

Growth Stocks Weekly

Publisher: Diversified Financial Solutions ~ **Since:** May, 1995 ~ **Editor:** Richard Reinhard ~ **E-Mail:** reinhard@shaw.ca

Performance: Year ended April 1996 **116.9%**; 1997 **28.1%**; 1998 **36.4%**; 1999 **39.4%**; 2000 **180.9%**; 2001 **-50.5%**; 2002 **18.7%**; 2003 **28.8%**; 2004 **166.7%**

Junior Gold and Natural Resource Sector Report

September 7, 2004

Rare New Porphyry Copper Prospect

TERRA NOVA GOLD (TGC-TSX Venture Exchange)



Weekly chart, High C\$15.00, Low C\$0.10, Last Trade C\$0.31

Technicals

Terra Nova's share price has broken a 10-plus year downtrend with its initial June 2004 breakout move to \$0.47 accompanied by rising volume. Liquidity has improved since early-2002 with steady accumulation evidenced by the rising On-Balance-Volume (OBV). The recent price correction has pulled back to, and intersected the now-rising 40 and 80-week Exponential Moving Averages (EMA), the intermediate up-trend line, and the apex of the Symmetrical Triangle. After such a typical resolution to a "coil" formation, resulting in an upside breakout, a re-test of support (previous resistance) is common. Significant support is found in this area, now at the \$0.31 level. Next resistance is found at the \$0.50 and \$0.70 areas, requiring a relative pick up in volume to effect a successful breakthrough – likely dependant on drilling results or significant news. Typically after such a breakout, price will test new support and then trend up in saw-tooth fashion with the established trendline and EMA's acting as rising support.

Introduction

Terra Nova Gold Corporation, formerly known as Globenet Resources Inc., (the "Company"), is an emerging junior exploration

company with two active exploration projects in Newfoundland, located on the east coast of Canada and a new, undrilled, porphyry copper prospect in Michoacan State, Mexico, known as the San Diego Project.

The San Diego Project

On May 19, 2004 the Company and Noranda Exploration Mexico, S.A. de C.V. entered into an option agreement whereby Terra Nova can acquire a 50% interest in a new, undrilled, porphyry copper prospect in Michoacan State, Mexico, situated roughly 200 km west-southwest of Mexico City and roughly 70 km south of Morelia, the state capital. The 82 square kilometre prospect, known as the San Diego Property, is drill ready with an excellent well defined target and good potential to develop additional adjacent targets, as would be expected in any major porphyry system, commonly comprising a cluster of deposits.

The San Diego Property is located within the major structural trend that hosts the world class porphyry copper deposits in the southwest US and Mexico. In Mexico, the porphyry copper related occurrences are concentrated in the states of Sonora – Sinaloa, and Michoacan–Guerrero (Sierra Madre de Sur) and are associated with Laramide-aged intrusives (late Cretaceous – early Tertiary).

Work conducted by Noranda in 2002 and 2003, including a detailed silt sampling survey and a soil sampling survey, has defined an extensive copper silt and soil anomaly, approximately 2.5 km by 1 km, and strong hydrothermal alteration, with chalcopyrite and chalcocite, associated with a Laramide-aged porphyry. The copper soil anomaly covers an area with copper values greater than 400 parts per million (ppm), and includes anomalous areas greater than 800 ppm, greater than 1200 ppm and spot highs greater than 2000 ppm and as high as 3340 ppm.

There is a gold anomaly coincident with the copper anomaly with gold values greater than 10 parts per billion (ppb) with spot highs greater than 200 ppb, greater than 400 ppb and as high as 660 ppb. Further work will be required to determine how the gold is related to the porphyry copper system.

In addition, Noranda constructed a 9-km long bulldozer trail in January of 2003 that leads to the center of the porphyry mineralization. A small 200 metre spaced grid was installed for a magnetic survey, soil sampling, and to provide geographic control for detailed mapping in the area of alteration and mineralization. Regional work on the Property indicates other anomalous zones that require follow-up and might be quickly upgraded to a similar stage as the main San Diego drill target.

Previous to the government constructing a 26-km truck road into the area in 2001, access was restricted to horseback or mule. For this reason, the area received little exploration attention in the past. The Property is heavily vegetated and thus not amenable to detection using satellite imagery. Attention was initially drawn to the area as a result of a regional silt sampling program conducted by the government's Consejo de Recursos Minerales.

Technical Report:

<http://www.sedar.com/csfsprod/data48/filings/00682383/00000001/g%3A%5CSedar%5CTGC%5C2004%5CReports%5Cсандiego.pdf>

Cape Ray Property, Newfoundland

In August 2002, the Company entered into an option agreement with South Coast Ventures Inc. to acquire a 100% interest in the Cape Ray Property, located in southwest Newfoundland. The Cape Ray Gold Property is an advanced stage exploration property, consisting of 46 claims, with four known deposits related to the Cape Ray Fault Zone. The Property has three separate claim groups: 1) the Cape Ray claim group, which contains the 04 and 41 deposits; 2) the Big Pond claim group, which contains the Big Pond deposit; 3) the Isle aux Morts claim group, which contains the Isle aux Morts deposit.

Since entering into the option agreement to acquire the Cape Ray Property, the Company has carried out three exploration programs: 1) the Fall 2002 program; 2) the Spring 2003 program; and 3) the Fall 2003 program. The Fall 2003 Program consisted of 1,933 metres of BQ diamond drilling in 24 holes. Sixteen holes totalling 1,379 metres were drilled in the Big Pond deposit, two holes totalling 106 metres were drilled in the 04 deposit, two holes totalling 121 metres were drilled in the Isle aux Morts deposit and four holes totalling 346 metres targeted IP geophysical anomalies in the Isle aux Morts area. The Fall 2003 program was reported on in detail in the Company's news release dated November 17, 2003.

Drilling by previous owners on the Big Pond deposit identified two poorly defined parallel-plunging mineralized quartz vein shoots within a more widespread mineralized system. Four previous holes in the 'A' shoot averaged 12.8 g/t over 2.3 metres. Three previous holes in the 'B' shoot averaged 14.7 g/t over 1.3 metres. The Big Pond shoots were intersected with widely spaced holes from 25 metres to 120 metres below surface. There is also an intersection of 30.0 g/t over 0.2 metres which may be on the edge of a third parallel-plunging mineralized shoot. The Fall 2003 Program was designed to better define the known mineralized shoots at Big Pond and identify their down plunge extension. Ten holes drilled into the 'A' shoot at Big Pond intersected gold mineralization. One additional hole targeting the 'A' shoot was abandoned due to mechanical problems, and one hole encountered no significant gold mineralization. Highlights include 6.99 g/t Au over 3.15 metres in BP-03-01, 10.51 g/t Au over 1.31 metres in BP-03-04 and 6.24 g/t Au over 3.04 metres in BP-03-15. Drilling has indicated that the 'A' shoot is much more complex than previously anticipated. The vein ranges from 0.61 metres thick to 5.30 metres thick, and consists of both competent cohesive quartz and quartz breccia with 10 to 20% wall rock fragments. Gold mineralization is highly dependant upon sulphide content, and thick intersections of vein material are not indicative of high grade gold. Pyrite content ranges from trace to 75% sulphide. The vein also appears to have a much steeper plunge than previously thought and remains open down dip and down plunge. The mineralized vein was intersected in three of the four holes drilled into the 'B' shoot at Big

Pond, however results were insignificant. Management is currently assessing its interpretation of the 'B' shoot in light of the previous high grade intercepts in the 'B' shoot.

In August 2003, an IP geophysical survey was carried out over a portion of the Isle aux Morts property by Discovery International Geophysics Inc. Several highly chargeable and resistive targets similar to, but distinct from, the known Isle aux Morts deposit were identified. In the Fall 2003 Program, 4 BQ holes tested IP geophysical anomalies to the north of the known Isle aux Morts deposit; none of the holes encountered significant gold mineralization. Two BQ holes, IMR-03-11 and IMR-03-12, both drilled to test the down dip extension of the known Isle aux Morts deposit encountered significant gold mineralization. Downhole intervals are interpreted to be close to true width. IMR-03-11 encountered 6.1 metres of 9.99 g/t Au, including 3 metres of 16.60 g/t Au all in sulphide bearing quartz vein. IMR-03-12 encountered 16.6 metres of 3.33 g/t Au, including 4.6 metres of 5.23 g/t Au in sulphide bearing metasediments and quartz vein. Two holes were drilled in the 04 deposit on the Cape Ray Claim Group in the Fall 2003 program. CR-03-08 was successful in tracing a known mineralized zone to surface and intersected 1.52 metres of 30.1 g/t Au. CR-03-09, designed to better define the limits of the mineralization in a known vein, encountered no significant gold mineralization but is believed to have intersected a late fault.

In conjunction with Cornestone Capital Resources Inc., an adjoining landowner, the entire Cape Ray Property was flown in September 2003 with a high resolution gradient aeromagnetic survey on a 100 metre line spacing. The survey, the results of which are currently being interpreted, has the potential to identify new areas for detailed follow-up and to identify possible extensions to the known deposits.

Management has an extensive 2004 diamond drill program for the Cape Ray Property. The 2004 Program focuses on expanding the known deposits and on exploring for new mineralized zones.

South Quinn Lake Property, Newfoundland

The Company has an option to acquire a 100% interest in the South Quinn Lake Property, which is comprised of 12 mineral claims located in central Newfoundland. Noranda previously held the South Quinn claims and discovered high grade gold mineralization in quartz bearing boulders related to regional till geochemistry anomalies. Several strong soil geochemical and geophysical anomalies are coincident with the highest grade boulders. Values in the boulders range from 9.4 grams per tonne gold to 30.8 grams per tonne gold. The source of the high grade boulders has never been found.

In August 2002, the Company began an initial phase of work consisting of re-establishing the grid, geological mapping, prospecting and geophysics to trace the full extent of the previously identified mineralized zone, to verify existing targets in preparation for drilling. The program which was completed in October 2002, re-established the grid and identified gold geochemical anomalies which are coincident with untested geophysical anomalies. These targets are now ready for drill testing.

On May 12, 2003 the Company announced that it had entered into an option and joint venture agreement with Bayswater Ventures Corp. ("Bayswater") whereby the Company has agreed to grant Bayswater an option to acquire 95% of the Company's interest in the South Quinn Lake Property. Bayswater is expected to begin an initial 3 hole diamond drill program in July 2004, to evaluate the untested geophysical anomalies.

2004 Work Program

Terra Nova and Noranda are executing a C\$1,000,000 work program primarily to drill test the mineralized and altered porphyry system to determine the extent and the grade of the mineralized porphyry and the degree of supergene enrichment.

Noranda's soil sampling survey indicates that the copper rich core of the system is open to the south and additional grid work is required to determine the size of the system. Silt sample values in the western portion of the property indicate the potential for another mineralized system in that area. A drill program is expected to begin in October.

The Cape Ray Gold Project is an advanced stage project where a considerable gold resource has already been identified. The Company has begun a program to verify and expand existing gold resources and to explore for additional resources on the property.

The South Quinn Lake Gold Project is an early stage exploration project where the company has carried out a geophysical program to verify existing targets in preparation for drilling.

Recent Events

On June 23, 2004 Terra Nova announced a summer exploration program consisting of an airborne magnetic survey, grid expansion and soil surveys is underway on the San Diego Property. The majority of this grid and soil work is being carried out over areas to the northeast and southwest of the extensive (2.5 km by 1 km) copper/molybdenum silt and soil anomaly identified by Noranda in 2002 and 2003. Soil surveys will also be carried out over other anomalous zones on the San Diego Property where silt sample values indicate the potential for other mineralized systems.

To better define the extent of the mineralized porphyry underneath the overlying metamorphic complex a 1,077 line kilometer airborne magnetic geophysical survey were scheduled to be flown in late July. An extensive diamond drill program will begin in October to drill test the mineralized and altered porphyry system to determine the extent and the grade of the mineralized porphyry and the degree of supergene enrichment. The Company has committed to spending C\$1,000,000 on

exploration in 2004. Exploration work is being conducted by the project operator, Noranda Exploracion Mexico, S.A. de C.V.

On August 10, 2004 the Company announced drilling is underway on the Cape Ray Gold Project, located in southwest Newfoundland. A minimum of 2,500 metres of drilling is planned for the 2004 program, consisting of 7 to 9 diamond drill holes. The drill program consists of in-fill drilling, drilling to test the strike and down-plunge extent of the known mineralization at the 04 deposit and drilling to test the potential between the 04 and 41 deposits. The 04 deposit was the site of the Company's spring 2003 drill program, where five of six holes encountered significant gold mineralization (see News Releases of June 17 and 23, 2003). Down-plunge drilling in the spring 2003 program confirmed that the 04 deposit remains open at depth.

The Cape Ray Gold Project is an advanced stage exploration project with four known deposits related to the Cape Ray Fault Zone. The Project has three separate claim groups: 1) the Cape Ray claim group, which contains the 04 and 41 deposits; 2) the Big Pond claim group, which contains the Big Pond deposit; 3) the Isle aux Morts claim group, which contains the Isle aux Morts deposit.

Company Information

Share Capital: Authorized: 100,000,000; Outstanding Shares:

Balance at July 31, 2003	9,158,236	\$11,794,888
Exercise of warrants	160,000	32,200
Conversion of convertible debenture	10,825,966	2,073,030
Property acquisition	<u>277,778</u>	<u>75,000</u>
Balance at April 30, 2004	20,421,980	13,975,118
Subscription proceeds May 2004	<u>2,018,070</u>	<u>706,325</u>
	<u>22,439,050</u>	<u>\$14,681,443</u>

Options, warrants and convertible securities:

<u>Type</u>	<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Options	25,000	\$0.67	September 10, 2004
Options	2,810,000	\$0.35	March 4, 2006
Warrants	200,000	\$0.40	October 15, 2004
Warrants	256,756	\$0.50	January 10, 2005
Warrants	2,000,000	\$0.45	September 8, 2005

Listings:

TSX Venture Exchange trading symbol: **TGC**
Frankfurt Stock Exchange trading symbol: **GLT**
Berlin Stock Exchange trading symbol: **GLT**

Corporate Office:

3rd Floor, 157 Alexander Street, Vancouver, BC, Canada, V6A 1B8
Telephone: 604.684.0561; Facsimile: 604.602.9311; Toll Free: 1.800.565.5336

Investor Relations

Telephone: 604.684.0561; Facsimile: 604.602.9311; Toll Free: 1.800.565.5336
E-Mail: terranova@bed-rock.com

Website: www.terranovagold.com

Terra Nova Gold Corp. offers a unique opportunity to be involved in the early stages of an exciting exploration company with a proven management team.

The Company's public filings can be viewed via the SEDAR website: www.sedar.com

Copyright © 2004 by Diversified Financial Solutions. All Rights Reserved.

DISCLAIMER

The information found in this profile is protected by copyright laws and may not be copied, or reproduced in any way without the expressed, written consent of the editors of Growth Stocks Weekly.

Growth Stocks Weekly is an independent electronic publication committed to providing our subscribers with factual information on selected publicly traded companies, business, and economics. All companies are chosen on the basis of certain financial analysis, and other pertinent criteria with a view toward maximizing the upside potential for investors while minimizing the downside risk, whenever possible with the added aid of technical analysis.

Growth Stocks Weekly and its editors do not accept compensation from public companies featured in this publication.

All statements and expressions are the sole opinions of the editors and are subject to change without notice. A profile, description, or other mention of a company in the newsletter is neither an offer nor solicitation to buy or sell any securities mentioned. While we believe all sources of information to be factual and reliable, in no way do we represent or guarantee the accuracy thereof, nor the statements made herein.

The staff of Growth Stocks Weekly are not registered investment advisors and do not purport to offer personalized investment related advice. The publisher, staff, or anyone associated with, or associated to, the Growth Stocks Weekly may own securities mentioned in this newsletter and may buy or sell securities without notice.

The profiles, critiques, and other editorial content of the Growth Stocks Weekly may contain forward-looking statements relating to the expected capabilities of the companies mentioned herein. The reader should verify all claims and do their own due diligence before investing in any securities mentioned.

Investing in securities is speculative and carries a high degree of risk.

We encourage our readers to invest carefully and read the investor information available at the web sites of the Securities and Exchange Commission ("SEC") at <http://www.sec.gov> and/or the National Association of Securities Dealers ("NASD") at <http://www.nasd.com>. We also strongly recommend that you read the SEC advisory to investors concerning Internet Stock Fraud, which can be found at <http://www.sec.gov/consumer/cyberfr.htm>.

Readers can review all public filings by companies at the SEC's EDGAR page in the U.S. and SEDAR's electronic filing of securities information as required by the securities regulatory agencies in Canada at www.sedar.com. The NASD has published information on how to invest carefully at its web site.