# PROSPECTING and GEOLOGICAL ASSESSMENT REPORT

### on the

# RUTH MARY PROJECT NANAIMO MINING DIVISION NORTHERN VANCOUVER ISLAND

NTS: 92L/12W(92L.061)

Latitude 50°41'59"N, Longitude 127°51'18"W

For

New Livingstone Minerals Ltd.

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Prepared by

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October 15, 2006

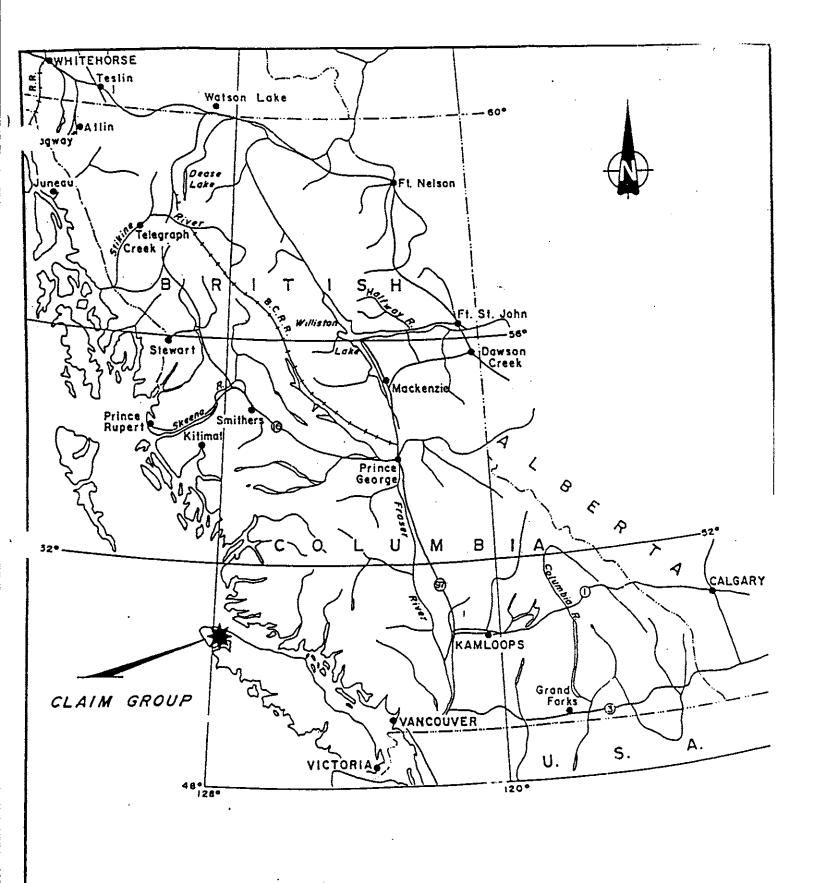
Fieldwork conducted between May 1 and October 5, 2006

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### LOCATION MAP

480 240 0 480 960 1440

### **SUMMARY**

The Ruth-Mary Property of New Livingstone Minerals Ltd., consisting of two cell claims, covering an area of 347.98 hectares in the Nanaimo Mining Division near Port Hardy, British Columbia. Excellent property access is enhanced via the Holberg road and local logging roads.

The property has numerous showings and mineral occurrences that are documented in the British Columbia Government Mineral Inventory. New Livingstone Minerals Ltd. acquired the property to develop known skarn type mineral prospects on the old South Shore showings, and possibly to test mineralized stratigraphic intervals at depth.

Pb/Zn/Ag skarn occurrences are present on the property with precious metal enhanced silicified limestone and auriferous zinc-rich skarns and are considered to be the most attractive exploration targets. Significant mineralized zones are generally associated with fault or fracture zones near limestone-intrusive contacts or felsite or andesite dykes within the limestone.

Work in 2006 was confined to prospecting along the branch logging roads and investigating the potential for extensions of the known zones.

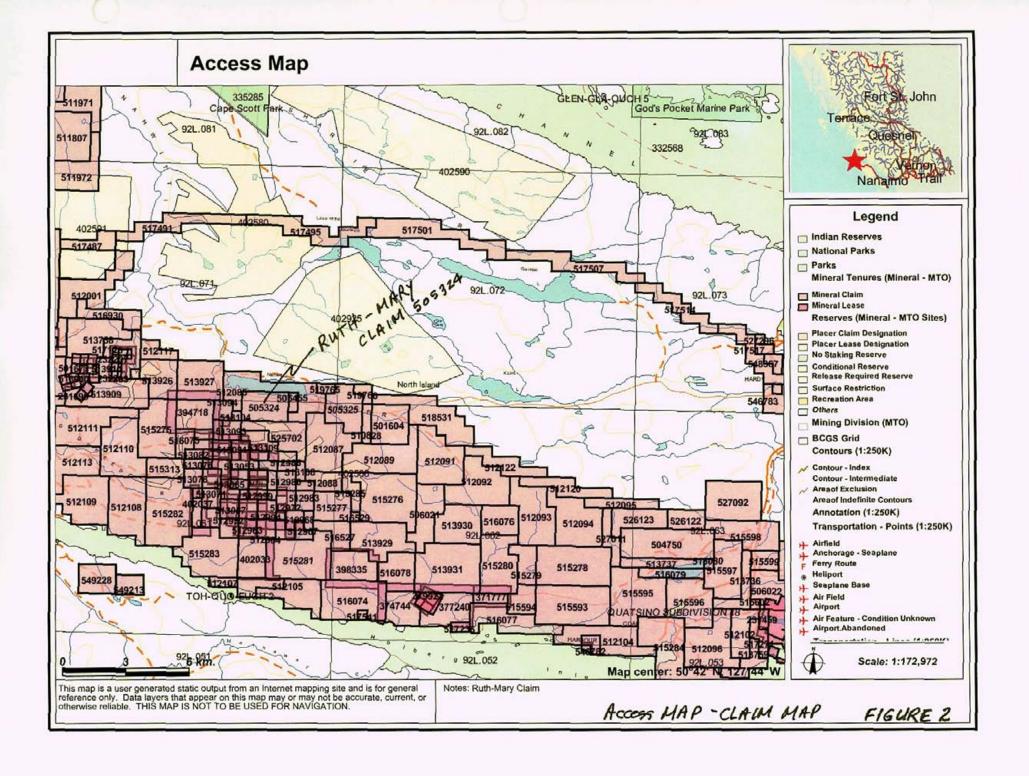
Respectfully submitted

J. T. (Jo) Shearer, M.Sc., P.Geo.

### **INTRODUCTION**

The Ruth Mary Property, consisting of two cell claims and covers an area of 347.98 hectares in the Nanaimo Mining Division near Port Hardy, British Columbia. The property was acquired by New Livingstone Minerals Ltd. to develop skarn type mineral prospects on the old "South Shore" (Ruth-Mary) showings. The writer was retained by New Livingstone Minerals Ltd. to examine the property and recommend an appropriate exploration program for further development of the mineral property and document the early 2006 exploration.

This report reviews the geological setting, known occurrences, previous exploration and provides recommendations for success contingent exploration of the property.



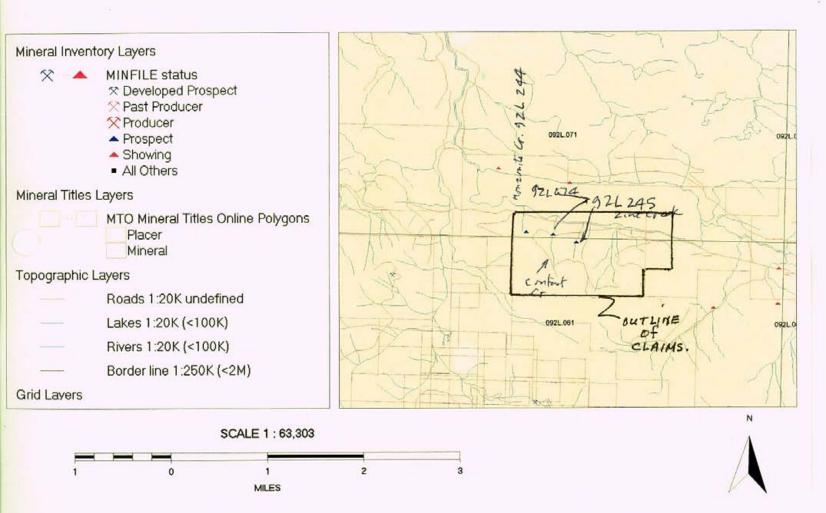
### **LOCATION and ACCESS**

The New Livingstone Minerals Ltd. property lies south and southeast of Nahwitti Lake on Northern Vancouver Island. The property is situated in the N.T.S. map sheet 92L12 at geographic co-ordinates 50°41'30"N latitude and 127°47'39"W longitude about 21 kilometres west of Port Hardy. Access is via 28 kilometres of the Holberg-Cape Scott Road from Port Hardy. Local logging roads provide access to the South Shore showings (Ruth-Mary) south of the main road.

Relief within the property area is moderate with elevations ranging from 201 metres (660 feet) at Nahwitti Lake to 736 metres (2413 feet) at a peak west of Meade Creek. The areas of interest are generally below 366 metres (1200 feet).

Vegetation is typical of the west coast rainforest with commercial timber sonsisting of cedar, hemlock and balsam. Logging operations have removed mature timber from about 80% of the property. Large parts of the property are low lying and swampy with outcrops restricted to creek gulleys and areas of stronger relief.

# Ruth Mary Claims



CLAIM MAP Figure Za

### **CLAIM STATUS, LIST of CLAIMS**

The Ruth Mary Property consists of five cell claims as shown in Table 1 and Figure 2.

TABLE I List of Claims

Tenure #	Claim Name	Issue Date	Good to Date	Area (ha)	Owner
505324	Ruth Mary	Jan. 31/05	Oct. 13/07	307.04	New Livingstone
505455	East Ext.	Feb. 2/05	Feb. 3/09	40.937	J. Shearer

Mineral title is acquired in British Columbia via the <u>Mineral Act</u> and regulations, which require approved assessment work to be filed each year in the amount of \$4 per ha per year for the first three years and then \$8 per ha per year thereafter to keep the claim in good standing.

Under the present status of mineral claims in British Columbia, the consideration of industrial minerals requires careful designation of the products 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.

### **HISTORY**

In 1952, American Mining and Smelting again optioned the property and drilled 13 holes totalling 1,667 feet to test the South Shore Prospect about two miles west of the HPH showings. Hole #2 is reported by Starck (1965) to have intersected 40.5 feet grading 0.15% Pb and 3.0% Zn.

Sampling at the South Shore (Ruth Mary) area in contact Creek (Norman Area) in 1966 returned a high assay of 9.56% zinc, 3.45% copper, 0.10% lead and 75.4 grams per tonne silver across 2.4 metres. A more representative assay is from a chip sample of unknown width which returned 8.83% zinc, 0.36% copper, 0.10% lead and 15.1 grams per tonne silver (Assessment Report 870).

Nearby, to the east, in June, 1930, Messrs. Mead Helper, Frank K. Hicklenton, and S. S. Pugh of Hardy Bay discovered lead-zinc mineralization about 2 miles east of Nahwitti Lake and staked the several HPH claims. American Smelting and Refining Company examined the property, concluded an option, staked 28 additional claims, and explored the property during the later part of 1930. Development, mainly on HPH #1 and #2 claims consisted of surface stripping, numerous trenches, two short shafts and a 111 foot long adit. The option was dropped in 1931. In September 1932, H. C. Gunning examined and mapped the HPH showings for the Geological Survey of Canada (Gunning, 1931).

In 1945, Sheep Creek Mines Ltd. drilled eight X-ray holes in the area of the HPH #1 and #2 and reportedly intersected interesting mineralization. In 1947, the property was held under option by the Western Mining and Development Syndicate. The syndicate conducted geological mapping and radiograph and magnetic surveys (Wilson, 1948). B. O. Erickson is believed to have drilled 3,000 feet and encountered good mineralization, but no records are available.

The area claims were optioned to Giant Explorations Ltd. in August 1965. Giant Explorations explored an expanded property from 1965 to December 1974 when the option was terminated. In 1965, Giant Explorations Limited blasted 500 feet of trenches and in 1966 a geochemical survey was completed (Sutherland, 1966) and 2,863 feed of diamond drilling in 21 holes (see table 2). In 1968, exploration included geological and magnetometer surveys, hand stripping and pitting, and 17 holes totalling 1,870 feet were drilled. Airborne electromagnetic work over the entire claim group and limited induced polarization work was conducted during 1969 to 1971. In 1972 exploration shifted to the Dorlon Showing (to the east of the HPH ground) on the Silva Groups with grid geophycsical and geochemical surveys and three X-ray diamond drill holes totalling 350 feet. In 1973 and 1974 additional geochemical sampling and trenching was conducted in the area of the TS Road Showing and Bluff Showings in the Taxi-Sun Grid and on Dorlon Showing in the Silva Grid.

In 1979, Loredi Resources Ltd., Agilis Exploration Services Ltd. and Cyclone Developments Ltd. held claims called the Gold, Dust and Big Joe in the area of the present property with grid construction and geological surveys conducted. Tally Resources constructed grid and geologically mapped the Pato claims.

In 1980, Ron Stanwood prospected the JR claims and Silver Bar Resources prospected the HPH and Norman claims. In 1983, Trawler Petroleum Exploration conducted geological and geochemical programs on the Stump claims. In 1984, D. Petersen conducted prospecting and geochemical surveys for Daiwan Engineering Ltd., on the Misty (South Shore) and Mead claims (HPH Bluff, HPH, St. Claire), and grid geochemical surveys on the Stump claims for Trawler Petroleum.

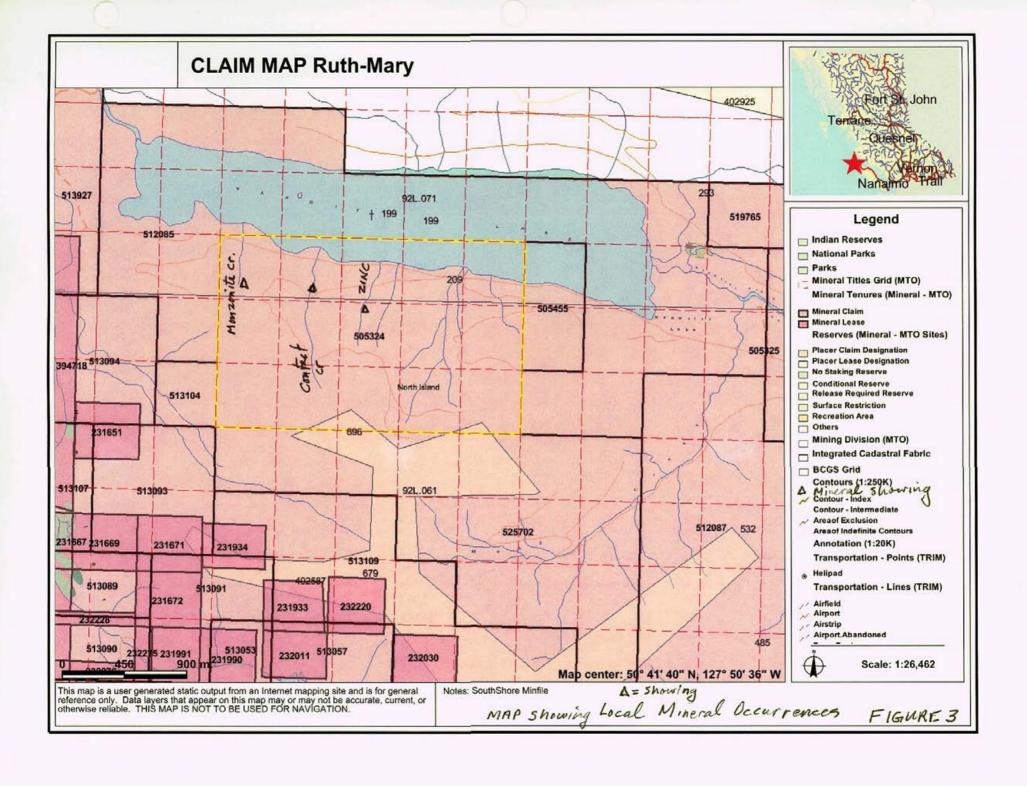
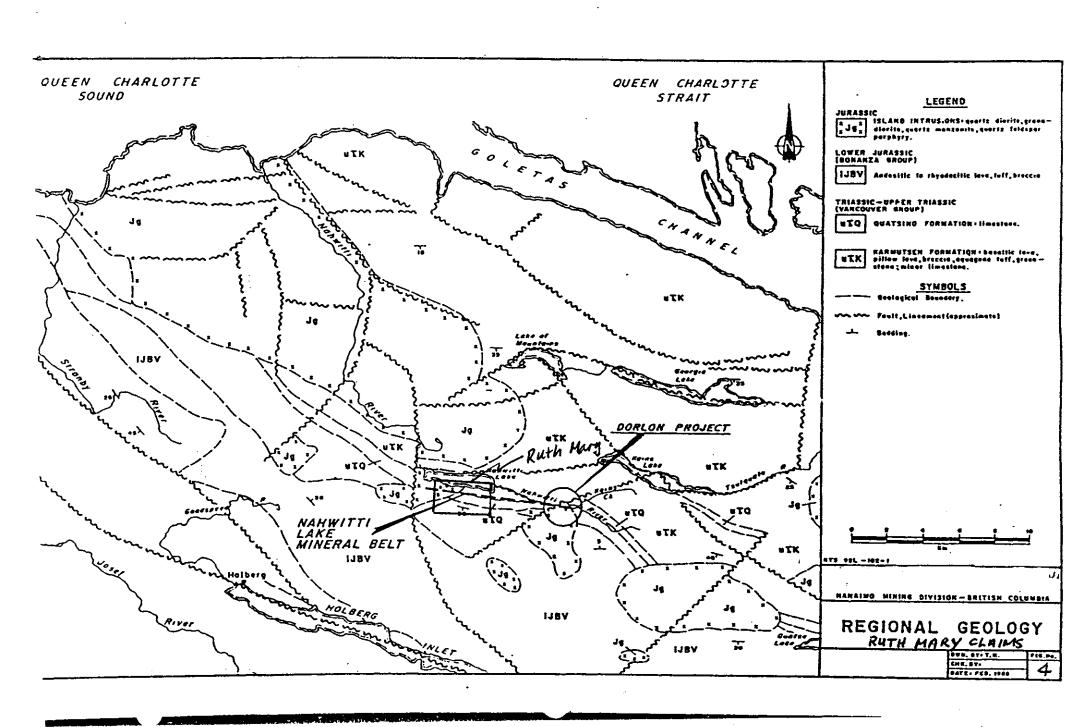


TABLE II
Previous Drill Intersections by Giant Explorations Ltd. 1966
oz/ton

Year	Interval	Cu%	Zn%	Pb%	Ag	Au	Comments
1966	15-17'	0.01	4.37		.85		Norman #1
1966	4-9.5'	1.28	0.10		.66		Norman #1
	25.5-35'	1.52	<0.05		.53		Norman #1
1966	3-34.5'	1.32	0.49		.85		Norman #1
1966	26-34'	0.77	0.29		.56		Norman #1
1966	38-44'		8.66	1.91	6.0		HPH #3
	44-67'	0.14	4.83	3.05	5.0		HPH #3
1966	57-75'		7.38	6.91	10.8	0.01	HPH #3
1972	5-67.5'	0.51	0.03	0.01			Dorlon
inc.	61-67.5	0.87	0.04	0.01	0.44	0.013	Dorlon
	72-82'	0.37					Dorlon
	82-97'	0.17					Dorlon
1972	72.5-73.5'	0.08	7.46	0.03	0.55		Dorlon
1972	62.5-63.5'	0.03	11.21	0.01	0.17		Dorlon
	1966 1966 1966 1966 1966 1972 inc.	1966 15-17' 1966 4-9.5' 25.5-35' 1966 3-34.5' 1966 26-34' 1966 38-44' 44-67' 1966 57-75' 1972 5-67.5' inc. 61-67.5 72-82' 82-97' 1972 72.5-73.5'	1966         15-17'         0.01           1966         4-9.5'         1.28           25.5-35'         1.52           1966         3-34.5'         1.32           1966         26-34'         0.77           1966         38-44'         0.14           1966         57-75'         0.51           1972         5-67.5'         0.51           inc.         61-67.5         0.87           72-82'         0.37           82-97'         0.17           1972         72.5-73.5'         0.08	1966         15-17'         0.01         4.37           1966         4-9.5'         1.28         0.10           25.5-35'         1.52         <0.05	1966         15-17'         0.01         4.37           1966         4-9.5'         1.28         0.10           25.5-35'         1.52         <0.05	1966         15-17'         0.01         4.37         .85           1966         4-9.5'         1.28         0.10         .66           25.5-35'         1.52         <0.05	1966         15-17'         0.01         4.37         .85           1966         4-9.5'         1.28         0.10         .66           25.5-35'         1.52         <0.05



### PROPERTY GEOLOGY

The Ruth Mary Property area is underlain by rocks of the Vancouver Group, which are intruded by Coast Intrusives granodiorite and older diorite and felsite dykes. Mineralization occurs in a 500 foot thick section of Quatsino Limestone. The limestone bed strikes west northwest and dips 20° to 70° south (Northcote, 1970). Sutherland (1966) noted that, near Nahwitti Lake, individual strikes vary from west to 310°.

The band of Quatsino Limestone is bounded conformably on the south by Bonanza Volcanic rocks and on the north by Karmutsen Volcanics. The limestone unit extends the length of the property with the exception of the areas where it is interrupted by Coast Intrusion and faulting from northerly to 310°. Intrusions are situated west of Meade Creek and south of the Iron Hat (St. Claire) Showings (refer to Figure 4). A large felsite mass intrudes the sequence along and west of Mead Creek.

Numerous occurrences of lead, zinc, copper, gold, silver, cobalt and molybdenum which include several named BC Mineral Inventory Occurrences (Figure 2) are situated in an eight kilometre long mineral belt, passing through Nihwitti Lake. Mineral Inventory Prospects include: HPH (MI 92L-69, 241, 242), HPH Bluff (MI 92L-243); South Shore (RAD, HSW) or Norman (MI 92L-74, 244, 245), St. Claire (MI 92L-75); and Dorlon, Rain, or Ucan (MI 92L-76). Mineralization occurs within the Quatsino Limestone unit of the Vancouver Group, generally within a mile of the Coast Intrusive masses and near faults. Structures that controlled mineralization also appear to have controlled emplacement of felsite, diorite and andesite dykes which are in the proximity of most showings.

Mineralization exposed in the general area can be classified under five types of occurrences:

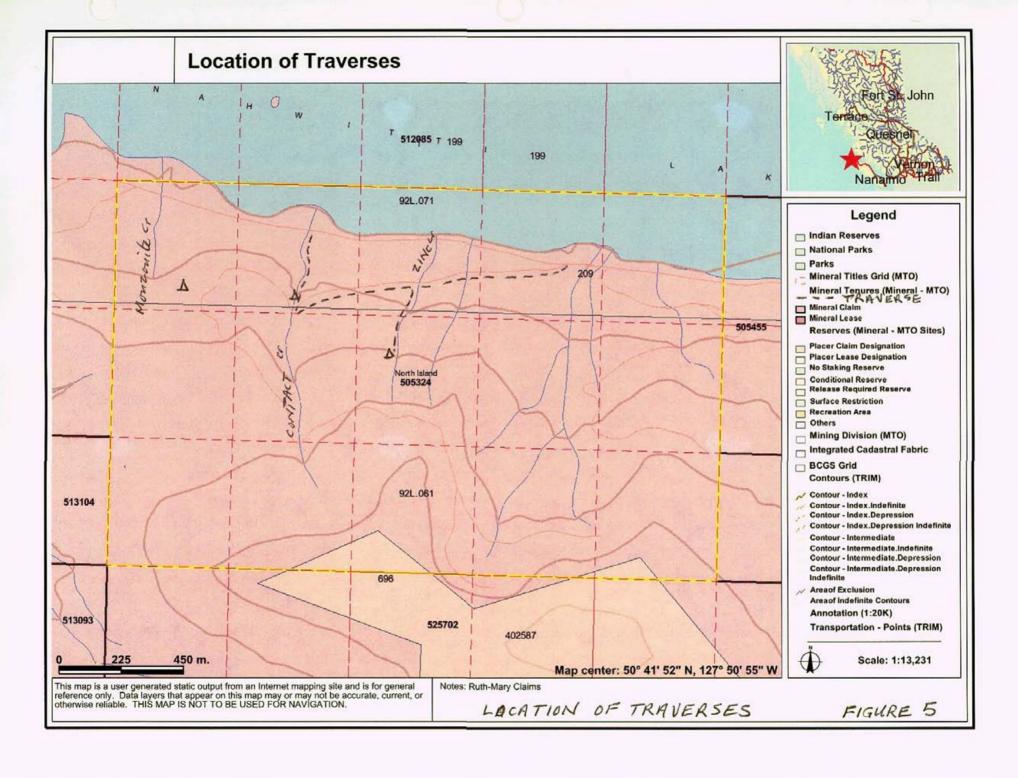
- 1) Zinc rich skarn deposits containing minor copper and silver minerals (eg. South Shore Prospects) Ruth Mary Claim.
- 2) Siliceous Cherty replacements in limestone with associated lead, zinc and minor copper minerals (eg. HPH Main Show).
- 3) Veinlets and disseminations of sphalerite in limestone bands which may also contain lead, silver and gold minerals (eg. Dorlon).
- 4) Magnetite, pyrite contact deposits occasionally containing minor copper and zinc sulphides (eg. St. Claire).
- 5) Copper in basic volcanics of the Karmutsen Group (eg. HAW).

Prospects located in limestones are typical of skarn and replacement deposits with massive and disseminated sulfide replacement zones localized along lithologic contacts, fractures, fault zones, and intrusive contacts.

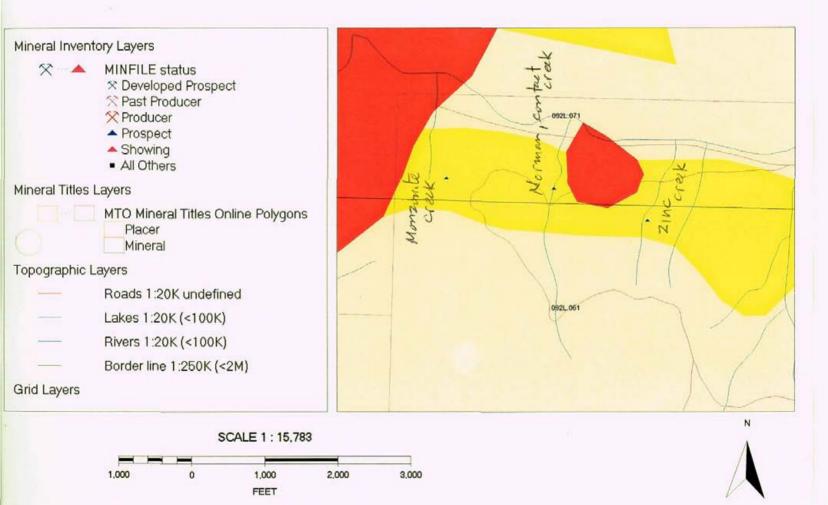
Select samples assaying up to 0.94 oz Au/ton have been reported by both Sutherland (1966) and in the 1936 BC Minister of Mines Report. A 16 foot section from 51.5 feet to 67.5 feet in Hole XLR-1-72 assayed 0.51% copper and 0.048% cobalt.

Locally, at the Norman Showing, garnet-epidote skarn is in Quatsino limestone near granodiorite intrusives. A sill-like body is in contact with limestone in the locale of the mineralizatrion. Mineralization consists of disseminated sphalerite and galena in two zones 80 to 90 metres long. Where the zones intersect, a mineralized pod 25 by 8 metres is present. Chalcopyrite is in two stringers about 5 metres long and 0.6 to 1.5 metres wide.

At Monzonite Creek showing, garnet-actinolite skarn occurs in Quatsino limestone in contact with a felsite dyke. Granodiorite intrusions are nearby. Mineralization consists



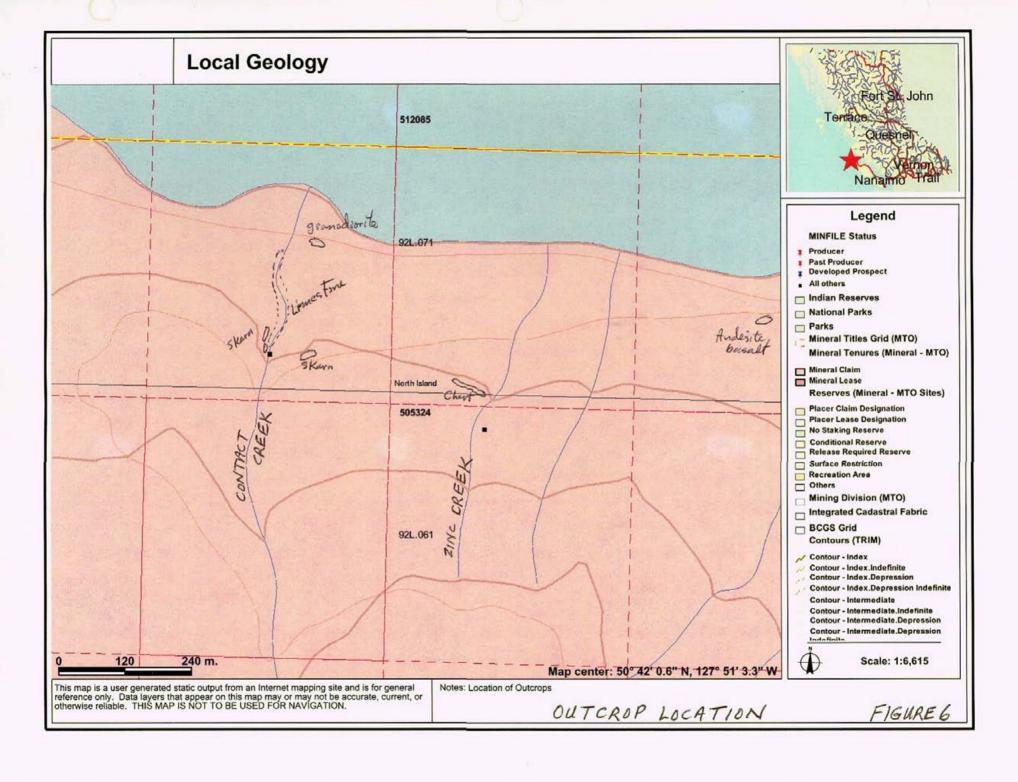
# Ruth--Mary Claims



LOCAL GEOLOGY Figure 5a of sphalerite, chalcopyrite, magnetite and greenockite. Ilvaite is also present. A chip sample across 6.1 metres assayed 7.17% zinc, 0.26% copper, 6.9 grams per tonne silver and 0.04% cadmium (Assessment Report 870). Three drill holes in 1952 encountered weak mineralization at limestone-intrusive contacts (Assessment Report 870).

At the Zinc Creek showing, skarn mineralized with sphalerite, galena and chalcopyrite is found in Quatsino limestone in contact with a north trending trachytic dyke. Small bodies of granodiorite are nearby. Three showings are exposed in a creek near the base of the Quatsino Formation to near the Quatsino-Bonanza contact. The lower-most showing is cut off to the north by a west striking fault. A chip sample across 2.4 metres assayed 2.49% zinc, 0.4% lead, 0.01% copper and 3.4 grams per tonne silver (Assessment Report 870). A drilling program of 5 holes, intersected up to 12.3 metres grading 3.0% zinc and 0.15% lead (Assessment Report 870).

Work completed in 2006 consisted of prospecting and geological traverses (refer to Figure 5). Float observed in Zinc Creek consisted of fine to medium grained diorite and granodiorite. Road cuts along the old logging road in the central portion of the property are composed of andesite and cherty sediments. Skarn was observed in several discontinuous zones dipping moderately to the south. The skarn is mainly composed of garnet and epidote. Limestone was noted along the upper part of Zinc Creek.





Google earth

### **CONCLUSIONS and RECOMMENDATIONS**

The Ruth Mary property covers a 2.5 kilometre belt of Vancouver Group rocks which Northcote (1970) suggested as having excellent exploration potential. Intrusive rocks injected along the belt have caused silicification and related copper, lead, zinc, silver and gold mineralization with 3 named mineral occurrences on the property. Continued interest in the belt results from the nature of surface mineralization at the Showings. American Smelting and Refining Company optioned the claims in 1930 and again in 1952. Sheep Creek explored the property in 1945 and Giant Explorations Limited held an option from 1965 to 1974.

The property has potential for base metal skarn and replacement deposits with enhanced precious metal content. A work program is recommended as follows:

### Ruth Mary Project

- (1) Detail Mapping Prior to Blasting
- (2) Detail Prospecting & Mapping Possible budget \$10,000
- (3) Open old logging roads for vehicle access

A success contingent, staged exploration program is recommended for further testing of the Ruth Mary Property.

### **Cost Estimates**

### Stage 1

(a) Hoe to	Open Trail	\$10,000.00
(b) Mob &	Demob Drill/Hoe	\$2,000.00
(c) Truck		\$3,000.00
(d) Assay	Samples, 30 samples x \$30	\$900.00
(e) Prospe	cting/Mapping	\$10,000.00

Grant Total \$25,900.00

J. T. Shearer, M.Sc., P.Geo.

### REFERENCES

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Geological Survey of Canada:

Reference Map No 1552A. Geology of the Alert Bay/Cape Scott.

APPENDIX I	
STATEMENT OF QUALIFICATIONS	
October 15, 2006	
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### 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 am a graduate of the University of British Columbia (B.Sc., 1973) in Honours Geology, and the University of London, Imperial College (M.Sc., 1977).
- 2. I have over 30 years experience in exploration for base and precious metals and industrial mineral commodities in the Cordillera of Western North America with such companies as McIntyre Mines Ltd., J. C. Stephen Explorations Ltd., Carolin Mines Ltd. and TRM Engineering Ltd.
- 3. I am a fellow in good standing of the Geological Association of Canada (Fellow No. F439) and I am a member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia (Member No. 19,279) and a member of the CIMM and SEG (Society of Economic Geologists).
- 4. I am an independent consulting geologist employed since December 1986 by Homegold Resources Ltd. at #5-2330 Tyner St., Port Coquitlam, B.C.
- 5. I am the author of the present report entitled "Assessment Report on the Ruth Mary Project, Nanaimo Mining Division, B.C.: dated October 15, 2006.
- 6. I have visited the property on May 11 and July 15, 2006. I have carried out sample collection and am familiar with the regional geology and geology of nearby properties. I have become familiar with the previous work conducted on the South Shore Project by examining in detail the available reports and maps and have discussed previous work with persons knowledgeable of the area.
- 7. I do not own any interest in the South Shore Claims or the securities of New Livingstone Minerals Ltd.

Dated at Port Coquitlam, British Columbia, this 15th day of October 2006.

J. T. Shearer, M.Sc., F.G.A.C., P.Geo. Quarry Supervisor #98-3550

# APPENDIX II STATEMENT OF COSTS October 15, 2006

## Appendix II STATEMENT OF COSTS

Wages and Benefits	
J. Shearer, M.Sc., P.Geo., Geologist	
1 days at \$500/day, May 11, July 15 (½)	\$ 500.00
Field Assistants	
Guojun Zhao	
1 days @ \$200/day, May 10, July 13	200.00
Abi Shi	
1 days @ \$200/day, May 10, July 13	200.00
Aimin Liao	
1 days @ \$200/day, May 10, July 13	200.00
	\$ 1,100.00
GST	66.00
Subtotal	\$ 1,166.00
Expenses	
Transportation	
4x4 Truck, Fully Equipped	
2 days @ \$75/day	150.00
Gas	180.00
Field Supplies	40.00
Accommodation & Food	
4 man days @ \$110.00/man day	440.00
Report Preparation	500.00
Word Processing & Reproduction	100.00
Subtotal	\$ 1,410.00
Grand Total	\$ 2,576.00