# GEOLOGICAL ASSESSMENT REPORT ON THE DOLOMITE CLAIMS

**Tenure # 504307, Mines Act Permit MX-8-229**
**Latitude 50°26’48”/Longitude 127°29’59”**
**5589272N + 6062296**
**N.T.S. 92L/05E + 6W (92L.043)**

**in the**

**JEUNE LANDING AREA, PORT ALICE, B.C.**
**NANAIMO MINING DIVISION**
**BRITISH COLUMBIA**

**For**


**Homegold Resources Ltd.**
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**By**


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**Consulting Industrial Mineral Geologist**


**Fieldwork completed between July 1, 2010 and October 3, 2010**

**December 16, 2010**

**Looking southeast along new 2010 Logging Road.  Dolomite Zone to the right**

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## EXECUTIVE SUMMARY

This Assessment Report documents a re-logging of diamond drill core in 2010 from a program done in 2005 to assess the resource potential for Dolomite in the Jeune Landing Area. A high MgO assay was discovered on June 18, 2004 by J. Shearer. Subsequently a program of prospecting, rock sampling, line cutting, geological mapping, trail building, percussion drilling and diamond drilling was completed in 2004 and 2005.

Quatsino Sound has a long history of mining both metals (gold, copper, lead/zinc, silver and iron) and industrial minerals such as high calcium limestones and chalky geyserite and high silica rocks. Preliminary water depth soundings were made northwest of Jeune Landing in early December 2004 to quantify barging loadout possibilities.

The area is mainly underlain by Upper Triassic Karmutsen Volcanics, Quatsino Limestone and Bonanza Volcanic rocks. The Karmutsen Formation is a very thick sequence of mainly amygdaloidal pillow basalts. The Quatsino Formation is composed mainly of limestone. Above the Quatsino is the relatively complex Bonanza Volcanics and volcanoclastic sediments. These rocks are locally intruded by small bodies of granitic igneous rocks of Jurassic to Tertiary age.

A small but active local prospecting fraternity on the island kept up a steady stream of new discoveries throughout the 1940's to 1990's. The last major round of mineral exploration was done in the late 1980's by large companies such as BHP Resources, and juniors like Moraga and First Point. Major drill programs have been completed in the last five years by Lehigh Northwest Cement, Electra Gold Ltd. and Ash Grove Cement on industrial mineral potential farther north in Holberg Inlet. Ecowaste (Graymont) diamond drilled the Var Limestone deposit located about 7 miles north of Jeune Landing in 1994 and more recently.

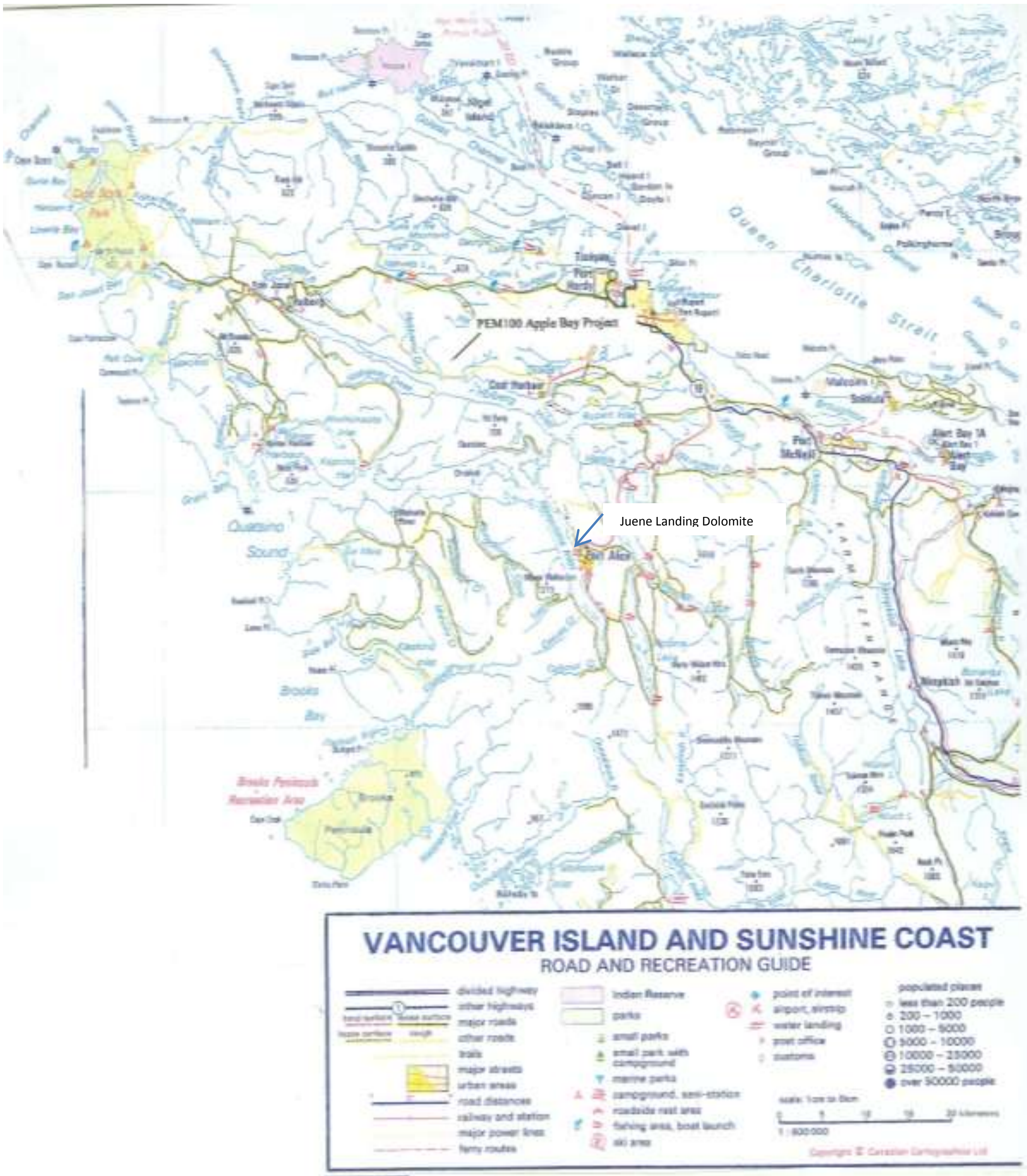
The areas of high dolomite potential and opportunity were identified by a synthesis of (1) geological setting (2) mineral deposit metallogenesis-deposit models (3) past work in the area as exemplified by publicly available assessment reports dating back to the 1940's (4) Minfile records including past production figures (5) government regional geochemistry and (6) personal experience by the author of working in Quatsino Sound since starting from the early 1970's.

The work program demonstrated that a zone of dolomite approximately 30m wide occurs on a small shoreline exposure and continues to the north for at over 400 metres. Preliminary surface assays are up to 22.10% MgO. Sub-surface samples from percussion drilling returned assays up to 22.3% in Hole 15m North, 45º between 10 ft. to 20 ft. depth; Hole 30 North between 10 ft. to 20 ft. and 20 ft. to 30 ft. Assays above 21% MgO are common place from the percussion drilling results. A sample collected on surface at 400N 0+20W assayed 21.2%.

Diamond drilling was completed in 2005 and this assessment report is a re-logging of the core and summary of potential. Additional follow-up work of mapping, sampling, additional diamond drilling and bulk sampling is recommended.

Respectfully submitted,

J.T. (Jo) Shearer, M.Sc., P.Geo.
Consulting Industrial Mineral Geologist
December 16, 2010




Homegold Resources Ltd.

Dolomite Claims

Location Map

Figure 1

## INTRODUCTION

Industrial mineral resource opportunities around Quatsino Sound are mainly associated with the production of various forms of carbonate (limestone, dolomite and high brightness carbonates) and alumina-rich products such as cement raw materials and value added kaolin. Mineral resource opportunities are not only connected with overall “mineral potential” but also depend on such factors as market definition, transportation issues, capital requirements, environmental mitigation and strategic alliances with existing producers and/or users.

Dolomite has been considered to be in short supply near the coast of British Columbia but the recent discovery of a relatively lower grade dolomite deposit on northern Texada Island (by Ash Grove Cement) and the dolomitic deposits along Laredo Sound and the high grade dolomite deposit at Port Alice (the subject of this report) indicate dolomite is actually more common than generally known in the past. The main markets identified for high grade dolomite are in the supply of agricultural dololime and high specification raw materials for modern glass manufacturing.

Limestone and dolomite are currently produced from a few locations throughout the province for a variety of uses but much of the limestone and dolomitic limestone production currently originates from Texada Island. Most of the limestone consumed in cement manufacturing in British Columbia and Washington State is quarried on northern Texada Island by Ash Grove Cement West Inc. operated the Blubber Bay Quarry until recently having a history of over 100 years. Texada Quarrying (formerly Holnam West Materials Ltd. and Ideal Cement Company Ltd.) and now recently purchased by Lafarge. This quarry supplies the cement plants of Lehigh Northwest Cement Ltd. in Delta, and Lafarge Canada Inc. in Richmond B.C. This operation also supplies their own cement plants in Washington and Oregon. Lafarge Canada operated a quarry on Texada Island near Vananda from 1957 to 1986 and B.C. Cement, now Lehigh, operated the Grilse Point Quarry from 1926 to 1957. Generally high-calcium limestone is required for cement manufacturing, although some calcium limestone is also used. The higher silica and alumina contents found in some limestones may be useful for manufacturing cement but excessive amount of alkalies cannot be tolerated. Total alkalis ($Na_2O$ + 0.658 x $K_2O$) should be below 0.6 percent. Magnesia content commonly cannot exceed 3 percent (Fischl, 1992). Typical cement quality limestone averages less than 2% $SiO_2$ and 1.5% MgO.

Lime manufacturing is another important use of limestone in the province. Chemical Lime Company of Canada Ltd. produces lime (CaO) and Quicklime [$Ca(OH)_2$] at a plant in Langley. The company is supplied with limestone from Texada Island. Limestone used for lime manufacture must be at least high-calcium in composition, with less than 0.5 percent MgO.

The pulp and paper industry is also a significant consumer of limestone in British Columbia. It was initially consumed by pulp mills using the acid sulphite process of manufacturing pulp from wood chips. About half the mills now use the sulphate (kraft) process, while the remaining half use mechanical processes. The sulphate process has gained wide acceptance over the years, because it produces a stronger pulp more economically. Pulp mills using this method require lime (CaO) to recover the caustic soda (NaOH) used in the sulphate process. Most mills calcine their own limestone on site to produce the required lime. The various mechanical processes presently used by half the mills do not require lime or limestone. Kraft and mechanical processing are expected to maintain their relative importance in the local pulp industry in the near future. Kraft mills situated on or near the coast are currently supplied by Texada Island. Limestone from Texada Island has been shipped to mills along the Pacific Coast from Alaska to northern California.

A small amount of carbonate rock quarried in the province is crushed and ground for a variety of uses such as fillers and extenders in paints and plastics, as chips and granules for architectural and decorative purposes, and in the manufacture of glass. Imperial Limestone and Texada Quarrying each produce white (high brightness) limestone from a small quarry on northern Texada Island, largely for export to Washington State. IMASCO operate a high brightness carbonate quarry near Benson Lake 25km southeast of Jeune Landing and ship out the material from a load out just south of the Pulp Mill in Port Alice. Mighty White Dolomite did until 2 years ago operate a small quarry and mill in Rock Creek manufacturing a variety of products. Limestone and dolomite for use in most fillers and extenders must have a brightness in excess of 85 percent (ideally 95 to 96 percent dry brightness in blue light), low iron contents and no silicates. Glass manufacturers require limestone with no more that 0.15 percent $Fe_2O_3$. Excessive iron causes a greenish discoloration in glass.

Limestone is also used as a source of crushed stone aggregates and is used in many places in North America as a concrete and paving aggregate.

The consumption of limestone and dolomite is expected to increase in a number of areas in the near future. The province's mining industry will be relying more on limestone to control acid rock drainage and to neutralize waste cyanide used in the treatment of gold ores. The pulp and paper industry is expected to consume increasing amounts especially with the recent construction of new mills in northern Alberta, some of which will require limestone. In addition to pulp manufacturing, limestone is also used as a coater and filler in paper, where alkali processes are employed. Alkali processing of pulp for paper manufacturing in Europe is quite common. North American paper producers have been slow to switch to alkali processes but there is scope for development in this market for white limestone. Limestone is currently used as a filler and coater in fine paper but production is comparatively small in British Columbia and the Pacific Northwest, because of the limited market for the product. The increasing use of precipitated calcium carbonate (PCC) in paper manufacturing may also limit this market for white limestone (Fischl, 1992). Currently there are plans for a PCC Plant in Vancouver near the main waste incinerator as the source of $CO_2$.

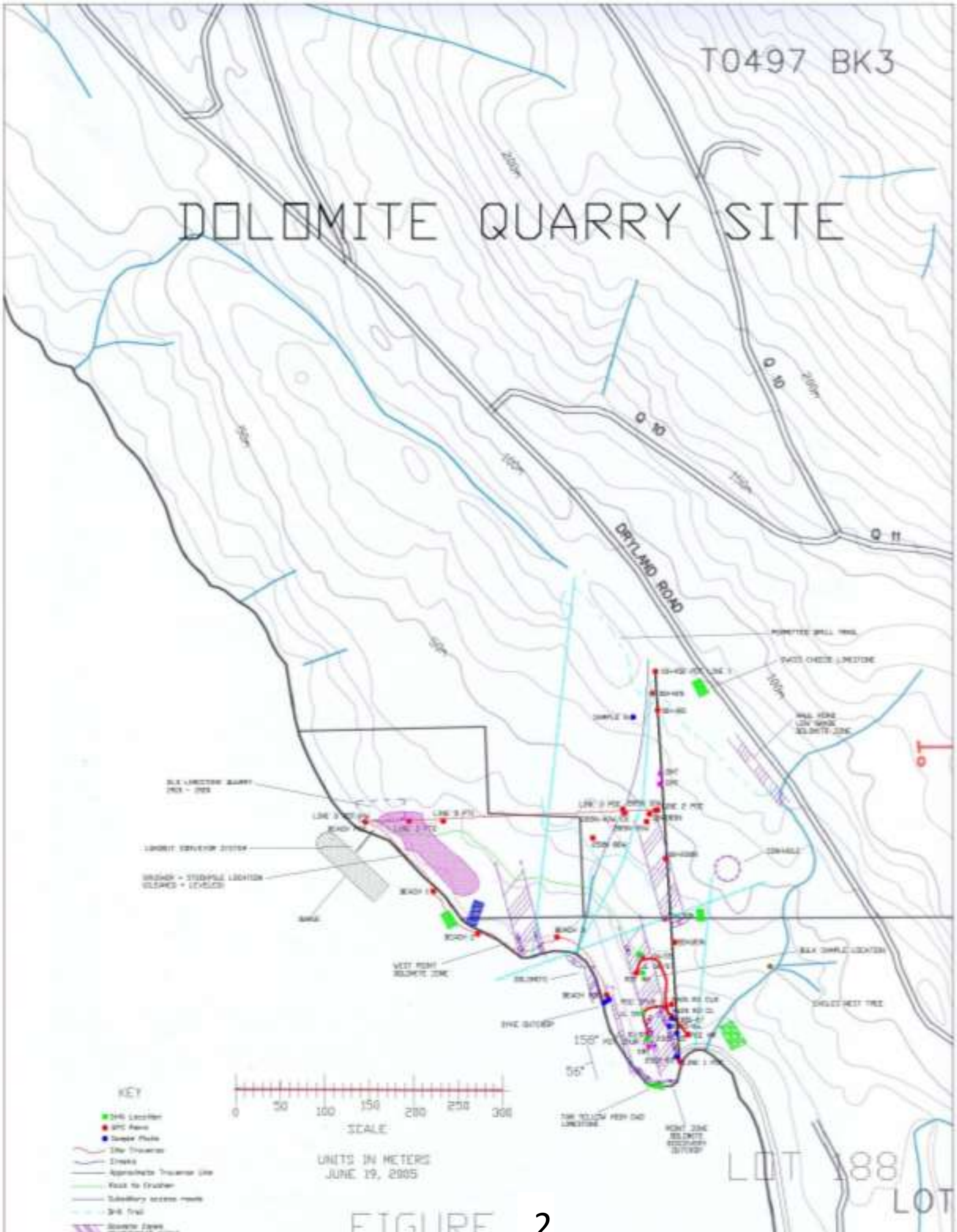



FIGURE 2
GENERAL SITE LAYOUT

## LOCATION and ACCESS

A north-westerly-trending belt of limestone, 45 km long and as much as 9 km wide, occurs near the north end of Vancouver Island in the vicinity of Quatsino Sound south down to Port Alice on the northwest coast.

Access to the north end of the Island is provided by a paved highway linking Port Hardy with Campbell River. Access to various mining properties established from the paved highway or main logging roads, which run the length of the region.

Logging has occurred in the dolomite area during the latter part of 2010 and should give access to the main zone.

The relief on the north end of Vancouver Island is characterized by relatively low hills mainly underlain by carbonate rocks and Karmutsen Volcanics. The southern part of the Belt is higher and more rugged from a central series of mountains.

The climate is west coast marine temperate which allow mining to be conducted on a year round basis. The humid climate is responsible for the rapid growth of the west coast conifer rainforests.

The community of Port Alice extends to include the southern end of the dolomite deposit and the town is located less than 1 kilometre south of the property. Port Alice is an industrial supply centre for the logging industry. It was also one of the supply centres for the 60,000 tonne/day Island Copper mining operation that was in production from 1972 to 1997. Heavy equipment, fuel supplies, parts and a labour force are readily available to provide material and services to any new mining operation. A Specialty Pulp Mill has operated just south of Port Alice since about 1913 and largely accounts for the reason for the Town’s existence. This Pulp Mill recently re-opened and produced specialty pulp. The Pulp Mill also has a railway barge ramp which may be available to temporarily ship out dolomite.

A small high brightness limestone operation by IMASCO Industries barges out limited quantities from an in-house loading facility immediately south of the Pulp Mill.

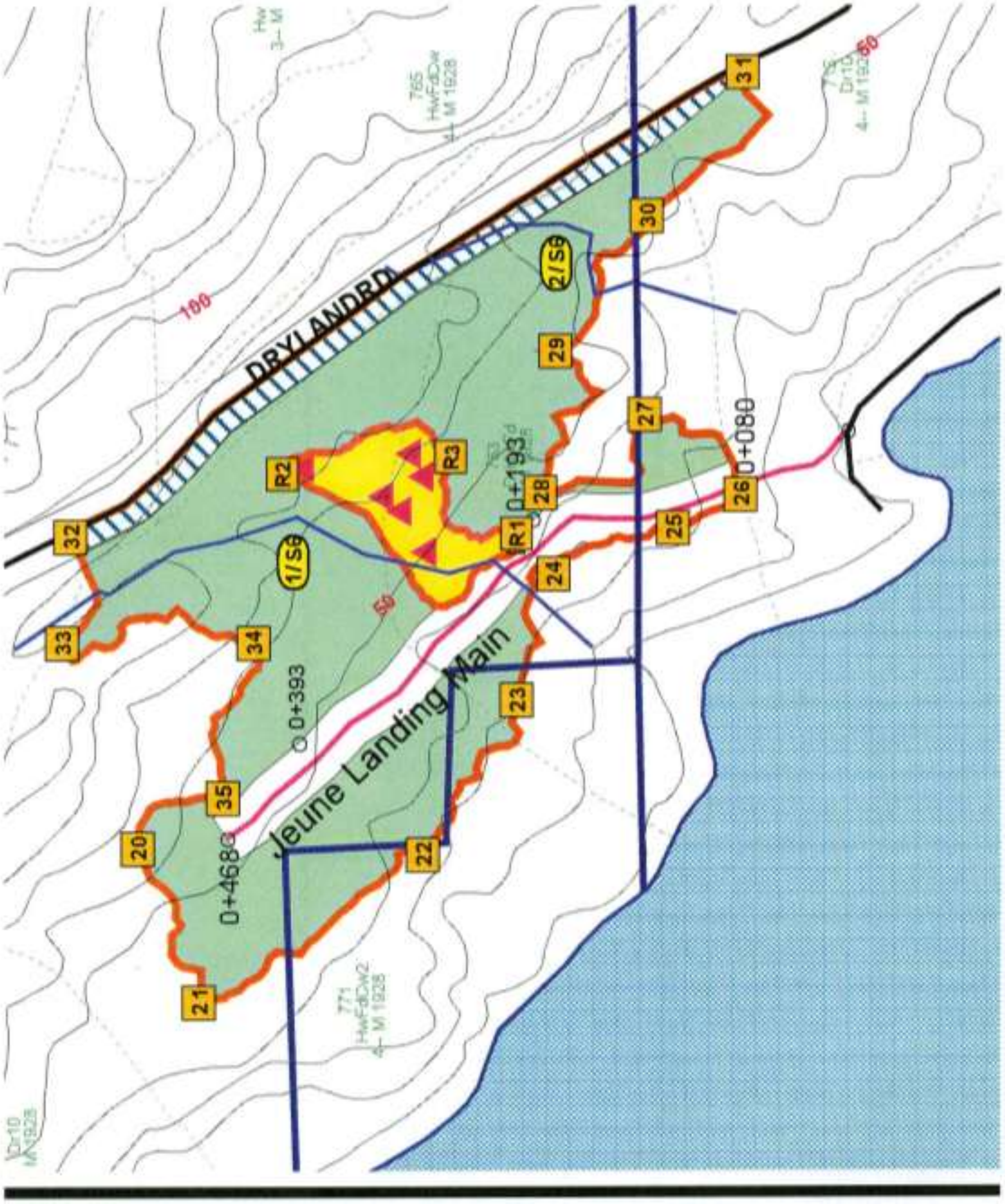



Figure 3 Logging Map – Area Logged November 2010

## MINERAL TENURE (Claim List)

The new Mineral Titles Online started on January 12, 2005 and the legacy claims covering the dolomite deposit were converted to the new Cell Claim as shown on Table I and Figure 4.

**TABLE I**
**List of Claims**

| Cell Claim | Tenure Number | Cell Area (ha) | Issue Date | Current Anniversary Date* | Owner |
|---|---|---|---|---|---|
| "Port Alice" | 504307 | 246.91 | January 19, 2005 | October 28, 2014 | J. T. Shearer |
| Port Alice 5 | 504308 | 20.58 | January 19, 2005 | October 19, 2014 | J. T. Shearer |
| | | Total ha 247.49 | | | |

* with application of assessment work documented in this Report

Under the present status of mineral claims in British Columbia, the consideration of industrial minerals requires careful designation of the product end use. An industrial mineral is a rock or naturally occurring substance that can be mined and processed for its unique qualities and used for industrial purposes (as defined in the *Mineral Tenure Act*). It does not include "Quarry Resources". Quarry Resources includes earth, soil, marl, peat, sand and gravel, and rock, rip-rap and stone products that are used for construction purposes (as defined in the *Land Act*). Construction means the use of rock or other natural substances for roads, buildings, berms, breakwaters, runways, rip-rap and fills and includes crushed rock. Dimension stone means any rock or stone product that is cut or split on two or more sides, but does not include crushed rock.

One of the apparent expected main end use of the $CaMgCO_3$ resource at Port Alice (that of supporting a glass plant raw materials or chemical plants) comes within the Industrial Use definition and therefore can be considered under the *Mineral Tenure Act*. Claims require $4 per ha of assessment work for the first 3 years (or cash-in-lieu) each of the first three years and $8 per ha assessment each year after.

Much of the limestone resources on Vancouver Island appears to be held via Crown land. Prior to the 1960's, the limestone resource was generally not acquired by ordinary mineral claims. The history of a particular private land lot is critical to determining if the lot holds tenure to the limestone resource. Each limestone area requires an in depth analysis of all private tenure deeds. Land Lot 188 is private land owned by Western Forest Products and covers part of the southern portion of the presently known dolomite deposit.

In the creation of the B.C. Assets and Land Corp., there are still general policies to be formulated in regard to access to land maps. Currently there is some difficulty in searching the BCAL database and the system is only set up to search individual lot numbers.

A comprehensive Archaeological Impact Assessment (AIA) was completed on the Project Area in 2005 (Chatan, 2005). A few CMT's (culturally modified trees) were found in the upper levels which can be avoided during any development of the dolomite resource.

A Letter of Support has been received from Chief & Council of the Quatsino First nation.  Mines Act Permit MX-8-229 was issued in 2006 associated with a $10,000 reclamation Permit.

The Village of Port Alice also supports the project (Regular Meeting, Sept. 14, 2005) after a presentation of the scope and plans of the Project.

## HISTORY of CARBONATE EXPLORATION

The earliest reported examination of the northern part of Vancouver Island dates back to the 1800's when Dawson (1887) assigned limestone units near Quatsino Sound to the Vancouver Group. Dolmage (1919) named the extensive limestone occurrences at Quatsino and Barkley Sounds the Quatsino Formation. Subsequent work by Gunning (1930, 1932, 1938a, 1938b) detailed the stratigraphy of the region and it was proposed the Vancouver Group be subdivided, as follows: basal Karmutsen Volcanics, middle Quatsino Formation and upper Bonanza Group. The division was subsequently corroborated at other locations on Vancouver Island (Hoadley, 1953; and Jeletzky, 1970, 1976).

The Alice Lake-Benson Lake area was mapped by Jeffery (1962) at a scale of 1:63,350. Muller et. al. (1974) mapped the area as part of the Alert-Cape Scott map area at a scale of 1:250,000, which was subsequently revised by Roddick (1980). Detailed information on the geology and stratigraphy of the Varney Bay and Hankin Point areas was published by Northcote (1968), Muller et. al (1974) and Jeletzky (1976).

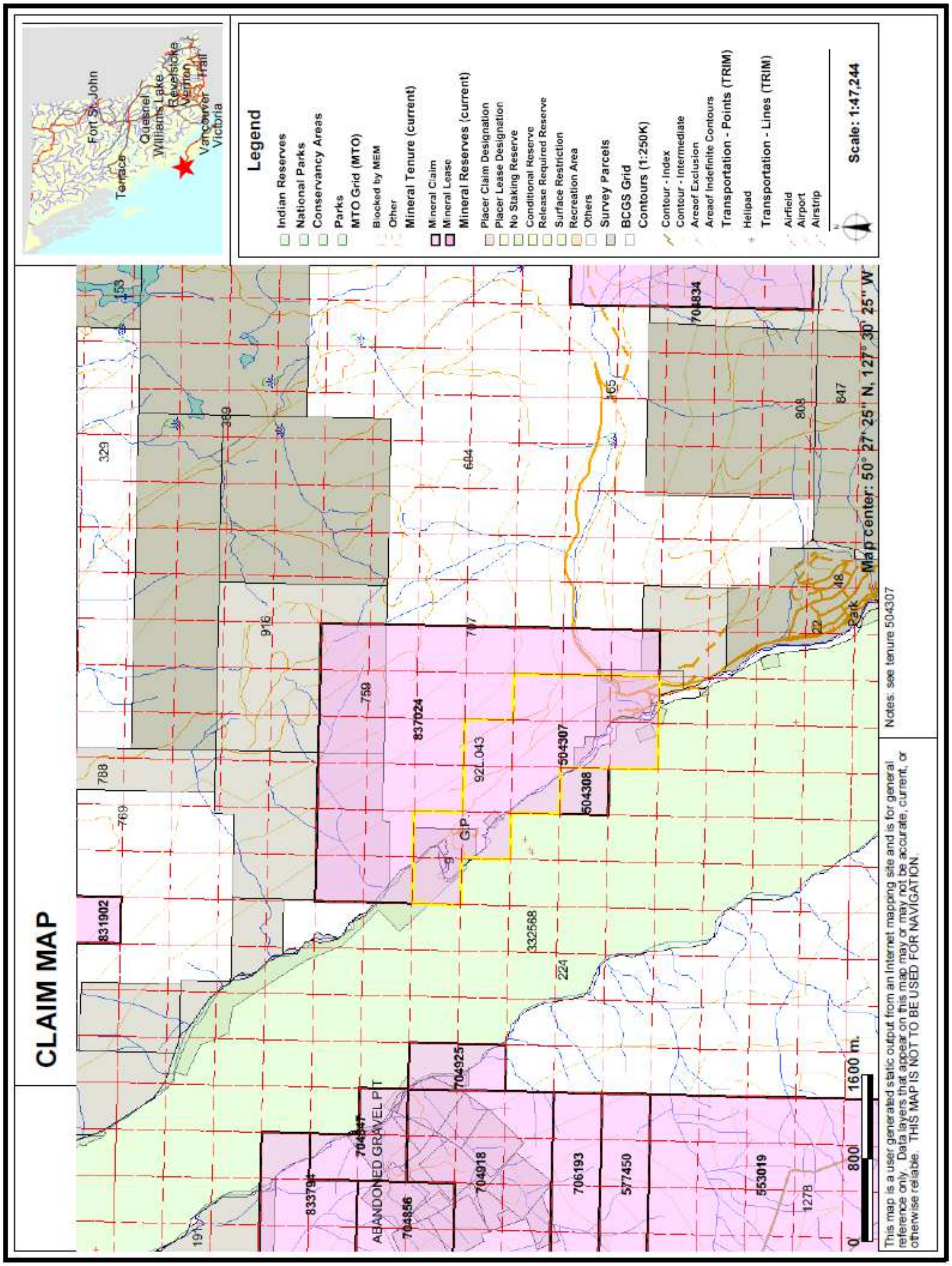
The earliest analyses of limestone from the northern part of Vancouver Island were reported by Goudge (1945). Compilation work by Fishl (1992) on limestone and dolomite in British Columbia includes a summary of available information on the northern part of Vancouver Island.

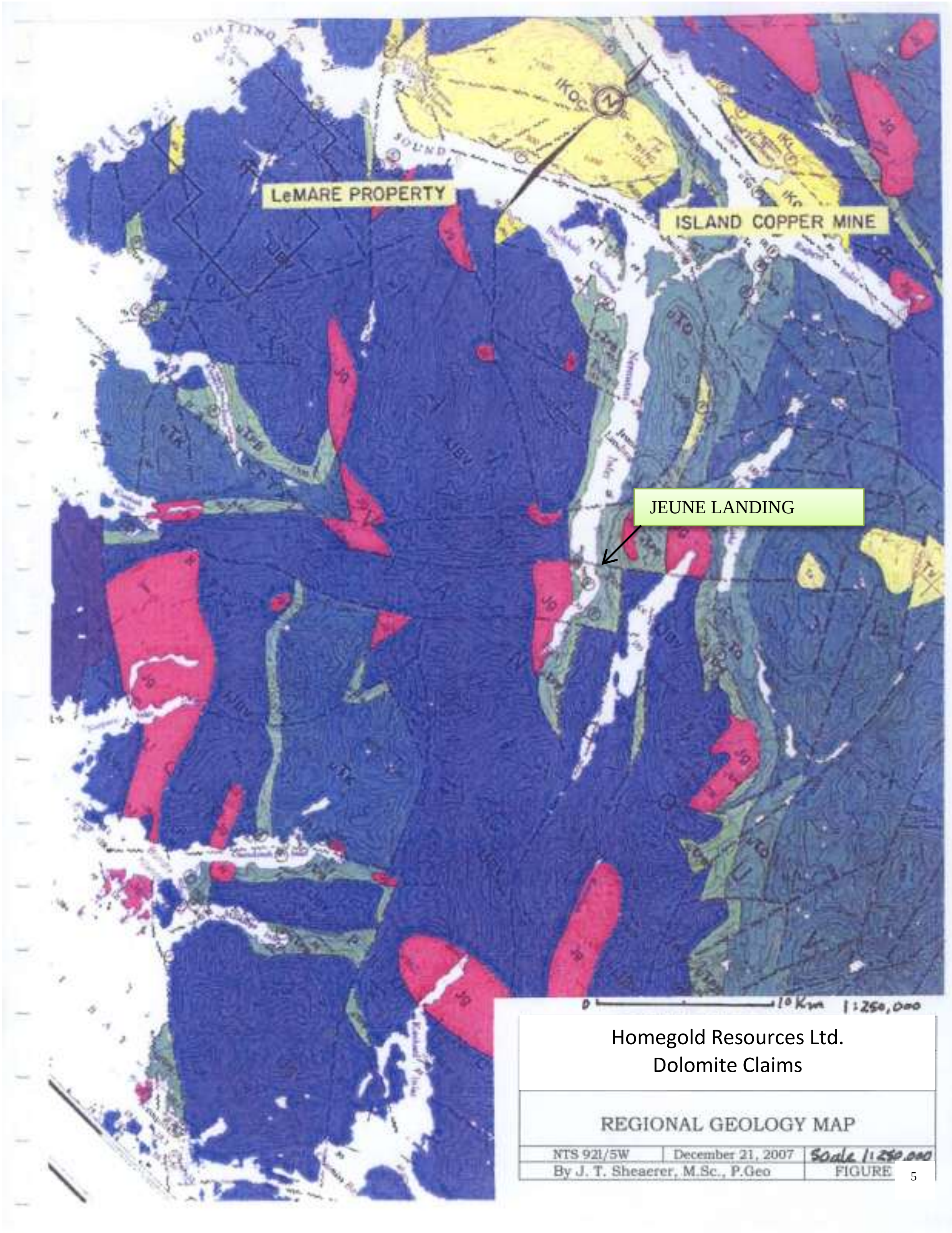
Limestone has been quarried at two locations on the east side of Neroutsos Inlet for the Port Alice pulp mill to the south. A quarry on Lot 1581, 0.9 kilometres northwest of the dolomite occurrence at Jeune Landing, was in operation between 1919 and 1925. A second quarry was opened up in 1925 on Lot 1582, 2.5 kilometres northwest of Jeune Landing, the present site of the large scale Quatsino Dry Land Sort operated by Western Forest Products. This quarry was operated continuously up to 1960. Between 1919 and 1960 313,111 tonnes of limestone were quarried.

In 1993 Stan Krukowski of Continental Lime Inc. (now Graymont) examined several limestone prospects within southwestern British Columbia. During the latter part of 1993 two groups of claims were staked; one group was located on the south side of Rupert Inlet at Varney Bay and the other on the northeast side of Nimpkish Lake. In May of 1994, eight holes totalling 1,073m, were completed at the Varney Claims (Krukowski, 1994).

The Fox Limestone Deposit on the west end of Holberg Inlet was investigated by drilling between 1971 and 1980.

The dolomite exposure at the north end of Jeune Landing on Lot 188 (owned by Western Forest Products) along the shoreline was first sampled by J. T. Shearer, M.Sc., P.Geo. on June 18, 2004. Follow up sampling was completed between August and January 2005 and included line cutting, prospecting, geological mapping, trail building and percussion drilling and diamond drilling in June 2005.


CLAIM MAP
Legend
Indian Reserves
National Parks
Conservancy Areas
Parks
MTO Grid (MTO)
Blocked by MEM
Other
Mineral Tenure (current)
Mineral Claim
Mineral Lease
Mineral Reserves (current)
Placer Claim Designation
Placer Lease Designation
No Staking Reserve
Conditional Reserve
Release Required Reserve
Surface Restriction
Recreation Area
Others
Survey Parcels
BCGS Grid
Contours (1:250K)
Contour - Index
Contour - Intermediate
Areaof Exclusion
Areaof Indefinite Contours
Transportation - Points (TRIM)
Helipad
Transportation - Lines (TRIM)
Airfield
Airport
Airstrip
Scale: 1:47,244
Fort St. John
Terrace
Quesnel
Williams Lake
Revelstoke
Vernon
Vancouver
Trail
Victoria
831902
704925
ABANDONED GRAVEL PIT
704847
833794
704856
704918
706193
577450
553019
332568
837024
504307
504308
92L.043
GP
704834
0
800
1600 m.
Map center: 50° 27' 25" N, 127° 30' 25" W
Notes: see tenure 504307
This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.


LeMARE PROPERTY
ISLAND COPPER MINE
JEUNE LANDING
10 Km 1:250,000
Homegold Resources Ltd.
Dolomite Claims
REGIONAL GEOLOGY MAP
NTS 92l/5W
December 21, 2007
Scale 1:250,000
By J. T. Sheaerer, M.Sc., P.Geo
FIGURE 5

REGIONAL GEOLOGY MAP
LEGEND
Figure 5
MIOCENE
Tv
EOCENE
Tg
CRETACEOUS
UPPER CRETACEOUS
NANAIMO GROUP
uKs
SUQUASH FORMATION siltstone, shale
uKg
SUQUASH FORMATION greywacke, conglomerate
LOWER TO ? UPPER CRETACEOUS
QUEEN CHARLOTTE GROUP
lKQc
lKQs
LOWER CRETACEOUS
lKL
LONGARM FORMATION greywacke, conglomerate, siltstone
JURASSIC AND CRETACEOUS
PACIFIC RIM COMPLEX
JURASSIC
ISLAND INTRUSIONS quartz diorite, granodiorite,
JURASSIC AND OLDER
WEST COAST CRYSTALLINE COMPLEX
LOWER JURASSIC
BONANZA GROUP
HARBLEDOWN FORMATION
Andesitic to rhyodacitic lava, tuff, breccia
TRIASSIC
UPPER TRIASSIC
VANCOUVER GROUP
PARSON BAY FORMATION calcareous siltstone, shale, limestone, greywacke, conglomerate, breccia
QUATSINO FORMATION limestone
KARMUTSEN FORMATION basaltic lava, pillow lava, breccia, aquagene tuff, greenstone, minor limestone
MIDDLE AND UPPER TRIASSIC
PENNSYLVANIAN ?
SICKER GROUP
MESOZOIC
COAST MOUNTAINS AND ADJACENT ISLANDS
CENOZOIC
QUATERNARY
PLEISTOCENE AND RECENT
Qs
Alluvial, marine and glacial deposits
HYPABYSSAL ROCK
JURASSIC OR YOUNGER
LOWER JURASSIC OR YOUNGER
Granodiorite, grading into tonalite and quartz diorite
JKqd
Quartz diorite, grading into tonalite and diorite
JKdgn
Gabbro, in most places not mapped separately from diorite unit
METASEDIMENTARY AND METAVOLCANIC ROCKS
AGE NOT KNOWN
Greenstone, amphibolite, chert, argillite, schist, hornfels
Argillite, quartzite, minor schist and skarn
Chlorite schist, biotite schist, grades into dioritic complex
Limestone, quartzite
Geological boundary (approximate)
Bedding, tops known (horizontal, inclined)
Bedding, tops unknown (vertical)
Foliation (horizontal, inclined, vertical)

## REGIONAL GEOLOGY

The Quatsino Formation contains the most significant limestone and dolomite resources situated on or near tidewater along the British Columbia coast. The formation was named for the extensive outcrops of limestone of Late Triassic age occurring on Quatsino Sound on northern Vancouver Island. Similar limestone on Texada Island, previously referred to as Marble Bay Formation, is now included with the Quatsino Formation. On southern Vancouver Island most Upper Triassic limestones were initially mapped as the Sutton Limestone. These have also been incorporated into the Quatsino Formation. The Sutton Limestone is now restricted to the latest Triassic limestone member of the Parsons Bay Formation.

The Quatsino Formation is conformably underlain by basalts and andesites of the Karmutsen Formation. In places these volcanic rocks are intercalated with the limestone, such as in the Cowichan Lake area on southern Vancouver Island. The Quatsino Limestone grades upward into thinly bedded black limestone and black calcareous argillite of the Parsons Bay Formation.

Comprehensive geological mapping of Northern Vancouver Island was carried out during the late 1960’s, the bulk of it by Dr. Jan Muller of the Geological Survey of Canada with major assistance by Dr. Kenneth Northcote of the B.C. Department of Mines. The results of their mapping are summarized on G.S.C. Map 1552A. More recently, mapping at 1:50,000 was carried out on map sheets NTS 97L/12 and 92L/11W by Hammock, J. L. et. al. in the 1990’s. The result of this work, which was produced by the Geological Survey Branch of the British Columbia government, is available in both digital and hard copy formats.

The basement upon which the rocks of northern Vancouver Island were laid down is probably of Middle to Upper Paleozoic Age. At the time of deposition, the landmass, which now makes up Vancouver Island, was located in the equatorial regions of the Pacific Ocean. It consisted of felsic to basic volcanics deposited in a submarine environment. The important copper-zinc-gold-silver ore bodies at Western Mines’ (now Breakwater) Buttle Lake operations were developed within this sequence.

In Upper Triassic time (about 200 million years ago), these basement rocks were covered by a series of pillow lavas and flows largely of basaltic composition called the Karmutsen Formation. Total thicknesses extruded probably exceed 2400 metres.

Following this period of basaltic volcanism, carbonate rocks (the Quatsino Limestone) accumulated to thicknesses of about 300 metres, although a much thinner section appears to be the rule north of Holberg Inlet. Of importance from an economic standpoint is the correlation between the Karmutsen – Quatsino section of Vancouver Island and the Nikolai Greenstone – Chitistone Limestone section of southeastern Alaska, both of which are part of the same Central Pacific terrane. The Nikolai, like the Karmutsen, is considerably enriched in copper as compared with the average basalt. The Chitistone Limestone was host to the very high-grade Kennecott Copper deposit, which was apparently derived by re-concentration of the much lower-grade copper disseminated through large volumes of Nikolai rock.

Above the Quatsino Formation there is generally found a clastic section of which appears to be of slightly different age and of varying composition in different parts of northern Vancouver Island. Depending on age, composition and location, it is known as the Parson Bay Formation or the Harbledown Formation. The Parson Bay is somewhat calcareous and of upper-most Triassic age while the Harbledown is more argillitic and of lower-most Jurassic age. Above the sedimentary section are the

Jurassic Bonanza Volcanics, an assemblage of flows, tuffs and fragmentals largely of andesitic composition, but with minor basaltic and rhyodacitic sections.

During and after eruption of the Bonanza Volcanics, Granitic bodies were emplaced within the Karmutsen-Quatsino-Bonanza sequence. These bodies ranged in size from dykes and small plugs to masses of batholithic proportions. Some of these intrusives formed the underground reservoirs, which broke through to surface to deposit the Bonanza Volcanics.

Reaction between these very hot, high-level vent zones and circulating groundwater and seawater led to the development of numerous zones of highly altered rock, within or adjacent to which are copper-gold-molybdenum deposits. The alteration zones are generally characterized by the presence of large amounts of silica, clay minerals, pyrite, pyrophyllite and laumontite. Of the various alterations zones, perhaps 90% are located in the belt immediately north of Rupert and Holberg Inlets particularly in the vicinity of the PEM100 Quarry and Pemberton Hills.

At some time during the latter part of the Jurassic, following a long period of northward drift, the Vancouver Island – Queen Charlotte Islands – Southeast Alaska terrane, apparently somewhat fragmented, collided with and fused to the North American Continent. Following this accretion, and a general elevation of the landscape probably related to the mechanics of collision, highland portions of the terrane were eroded into basinal areas, forming continental transgressive sandstones of Cretaceous age, which included numerous coal measures, those of the Nanaimo basin being most notable.

One of the small Lower Cretaceous basins of sandstone and conglomerate extends from the western edge of the Island Copper Mill area to the vicinity of Apple Bay on the Coal Harbour #1 and #2 and Hankin Point #1 and #2 claims. Since the deposition of these various sandstones, there has been minor volcanic and intrusive activity on the island.

Throughout the western part of Quatsino Sound, the upper Valanginian to upper Barremian sedimentary rocks (Longarm Formation equivalents) are overlain, apparently conformably, by a thick succession of predominantly conglomeratic to coarsely arenaceous, almost exclusively non-marine rocks. Jeletzky (1961b, p. 543) and Jeletzky and Tipper (1968, p. 88, 89) recognized the general facies, stratigraphic, and structural equivalence of these rocks to those of the Jackass Mountain Group of the Tyaughton Trough. As interpreted by Jeletzky and Tipper (1968, p. 88, 89), these non-marine rocks of Quatsino Sound area record the occurrence of the same Aptian tectonic movements as the Jackass Mountain Group and represent piedmont deposits formed along the southwestern base of the tectonic highland that separated the Insular Trough from Tyaughton Trough during the Oxfordian to Aptian interval (Jeletzky and Tipper, 1968, Figs. 7-9).

The discovery of a marine Cenomanian fauna in the basal beds of “Upper Shale” unit overlying the post-Barremian non-marine rocks in Quatsino Sound (Jeletzky, 1970a, p 210-211), and the presence of Albian pollen and spores in their upper conglomeratic unit (i.e. Blumberg Formation), indicates that these rocks span most or all of the Aptian and Albian time. In contrast to the Tyaughton Trough, the sea apparently did not re-invade the northern part of Vancouver Island until Cenomanian time.

Jeletzky’s detailed work is a valuable contribution to the understanding of the Lower Cretaceous rocks of the Quatsino Sound region.

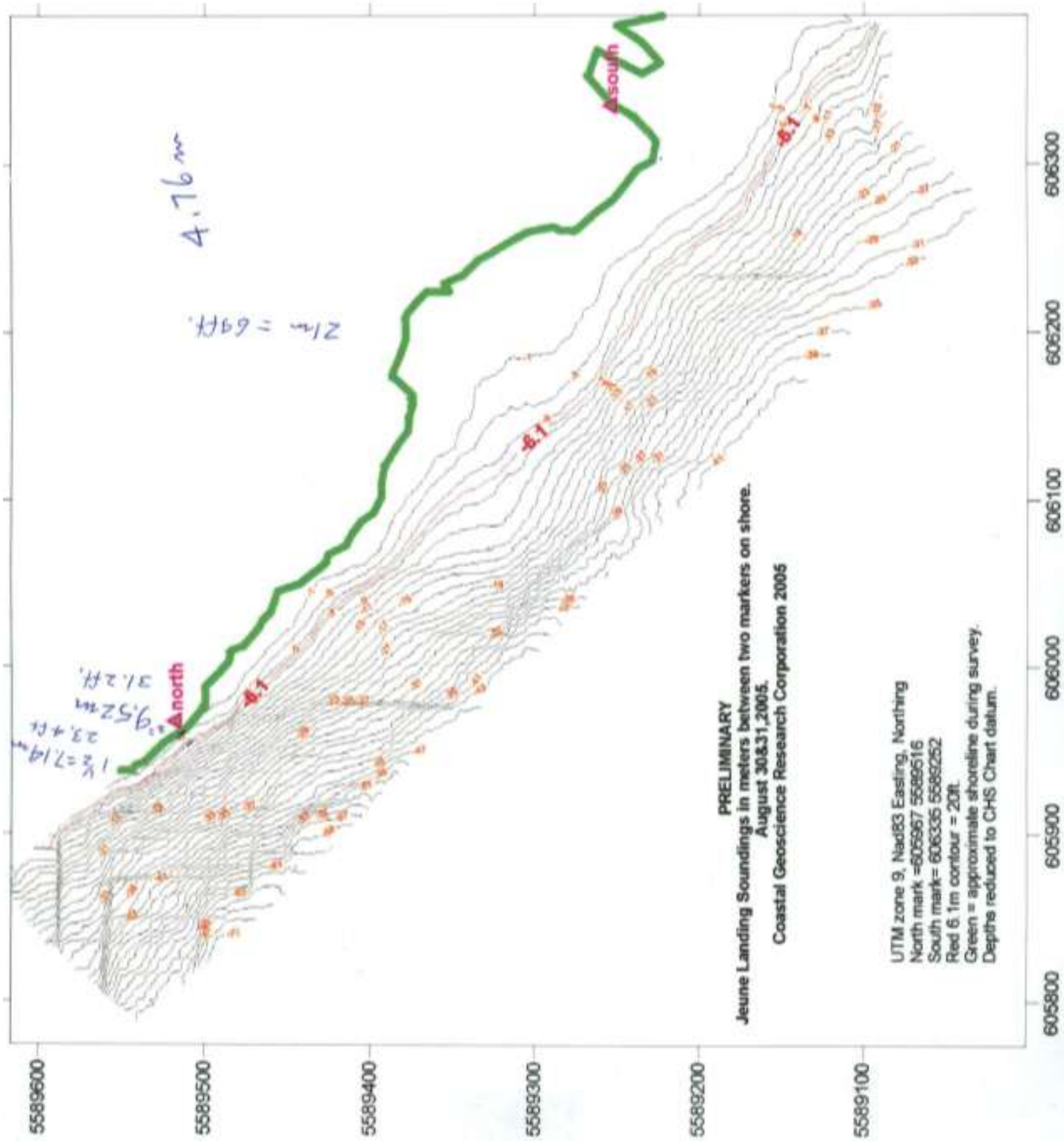



FIGURE 6 Depth Soundings Survey Along Coastline

## LOCAL GEOLOGY

### Stratigraphy of the Quatsino Formation

The Upper Triassic Quatsino Formation of the Vancouver Group paraconformably overlies and is interbedded with volcanic and lesser limestone litho-types of the Karmutsen Formation. The Karmutsen Formation includes basaltic and andesitic flows, tuffs, agglomerates, and breccias; with minor interbedded limestone (Hoadley, 1953). It is widely exposed along the southwest Pacific margin and is up to 6,100m thick (Muller et al., 1974).

Extensive outcrops of the Quatsino Formation are known from Texada and Vancouver Islands. Within the northern part of Vancouver Island the formation outcrops along three parallel belts. They are segmented by faults and intruded by granitic stocks and batholiths of the Jurassic Island plutonic suite (Fishl, 1992). The most extensive of the three belts is the discontinuous western Quatsino-Tlupana belt. Within the western belt, the Quatsino Formation attains a maximum thickness of 760m at a location immediately south of Alice Lake (Fishl, 1992).

Within northern Vancouver Island the Quatsino is divisible into lower and upper parts (Hoadley, 1953; Muller et al., 1974; and Jeletzky, 1976). The lower part with highly variable thickness is characterized as a predominately thick-bedded to massive, brownish-grey, or light grey to medium grey, crypto to microcrystalline limestone (Muller et al., 1974; Jeletzky, 1976) with some chert and a few thin interbed of andesite or basalt (Hoadley, 1953).

The upper part of the Quatsino Formation consists of thin to medium bedded, medium grey to brownish grey limestone with interbeds and laminations of black calcareous siltstone. Inclusions, interbeds, layers and laminations of brownish grey, dark grey or black chert are common. Upwards, laminations and interbeds of calcareous black shale increase in frequency and thickness. Toward the top of the unit the limestone is increasingly dark grey or black due to increasing quantities of carbonaceous matter (Hoadley, 1953). Bedding and colour banding is distinctive and well preserved. Locally the upper part contains abundant ammonites and pelecypods (Muller et al., 1974).

Jeletzky (1976) terms the area south and southwest of Rupert Inlet as the Quatsino Fault Block. Its northwestern boundary is defined by the regionally significant northwest striking Holberg Fault, which passes immediately to the northeast of Varney Bay. The eastern part of the fault block, which exposes strata of the Quatsino Formation east of Varney Bay, is strongly upthrown relative to adjacent blocks, forming a faulted section of a northwest striking and southwest dipping homocline.

At least three lithological units are recognized on the north shore of Rupert Inlet, including volcanic rocks of the Karmutsen Formation, and carbonate lithotypes of the upper and lower Quatsino Formation (Dahrouge, 2002).

The Karmutsen Formation comprises incompletely metamorphosed basaltic and andesitic flows, tuffs, agglomerates and breccias with minor interbedded limestone (Hoadley, 1953). At Varney Bay the Quatsino Formation is divisible into upper and lower parts (Hoadley, 1953; Muller et al., 1974; and Jeletzky, 1976). The lower part occupies much of Varney Ridge and consists of light grey to light brownish grey, massive microcrystalline limestone with interbeds of laminated mudstone, dolomitic limestone and dolomite. The upper part of the Quatsino Formation, which occurs along the shores of

Rupert Inlet, includes brownish grey, microcrystalline, massive limestone with interbeds, laminations and irregular masses of black chert.

In contrast to other localities underlain by the Quatsino Formation within the northern part of Vancouver Island, differentiating between primary bedding and secondary structures was possible at most outcrops at the Varney Bay Property (Dahrouge, 2002). Also, a number of laminated dolomitic marker horizons with distinct lithological characteristics were recognized which facilitated stratigraphic correlation and structural analysis.

Although prevalent in other areas of Vancouver Island, dykes and sills of the Jurassic and Tertiary suites of intrusives are generally absent around the Rupert Inlet section. However, five of the eight drill holes completed during 1994, intersected sill or dyke up to two metres thick, just above the Quatsino-Karmutsen contact. It is described as a dacite or diabase and is porphyritic in some of the drill core (Krukowski, 1994). Associated alteration includes haloes to several metres of thermal recrystallization and thin zones of skarnification adjacent to the contact. Based on the descriptions (Krukowski, 1994), the igneous rock is interpreted to be a late stage mafic (andesite-basalt) volcanic sill or flow related to the Karmutsen Formation.

The region is covered by a veneer of unconsolidated glacial sediments, which range in thickness from nil to several metres. Surficial weathering has resulted in a weathering profile which varies from a few centimetres up to several metres thickness. Many of the erosional (topographic) features appear elongate along the pre-existing structural trend. Locally, the bedrock surface is highly irregular and subsurface cavities or caves are probable.

Although the Quatsino Formation is generally described as a thick succession of monotonous massive, brownish grey, microcrystalline limestone, a number of different lithologies have been observed at Varney Bay, both in outcrop and within drilling (Krukowski, 1994). Within the lower part of the Quatsino Formation, a number of different lithologies have been observed, including:

- massive <u>impure limestone</u> with some weakly laminated to shaly interbeds, and some thin interbeds of basics dykes, sills or Karmutsen volcanics;
- massive <u>limestone</u>, with a few semi-continuous interbeds of slightly elevated magnesian limestone and dolomitic limestone. It is commonly light to dark brown or grey, cryptocrystalline to microcrystalline with rare laminated mudstone beds and rare fossil debris; and
- banded dolomite, <u>dolomitic limestone</u> and <u>limestone</u>, with some laminated dolomite beds from a few centimetres to a few metres thick.

Within the upper part of the Quatsino Formation, similar lithologies were observed, including brownish grey, microcrystalline, massive limestone with interbeds, laminations and irregular masses of black chert. In general, the concentrations of black chert observed within the upper part of the Quatsino Formation, were not observed within its lower parts (Dahrouge, 2002).

Structural measurements were collected from carbonate units on the Varney Bay Property (Dahrouge, 2002). Where unequivocally determined, original bedding ($S_0$) possess a moderate dip whereas, secondary structures such as joints or cleavage (S1) are steeply dipping to near vertical. Orientations of the different categories of planar elements are relatively consistent throughout the region and distinguishing between primary bedding and secondary structural features is possible in the field.

The discovery outcrop of dolomite on the Port Alice Claims was observed on the shoreline at the north end of the small company camp/community of Jeune Landing owned by Western Forest Products as land Lot 188. The initial sample assayed 19% MgO over a nominal width of about 30 metres. This initial sample included lower grade material to the west of the central core of high grade dolomite.

Follow up detail chip samples confirmed the presence of pure dolomite and mapping to the north identified a low ridge of dolomite trending approximately north-south for a distance of 122m to the prominent break-in-slope.

A cut baseline was established from the shoreline outcrop of N-S for a distance of 550m to the haul road leading to the Quatsino Dryland Sort operated by Western Forest Products. Additional geological mapping, prospecting and sampling was conducted off this baseline as plotted on Figure 7 and 8 (in pocket). High grade dolomite was collected at 400N+17W assaying 21.2% MgO. However, additional careful chip sampling (refer to Appendix III) gave assay results with variable results, ranging between 5.0% and 15.75% MgO. These samples are located a short distance south of the Dryaland Sort Road and future diamond drilling and trail construction is recommended to evaluate the tonnage potential and grade of this area subject to follow up sampling.

Encouraging results in the five samples collected on August 14/04, have the MgO results:

| | |
|---|---|
| #2 | 19.70% MgO |
| #3 | 19.90% MgO |
| #4 | 22.06% MgO |
| #5 | 21.51% MgO |
| #6 | 13.14% MgO – Low grade "Hanging wall" to the west |

Sample #6 is around the point and apparently stratigraphically above the Dolomite Zone. Sample #2 and #5 average 20.79% MgO. A relatively pure dolomite.

The important aspect is that these 4 samples represent a considerable thickness of apparently uniform MgO content. A channel sample (perhaps cut with a saw) might be in order as a final check on the uniformity of the MgO content but the results would not be expected to much different than these random chip samples.

The carbonate rocks are relatively varied throughout the area of interest. At the discovery outcrop along the shoreline the principle dolomite zone weathers a light buff colour with a distinctive "lizard skin" crows feet or lumpy texture. The high grade dolomite is trends at the discovery approximately 182°/50° northwest.

Along the Dryland Sort Road, 350m north of the N-S baseline is a distinctive limestone that weathers with an ameboid pattern. The differential weathering appears to be due to silica replacement. Immediately to the south of the N-S baseline on the Dryland Sort Road is a large outcrop of "Swiss cheese" limestone. Samples on the east end of the ridge at 400N is a creamy light brown limestone (<5%MgO) that weathers a light grey to white colour. There is a minor amount of dark grey weathering limestone with siliceous fragments.

Igneous sills were noted in three locations,

(1) 210m north of the N-S baseline on the Dryland Sort Road
(2) At 310m on the N-S baseline trending 335°

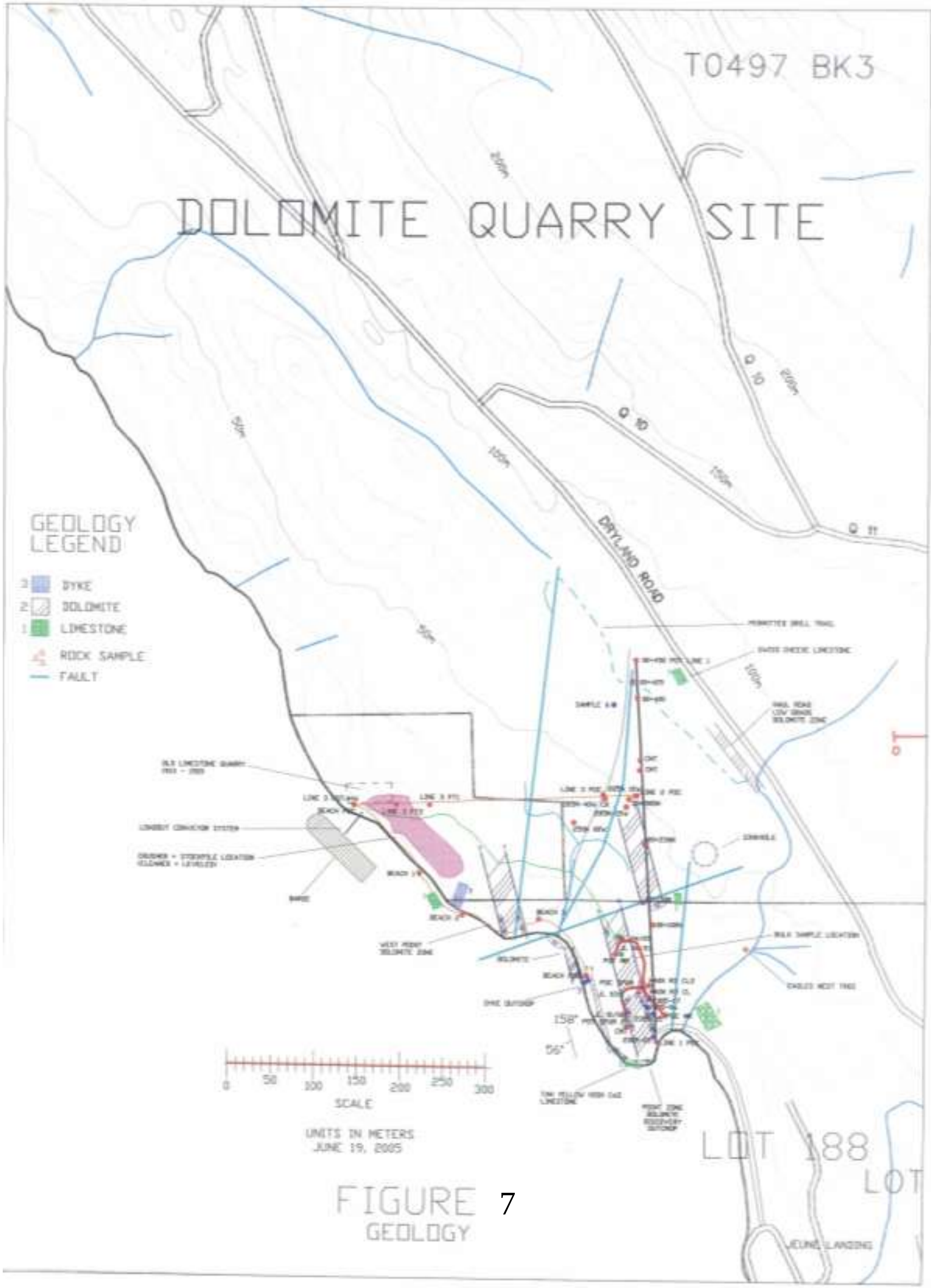



FIGURE 7 Local Geology

(3) At 135N+15W as crumbly near outcrop float
(4) At the Discovery outcrop, sub-cropping but intersected by the percussion drilling.

These igneous sills weather brown to light green and have an overall brown colour.

The gully/creek valley that sub-parallels the N-S baseline is a probable fault trace and contains exposures of black limestone with abundant Iron Oxide veinlets and float of shattered hematite-rich carbonate is common.

Future work is recommended in the following areas:

Priority #1 is following to the north, the structure or controlling feature of the zone percussion drilled on Dec. 10 & 11/04. We need to keep open minds to various possibilities since we don't have definitive proof of what are the controls. It is early days yet. Certainly, the area between 300N and 500N (to the Dryland Sort Road) is a very important area to examine systematically.

(2) The area west of the baseline; and as far west to the Dryland Sort (the series of E-W ridges) should be prospected.

(3) Dolomite is mentioned in CANMET Report 811, Part 5, p138, sample 3, from the Dryland Sort area. This reference should be tracked down.

(4) The area between 500N and 700N which can be accessed via the Q-100 branch road should be carefully prospected.

(5) Minfile reports that the Marble River Quarry – along Alice Lake has 9.43% MgO in samples. This area should be closely prospected.

(6) The area uphill from the Quarry mainline off the E-road system (see 1:20,000 map) needs some attention. The down faulted block of Cretaceous sediments on top of the hill indicates some strong NW-SE style of faulting.

## PREVIOUS PERCUSSION DRILLING RESULTS

A standard track mounted tank drill was employed to recover percussion drill chips from depths up to 30m. A series of holes were completed between 5N and 30N along the North-South baseline. Holes were drilled at –90º (vertical), -75º and –45º. Assay results are included in Appendix III.

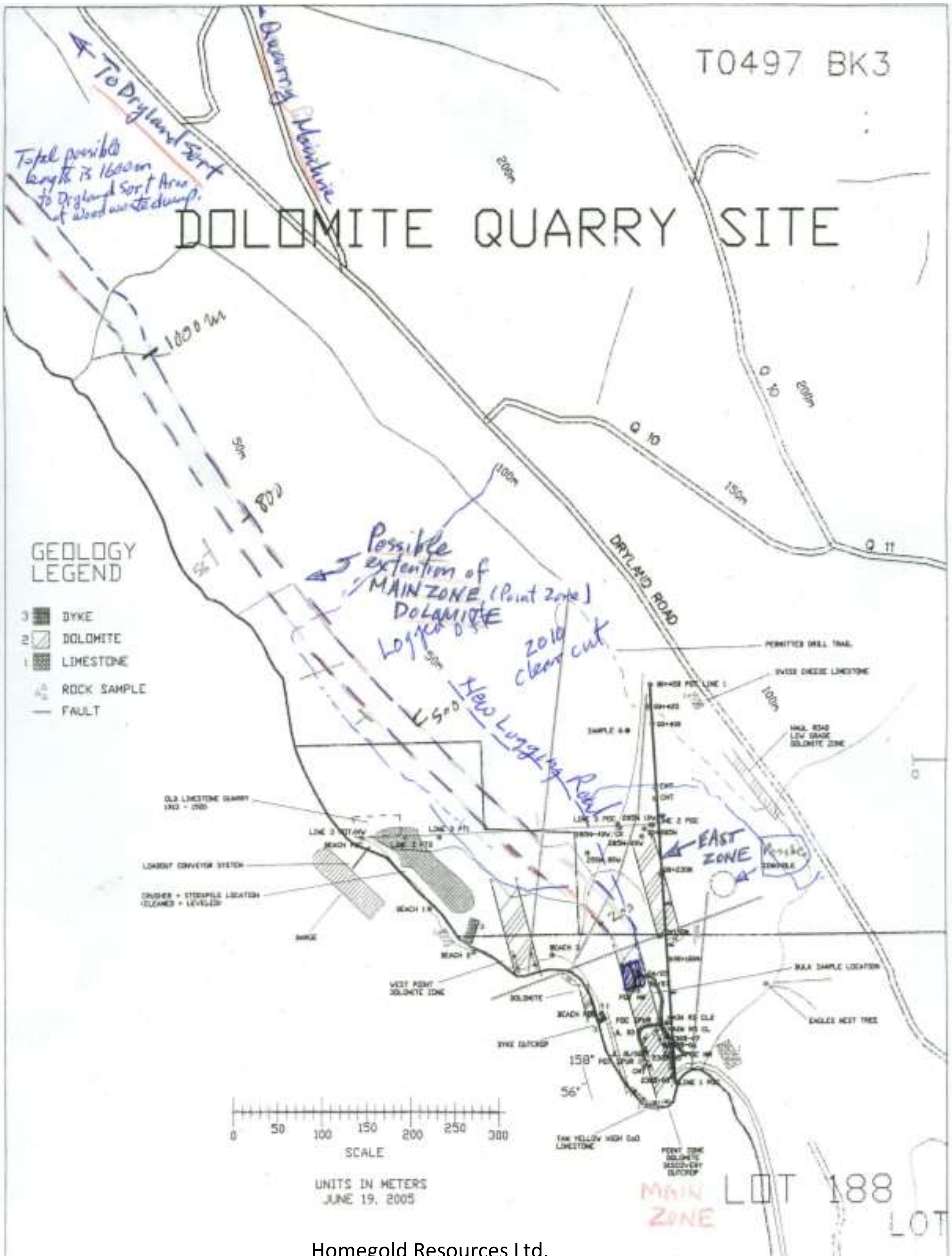
It is very clear from an inspection of the assays that the elevated silica ($SiO_2$) is due to a narrow igneous sill, (or sills). This is obvious by comparing the results for rock sample "south of" which is the igneous sill at about 350Nx40W, observed at the third ridge south of the Top E-W ridge at about 400N.

This sill in addition to silica, carries elevated $Fe_2O_3$, $Al_2O_3$ but most telling; also has consistently elevated $Na_2O$ and $K_2O$. The $TiO_2$ is also higher for the igneous sill.

As observed on surface, these sills are in the one to two metres in thickness range. With the percussion drill one sill could "contaminate" a wider area down the hole because it is so much different in a physical sense from the enclosing dolomite. However, this is a good thin in a mining aspect since selectively separating and wasting the igneous sill material can be done fairly straight forwardly when mucking out a blast.

Plotting up the holes suggests that the igneous sill is dipping to the northwest at about 30° to 40°. If this proves to be the case (by diamond drilling and mapping), then it should be fairly simple to separate the sill while careful mining.

The dolomite sample (21.8% MgO) at 185N+30W is encouraging since when the sample was collected it seemed to have a fair reaction to HCl. Likewise, the dolomite (21.2% MgO), labelled "E-End of" which is near 400N+40W also seemed to have a fair reaction to HCl. There is considerable tonnage potential along the east end of the Top East – West trending ridge. This E-W ridge is not very far from the Dryland Sort Road (approximately 100 to 150 metres).




Homegold Resources Ltd.
Projection of Dolomite Zone to NW
Figure 8

## RE-LOGGING of PREVIOUS DIAMOND DRILLING

The core from the diamond drill program conducted with a Boyles 37 Unitized drill rig producing NQ core in June 2005 was re-logged between July 1, 2010 and October 3, 2010.

The drill core was originally stored in Port hardy and then subsequently moved to the old Koprino shop at the junction of the Wanokana Coal Harbour Mainline and the paved road to Coal Harbour. The core is presently stacked behind the main shop under a tarp.

TABLE 2
Drill Hole Data

| Hole # | Location Local Grid | Length | Dip | Az | Elev. (m) | Remarks |
|---|---|---|---|---|---|---|
| JL-05-01 | 30N+35W<br>5589271,778N<br>6062296,322E | 48.46m (159ft.) | -45° | 090 | 20 | From west side through deposit |
| JL-05-02 | 30N+40W | 45.42m (149ft.) | -75° | 090 | 20 | From #1 set up |
| JL-05-03 | 055N+35 | 36.27m (119ft.) | -45° | 090 | 21 | |
| JL-05-04 | 110N+27W | 36.27m (119ft.) | -45° | 085 | 23 | Most northerly hole |
| JL-05-05 | 110N+27W | 42.37m (139ft.) | -75° | 085 | 23 | On #4 set up |
| JL-05-06 | 85N+26W | 39.32m (129ft.) | -45° | 100 | 24 | 10m east of contact |
| JL-05-07 | 85N+26W | 42.37m (139ft.) | -75° | 100 | 24 | On #6 set up |

The log for diamond drill hole JL-05-01 is contained in Assessment Report 27800 submitted in early 2005 to document the surface sampling and percussion drilling. The later diamond drilling was not submitted for assessment credit. This current report documents a reclogging of holes JL-05-02 to JL-05-07. The locations of the diamond drill holes are shown on Figure 7.

Hole 01 – The dolomite zone is exposed on surface. The Upper Dolomite was intersected down to 17.36m where a very fine-grained igneous sill was encountered from 17.36 to 18.66m (1.3m of core length). The Lower Dolomie was intersected from 18.66m down to 32.63m.

Hole 02 – Limestone to 4.00m then Dolomite from 4.00 to 15.54m. The igneous sill was found between 15.54m and 16.70m (1.16m). Dolomite continues from 16.70m to 42.12m. A major fault marks the footwall contact.

Hole 03 – The Upper Dolomite was intersected down to 15.85m. The igneous sill occurred between 15.85m to 17.17m. The Lower Dolomite was encountered from 17.17m to 31.91m.

Hole 04 – The Upper Dolomite was intersected down to 15.91m. The igneous sill was encountered between 15.91 to 16.85m. The lower dolomite was narrower from 16.85m to 19.69m.

Hole 05 – The Upper Dolomite was intersected down to 14.94m. The igneous sill was encountered between 14.94m to 15.60m. The lower Dolomite was encountered from 15.60m to 22.45m. A second sill was encountered between 40.16m to 41.28m.

Hole 06 – The Upper Dolomite was intersected down to 17.08m. The igneous sill was encountered between 17.08m to 17.98m. The Lower Dolomite occurs from 17.98m to 19.50m.

Hole 07 – The Upper Dolomite was intersected down to 14.94m. The igneous sill occurs between 14.94m to 16.05m. The Lower Dolomite was intersected from 16.05m to 19.00m.

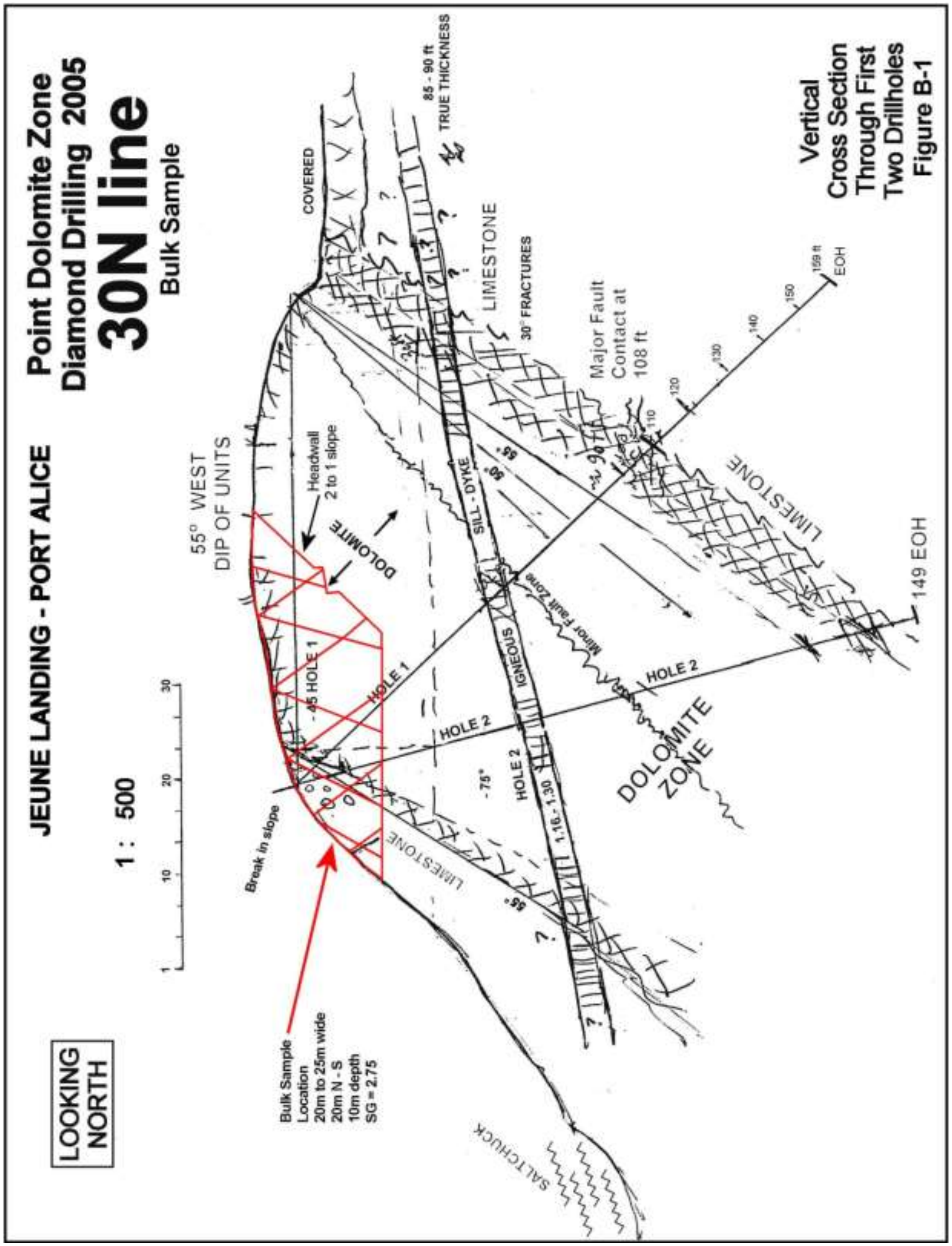



FIGURE 9 Cross Section at Line 30N

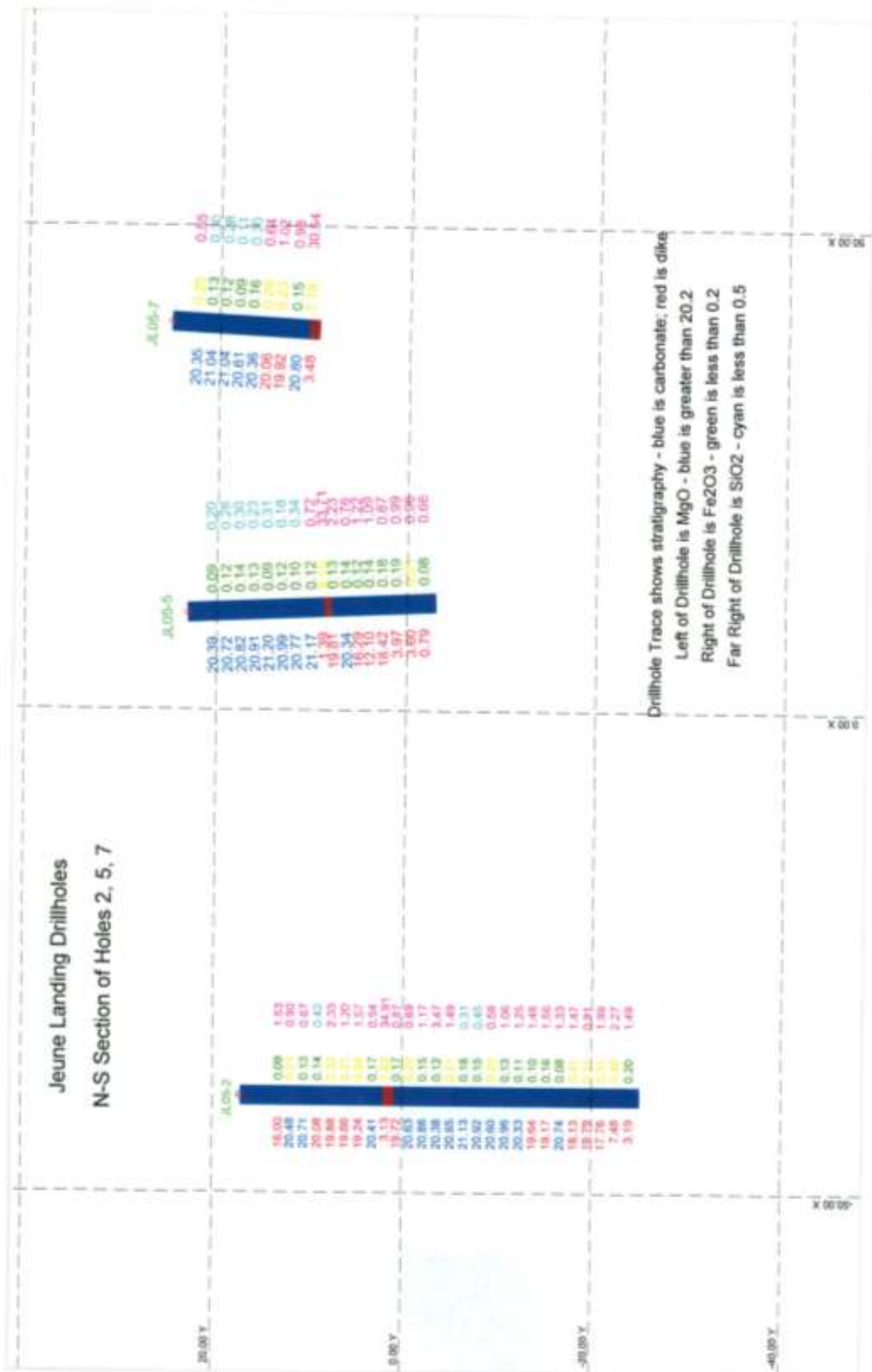



FIGURE 10 Drill Cross-section Longitudinal

## MINERAL POTENTIAL for DOLOMITE

### Jeune Landing (Notes after McCammon 1968)

A broad limestone band stretches from Rupert Inlet south-southeast for 15 kilomtres along the east side of Neroutsos Inlet (southeast arm of Quatsino Sound). This band is a fault bounded segment of the Quatsino-Tlupana limestone belt situated near the north end of the belt. The band narrows southeastward from a maximum width of 8 kilometres near Rupert Inlet to 5 kilometres in the vicinity of Jeune Landing to the south. Its great width is probably due to the repetition of beds by northwest trending faults. A northeast trending strike slip fault offsets the band from the main limestone belt to the southeast. Underlying basaltic flows of the Karmutsen Formation outcrop along the east side of the band. A narrow southeast trending wedge of argillic and black limestone of the Parsons Bay Formation is infaulted (down dropped) along the centre of the band in its southern half. Bedding generally strikes north-northwest and dips 20º to 40º southwest. Just north of a quarry on Lot 1582 the limestone strikes 153º and dips 40º southwest.

Light grey limestone, often brecciated, is exposed near Marble River along Rupert Inlet. Thin chert beds are locally present. The limestone here is reported to be magnesian in places. Farther south, near Jeune Landing, the band is generally composed of fine grained, light to dark grey limestone with a few black beds. White to dove grey high calcium limestone containing beds of pure dolomite is exposed nearby. A sample across a dolomite bed 2.4 metres thick assayed 19.00 per cent MgO (Goudge, 1944, p. 138, Sample 3). Five chip samples taken along various road cuts in the vicinity of Jeune Landing over lengths of 36.6 to 195 metres returned the following range in compositions (in per cent) (McCammon, 1968, p.318, Samples 7, 8, 10, 11, 12): CaO, 53.08-54.12; MgO 0.79-1.89; insolubles, 0.59-1.25; $R_2O_3$, 0.18-0.33; $Fe_2O_3$, 0.04-0.17; MnO 0.005-0.016; $P_2O_5$, 0.01; Sulphur, <0.01-0.02; ignition loss, 43.55-43.87.

This limestone has been quarried at two locations on the east side of Neroutsos Inlet for use in the Port Alice pulp mill to the south. A quarry on Lot 1581, 0.9 kilomtres northwest of Jeune Landing was in operation between 1919 and 1925. A second quarry was opened in 1925 on Lot 1582, 2.5 kilometres northwest of Jeune Landing and was operated continuously up to 1960. Production between 1919 and 1960 totalled 308,520 tonnes.

At the Jeune Landing property a sample immediately north of Jeune Landing assayed 19.03% MgO. Follow up, more detailed, samples averaged 20.73% MgO. The bedding strikes nearly north-south and dips 52º to the west. This exposure represents approximately 15m of stratigraphic section.

### Upper Marble River

Limestone was produced from three quarries along the Jeune Landing – Alice Lake Road in the vicinity of the southwest shore of Alice Lake.

The quarries lie within a 120 kilometre (75 mile) long belt of limestone of the Upper Triassic Quatsino Formation (Vancouver Group) that extends discontinuously from Quatsino Sound southeastward to Tlupana Inlet. Locally the limestone is bounded to the west by underlying basalts of the Upper Triassic Karmutsen Formation (Vancouver Group) and intruded to the south by a stock of diorite of the Jurassic Island Plutonic Suite. The limestone strikes northwest and dips 12 to 40 degrees southwest.

The quarried rock generally consists of fine grained, light grey to black limestone that sometimes contains chert nodules.  The largest of the three quarries, 0.5 kilometres northwest of the Marble River, exposes fine grained light grey limestone that is intruded by a dyke and several sills.  In thin section the rock displays fine grained calcite that is sporadically replaced by coarser dolomite rhombs.  A sample of randomly collected chips from the quarry contained 44.59% CaO, 9.43% MgO, 0.46% insolubles, 0.30% $R_2O_3$, 0.07% $Fe_2O_3$, 0.004% MnO, 0.01% $P_2O_5$, less than 0.01% sulphur and 45.31% ignition loss (Minister of Mines Annual Report 1968, p.318, sample 13).

**Benson Lake (IMASCO)**

Limestone is quarried by the International Marble and Stone Company (Imasco) 3 kilomtres southwest of Benson Lake, 26 kilometres south-southwest of Port McNeill.

The quarry is situated within a discontinuous belt of limestone of the Upper Triassic Quatsino Formation.  The belt is segmented by a number of northeast trending faults.  Bedding at the quarry strikes 120º and dips 30º northeast.

The quarried limestone is massive, fine grained, and white in colour with a brightness of 95.5%.  One third of the exposed limestone is extensively fractured.  A series of randomly collected samples from the quarry averaged 55.1% CaO, 2.49% MgO, 0.27% $SiO_2$, 0.05% $Al_2O_3$, less than 0.09% $Fe_2O_3$, less than 0.003% MnO, less than 0.01% $TiO_2$ and 43.97% ignition loss.

Several kilometres to the southeast in the vicinity of Iron and Truite Lakes, the limestone is generally light grey and fine grained, although an outcrop on the northern tip of Truite Lake displays black limestone that is highly fractured and veined with white calcite.  A sample of chips collected at 6.1 metre intervals along 152 metres of roadcut on the south shore of Iron Lake analyzed 54.60% CaO, 0.58% MgO, 1.10% insolubles, 0.31% $R_2O_3$, 0.12% $Fe_2O_3$, 0.013% MnO, 0.01% $P_2O_5$, 0.11% Sulphur, 43.62% ignition loss and 0.25% water (Minister of Mines Annual Report 1968, page 318, sample 16).

Imasco has been quarrying limestone at Benson Lake since late 1985.  The limestone is shipped to Surrey, British Columbia, where it is crushed and ground at the company's plant for a variety of products including white extenders and fillers.  Between 1985 and 1987, 26,807 tonnes of limestone were quarried.  In 1990, the company mined 40,000 tonnes.

## PROJECT DESCRIPTION

Homegold Resources Ltd. (Homegold) is developing a dolomite mining project near Jeune Landing, Vancouver Island, British Columbia. The Project will include extracting dolomite from a quarry, crushing the dolomite to the size4 specifications required by customers, and shipping the dolomite to those customers. This document briefly describes the project and outlines the business arrangement Homegold is seeking with Western Forest Products.

Dolomite

Dolomite is a naturally occurring form of **carbonate rock** (chemical formula is $CaMg(CO_3)_2$). **The calcium-magnesium carbonates are** often graded as to magnesium content as follows:

| Grade | MgO Content (%) |
|---|---|
| Dolomite | 19.4-21.7 |
| Calcitic dolomite | 10.8-19.4 |
| Dolomitic limestone | 2.2-10.8 |
| Magnesium limestone | 1.0-2.2 |
| High calcium limestone | 0.0-1.0 |

The Jeune Landing dolomite is relatively pure, with MgO content averaging approximately 20.3% so can be classified as “chemical –grade” dolomite.

Products and Uses

Dolomite’s chemical and physical properties make it useful for a number of purposes. Low purity (i.e., low MgO content) calcitic dolomite is often used for soil stabilization and fertilizer in agricultural applications. If the purity of the material is sufficiently high, generally above 20% MgO, it can be used for various chemical processes, including production of steel, glass and magnesium metal. Some end-users prefer to purchase calcined dolomite, sometimes called dolo lime, for their chemical processes, so some dolomite is purchased by calciners for processing and sale to users in lime form. Homegold expects to sell dolomite for three purposes, with the primary uses being glass and fiberglass manufacturing and secondary uses as fertilizer and soil stabilization.

Mining

The dolomite at jeune Landing was discovered by jo Shearer, P.Geo., in June 2004. The mining claims were staked by Mr. Shearer that year. The claims are located at the northwest edge of Jeune Landing on Vancouver island (please see Figure 2), with part of the claims on WFP’s Lot 188 and the remainder on Crown land. Access to the Claims will initially be through Jeune Landing with later quarry development resulting in quarry roads which connect with the dry land sort haul road. All road construction will be co-ordinated with and approved by WFP (although some initial roads will be drill trails) and all road use fo WFP roads will be governed by a road use agreement with WFP. All mining activities on the claims will be governed by the *Mineral Titles Act,* the *Mines Act* and other applicable statutes.

Dolomite at the quarry will be mined using conventional open-side hill quarry mining techniques in which the dolomite is drilled and blasted using the same techniques as other hard-rock quarries. There are a number of experienced drilling and blasting contractors who work on Vancouver Island and

Homegold will employ one or more of these contractors to perform the mining operations. These contractors bring all the required equipment to the mine, perform the required work and vacate the mine site when the work is completed. We expect to have the mining contractor working on site once or twice per year, depending on demand for our products.

Crushing and Grinding

Once the dolomite is mined, it must be crushed to the size specifications appropriate for each customers' intended use. The rock produced by blasting at the mine is generally about 12"-18" in size, so a crushing plant is required to reduce these large rocks to sizes meeting each customer's specifications. A jaw crusher will be used to reduce the size to about 4"-6", then a cone crusher and screening equipment will reduce the rocks to the required sizes. There are a number of experienced rock crushing contractors who work on Vancouver Island and Homegold will bring all the required equipment to the crushing site, perform the required work and vacate the site when the work is completed. We expect to have the crushing contractor working on site once or twice per year, depending on demand for our products.

Barge Loading

Most or all of the dolomite produced by Homegold will be shipped to customers in bulk form on barges. Loading barges is a simple operation, with the two requirements being a way to hold the barge's position steady while loading and a way to move the material from land to the barge. Although a hydrographic study will be performed to confirm the exact location, the current plan is to anchor two large can buoys about 40'-50' from the shore just south of the old limestone quarry (see map) to hold the barge. These buoys will be held in place with strong anchor chains and cables to shore to prevent movement, especially with changing tide levels. The fixed position conveyor will be fed with a front-end loader and another front-end loader on the barge will distribute the material on the barge.

The number of barges to be loaded will depend on the demand for dolomite from Homegold's customers. We currently expect to produce about 40,000-60,000 tons of dolomite per year and load barges which carry 7,000-8,000 tons each, so we will load approximately 5-8 barges per year. Each barge will take about 12 hours to load and will be tied to the buoys for less than a day.

Operating Area

The quarry area, crushing plant, stockpile area, conveyor and barge location are shown on the attached map. The quarry itself will be a narrow band extending from the point northward. The dolomite zone is only about 30 metres wide and dips with the slope of the ridge running northward from the point. Therefore, we expect to mine with approximately 10 metre benches cut into the ridge from the west and the total width of the mined area is expected to be approximately 50 metres. The dolomite zone extends from the point at least 250 metres toward the north, so we expect the cut will be a narrow band several hundred metres in length.

We expect that the crushing plant will be set up about 300 metres northwest of the mine, with a stockpile area immediately adjacent. The crushing plant will require about 0.5ha of land and we will need sufficient area to stockpile the entire year's production of approximately 40K-60K tons, or about 1ha. The conveyor will also be in this area, adjacent to the stockpile and right on the shore. Therefore, we expect the total area required for the crusher, stockpile and conveyor loading areas will be about 1.5ha (3.71 acres).

Although we may initially operate with diesel generators providing electrical power, we would also like to explore the possibility of bringing BC Hydro power to the site. We will ask Ivan Amos at Jeune Landing for his assistance on the process for obtaining a connection.

Environmental Issues

Dolomite is a form of **carbonate rock**, is very inert, and is known to be a very benign material. Rain-water runoff from the quarry or stockpiles will not pick up any deleterious substances. Once of the main components of limestone and dolomite is calcium carbonate, which neutralizes acids, so there will not be any acid rain drainage issues associated with the quarry.

We expect that mining will take place at the quarry once per year over a 4-6 week period, during which time the entire year's volume will be produced. Operations during this period will include drilling and blasting, which may occurs as often as once a week or ten days. Drilling activities may create a limited amount of noise but we will preserve a buffer zone of 10-15 metres to dissipate noise and the closest dwellings should not be detrimentally affected. Blasting will occur 4-6 times during the operating period, always during the day and since the quarry is so small, the blasts will also be small. Since the blasts occur below ground, there will be very little noise created.

During the time the crushing plant is operating, there will be some noise generated, although the distance to the closest residences (over ½ kilometre) and buffer zones will greatly attenuate this noise. Additionally, the crushing plant will only be operating on the site for 4-6 weeks each year, so impact on residents should be minimal. Crushing lants also produce some dust and the standard mitigation technique is to use water spray to reduce dusting. In Vancouver Island's often rainy weather, these water spray dust suppression techniques may not always be necessary.

The operation will not produce any effluent and will not use any chemicals or hazardous materials (other than **contained** petroleum products for diesel powered equipment, lubrication, etc.). **We willput in a settling pond to eliminate suspended solids discharge.**

Permitting

We are in contact with the Quatsino First Nations and they know of and are very supportive of our plans for the quarry. An archaeological study and an environmental base line study have been completed. We have recently filed a Notice of Work for a permit to produce a "bulk sample". Once we receive the bulk sample permit, and the environmental studies are completed, we will apply for a mining permit. We have previously obtained two permits for exploration activities on the site, so the Ministry of Mines knows of our site and development plans. Once we receive the mine permit, we should be able to produce commercial quantities of material from the quarry. We will also obtain a Foreshore Lease to construct and operate the barge loading facilities.

Project Duration

Our current estimate of the amount of dolomite on the claims is approximately one million tons, although we have diamond drilled only about half of that amount. However, our exploration of the claims to date has been limited, so it may be that the actual amount is well in excess of these amount. If annual production is approximately 50K tons, the quarry should be in operation for 15-20 years, possibly even longer.

Risk Management

Homegold and/or its contractors will maintain public liability and property damage insurance of at least $1 million and name WFP and an additional insured.

Production Schedule

We currently expect to receive a mining permit early next year and expect to begin production shortly thereafter. We expect to ship our first barge load of material to our primary customer in April.

Business Arrangement with WFP

The southern part of the dolomite zone is on Lot 188, owned by WFP. The remainder of the quarry is on Crown Land. As with any quarry on private land, we are required to abtain your consent to conduct our mining operations on your land. In order to obtain that consent, we will pay WFP a royalty for any material taken from Lot 188. Additionally, to the extent we use WFP’s roads anywhere within the TFL to haul material from the quarry, we will pay WFP a road-use fee. Based on emails exchanged with Jim Stephen in June 2005, we have agreed with your suggestion of a royalty rate of C$0.50/metric ton for any forms of limestone, including dolomite, sold from Lot 188, and zero royalty for material sold from areas outside Lot 188. We have also agreed with your suggestion of C$0.03 per metric ton per kilometre as road use fee.

The next step in our business relationship will be to document our agreement in a road use and royalty agreement. This agreement should cover the remainder of our exploration and development activities, plus production once the necessary permits are received and be for a term extending for the life of the quarry. We had offered to provide the first draft of an agreement, but Jim Stephen suggested in June that WFP would develop the first draft instead. We look forward to receiving that draft.

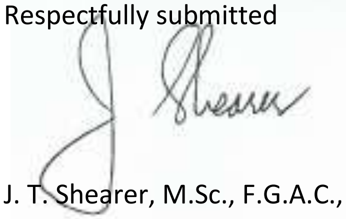
## CONCLUSIONS and RECOMMENDATIONS

The majority of the limestone and Dolomite production currently mined in British Columbia originates from Texada Island. The Quatsino Formation contains the most significant limestone resources situated on or near tidewater along the British Columbia coast.

The Quatsino Formation is a thick carbonate sequence conformably underlain by basalts and andesites of the Lower Triassic Karmutsen Formation. In places these volcanic rocks are intercalated with limestone. The Quatsino Formation is composed largely of massive to thickly bedded, fine-grained (microtic), black to light grey, bluish grey weathering limestone. The rock is predominantly calcium to high calcium in composition. Silica contamination, in the form of chert nodules and beds, is fairly common.

Rock chip sampling should be conducted on outcrops that are located during the mapping program on the access roads and grid lines. Sample intervals should not exceed 10 feet. This will allow for increased definition of any changes in rock chemistry, in particular the MgO concentration.

Respectfully submitted



J. T. Shearer, M.Sc., F.G.A.C., P.Geo.
Consulting Geologist
December 16, 2010

## COST ESTIMATE for FUTURE WORK

### PROPOSED EXPLORATION PROGRAM
### Jeune Landing Dolomite 2010

Program
(1) Excavator Trenching – 5 trenches, 20m long each
(2) Linecutting baseline North-South to 500m North
(3) Establish grid East-West
(4) Geological map grid area, collect representative samples, 20 samples
(5) Chip or channel sample trenches, 3m intervals, 35 samples
(6) Purchase staining chemicals
(7) Build drill trail
(8) Diamond drilling Phase I
(9) Produce 10,000 tonne bulk sample

**Estimated Cost**

| | | | |
|---|---|---|---|
| Personnel | J. T. Shearer, 6 days @ $400/day | | $2,400.00 |
| | Helper, 6 days @ $150/day | | 900.00 |
| | Truck Rental, 6 days @ $70/day | | 420.00 |
| | Gas | | 175.00 |
| | Ferry | | 90.00 |
| | Accommodation, Food & Meals | | 550.00 |
| | Analytical, 55 samples @ $33/sample | | 1,815.00 |
| | Excavator, 16 hours @ $150/hr. | | 2,400.00 |
| | | Sub-Total | $8,750.00 |
| (A) | | | |
| 1 | Open Road, Excavator at $108/hr | | $4,000.00 |
| 2 | Mining, Drill/Blast | | 7,500.00 |
| 2a | Extra excavator if required | | 2,000.00 |
| 3 | Mob of Tank Drill | | 1,000.00 |
| 4 | Load Trucks, 4 days @ $800/day Excavator | | 3,200.00 |
| 5 | Trucks, 30 tonne trucks/68 trips, approx. 2 trips/hr<br>2 trucks, 42 hours each, 84 hours at $135/hr | | 10,500.00 |
| 6 | Barging, 5000 tonnes @ 8.20/tonne | | 41,000.00 |
| 7 | Standby during Loading, 36 hours x $255/hr (may be less) | | 9,180.00 |
| 8 | Trucks moving product onto scow, 12 hr. x $250/hr (big loaders need bucket) | | 3,000.00 |
| 9 | One Excavator Loading 20 hr x $140/hr | | 2,800.00 |
| 10 | Discharge at Tacoma, $45/hr @ 12 hr | | 540.00 |
| 11 | Loader for Discharge, Tacoma, 12 hr x $100/hr | | 1,200.00 |
| 12 | Additional unloading costs? Do we need trucks | | ???????? |
| | | Sub-Total | $71,420.00 |
| | | Grand Total | $80,170.00 |

(71,420.00 + $8,200.00 ÷ 6,000 = $13.27/tonne)

(B) $10,000 for Reclamation Bond and Permit, Samples, Applications, Property Expenses

(C) Contingencies $10,000.00

(D) Crushing to Spec at Tacoma perhaps $6,00 - $8.00/tonne?

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# APPENDIX I

# STATEMENT of QUALIFICATIONS

## J. T. Shearer, M.Sc., F.G.A.C., P.Geo., F.SEG.

## DECEMBER 16, 2010

**Appendix I**

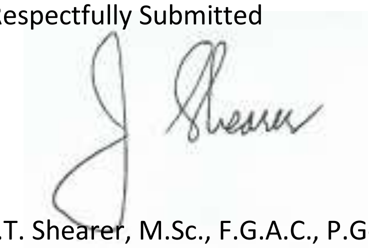
**STATEMENT OF QUALIFICATIONS**

I, Johan T. Shearer of 3572 Hamilton Street, in the City of Port Coquitlam, in the Province of British Columbia, do hereby certify:

1. I graduated in Honours Geology (B.Sc., 1973) from the University of British Columbia and the University of London, Imperial College, (M.Sc. 1977).
2. I have practiced my profession as an Exploration Geologist continuously since graduation and have been employed by such mining companies as McIntyre Mines Ltd., J.C. Stephen Explorations Ltd., Carolin Mines Ltd. and TRM Engineering Ltd. I am presently employed by Homegold Resources Ltd.
3. I am a fellow of the Geological Association of Canada (Fellow No. F439). I am also a member of the Canadian Institute of Mining and Metallurgy, and the Geological Society of London. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (P.Geo., Member Number 19,279). I am also an elected fellow of the Society of Economic Geologists (SEG).
4. I am an independent consulting geologist employed since December 1986 by Homegold Resources Ltd. at Unit #5 2330 Tyner Street, Port Coquitlam, British Columbia.
5. I am the author of the report entitled "Assessment Report on the Dolomite Claims, Quatsino Sound Area, Nanaimo Mining Division: dated December 16, 2010.
6. I have visited the Quatsino Sound Area beginning in 1971 and frequently since that time. Since 1999, I have been involved in the evaluation and production of silica-alumina rock at Apple Bay along Holberg Inlet. I have evaluated the Jeune Landing Dolomite deposit between July 17 and January 15, 2005 and more recently between July 15, 16, September 15 and October 1 + 2, 2010. I have toured and studied the operating Limestone Quarries on Texada since 1980 and supervised diamond drill programs on Texada Island limestone properties since 1998. I defined and opened the Slesse Limestone Quarry near Chilliwack for I.G. Machine & Fibers in 1999. I am familiar with the regional geology and geology of most properties in the Quatsino Sound Area. I have become familiar with the previous work conducted on the properties by examining in detail the available reports, plans and sections, and have discussed previous work with persons knowledgeable of the area.

Dated at Port Coquitlam, British Columbia, this 16th day of December, 2010.

Respectfully Submitted



J.T. Shearer, M.Sc., F.G.A.C., P.Geo.
December 16, 2010

# APPENDIX II

# STATEMENT of COSTS

# DECEMBER 16, 2010

**Appendix II**

## STATEMENT OF COSTS

# Statement of Costs
# Jeune Landing Dolomite Project

Re: Logging Diamond Drill Core, Geology, Mapping

| | | HST | Total Without HST |
|---|---|---|---|
| J. T. Shearer, 5 days @ $700/day, | | 420.00 | 3,500.00 |
| July 15, 16, Sept. 15 + Oct 1+2, 2010 | | | |
| Transportation | | | |
| 5 days @ $98.50 | | 59.10 | 492.50 |
| Fuel | | 31.20 | 260.00 |
| Ferry | | | 135.00 |
| Camp, 4 days @ $85/day | | 40.80 | 340.00 |
| Meals, 4 man days @ $40/day | | 19.20 | 160.00 |
| Report Preparation | | 168.00 | 1,400.00 |
| Word Processing | | 24.00 | 200.00 |
| Drafting and Reproduction | | 64.28 | 600.00 |
| | Total | 826.58 | 7,087.50 |

Event # 4798269
Value of Work $7,000
PAC Debit $1,559.42
Total Applied $8,559.42

# APPENDIX III

# DRILL LOGS

# DECEMBER 16, 2010

# PORT ALICE PROJECT
## Juene Landing Dolomite Deposit



**SECTION: 030N** | **Diamond Drill Log** | **DDH#: JL-05-02**

Northing: 030N
Easting: 035W
Elevation: ≈ 20m
Azimuth: 090
Inclination: -75°
Grid: No Grid
Length (m): 45.42m (159 ft)
Core size: NQ
Contractor: Boisvenu
Drill Type: A37 Unitized

Drill Hole survey
Method: -75 Brunton

| Azimuth | Dip | Depth |
|---|---|---|
| 090 | -75 | Collar |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Property: Jeune Landing Dolomite
NTS: 92L/05E
Claim: Port Alice
Date Started: June 15, 2005
Date Completed: June 15, 2005
Re-Logged by: J.T. Shearer, M.Sc., P.Geo. in 2010

Samples Split:
0.00-4.00, 4.00-5.00, 5.00-6.50
6.50-8.00, 8.00-9.50, 9.50-11.00
11.00-12.50, 12.50-14.00, 14.00-15.54
15.54-16.70 (dyke), 64.70-18.00
18.00-19.50

Purpose: Initial Setup on Point Dolomite Zone, From West Side Through Deposit, Steeper Hole below JL-05-01

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 0.00 | 2.44 | **6' CASING: BOULDERS** – bedrock around 8 ft.<br>No core recovery. | | | |
| | | | | | |
| 2.44 | 4.00 | **LIMESTONE:** Dark grey to black. Very fine grained | 0.00-4.00 | 4.00 | |
| | | | | | |
| 4.00 | 15.54 | **DOLOMITE:** Dark grey almost black, very fine grained, highly fractured, narrow <1mm white calcite veinlets, calcite coating veinlets throughout.<br>Core Recovery<br>0-14 7.5'/14 =<br>14-19 5'9"/5' =<br>19-29 9'6"/10 =<br>29-39 10'6"/10 =<br>39-49 10'4"/10 =<br>49-59 9'11"/10 =<br>59-69 10'/10 =<br>69-79 9'10"/10 =<br>79-89 9'10/10 =<br>89-99 9'11"/10 =<br>99-109 10'/10 =<br>Brecciated texture 7.30-7.50 | 4.00-5.00<br>5.00-6.50<br>6.50-8.00<br>8.00-9.50<br>9.50-11.00<br>11.00-12.50<br>12.50-14.00<br>14.00-15.54 | 1.00<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.54 | |
| | | | | | |
| 15.54 | 16.70 | **APHANITIC IGNEOUS SILL/DYKE:** bleached zone on upper contact very similar to dyke intersection in Hole #01 | 15.54-16.70 | 1.16 | |
| | | Abrupt upper contact near 80° to core axis<br>Lower contact rusty-red brown mud at 85° to core axis | | | |
| | | | | | |

# PORT ALICE PROJECT

## Juene Landing Dolomite Deposit



SECTION: 030N Page: 2 of 2 DDH#: JL-05-02

| from [m] | to [m] | Description | from/to | width [m] | MgO % |
|---|---|---|---|---|---|
| 16.70 | 36.54 | **DOLOMITE:** dark grey to almost black<br>Very brecciated top of interval down to 17.10 | | | |
| | | Samples: | 16.70-18.00<br>18.00-19.50<br>19.50-21.00<br>21.00-22.50<br>22.50-24.00<br>24.00-25.50<br>25.50-27.00<br>27.00-28.50<br>28.50-30.00<br>30.00-21.50<br>31.50-33.00<br>33.00-34.50<br>34.50-36.00 | 1.30<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50 | |
| | | Shear zone – black at 36° to core axis on contact from 23.02m-23.19m | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 36.54 | 42.12 | **DOLOMITIC LIMESTONE** with Brown Gouge: **medium to dark brown gouge-mud in vugs + coating/filling low angle fractures** | 36.00-37.50<br>37.50-39.00 | 1.50<br>1.50 | |
| | | Upper part dolomite – lower part limestone, appears to be a gradational contact – depends on chemistry | 39.00-40.50<br>40.50-42.00 | 1.50<br>1.50 | |
| | | | | | |
| | | | | | |
| 42.12 | 45.42<br>E.O.H. | **LIMESTONE:** light brown to medium grey, very fine grained, minor wispy banding near bottom | 42.00-43.50 | 1.50 | |
| | | Dark grey to black near End of Hole | | | |
| | | | | | |
| | | End of Hole 45.42m (149 ft.) | | | |
| | | | | | |

# PORT ALICE PROJECT
## Juene Landing Dolomite Deposit



**SECTION: 055N** **Diamond Drill Log** **DDH#: JL-05-03**

| | |
|---|---|
| Northing: | |
| Easting: | |
| Elevation: | ≈21m |
| Azimuth: | 090 |
| Inclination: | -45° |
| Grid: | No Grid |
| Length (m): | 36.27m, (119 ft) |
| Core size: | NQ |
| Contractor: | Boisvenu |
| Drill Type: | A37 Unitized |

Drill Hole survey
Method: Brunton

| Azimuth | Dip | Depth |
|---|---|---|
| 090 | -45 | Collar |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
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| | | |

| | |
|---|---|
| Property: | Jeune Landing Dolomite |
| NTS: | 92L/05E |
| Claim: | Port Alice |
| Date Started: | June 16, 2005 |
| Date Completed: | June 16, 2005 |
| Re-Logged by: | J.T. Shearer, M.Sc., P.Geo. in 2010 |

Samples Split:
2.44-4.0, 4.0-5.0, 5.5-7.0,
7.0-8.5, 8.5-10.0, 10.0-11.5
11.5-13.0, 13.0-14.5, 14.5-15.85
15.85 (igneous dyke)

Purpose: Initial Core Hole on 050N Section, only -45 drilled on this section in first drill program.

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 0.00 | 2.44 | **CASING 8'** (2.44m). No core recovered | | | |
| | | | | | |
| 2.44 | 15.85 | **DOLOMITE:** dark grey to almost black, highly fractured, many of the fractures are coated with white "calcite" | | | |
| | | Minor calcite breccia 4.45m-4.50m<br>Yellow brown gouge for 2cm at 7.60m at 64° to core axis, gougy fractures – shatter zone 7.60m-10.50m, some punky gouge also | | | |
| | | Core recovery:<br>8'-19' = 9'0" =<br>19'-29' = 9'2"<br>29'-39' = 9'4"<br>39'-49' = 10'<br>40'-59' = 9'10"<br>59'-69' = 10'1"<br>69'-79' = 9'10"<br>79'-89' = 9'10"<br>89'-99' = 10'1"<br>99'-109' = 10'1" | | | |
| | | Highly fractured, white tension patches<br>Some low angle stylolites<br>Laminations at 12.26m is 82° to core axis | | | |
| | | Minor laminations at 12.68m at 81° to core axis<br>Medium brown gout-fracture zone at 12.68m to 12.85m<br>Sharp lower contact at 80° to core axis | | | |
| | | | | | |
| 15.85 | 17.17 | **IGNEOUS SILL/DYKE:** rusty weathering at top with bleached brown upper section to 16.14<br>Several fractures are very rusty and stained brown fro 5 cm around fracture.<br>Lower contact sharp at high angle (80°+), some minor brown gouge | | | |
| | | | | | |

# PORT ALICE PROJECT

## Juene Landing Dolomite Deposit



SECTION: 055N    Page: 2 of 2    DDH#: JL-05-03

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 17.17 | 31.91 | **DOLOMITE:** dark grey to almost black, highly fractured in places "crackled", brown mud coating fractures at 50° throughout in addition to the network of white "calcite veinlets and fracture coatings | 17.17-18.50<br>18.50-20.00<br>20.00-21.50<br>21.50-23.00<br>23.00-24.50<br>24.50-26.00<br>26.00-27.50 | 1.33<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50<br>1.50 | |
| | | Minor darker lenses (might be siliceous) – banded by stylolites, fracture zone 24.74m-24.93m<br>Minor fault.<br>Core granulated with orange-brown gouge | 27.50-29.00<br>29.00-30.50<br>30.50-31.91 | 1.50<br>1.50<br>1.41 | |
| | | Minor orange brown mud in 70° fracture at 30.24m-30.26m<br>Lower contact sharp (check assays) highly fractured rock abruptly stops and "smooth" limestone starts, high angle to core axis | | | |
| | | | | | |
| 31.91 | 36.27<br>E.O.H. | **LIMESTONE:** dark grey to black, fine grained, less fractured, Brown mud/gouge starting at 33.67 down to 35.20, the mud is distributed in fractures at very low angles (less than 5°) to core axis. | 31.91-33.50<br>33.50-35.00 | 0.59<br>1.50 | |
| | | | | | |
| | | | | | |
| | | End of Hole 36.27m (119 feet) | | | |
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# PORT ALICE PROJECT
## Juene Landing Dolomite Deposit



**SECTION:** 110N + 27W

**Diamond Drill Log**

**DDH#:** JL-05-04

Northing:
Easting:
Elevation: ≈ 23m
Azimuth: 085
Inclination: -45°
Grid: No Grid
Length (m): 36.27m (119 ft)
Core size: NQ
Contractor: Boisvenu
Drill Type: A37 Unitized

Drill Hole survey
Method: Brunton

| Azimuth | Dip | Depth |
|---|---|---|
| 085 | -45 | Collar |
| ↑ note: swing to North slightly 085° | | |
| | | |
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| | | |
| | | |

Property: Jeune Landing Dolomite
NTS: 92L/05E
Claim: Port Alice
Date Started: June 16, 2005
Date Completed: June 17, 2005
Re-Logged by: J.T. Shearer, M.Sc., P.Geo. in 2010

Samples Split:
5.49-7.00 7.00-8.50 8.50-10.00 10.00-11.50 11.50-13.00 13.00-14.50 14.50-15.91 15.91-16.85 (igneous dyke) 16.85-18.50 18.50-19.69 (limestone) 19.69-21.50 21.50-24.00

Purpose: Most northerly hole in initial drill program, oriented north of east, Bedrock nearby but perhaps drilling down solution cavity

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 0.00 | 5.49 | **CASING – 18 feet:** no core recovery despite small bedrock ridges beside drill, rubble between 18' and 19' | | | |
| | | | | | |
| 5.49 | 15.91 | **DOLOMITE:** dark grey to almost black, highly fractured<br>Core recovery:<br>18'-29' = 9'2" – fractured<br>29'-39' = 9'6" – very fractured<br>39'-49' = 9' – very fractured<br>49'-59' = 9'11" – dyke<br>59'-69' = 9'3"<br>69'-79' = 9'11"<br>79'-89' = 10'2"<br>89'-99' = 9'11"<br>Lower contact sharp | | | |
| | | | | | |
| 15.91 | 16.85 | **IGNEOUS SILL/DYKE:** rusty pervasive brown staining only exposed for 0.94m along core, light brown, fine crystalline | | | |
| | | Pervasive brown staining along 30° fractures<br>Lower contact shapr | | | |
| | | | | | |
| 16.85 | 19.69 | **DOLOMITE:** dark grey to almost black, fine grained highly fractured throughout | | | |
| | | | | | |
| 19.69 | 36.27 | **LIMESTONE:** dark grey to black, very fine grained<br>Core recovery:<br>99'-109' = 9'11"<br>109'-119' = 10'1" | | | |
| | | | | | |
| | | End of Hole 36.27m (119 feet) | | | |
| | | | | | |

# PORT ALICE PROJECT

## Juene Landing Dolomite Deposit



**SECTION:** 030N

**Diamond Drill Log**

**DDH#:** JL-05-05

Northing:
Easting:
Elevation: ≈ 23m
Azimuth: 085
Inclination: -75°
Grid: No Grid
Length (m): 42.37m (139 ft)
Core size: NQ
Contractor: Boisvenu
Drill Type: A37 Unitized

Drill Hole survey
Method: Brunton

| Azimuth | Dip | Depth |
|---|---|---|
| 090 | -75 | Collar |
| ↑ note: swing to North slightly 085° | | |
| | | |
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| | | |

Property: Jeune Landing Dolomite
NTS: 92L/05E
Claim: Port Alice
Date Started: June 17, 2005
Date Completed: June 17, 2005
Re-Logged by: J.T. Shearer, M.Sc., P.Geo. in 2010

Samples Split:
2.44-4.00 4.00-5.50 5.50-7.00
7.00-8.50 8.50-10.00 10.00-11.50
11.50-13.00 13.00-14.85
14.85-15.60 (dyke) 15.60-17.00
17.00-18.50 18.50-19.50
19.50-21.00 21.00-22.45 22.45-24.00
24.00-25.50 25.50-27.00

Purpose:

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 0.00 | 2.44 | **CASING to 8 ft (2.44m):** No core recovery | | | |
| | | | | | |
| 2.44 | 14.85 | **DOLOMITE:** dark grey to almost black, fine grained, some sugary crystallinity in places | | | |
| | | Core recovery:<br>8'-19' = 9' = 90%<br>19'-29' = 9'10"<br>29'-39' = 10'2"<br>39'-49' = 10'<br>49'-59' = 10'<br>Sharp lower contact, orange-brown gouge | | | |
| | | | | | |
| | | | | | |
| 14.94 | 15.60 | **IGNEOUS DYKE/SILL:** from 14.85m-15.13m is ornge-brown pervasively stained<br>Sill is 75cm in core length | | | |
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# PORT ALICE PROJECT
## Juene Landing Dolomite Deposit



SECTION: ______ Page: 2 of 2 DDH#: JL-05-05

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 15.60 | 22.45 | **DOLOMITE:**<br>Core recovery:<br>59'-69' = 10' = 100%<br>69'-79' = 9'11" = 98%<br>79'-89' = 10'2"<br>89'-99' = 10'<br>99'-109' = 8' = 80% gouge zone<br>109'-119 = 9'<br>119'-129' = 9'8"<br>129'-139' = 10' | | | |
| | | Lower contact gradational over 5cm, but not faulted | | | |
| | | | | | |
| | | | | | |
| 22.45 | 40.16 | **LIMESTONE:** dark grey to black, ver<br>Shear – gouge at 25.10m-25.15m | | | |
| | | Brown mud/gouge 31.43m-32.11m and 33.22m-33.92m<br>These are probable dyke-limestone units which have been sheared and converted to gouge<br>White layer at 33.78m-33.82m | | | |
| | | | | | |
| | | | | | |
| 40.16 | 41.28 | **IGNEOUS DYKE/SILL:** siliceous, completely pervasively stained orange-brown | | | |
| | | Lower contact at <10° to core axis | | | |
| | | | | | |
| 41.28 | 42.37<br>E.O.H. | **LIMESTONE:** lighter grey, brecciated | | | |
| | | | | | |
| | | | | | |
| | | End of Hole 42.37m (139 feet) | | | |

# PORT ALICE PROJECT

## Juene Landing Dolomite Deposit



**SECTION: 085N** **Diamond Drill Log** **DDH#: JL-05-06**

| | |
|---|---|
| Northing: | |
| Easting: | |
| Elevation: | ≈ 24m |
| Azimuth: | 100 |
| Inclination: | -45° |
| Grid: | No Grid |
| Length (m): | 39.32m (129 ft) |
| Core size: | NQ |
| Contractor: | Boisvenu |
| Drill Type: | A37 Unitized |

Drill Hole survey
Method: Brunton

| Azimuth | Dip | Depth |
|---|---|---|
| 100 | -45 | Collar |

| | |
|---|---|
| Property: | Jeune Landing Dolomite |
| NTS: | 92L/05E |
| Claim: | Port Alice |
| Date Started: | June 18, 2005 |
| Date Completed: | June 18, 2005 |
| Re-Logged by: | J.T. Shearer, M.Sc., P.Geo. in 2010 |

Samples Split:

| | | |
|---|---|---|
| 2.44-4.00 | 4.00-5.50 | 5.50-7.00 |
| 7.00-8.50 | 8.50-10.00 | 10.00-11.50 |
| 11.50-13.00 | 13.00-14.50 | 14.50-17.08 |
| loss of core | 17.08-17.98 | 17.98-19.50 |
| 19.50-21.00 | 21.00-22.50 | 22.50-24.00 |

End of samples

Purpose: Set-up at 085N, 26W, set-up is about 10m east of contact

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 0.00 | 2.44 | **CASING:** No core<br>Rubbly core | | | |
| | | | | | |
| 2.44 | 17.08 | **DOLOMITE:** dark grey to almost black, highly fractured, core much more rubbly than previous holes | | | |
| | | Core recovery:<br>8'-19' = 7'<br>19'-29' = 8'<br>29'-39' = 8'<br>39'-49' = 7'<br>49'-59' = 4.5' Igneous dyke<br>59'-69' = 9'<br>Fractures dominant at 30° to core axis, but also as a fracture network | | | |
| | | 11.50m-14.00m orangey-brown mud<br>Loss of core below 14.94m<br>Lower contact sharp at 72° to core axis | | | |
| | | | | | |
| 17.08 | 17.98 | **IGNEOUS DYKE/SILL:** orange-brown throughout, pervasively stained<br>Lower contact gouge/mud | | | |
| | | | | | |
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| 17.98 | 19.50 | **DOLOMITE:** rubble at start of interval | | | |
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# PORT ALICE PROJECT

## Juene Landing Dolomite Deposit



SECTION: 085N  Page: 2 of 2  DDH#: JL-05-06

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 19.50 | 39.32 E.O.H. | **LIMESTONE:** black to dark grey, very fine grained | | | |
| | | Core recovery:<br>69'-79' = 10' = 100%<br>79'-89' = 9'6" = 95%<br>89'-99' = 9'10"<br>99'-109' = 10' = 100%<br>109'-119' = 9'11"<br>119'-129' = 10'6" | | | |
| | | Medium brown mud 21.52m-21.98m at less than 10° to core axis. Fractures mainly between 65° to 70° to core axis, often coated with brown, also numerous fractures filled with white calcite | | | |
| | | | | | |
| | | | | | |
| | | End of Hole 39.32m (129 feet) | | | |
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# PORT ALICE PROJECT

## Juene Landing Dolomite Deposit



**SECTION: 085N** **Diamond Drill Log** **DDH#: JL-05-07**

Northing: 5589298
Easting: 606320
Elevation: ≈ 24m
Azimuth: 100
Inclination: -75°
Grid: No Grid
Length (m): 42.37m (139 ft)
Core size: NQ
Contractor: Boisvenu
Drill Type: A37 Unitized

Drill Hole survey
Method: Brunton

| Azimuth | Dip | Depth |
|---|---|---|
| 100 | -75 | Collar |
| Slightly south of east 100° | | |
| | | |
| | | |
| | | |
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| | | |
| | | |

Property: Jeune Landing Dolomite
NTS: 92L/05E
Claim: Port Alice
Date Started: June 18, 2005
Date Completed: June 19, 2005
Re-Logged by: J.T. Shearer, M.Sc., P.Geo. in 2010

Samples Split:
2.44-4.00 4.00-5.50 5.50-7.00
7.00-8.50 8.50-10.00 10.00-11.50
11.50-13.00 13.00-14.94 14.94-16.05
(dyke) 16.05-17.50 17.50-19.00
19.00-20.50 (limy) 20.50-22.00
22.00-23.50 23.50-25.00 25.00-26.50
26.50-28.00

Purpose: Hole on 085 section -075°

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 0.00 | 2.44 | **CASING to 2.44 (8')**, No core recovery | | | |
| | | | | | |
| 2.44 | 14.94 | **DOLOMITE:** dark grey to almost black, highly fractured, very rubbly core 4.50m-7.00m, network of fractures, banding at 8.55m is 66° to core axis | 2.44-4.00<br>4.00-5.50 | 1.56<br>1.50 | |
| | | Core recovery:<br>8'-19' = 6'<br>19'-29' = 9'<br>29'-39' = 10'6"<br>39'-49' = 10'6"<br>49'-59' = 10' | 5.50-7.00<br>7.00-8.50<br>8.50-10.00<br>10.00-11.50 | 1.50<br>1.50<br>1.50<br>1.50 | |
| | | Minor mottling at 11.20m giving slight brecciated appearance More distinct layering at 14.55m at 70° to core axis, some laminations | 11.50-13.00<br>13.00-14.94 | 1.50<br>1.44 | |
| | | Lower contact sharp at 85° to core axis at drillers break (49 ft.) | | | |
| | | | | | |
| 14.94 | 16.05 | **IGNEOUS DYKE/SILL:** dark brown, pervasively stained sub-parallel to core axis, sparse phenocrysts | 14.94-16.05 | 1.09 | |
| | | Core recovery:<br>59'-69' = 10'6"<br>69'-79' = 10'<br>79'-89' = 9'6"<br>89'-99' = 10' | | | |
| | | Lower contact sharp at 75° to core axis, slightly gougy | | | |
| | | | | | |

# PORT ALICE PROJECT
## Juene Landing Dolomite Deposit



SECTION: 085N    Page: 2 of 2    DDH#: JL-05-07

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 16.05 | 19.00 | **DOLOMITE:** dark grey to almost black, very well fractured, white calcite on fracture surfaces, gradational lower contact | 16.05-17.50<br>17.50-19.00 | 1.45<br>1.50 | |
| | | | | | |
| | | | | | |
| 19.00 | 42.37 E.O.H. | **LIMESTONE:** dark grey to black, fine grained, very well fractured Wavy laminations at upper contact at about 70° to core axis | 19.00-20.50 | 1.50 | |
| | | Brown mud along low angle fractures between 26.68m – 27.40m Mud also filling fractures 30.78m – 30.94m at 32° to core axis and down to 104° | 20.50-22.00<br>22.00-23.50 | 1.50<br>1.50 | |
| | | Mud/gouge 102.5, brecciated, shear zone 124'-124.5ft 30° to core axis | 23.50-25.00 | 1.50 | |
| | | Brown gouge for last 15cm of hole | 25.00-26.50 | 1.50 | |
| | | | 26.50-28.00 | 1.50 | |
| | | | | | |
| | | End of Hole 42.37m (139 feet) | | | |
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# PORT ALICE PROJECT

## Juene Landing Dolomite Deposit



**SECTION: 030N + 035W** **Diamond Drill Log** **DDH#: JL-05-01**

| | |
|---|---|
| Northing: | 5589271.778 |
| Easting: | 6062296.322 |
| Elevation: | ≈ 20m |
| Azimuth: | 090 |
| Inclination: | -45° |
| Grid: | No Grid |
| Length (m): | 48.46m (159 ft) |
| Core size: | NQ |
| Contractor: | Boisvenu |
| Drill Type: | A37 Unitized |

Drill Hole survey
Method: -45 Brunton

| Azimuth | Dip | Depth |
|---|---|---|
| 090 | -45 | Collar |
| | | |
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|---|---|
| Property: | Jeune Landing Dolomite |
| NTS: | 92L/05E |
| Claim: | Port Alice |
| Date Started: | June 14, 2005 |
| Date Completed: | June 15, 2005 |
| Logged by: | J.T. Shearer, M.Sc., P.Geo. |

Samples Split:
2.12-3.50, 3.50-5.00, 5.00-6.50
6.50-8.00, 8.00-9.50, 9.50-11.00
11.00-12.50, 12.50-14.00, 14.00-15.50
15.50-17.36, 17.36-18.66, 18.66-20.00
20.00-21.50, 21.50-23.00

Purpose: First Diamond Drillhole on Point Dolomite Zone, at 030N + 035W, from West Side through Deposit

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 0.00 | 2.12 | **4' CASING:** BOULDERS of LIMESTONE and DOLOMITE, one boulder is of light brown very fine grained limestone 17cm long, bedrock at 7ft. 0-11 = 5'3"/11=48 | | | |
| | | | | | |
| | | | | | |
| 2.12 | 17.36 | **DOLOMITE**: very fine grained, dark grey to almost black, first run 6'6"/9' = 73% core recovery (11' to 19') | 2.12-3.50 | 1.38 | |
| | | Highly fractured filled with 1mm calcite? Veinlet fillings<br>Core recovery 19'-29'=9'1"/10'=98%<br>Core recover 19'-39'=10'1"/10'=101%<br>Pinkish staining at 8.74m | 3.50-5.00<br>5.00-6.00 | 1.50<br>1.50 | |
| | | Minor gouge along fractures 8.74m and 9.15m<br>Small gouge zone 25mm wide at 11.22-11.24 at about 80° to core axis<br>39-49 9'10"/10 = 98%<br>49'-59' 10'4"/10 = 103%<br>59'-69' 9'9"/10 = 97.5%<br>69'-79' 9'10"/10 = 98%<br>79'-89' 9"6"/10 = 95%<br>89'-99' 9'8"/10 = 96.6%<br>99'-109' 9'6"/10 = 95%<br>109'-119' 10'/10 = 100<br>119'-129' 9'/10 fractured core, wedgy 90% | 6.50-8.00<br>8.00-9.50<br>9.50-11.00<br>11.00-12.50<br>12.50-14.00 | 1.50<br>1.50<br>1.50<br>1.50<br>1.50 | |
| | | Stylolites at 12.64m roughly 80° to core axis | | | |
| | | Dark grey – almost black, fine grained, some short intervals have a fine sugary texture | 14.00-15.50 | 1.50 | |
| | | Numerous white (calcite) filled veinlets and patches, highly fractured overall | | | |
| | | From 13.5m-15.8m exhibits many small vugs filled with brown limonite staining, most of the vugs are triangular at the intersections of fractures, most vugs are drusy with small <1mm calcite crystals | 15.50-17.36 | 0.86 | |
| | | Stylolites at 90° to core axis | | | |

# PORT ALICE PROJECT
## Juene Landing Dolomite Deposit



SECTION: 030N    Page: 2 of 2    DDH#: JL-05-01

| from (m) | to (m) | Description | from/to | width (m) | MgO % |
|---|---|---|---|---|---|
| 2.12 | 17.36 cont. | Brown bleaching 17.36m to 17.62m, minor gouge on upper contact, very fine grained, dark grey mottling | | | |
| | | No reaction to HCl<br>Shearing at contact is between 60° to 70° to core axis<br>Somewhat convoluted | | | |
| | | | | | |
| 17.36 | 18.66 | **APHANITIC IGNEOUS SILL**: very fine grained, very fine salt and pepper texture overall, somewhat calcareous, rusty low angle fractures, quartz eyes and feldspar phenocrysts rare throughout up to 3mm in length | 17.36-18.66 | 1.30 | |
| | | Lower contact is rusty seam gouge 4 or 5mm thick at 75° to 80° to core axis.<br>Sill is 1.3metres core length. | | | |
| | | | | | |
| 18.66 | 32.63 | **DOLOMITE:** very fine grained, dark grey to almost black, highly fractured, most of the fractures dominant direction is sub-parallel to core axis | | | |
| | | Breccia-shear zone 85° to core axis, black gouge 20.29m-20.42m<br>Highly fractured, dominant fractures sub-parallel to core axis | | | |
| | | Stylolites along slightly darker layers (bands) up to 5mm wide, these darker layers are >85° to core axis – close to 90° to core axis<br>23.0-24.5<br>24.5-26.0<br>26.0-27.5<br>27.5-29.0<br>29.0-30.5,<br>30.5-32.63<br>32.63-34.0<br>34.0-35.5 | 18.66-20.00<br>20.00-21.50<br>21.50-23.00 | 1.34<br>1.50<br>1.50 | |
| | | Highly fractured with network of "calcite" veinlets 24.16m-24.32m, minor vugginess | | | |
| | | Indistinct layering and ghost structures common at 28.35m-28.65m lamination at 28.57m is at 83° to core axis. | | | |
| | | Lower contact abrupt<br>Fault gouge, punky medium brown mud-gouge at <0° to core axis | | | |
| | | | | | |
| 32.63 | 48.46 E.O.H. | **LIMESTONE:** dark grey to almost black, highly fractured, white calcite films along fractures with minor white calcite, tension lenses and ladder infilling, HIGH CALCIUM limestone | 32.63-34.00 | 1.37 | |
| | | Brownish mud films on major fractures at 32° to core axis<br>Wispy dark grey-black lenses discontinuous at 34.60m | 34.00-35.50 | 1.50 | |
| | | Relatively uniform black very fine grained limestone<br>Prominent stylolite at 47.02m at 90° to core axis | | | |
| | | | | | |
| | | END of Hole 48.46m (159 ft.) | | | |
| | | | | | |

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PORT COQUITLAM BC V3C 2Z1

Total # Pages: 2 (A - B)
Finalized Date: 26-AUG-2004
Account: MWE

Project: Jeune Landin

## CERTIFICATE OF ANALYSIS VA04053879

| Sample Description | Method<br>Analyte<br>Units<br>LOR | WEI-21<br>Recvd Wt.<br>kg<br>0.02 | ME-XRF06<br>SiO2<br>%<br>0.01 | ME-XRF06<br>Al2O3<br>%<br>0.01 | ME-XRF06<br>Fe2O3<br>%<br>0.01 | ME-XRF06<br>CaO<br>%<br>0.01 | ME-XRF06<br>MgO<br>%<br>0.01 | ME-XRF06<br>Na2O<br>%<br>0.01 | ME-XRF06<br>K2O<br>%<br>0.01 | ME-XRF06<br>Cr2O3<br>%<br>0.01 | ME-XRF06<br>TiO2<br>%<br>0.01 | ME-XRF06<br>MnO<br>%<br>0.01 | ME-XRF06<br>P2O5<br>%<br>0.01 | ME-XRF06<br>SrO<br>%<br>0.01 | ME-XRF06<br>BaO<br>%<br>0.01 | ME-XRF06<br>LOI<br>%<br>0.01 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2 | | 3.06 | 0.29 | 0.05 | 0.23 | 31.45 | 19.70 | 0.03 | 0.01 | <0.01 | 0.04 | 0.06 | <0.01 | 0.15 | 0.01 | 46.60 |
| 3 | | 2.88 | 0.27 | 0.06 | 0.21 | 31.25 | 19.90 | 0.04 | 0.02 | <0.01 | 0.04 | 0.04 | 0.01 | 0.12 | 0.01 | 46.50 |
| 4 | | 2.40 | 0.24 | 0.05 | 0.17 | 29.22 | 22.06 | 0.04 | 0.01 | <0.01 | 0.03 | 0.03 | 0.01 | 0.06 | 0.01 | 46.60 |
| 5 | | 4.16 | 1.42 | 0.22 | 0.20 | 28.98 | 21.51 | 0.09 | 0.02 | <0.01 | 0.04 | 0.02 | 0.01 | 0.05 | 0.01 | 46.00 |
| 6 | | 3.62 | 1.87 | 0.11 | 0.11 | 38.25 | 13.14 | <0.01 | 0.01 | <0.01 | 0.04 | 0.02 | <0.01 | 0.07 | <0.01 | 44.70 |

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Total # Pages: 2 (A - B)
Finalized Date: 26-AUG-2004
Account: MWE

Project: Jeune Landin

CERTIFICATE OF ANALYSIS VA04053879

| Sample Description | Method<br>Analyte<br>Units<br>LOR | ME-XRF06<br>Total<br>%<br>0.01 | S-IR08<br>S<br>%<br>0.01 |
|---|---|---|---|
| 2 | | 98.61 | 0.01 |
| 3 | | 98.46 | <0.01 |
| 4 | | 98.51 | <0.01 |
| 5 | | 98.56 | <0.01 |
| 6 | | 98.33 | 0.01 |

VA04087696 - Finalized
CLIENT : "MWE - Homegold Resources Ltd."
# of SAMPLES : 44
DATE RECEIVED : 2004-12-13 DATE FINALIZED : 2004-12-22
PROJECT : "Jeune Landin"
CERTIFICATE COMMENTS : ""
PO NUMBER : ""

| | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 | ME-ICP06 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAMPLE | SiO2 | Al2O3 | Fe2O3 | CaO | MgO | Na2O | K2O | Cr2O3 | TiO2 | MnO | P2O5 | SrO | BaO | LOI | Total |
| DESCRIPTION | % | % | % | % | % | % | % | % | % | % | % | % | % | % | % |
| 0-75 50-60 | 1.67 | 0.24 | 0.26 | 30.5 | 21.5 | 0.03 | <0.01 | <0.01 | 0.02 | <0.01 | 0.04 | 0.06 | 0.03 | 46.1 | 100.5 |
| 30-75 0-10 | 22.6 | 6.38 | 4.19 | 20.6 | 12.7 | 0.52 | 0.39 | <0.01 | 0.91 | 0.07 | 0.18 | 0.06 | 0.03 | 29.4 | 98 |
| 30-75 10-20 | 3.45 | 1.09 | 0.99 | 29.2 | 19.8 | 0.16 | 0.04 | <0.01 | 0.11 | 0.04 | 0.04 | 0.05 | 0.01 | 45.4 | 100.5 |
| 5-45 0-10 | 4.46 | 1.37 | 1.04 | 28.5 | 19.3 | 0.22 | 0.08 | <0.01 | 0.13 | 0.05 | 0.02 | 0.06 | <0.01 | 45.1 | 100.5 |
| 5-45 10-20 | 0.34 | 0.16 | 0.15 | 30.6 | 21.8 | 0.03 | <0.01 | <0.01 | 0.01 | 0.02 | <0.01 | 0.04 | <0.01 | 47.4 | 100.5 |
| 5-45 20-30 | 11.95 | 3.36 | 2.13 | 24.5 | 16.1 | 0.32 | 0.19 | <0.01 | 0.48 | 0.04 | 0.01 | 0.04 | 0.01 | 39 | 98.1 |
| 5-45 30-40 | 15 | 4.45 | 2.99 | 24.5 | 14.95 | 0.62 | 0.3 | <0.01 | 0.65 | 0.06 | 0.13 | 0.06 | 0.01 | 36.8 | 100.5 |
| 5-75 0-10 | 1.34 | 0.5 | 0.34 | 31.3 | 19.8 | 0.11 | 0.09 | <0.01 | 0.05 | 0.03 | 0.05 | 0.07 | <0.01 | 46.7 | 100.5 |
| 5-75 10-20 | 16.5 | 4.79 | 3.07 | 23.2 | 15.2 | 0.69 | 0.34 | <0.01 | 0.7 | 0.05 | 0.05 | 0.06 | 0.02 | 36 | 100.5 |
| 5-75 20-30 | 1.81 | 0.54 | 0.44 | 30 | 20.4 | 0.07 | 0.04 | <0.01 | 0.07 | 0.01 | <0.01 | 0.07 | <0.01 | 46.5 | 100 |
| 5-75 30-40 | 0.82 | 0.28 | 0.24 | 30.7 | 21.2 | 0.04 | 0.01 | <0.01 | 0.03 | 0.01 | <0.01 | 0.07 | <0.01 | 46.6 | 100 |
| 5-75 40-50 | 1.68 | 0.31 | 0.28 | 30 | 21.4 | 0.05 | 0.01 | <0.01 | 0.03 | <0.01 | 0.03 | 0.05 | <0.01 | 46.2 | 100 |
| 5-90 0-10 | 0.67 | 0.25 | 0.18 | 30.7 | 20.5 | 0.08 | <0.01 | <0.01 | 0.02 | 0.03 | 0.05 | 0.07 | <0.01 | 47.2 | 99.8 |
| 5-90 10-20 | 19.35 | 5.69 | 3.61 | 21.2 | 14.45 | 0.83 | 0.42 | <0.01 | 0.8 | 0.06 | 0.21 | 0.07 | 0.02 | 33.8 | 100.5 |
| 5-90 20-30 | 0.76 | 0.25 | 0.21 | 30.9 | 22.1 | 0.04 | 0.01 | <0.01 | 0.02 | 0.01 | <0.01 | 0.06 | <0.01 | 45.8 | 100 |
| 5-90 30-40 | 1.44 | 0.34 | 0.27 | 31.5 | 21.5 | 0.04 | 0.01 | <0.01 | 0.03 | 0.02 | <0.01 | 0.06 | <0.01 | 45.3 | 100.5 |
| 15-45 0-10 | 0.56 | 0.28 | 0.19 | 31 | 22.1 | 0.02 | 0.01 | <0.01 | 0.01 | 0.02 | <0.01 | 0.07 | <0.01 | 45.7 | 100 |
| 15-45 10-20 | 0.6 | 0.2 | 0.19 | 31.4 | 22.3 | 0.03 | <0.01 | <0.01 | 0.01 | 0.01 | 0.02 | 0.05 | <0.01 | 45.7 | 100.5 |
| 15-45 20-30 | 17.85 | 4.76 | 3.15 | 22 | 15.35 | 0.71 | 0.32 | <0.01 | 0.7 | 0.04 | <0.01 | 0.07 | 0.02 | 34.6 | 99.6 |
| 15-45 30-40 | 27.8 | 8.14 | 5.2 | 17.5 | 10.65 | 1.2 | 0.64 | <0.01 | 1.17 | 0.07 | 0.26 | 0.06 | 0.02 | 27.1 | 99.8 |
| 15-45 40-50 | 36.6 | 10.25 | 6.69 | 12.95 | 7.52 | 1.8 | 0.81 | <0.01 | 1.52 | 0.1 | 0.28 | 0.06 | 0.03 | 20.9 | 99.5 |
| 15-45 50-60 | 3.34 | 0.98 | 0.73 | 28.3 | 21.4 | 0.14 | 0.09 | <0.01 | 0.12 | 0.01 | <0.01 | 0.04 | <0.01 | 44.6 | 99.8 |
| 15-45 60-70 | 5.81 | 1.66 | 1.17 | 27.2 | 19.9 | 0.25 | 0.14 | <0.01 | 0.22 | 0.02 | <0.01 | 0.04 | 0.01 | 43.4 | 99.8 |
| 15-45 80-90 | 1.76 | 0.47 | 0.27 | 30.3 | 20.5 | 0.09 | 0.08 | <0.01 | 0.03 | 0.03 | 0.02 | 0.05 | <0.01 | 46.2 | 99.8 |
| 15-75 10-20 | 6.61 | 1.96 | 1.26 | 27.7 | 18.85 | 0.31 | 0.17 | <0.01 | 0.24 | 0.03 | <0.01 | 0.06 | 0.01 | 43.1 | 100.5 |
| 15-75 20-30 | 29.1 | 8.42 | 5.29 | 16.8 | 9.77 | 1.28 | 0.56 | <0.01 | 1.25 | 0.09 | 0.2 | 0.06 | 0.03 | 26.6 | 99.4 |
| 30-45 0-10 | 0.51 | 0.22 | 0.24 | 30.6 | 21.8 | 0.03 | 0.01 | <0.01 | 0.02 | 0.01 | <0.01 | 0.08 | <0.01 | 47.1 | 100.5 |
| 30-45 10-20 | 0.3 | 0.12 | 0.11 | 29.8 | 22.3 | 0.02 | <0.01 | <0.01 | 0.01 | 0.01 | <0.01 | 0.07 | <0.01 | 47.1 | 99.8 |
| 30-45 20-30 | 0.28 | 0.13 | 0.16 | 29.6 | 22.3 | 0.02 | <0.01 | <0.01 | 0.01 | 0.01 | <0.01 | 0.06 | <0.01 | 47.3 | 99.9 |
| 30-45 30-40 | 29 | 8.29 | 5.15 | 16.5 | 10.85 | 0.57 | 0.45 | <0.01 | 1.18 | 0.09 | 0.27 | 0.06 | 0.02 | 28.2 | 100.5 |
| 30-45 40-50 | 25.3 | 7.38 | 4.76 | 17.55 | 11.25 | 0.76 | 0.49 | <0.01 | 1.07 | 0.08 | 0.13 | 0.06 | 0.02 | 29.5 | 98.4 |
| 30-45 50-60 | 14.3 | 4.38 | 2.88 | 24.3 | 15.45 | 0.45 | 0.27 | <0.01 | 0.63 | 0.06 | 0.01 | 0.05 | 0.01 | 37.3 | 100 |
| 30-45 60-70 | 1.44 | 0.6 | 0.49 | 30.7 | 18.75 | 0.05 | 0.02 | <0.01 | 0.06 | 0.03 | <0.01 | 0.07 | <0.01 | 45.9 | 98.1 |
| 30-45 70-80 | 0.73 | 0.34 | 0.24 | 30.7 | 20.5 | 0.04 | <0.01 | <0.01 | 0.03 | 0.02 | <0.01 | 0.06 | <0.01 | 46.7 | 99.4 |
| 30-45 80-90 | 0.6 | 0.18 | 0.23 | 30.7 | 21.8 | 0.05 | 0.01 | <0.01 | 0.02 | 0.02 | 0.1 | 0.05 | <0.01 | 46.3 | 100 |
| 70N+05W | 3.48 | <0.01 | 0.13 | 29.6 | 21.6 | 0.03 | <0.01 | <0.01 | 0.01 | 0.02 | 0.15 | 0.05 | <0.01 | 44.8 | 99.9 |
| 122N+00 | 0.11 | 0.01 | 0.09 | 55.4 | 0.95 | 0.01 | <0.01 | <0.01 | 0.01 | 0.04 | 0.03 | 0.12 | <0.01 | 43.8 | 100.5 |
| 122N+06W | 0.17 | 0.03 | 0.11 | 30.6 | 20.4 | 0.02 | 0.01 | <0.01 | 0.01 | 0.04 | 0.08 | 0.08 | <0.01 | 46.1 | 97.6 |
| 185N+30W | 1.48 | <0.01 | 0.23 | 30.5 | 21.8 | 0.02 | <0.01 | <0.01 | 0.01 | 0.05 | <0.01 | 0.14 | <0.01 | 46.2 | 100.5 |
| 300N+25W | 0.81 | 0.04 | 0.21 | 53.3 | 1.54 | 0.02 | 0.01 | <0.01 | 0.01 | 0.05 | 0.05 | 0.11 | <0.01 | 44 | 100 |
| 395N | 0.11 | <0.01 | 0.11 | 45.7 | 9.13 | 0.01 | <0.01 | <0.01 | 0.01 | 0.02 | <0.01 | 0.05 | <0.01 | 44.7 | 99.8 |
| 600N | 0.16 | <0.01 | 0.18 | 42 | 12.55 | 0.01 | <0.01 | <0.01 | <0.01 | 0.03 | <0.01 | 0.06 | <0.01 | 45.2 | 100 |
| E-END OF E-W | 0.28 | 0.16 | 0.86 | 29.4 | 21.2 | 0.02 | 0.03 | <0.01 | 0.01 | 0.05 | <0.01 | 0.17 | <0.01 | 46.7 | 98.9 |
| SOUTH OF E-W | 20.1 | 5.04 | 1.32 | 33 | 5.52 | 1.72 | 0.29 | <0.01 | 0.12 | 0.04 | <0.01 | 0.04 | 0.01 | 32.7 | 99.9 |

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To: HOMEGOLD RESOURCES LTD.
UNIT 5, 2330 TYNER ST
PORT COQUITLAM BC V3C 2Z1

Page: 1
Finalized Date: 17-NOV-2005
Account: MWE

## CERTIFICATE VA05090479

Project: Jeune Landing
P.O. No.:
This report is for 2 Crushed Rock samples submitted to our lab in Vancouver, BC, Canada on 4-NOV-2005.
The following have access to data associated with this certificate:
JOE SHEARER

## SAMPLE PREPARATION

| ALS CODE | DESCRIPTION |
|---|---|
| WEI-21 | Received Sample Weight |
| LOG-22 | Sample login - Rcd w/o BarCode |
| SCR-51 | Screening |
| PUL-31 | Pulverize split to 85% <75 um |

## ANALYTICAL PROCEDURES

| ALS CODE | DESCRIPTION | INSTRUMENT |
|---|---|---|
| S-IR08 | Total Sulphur (Leco) | LECO |
| ME-XRF06 | Whole Rock Package - XRF | XRF |
| OA-GRA06 | LOI for ME-XRF06 | WST-SIM |
| ME-ICP41 | 34 Element Aqua Regia ICP-AES | ICP-AES |

To: HOMEGOLD RESOURCES LTD.
ATTN: JOE SHEARER
UNIT 5, 2330 TYNER ST
PORT COQUITLAM BC V3C 2Z1

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

**Signature:**

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Page: 2 - A
Total # Pages: 2 (A - D)
Finalized Date: 17-NOV-2005
Account: MWE

Project: Jeune Landing

## CERTIFICATE OF ANALYSIS VA05090479

| Sample Description | Method / Analyte / Units / LOR | WEI-21 Recvd Wt. kg 0.02 | SCR-51 WT.+850u g 0.1 | SCR-51 WT.+300u g 0.1 | SCR-51 WT.+150u g 0.1 | SCR-51 WT.+106u g 0.1 | SCR-51 WT.-106u g 0.1 | ME-XRF06 SiO2 % 0.01 | ME-XRF06 Al2O3 % 0.01 | ME-XRF06 Fe2O3 % 0.01 | ME-XRF06 CaO % 0.01 | ME-XRF06 MgO % 0.01 | ME-XRF06 Na2O % 0.01 | ME-XRF06 K2O % 0.01 | ME-XRF06 Cr2O3 % 0.01 | ME-XRF06 TiO2 % 0.01 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DOLOMITEA 240FPS | | 0.12 | 35.4 | 86.2 | 37.9 | 20.9 | 14.4 | 7.03 | 1.73 | 0.75 | 26.57 | 18.93 | 0.44 | 0.30 | <0.01 | 0.05 |
| DOLOMITEB 280FPS | | 0.14 | 51.8 | 69.0 | 27.8 | 11.3 | 5.5 | 16.08 | 3.95 | 1.01 | 23.33 | 16.22 | 1.14 | 0.84 | <0.01 | 0.09 |

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Page: 2 - B
Total # Pages: 2 (A - D)
Finalized Date: 17-NOV-2005
Account: MWE

Project: Jeune Landing

## CERTIFICATE OF ANALYSIS VA05090479

| Sample Description | Method | ME-XRF06 | ME-XRF06 | ME-XRF06 | ME-XRF06 | ME-XRF06 | ME-XRF06 | ME-ICP41 | ME-ICP41 | ME-ICP41 | ME-ICP41 | ME-ICP41 | ME-ICP41 | ME-ICP41 | ME-ICP41 | ME-ICP41 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Analyte | MnO | P2O5 | SrO | BaO | LOI | Total | Ag | Al | As | B | Ba | Be | Bi | Ca | Cd |
| | Units | % | % | % | % | % | % | ppm | % | ppm | ppm | ppm | ppm | ppm | % | ppm |
| | LOR | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.2 | 0.01 | 2 | 10 | 10 | 0.5 | 2 | 0.01 | 0.5 |
| DOLOMITEA 240FPS | | 0.02 | 0.01 | 0.05 | 0.01 | 42.20 | 98.09 | <0.2 | 0.15 | 14 | <10 | 20 | <0.5 | <2 | 20.6 | <0.5 |
| DOLOMITEB 280FPS | | 0.02 | 0.04 | 0.05 | 0.02 | 36.00 | 98.78 | <0.2 | 0.25 | 9 | <10 | 20 | <0.5 | <2 | 17.5 | <0.5 |

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Finalized Date: 17-NOV-2005
Account: MWE

Project: Jeune Landing

### CERTIFICATE OF ANALYSIS VA05090479

| Sample Description | Method / Analyte / Units / LOR | ME-ICP41 Co ppm 1 | ME-ICP41 Cr ppm 1 | ME-ICP41 Cu ppm 1 | ME-ICP41 Fe % 0.01 | ME-ICP41 Ga ppm 10 | ME-ICP41 Hg ppm 1 | ME-ICP41 K % 0.01 | ME-ICP41 La ppm 10 | ME-ICP41 Mg % 0.01 | ME-ICP41 Mn ppm 5 | ME-ICP41 Mo ppm 1 | ME-ICP41 Na % 0.01 | ME-ICP41 Ni ppm 1 | ME-ICP41 P ppm 10 | ME-ICP41 Pb ppm 2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DOLOMITEA 240FPS | | <1 | 4 | 84 | 0.35 | <10 | <1 | 0.03 | <10 | 10.70 | 133 | 1 | 0.03 | 1 | 70 | 6 |
| DOLOMITEB 280FPS | | <1 | 3 | 89 | 0.51 | <10 | <1 | 0.06 | <10 | 9.41 | 138 | 3 | 0.03 | 2 | 130 | <2 |

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Finalized Date: 17-NOV-2005
Account: MWE

Project: Jeune Landing

### CERTIFICATE OF ANALYSIS VA05090479

| Sample Description | Method / Analyte / Units / LOR | ME-ICP41 S % 0.01 | ME-ICP41 Sb ppm 2 | ME-ICP41 Sc ppm 1 | ME-ICP41 Sr ppm 1 | ME-ICP41 Ti % 0.01 | ME-ICP41 Tl ppm 10 | ME-ICP41 U ppm 10 | ME-ICP41 V ppm 1 | ME-ICP41 W ppm 10 | ME-ICP41 Zn ppm 2 | S-IR08 S % 0.01 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DOLOMITEA 240FPS | | <0.01 | 2 | 1 | 481 | 0.01 | <10 | <10 | 10 | <10 | 18 | 0.02 |
| DOLOMITEB 280FPS | | <0.01 | 2 | 1 | 396 | 0.02 | <10 | <10 | 14 | <10 | 17 | 0.02 |

# APPENDIX IV

# ARCHAEOLOGICAL SITE Q-0757

# DECEMBER 16, 2010

B A S I C
**BRITISH COLUMBIA**
TRADITIONAL USE
**SITE INVENTORY**

# FORM

**1. Site Number: Q-0757**

**2. Local Identification Number:**

**20. Site Map (attach a topographic map showing the exact location of the site):**

**21a. Site Latitude:** 50° 26' 51.3"

**21b.Site Longitude:** 127° 30' 00.7"

**21c. UTM Grid:** 9

**21d. Site Easting:** 606483.2

**21e. Site Northing:** 5589471.7

**21f. Digitized Location:** N

**21g. Datum Value:** NAD 83

**21h. Location Accuracy:** ± 10.0 m

**22. NTS Map Reference:** 92 L/6 (Alice Lake)

**24. Municipality:** N/A

**25. Regional District:** Rupert Land District

**28. Land Type:** Crown (T0497 Blk 3); Private (Lot 188)

**30. Tribal Council(s):** Kwakiutl District Council

**31. Band(s):**
Quatsino First Nation
305 Quattishe Road
Coal Harbour, B.C. V0N 1K0
Tel.: 250-949-6245
Fax: 250-949-6249

**33. Oral References:**

**34. Written References:** Chatan, Robbin. 2005-370. *Archaeological Impact Assessment: Sechelt Industrial Minerals Corp., Proposed Dolomite Quarry, T0497 Block 3 and Lot 188, Jeune Landing, Neoutsos Inlet, Northern Vancouver Island, BC.* Unpublished final permit AIA report prepared for Sechelt Industrial Minerals Corp., % Homegold Resources Ltd., Port Coquitlam.

**35. Contact Type:** Developer

**36. Contact Name:** Jo Shearer, Geologist.

**37. Contact Address:**
*Sechelt Industrial Minerals Corp.*
*% Homegold Resources Ltd.*
Unit 5 – 2330 Tyner Street
Port Coquitlam, BC V3C 2Z1
Tel: 604-970-6402
Fax: 604-944-6102

**38. Legal Description:** **Tenure**: Coast Land District; Mount Waddington; T0497 Blk 3 and Lot 188
**Parcel Inventory Number (PIN):**

**40. Comments:**
HCA 2005-370: *SOURCES Archaeological and Heritage Consultants*

This site consists of a diffuse cluster of seven (7) standing bark-stripped cedar CMTs (#1-7) located in the north-eastern portion of the development area. The average stem diameter is 63 cm DBH with a range between a minimum of 40 cm and a maximum of 97 cm DBH. The scar feature types consist of six tapered bark-strips (CMTs #1-5, and 7) and two lenticular scars (CMTs #5 and 6). The bark-strip scars are found on either the up-slope (N=5) and lateral (N=3) sides. CMT (#5) has two bark-strip features and the remaining six CMTs all have a single bark-strip scar feature per tree.

For the six taper bark-stripped features the average scar length is 6.2 m with a range between 4 m and 8 m; the average scar width is 10 cm with a range of 10 cm and 17 cm; the average healing lobe thickness (HLT) is 10 cm with a range of 6 cm and 13 cm; and an average scar HAG of 39.2 cm above present ground surface with a range between 0 cm (to ground surface) and 69 cm above present ground surface. The two lenticular scars have lengths of 5 m and 3.5 m, widths of 8 cm and 11 cm, healing lobe thicknesses of 17 cm and 16 cm; and HAGs of 52 cm and 37 cm above present ground surface. No remnant tool marks were observed on any of the eight scar features.

Two core increment samples were recovered from healing lobes on CMTs #3 and 7. The minimum dendrochronological dates obtained for CMT #3 is AD 1924 and for #7 is AD 1918. Based on the remaining healing lobes thicknesses it is inferred that the aboriginal bark-stripping activities in this cluster goes back to the late 19$^{th}$ century at the earliest. This CMT site cluster dates to post-1846 and is therefore recorded as a Quatsino Traditional Use site.

**41. Images:**

| Type | Repository | Photographer | Description | Image Caption | Image Date |
|---|---|---|---|---|---|
| Digital | Other: SOURCES | Kenedy Richard | KR-DGT:JL-Dolo:1-6. | Site Q-0757: CMTs #2, 4-6. | 2005/09/27 |
| Digital | Other: SOURCES | Robert Shortland | RS-DGT:JL-Dolo:1 | Site Q-0757: CMT #7. | 2005/09/27 |

## CMT Feature Recordng Form: Post-1846 CMT Site Q - 0757

| 1 Field # | 2 CMT # | 3 SP | 4 A/D | 5 S/F | 6 CL | 7 Type | 8 SL | 9 DBH | 10 FEA | 11 LEN | 12 WID | 13 HLT | 14 HAG | 15 Side/Dir | | 16 TMK | 17 NT | 18 Core/Age | 19 Roll/Phot |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| L1 | 1 | WRC | D | S | BS | TAP | 5% | 0.4 | 1 | 5.51 | 0.18 | 0.06 | 0.44 | S | NE | N | N | N | |
| **Location: 41.4 m @ 313 degrees from Line 1 Δ 00+285 N, SIMC Jeune Landing Dolomite Quarry.** | | | | | | | | | | | | | | | | | | | |
| L2 | 2 | WRC | A | S | BS | TAP | 30% | 0.7 | 1 | 5E | 0.15 | 0.13 | 0.31 | U | E | N | N | N | |
| **Location: 33.4 m @ 360 degrees from Line 1 Δ 00+285N, SIMC Jeune Landing Dolomite Quarry.** | | | | | | | | | | | | | | | | | | | |
| L3 | 3 | WRC | A | S | BS | TAP | 25% | 0.41 | 1 | 8E | 0.26 | 0.06 | 0.69 | U | NE | N | N | Y/81±10 ybp | |
| **Location: 22 m @ 140 degrees from CMT #2, SIMC Jeune Landing Dolomite Quarry.** | | | | | | | | | | | | | | | | | | | |
| L4 | 4 | WRC | A | W | BS | TAP | 0% | 0.57 | 1 | 7 | 0.27 | 0.11 | 0.25 | U | N | N | N | N | KR-DGT:0053 |
| **Location: 25 m @ 340 degrees from CMT #3, SIMC Jeune Landing Dolomite Quarry.** | | | | | | | | | | | | | | | | | | | |
| L5 | 5 | WRC | A | S | BS | TAP | 25% | 0.77 | 1 | 7.5 | 0.14 | 0.11 | 0.27 | S | W | N | N | N | KR-DGT:0054 |
| | | | | | BS | Lenticular | | | 2 | 5 | 0.08 | 0.17 | 0.52 | U | N | N | N | N | KR-DGT:0055 |
| **Location: 51.5 m @ 016 degrees from CMT #4, SIMC Jeune Landing Dolomite Quarry.** | | | | | | | | | | | | | | | | | | | |
| L6 | 6 | WRC | A | S | BS | Lenticular | 5% | 0.97 | 1 | 3.5 | 0.11 | 0.16 | 0.37 | U | S | N | N | N | |
| **Location: 26.3 m @ 043 degrees from CMT #3, SIMC Jeune LandingDolomite Quarry.** | | | | | | | | | | | | | | | | | | | |
| R1 | 7 | WRC | A | S | BS | TAP | <5% | 0.6 | 1 | 4 | 0.1 | 0.12 | N/A | S | S | N | N | Y/87±10 ybp | |
| **Location: 3 m @ 350 degrees from CMT #3, SIMC Jeune Landing Dolomite Quarry.** | | | | | | | | | | | | | | | | | | | |

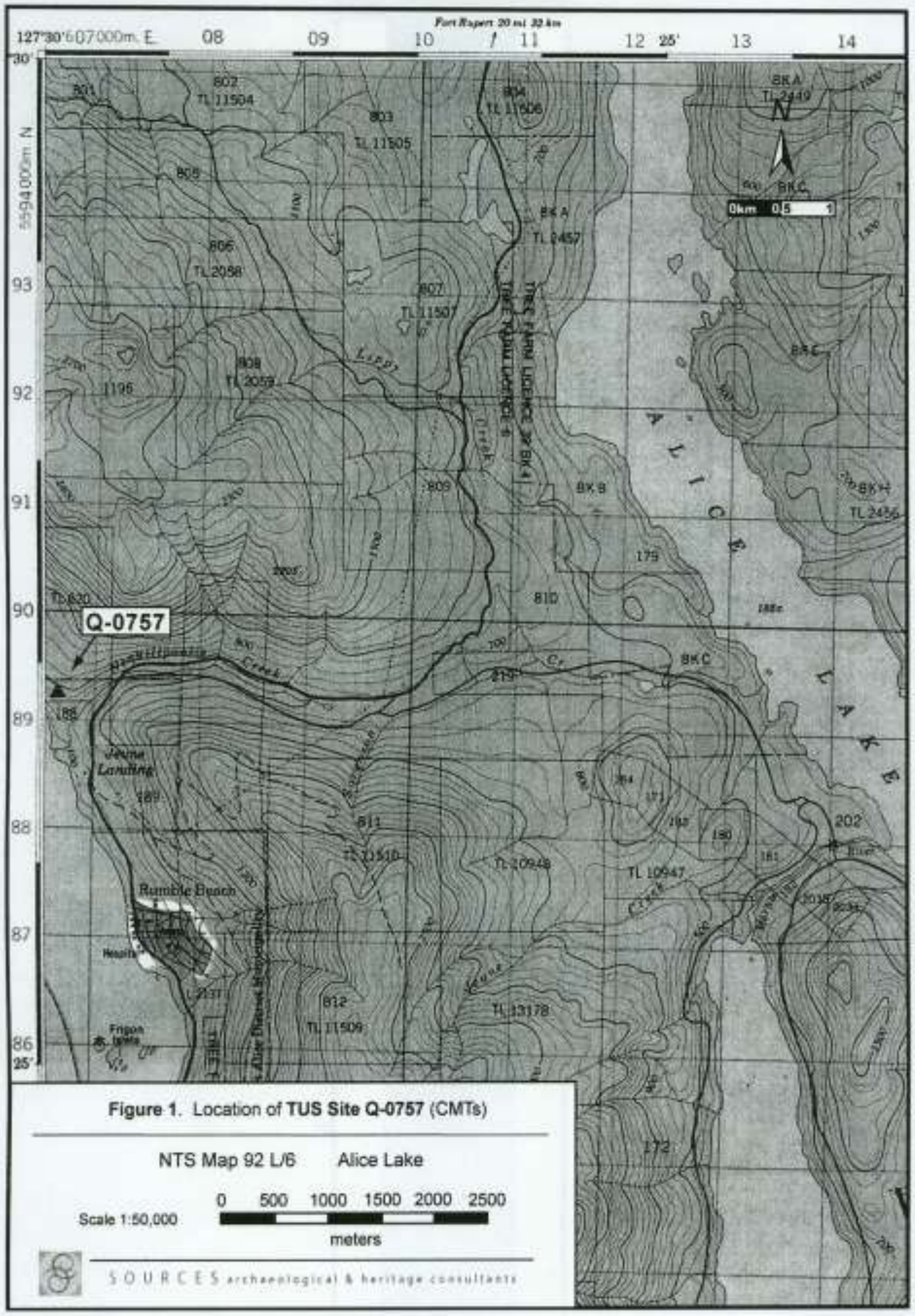


Figure 1. Location of **TUS Site Q-0757** (CMTs)

NTS Map 92 L/6 Alice Lake

Scale 1:50,000

0 500 1000 1500 2000 2500 meters

SOURCES archaeological & heritage consultants

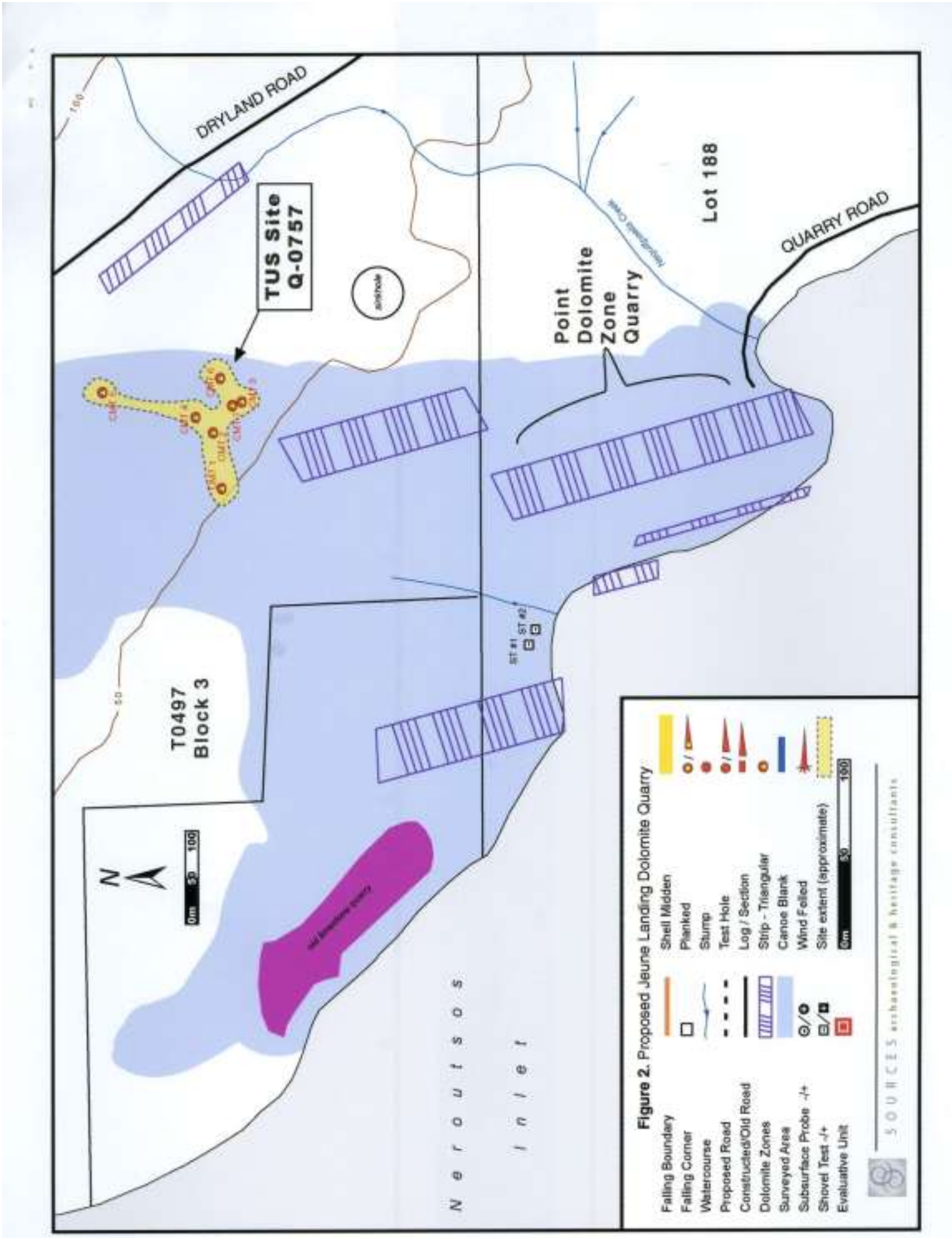


Figure 2. Proposed Jeune Landing Dolomite Quarry