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**E. MacNaughton Claims
Licences 05802 and 06371
Wine Harbour Gold District
Guysborough County
Nova Scotia
NTS 11F/04B**

**Report on Prospecting and
Compilation of Data**

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Dartmouth, Nova Scotia
February 2006.

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Summary

The Wine Harbour Gold Deposit is located on NTS 11F/04B about 20 kilometres southeast of the town of Sherbrooke, in Guysborough, Nova Scotia.

The property held by Ted MacNaughton consists of 49 mineral claims and covers an area approximately 5.2 km by 1.6 km.

Work during 2005 consisted of the preparation of a detailed digital base map of the property and compilation of drilling and geological information. A limited amount of prospecting and mapping was carried out over the more significant former operating mine areas.

Because of thick overburden, no new outcrops were located and no samples were sent for analysis. The work reported here relates to the 10 claim licence 06371 and the 6 claim licence 05802, on which the main workings of the Eureka workings and Plough Lead workings are located.

Introduction

Ted MacNaughton, the licence holder of the Wine Harbour claims, requested John O'Sullivan P.Eng. to prepare a compilation of exploration data on the deposit and to make recommendations for a work program to investigate the gold potential of the property. The information used in the preparation of the report were the geological mapping of Faribault (GSC Map 867) and section plans from the mining period to 1941, and the reports of the various company surveys completed from 1962 to 2004.

Wine Harbour Claims

Nova Scotia's gold country

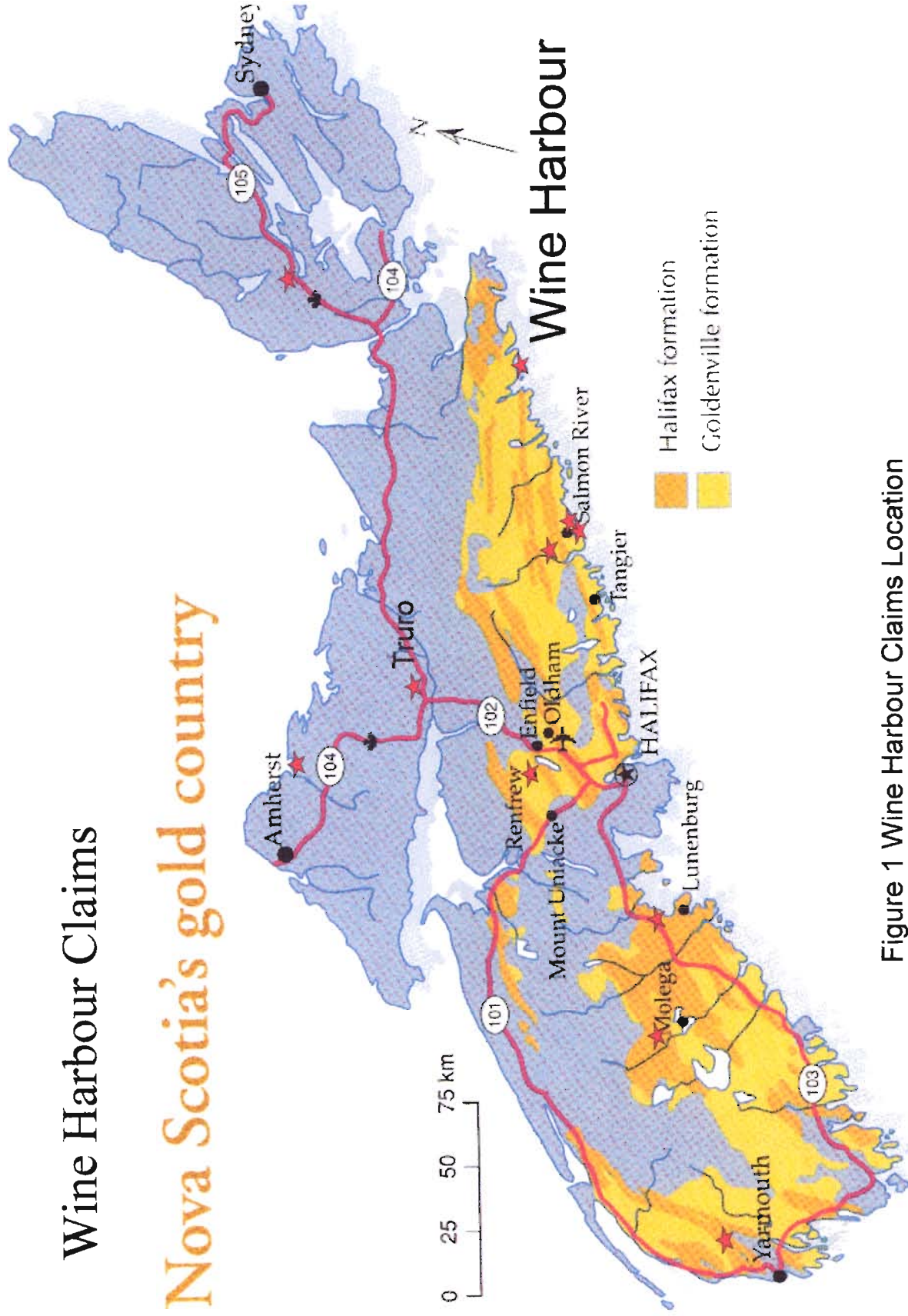


Figure 1 Wine Harbour Claims Location

Location and Access

The Wine Harbour claims are located about twenty kilometres southeast of the community of Sherbrooke in Guysborough County, Nova Scotia. The property is about 80 kilometres south of the service town of Antigonish on Highway 7 to Stillwater and then by unpaved road to Wine Harbour. Access within the property is quite good due to the many gravel roads and the open nature of the land..

Topographical relief is low, generally from sea level to less than 20 metres elevation over most of the property to a peak approximately 30 metres in the northern part of the property.

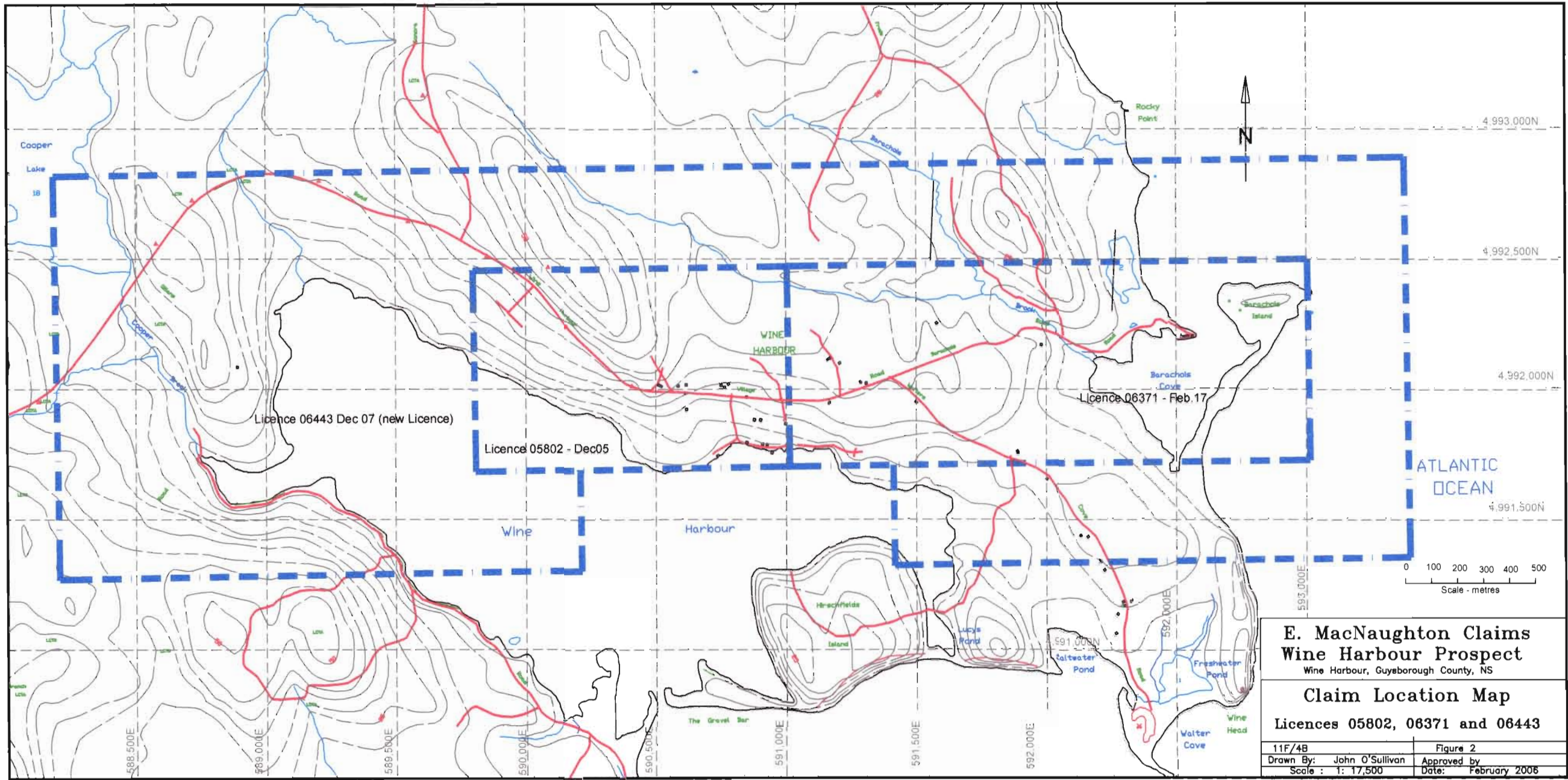
Licence Tabulation

The following licences are held by E. MacNaughton in NTS 11F/04B Zone 20

Licence No.	Tract	Claims	No. Claims	Anniversary
05802	67 ✓	HJ	6	Dec. 05, 2005
	68 ✓	EFLM		
06371	68 ✓	GHJK	10	Feb. 17, 2006
	69 ✓	EFGKLM		
06443	66 ✓	AHJQ	33	Dec 07, 2006
	67 ✓	ABCD EFG KLM NOPQ		
	68 ✓	A NOPQ		
	69 ✓	ABCD HJ NOPQ		

Table 1 Claim Holdings

This report covers work completed on Licence 05802 and 06371 only.



**E. MacNaughton Claims
Wine Harbour Prospect**
Wine Harbour, Guysborough County, NS

Claim Location Map
Licences 05802, 06371 and 06443

11F/4B	Figure 2
Drawn By: John O'Sullivan	Approved by:
Scale : 1: 17,500	Date: February 2006

History

Mining

Gold was first discovered in the Wine Harbour Gold District in the 1860. The main periods of production were from 1862 to 1874, 1894 to 1907 and from 1936 to 1939. A small amount of gold was mined during the intervening periods, but no mining has been carried out since 1939.

Production figures are shown in Table 2

TABLE 2: Wine Harbour Gold Production 1862-1939

Year	Operation	Tons	Ounces	Grade
1862 - 1888	Various	36,052	26,104	0.72
1889 - 1898	Napier Mill	1,144	321	0.28
1889 - 1895	El Dorado Mill	2,297	1,058	0.46
1895 - 1901	Adams Mill	1,882	992	0.56
1891 - 1894	McNaughton's	2,069	817	0.40
1898 - 1903	Snooks	2,101	592	0.28
1899 - 1900	Guysborough	1,490	1,050	0.70
1899 - 1901	Lowe	6,987	3,395	0.56
1902 - 1904	Plough	7,138	2,169	0.30
1900 - 1902	Old Provincial Pratt	2,239	450	0.20
1903 - 1905	Old Provincial Mining Co.	5,594	1,790	0.30
1906 - 1907	Wine Harbour Gold Mine Co.	7,191	1,431	0.20
1936 - 1939	Mineral Industries Ltd.	6,456	2,014	0.31
	TOTAL	83,000	42,726	0.52

The mining works were located in five zones:

1. The Washington Belt
2. The main zone containing the Plough, Wiscasset, Caledonia, Hattie-Mitchell and Middle Belts
3. The MacKenzie Belt
4. The Eureka lead
5. the Twin and Romkey Leads

Exploration in Recent Years

General historical details have been recorded in previous assessment reports by Acadia Mineral Ventures, Wilco Mining Company, Durham Resources Inc. and Mr. Onassis, and are summarized here.

TABLE 3: Wine Harbour Exploration Activity 1966-1986

Year	Exploration Company	Work
1966	Nicholas Onassis	Geological Mapping and Geochemistry
1967	Albatross Gold Mines	Geophysics and Diamond Drilling Mapping and Geochemistry
1975	Dickenson Mines	Geophysics and Geological Mapping
1981	Paneast Resources	Airborne Geophysics
1982	Durham Resources	Geological Mapping, Geochemistry and Diamond Drilling
1983	Acadia Mineral Ventures	Geophysics and Diamond Drilling
1987	Acadia Mineral Ventures	Diamond Drilling
1987	Wilco Mining Company	Airborne Geophysics Limited and Prospecting

Onassis Exploration

In 1966, Mr. Nicholas Onassis of Montreal conducted a trenching program on the property.

Fifteen trenches were reportedly dug but no trench location map is available. A number of quartz veins were uncovered but assay values are not available.. The work concluded that the Middle, Greengoods, Barachois and Barachois Brook areas warranted further work.

Albatross Gold Mines

Albatross Gold Mines worked in the Wine Harbour Gold District in 1967-1968 and conducted geophysical, geochemical, and geological mapping surveys prior to diamond drilling.

A 9 hole, 900 m diamond drilling program was implemented on targets located using geophysics. Drill hole AGM-1 intersected quartz veins and argillite reporting gold contents ranging from trace to 1.31 grams/tonne.

Albatross Gold Mines also carried out exploration for placer gold and results from testing 124 sites along the shoreline of Wine Harbour indicated that the gold bearing sands were confined to 900 m of shoreline down slope from the past producers. Albatross concluded that the property presented definite potential for placer gold.

Dickenson Mines

In 1975 Dickenson Mines conducted electromagnetic and magnetic surveys in the area. Although the electromagnetic survey results were inconclusive, the magnetic survey located a strong east-west trending anomaly. The source of the magnetic anomaly was not determined.

Paneast Resources Inc.

In 1981 Paneast Resources Inc. commissioned a helicopter borne high resolution magnetometer and electromagnetic survey on the eastern shore which covered the Wine Harbour Gold District. Two east-west anomalous trends are evident on the magnetic contour and electromagnetic profiles.

Durham Resources Inc.

In 1982 Durham Resources Inc. drilled two holes to test the down-plunge extension of the ore zone of the Plough Lead. Only trace values for gold were reported in hole DR-1.

Drill hole DR-2 intersected the Plough Lead at a vertical depth of 120 m. A 10 m quartzite zone with interbedded slates and quartz veins 0.6 cm to 30.0 cm wide carrying arsenopyrite and pyrrhotite mineralization was intersected. Four samples returned the following gold values:

8.7 grams/t from 142.9 - 143.5 m

14.9 grams/t from 146.0 - 146.3 m

0.09 grams/t from 150.2 - 150.6 m

1.60 grams/t from 151.0 - 151.5 m

The drilling program substantiated that the gold occurs in shoots with a definite vertical extent and plunge.

Acadia Mineral Ventures

In 1983 Acadia Mineral Ventures (AMV) drilled 5 holes on the claims north of those under option to Wilco (Drawing M13101). The drilling intersected greywackes, phyllite, and quartz veining. The analytical results were not reported and the present location of the core is unknown.

In 1987 and 1988, Acadia Mineral Ventures conducted a second diamond drilling program, 25 holes, on the claims adjoining the Wilco property.

Wilco Mining Company Limited

In 1987 Wilco Mining Company Limited implemented a two stage exploration program on the Wine Harbour Property. The first stage consisted of an airborne magnetic and VLF electromagnetic geophysical survey.

The second stage consisted of delineating surface exposure of old workings and geological mapping . Many of these sites were covered with an over growth; most of the pits, trenches, excavations etc. were partially filled with slumped material and water and as a result very little bedrock was exposed for mapping in these areas.

Tri-Explorations Ltd

Limited prospecting on the property and supplemented it with literature studies of the earlier work.

E.MacNaughton

E. MacNaughton, the current licence holder has carried out prospecting over the past few years, but limited financing has slowed progress in evaluating the project. A preliminary Surpac 3D modelling has been started on the drill holes put in by Acadia Mineral Ventures in the western part of the property.

Work Performed 2005

Work carried out on the Wine Harbour licences in 2005 consisted of a compilation of exploration and mining data on a digital base map and a limited amount of prospecting traverses over some of the more prominent targets.

A base map was prepared using the Provincial Government 1:10,000 scale digital map as a base. The NAD 83 UTM Grid as recently adopted as a base for NSDNR data was used.

The original mapping data of Faribault was digitized and brought in on the base map. In general topographic correlations were quite good, but minor adjustments were made using digitized airphotos as a guide. Drill hole data from various exploration was also digitized and added to the base map. This should provide field usable maps when printed out at 1:2,500 or larger scale, on an airphoto background.

Prospecting was carried out on November 27 on both licences. Personnel included W. Bucknell, R. Murphy and J. Utley of Diamond Ventures and S Grant, E. MacNaughton and J. O'Sullivan. Veins in the Barachois area were examined as were the Hattie-Mitchell Lead areas, the Plough lead and the Eureka Lead area. Traverses are shown in Figures 3 and 4. Some quartz veining was sampled but no assays have been completed.

Conclusion and Recommendations

The Wine Harbour Gold District has had significant gold production in the past, ranking ninth in gold production in terms of gold districts at 42,726 ounces. Mining was carried out over short strike distances on leads which had considerably longer strike signatures. Many of these strike extensions remain untested by drilling. Acadia Mineral ventures carried out a fairly detailed drilling program on the MacNaughton, Gilles and McKenzie leads, but due to licence boundary proximity and the southerly dip of the veins, were not adequately able to test the zones. Similarly, only limited drill testing of the Eureka, Plough, Wicasset, Hattie and the Barachois areas has been done.

The availability of detailed airphoto base maps with Faribault's vein locations should provide a good start in relocating some of the more significant gold belts on the ground. These should be re-examined and selected for trenching or diamond drilling.

Bibliography

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Dawe, J.E. 1990, Engineering Report covering the work Carried out on the Wine Harbour Claim Group of Tri-Explorations Ltd. NSDNR Report 90-082

Johnston. D. 1966. Report on the Wine Harbour Gold Property of Nicholas Onassis NSDNR report 21-G-5304

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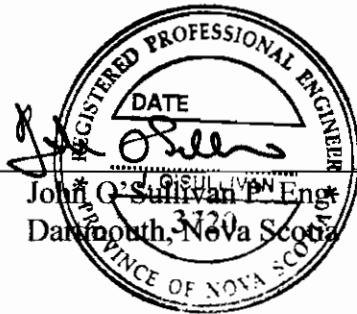
Sheppard, C. G. Assessment report to the Nova Scotia Department of Mines and Energy on the Wine Harbour Exploration Licence 13303, 11F/04B. Jacques Whitford Limited, Wilco Mining Company Limited. NSDNR Report 88-260

STATEMENT OF QUALIFICATIONS

I, John O'Sullivan of 12 Charlois Court, Dartmouth, Nova Scotia, do hereby certify as follows:

- 1) That I am a Geological Engineer, registered with the Association of Professional Engineers of Nova Scotia and the Association of Professional Engineers of Manitoba.
- 2) I am a director of the Nova Scotia Chamber of Mineral Resources.
- 3) That I am a graduate of the Haileybury School of Mines, Haileybury, Ontario. (Senior Mining Technician Diploma, 1968) and Michigan Technological University, Houghton, MI, U.S.A. (B.S. Geological Engineering, 1971)
- 4) That I have been continuously engaged in mineral exploration since 1960, with experience in Australia, Canada, Chile, Ireland and United Kingdom.
- 5) I examined the available exploration data and visited the Wine Harbour property on November 27, 2005. I believe the attached report is a fair description of the work completed in the Wine Harbour Gold District, and reflects the mineral potential of the property.
- 6) I do not hold or expect to receive any interest in the property which is the subject of this report.

Signed: _____



Date: 17 Feb 2006

Map 11F4B
 Refs.

Form 10 - Statement of Assessment Work Expenditure
 (pursuant to the *Mineral Resources Act*, S.N.S. 1990, c. 18, s. 43(1))

(Complete as necessary to substantiate the total claimed.)

Re: Licence No. 02592 Date of issue DEC 5, 1994

Type of Work		Amount Spent
1. Prospecting	5 1/2 days	2250 ⁰⁰
2. Geological mapping	3 days	1350 ⁰⁰
3. Trenching/stripping/refilling	m ² / m ³	
4. Assaying & whole rock analysis	#	
5. Other laboratory	#	
6. Grid:		
(a) Line cutting	km	
(b) Picket setting	km	
(c) Flagging	km	
7. Geophysical surveys		
Airborne:		
(a) EM/VLF	km	
(b) Mag or Grad	km	
(c) Radiometric	km	
(d) Combination	km	
(e) Other	km	
8. Geophysical surveys		
Ground:		
(a) EM/VLF	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		
(i) Water	samples	
(ii) Sediments	samples	
(b) (i) Rock	samples	
(ii) Core	samples	
(iii) Chips	samples	
(c) (i) Soil	samples	
(ii) Overburden	samples	
(d) Gas	samples	
(e) Biogeochemistry	samples	
(f) Sample collection	days	
(g) Other		
10. Drilling:		
(a) Diamond (# holes/m)	/ m	
(b) Percussion (# holes/m)	/ m	
(c) Rotary (# holes/m)	/ m	
(d) Auger (# holes/m)	/ m	
(e) Reverse circulation (# holes/m)	/ m	
(f) Logging, supervision, etc.	/ days	
(g) Sealing (# holes)	/	
11. Other (describe)		
	Subtotal	3 600 ⁰⁰
Overhead costs		
12. Secretarial services		
13. Drafting services		
14. Office expenses (rent, heat, light, etc.)	10%	412.46
15. Field supplies		
16. Compensation paid to landowners		
17. Legal fees		
18. Other (describe) 1690K x .30%	MILEAGE =	524 ⁰⁰
	Subtotal	
	Grand total	\$ 4,591.06

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Form 10 - Statement of Assessment Work Expenditure
(pursuant to the *Mineral Resources Act*, S.N.S. 1990, c. 18, s. 43(1))

(Complete as necessary to substantiate the total claimed.)

Re: Licence No. 06371 Date of issue 17 Feb, 2005

Type of Work		Amount Spent
1.	Prospecting	<u>1.5</u> days <u>425</u>
2.	Geological mapping	<u>4.5</u> days <u>2025</u>
3.	Trenching/stripping/refilling	___ m ² / ___ m ³ <u>?</u>
4.	Assaying & whole rock analysis	___ #
5.	Other laboratory	___ #
6.	Grid:	
	(a) Line cutting	___ km
	(b) Picket setting	___ km
	(c) Flagging	___ km
7.	Geophysical surveys	
	Airborne:	
	(a) EM/VLF	___ km
	(b) Mag or Grad	___ km
	(c) Radiometric	___ km
	(d) Combination	___ km
	(e) Other	___ km
8.	Geophysical surveys	
	Ground:	
	(a) EM/VLF	___ 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	
	(i) Water	___ samples
	(ii) Sediments	___ samples
	(b) (i) Rock	___ samples
	(ii) Core	___ samples
	(iii) Chips	___ samples
	(c) (i) Soil	___ samples
	(ii) Overburden	___ samples
	(d) Gas	___ samples
	(e) Biogeochemistry	___ samples
	(f) Sample collection	___ samples
	(g) Other	___ days
10.	Drilling:	
	(a) Diamond (# holes/m)	___ / ___ m
	(b) Percussion (# holes/m)	___ / ___ m
	(c) Rotary (# holes/m)	___ / ___ m
	(d) Auger (# holes/m)	___ / ___ m
	(e) Reverse circulation (# holes/m)	___ / ___ m
	(f) Logging, supervision, etc.	___ days
	(g) Sealing (# holes)	___ #
11.	Other (describe)	
	Subtotal	<u>2450,00</u>
	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)	
		<u>245.00</u>
	Subtotal	
	Grand total	<u>\$ 2695.00</u>

