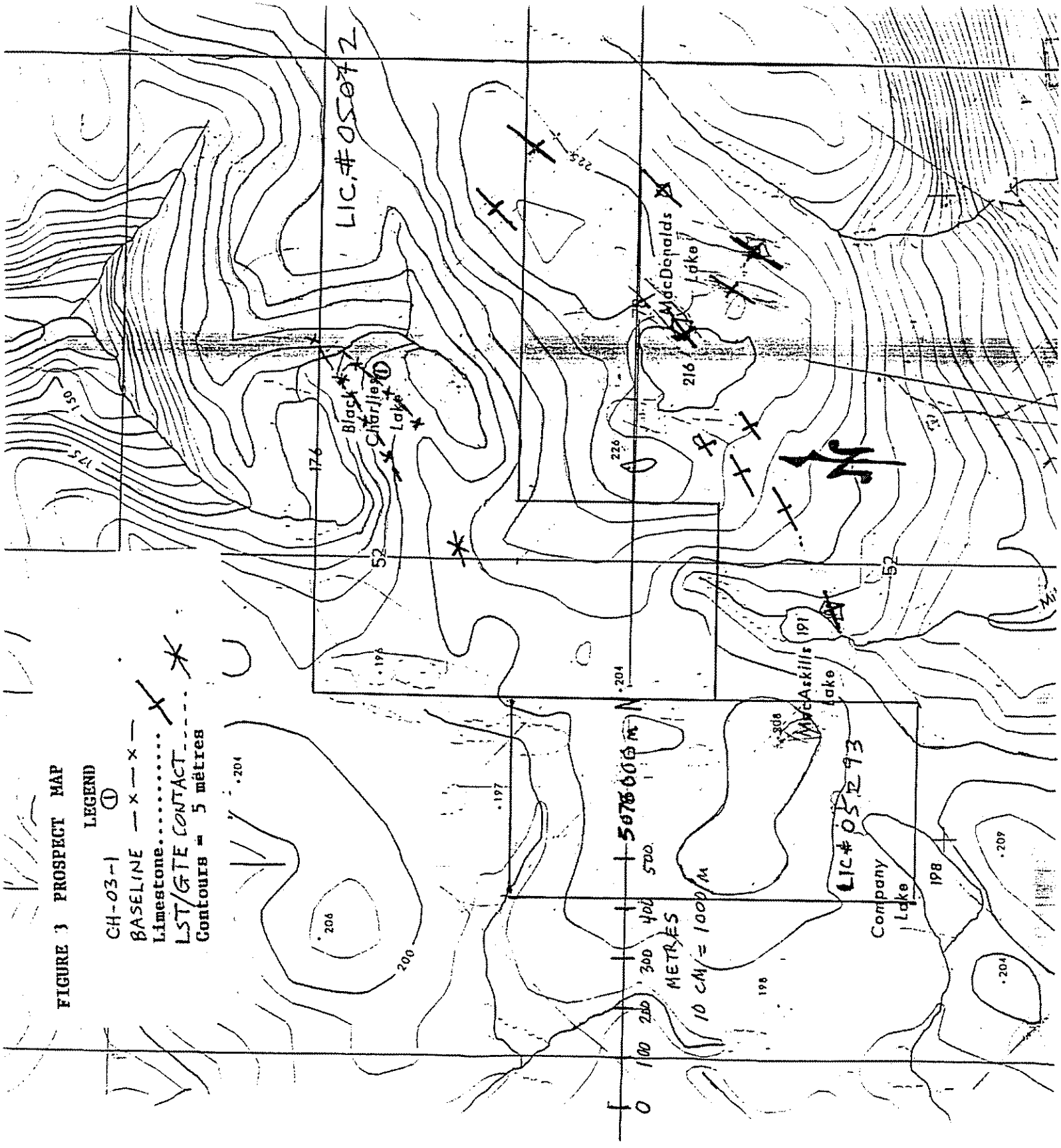


Fig. 3: Company Lake North

Scale: 1 : 10 000 10 cm = 1 km Contours = 5 m

V CONCLUSIONS AND RECOMMENDATIONS

A Conclusions

1. No deposits were located
2. It is believed that carbonates do underlie parts of the area, but their quality/quantity is unknown.

B Recommendations

1. Further fieldwork might usefully focus on the possible continuity of features and occurrences identified in neighbouring areas.
2. If an excavator is brought in to trench adjoining areas, it could be used efficiently to explore features in the Company Lake North area.

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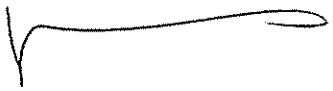
AUTHOR'S CERTIFICATION

The author/licensee has prepared the accompanying report, **Company Lake North**, based on personal research and field work between July 2003 and July 2004, as well as extensive consultation, including joint field experience, with Anthony M. Barrett of Dartmouth. Mr. Barrett is an established geologist and mineral developer with a solid background in identifying, developing and marketing industrial minerals, including carbonates.

The author/licensee is a geological researcher, prospector and developer with nine years experience assembling compilations on a wide range of mineral targets, conducting the relevant fieldwork and processing trials, and doing market and product research and trials.



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Halifax, N. S.
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B, G

STATEMENT OF ASSESSMENT WORK EXPENDITURES

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

RE: EXPLORATION LICENCE NO. 05293 DATE OF ISSUE JULY 23 2003

TYPE OF WORK

			AMOUNT SPENT
1. Prospecting	4	days	600.
2. Geological mapping CONSULTATION	2	days	800.
3. Trenching/Stripping/Refilling		m^3	
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 (sed/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) CONSULTING GEOLOGIST	2	DAYS	1000.
✓ FIELD	1	✓	500.
REPORT PREP	2		300.
COMPILATION	3		450.
	SUBTOTAL		3150.

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) REPORT PREP	10.00
MILEAGE 2400 @ .30	720.00
SUBTOTAL	730.00
TOTAL	3880.00

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

As LICENSEE I am duly authorized to make this certification.

(Position in Company or Licensee)

DATED AT HFX in the Province of N.S.

this 23 day of JULY 2004.

Name and Address of Licensee: JOE RICHMAN

2013 CREIGHTON ST., 2B, HFX., N.S. B3K3R3

Signature _____