SUMMARY REPORT
on
FOY-HESS OFFSET DIKE PROPERTIES

1. Sandcherry Creek Property
2. Dave Beilhartz Property

in

Leinster, Tyrone, Botha, Sweeny and Beaumont Twps., Ontario

Sudbury Mining Division, Sudbury District

NTS 41I

Prepared for Tearlach Resources Inc

by

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Summary

Twenty-two claim groups were optioned by **Tearlach Resources Inc.** from David Beilhartz and Harold Tracanelli. These cover an approximate **26 km strike length** of the **Foy-Hess Quartz Diorite Offset dike**, over at least 30 square kilometres of land area in Tyrone, Botha, Sweeny, Leinster and Beaumont Twps. During 2003, 254 km of line cutting at 50 m spacing was carried out, followed by 195 km magnetometer surveys, geological mapping and assaying.

To summarize **Sudbury geology**: At 1850 million years, a major meteorite impact event formed the *circa* originally 250 km wide Sudbury structure with a very large **crater melt sheet** that is now extensively eroded. During the crater excavation phase shatter cones produced by shock waves permeated the rocks. During relaxation phase pseudotachylyte or Sudbury Breccia (silicate melt zones caused by the grinding of adjacent rock units in mega-slides) intruded adjacent walls and also self-intruded showing distinct phase relationships and "melt pods" (blobs with igneous textures). At a much later stage, **evolved portions of an overlying crater melt sheet** intruded downwards into fissures in the centre of the impact structure, and these formed the **Offset dikes** with associated economic nickel-copper platinum-group-element (PGE) mineralization. The source of the metals in the Sudbury Structure was in the rocks impacted by the meteorite rather than in the meteorite itself. The Offset Dikes (which host almost 50% of the Sudbury mineral resource) extend more than 20 km away from the present-day rim of the Sudbury Basin. They emanate from the Main Mass of the Sudbury Igneous Complex and are disposed radially and concentrically from an originally much more extensive crater and impact melt sheet. Ten such bodies are now known, many of which are directly associated with world class Ni-Cu-PGE deposits. Within different Offset dikes the type and style of brecciation developed in the country rocks plays an important part in controlling distribution of discontinuities in quartz diorite as well as location of orebodies. The mineral potential of the different Offset dikes may have been largely controlled by the availability of magmatic sulfide from the overlying main mass of the Sudbury Igneous complex, and this in turn may have depended on the thickness of the melt sheet.

Access to the Tearlach properties is via logging roads and bush trails from Highway 144 and from Capreol by "4 x 4" quad machines, 4WD vehicles and boat on Venetian Lake. Boreal forest cover varies. There is no agriculture in the area and there has been some recent logging. Climate is cold boreal and beyond settled agriculture. The Foy and Hess Offset QD dikes often weather recessively.

There are two **significant occurrences** within the Foy Offset to the south of the Properties. The **Nickel Offsets Mine** (formerly the Ross Mine) produced 208,551 tons with recovered grades approximately 1.1% Ni and 0.8% Cu. The **Maki Showing** immediately south of the Sandcherry Creek Property was drilled by Falconbridge in the 1950s and 1967-68. In the Hess Offset dike 100,000 tons of mineralization were reputedly found at the **Rivers Option** west of the Sandcherry Creek Property by INCO more than 30 years ago. The dikes have been the subject of **additional** sporadic **exploration** mainly in the Sandcherry Creek Area. Canadian Nickel Company found disseminated Ni-Cu sulphide mineralization near Schkowona Lake. In 1972, Flint Rock Mines Ltd. and Alchib Developments Ltd. carried out geophysical surveys. In 1987-89, BP Resources Canada Ltd. flew airborne electromagnetic surveys and drilled 2745 m in short holes. INCO re-staked the rest of the Foy Offset and during 1987-89 cut a 100 metre-spaced grid, geologically mapped the dike and did a surface magnetometer survey. In the late 1990's, Christina Wood mapped the Hess Offset, and its two junctions with the Foy Offset. Her work established that the **North Range Offset dikes are evolved Sudbury rocks**, that they contain multiple phases (similar to contact deposits) and especially inclusion-bearing phases

(IQD) with associated sulfides that are typical of Sudbury-related units. In 1999, David Beilhartz found anomalous rock samples on the Foy Offset between Schkowona Lake and Venetian Lake (the Beilhartz Showing), and optioned the Sandcherry Creek Property to Consolidated Venturex who in turn optioned it to Crowflight Resources Inc. Crowflight drilled some holes and undertook an airborne geophysical survey (Aeroquest Ltd, Magnetics and Aerotem). A Crowflight drill hole adjacent to the Beilhartz showing failed to intersect the QD dike.

To summarize **previous work**: 1) anomalous soils occur both east and west of Banana Lake (Hess Offset) in the Banana Lake zone, coinciding with disseminated sulfide along a strike length of nearly a kilometre, 2) Both on the east and west sides of Banana Lake (Tracanelli Showing) net-textured and disseminated pyrrhotite-chalcopyrite occurs in outcrop towards the south margin of the QD, 3) airborne and ground gradient magnetic anomalies both east and west of Banana Lake and south of Schkowona Lake, and a distance of 3 km to the north, coincide with disseminated pyrrhotite and chalcopyrite in outcrop.

To **summarize the 2003** work 1) line cutting of Sandcherry Lake, Banana Lake, Schkowona Lake and part of Venetian Lake grids, totalling 254 km, 2) ground magnetometer survey of Sandcherry Lake, Banana Lake, Schkowona Lake totalling 195 km, 3) geological mapping, prospecting and sampling on the Sandcherry Lake, Banana Lake, and part of the Schkowona Lake grids. The Foy-Hess QD dike was traced discontinuously from Sandcherry Lake in the east to east of Banana Lake, 4) backhoe stripping of QD on West side and East side of Banana Lake 5)grab sampling and assaying of three locations: Mooihoek Pond (Sandcherry Lake grid) and West and East Banana Lake (Tracanelli Showing), 6) digitizing of geological maps. **Grab sample assays** and comparison to the Totten deposit in the South Range are as follows:

Notes	**Sample No**	**Cu (%) Copper**	**Ni(%) Nickel**	**Pt(ppm) Platinum**	**Pd(ppm) Palladium**	**Au (ppm) Gold**	**Total PGM (g/tonne)**
1	33001	0.13	0.105	0.12	0.2	0.1	0.4
2	33002	0.307	0.281	0.24	0.28	0.1	0.61
3	33003	0.163	0.125	0.16	0.23	0.11	0.5
4	Totten	1.4	1.9				4.7
5	**Totten /10**	**0.14**	**0.19**				**0.47**

Notes: 1. Grab sample location: West shore Banana Lake. **2.** Grab sample location: East shore Banana Lake, Tracanelli Showing. **3**. Grab sample location: cliff, Mooihoek Pond, West of Banana Lake. **4.** Published grade of Totten Deposit, Worthington Offset Dike, South Range. **5.** Totten Grade in Row 4, divided by 10.

Discussion: 1. Geological mapping shows that the dike has previously unrecognized similarities to Offset Dikes of the Sudbury South Range. These consist of parallel dikes, dikes coalescing at right angles and sharp variations in dike thickness from 30 cm to greater than 100 metres. The latter feature is known to correlate with high potential for concentration of mineralization. Internal textures include flowage differentiation of inclusions and sulfides.
2. The Foy-Hess Offset dikes on the Properties show characteristics similar to Nickel Offsets

Mine on the Foy Offset dike to the south of the claims area. The Cu/Ni/PGE ratios from three grab samples, show close similarities to that of the Totten deposit in the Worthington Offset Dike. **3.** The Foy-Hess Offset QD and IQD dikes on the Properties show flowage differentiation, sulfides with Cu, Ni, PGM metal ratios and other features similar to those in the Worthington Offset dike which hosts significant ore deposits. **4.** Sulfides in inclusion-bearing quartz diorite (IQD) have been found on the properties, but past work was neither extensive nor necessarily appropriate since knowledge of Offset dike mineralization exploration techniques was not available outside INCO expertise until quite recently. **5**. The relatively sharp contrast to surrounding non-magnetic country rock has permitted good delineation of dike systems by ground and airborne magnetometer surveys.

Conclusions: The properties have the appropriate geology to host economic nickel-copper-PGE mineralization of the Sudbury Offset dike type and are worthwhile exploration targets. Metal ratios and geology show significant similarities between the QD on the Properties and the QD represented by the Worthington Offset and the Nickel Offset Mine in the Foy Offset dike. To date, fifteen magnetic anomalies that represent potential drill targets have been identified on the Banana Lake and Sandcherry Lake portions of the Dike.

Recommendations: 1) continue with program of cutting lines along the distal Foy Offset with 50 m line spacing, **2)** continue with ground magnetic surveys, geological mapping and prospecting to delineate the QD dike and magnetic phases, **3)** carry out backhoe stripping, trenching and sampling by trenching, blasting and channel sampling of sulfides in IQD , **4)** drill anomalous areas use down-hole geophysics to guide drilling for following mineralization down-dip and down-plunge.

For **Phase I**, a budget of **$663,310** is recommended. **Phase II** drilling would cost an estimated **$336,690** for a total budget of **$1 Million**.

1.0 Introduction and Terms of Reference

The author of this report, Ulrich Kretschmar, was retained by Tearlach Resources Inc. to review and summarize the history of the Foy-Hess Offset Dike properties ("Properties"), the work carried out by the company, and based on the findings, to make recommendations for future exploration on the Properties. The report is intended to accompany filing of an Annual Information Form.

The information available to the author consists of plans, maps and geophysical surveys, as well as some of the documents listed in the References. The author is familiar with Sudbury geology and spent 19 days in Sept and Oct 2003 on detailed geological mapping, sampling and supervision of trenching on the properties covered by this report.

2.0 Disclaimer

Kretschmar International Geoscience Corp was retained to review and summarize the 2003 exploration program on the Foy-Hess Offset properties of Tearlach Resources Inc. Geological mapping was carried out personally by the author. Work to date has been confined to the southern part of the properties in the Sandcherry, Banana and southern Schkowona Lake grid areas.

The following objectives were identified: 1) continue with line cutting, magnetometer surveys and geological mapping; 2) strip, sample and assay sulfide showings; 3) drill high grade areas.

Information on claim ownership and previous work on the properties, was taken from a summary report by Hadyn Butler, P.Geo. (Butler, 2003), which in turn summarized Ontario Geological Survey Open File Reports and assessment file reports. To the best of my knowledge and experience, this information is correct and as complete as possible. However, I disclaim responsibility for this information. The author has not personally verified the content of option agreements, but has verified claim ownership and status on the NMDM website.

The conclusions and recommendation in this report are based on the present author's discussions with Hadyn Butler, recommendations made in some of the reports on the property and his knowledge of techniques that are in general use in mineral exploration in the Offset dike environment in Sudbury. The present author wrote a technical report on the AER-Kidd Property (Kretschmar, 2003).

3.0 Property Description and Location

The outline of the Sudbury Basin and Offset dikes is shown as Fig. 1.

The Sandcherry Creek Property comprises a contiguous claim block covering **two junctions** of the Foy and Hess Offset dikes.

The following 8 claims are held jointly by David Beilhartz, P.Geo. and Harold Tracanelli.

Table 1: Claims Comprising Beilhartz-Tracanelli Property

Claim No.	**Size (16 Ha units)**	**Ownership (%)** **Beilhartz**	**Tracanelli**	**Due date**
1230790	8	25	75	30 July 2004
(1241369) 3004227	10	25	75	5 April 2004
1229651	9	25	75	13 Sept 2004
1229650	7	25	75	13 Sept 2004
1230029	10	75	25	23 July 2004
1230028	6	75	25	23 July 2004
1247344	2	50	50	7 July 2004
1229649	8	75	25	23 July 2004

David Beilhartz also optioned 3 separate blocks (14 claims) that are contiguous with the Sandcherry Creek Property, but separated in space. An outline of the property on an approximate trace of the Offset dikes is shown in ***Figure 2***. The claim blocks cover an approximate 21 km strike length of QD Offset dike, and have at least 30 square kilometres of land area.

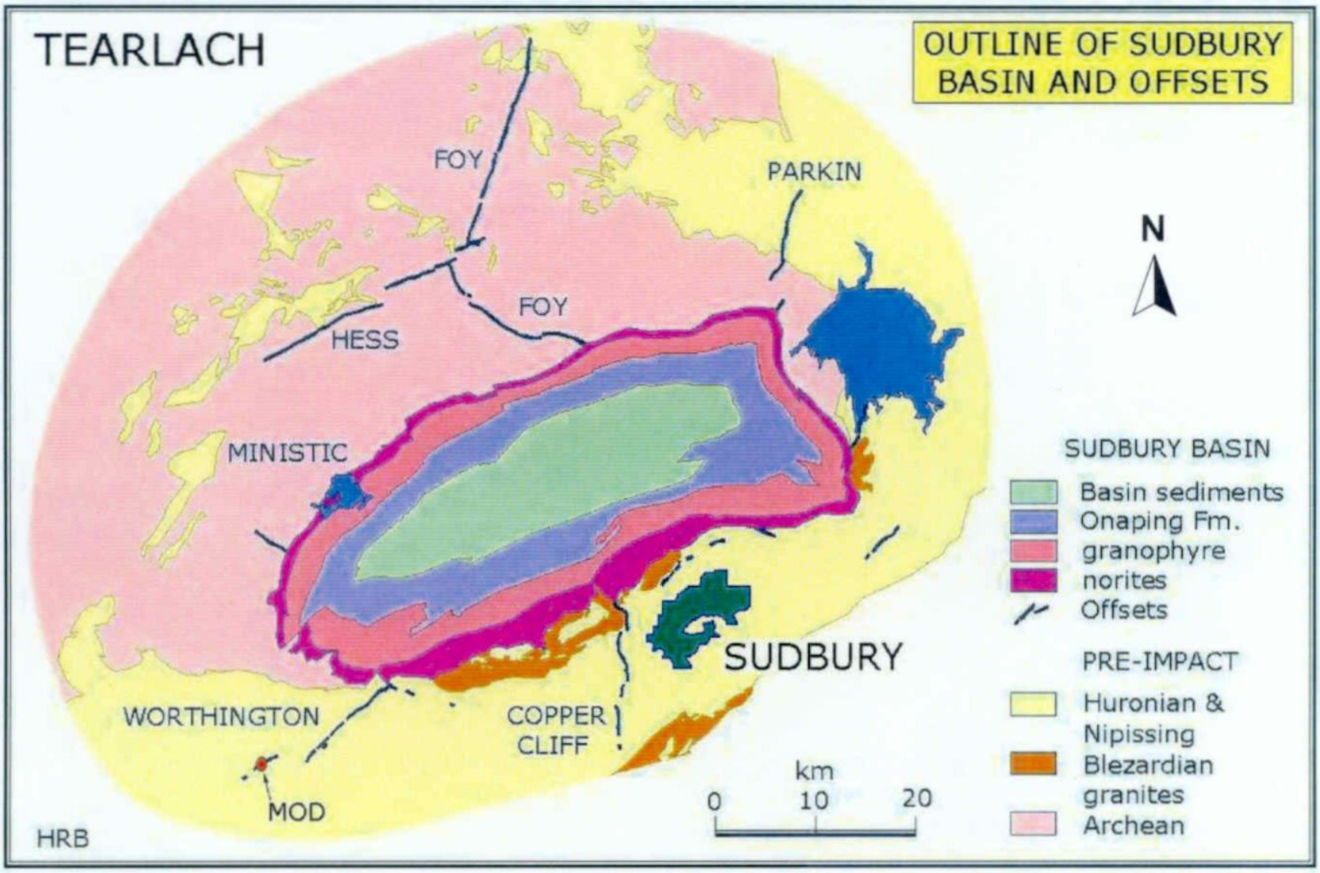

Fig. 1: Sudbury Basin and Offset Dike system (from Butler, 2003).

Table 2: Claims Comprising Beilhartz Property

Claim No.	Size (16 Ha units)	Township	Due date
Banana Lake Block			
1241741	14	Leinster, Tyrone	5 April 2004
Hess Offset West			
3002187	16	Tyrone	22 July 2004
Eastern Hess Block			
3004355	8	Tyrone, Botha	23 Aug 2004
3004356	9	Botha	23 Aug 2004
1249376	6	Botha	4 Sept 2004
3004358	12	Botha	4 Sept 2004
3004357	12	Botha	4 Sept 2004
3004359	12	Botha	4 Sept 2004
3004362	16	Botha	20 Sept 2004
3004284	12	Botha, Sweeny	23 Aug 2004
3004363	4	Sweeny	12 Sept 2004
3004364	6	Sweeny	12 Sept 2004
Northern Foy Block			
3004361		Sweeny	20 Sept 2004
3004284		Sweeny	23 Aug 2004
3004285		Sweeny	23 Aug 2004

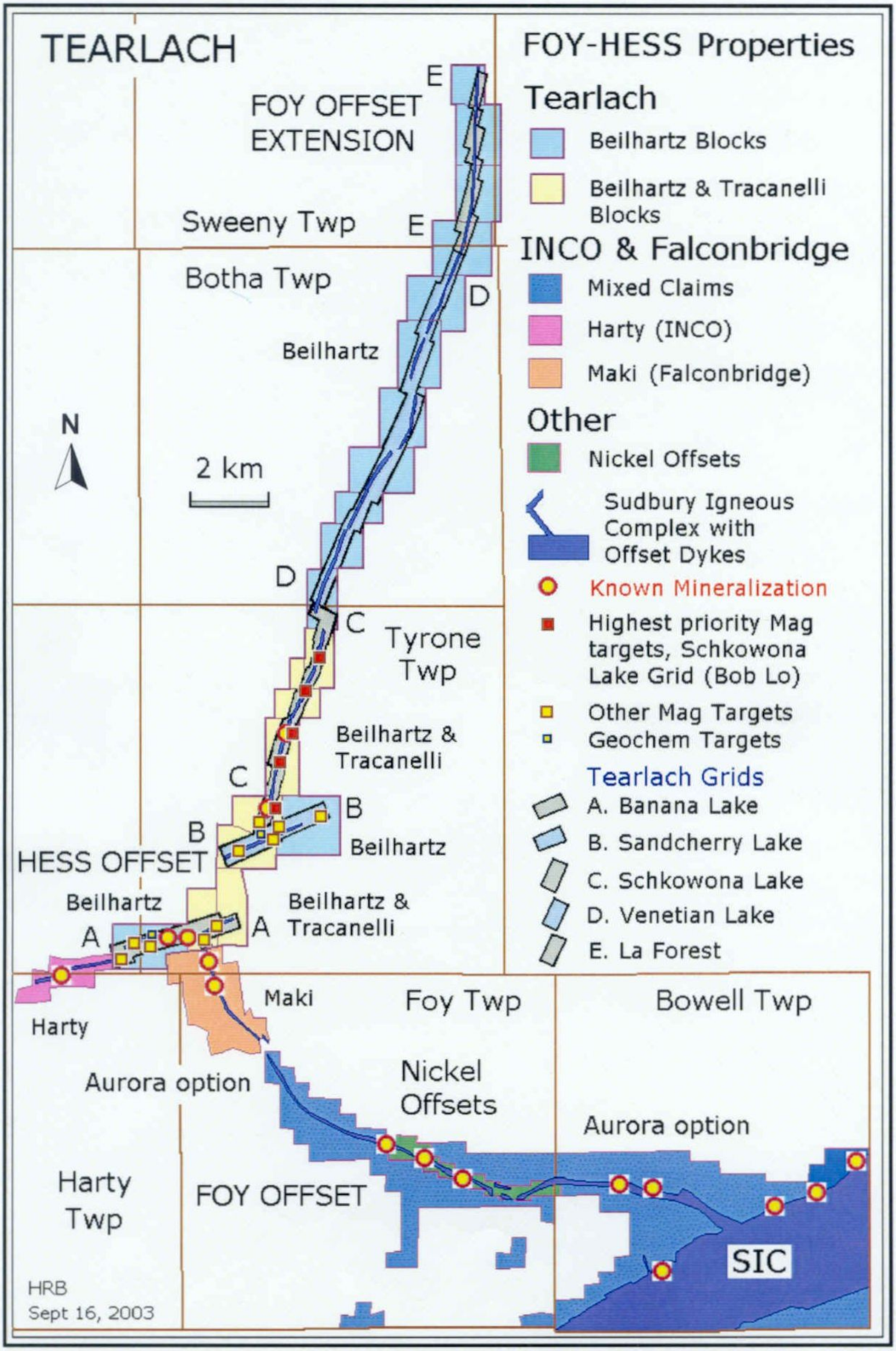

Fig. 2: Regional Location Map, showing Sudbury Irruptive, Foy-Hess Offset Dikes, Inco, Falconbridge, Aurora Platinum, Beilhartz and Tracanelli Claims, as well as Tearlach Grids.

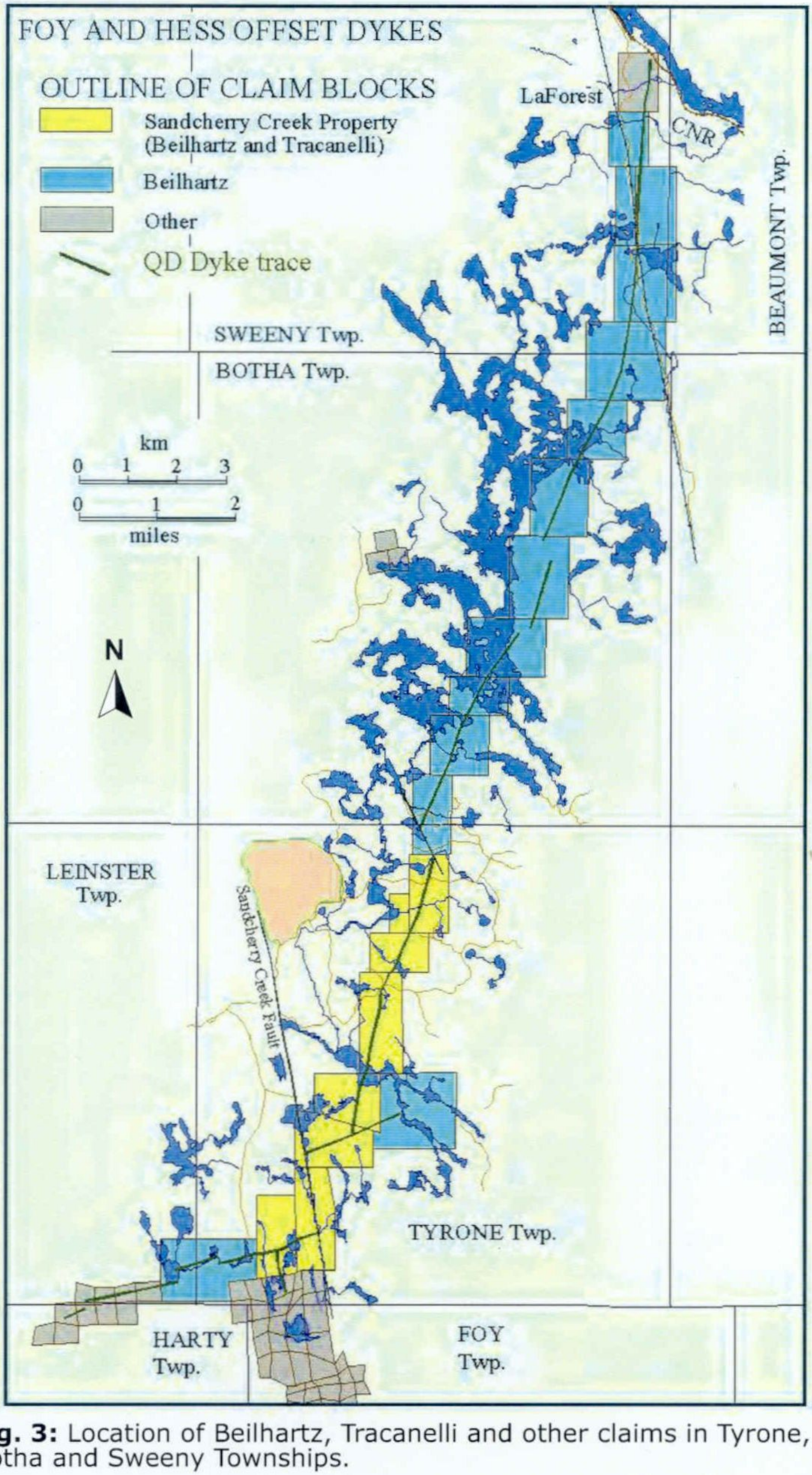

Fig. 3: Location of Beilhartz, Tracanelli and other claims in Tyrone, Leinster, Botha and Sweeny Townships.

4.0 Access, Climate, Local Resources, Infrastructure and Physiography

From the west, access to the properties is via of logging roads and bush trails from Highway 144 and from the east, via Capreol (northeast of Sudbury). "4 x 4" quad machines and 4WD vehicles can drive most trails in the summer, and all trails are accessible by snow machines in the winter. Venetian Lake can be travelled by boat, but it is shallow and full of shoals. Boreal forest cover varies, and dense undergrowth in immature secondary growth forest is common. Several areas have been recently logged making access from new logging roads relatively easy, and snow machine trails have recently been upgraded with bridges across many of the larger streams. Climate is cold boreal and beyond settled agriculture. The property is, however, close to Sudbury (between 35 and 55 km south) with milling and smelting facilities appropriate to the kind of mineralization likely to be found on the properties. Topography is varied with a typical Canadian Shield glacigene habit of bare outcrop, lakes and till-covered landscape. Unlike the Offset dikes in the South Range of the Sudbury Structure (which often stand out in rugged relief), the Foy and Hess Offset QD dikes are somewhat recessive topographically and have been mapped by boulder-train tracing and magnetic survey. Glaciers tended to scour ruts in the Offset dikes where their walls were granitic.

Outcrops of both dikes are very sparse, and this explains the lack of mineral discovery until relatively recently – there was a hiatus in Sudbury mineralization discovery between the 1890's and the post World War II era when areas were finally explored away from the Sudbury Basin proper. Indeed, the extension of the Foy Offset, the Hess Offset, the Worthington Offset extension, the Manchester Offset, the Parkin Offset extension and the MacLennan Offset (see Fig. 1) were found (or re-found) during post World War II prospecting campaigns. In fact, new QD exposures were discovered east of the Frood Mine around 10 years ago. Government geological mapping in the area is of fair to poor quality - only the most general outline of rock units has been mapped.

At the north end of the claim blocks, a large hydroelectric power line and the CNR rail line passes LaForest siding. A gravel road runs from Capreol to LaForest siding through the claims and crosses the distal portion of the Foy Offset dike.

5.0 History

The following pertains to the Beilhartz and Tracanelli claims and immediately adjacent areas as compiled by Butler (2003).

In the Foy Offset to the south of the property, the Nickel Offsets Mine (formerly the Ross Mine) was operated sporadically from 1943 to 1957 with 208,551 tons milled and a production of 4,576,138 lbs nickel and 3,327,299 lbs copper (recovered grades approximately 1.1% Ni and 0.8% Cu). Initial production in 1943-44 comprised 10,311 tons grading 4.3% Ni, 3.5% Cu, 0.14% Co, and 0.18 oz/ton PGE (Card and Meyn, 1969).

Between 1949 and 1952, Falconbridge surveyed and drilled the Maki Showing on the Foy Offset immediately south of the Sandcherry Creek Property – no assays can be found in the assessment files. The Hess Offset dike was discovered by a prospector and mineralization was found at the Rivers Option west of the Sandcherry Creek Property, an area eventually drilled by INCO and still held by them – a projected >100,000 ton shallow mineral resource is believed to have been outlined by this drilling (more than 30 years ago – actual data is not in the public domain).

In 1950, INCO (as the Canadian Nickel Company) did some limited magnetometer and shallow drilling on the Foy Offset. They found disseminated Ni-Cu sulphide mineralization as far north as Schkowona Lake, but assays did not have to be recorded under the assessment reporting file regime in Ontario at that time.

During 1967-68, Falconbridge did further drilling on the Maki Showing, and Anaconda American Brass Ltd. did some surface work on what is now the Sandcherry Creek Property.

In 1967, INCO (Canadian Nickel Company) carried out a further shallow drilling campaign in the Schkowona Lake area and reported dike mineralization but, once again, no assays.

During 1972, Flint Rock Mines Ltd. and Alchib Developments Ltd. carried out some geophysical surveys.

In 1987-89, BP Resources Canada Ltd. flew airborne electromagnetic surveys and drilled 2745 metres in short holes on the Sandcherry Creek Property. Disseminated sulfides in inclusion-bearing QD were reported but, once again, not the assays. In response to BP's presence, INCO re-staked the rest of the

Foy Offset and during 1987-89 cut a 100 metre-spaced grid, geologically mapped the dike (but only on the cross lines) did a surface magnetometer survey and a largely irrelevant (VLF) electromagnetic survey. No follow-up assays or drilling were done by INCO since BP had by then dropped its interest in the area.

In the late 1990's, as part of an M.Sc. thesis at the University of New Brunswick, Christina Wood mapped the Hess Offset, and its two junctions with the Foy Offset. Her work established that the North Range Offset dikes are evolved Sudbury rocks, that they contain multiple phases (similar to contact deposits) and especially inclusion-bearing phases (IQD) with associated sulfides that are typical of Sudbury-related units (Wood C.R. & Spray, J.G., 1998). Other scientific work from this institution on the Foy Offset is pending publication.

In 1999, David Beilhartz found anomalous rock samples on the Foy Offset between Schkowona Lake and Venetian Lake (the Beilhartz Showing), and optioned the Sandcherry Creek Property to Consolidated Venturex who in turn optioned it to Crowflight Resources Inc. Crowflight drilled some holes and undertook an airborne geophysical survey (Aeroquest Ltd, Magnetics and Aerotem). Beilhartz and Tracanelli filed the airborne results for the Sandcherry Creek property with the ministry. Crowflight did not pay Aeroquest for the northern half of the airborne survey and this data may be available for purchase. Due to incorrect positioning, a Crowflight drill hole adjacent to the Beilhartz showing failed to intersect the QD dike itself. Airborne Aerotem surveys are not likely appropriate electromagnetic channels (150Hz) since the rocks in the region are highly resistive, and pyrrhotite is a superconductor. However, the airborne magnetic surveys are quite valuable, and especially the **gradient magnetic surveys**, and will be discussed below.

In 2002, claims on the Foy Offset that had been staked on behalf of Crowflight Resources Inc. lapsed, and some of the ground was re-staked by David Beilhartz, and then optioned to Tearlach.

6.0 Brief Geological History of the Sudbury Basin

6.1 Introduction

The Sudbury Basin represents the largest concentration of copper and nickel sulfides on earth and, since 1888, approximately 950 million short tons of ore have been mined in the Sudbury Camp for a total present-day value of major metals recovered of approximately $US 121.5 billion.

Much has been written on the geology of the Sudbury Basin and its Cu-Ni-PGE deposits and only the briefest outline of its geology can be presented here. Timely research, and a synthesis of Offset Dike Type mineralization in South Range Offset Dikes, which includes detailed work on the Worthington Offset dike has been published in a recent issue of Economic Geology (Lightfoot & Farrow, 2002). North Range Offset Dikes, specifically the Foy-Hess dike was studied by Wood & Spray (1998).

6.2 Geology of the Sudbury Basin

The area is underlain by an infrastructure of Archean granites, granitic gneisses, and thin veneers and remnants of greenstone belts. The greenstone belts contain metamorphosed mafic and felsic volcanics, coarse agglomerates, sediments and iron formations, and host small zinc-rich VMS deposits (e.g., the Geneva Lake Mine). In turn, the Archean is unconformably overlain by Proterozoic Huronian Supergroup sedimentary units intruded by Nipissing Diabase. The north-striking Matachewan Dike swarm traverses the region as well.

At 1850 million years, a major meteorite impact event formed a *circa* 250 km wide structure with a very large **crater melt sheet** that is now extensively eroded. During the crater excavation phase (initiation, ~1-2 minutes duration), shatter cones produced by shock waves permeated the rocks, and can be seen on the properties. During the crater's relaxation phase (final phase, ~2 to 10 minutes duration), pseudotachylyte zones actively formed (also called Sudbury Breccia – silicate melt zones caused by the grinding of adjacent rock units in mega-slides), and are present as well on the properties. After their production (minutes duration), pseudotachylyte melts actively intruded their adjacent walls and also self-intruded showing distinct phase relationships and "melt pods" (blobs with igneous textures). At a much later stage, **evolved portions of an overlying crater melt sheet** intruded downwards into fissures in the centre of the impact structure, and these formed the Offset dikes with associated economic nickel-copper platinum-group-element (PGE) mineralization. The source of the metals in the Sudbury Structure was in the rocks impacted by the meteorite rather than in the meteorite itself. Offset dikes contain complex mixed silicate liquid phases, including a sulphide-free phase of quartz diorite (**"QD"**) commonly on dike walls, an inclusion-bearing phase with sulphide ("**IQD"**) commonly in the dike centre, and "**anatexites**" – post-impact **evolved melts** formed by melting country rock at the base of the crater melt sheet by superheating. In the Offset dikes, QD, IQD and anatexite penetrate each other. Anatexites can have chilled-margin relationships with QD types. Melt pods (with igneous textures) can also occur in the anatexite. At the Maki showing just south of the Sandcherry Creek Property, a grey QD dike is seen to chill against an anatexite, both silicate liquids using the same fissure during crater adjustment injection below the crater melt sheet. Anatexite should not to be confused with pseudotachylyte.

In the Sudbury Structure, all basal units seem to intrude each other – a very complex situation. For instance, footwall "granitic" breccias (melts with footwall clasts and boulders) can intrude upwards (like diapirs) into felsic norite units (cumulates).

Two subsequent orogenies, the Penokean and the Grenvillian, preserved the remains of the crater melt sheet as the Sudbury Igneous Complex, and the ore bodies. The current (erosional) dimensions of the crater are approximately 60 km in a northeast direction by 30 km wide and exploration has focused around and in close proximity to the present crater rim. A northwest-trending olivine diabase dike swarm (the Sudbury Dike Swarm) cuts the claims and is readily seen as linear magnetic highs on magnetic maps.

6.3 Ore Deposit Types

Genesis of Sudbury mineral deposits can be compared with activity in a blast furnace. Within the furnace a charge of ore and molten sulphide (matte) gathers as a heavy liquid on the furnace bottom with the lighter silicate rock (slag) floating on the top. The separation process is facilitated by the presence of silica, which acts as a flux.

Around the Sudbury Basin massive sulphide ores form grape-shaped pods and sheets at and below "mafic norite". An unmapped unit known as the "footwall breccia" hosts much of the ore. Massive sulphide ore gathered and dripped down into the "footwall breccia" after the sulphide had gathered as a separate molten liquid (the furnace matte) in the superheated impact melt sheet above. The mafic norite can be regarded as the slag in the furnace analogy. This sulphide matte separated because the high silica content of the impact melt sheet fluxed the sulphide from the liquid. The nickel originated in the nickel-bearing minerals (olivine and serpentine), the copper in the "basaltic material" and the PGM from "oxide minerals" in the impact target zone.

Four main ore types are recognized in the Sudbury Camp: **Type 1:** "Normal" Footwall Ores. These mainly pyrrhotite ores are found adjacent to and below the mafic norite. The PGM values are low. Examples include Levack, Murray and Falconbridge mines.

Type 2: "Separated" Footwall Ores. These are "evolved" ores, often containing millerite (NiS) and with elevated PGM values (several grams per tonne). They occur beneath Type 1 deposits and probably evolved from them. e.g. McCreedy East.

Type 3: "Superfault" Ores. Superfault is a new geological term to describe the soles of impact crater-wall landslides. They are crustal collapse features extending under the impact melt sheet and also from the crater wall. These landslides and material from crustal rebound in the crater centre fill much of the cavity excavated by the meteorite impact. The grinding of rocks during these super landslides generated molten material within the superfaults. These melts (pseudotachylyte) acted as channels for accumulated massive sulfides dripping down from above. The sulfides simply ran down into the pseudotachylyte while it was still molten.

Type 4: "Offset" Ores. These will be described in detail below. They occur in cracks that formed during and after crater formation below the melt sheet. The cracks may be concentric or radial. As the post-impact crustal stress field deformed the rocks beneath the melt sheet, cracks opened up and were infiltrated from above by molten material, some of which contained ore (matte) concentrations. Fragments of country rock also fell into these cracks "fluxing" additional sulphide from the melt. Offset ores have higher PGM content than normal footwall ores, with values in their middle to lower levels assaying 3 to 5 g/t PGM. Nickel and copper values are also significant. The deposit type is best illustrated by Inco's recently discovered Kelly Lake deposit (Copper Cliff Offset), and by the mines and deposits in the prolific Worthington Offset Dike, including the Crean mine and the recently expanded Totten and Victoria deposits.

6.4 The Offset Dikes

The Offset Dikes (which host almost 50% of the Sudbury mineral resource according to Lightfoot & Farrow, 2002, p.1420) extend more than 20 km away from the present-day rim of the Sudbury Basin. They emanate from the Main Mass of the Sudbury Igneous Complex and are disposed radially and concentrically from an originally much more extensive crater and impact melt sheet. Ten such bodies are now known, many of which are directly associated with world class Ni-Cu-PGE deposits.

Within different Offset dikes the type and style of brecciation developed in the country rocks played an important part in controlling the distribution of the discontinuities in the quartz diorite as well as the location of orebodies.

The mineral potential of the different Offset dikes may have been largely controlled by the availability of magmatic sulfide from the overlying main mass of the Sudbury Igneous complex, and this in turn may have depended on the thickness of the melt sheet.

6.3.1. The Worthington Dike

The Worthington Dike in the South Range of the Sudbury structure, is well studied and hosts several mineral deposits on including -- from the northeast to the southwest -- the Ellen Pit, Crean Hill Mine, the Victoria Mine, the AER/Kidd Mine, the Worthington Mine, the Totten Mine and the Michener Occurrence, all in a distance of about 15 kilometres in the Denison, Drury and Lorne Townships. It is instructive to study this South Range Dike in order to better understand the geology of the Foy-Hess properties.

The area of the Worthington dike is underlain by a succession of pelitic metasediments and metagabbroic rocks. The metapelites lie in normal stratigraphic succession above, and sometimes grading into, the quartzite unit in western Denison Township. This unit is about 1700 metres thick and consists of fine-grained pelitic sediments with lesser amounts of meta-greywacke, subgreywacke and quartzite. The rocks are composed mainly of quartz, muscovite, chlorite, biotite and plagioclase. Generally these rocks are metamorphosed to the level of the greenschist facies, though in a few instances, higher greenschist and lower almandine facies have been observed to the west of the property. Primary structures are still visible.

This pelitic metasedimentary unit is underlain by mafic volcanic rocks. This volcanic unit is a succession of dark green metamorphosed massive, amygdaloidal, porphyritic and pillowed lavas, with minor fragmental units. The chemical composition ranges from andesitic to basaltic. The rocks are now mainly amphibolites, with both hornblende and actinolite, zoned plagioclase (andesine-oligoclase) and variable amounts of quartz, chlorite, epidote, carbonate, sericite, pyrite, pyrrhotite, magnetite and ilmenite. The rocks are fine to coarse grained, and display "sieve" textures. Shearing has produced a well developed foliation and stretching of volcanic structures. There are areas of brecciation; some of these are primary volcanic features, but there are indications that others may be later imposed Sudbury-type breccias. (Card, 1968).

Sulfides are fairly common throughout the above units. Generally pyrite and pyrrhotite are the only sulfides present, though some rusty zones, less than a metre in length, may contain minor chalcopyrite and magnetite. Chemical analyses of these rusty zones shows the presence of anomalous chromium, copper, nickel and lead.

The two units are intruded by several ages of granitic rocks, the most prominent being the Creighton Pluton, a large quartz monzonite stock with areas of granite and quartz monzonite, as well as veins and pegmatites.

The Worthington Dike consists mainly of quartz diorite with fragmental (or inclusion) phases. The Worthington Dike is intrusive into all the rocks surrounding the Sudbury Basin, mainly foliated metavolcanic and metasedimentary rocks of the Precambrian Huronian Supergroup and the Nipissing Intrusions. It is itself cut by later diabase dikes and faults. It is a somewhat discontinuous narrow vertical to subvertical body that trends southwesterly through Denison and Drury Townships, and perhaps through Lorne Township. It is commonly about a 30 m wide, widening in short stretches to 53 m although Card (1986) states that north of the Creighton Fault it may reach 250 m. It appears to have been displaced by the Creighton Fault, though the structural relationship is unclear.

The dike is composed of quartz diorite (QD), a fine grained, dark grey rock composed of zoned plagioclase (An_{54} to An_{20}) hornblende, actinolite, biotite, quartz, sulfides and minor epidote, chlorite and carbonate. It includes zones of 'inclusion phase' diorite (IQD) with numerous amphibolitic fragments. The inclusions consist of almost entirely actinolite with minor amounts of quartz, plagioclase and opaque minerals. These inclusions, generally rounded, range from a few inches to several feet; and may in patches constitute up to 75% of the rock.

Sulphide mineralization is common in this unit, as fine blebs and disseminations, and in stringers. In the ore shots, the quartz diorite is entirely replaced by the sulfides, though inclusions seldom are. This results in an ore 'breccia' with fragments well displayed as well as unmineralized fragments. There is a preferential concentration of sulphide mineralization in these "inclusion phase" diorites, and the geological consensus in the Sudbury Camp appears to be that the inclusions or fragments are an essential part of the mechanism for trapping the ore.

The massive, semi-massive magmatic sulfides are associated spatially with large meta-gabbro within the IQD. The iron-rich sulfides occur interstitially to these inclusions. The inclusions range in size from a few centimeters to 8 to 10 metres. Biotite-rich IQD occurs locally around the larger inclusions. These biotite grains tend to subparallel the strike of the dike. Veins of chalcopyrite occur throughout the IQD; these may crosscut metagabbro inclusions. Veins host much of the PGMs, gold, lead and zinc minerals. A few chalcopyrite-bearing quartz veins may be seen up to 15 metres from the QD contact. The major sulfides consist of pyrrhotite, pentlandite, chalcopyrite, with minor sphalerite and galena. Minor sulph-arsenides and arsenides cobaltite, gersdoffite and nickelite are present. The platinum group minerals include michenerite, sperrylite, and froodite. Other precious minerals are hessite and electrum. The PGMs and gold/silver are hosted in chalcopyrite, amphibole, chlorite pyrrhotite, quartz and cobaltite/gersdoffite (Stewart et al 1981). The mineralized zones are usually pear-shaped, often en echelon, and may range from a few tons to a million tons or more.

The quartz diorite of the Offset dikes is very similar petrographically, except for finer grain size, to the quartz diorite of the Sudbury Igneous Complex at the rim of the Sudbury Basin. There appears to be continuity between the Worthington Offset Dike and the Victoria Mine Embayment at the edge of the Sudbury Igneous Complex (SIC). The dike appears to occupy a radial fracture caused by the meteorite impact. The quartz diorite may have moved into the fracture sideways from the SIC, but also downwards; for the original impact crater was probably several times larger than the eroded present day basin.

There are two main rock types in the Worthington Offset Dike:1) Inclusion-bearing Quartz Diorite (IQD), a medium grained quartz diorite which commonly contains rounded fragments of metasedimentary rock, Nipissing diabase and rarer fragments of gabbro, granite and granite gneiss and 2) Inclusion-free Quartz Diorite (QD): as above without inclusions.

The IQD tends to be within the QD, often near the top. It is the most important part of the Offset dike as the sulphide mineralization occurs preferentially within it. The inclusions appear to be a necessary part of the trapping mechanism for the ore. Sulphide melt accumulated mechanically around large metagabbro inclusions and solidified to form ore. The process responsible for the accumulation is probably the damming effect of these pebbles on the flow of the sulphide liquids.

While the primary magmatic processes resulted in the accumulation of these nickel copper orebodies, there is evidence that secondary processes helped to enrich these orebodies in copper and precious metals. This is supported by the abundance of copper veins and disseminations that crosscut the gabbroic intrusions. The metallogenesis is complex, and as the understanding of the processes and timing of these deposits becomes understood, it may help in the exploration and exploitation of new such deposits.

Lightfoot & Farrow, 2003, p. 1419 give the following description:

"The Worthington Offset Dike (Figure 3) extends for approximately 15 km away from the southwestern margin of the 1.85 Ga Sudbury Igneous Complex. The dike is zoned with respect to inclusion and sulfide content. Marginal chilled quartz diorite is transitional into medium-grained quartz diorite. These rocks are sulfide undersaturated, contain small inclusions from the wall rocks, and are preserved along much of the dike. Locally, the dike contains a core of inclusion-rich diorite, which can be choke with inclusions surrounded by semimassive to massive sulfides. The more heavily mineralized inclusion-rich quartz diorite contains up to 10 to 75% amphibolite inclusions, which are petrologically and geochemically similar to the immediately adjacent country-rock amphibolites, locally termed "Sudbury gabbros". The semi-massive to massive sulfide zones form subvertical pipes, much like the deposits of the Copper Cliff Offset dike, and these are associated with locations where the Worthington dike widens from 2- to 30 m to 50 to 80 m. The average metal tenors of the sulfide with < = 5% sulfur are calculated to be 7 % Ni and 13% Cu. Thus the dike ores have a much higher Cu/Ni ratio than orebodies within the contact sublayer (Cu/Ni approx 1)."

7.0 Past Exploration on the Foy-Hess Offset Dike

Figures 4 to 9 show the grids and magnetometer surveys which were cut during the 2003 program as well as the location of past work on the Properties.

Figs. 4a and 4b, covering Tyrone and parts of adjacent townships show the location of the cut grids, claims and the two junctions of the Foy and Hess QD dikes (on claims 1241369, and 1229651).

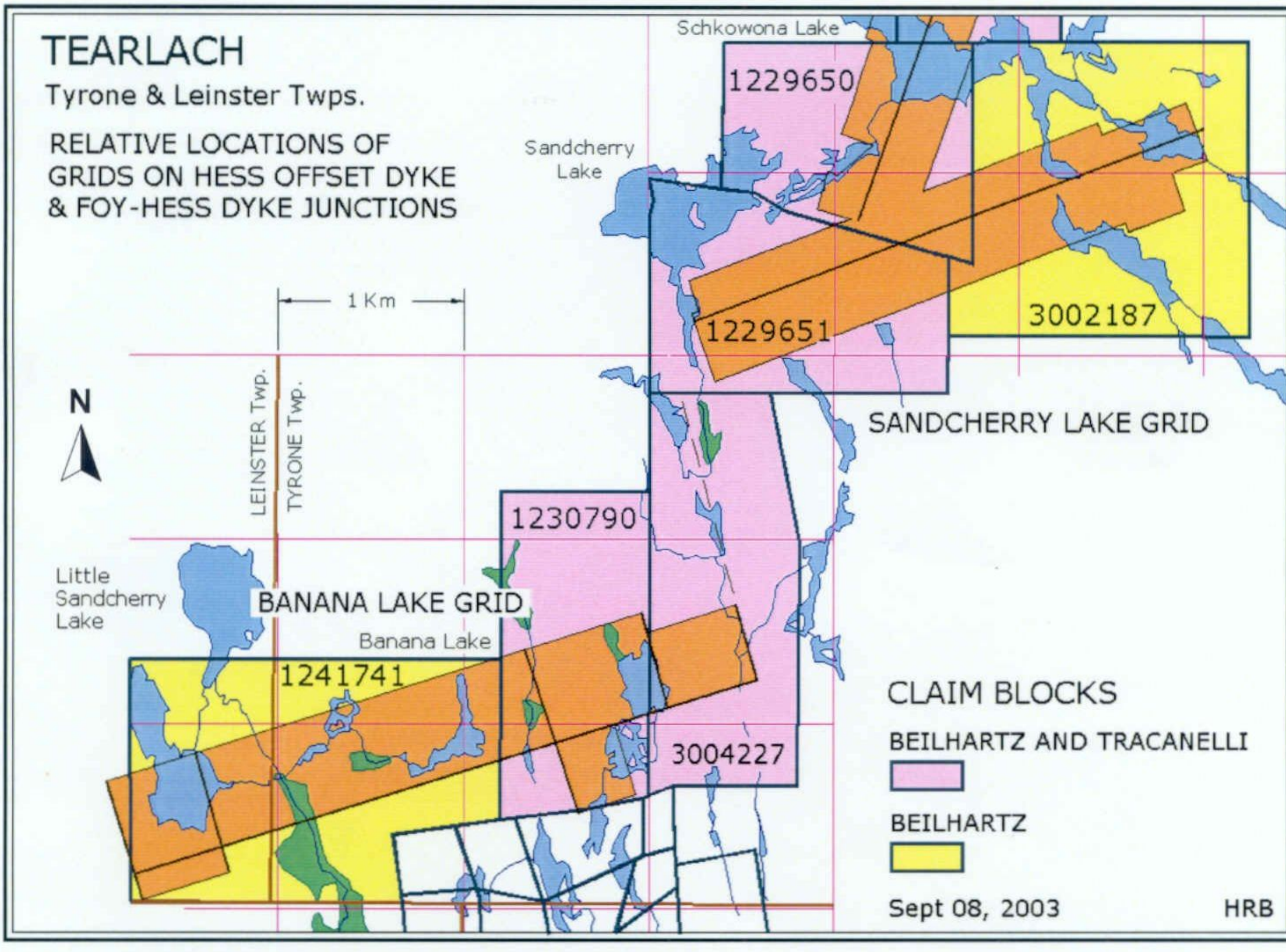

Fig. 4a: Relative locations of grids on Hess Offset dike and Foy-Hess Dike junction.

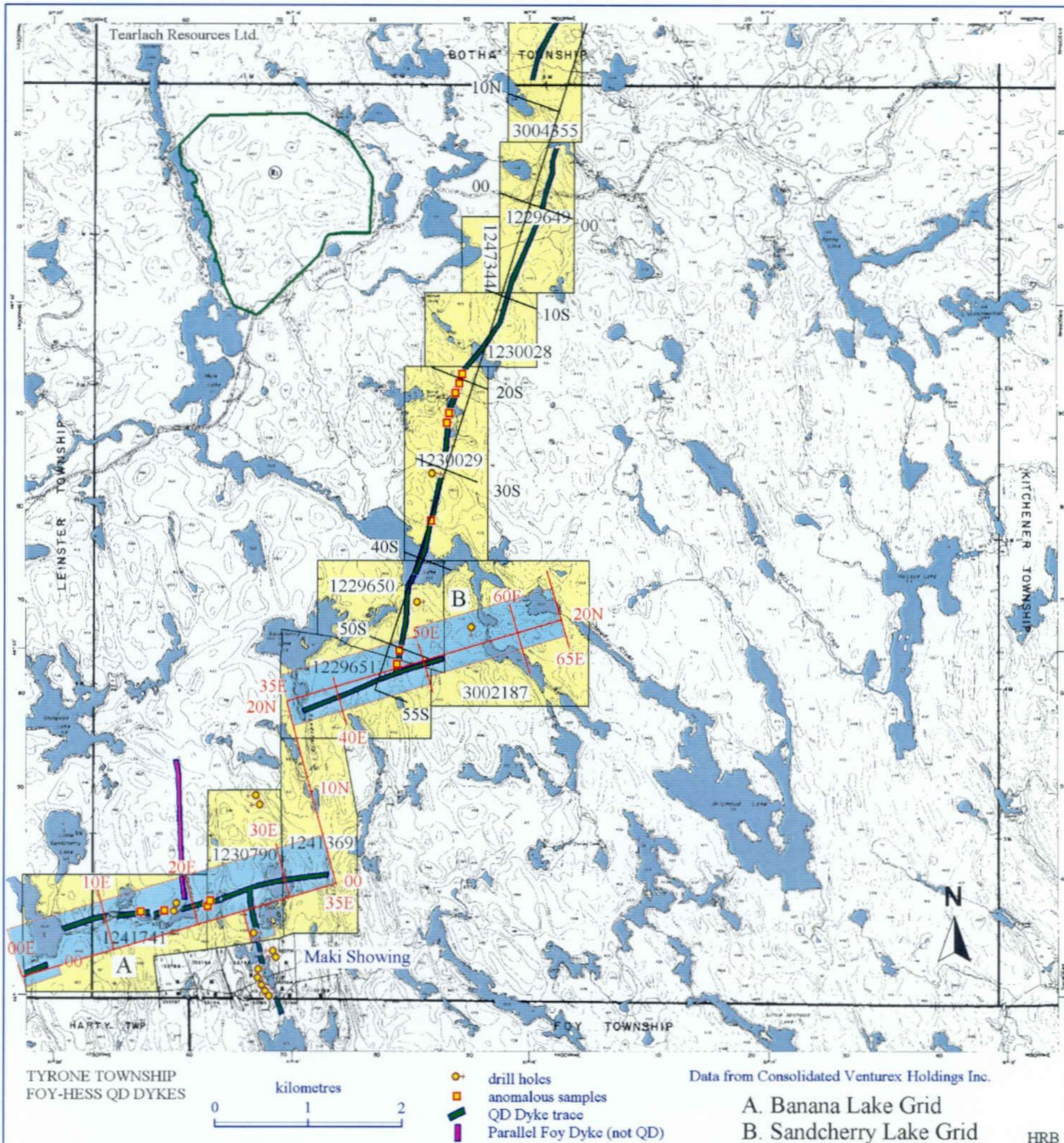

Fig. 4b: Hess Offset Dike and Foy-Hess junction on Sandcherry and Banana Lake Grids.

The Hess QD dike has an apparent left-lateral fault displacement along Sandcherry Creek, belonging to the "D2 Onaping Fault Swarm" a series of NWtrending Proterozoic faults, usually with the same sense of displacement. Immediately to the west of the first Foy-Hess QD dike junction there are several disseminated and vein sulphide showings around Banana Lake. A soil survey by Beilhartz and Tracanelli found coincident soil anomalies in this area, and BP drilled some shallow holes finding sulphide in IQD. Christina Wood (Wood, C.R &Spray J.G, 1998) found a significant inclusion population in the Offset dikes around here including 2-3 cm fragments of local Archean Cartier granite, Archean gneiss, plagioclase-rich "exotic" inclusions, metabasic inclusions, fragments of probable SIC main mass, and recrystallized pseudotachylyte fragments. The Hess Offset thickens where it joins the Foy Offset and contains a significant inclusion population with blocks up to 10 m in size. Inclusions have been seen both in the centre and along the margin of the Hess QD.

Figs 5C, 6D and 7E indicate the location of the Foy-Hess dike, soil geochemical anomalies and drill holes from previous work.

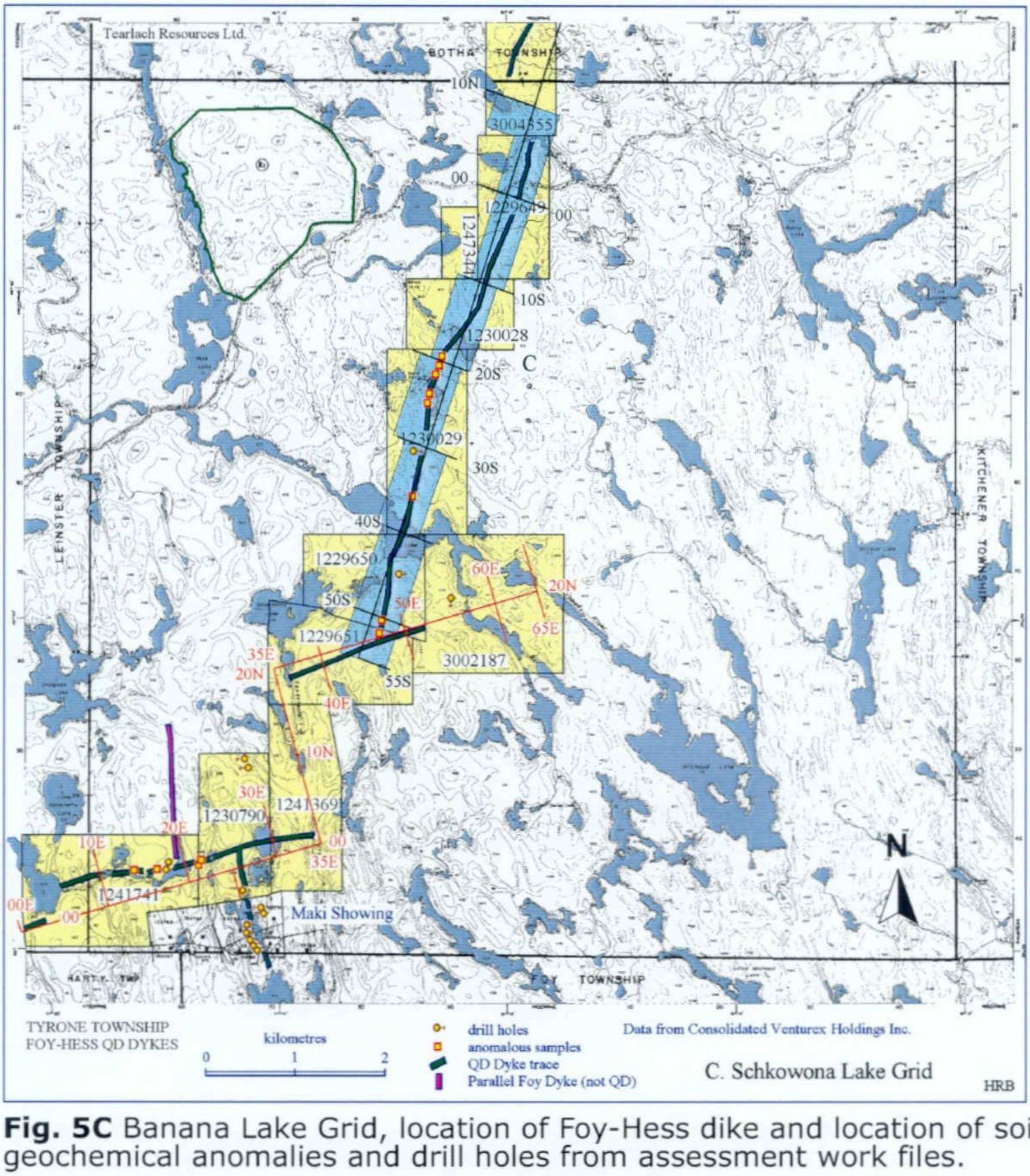

Fig. 5C Banana Lake Grid, location of Foy-Hess dike and location of soil geochemical anomalies and drill holes from assessment work files.

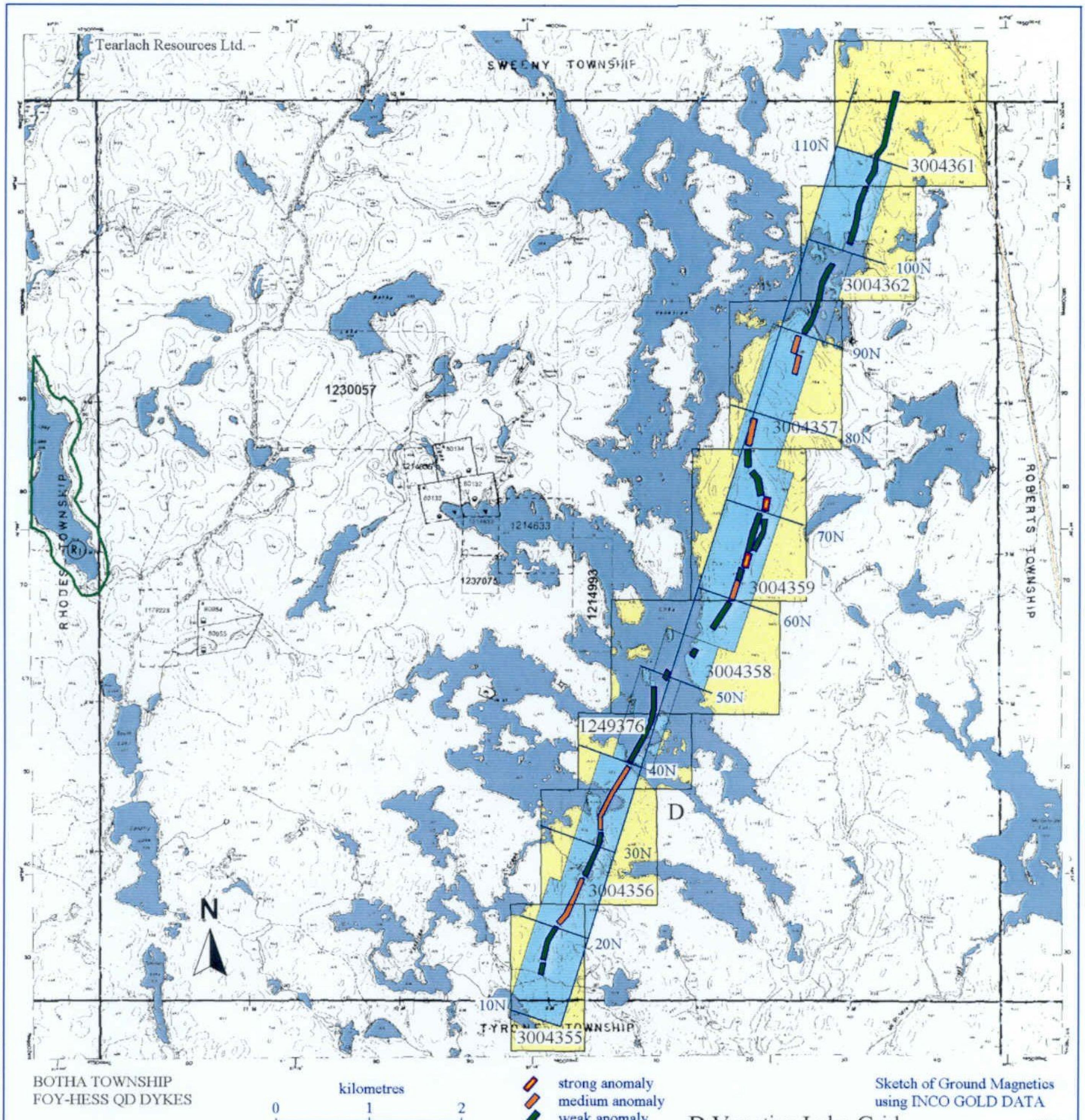

Fig 6D: Location of Venetian Lake Grid and Foy Dike

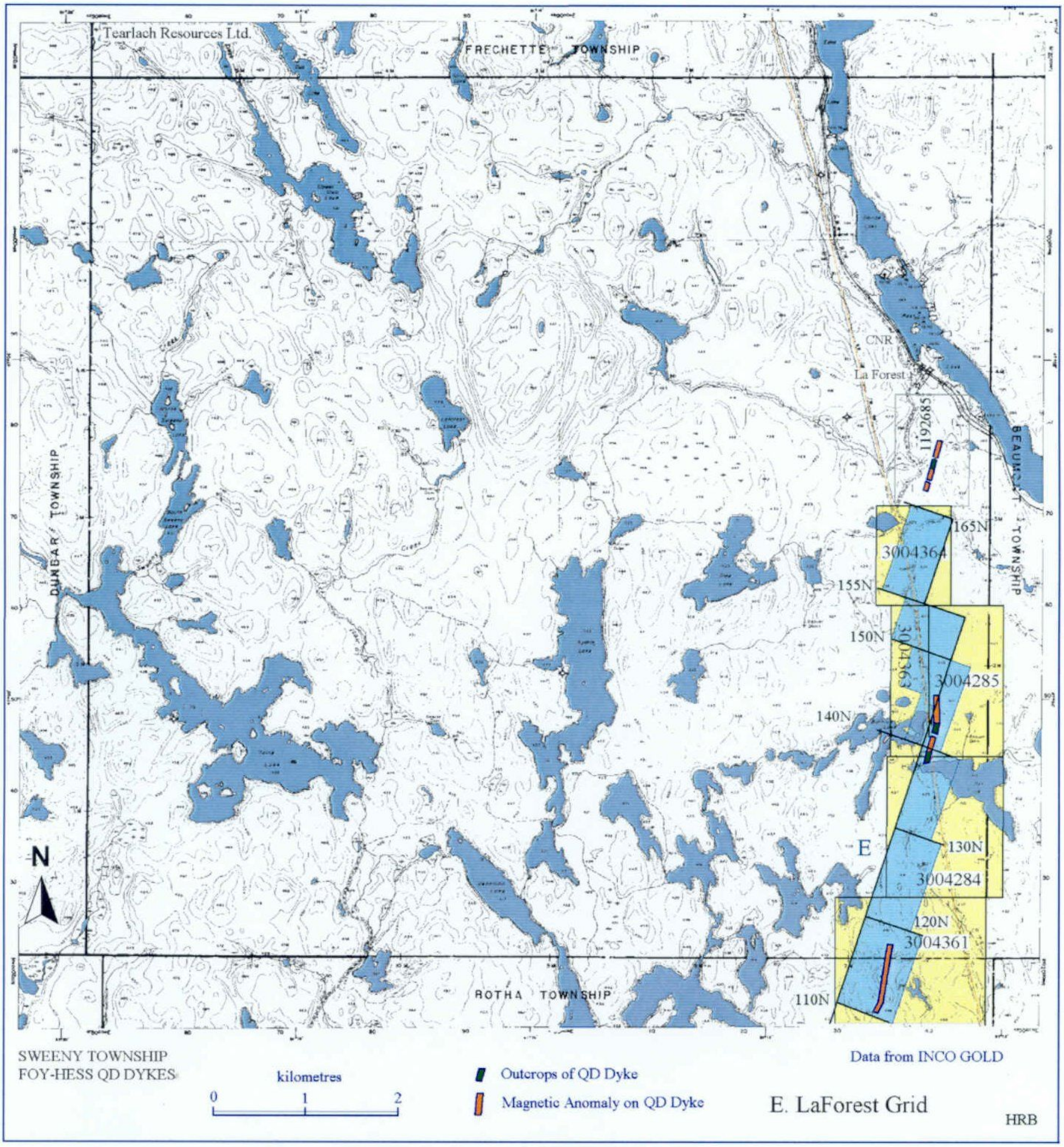

Fig 7E: Location of LaForest Grid and Foy Dike in Botha and Sweeny Twp.

Previous work is summarized below and in Figures 8 and 9:

1) Anomalous soils occur both east and west of Banana Lake (Hess Offset) in the Banana Lake zone, which also contains patches of disseminated sulphide along a strike length of nearly a kilometre.

2) On the east E. side Banana Lake, (Tracanelli Showing) net-textured and disseminated pyrrhotite-chalcopyrite occurs in outcrop towards the south margin of the QD and similar mineralization occurs on the west side of Banana Lake.

3) A marked constriction in dike width from 80 m to 10 m occurs where the QD dike crosses Banana Lake.

4) An airborne survey by Aeroquest (which did not cover the western portion of the Hess QD) shows strong gradient magnetic anomalies both east and west of Banana Lake. These anomalies coincide with disseminated pyrrhotite and chalcopyrite, noted above in outcrop. A similar magnetic high occurs also north of the Maki Showing (Fig. 9) just south of the lower Foy-Hess junction.

5) North of the upper Foy-Hess junction there are anomalous soil samples - and north of this, drilling was carried out by INCO.

6) Strong gradient magnetic anomalies occur south of Schkowona Lake, co-incident with known mineralization (lake at boundary between claims 1229650 and 1230029, see Fig 5C). Mineralization was found by prospector Beilhartz up to 2 km north of Schkowona Lake near the north boundary of claim 1230029. The northern limit of known disseminated mineralization has a strike length of around 3 kilometres.

INCO magnetic highs on claim 3004359 (Figure 6D) are in an area reported to have had a nickel claim in the 1930's, although the location is now lost.

The Foy QD dike crosses a main transmission power line and the track from Capreol to LaForest on claim 3004285.

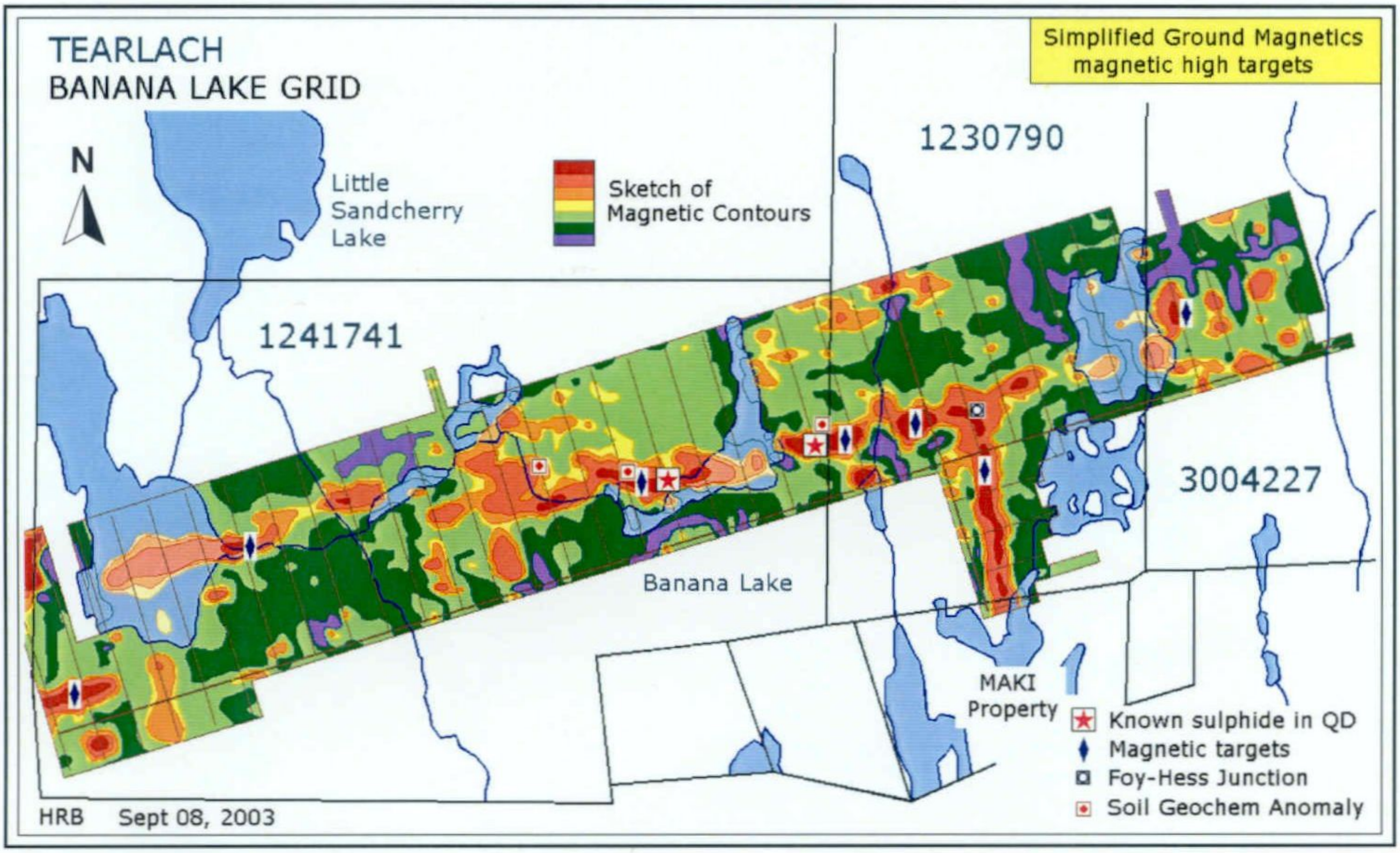

Fig 8: Simplified ground magnetics, soil geochemical anomalies and known sulfides in QD

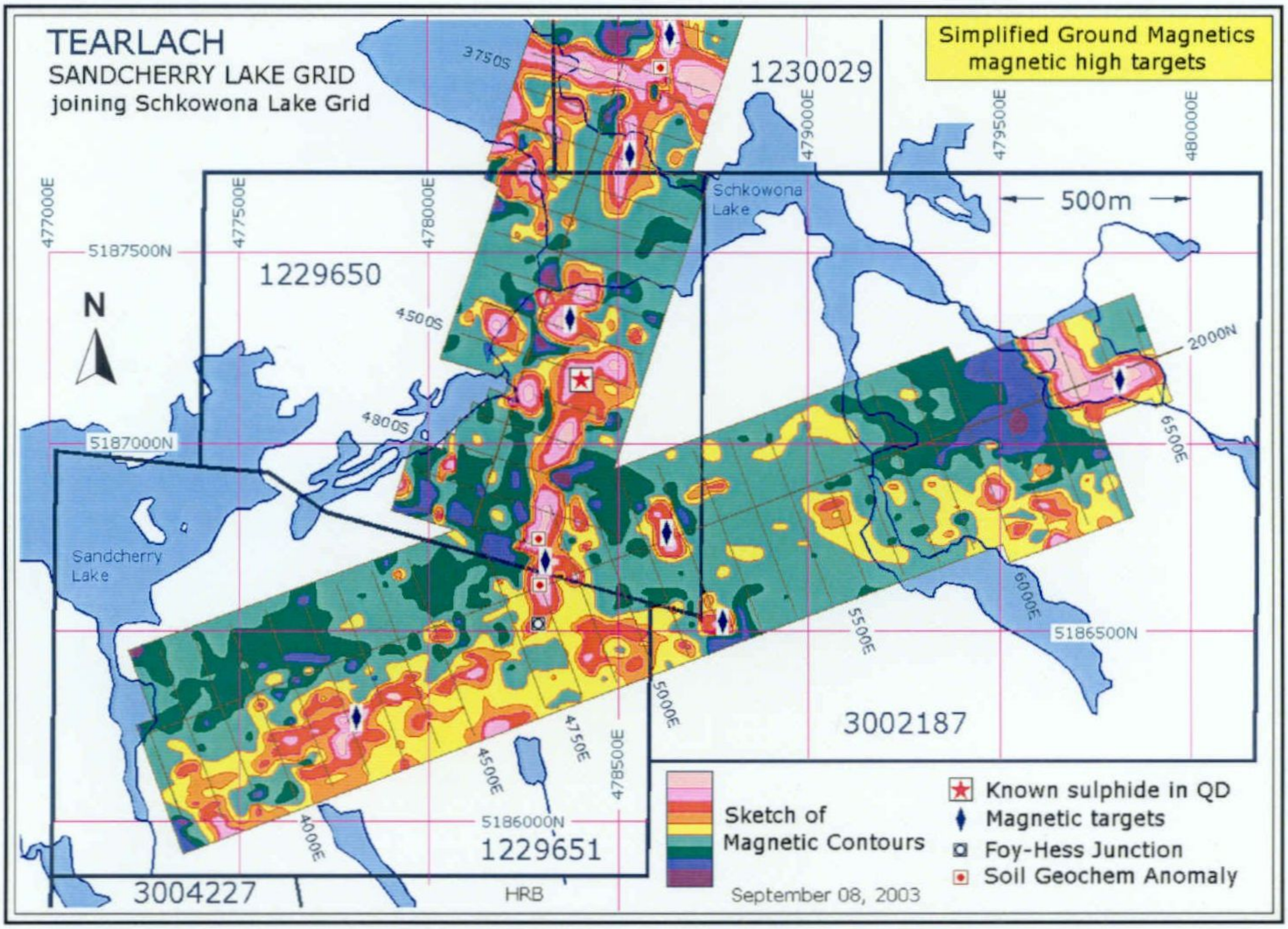

Fig. 9: Simplified magnetics, known sulfides in QD and soil geochem anomalies from previous work.

8.0 Work Accomplished in 2003 and Results

Work to date on the optioned claims, which cover a 26 km strike length of the Foy Offset Dike has consisted of line-cutting, high sensitivity ground magnetometer surveys, mechanical stripping and reconnaissance geological mapping, designed to develop targets for drilling.

This report also updates information on previous work and includes a map summary of recent airborne data flown by Aeroquest Ltd. for previous optioners on the Sandcherry property (Crowflight Minerals Resources Inc on behalf of Consolidated Venturex, in 2001).

An outline on MNDM claim maps of the grids cut as part of the current program is given on Figs 10,11,12 and 13. To date Banana Lake, Sandcherry Lake, Schkowona Lake and Venetian Lake grids have been cut at 50 m line-spacing, and magnetometer surveys and geological mapping was carried out on some of the grids. The following was accomplished during course of this program.

1. Line cutting of Sandcherry Lake, Banana Lake, Schkowona Lake and part of Venetian and LaForest Lake grids, totalling 254 km.

2. Ground magnetometer survey of Sandcherry Lake, Banana Lake, Schkowona Lake and part of the Venetian grid, totalling 195 km.

3. Geological mapping, prospecting and sampling on the Sandcherry Lake, Banana Lake, and part of the Schkowona Lake grids. Geological maps of the Sandcherry and Banana Lake areas are shown as Figures 14 and 15. The Foy-Hess QD dike was traced discontinuously from Sandcherry Lake in the east to east of Banana Lake.

4. Backhoe stripping of QD on West side and East side of Banana Lake.

5. Grab sampling and assaying of three locations: Mooihoek Pond (Sandcherry Lake grid) and West and East Banana Lake (Tracanelli Showing).

6. Digitizing of geological maps

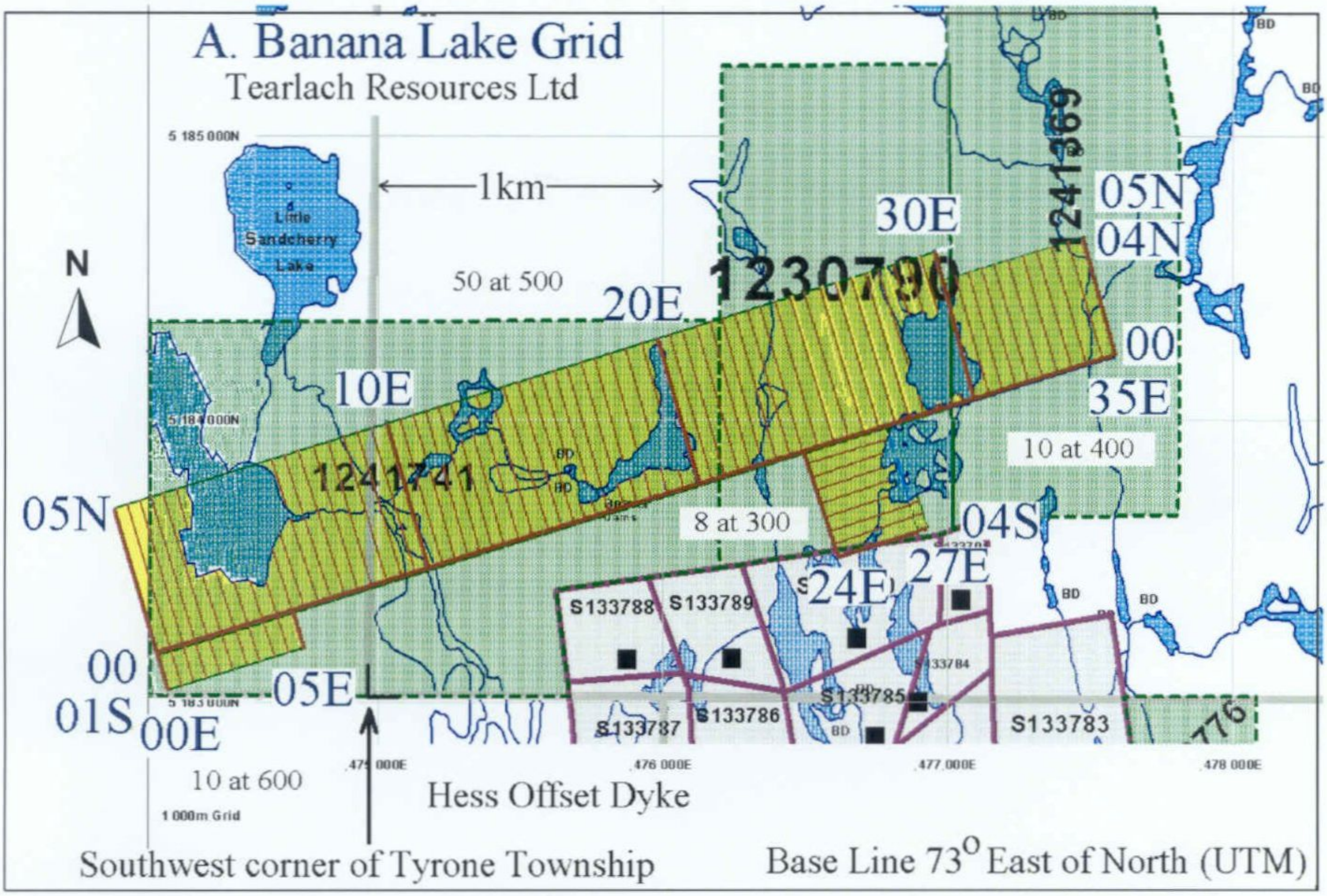

Fig. 10. Banana Lake Grid

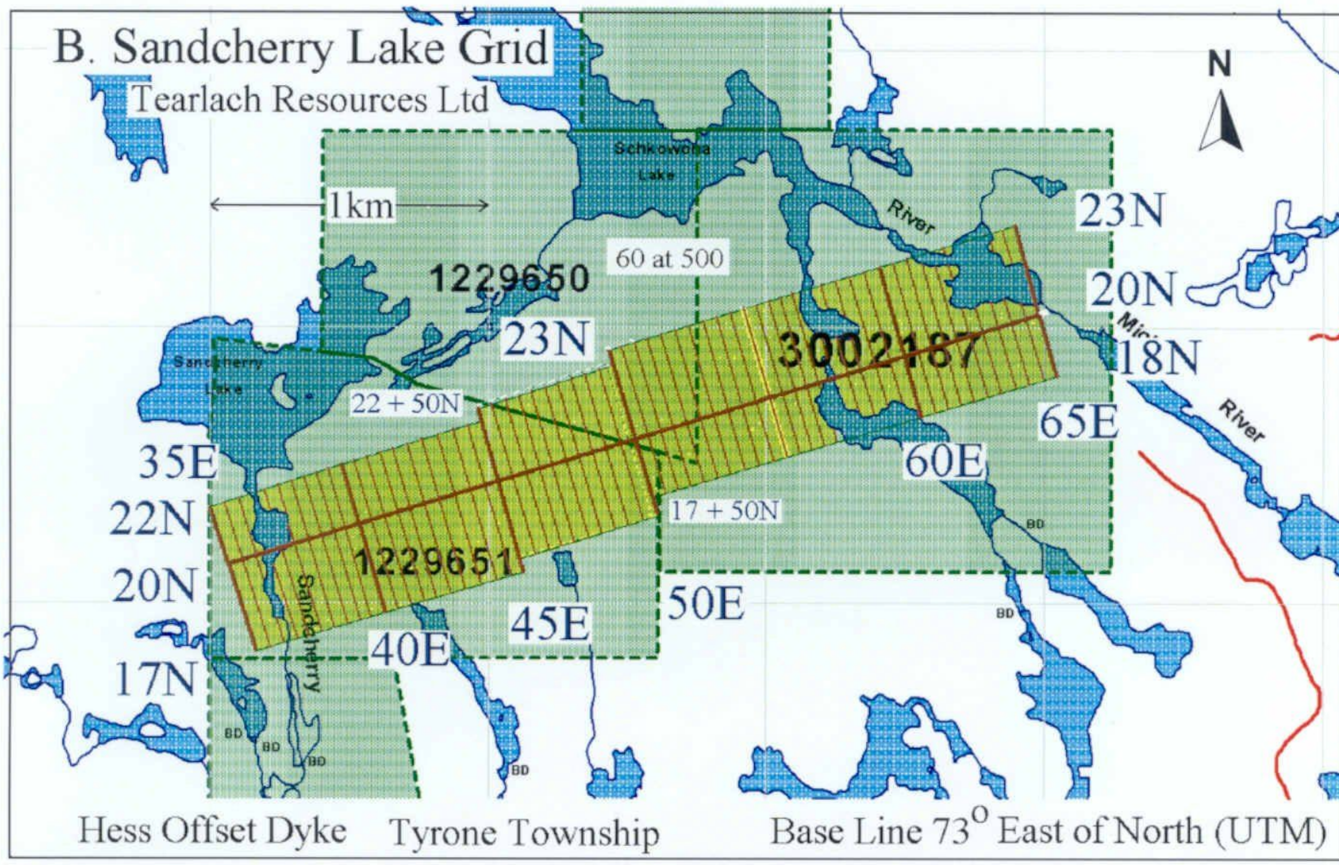

Fig. 11: Sandcherry Lake Grid.

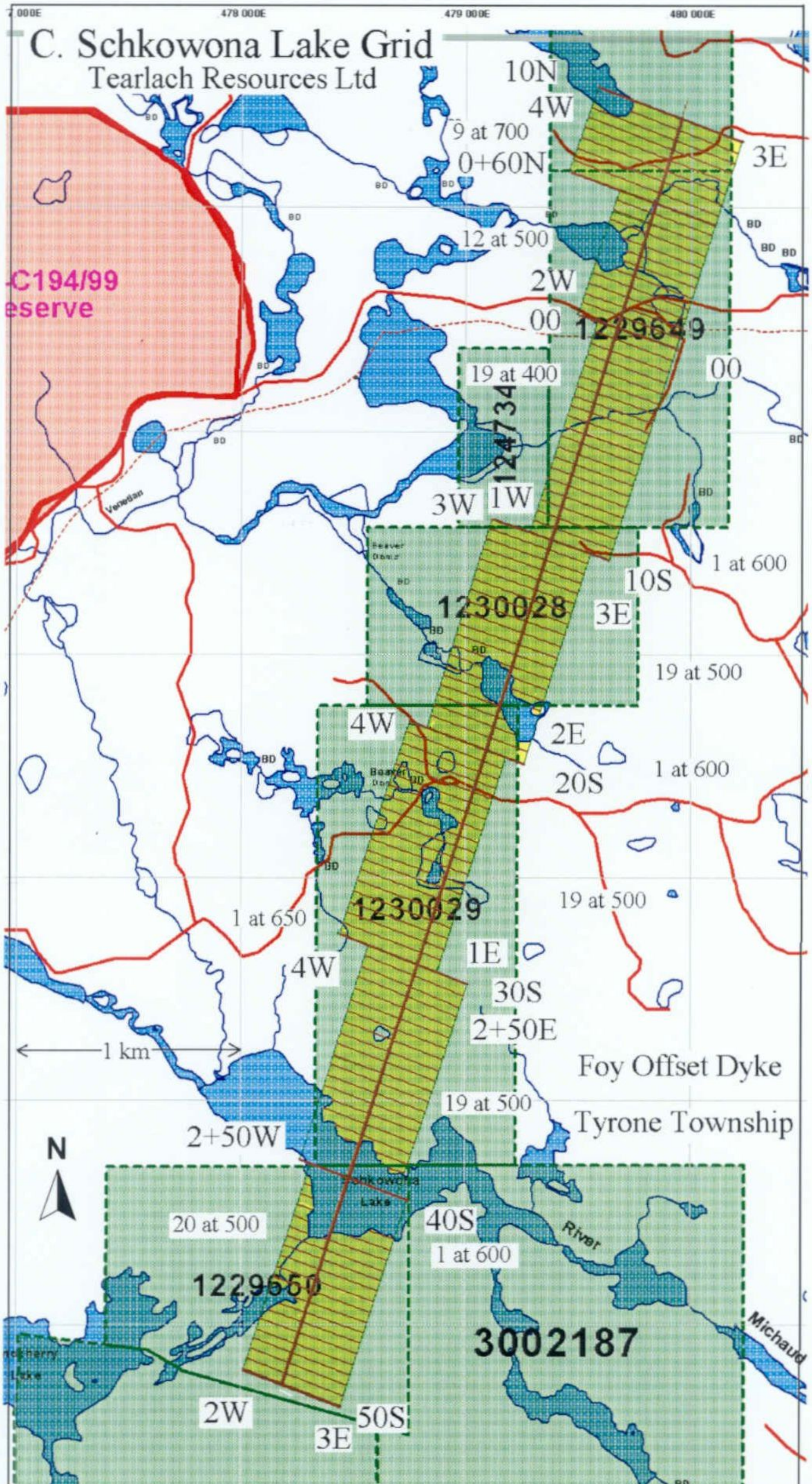

Fig. 12: Schkowona Lake Grid.

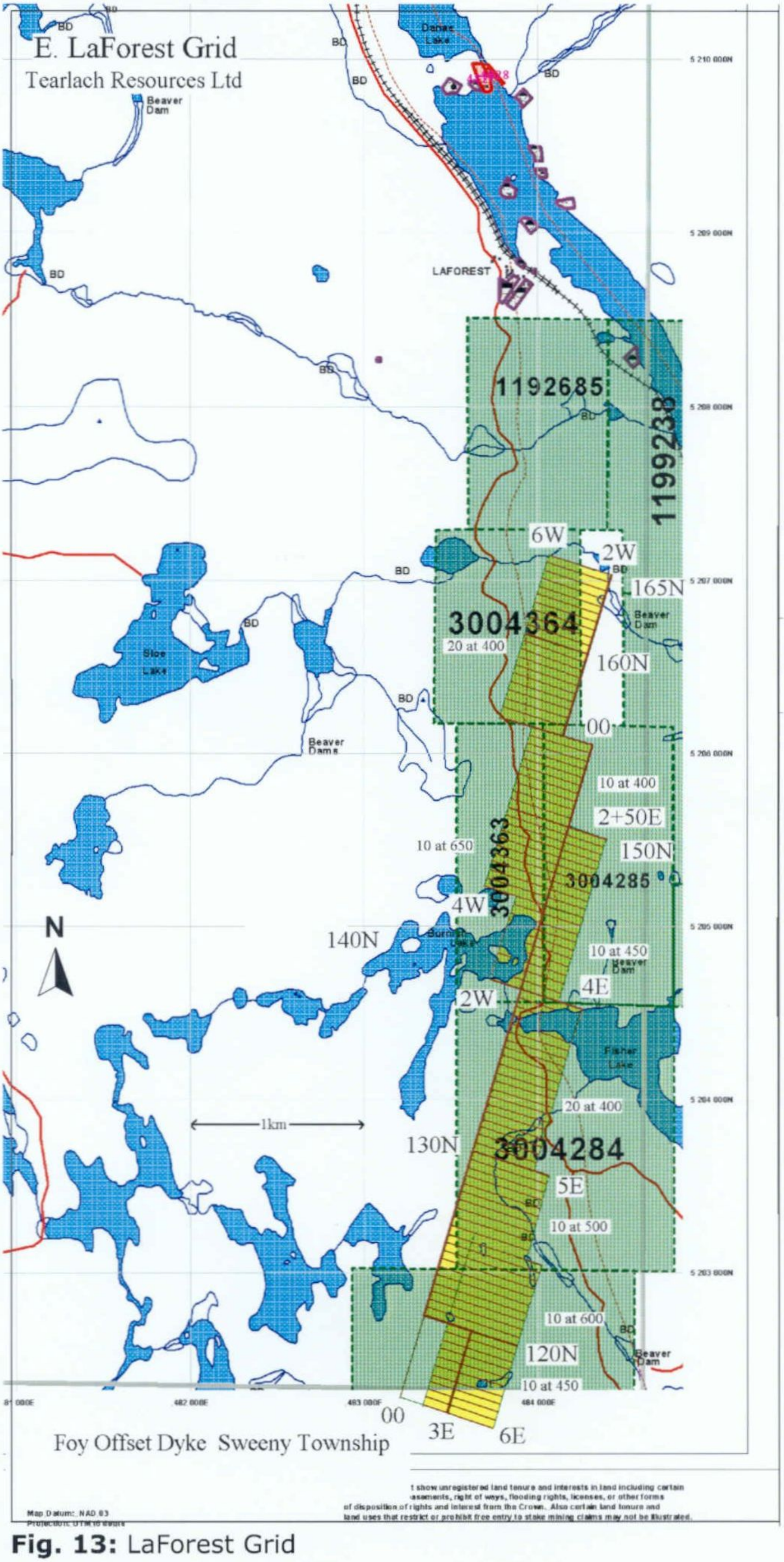

Fig. 13: LaForest Grid

8.1 Results

Geological maps of the Sandcherry, Banana and part of the Schkowona Lake grids are shown as Figs. 14 and 15.

A brief summary of findings follows: On the **Sandcherry Lake Grid**, L 100 area, IQD contains disseminated chalcopyrite and appears to trend 070°. Detailed stripping and exposure of contact is required. Good contact of IQD exposed at L5E 4N trending 110°. 1-5% disseminated sulfides. Excellent exposure of IQD at L10+00E 3+50N, 1-5% disseminated sulfides. In vicinity of L14+50 4+50N, there are two diabase dikes trending approx N-S. One is older, with textures and weathering characteristics similar to IQD. The younger one contains large zoned olivine crystals. IQD thins to 70 cm to the E of this younger dike.

On the **Banana Lake B Grid**, N shore, W end of Banana Lake, there is a good sulfide showing requiring further stripping and washing. QD is up to 100 m thick and has granite fragment inclusions and minor sulfides. It is readily accessible by backhoe.

Outcrop stripping was completed L16E to 21 E and exposed one area with significant sulfides at the Tracanelli showing.

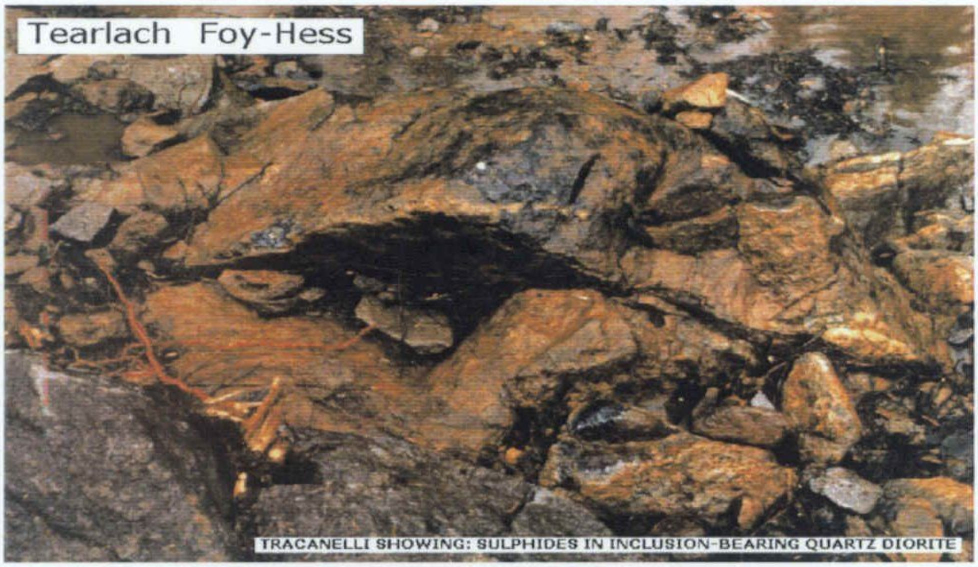

Photo 1: Tracanelli Showing, East Banana Lake, Banana Lake Grid (photo by Hadyn Butler)

Between L20+00 and L27+50E, IQD can be traced continuously, with sulfides in several locations. At L27+50 at the shore of the lake, the IQD dike and both contacts are exposed on the face of a cliff.

A diabase dike runs N-S from L28+00 at the BL and appears to Offset the IQD an unknown distance. It does not appear to occur again to the east on the Banana Lake grid. Magnetic highs E of L30+00 can be explained as being related to a coarse grained, feldspar porphyritic granite with a high iron oxide content. As there is almost 100% outcrop in the area in this area of high relief and since the QD was mapped in this area by Christina Woods, further reconnaissance is required.

Assays of grab samples from three locations were carried out by Swastika Laboratories. (See Assay sheets, Appendix A).

Table 3: Grab Assays from Mooihoek Pond and E & W Banana Lake

Notes	**Sample No**	**Cu (%) Copper**	**Ni(%) Nickel**	**Pt(ppm) Platinum**	**Pd(ppm) Palladium**	**Au (ppm) Gold**	**Total PGM (g/tonne)**
1	33001	0.13	0.105	0.12	0.2	0.08	0.4
2	33002	0.307	0.281	0.24	0.28	0.09	0.61
3	33003	0.163	0.125	0.16	0.23	0.11	0.5
4	Totten	1.4	1.9				4.7
5	Totten /10	0.14	0.19				0.47

Notes

1. Grab sample location: West shore Banana Lake
2. Grab sample location: East shore Banana Lake, Tracanelli Showing
3. Grab sample location: cliff, Mooihoek Pond, West of Banana Lake
4. Published grade of Totten Deposit, Worthington Offset Dike, South Range.
5. Totten Grade in Row 4, divided by 10.

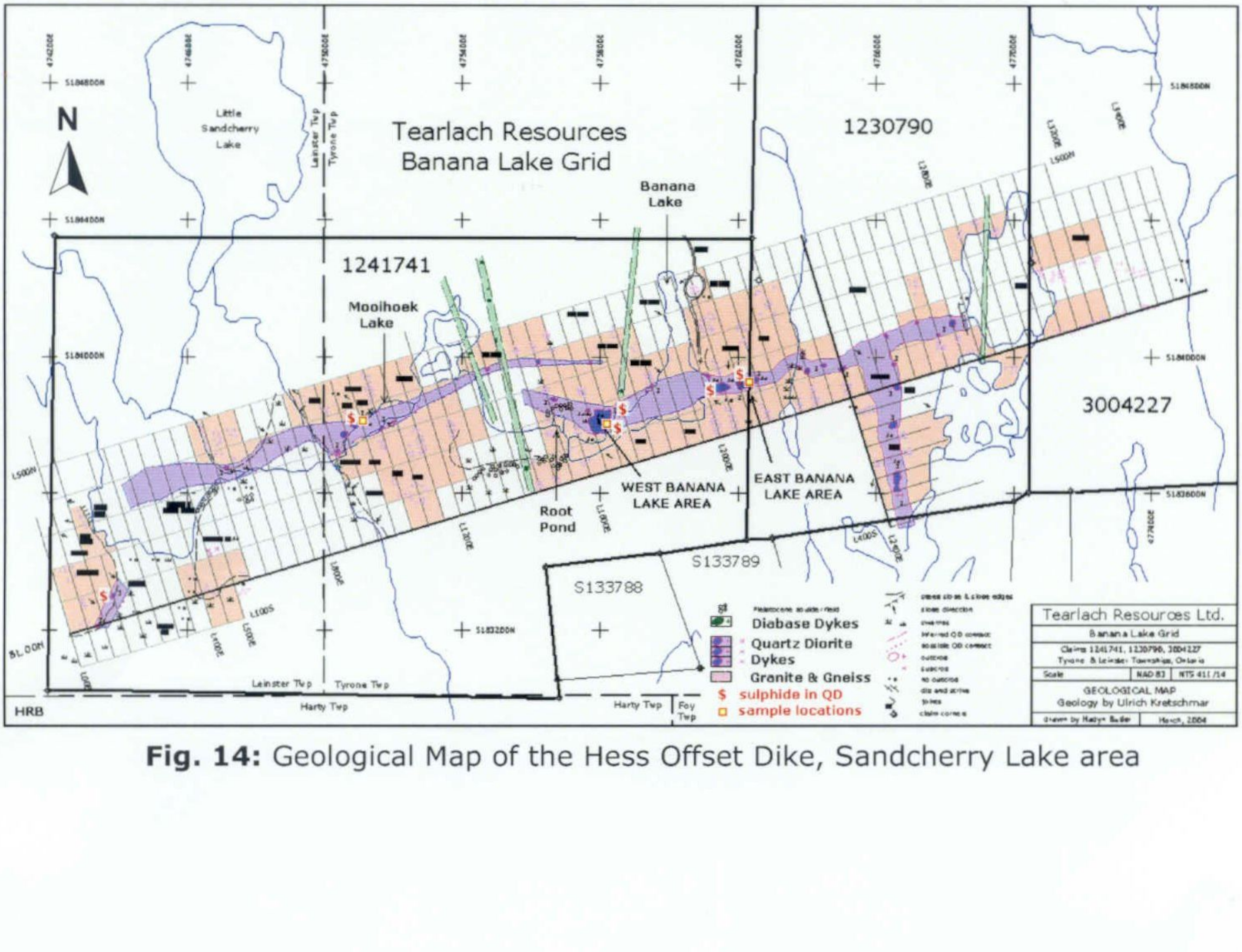

Fig. 14: Geological Map of the Hess Offset Dike, Sandcherry Lake area

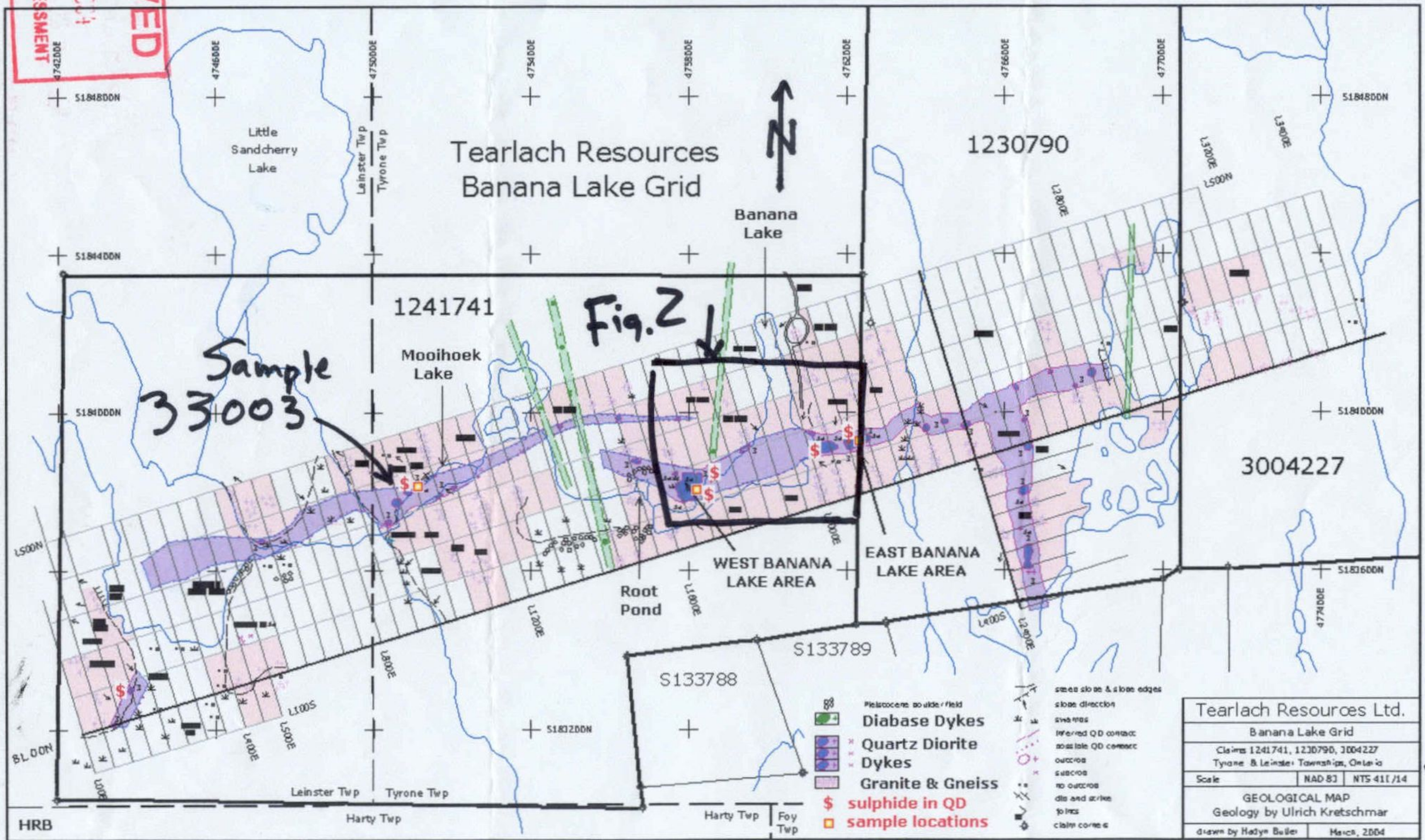

Fig. 1 Location Map

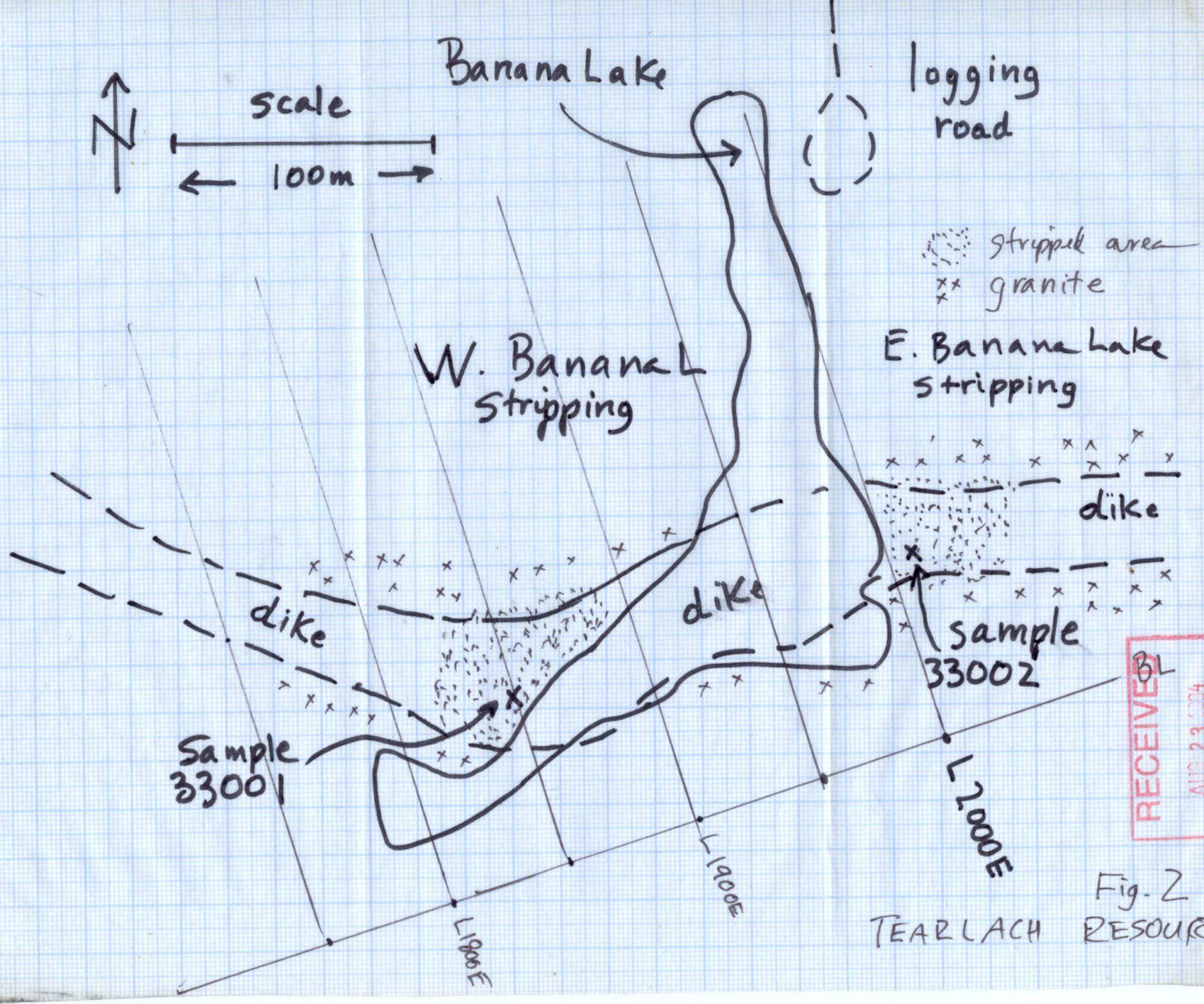

Fig. 2
TEARLACH RESOURCES

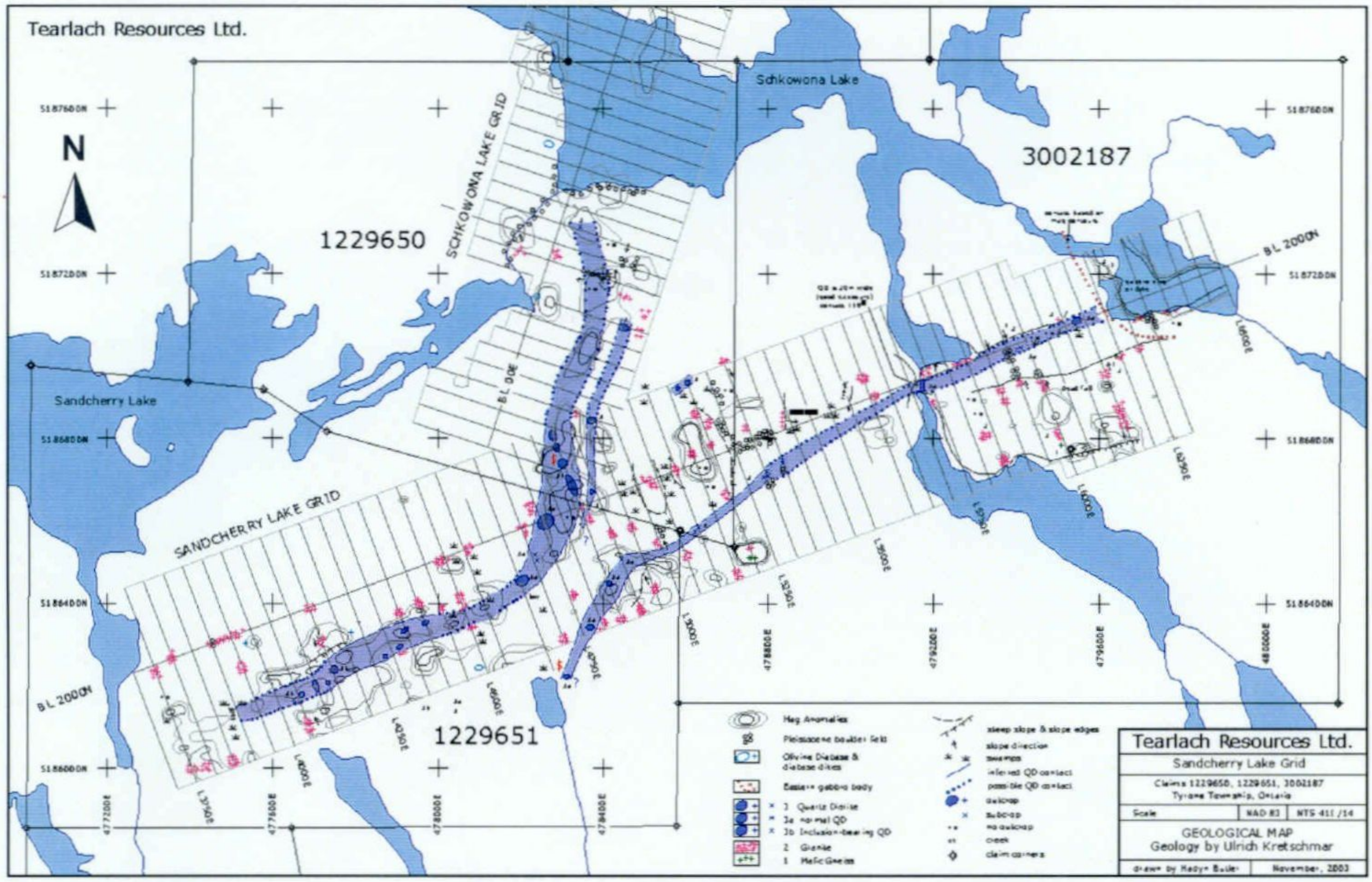

Fig. 15: Geological Map, Sandcherry Lake and Schkowona Lake area.

9.0 Sampling Method and Approach

Three samples taken for this report were grab samples, considered representative of sulfide mineralization. The samples were taken with a sledgehammer and chisel. Weathered surfaces were chipped off. Each sample, weighing two or three kilograms were placed in plastic bags with sample tags. Locations were flagged on the ground with red ribbons.

10.0 Sample Preparation, Analyses and Security

Samples were shipped by courier to Swastika Assay Labs in Swastika, where they were processed and analyzed by their standard techniques.

11.0 Data Verification

Results of the assays were sent by e-mail from Swastika lab to the author of this report. Original assay sheets and invoice were sent to Tearlach Resources in Vancouver, with copies to the author of the current report.

12.0 Adjacent Properties

The Nickel Offsets mine (a past producer, reported 208,551 tons) was found on the Foy Offset dike to the south of the claims area, and several sulphide showings have been shallow drilled around and on the properties. The Maki showing occurs to the south of the Foy-Hess junction. The surrounding area was described in Section 7.0.

13.0 Discussion

1. Geological mapping shows that the dike has previously unrecognized similarities to Offset Dikes of the Sudbury South Range. In those portions of the Banana Lake, Sandcherry Lake and Schkowona Lake grids mapped to date (Figs 14, 15), there are parallel dikes, dikes coalescing at right angles and sharp variations in dike thickness from 30 cm to greater than 100 metres. The latter feature is known to correlate with high potential for concentration of mineralization. Internal textures include flowage differentiation of inclusions and sulfides.

2. The Foy-Hess Offset dikes on the Properties show characteristics similar to Nickel Offsets Mine (a past producer, reported 208,551 tons) on the Foy Offset dike to the south of the claims area. The Cu/Ni/PGE ratios from three grab samples, show close similarities to that of the Totten deposit in the Worthington Offset Dike.

3. The Foy-Hess Offset QD and IQD dikes on the Properties show flowage differentiation, sulfides with Cu, Ni, PGM metal ratios and other features similar to those in the Worthington Offset dike which hosts significant ore deposits.

4. Several sulfide showings around and on the Properties have been drilled to shallow depths by previous operators, but results are not available.

5. Sulfides in inclusion-bearing quartz diorite (IQD) have been found on the properties, but past work was neither extensive nor necessarily appropriate – knowledge of Offset dike mineralization exploration techniques was not available outside INCO expertise until quite recently.

6. The relatively sharp contrast to surrounding non-magnetic country rock has permitted good delineation of dike systems by ground and airborne magnetometer surveys.

14.0 Conclusions

The properties have the appropriate geology to host economic nickel-copper-PGE mineralization of the Sudbury Offset dike type and are worthwhile exploration targets. There are significant similarities between the QD on the Properties and the QD represented by the Worthington Offset and the Nickel Offset Mine in the Foy Offset dike.

To date, fifteen magnetic anomalies that represent potential drill targets have been identified on the Banana Lake and Sandcherry Lake portions of the Dike.

Grab samples of disseminated sulfides outcropping over a distance of 1 km. were taken from three magnetic anomalies on the Banana Lake grid. Sample 33003 is from a cliff on the shore of a pond (Mooihoek Pond) west of Banana Lake. Sample 33001 is from a recently stripped 100 m thick section of the dike on the west shore of Banana Lake and sample 33002 is from the east side of Banana Lake.

These assays are similar to those encountered in disseminated sulfides within the Worthington and Copper Cliff South Offset dikes on the south range of the Sudbury basin. A comparison to the Totten deposit in the Worthington Offset Dike is given below.

Nickel to copper and platinum group metals ratios are within the same ranges as found elsewhere within Offset Dikes in both North and South Range.

15.0 Recommendations

1. Continue with program of recutting the previously cut INCO base line along the distal Foy Offset (which is still traceable in the bush), and the cutting of new grids with 50 m line spacing on the remainder of the Foy Offset.

2. Continue with ground magnetic survey to delineate the QD dike and magnetic phases within it, that may be a reflection of pyrrhotite.

3. Backhoe stripping and trenching should be done in those areas of high magnetic response accessible by road where sulfides and IQD are visible.

4. In areas where sulfide mineralization is found, the dike should be sampled across its width or across the width of mineralization by trenching, blasting and channel sampling.

5. Continue with the program of geological mapping and prospecting to find the exact position of the QD dike by outcrop and boulder-tracing (rock-chip sampling of sulphide-containing samples, finding the presence of IQD), a detailed magnetometer survey following local pyrrhotite occurrences and veins, and GPS - as well as prospecting between the lines in areas of sulphide and magnetic anomalies.

6. Drilling of anomalous areas is warranted and a campaign of drilling following discovered mineralization down-dip down-plunge.

16.0 Budget

Phase 1

Line cutting (km)	35	365	$12,775
Magnetometer Survey (km)	75	125	$9,375
Geologist (days)	35	400	$14,000
Geological Assistant (days)	35	300	$10,500
Camp Costs (days)	40	100	$4,000
E/A, travel (km)	15,000	0.45	$6,750
Equipment, gas, propane			$2,500
Rentals (trailer, canoe, motor)[days]	30	100	$3,000
Assays			$2,500
Stripping, Trenching			$25,000
Drilling (all in costs/m)	3,000	150	$450,000
Downhole Geophysics			$100,000
Reports, drafting, secretarial			$15,000
Management Fee (15%)			$98,310
TOTAL Phase 1			**$663,310**

PHASE II Drilling 3,367 m @ $100/mn **$336,690**

TOTAL Phases 1 and 2: **$1,000,000**

17.0 CERTIFICATE OF QUALIFICATIONS

I, **Ulrich Kretschmar**, residing at 408 Bay St, Orillia, Ontario, Canada, L3V 3X4 hereby certify that:

1. I am a consulting mineral exploration geologist, and have been engaged in the geological profession continuously since graduation with particular experience in exploring for gold, diamond, base metal and industrial mineral deposits on a world-wide basis.

2. I am a graduate of McMaster University with a B.Sc. (1966) and M.Sc. (1968) in geology and a graduate of McGill University and University of Toronto (1973); with a Ph.D. in geology;

3. I have been an elected Fellow of the Geological Association of Canada since 1975; an elected Fellow of the Society of Economic Geologists since 1984; a Member of the Canadian Institute of Mining and Metallurgy since 1984 and that the memberships are in good standing. Until March 31, 2003, I had the status of "qualified person" for the purpose of National Instrument 43-101. My application to the Association of Professional Geologists of Ontario (No. 2854) for P.Geo. status is in progress.

4. I accept responsibility for the compilation of data and hypotheses expressed in this report and for the work carried out by me and under my supervision.

5. My knowledge of the Foy-Hess Offset Dike properties was acquired from working on the properties and from a study of publications and information sources described under References of the report to which this certificate is attached;

6. I spent 19 days in Sept and Oct 2003 on the Foy-Hess properties.

7. I am not aware of any material fact or material change with respect to the Foy-Hess Properties which is not reflected in this report, the omission to disclose which makes the report misleading;

8. I am the President and a Director of Kretschmar International Geoscience Corp., a consulting company who carried out the work described in this report. I have no interest in the claims or the client company, nor do I expect to receive any.

9. I have read Instrument and Form 43-101 and Form 43-101F, and the sections of the technical for which I am responsible have been prepared in compliance with the same;

10 This report has been prepared and is addressed to the TSX Venture Exchange and Tearlach Resources of Vancouver.

11. I hereby consent to the use of this report to satisfy the requirements of any Securities Commission or Stock Exchange anywhere.

Dated at Orillia, Ontario this 30th day of March, 2004.

ASSOCIATION OF GEOLOGICAL ... U.H. Kretschmar FELLOW

Ulrich Kretschmar, Ph.D., F.G.A.C., F.S.E.G., M.C.I.M.M, (A.P.G.O, pending)

18.0 References (Not all of these were examined by the present author)

Aurora Platinum Corp. News Releases

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Appendix A Assay certificates

Assay certificates for analyses of three grab sample (see Table 3) carried out by Swastika Labs, Swastika, Ontario.

Swastika Laboratories Ltd

Established 1928

Assaying - Consulting - Representation

Assay Certificate

3W-4011-RA1

Company: TEARLACH RESOURCES INC.

Date: DEC-29-03

Project:

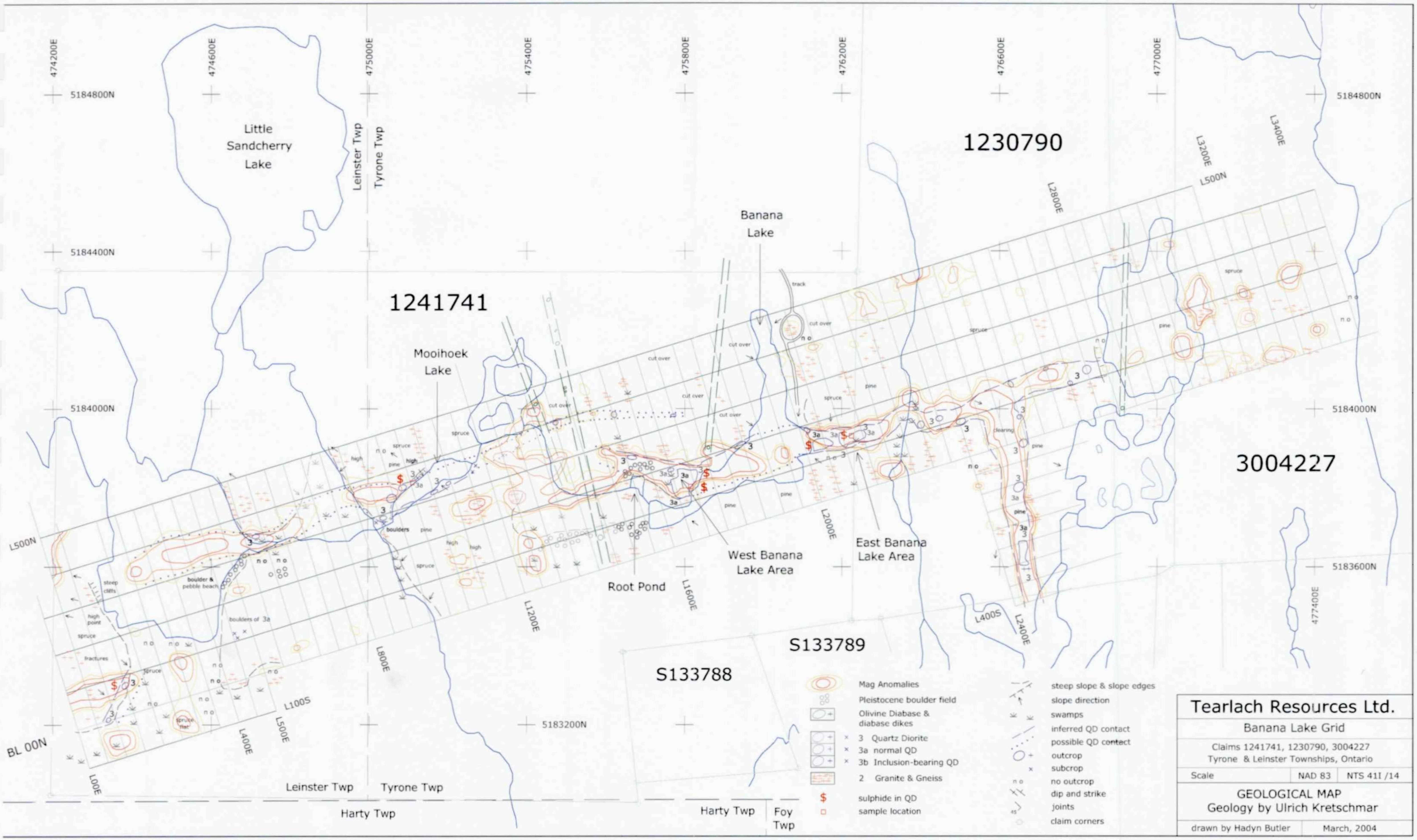
Attn: M Fraser

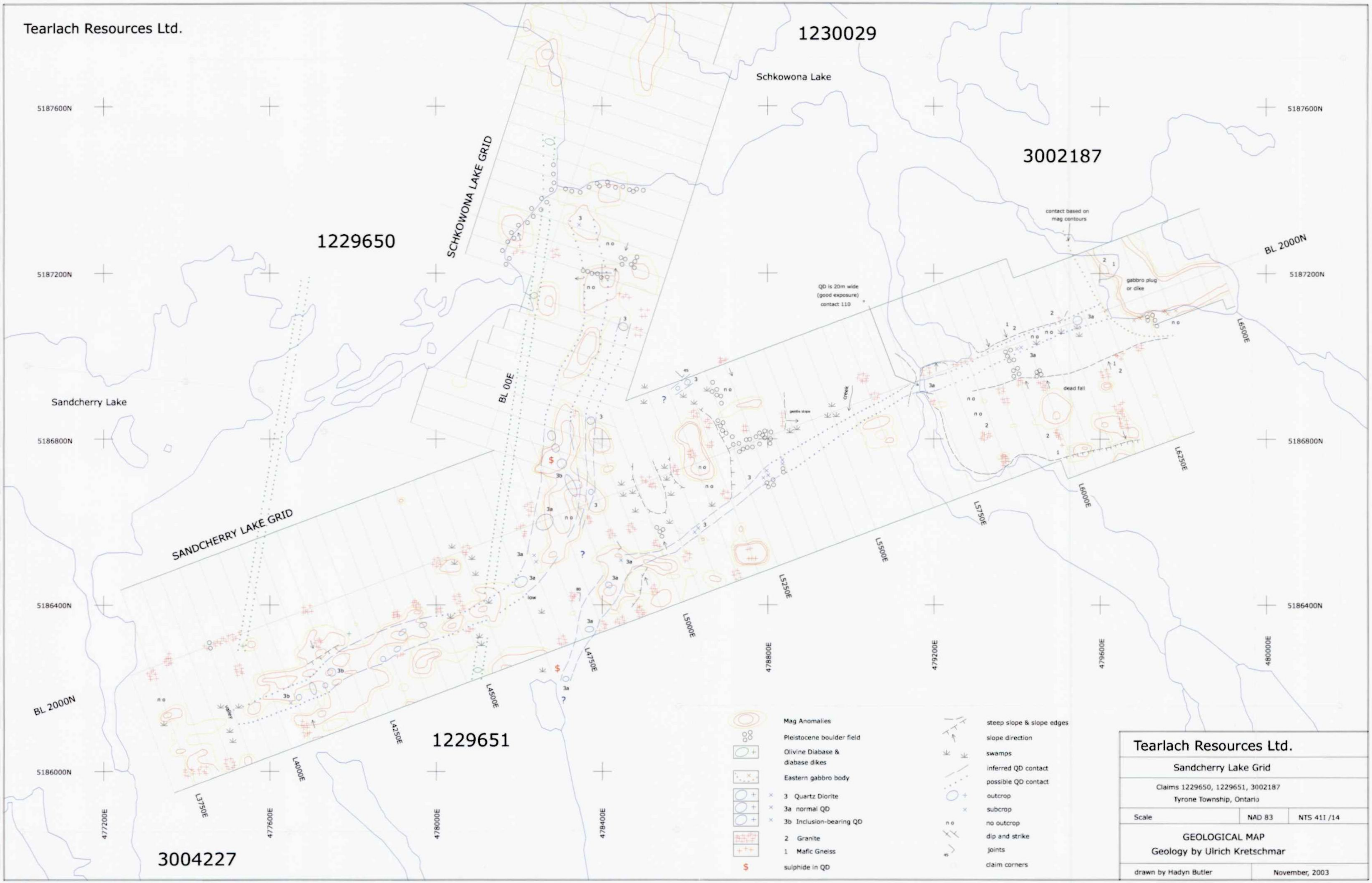
We hereby certify the following Assay of 3 Rock samples submitted DEC-18-03 by

Sample Number	Au g/tonne	Au Check g/tonne	Cu %	Ni %	Pt g/tonne	Pd g/tonne
33001	0.08	-	0.130	0.105	0.12	0.20
33002	0.09	-	0.307	0.281	0.24	0.28
33003	0.11	0.11	0.163	0.125	0.16	0.23

Certified by [signature]

1 Cameron Ave., P.O. Box 10, Swastika, Ontario P0K 1T0
Telephone (705) 642-3244 Fax (705) 642-3300


474200E
474600E
475000E
475400E
475800E
476200E
476600E
477000E
477400E
5184800N
5184400N
5184000N
5183600N
5183200N
Little Sandcherry Lake
Leinster Twp
Tyrone Twp
1230790
1241741
Banana Lake
Mooihoek Lake
3004227
West Banana Lake Area
East Banana Lake Area
Root Pond
S133789
S133788
L500N
BL 00N
L100S
L400S
L00E
L400E
L500E
L800E
L1200E
L1600E
L2000E
L2400E
L2800E
L3200E
L3400E
Leinster Twp
Tyrone Twp
Harty Twp
Harty Twp
Foy Twp
Mag Anomalies
Pleistocene boulder field
Olivine Diabase & diabase dikes
3 Quartz Diorite
3a normal QD
3b Inclusion-bearing QD
2 Granite & Gneiss
sulphide in QD
sample location
steep slope & slope edges
slope direction
swamps
inferred QD contact
possible QD contact
outcrop
subcrop
no outcrop
dip and strike
joints
claim corners
Tearlach Resources Ltd.
Banana Lake Grid
Claims 1241741, 1230790, 3004227
Tyrone & Leinster Townships, Ontario
Scale
NAD 83
NTS 41I /14
GEOLOGICAL MAP
Geology by Ulrich Kretschmar
drawn by Hadyn Butler
March, 2004



Tearlach Resources Ltd.
1230029
Schkowona Lake
SCHKOWONA LAKE GRID
3002187
1229650
Sandcherry Lake
SANDCHERRY LAKE GRID
BL 00E
BL 2000N
contact based on mag contours
gabbro plug or dike
QD is 20m wide (good exposure) contact 110
dead fall
creek
gentle slope
valley
low
1229651
3004227
5187600N
5187200N
5186800N
5186400N
5186000N
477200E
477600E
478000E
478400E
478800E
479200E
479600E
480000E
L3750E
L4000E
L4250E
L4500E
L4750E
L5000E
L5250E
L5500E
L5750E
L6000E
L6250E
L6500E
Mag Anomalies
Pleistocene boulder field
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3b Inclusion-bearing QD
2 Granite
1 Mafic Gneiss
sulphide in QD
steep slope & slope edges
slope direction
swamps
inferred QD contact
possible QD contact
outcrop
subcrop
no outcrop
dip and strike
joints
claim corners
Tearlach Resources Ltd.
Sandcherry Lake Grid
Claims 1229650, 1229651, 3002187
Tyrone Township, Ontario
Scale
NAD 83
NTS 41I /14
GEOLOGICAL MAP
Geology by Ulrich Kretschmar
drawn by Hadyn Butler
November, 2003

GEOPHYSICAL REPORT

On

GROUND MAGNETOMETER SURVEYS

FOY-HESS OFFSET DYKE PROPERTIES

SUDBURY MINING DISTRICT, ONTARIO

NTS: 41I

For 2.27451

Tearlach Resources Limited
2110 – 1177 West Hastings Street
Vancouver, B.C.
V6E 2K3

Assessment Submission number: 2.27451
Transaction number: W0470.00521

Bob B.H. Lo, B.A.Sc., M.Sc., M.B.A., P.Eng,
Consulting Geophysicist,
BHL Earth Sciences
Markham, Ontario L3T 4E1
August, 2004

Table of Contents

1.0 INTRODUCTION

This geophysical report covers the ground magnetometer surveys that were conducted on Tearlach Resources Limted's behalf over claims in the Leinster, Tyrone, Botha, Sweeny and Beaumont Townships, Ontario. Much of the background and geological information were excerpted from a Tearlach Resources report by Kretschmar, 2004.

The magnetometer readings were collected every 12.5 metres on 25 metre picketed stations. The survey lines were spaced 50 metres apart, allowing for good resolution of the Offset Dykes and of any magnetic mineralization. Data from three grids, the Banana Lake, Sandcherry Lake, and Schkowona Lake Grid, are presented and discussed in this geophysical report.

The magnetometer survey was able to trace out the location of the offset dykes. In addition, anomalously high magnetic readings are located along the trace of the dyke. These may be due increased concentrations of sulphide mineralization and require further ground follow-up.

2.0 LOCATION, ACCESS, and TOPOGRAPHY

The property is located approximately between 35 and 55 km north of Sudbury, Ontario in the Leinster, Tyrone, Botha, Sweeny and Beaumont Townships.

Access to the properties is via logging roads and bush trails from Highway 144 from the west and via Capreol from the east. 4WD vehicles and "4 x 4" quad machines can drive most of the trails in the summer, and all trails are accessible by snow machines in the winter. Several areas have been recently logged making access from new logging roads relatively easy. Snow machine trails have recently been upgraded with bridges across many of the larger streams. Venetian Lake can be travelled by boat, providing access to a large portion of the property, but it is shallow and full of shoals. At the north end of the claim blocks, a large hydroelectric power line and the CNR rail line passes LaForest siding. A gravel road runs from Capreol to LaForest siding through the claims and crosses the distal portion of the Foy Offset dike.

The areas is covered by boreal forest cover, which varies. And dense undergrowth in immature secondary growth forest is common. Climate is cold boreal and beyond settled agriculture. Topography is varied with a typical Canadian Shield glacigene habit of bare outcrop, lakes and till-covered landscape.

3.0 CLAIMS and COVERAGE

Tearlach Resources Limited has two option agreements covering the Foy and Hess Offset Dykes. The two options agreements are termed the Sandcherry Creek Property, and the Dave Beilhartz

Properties.

The Sandcherry Creek Property comprises of 8 claims in a contiguous claim block are held jointly by David Beilhartz, P.Geo. and Harold Tracanelli as listed in Table 1 below.

Claim No.	Size (16 Ha units)	Ownership (%) Beilhartz	Ownership (%) Tracanelli	Due date
1230790	8	25	75	30 July 2004
(1241369) 3004227	10	25	75	5 April 2004
1229651	9	25	75	13 Sept 2004
1229650	7	25	75	13 Sept 2004
1230029	10	75	25	23 July 2004
1230028	6	75	25	23 July 2004
1247344	2	50	50	7 July 2004
1229649	8	75	25	23 July 2004

Table 1: Claims Comprising Beilhartz-Tracanelli Property

The David Beilhartz Property consists of 3 separate blocks (14 claims) that are contiguous with the Sandcherry Creek Property listed in Table 2 below.

Claim No.	Size (16 Ha units)	Township(s)	Due date
Banana Lake Block			
1241741	14	Leinster, Tyrone	5 April 2004
Hess Offset West			
3002187	16	Tyrone	22 July 2004
Eastern Hess Block			
3004355	8	Tyrone, Botha	23 Aug 2004
3004356	9	Botha	23 Aug 2004
1249376	6	Botha	4 Sept 2004
3004358	12	Botha	4 Sept 2004
3004357	12	Botha	4 Sept 2004
3004359	12	Botha	4 Sept 2004
3004362	16	Botha	20 Sept 2004
3004284	12	Botha, Sweeny	23 Aug 2004
3004363	4	Sweeny	12 Sept 2004
3004364	6	Sweeny	12 Sept 2004
Northern Foy Block			
3004361		Sweeny	20 Sept 2004
3004284		Sweeny	23 Aug 2004
3004285		Sweeny	23 Aug 2004

Table 2: Claims Comprising Beilhartz Property

The claim blocks cover an approximate 21 km strike length of QD Offset dike, and have at least 30 square kilometres of land area. An outline of the property on an approximate trace of the Offset dikes is shown in Figure 1.

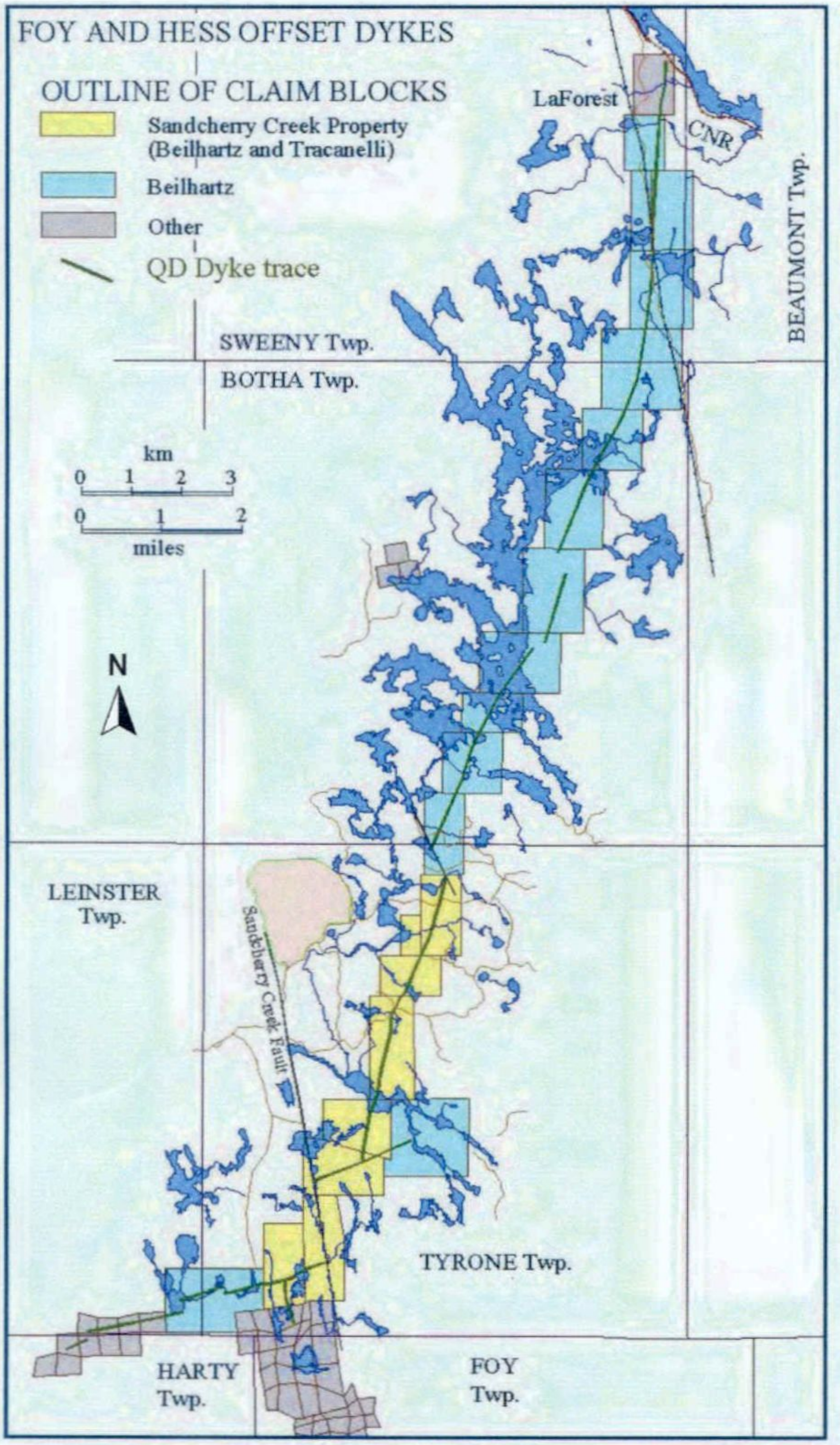


Figure 1: Location of Beilhartz, Tracanelli and other claims in Tyrone, Leinster, Botha and Sweeny Townships.

4.0 PREVIOUS WORK

There are two significant occurrences within the Foy Offset Dyke to the south of the Properties. The Nickel Offsets Mine (formerly the Ross Mine) produced 208,551 tons with recovered grades approximately 1.1% Ni and 0.8% Cu. The Maki Showing immediately south of the Sandcherry Creek Property was drilled by Falconbridge in the 1950s and 1967-68. In the Hess Offset dyke, 100,000 tons of mineralization was reputedly found at the Rivers Option west of the Sandcherry Creek Property by INCO more than 30 years ago.

The dykes have been the subject of additional sporadic exploration mainly in the Sandcherry Creek Area. Canadian Nickel Company found disseminated Ni-Cu sulphide mineralization near Schkowona Lake. In 1972, Flint Rock Mines Ltd. and Alchib Developments Ltd. carried out geophysical surveys. In 1987-89, BP Resources Canada Ltd. flew airborne electromagnetic surveys and drilled 2745 m in short holes. INCO re-staked the rest of the Foy Offset and during 1987-89 cut a 100 metre spaced grid, geologically mapped the dike and did a surface magnetometer survey.

In the late 1990's, Christina Wood mapped the Hess Offset, and its two junctions with the Foy Offset. Her work established that the North Range Offset dikes are evolved Sudbury rocks, that they contain multiple phases (similar to contact deposits) and especially inclusion-bearing phases ii (IQD) with associated sulphides that are typical of Sudbury-related units.

In 1999, David Beilhartz found anomalous rock samples on the Foy Offset between Schkowona Lake and Venetian Lake (the Beilhartz Showing), and optioned the Sandcherry Creek Property to Consolidated Venturex who in turn optioned it to Crowflight Resources Inc. Crowflight drilled some holes and undertook an airborne geophysical survey (Aeroquest Ltd, Magnetics and Aerotem). A Crowflight drill hole adjacent to the Beilhartz showing failed to intersect the QD dike.

To summarize previous work:

1) anomalous soils occur both east and west of Banana Lake (Hess Offset) in the Banana Lake zone, coinciding with disseminated sulphide along a strike length of nearly a kilometre,
2) Both on the east and west sides of Banana Lake (Tracanelli Showing) net-textured and disseminated pyrrhotite-chalcopyrite occurs in outcrop towards the south margin of the QD,
3) airborne and ground gradient magnetic anomalies both east and west of Banana Lake and south of Schkowona Lake, and a distance of 3 km to the north, coincide with disseminated pyrrhotite and chalcopyrite in outcrop.

5.0 GEOLOGY

5.1 Regional geology

The Sudbury Igneous Complex ("SIC") is a unique mineralized unit caused by the impact of a large meteorite at circa 1.85 billion years. The Sudbury Impact Structure is the second largest known on Earth, and has near its centre the remains of a multi-variant impact melt sheet, the SIC. The SIC "main mass" outlines the Sudbury Basin and around its rim are a series of Ni-Cu-PGE ore bodies with ~50% as "basin and footwall" ores and ~50% as "offset dyke" ores. The ores were originally molten iron-rich monosulphide created at the base of the impact melt sheet by impact superheat. And, the monosulphide was fully saturated with nickel, copper and PGE during its creation. Iron, nickel, copper and PGE mineral species then separated from the monosulphide during cooling, by ductile flow, by dynamic metamorphism in the very active tectonic stress field at the base of the impact crater, and by hydrothermal reactions (caused by hornfels-style gradients).

Four economic sulphide mineral assemblages are known in Sudbury passing outwards from the SIC "main mass,"

i) a pyrrhotite-dominated ore near or in the SIC "main mass,"
ii) an ore with increasing pentlandite and chalcopyrite,
iii) a relatively low-sulphur ore with high-tenor Ni and Cu mineral species, and
iv) a distal PGE-rich ore sometimes with little sulphide.

Offset Dyke ores have similar mineral assemblages but the assemblages are more telescoped, in, beside or at the bottom tip of ore bodies or dykes. For offset dykes, therefore, exploration is simpler than ore bodies near the SIC "main mass" – the exploration target is close to the offset dyke itself.

Offset dykes are evolved steep dipping "quartz diorite" ("QD") bodies. Their injection as well as post-impact tectonic adjustments tended towards the vertical. Exploration is confined to the vicinity of the offset dyke by following disseminated and blebby sulphide down – the long axis of mineralization is also steeply disposed.

5.2 Property geology and Mineralization

The Property geology and Mineralization section is excerpted from a report by Dr. Ulrich Kretschmar. From the preliminary fieldwork conducted to date, Dr. Ulrich Kretschmar has reached the following conclusions:

- Geological mapping shows that the dykes on the properties have geological characteristics similar to mineralized offset dykes in the Sudbury South Range. These features include parallel dykes, dykes coalescing at right angles and, especially, sharp variations in dyke thickness from 30 cm to greater than 100 m.

The latter feature is known to correlate with a high potential for concentration of mineralization and, indeed, mineralization is present.

- The Foy and Hess Offset Dykes on the properties show characteristics similar to the Nickel Offsets Mine on the Foy Offset to the south of the claims.
- When assay results of grab samples are compared to reported economic ore grades of INCO's Totten deposit it is apparent that metal ratios are the same, and a similar genesis and potential are implied for the properties.
- The Foy and Hess Offset Dykes on the Properties show flowage differentiation, a characteristic feature of magmatic sulphide collection during magma flow.
- Disseminated sulphides in "inclusion-bearing quartz diorite" ("IQD") have been found on the properties, but past work was neither extensive nor necessarily appropriate since knowledge of offset dyke mineralization styles and exploration techniques was not available outside INCO expertise until quite recently.
- The relatively sharp contrast to surrounding non-magnetic country rock has permitted good delineation of the dyke systems by ground magnetometers, and where well mineralized, by low-level airborne magnetometer surveys.

6.0 1993 GEOPHYSICAL PROGRAMME

The 1993 geophysical work on the optioned claims, which cover a 26 km strike length of the Foy Offset Dyke consisted of line-cutting, and high sensitivity ground magnetometer surveys. This was conducted in conjunction with mechanical stripping and reconnaissance geological mapping, in an exploration program designed to develop targets for drilling.

6.1 Rationale

Previous geophysical work on the property consisted of either airborne surveys, or magnetometer surveys collected on 100 metre space lines. As the Foy Offset Dyke is known to be variable in thickness, it was felt that geophysical work 50 metre spaced lines would allow for easier identification of, and delineation of the Foy and Hess Dykes. To this end, five grids, termed the Banana Lake, Sandcherry Lake, Schkowona Lake, were established.

6.2 The Physical Survey

As reported by Kretschmar (2003), the following was accomplished during course of this geophysical program:

Line cutting of Sandcherry Lake, Banana Lake, Schkowona Lake, Venetian Lake and LaForest grids, totalling 254 km.

Ground magnetometer survey of Sandcherry Lake, Banana Lake, Schkowona Lake and part of the Venetian grid, totalling 195 km.

Magnetometer surveys were partially completed on the Venetian Lake grid before the breakup halted surveying in March of 2003. The partial magnetometer coverage from the Venetian Lake grid is not available to the author and it will not be part of the discussions below.

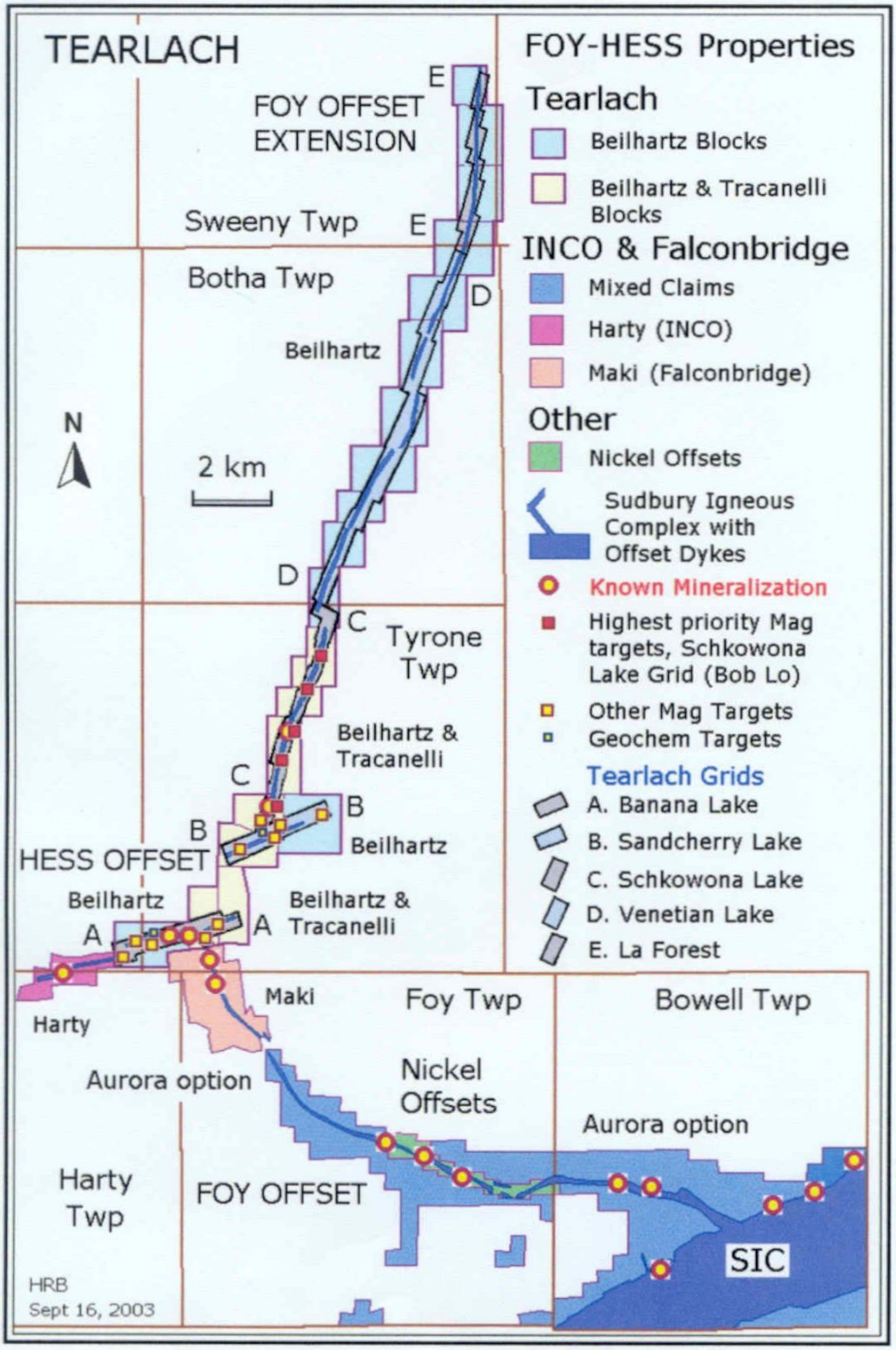


Figure 2: Regional Location Map, showing Foy-Hess Offset Dikes, Inco, Falconbridge, Aurora Platinum, Beilhartz and Tracanelli Claims, as well as Tearlach Grids.

6.3 Personnel

Ray Lashbrook of Lashex Ltd., an independent contractor, was contracted to establish the grids and conduct the ground magnetometer survey.

Carolyn Laronde of Meegwich Consultants Inc. processed and plotted the magnetometer data.

This author, Bob Lo, is responsible for the geophysical interpretation of the geophysical data.

6.4 Instrumentation, and survey parameters

The magnetometer survey was conducted using a GSM-19 overhauser magnetometer, serial # 58479, and an Scintrex ENVI proton precession magnetometer, serial number #217727. The magnetometers can be interchangeable in terms of field units and base stations.

These magnetometer systems are capable of measuring the Total Magnetic Intensity of the Earth to 0.1 nanoTelsa resolution and accuracy. The readings and time from an internal clock are stored digitally for data transfer to portable computers. More information on these magnetometers can be found on their manufacturer's websites (www.scintrexltd.com, and www.gemsys.ca).

The magnetometer data was collected on 12.5 metre stations. The data was stored digitally in the magnetometer's internal memory and downloaded to a PC for processing. A base station was used to monitor, and thus remove the diurnal variations in the Earth's main field using the internal clocks to provide synchronization of the corrections.

6.5 Data presentation

The base station corrected magnetometer data is presented in contour form, at a scale of 1:5,000. For presentation purposes, individual readings have a common base level subtracted. The base levels which are removed are indicated on the maps of the various grids. The grid lines and stations are georeferenced in zone 17, UTM projection using the NAD83 datum. As well the claim numbers and outlines are drawn on the geophysical maps.

The maps are in the attached pockets. Map 1 is the data from Banana Lake. Map 2 is the data from Sandcherry Lake, and Map 3 is the data from Schkowona Lake.

6.6 Geophysical Interpretation

6.6.1 Banana Lake Grid

This grid was designed to map the Hess Dyke and a small portion of the Foy Dyke. The amount of magnetometer coverage on this grid is 50.6 kms.

Both dykes are easily resolved by the survey for most of the grid. The magnetic signature of the dyke is some 250 to 500 nT above background over this grid. Starting on the western edge of the grid, the Hess Dyke is detected over most of the survey grid from line 0E to line 2950E. In a number of places, the linear magnetic features are displaced and these are interpreted to be the Hess Dyke being displaced by faults. The largest of these displacements occur between lines 150E and 250E where a 250 metre north-south displacement of dyke is interpreted. To the east of about line 2950E, where the Hess Dyke is located beneath a small lake, the magnetic signature of the Hess Dyke becomes less obvious. There, it is perhaps less continuous or has a weaker or more variable magnetic character or is perhaps faulted off to the north. In this area, there are a number of possible magnetic traces where it may be and some mapping will be required to resolve its location.

The Foy Dyke is detected on the lines L-50S to L-400S, which are cut perpendicular to the main grid. It has slightly higher magnetic field values than the Hess Dyke, although both have same magnetic character / pattern. At about Line 2500 / 1+25N, the proximal Foy Dyke trends into the Hess Dyke. It appears that the Foy Dyke is terminated by the Hess Dyke in this location as no other north-south magnetic anomalies are found to the north of the Hess Dyke on this grid.

Sulphide showings are detected on the dyke in outcrop near 1750E / 175N and 2150E / 140N (Haydn Butler, pers. Comm..) right on the magnetic highs associated with the strike of the Hess Offset. Coincidentally, the magnetic values for the dyke near these two locations are more magnetic than average for the Hess Dyke over this survey. The highest magnetic value located over the dyke occurs on L2050E / 162.5N and this area should be prospected to determine if the magnetic high values are caused by a combination of the offset dyke and magnetic sulphide mineralization.

The interpreted locations of the dykes from the magnetic survey are given in Appendix A.

6.6.2 Sandcherry Lake Grid

This grid was designed to map the Hess Dyke where it starts from being displaced to the north by a fault as shown in geology maps, to where it meets the distal Foy Offset and beyond to the east. The amount of ground magnetometer surveys on this grid is 29.5 kms.

On the western portion of the grid, to about line L4800E, the Hess Dyke is detected by the magnetometer survey. The host rocks surrounding the dyke have a more varied magnetic character and so the magnetic signature of the dyke is slightly less obvious. The magnetic values corresponding to the Hess Dyke on this grid are about the same, or slightly lower amplitude than on the Banana Lake Grid. But it is still seen as a more or less continuous feature until line 4800E. There, a north trending magnetic feature trending off the ENE trending Hess Dyke is interpreted as the start of the distal Foy Dyke. To the east of this point, and west of L6300E, the magnetic signature of the Hess Dyke is less obvious. It may be broken up and offset into shorter segments as there are a number of isolated magnetic anomalies which more or less line up in a ENE trend. At L6300E / BL2000N, to the eastern end of the grid at L6500, it appears that the Hess Dyke is located once again by the magnetic survey.

The interpreted locations of the dykes from the magnetic survey are given in Appendix A.

6.6.3 Schkowona Lake Grid

The Schkowona Lake Grid was designed to map the Foy Offset as it joins the Hess Dyke. The Schkowona Lake Grid extends for 6 kms north-northeast from the Sandcherry Grid where the Foy Dyke intersects the Hess Dyke. The amount of magnetometer coverage on this grid is 64.25 kms.

For most of the length of the grid the magnetometer survey has confirmed the presence of the Foy Dyke. It is seen as a long, regular, linear feature some 400 to 600 nT above background. At the north end of the grid, it appears to terminate in a cross cutting magnetic feature at L800N. In the south, between lines 4200S and 4050S, the Foy Dyke is less obvious in the magnetometer survey. There, it is either faulted off, or it may be too narrow or not present at that location. The slightly broken nature of the dyke signature just to the south of this area indicates faulting is the reason that the dyke is not located by the magnetometer survey.

Cross cutting magnetic linear features, perpendicular to the baseline are also detected in the survey and these are interpreted to be Nipissing Diabase Dykes, based on their orientation.

Along the length of the Foy Dyke, there are areas where the amplitude of the magnetic field are anomalously above the typical response of the dyke. These areas of higher magnetometer values may be mapping areas of higher concentrations of magnetic minerals such as pyrrohotite.

These anomalous areas are:

L4500S at 175E,
L2850S near the baseline,
L2100S at 75W,
L900S at 100E, and
L50S at 175E.

The interpreted locations of the dykes from the magnetic survey are given in Appendix A.

6.6.4 Venetian Lake Grid

From the limited financial information given to this author for this report, approximately 75 kms of grid using 50 metre lines were established on the Venetian Lake Grid. As well, 47 kms of ground magnetometer surveying were conducted.

Neither the grid sketch, nor the ground magnetometer data are available to this author at the time of the writing of this report. Therefore no comments can be made on this work in this report.

6.6.5 La Forest Grid

From the limited financial information given to this author for this report, approximately 57 kms of grid using 50 metre lines were established on the La Forest Grid. As well, it is reported that 24 kms of ground magnetometer surveying were conducted.

Neither the grid sketch, nor the ground magnetometer data are available to this author at the time of the writing of this report. Therefore, as with the previous grid, no comments can be made on this work in this report.

7.0 SUMMARY and RECOMMENDATIONS

The ground magnetometer survey has detected a series of linear features and these are interpreted to be due to the Hess and Foy Offset dykes. The linear features are displaced a number of times and these are interpreted to be due to fault displacements. A number of sulphide showing on the Hess Dyke as reported by Haydn Butler correlate to slightly higher magnetic values. This may be due to the dyke changing character locally (thickening slightly, or having more magnetite), or due to the additional magnetic response of the sulphides. Other anomalous magnetic highs are located over the dyke, namely at L2050E / 162.5 N.

As the dyke environment is a prospective one, the entire length of the dyke requires ground follow up of mapping and prospecting. Based on the geophysics only, the magnetic anomalies mentioned above, which may represent higher concentrations of sulphide mineralization along the dyke, would be the priority areas along the dyke.

Geological mapping and prospecting over the magnetic high anomalies are recommended to determine the source of the magnetic highs and the nature of the dykes. In areas where the magnetic signature of the Hess Dyke is less obvious, more mapping is required to locate it.

Mapping and geochemical surveying of the project may also yield further targets and help eliminate some of the geophysical anomalies as being drill targets.

REFERENCES

Grant, F.S., and West, G.F., **Interpretation theory in applied geophysics**, McGraw-Hill Inc., Toronto, 1965.

Kretschmar, Ulrich., **Summary Report on Foy-Hess Offset Dike Properties**, report submitted to Tearlach Resources Inc., 2003.

Personal Communications: Hadyn Butler, Tearlach Geologist.

Personal Communications: David Beilhartz, Claim Holder.

Statement of Qualifications

I, Bob B.H. Lo, am a Consulting Geophysicist residing at 11 Woolsthorpe Crescent Markham, Ontario, Canada, L3T 4EI.

I graduated from the University of Toronto with a Bachelor of Applied Science degree in the Geophysics option of Engineering Science in 1981 and obtained a Masters of Science degree in Physics, also from the University of Toronto in 1985. In 1992, I obtained a Masters of Business Administration degree from Laurentian University in Sudbury, Ontario.

I am a member in good standing of the Professional Engineers of Ontario and hold a Certificate of Authorization (#100071671) to provide Professional Engineering services to the public in Ontario.

I am a member in good standing in the Society of Exploration Geophysicists—SEG (Tulsa), a member of the Canadian Exploration Geophysical Society—KEGS (Toronto), and a member of the Prospectors and Developers Association of Canada—PDAC (Toronto).

I have held positions of Senior Geophysicist for Inco Ltd., Senior Geophysicist for MPH, Chief Geophysicist for Aerodat, and Vice-President for Scintrex Ltd.

Since 1981, I have been involved in the use of geophysics for mineral and petroleum exploration, geothermal site detection, and various engineering and environmental applications. I have planned, supervised, conducted, interpreted, and reported on geophysical surveys from Canada, the United States of America, South America, South East Asia, Europe, Middle East and Africa.

The statements contained in this report and the conclusions reached are based upon evaluation and review of maps and information supplied by Tearlach Resources Ltd., a report by Ulrich Ketschmar for Tearlach Resources and discussions with Hadyn Butler and David Beilhartz, both of Tearlach.

I have not visited the property since its staking by the current claim holders. In the late 1990's, I had conducted and supervised geophysical surveys in the vicinity of Venetian Lake. I do not hold any financial interest in the property.

Bob Lo, M.Sc., MBA. P.Eng.

Markham, Ontario
August, 2004

APPENDIX A

List of Interpreted Dyke Locations

Banana Lake Grid

Interpreted Hess Dyke Locations

L0E/87N, L50E/87N, L100E/81N, L150E/90N, L200E/90N, L250E/344N, L300E/350N, L350E/353N, L400E/352N, L450E/356N, L500E/350N, L550E/333N, L600E/332N, L650E/330N, L700E/343N, L750E/365N, L800E/364N, L850E/368N, L900E/362N, L950E/352N, L1000E/350N, L1050E/329N, L1100E/329N, L1150E/264N, L1200E/210N, L1250E/207N, L1300E/209N, L1350E/204N, L1400E/203N, L1450E/212N, L1500E/213N, L1550E/237N, L1600E/212N, L1650E/168N, L1700E/165N, L1750E/160N, L1800E/175N, L1850E/159N, L1900E/123N, L1950E/154N, L2000E/165N, L2050E/170N, L2100E/152N, L2150E/141N, L2200E/155N, L2250E/166N, L2300E/186N, L2350E/144N, L2400E/132N, L2450E/130N, L2500E/136N, L2550E/115N, L2600E/133N, L2650E/'144N, L2700E/151N, L2750E/132N, L2800E/120N, L2850E/109N, L2900E/123N, L3000E/108N, L3050E/151N, L3100E/183N, L3200E/200N, L3300E/200, L3350E/225N, L3400E/258N.

Sandcherry Lake Grid

Interpreted Hess Dyke Locations

L3750E/1817N, L3850E/1817N, L3900E/1812N, L3950E/1815N, L4000E/1840N, L4050E/1850N, L4100E/1855N, L4150E/1856N, L4200E/1858N, L4250E/1858N, L4300E/1870N, L4350E/1857N, L4400E/1853N, L4450E/1846N, L4500E/1845N, L4550E/1848N, L4650E/1868N, L4700E/1887N, L4750E/1914N, L4800E/1975N, L4850E/2060N, L4950E/2068N, L5150E/2088N, L5250E/2090N, L5300E/2100N, L5350E/2089N, L5400E/2130N, L5450E/2130N, L5500E/2130N, L5600E/2187N, L5600E/2192N, L6300E/2002N, L6350E/1992N, L6400E/1971N, L6450E/2000N, L6500E/1970N.

Interpreted Foy Dyke Locations

L400S/2446E, L350S/2447E, L300S/2455E, L250S/2467E, L200S/2491E, L150S/2465E, L100S/2482E, L50S2500E, BL0S/2512E.

Schkowona Lake Grid

Interpreted Foy Dyke Locations

L5000S/160E, L4950S/1905E, 4900S183E, L4850S/176E, L4800S/128E, L4750S/148E, L4700S/156E, L4650S/172E, L4600S/189E, L4500S167E, L4450S/241N, L4400S/66E, L4350S/62E, L4300S/116E, L4250S/117E, L4000S/94E, L3950S/96E, L3900S/96E, L3850S/90E, L3800S/85E, L3750S/75E, L3550S/103E, L3500S/ 75E, L3450S/62E, L3400S/97E, L3350S40E, L3300S/32E, L3250S/27E, L3200S/19E, L3150S/29E, L3100S/21E, L3050S/16E, L3000S/14E, L2950S/12E, L2900S/6E, L2850S/1E, L2800S/31W, L2750S/10W, L2700S/12W, L2650S/2E, L2600S/0E, L2550S/43W, L2500S/57W, L2450S/71W, L2400S/70W, L2350S/86W, 2250S/72W, L2200S/81W, L2150S/85W, L2100S/81W, L2050S/66W, L2000S/77W, L1950S/64W, L1900S/43W, L1850S/38W, L1800S/32W, L1750S/5E, L1550S/38E, L1500S/56E L1450S/75E, L1400S/81E, L1350S/90E, L1300S/120E, L1250S/131E, L1200S/133E, L1150S/127E, L1100S/126E, L1050S/124E, L1000S/126E, L950S/113E, L900S/98E, L850S/58E. L800S/55E,.L750S/49E, L700S/62E, L650S/75E, L600S/99E, L550S/75E, L500S/68E, L450S/68E, L300S/236E, L250S/255E, L150S/174E, L100S/191E, L50S/178E, L0N/176E, L50N/189E, L100N/189E, L150N/223E, L200N/223E, L250N/243E, L300N/228E, L350N/219E, L400N/213E, L450N/187E, L500N/159E, L550N/144E, L600N/139E, L650N/152E, L700N/169E, L750N/172E, L800N/127E, L850N/79E, L900N/19E, L950N/27W.

GEOPHYSICAL REPORT

On

GROUND MAGNETOMETER SURVEYS

FOY OFFSET DYKE PROPERTIES

VENETIAN LAKE and LAFOREST GRIDS

SUDBURY MINING DISTRICT, ONTARIO

NTS: 41I

For

Tearlach Resources Limited
2110 – 1177 West Hastings Street
Vancouver, B.C.
V6E 2K3

Assessment Submission number: 2.27451
Transaction number: W0470.00521

2.27451

Bob B.H. Lo, B.A.Sc., M.Sc., M.B.A., P.Eng,
Consulting Geophysicist,
BHL Earth Sciences
Markham, Ontario L3T 4E1
August 24, 2004

Table of Contents

1.0 INTRODUCTION

This geophysical report covers the ground magnetometer surveys that were conducted on Tearlach Resources Limited's behalf over claims in the Leinster, Tyrone, Botha, Sweeny and Beaumont Townships. Much of the background and geological information were excerpted from a Tearlach Resources report by Kretschmar, 2004. As well, the geophysical work done on the Sandcherry Lake, Banana Lake, and Schkowona Lake Grids are discussed separately in an earlier geophysical report.

Data from two grids, the Venetian Lake, and LaForest Grids are presented and discussed in this geophysical report. These two grids cover part of the claim block located in Tyrone, Botha, and Sweeny Townships, Ontario. The magnetometer readings were collected every 12.5 metres on 25 metre picketed stations. The survey lines were spaced 50 metres apart, allowing for good resolution of the Offset Dykes and of any magnetic mineralization.

Over the Venetian Lake Grid, the magnetometer survey was able to trace out the location of the offset dykes. In addition, an anomalous high magnetic reading is located along the trace of the dyke. This may be due increased concentrations of sulphide mineralization and require further ground follow-up.

Over the LaForest Grid, a magnetic signature consistent with the Foy Offset Dyke as seen over other grids is not readily seen. Either the dyke is too thin to be easily detected, or the dyke was not covered by grid, or the dyke has changed magnetic character.

2.0 LOCATION, ACCESS, and TOPOGRAPHY

The Venetian Lake and LaForest Grids cover claims which are part of Tearlach Resources Limited's Hess and Foy Offset Dyke Project. The property is located approximately between 35 and 55 km north of Sudbury, Ontario in the Leinster, Tyrone, Botha, Sweeny and Beaumont Townships.

Access to the properties is via logging roads and bush trails from Highway 144 from the west and via Capreol from the east. 4WD vehicles and "4 x 4" quad machines can drive most of the trails in the summer, and all trails are accessible by snow machines in the winter. Several areas have been recently logged making access from new logging roads relatively easy. Snow machine trails have recently been upgraded with bridges across many of the larger streams. Venetian Lake can be travelled by boat, providing access to a large portion of the property, but it is shallow and full of shoals. At the north end of the claim blocks, a large hydroelectric power line and the CNR rail line passes LaForest siding. A gravel road runs from Capreol to LaForest siding through the claims and crosses the distal portion of the Foy Offset dike.

The areas is covered by boreal forest cover, which varies. And dense undergrowth in immature secondary growth forest is common. Climate is cold boreal and beyond settled agriculture. Topography is varied with a typical Canadian Shield glacigene habit of bare outcrop, lakes and till-covered landscape.

3.0 CLAIMS and COVERAGE

Tearlach Resources Limited has two option agreements covering the Foy and Hess Offset Dykes. The two options agreements are termed the Sandcherry Creek Property, and the Dave Beilhartz Properties.

The Sandcherry Creek Property comprises of 8 claims in a contiguous claim block are held jointly by David Beilhartz, P.Geo. and Harold Tracanelli as listed in Table 1 below.

Claim No.	Size (16 Ha units)	Ownership (%) Beilhartz	Ownership (%) Tracanelli	Due date
1230790	8	25	75	30 July 2004
(1241369) 3004227	10	25	75	5 April 2004
1229651	9	25	75	13 Sept 2004
1229650	7	25	75	13 Sept 2004
1230029	10	75	25	23 July 2004
1230028	6	75	25	23 July 2004
1247344	2	50	50	7 July 2004
1229649	8	75	25	23 July 2004

Table 1: Claims Comprising Beilhartz-Tracanelli Property

The David Beilhartz Property consists of 3 separate blocks (14 claims) that are contiguous with the Sandcherry Creek Property listed in Table 2 below.

Claim No.	Size (16Ha units)	Township(s)	Due date
Banana Lake Block			
1241741	14	Leinster, Tyrone	5 April 2004
Hess Offset West			
3002187	16	Tyrone	22 July 2004
Eastern Hess Block			
3004355	8	Tyrone, Botha	23 Aug 2004
3004356	9	Botha	23 Aug 2004
1249376	6	Botha	4 Sept 2004
3004358	12	Botha	4 Sept 2004
3004357	12	Botha	4 Sept 2004
3004359	12	Botha	4 Sept 2004
3004362	16	Botha	20 Sept 2004
3004284	12	Botha, Sweeny	23 Aug 2004
3004363	4	Sweeny	12 Sept 2004

3004364	6	Sweeny	12 Sept 2004
Northern Foy Block			
3004361		Sweeny	20 Sept 2004
3004284		Sweeny	23 Aug 2004
3004285		Sweeny	23 Aug 2004

Table 2: Claims Comprising Beilhartz Property

The claim blocks cover an approximate 21 km strike length of QD Offset dike, and have at least 30 square kilometres of land area. An outline of the property on an approximate trace of the Offset dikes is shown in Figure 1.

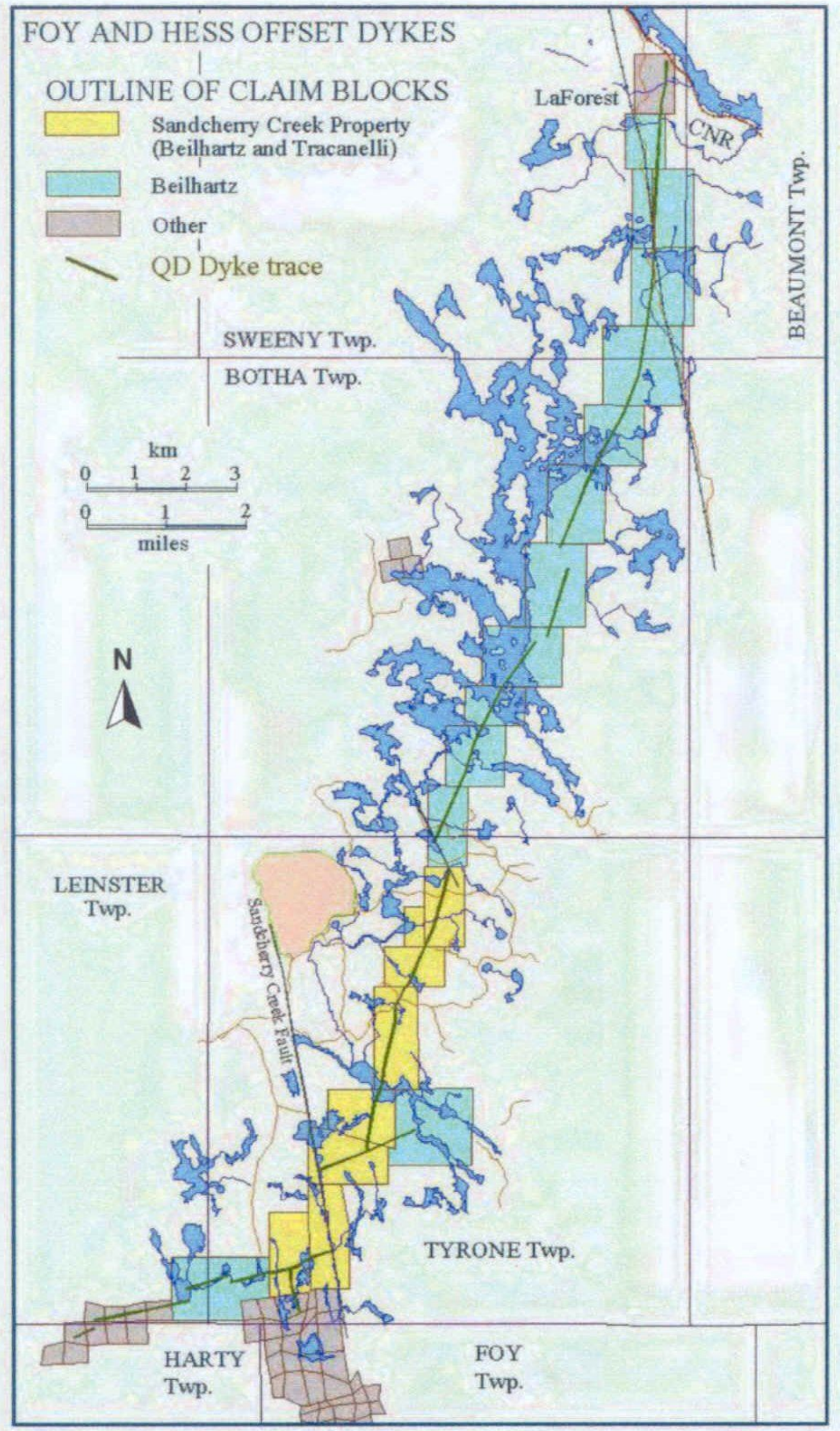


Figure 1: Location of Beilhartz, Tracanelli and other claims in Tyrone, Leinster, Botha and Sweeny Townships.

4.0 PREVIOUS WORK

There are two significant occurrences within the Foy Offset Dyke to the south of the Properties. The Nickel Offsets Mine (formerly the Ross Mine) produced 208,551 tons with recovered grades approximately 1.1% Ni and 0.8% Cu. The Maki Showing immediately south of the Sandcherry Creek Property was drilled by Falconbridge in the 1950s and 1967-68. In the Hess Offset dyke, 100,000 tons of mineralization was reputedly found at the Rivers Option west of the Sandcherry Creek Property by INCO more than 30 years ago.

The dykes have been the subject of additional sporadic exploration mainly in the Sandcherry Creek Area. Canadian Nickel Company found disseminated Ni-Cu sulphide mineralization near Schkowona Lake. In 1972, Flint Rock Mines Ltd. and Alchib Developments Ltd. carried out geophysical surveys. In 1987-89, BP Resources Canada Ltd. flew airborne electromagnetic surveys and drilled 2745 m in short holes. INCO re-staked the rest of the Foy Offset and during 1987-89 cut a 100 metre spaced grid, geologically mapped the dike and did a surface magnetometer survey.

In the late 1990's, Christina Wood mapped the Hess Offset, and its two junctions with the Foy Offset. Her work established that the North Range Offset dikes are evolved Sudbury rocks, that they contain multiple phases (similar to contact deposits) and especially inclusion-bearing phases ii (IQD) with associated sulphides that are typical of Sudbury-related units.

In 1999, David Beilhartz found anomalous rock samples on the Foy Offset between Schkowona Lake and Venetian Lake (the Beilhartz Showing), and optioned the Sandcherry Creek Property to Consolidated Venturex who in turn optioned it to Crowflight Resources Inc. Crowflight drilled some holes and undertook an airborne geophysical survey (Aeroquest Ltd, Magnetics and Aerotem). A Crowflight drill hole adjacent to the Beilhartz showing failed to intersect the QD dike.

To summarize previous work:

1) anomalous soils occur both east and west of Banana Lake (Hess Offset) in the Banana Lake zone, coinciding with disseminated sulphide along a strike length of nearly a kilometre,
2) Both on the east and west sides of Banana Lake (Tracanelli Showing) net-textured and disseminated pyrrhotite-chalcopyrite occurs in outcrop towards the south margin of the QD,
3) airborne and ground gradient magnetic anomalies both east and west of Banana Lake and south of Schkowona Lake, and a distance of 3 km to the north, coincide with disseminated pyrrhotite and chalcopyrite in outcrop.

5.0 GEOLOGY

5.1 Regional geology

The Sudbury Igneous Complex ("SIC") is a unique mineralized unit caused by the impact of a large meteorite at circa 1.85 billion years. The Sudbury Impact Structure is the second largest known on Earth, and has near its centre the remains of a multi-variant impact melt sheet, the SIC. The SIC "main mass" outlines the Sudbury Basin and around its rim are a series of Ni-Cu-PGE ore bodies with ~50% as "basin and footwall" ores and ~50% as "offset dyke" ores. The ores were originally molten iron-rich monosulphide created at the base of the impact melt sheet by impact superheat. And, the monosulphide was fully saturated with nickel, copper and PGE during its creation. Iron, nickel, copper and PGE mineral species then separated from the monosulphide during cooling, by ductile flow, by dynamic metamorphism in the very active tectonic stress field at the base of the impact crater, and by hydrothermal reactions (caused by hornfels-style gradients).

Four economic sulphide mineral assemblages are known in Sudbury passing outwards from the SIC "main mass,"

i) a pyrrhotite-dominated ore near or in the SIC "main mass,"
ii) an ore with increasing pentlandite and chalcopyrite,
iii) a relatively low-sulphur ore with high-tenor Ni and Cu mineral species, and
iv) a distal PGE-rich ore sometimes with little sulphide.

Offset Dyke ores have similar mineral assemblages but the assemblages are more telescoped, in, beside or at the bottom tip of ore bodies or dykes. For offset dykes, therefore, exploration is simpler than ore bodies near the SIC "main mass" – the exploration target is close to the offset dyke itself.

Offset dykes are evolved steep dipping "quartz diorite" ("QD") bodies. Their injection as well as post-impact tectonic adjustments tended towards the vertical. Exploration is confined to the vicinity of the offset dyke by following disseminated and blebby sulphide down – the long axis of mineralization is also steeply disposed.

5.2 Property geology and Mineralization

The Property geology and Mineralization section is excerpted from a report by Dr. Ulrich Kretschmar. From the preliminary fieldwork conducted to date, Dr. Ulrich Kretschmar has reached the following conclusions:

- Geological mapping shows that the dykes on the properties have geological characteristics similar to mineralized offset dykes in the Sudbury South Range. These features include parallel dykes, dykes coalescing at right angles and, especially, sharp variations in dyke thickness from 30 cm to greater than 100 m.

The latter feature is known to correlate with a high potential for concentration of mineralization and, indeed, mineralization is present.

- The Foy and Hess Offset Dykes on the properties show characteristics similar to the Nickel Offsets Mine on the Foy Offset to the south of the claims.
- When assay results of grab samples are compared to reported economic ore grades of INCO's Totten deposit it is apparent that metal ratios are the same, and a similar genesis and potential are implied for the properties.
- The Foy and Hess Offset Dykes on the Properties show flowage differentiation, a characteristic feature of magmatic sulphide collection during magma flow.
- Disseminated sulphides in "inclusion-bearing quartz diorite" ("IQD") have been found on the properties, but past work was neither extensive nor necessarily appropriate since knowledge of offset dyke mineralization styles and exploration techniques was not available outside INCO expertise until quite recently.
- The relatively sharp contrast to surrounding non-magnetic country rock has permitted good delineation of the dyke systems by ground magnetometers, and where well mineralized, by low-level airborne magnetometer surveys.

6.0 1993 GEOPHYSICAL PROGRAMME

The 1993 geophysical work on the optioned claims, which cover a 26 km strike length of the Foy Offset Dyke consisted of line-cutting, and high sensitivity ground magnetometer surveys. This was conducted in conjunction with mechanical stripping and reconnaissance geological mapping, in an exploration program designed to develop targets for drilling.

6.1 Rationale

Previous geophysical work on the property consisted of either airborne surveys, or magnetometer surveys collected on 100 metre space lines. As the Foy Offset Dyke is known to be variable in thickness, it was felt that geophysical work 50 metre spaced lines would allow for easier identification of, and delineation of the Foy and Hess Dykes. To this end, five grids, termed the Banana Lake, Sandcherry Lake, Schkowona Lake, were established. This report covers the geophysical work performed over the Venetian Lake and LaForest Grids.

6.2 The Physical Survey

As reported by Kretschmar (2003), the following was accomplished during course of this geophysical program:

Line cutting of Sandcherry Lake, Banana Lake, Schkowona Lake, Venetian Lake and LaForest grids, totalling 254 km.

Ground magnetometer survey of Sandcherry Lake, Banana Lake, Schkowona Lake and part of the Venetian grid, totalling 195 km.

Magnetometer surveys were partially completed on the Venetian Lake grid before the breakup halted surveying in March of 2003.

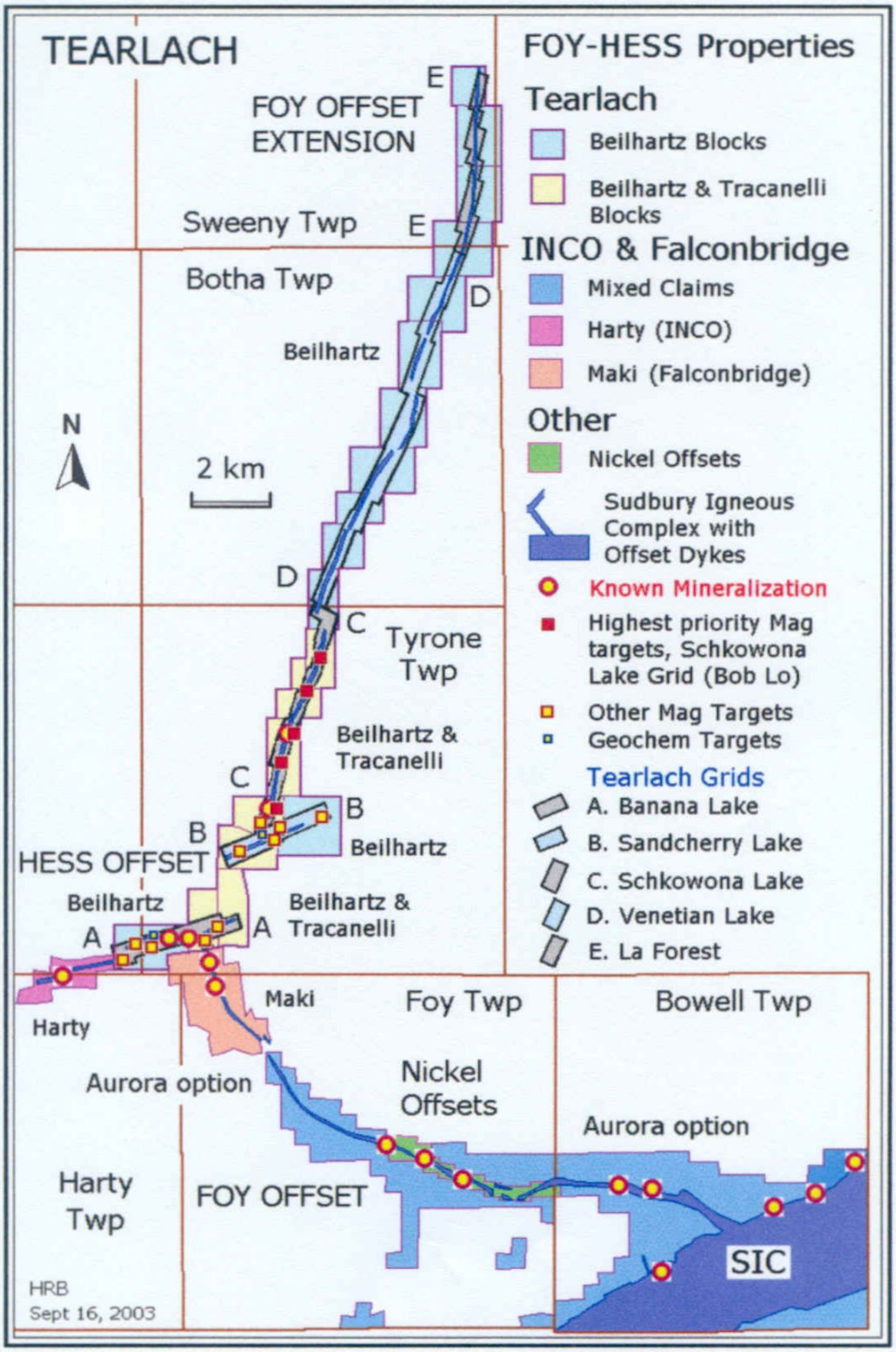


Figure 2: Regional Location Map, showing Foy-Hess Offset Dikes, Inco, Falconbridge, Aurora Platinum, Beilhartz and Tracanelli Claims, as well as Tearlach Grids.

6.3 Personnel

Ray Lashbrook of Lashex Ltd., an independent contractor, was contracted to establish the grids and conduct the ground magnetometer survey.

Carolyn Laronde of Meegwich Consultants Inc. processed and plotted the magnetometer data.

This author, Bob Lo, is responsible for the geophysical interpretation of the geophysical data.

6.4 Instrumentation, and survey parameters

The magnetometer survey was conducted using a GSM-19 overhauser magnetometer, serial # 58479, and an Scintrex ENVI proton precession magnetometer, serial number #217727. The magnetometers can be interchangeable in terms of field units and base stations.

These magnetometer systems are capable of measuring the Total Magnetic Intensity of the Earth to 0.1 nanoTelsa resolution and accuracy. The readings and time from an internal clock are stored digitally for data transfer to portable computers. More information on these magnetometers can be found on their manufacturer's websites (www.scintrexltd.com, and www.gemsys.ca).

The magnetometer data was collected on 12.5 metre stations. The data was stored digitally in the magnetometer's internal memory and downloaded to a PC for processing. A base station was used to monitor, and thus remove the diurnal variations in the Earth's main field using the internal clocks to provide synchronization of the corrections.

6.5 Data presentation

The base station corrected magnetometer data is presented in contour form with a colour image of the gridded values of the total magnetic field as a backdrop, at a scale of 1:5,000. For presentation purposes, individual readings have a common base level of 56,000 nT removed. The grid lines, stations and geophysical data are presented in UTM eastings and northings in UTM Zone 17 north, using the NAD83 datum. As well, the claim numbers and outlines are drawn on the geophysical maps.

The maps are in the attached pockets. Map 1 is the data from Venetian Lake. Map 2 is the data from LaForest Grid.

6.6 Geophysical Interpretation

6.6.1 Venetian Lake Grid

This grid was designed to map the Foy Dyke in the vicinity of Venetian Lake. This grid is contiguous and north of the Schkowona Lake Grid, but with a different baseline. The amount of magnetometer coverage on this grid is 33.2 kms. The grid was surveyed the summer of 1993, and some of the grid that had been established on Venetian Lake over the ice, could not be read.

For most of the grid, the Foy Dyke can be interpreted from the magnetic data as a long linear feature approximately 200 to 400 nT above background values. The dyke signature cannot be detected in some locations for up to four lines. In the areas where the dyke signature can not be located, it is interpreted to be faulted off, or are locations where the dyke is too thin to yield a recognizable magnetic signature.

One spot along the dyke is clearly anomalously magnetic. This is located on L1950N at 3+75W. The magnetic field values there are about 200 nT above the typical dyke signature over this grid. This may be due to increased thickness of the dyke, or to higher concentrations of magnetic sulphides.

The interpreted locations of the dykes from the magnetic survey are given in Appendix A.

6.6.2 LaForest Grid

This grid was designed to map the distal Foy Offset. The LaForest Grid starts some 7 kms north of the magnetometer coverage on the Venetian Lake Grid. The amount of ground magnetometer surveys on this grid is 22.54 kms.

A powerline, trending approximately north-south is located on the northern portion of this grid. Looking at the magnetometer values underneath the powerline, it does not appear that the power created undue noise in the magnetometer readings.

An easily recognizable magnetic signature which may be due to the dyke is not readily seen over this grid. This is perhaps due to the dyke being either more broken up by faulting – or perhaps due to the dyke thinning significantly in the areas where it is not detected by the magnetometer survey.

The interpreted locations of the dykes from the magnetic survey are given in Appendix A.

7.0 SUMMARY and RECOMMENDATIONS

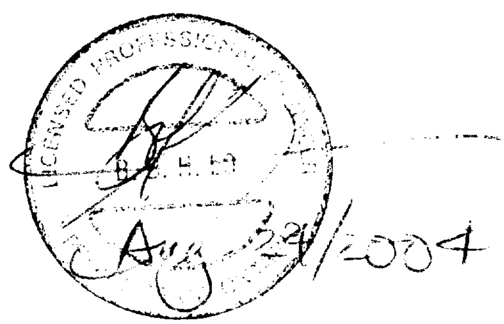
The ground magnetometer survey has detected a series of linear features and these are interpreted to be due to the Foy Offset dykes. The linear features are displaced a number of times and these are interpreted to be due to fault displacements. This may be due to the dyke changing character locally (thickening slightly, or having more magnetite), or due to the additional magnetic response of the sulphides.

Over the LaForest Grid, over what is geologically thought to be the distal part of the Foy Dyke, the magnetometer survey was less successful in delineating the Foy Dyke. There, the dyke is located over a smaller portion of the grid and either the faulting is greater here, or the dyke is much narrower, producing a smaller magnetic signature.

As the dyke environment is a prospective one, the entire length of the dyke requires ground follow up of mapping and prospecting. Based on the geophysics only, the magnetic anomaly located over the Venetian Lake Grid, which may represent higher concentrations of sulphide mineralization along the dyke, would be a priority area along the dyke.

Geological mapping and prospecting over the magnetic high anomaly is recommended to determine the source of the magnetic high and the nature of the dykes. In areas where the magnetic signature of the Foy Dyke is less obvious, more mapping is required to locate it.

Mapping and geochemical surveying of the project may also yield further targets.



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Lo, Bob., **Geophysical Report on Ground Magnetometer Surveys – Foy Hess Offset Dyke Properties**, report submitted to Tearlach Resources Inc., 2004.

Personal Communications: Hadyn Butler, Tearlach Geologist.

Personal Communications: David Beilhartz, Claim Holder.

Statement of Qualifications

I, Bob B.H. Lo, am a Consulting Geophysicist residing at 11 Woolsthorpe Crescent Markham, Ontario, Canada, L3T 4EI.

I graduated from the University of Toronto with a Bachelor of Applied Science degree in the Geophysics option of Engineering Science in 1981 and obtained a Masters of Science degree in Physics, also from the University of Toronto in 1985. In 1992, I obtained a Masters of Business Administration degree from Laurentian University in Sudbury, Ontario.

I am a member in good standing of the Professional Engineers of Ontario and hold a Certificate of Authorization (#100071671) to provide Professional Engineering services to the public in Ontario.

I am a member in good standing in the Society of Exploration Geophysicists—SEG (Tulsa), a member of the Canadian Exploration Geophysical Society—KEGS (Toronto), and a member of the Prospectors and Developers Association of Canada—PDAC (Toronto).

I have held positions of Senior Geophysicist for Inco Ltd., Senior Geophysicist for MPH, Chief Geophysicist for Aerodat, and Vice-President for Scintrex Ltd.

Since 1981, I have been involved in the use of geophysics for mineral and petroleum exploration, geothermal site detection, and various engineering and environmental applications. I have planned, supervised, conducted, interpreted, and reported on geophysical surveys from Canada, the United States of America, South America, South East Asia, Europe, Middle East and Africa.

The statements contained in this report and the conclusions reached are based upon evaluation and review of maps and information supplied by Tearlach Resources Ltd., a report by Ulrich Ketschmar for Tearlach Resources and discussions with Hadyn Butler and David Beilhartz, both of Tearlach.

I have not visited the property since its staking by the current claim holders. In the late 1980's, I had conducted and supervised geophysical surveys in the vicinity of Venetian Lake. I do not hold any financial interest in the property.

Bob Lo, M.Sc., MBA. P.Eng.

Markham, Ontario
August, 2004

APPENDIX A

List of Interpreted Dyke Locations

Venetian Lake Grid

Interpreted Foy Dyke Locations

Line	*Interpreted Dyke location*
1050	not readily apparent
1100	not readily apparent
1150	not readily apparent
1200	-425
1250	not readily apparent
1300	not readily apparent
1350	-437.5
1400	-425
1450	-412.5
1500	-400
1550	-362.5
1600	-362.5
1650	not readily apparent
1700	-400
1750	-412.5
1800	-375
1850	-362.5
1900	-375
1950	-387.5
2000	-387.5
2050	-362.5
2100	-287.5
2150	-275
2200	-262.5
2250	-262.5
2300	-250
2350	-237.5
2400	-237.5
2450	-237.5
2500	-237.5
2550	-225
2600	-250
2650	-225
2700	under lake
2750	under lake
2800	under lake

2850	under lake
2900	-225
2950	-212.5
3000	-187.5
3050	-175
3100	under lake
3150	-237.5
3200	-262.5
3250	-325
3300	-262.5
3350	-275
3400	-262.5
3450	-262.5
3500	-287.5
3550	-262.5
3600	under lake
3650	under lake
3700	-262.5
3750	-300
3800	-275
3850	-262.5
3900	-237.5
3950	-212.5
4000	-187.5
4050	not readily apparent
4100	not readily apparent
4150	not readily apparent
4200	not readily apparent

LaForest Grid

Interpreted Foy Dyke Locations

Line	*Interpreted Dyke Location*
11900	not readily apparent
11950	not readily apparent
12000	not readily apparent
12050	not readily apparent
12100	not readily apparent
12150	287.5
12200	175
12250	not readily apparent
12300	not readily apparent
12350	not readily apparent
12400	100

12450	62.5
12500	62.5
12550	62.5
12600	50
12650	25
12700	0
12750	not readily apparent
12800	not readily apparent
12850	37.5
12900	62.5
12950	87.5
13000	37.5
13050	175
13100	162.5
13150	150
13200	not readily apparent
13250	not readily apparent
13300	300
13350	250
13400	200
13450	225
13500	200
13550	175
13600	162.5
13650	line not surveyed
13700	line not surveyed
13750	not covered
13800	not covered
13850	125
13900	75
13950	not readily apparent
14000	not readily apparent
14050	not readily apparent
14100	not readily apparent
14150	25
14200	50

ONTARIO MINISTRY OF NORTHERN DEVELOPMENT AND MINES

Work Report Summary

Transaction No:	W0470.00521	**Status:**	APPROVED
Recording Date:	2004-APR-05	**Work Done from:**	2003-JAN-01
Approval Date:	2004-AUG-13	**to:**	2003-NOV-30

Client(s):

106539 BEILHARTZ, DAVID E

202732 TRACANELLI, HAROLD JOSEPH

Survey Type(s):

ASSAY GEOL LC MAG

PSTRIP

Work Report Details:

Claim#		Perform	Perform Approve	Applied	Applied Approve	Assign	Assign Approve	Reserve	Reserve Approve	Due Date
S	1229649	$5,509	$5,509	$3,200	$3,200	$0	0	$2,309	$2,309	2005-JUL-23
S	1229650	$8,650	$8,650	$2,800	$2,800	$0	0	$5,850	$5,850	2005-SEP-13
S	1229651	$4,923	$4,923	$3,600	$3,600	$0	0	$1,323	$1,323	2005-SEP-13
S	1230028	$4,132	$4,132	$2,400	$2,400	$0	0	$1,732	$1,732	2005-JUL-23
S	1230029	$6,887	$6,887	$4,000	$4,000	$0	0	$2,887	$2,887	2005-JUL-23
S	1230790	$18,541	$18,541	$3,200	$3,200	$0	0	$15,341	$15,341	2005-JUL-30
S	1241741	$23,567	$23,567	$5,600	$5,600	$4,751	4,751	$13,216	$13,216	2005-APR-05
S	1247344	$1,377	$1,377	$800	$800	$0	0	$577	$577	2005-JUL-07
S	1249376	$2,087	$2,087	$2,400	$2,400	$0	0	$0	$0	2005-SEP-04
S	3002187	$7,582	$7,582	$6,400	$6,400	$0	0	$1,182	$1,182	2005-JUL-22
S	3004284	$6,999	$6,999	$4,800	$4,800	$0	0	$2,200	$2,200	2005-AUG-23
S	3004285	$4,667	$4,667	$3,200	$3,200	$0	0	$1,467	$1,467	2005-AUG-23
S	3004355	$2,782	$2,782	$3,200	$3,200	$0	0	$0	$0	2005-AUG-23
S	3004356	$3,130	$3,130	$3,600	$3,600	$0	0	$0	$0	2005-AUG-23
S	3004357	$4,174	$4,174	$4,800	$4,800	$0	0	$0	$0	2005-SEP-04
S	3004358	$4,174	$4,174	$4,800	$4,800	$0	0	$0	$0	2005-SEP-04
S	3004359	$4,174	$4,174	$4,800	$4,800	$0	0	$0	$0	2005-SEP-04
S	3004361	$5,565	$5,565	$6,400	$6,400	$0	0	$0	$0	2005-SEP-20
S	3004362	$5,565	$5,565	$6,400	$6,400	$0	0	$0	$0	2005-SEP-20
S	3004363	$2,333	$2,333	$1,600	$1,600	$0	0	$733	$733	2005-SEP-12
S	3004364	$3,499	$3,499	$2,400	$2,400	$0	0	$1,100	$1,100	2005-SEP-12
		$130,317	$130,317	$80,400	$80,400	$4,751	$4,751	$49,917	$49,917	

External Credits: $0

Reserve:

$49,917 Reserve of Work Report#: W0470.00521

$49,917 Total Remaining

Status of claim is based on information currently on record.

41P03SE2004 2.27451 BEAUMONT 900

Ministry of
Northern Development
and Mines

Ministère du
Développement du Nord
et des Mines

Ontario

GEOSCIENCE ASSESSMENT OFFICE
933 RAMSEY LAKE ROAD, 6th FLOOR
SUDBURY, ONTARIO
P3E 6B5

Tel: (888) 415-9845
Fax:(877) 670-1555

Date: 2004-AUG-26

DAVID E BEILHARTZ
BOX 1, SITE 16
R.R. #1
WHITEFISH, ONTARIO
P0M 3E0 CANADA

Submission Number: 2.27451
Transaction Number(s): W0470.00521

Dear Sir or Madam

Subject: Approval of Assessment Work

We have approved your Assessment Work Submission with the above noted Transaction Number(s). The attached Work Report Summary indicates the results of the approval.

At the discretion of the Ministry, the assessment work performed on the mining lands noted in this work report may be subject to inspection and/or investigation at any time.

The revisions outlined in the Notice dated June 29, 2004 have been corrected. Accordingly, assessment work credit has been approved as outlined on the Declaration of Assessment Work Form that accompanied this submission.

If you have any question regarding this correspondence, please contact BRUCE GATES by email at bruce.gates@ndm.gov.on.ca or by phone at (705) 670-5856.

Yours Sincerely,

Ron C Gashinski

Ron.C. Gashinski
Senior Manager, Mining Lands Section

Cc: Resident Geologist

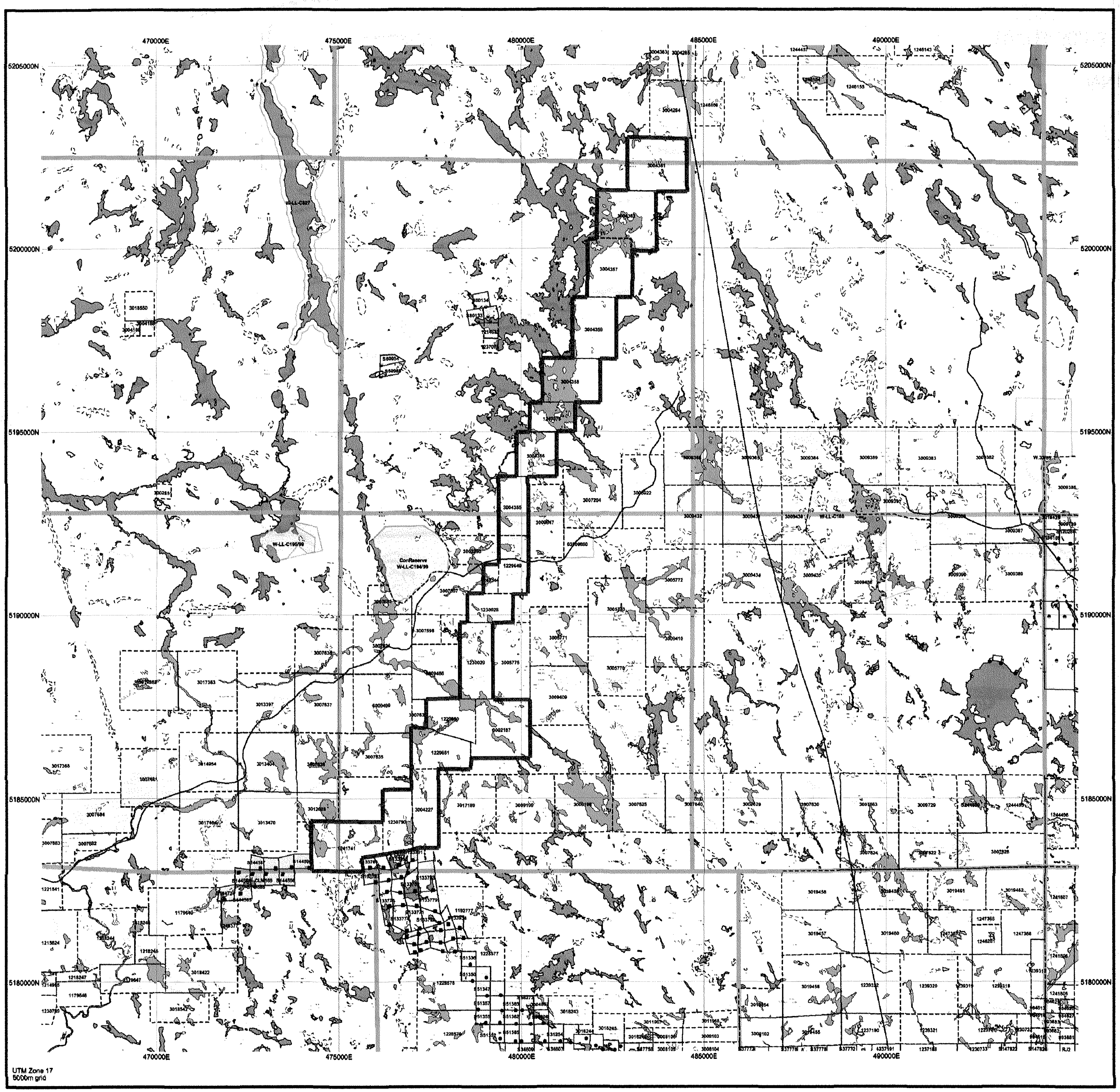
David E Beilhartz
(Claim Holder)

Ulrich Horst Kretschmar
(Agent)

Assessment File Library

David E Beilhartz
(Assessment Office)

Harold Joseph Tracanelli
(Claim Holder)



ONTARIO CANADA — MINISTRY OF NORTHERN DEVELOPMENT AND MINES — PROVINCIAL MINING RECORDER'S OFFICE

Mining Land Tenure Map

Date / Time of Issue: Thu Aug 26 14:31:50 EDT 2004

TOWNSHIP / AREA — **PLAN**

TYRONE — **G-4116**

ADMINISTRATIVE DISTRICTS / DIVISIONS

Mining Division	Sudbury
Land Titles/Registry Division	SUDBURY
Ministry of Natural Resources District	SUDBURY

TOPOGRAPHIC

Land Tenure

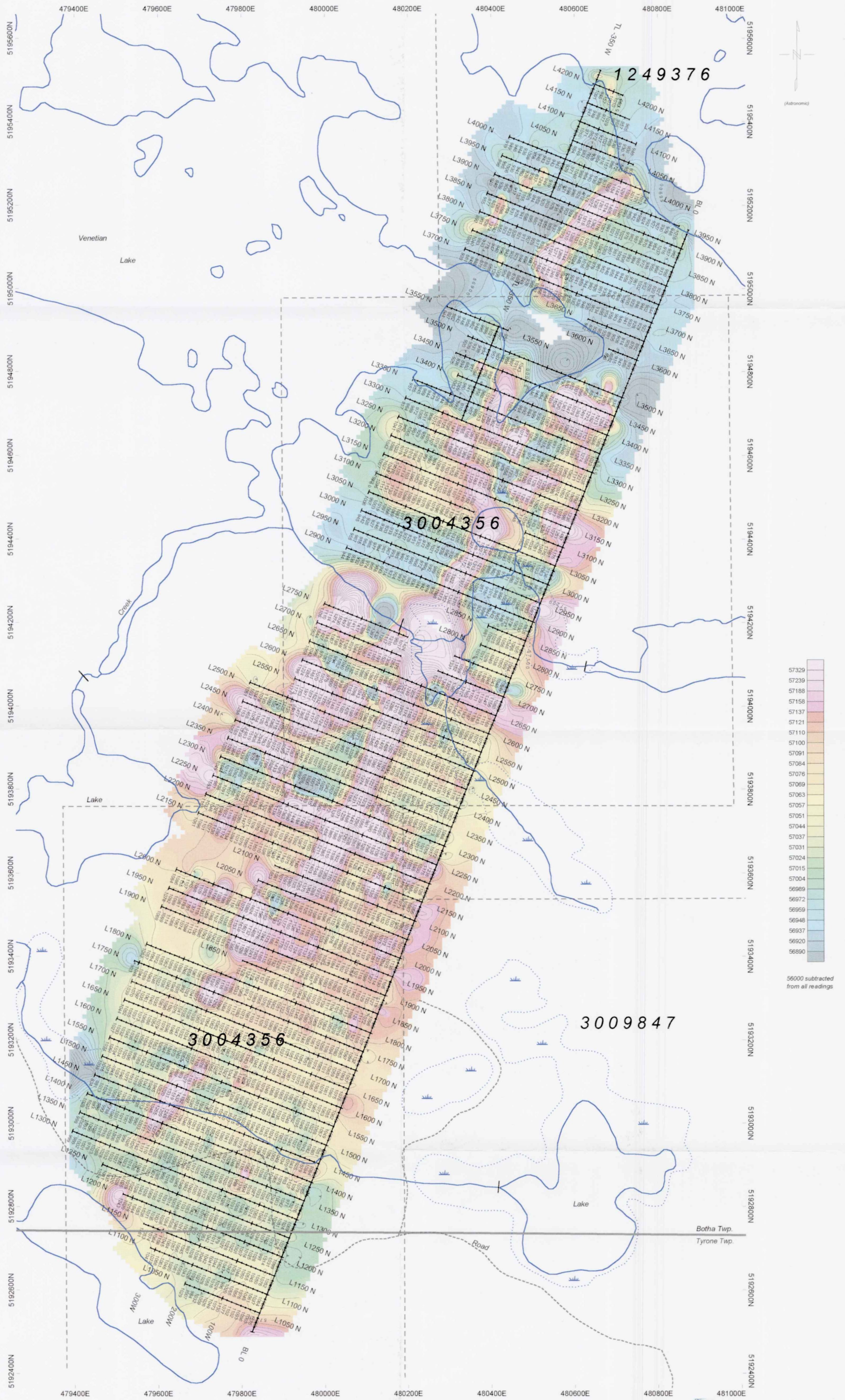
LAND TENURE WITHDRAWALS

IMPORTANT NOTICES

LAND TENURE WITHDRAWAL DESCRIPTIONS

General Information and Limitations

2.27451
ASSAY
GEOL
PSTRIP
MAG



2.27451

Tearlach Resources Ltd.

Venetian Lake Grid

Tyrone & Botha Township, Ontario

Sudbury Mining Division

Ground Geophysical Surveys

Total Field Magnetics

Contours

Survey by:	Data Processing and Interpretation by:	Scale 1:5000	NTS 41 I/14
Lashex Ltd.	Meegwich Consultants Inc.	August 2004	MAP1

Instruments:

Scintrex ENVI Magnetometer Serial #224768

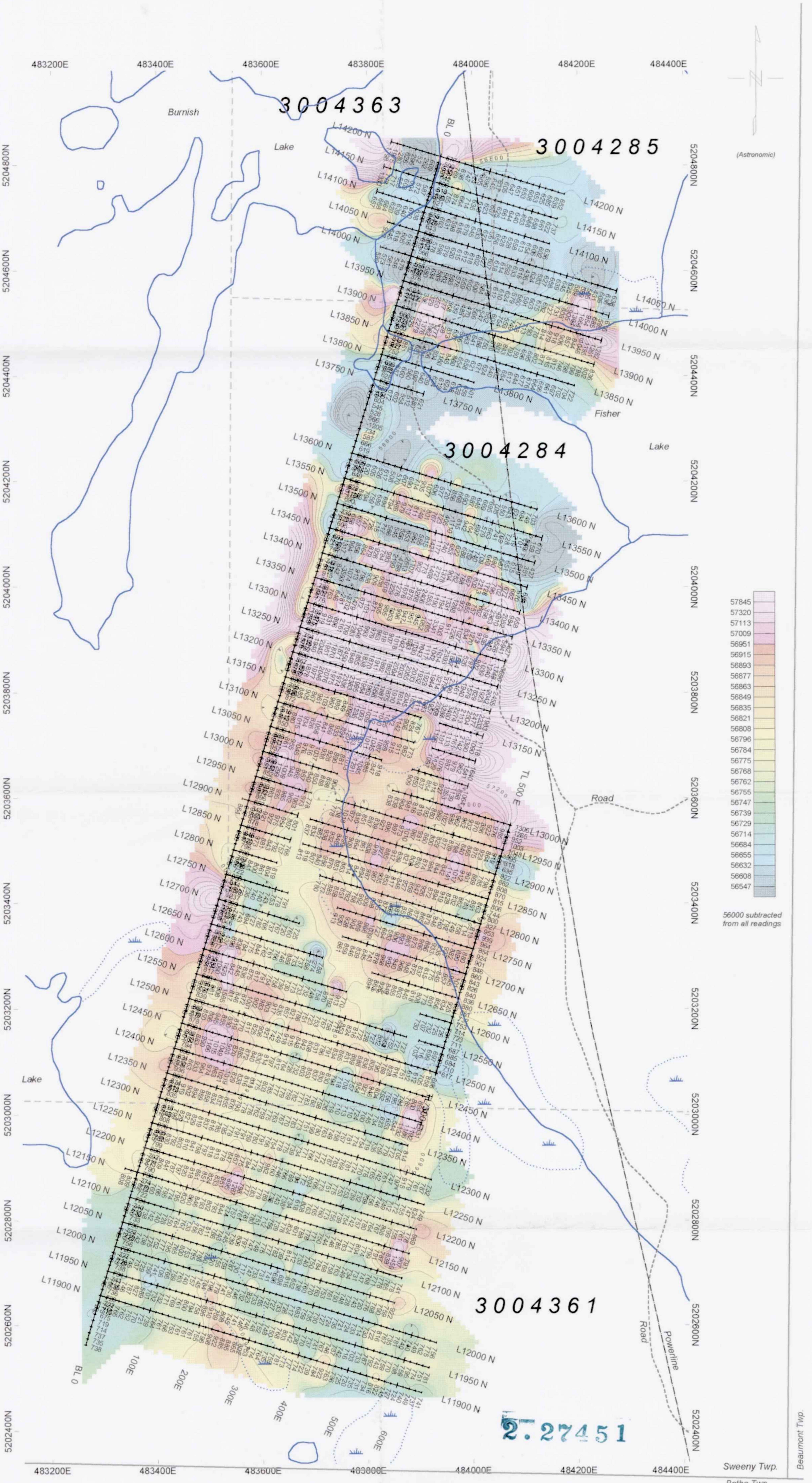
Scintrex ENVI Magnetometer Serial #217727

Scale 1:5000

50 0 50 100 150 200 250 300 350

metres

NAD83 / UTM zone 17N



Instruments:
Scintrex ENVI Magnetometer Serial #9611404
Scintrex ENVI Magnetometer Base Station Serial #950184

Scale 1:5000
50 0 50 100 150 200 250
metres
NAD83 / UTM zone 17N

Tearlach Resources Ltd.

LaForest Grid
Sweeny and Botha Township, Ontario
Sudbury Mining Division

Ground Geophysical Surveys
Total Field Magnetics
Contours

Data Processing and Interpretation by: Meegwich Consultants Inc.	Scale 1:5000	NTS 41 I/14
	August 2004	Survey by: Lashex Ltd.

MAP 2

41P03SE2004 2.27451 BEAUMONT 220

Tearlach Resources Ltd.

Banana Lake Grid

Claims 1241741, 1230790, 1241369

Tyrone Township, Ontario

Ground Geophysical Surveys

Total Field Magnetics

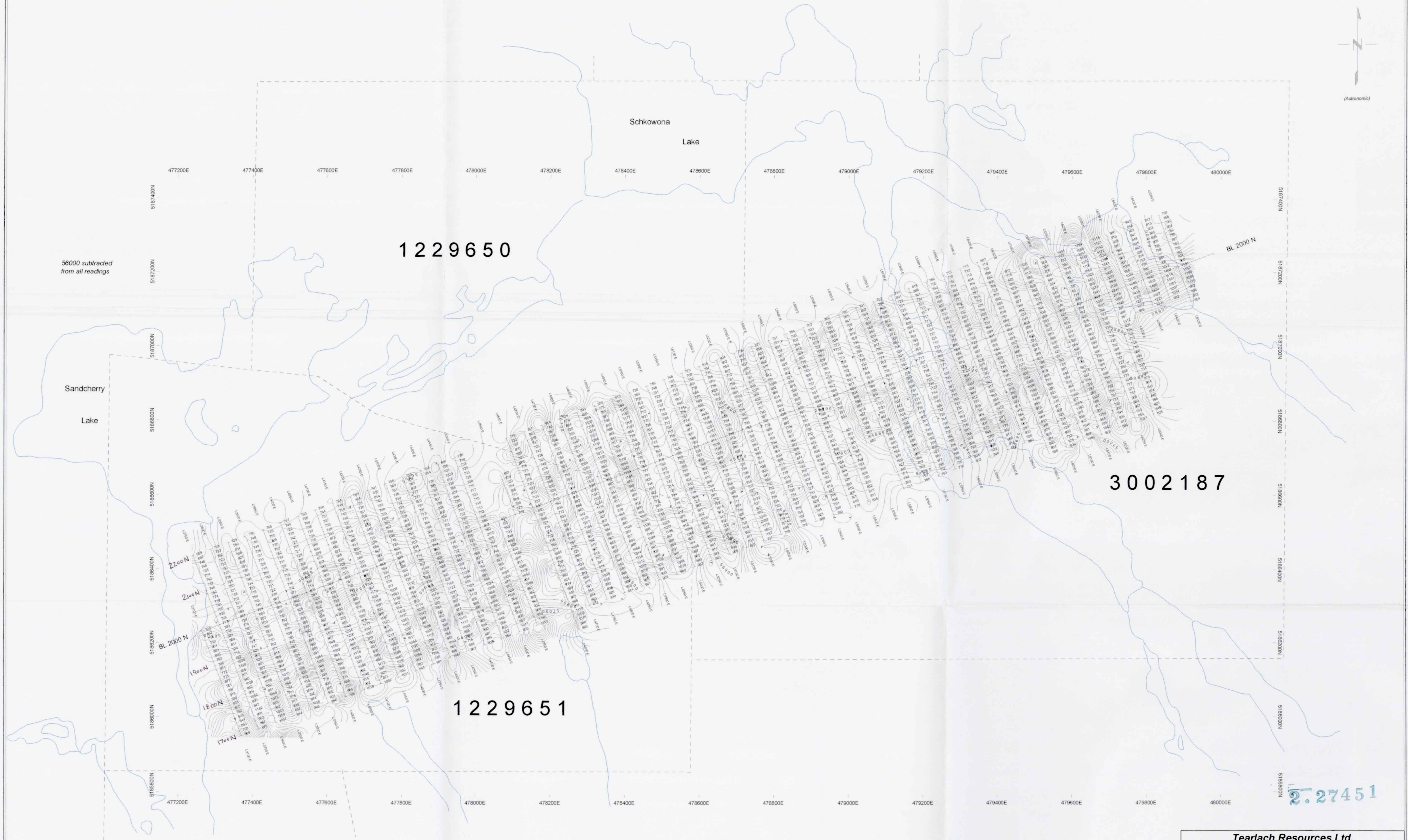
Contours

Data Collection and Interpretation by: LASHEX LTD.	**Data Processing and Interpretation by:** Meegwich Consultants Inc.	**Scale 1:5000**	**NTS 41 I/14**
		March 2003	

2.27451

41P03SE2004 2.27451 BEAUMONT 230

MAP 1



2.27451

Instruments:

Scintrex ENVI Magnetometer Serial #217727

GEM Systems GSM-19 Magnetometer Serial #58479

Scale 1:5000

100 0 100 200 300

metres

(UTM NAD 83, Zone 17)

	Tearlach Resources Ltd.		
	Sandcherry Lake Grid Claims 1229650, 1229651, 3002187 Tyrone Township, Ontario		
	Ground Geophysical Surveys Total Field Magnetics Contours		
Data Collection and Interpretation by: **LASHEX LTD.**	Data Processing by: **Meegwich Consultants Inc.**	Scale 1:5000	NTS 41 I/14
		May 2003	

MAP2

3004355
1229649
1247344
1230028
1230029
1229650
3002187
(Astronomic)
Forest Access Road
Logging Road
56000 subtracted from all readings
Schkowona
Lake
Schkowona
Lake
478000E
478200E
478400E
478600E
478800E
479000E
479200E
479400E
479600E
479800E
480000E
480200E
2.27451
Scale 1:5000
100 0 100 200 300
metres
(UTM NAD 83, Zone 17)
Tearlach Resources Ltd.
Schkowona Lake Grid
Tyrone Twp., Ontario
Sudbury Mining Division
Ground Geophysical Surveys
Total Field Magnetics
Contours
Survey by:
Lashex Ltd.
Data Processing and Interpretation by:
Meegwich Consultants Inc.
Scale 1:5000
July 2003
NTS 41 I/14
MAP3
Instruments:
Scintrex ENVI Magnetometer #217727
Scintrex Base Station Magnetometer