

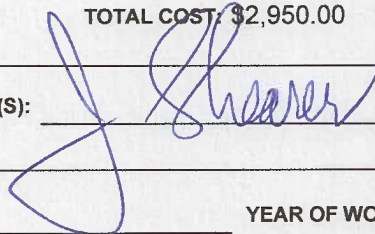
Ministry of Energy, Mines & Petroleum Resources  
Mining & Minerals Division  
BC Geological Survey

Assessment Report  
Title Page and Summary

TYPE OF REPORT [type of survey(s)]: Airphoto Assessment

TOTAL COST: \$2,950.00

AUTHOR(S): J. T. Shearer

SIGNATURE(S): 

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S):

YEAR OF WORK: 2013

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 5482989

PROPERTY NAME: Kluska

CLAIM NAME(S) (on which the work was done):

COMMODITIES SOUGHT: Au/Co

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN:

MINING DIVISION: Nanaimo

NTS/BCGS: 92L/05

LATITUDE: 50 ° 18 '57 " LONGITUDE: 127 ° 45 '12 " (at centre of work)

OWNER(S):

1) J. T. Shearer

2)

MAILING ADDRESS:

Unit 5 - 2330 Tyner Street

Port Coquitlam, BC V3C 2Z1

OPERATOR(S) [who paid for the work]:

1) Same as above

2)

MAILING ADDRESS:

Same as above

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):

LeMare Lake Volcanics, Parson Bay Formation, Island Plutonic Suite, copper skarn, copper-molybdenum porphyry

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS:

Assessment Reports 31164, 20094, 4730, 2407

TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
<b>GEOLOGICAL (scale, area)</b>			
Ground, mapping			
Photo interpretation			\$2,950.00
<b>GEOPHYSICAL (line-kilometres)</b>			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
<b>GEOCHEMICAL (number of samples analysed for...)</b>			
Soil			
Silt			
Rock			
Other			
<b>DRILLING (total metres; number of holes, size)</b>			
Core			
Non-core			
<b>RELATED TECHNICAL</b>			
Sampling/assaying			
Petrographic			
Mineralographic			
Metallurgic			
<b>PROSPECTING (scale, area)</b>			
<b>PREPARATORY / PHYSICAL</b>			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other			
<b>TOTAL COST:</b>			\$ 2,950.00

**AIRPHOTO INTERPRETATION REPORT  
on the  
KLUSKA 2 CLAIM  
TENURE # 596271**

**LATITUDE 50°18'57"N/LONGITUDE 127°47"W  
NTS SHEET 092L/05 (92L.032)  
NANAIMO MINING DIVISION  
EVENT # 5482989**

for

**Homegold Resources Ltd.  
Unit 5 – 2330 Tyner Street,  
Port Coquitlam, BC  
V3C 2Z1**

**BC Geological Survey  
Assessment Report  
34704**

by

**J. T. Shearer, M.Sc., P.Geo. (BC & Ontario)  
Phone: 604-970-6402  
E-mail: [jo@HomegoldResourcesLtd.com](mailto:jo@HomegoldResourcesLtd.com)**

**January 15, 2014**

**Fieldwork completed between May 1, 2013 and December 31, 2013**

# TABLE of CONTENTS

	Page
<b>SUMMARY</b> .....	iii
<b>INTRODUCTION</b> .....	1
<b>LOCATION and ACCESS</b> .....	2
<b>MINERAL TENURE/CLAIM LIST</b> .....	4
<b>HISTORY</b> .....	6
<b>REGIONAL GEOLOGY</b> .....	9
<b>PROPERTY GEOLOGY</b> .....	10
<b>MINERALIZATION (as defined by previous work)</b> .....	13
<b>KLUSKA ZONE</b> .....	15
<b>AIRPHOTO INTERPRETATION</b> .....	17
<b>CONCLUSIONS and RECOMMENDATIONS</b> .....	20
<b>REFERENCES</b> .....	21
<b>APPENDICES</b>	
<b>Appendix I Statement of Qualifications</b> .....	23
<b>Appendix II Statement of Costs</b> .....	24
<b>Appendix III Selected Airphotos</b> .....	25

## LIST of ILLUSTRATIONS

	Page
FIGURE 1	Kluska Phosphate Prospect Location Map..... iv
FIGURE 2	Kluska Phosphate Prospect Detail Location Map..... 3
FIGURE 3	Claim Map..... 5
FIGURE 4	Regional Geology Map..... 9
FIGURE 5	Google Image of Area ..... 11
FIGURE 6	Geology of Kluska Area ..... 14
FIGURE 7	Airphoto Key Map ..... 16
FIGURE 8	Airphoto # 16/63 ..... 18
FIGURE 9	Airphoto # 31/63 ..... 19

## LIST of TABLES

	Page
TABLE 1	List of Claims ..... 4

## SUMMARY

The Kluska prospect is located within the Nanaimo Mining Division about 25 kilometers southwest of the village of Port Alice, B.C., on the west coast of northern Vancouver Island. The property consists of 1 Mineral Titles Online claim that covers an area of 412.64 hectares.

The property is predominantly underlain by Upper Triassic to Mid Jurassic volcanics of the LeMare Lake volcanic succession and by sediments of the Parson Bay Formation. Two dominant orientations of structural fabric trends are noted on the property, northwesterly and northeasterly, coinciding in general with the trends of the regional scale Klaskino and Klaskish faults. Fault blocks consist of a moderately north-dipping homoclinal sequence of interbedded impure limestones and fine clastic sediments of the Parson Bay Formation, locally underlain by massive limestones of the Quatsino Formation, and overlain by mafic to intermediate volcanics of the LeMare Lake Succession. Numerous exposures of diorite to granodiorite of the Island Plutonic Suite occur, which represent dykes, sills and small plutons that intrude, and possibly underlie, the older units.

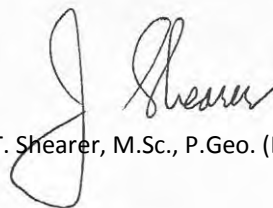
Sporadic previous exploration on the Klaskino property has identified 4 areas of known mineralization, the Camp Creek (Minfile 092L 144), Red Bluff (Minfile 092L 237), Jarr (Minfile 092L 191) and Brad (Minfile 092L 176) showings. None of these areas have been systematically tested by modern exploration methods, or by deep diamond drilling. All of the known areas of mineralization have characteristics of copper skarn and/or porphyry copper +/- molybdenum mineralization. Houle (2010) suggests that these four showings could represent the surface expressions of a single large mineralized cluster, related to a large intrusive of the Island Plutonic Suite underlying the Mesozoic strata, with a zone of semi-continuous alteration exposed over an area of 15-20 square kilometres.

Previous work on the property has, for the most part, been of a geological or geochemical nature. Apart from a small dip needle survey in 1966, there has not been any geophysics done in the western portion of the property (Camp Creek and Red Bluff Zones). This report summarizes the results of a small induced polarization and ground magnetic survey completed over these two areas during December 2009, to assess the suitability of these methods for wider application during subsequent work programs. The December 2009 geophysical program was part of a larger work program which included prospecting, and soil, rock and moss mat sampling. Only the geophysical portion of the program has been filed for assessment credit and only that work is detailed in this report.

The December 2009 geophysical program showed that both magnetic and induced polarization surveys may be useful exploration tools for the Klaskino property. A chargeability high anomaly with a coincident copper-molybdenum-gold-cobalt soil anomaly was defined in the Camp Creek area. Also in the Camp Creek area, a magnetic high anomaly with an in-part coincident copper-molybdenum-gold-cobalt-arsenic-mercury soil anomaly and an in-part coincident resistivity anomaly was defined. Detailed follow-up work, including trenching and diamond drilling, is recommended for both these areas. Property-scale work to assess other, less well-defined targets is also recommended.

The current program of airphoto interpretation more closely defined the favourable structures that can be traced within the sub-alpine environment.

Respectfully submitted,



J. T. Shearer, M.Sc., P.Geo. (BC & Ontario)

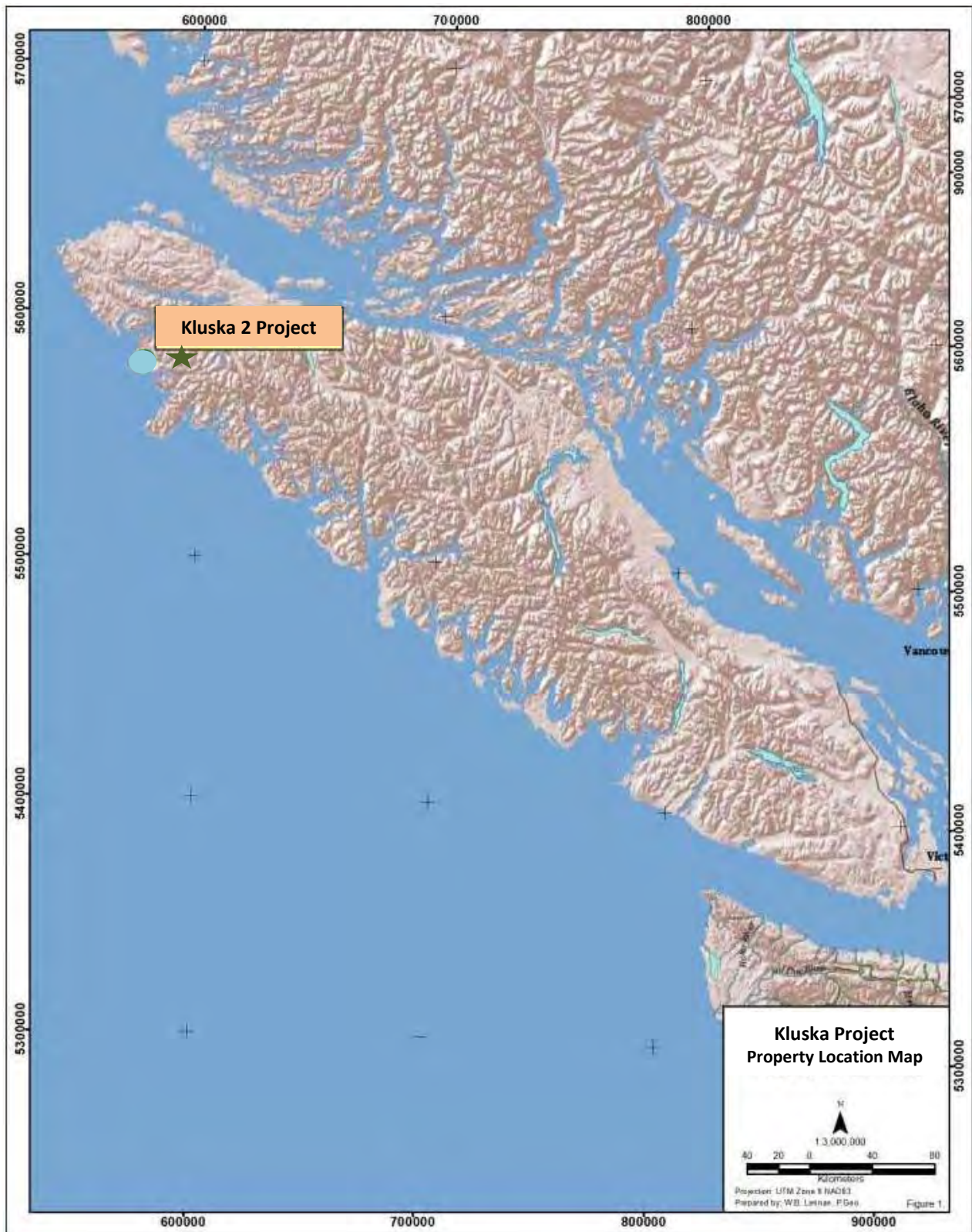


FIGURE 1 Kluska Prospect Location Map

## INTRODUCTION

This report documents airphoto interpretation throughout the Kluska claim area.

There are 4 areas mineralization known on the Klaskino property, the Camp Creek and Red Bluff zones in the western part of the property, and the Jarr and Brad showings in the eastern part. Limited previous work on the property has, for the most part, consisted of geological or geochemical work programs. Apart from a small dip needle survey in 1966, there has not been any geophysics done in the western portion of the property (Camp Creek and Red Bluff Zones). This report summarizes the results of a small induced polarization and ground magnetic survey completed over these two areas during December 2009, to assess the suitability of these methods for wider application during subsequent work programs. The December 2009 geophysical program was part of a larger work program which included prospecting, and soil, rock and moss mat sampling. Only the geophysical portion of the program has been filed for assessment credit, only this work is detailed in this report, and only those costs have been included in the cost statement in Section 8.0.

General background information regarding the property that is contained in this report is taken in large part from a recent NI 43-101 technical report on the property (Houle, 2010) and from a previous assessment report covering the Klaskino 1 claim (Bilquist, 2009). Continued fieldwork is proposed for summer 2014.



## LOCATION and ACCESS

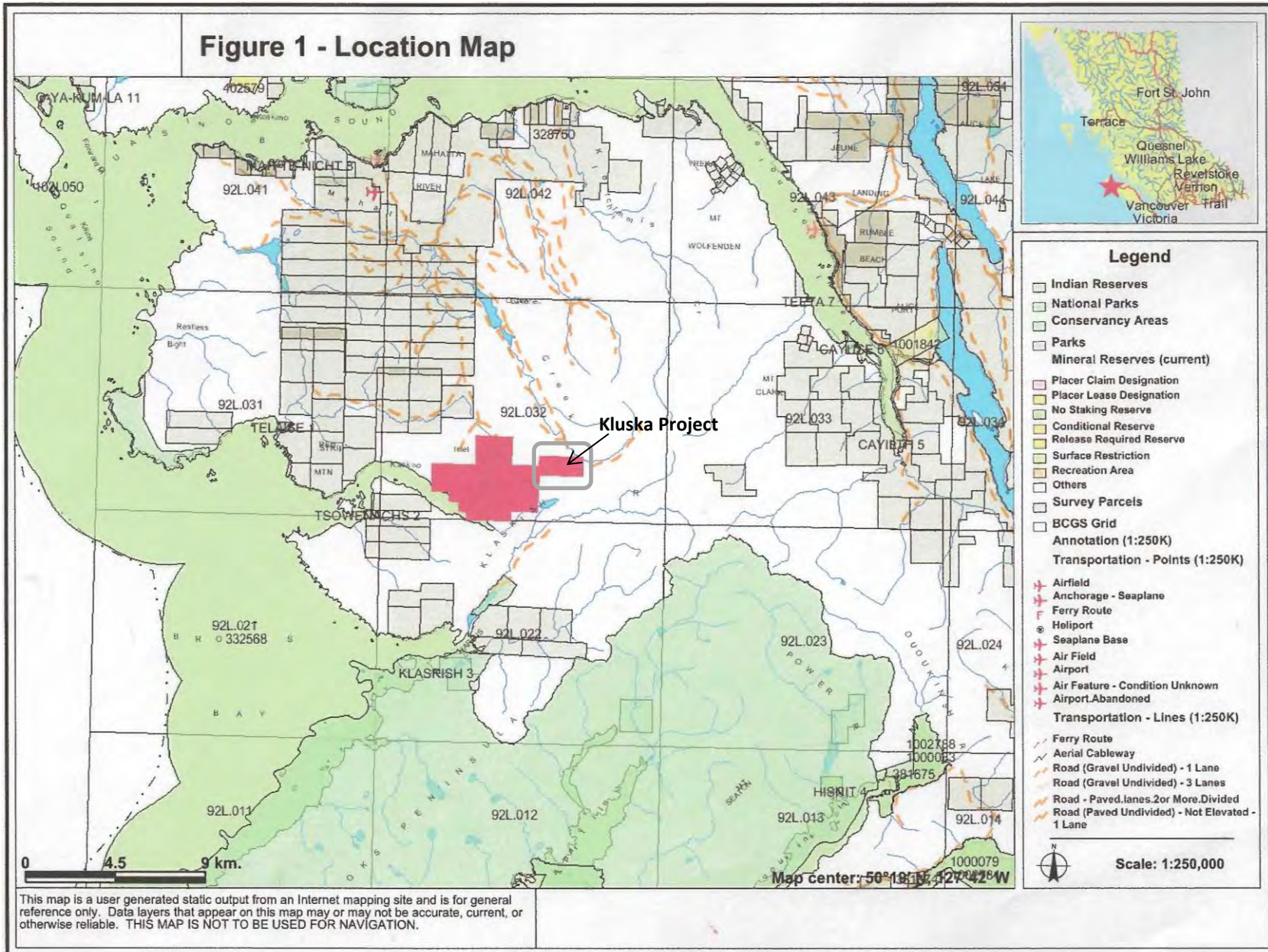
The Klaskino property is located approximately 25 kilometers southwest of the town of Port Alice on northern Vancouver Island. The property is situated on the north shore of Klaskino Inlet and can be accessed by a network of gravel logging roads from Port Alice. Alternately, Klaskino Inlet provides sheltered tidewater access. Port Alice, with a population of about 800 people, has basic services (accommodation, fuel, limited supplies and food) available. Port McNeil and Port Hardy are larger full-service communities, each located about 50 kilometres by paved highway from Port Alice.

The Klaskino property is underlain entirely by crown land, within the traditional territory of the Quatsino First Nation. The village of Quatsino is located 15 kilometres south of Port Hardy.

Road access to the property from Port Alice is via the Mahatta road system and the Klaskino Main or, alternately via the Cayuse Main. Depending on weather conditions and logging activity, either route may require snow plowing for year round access. Driving time ranges from one to two hours depending on route, weather and logging activity. Accommodation may be available at Western Forest Product's bunkhouse at Mahatta or, depending on logging activity, at LeMare's East Creek camp. During the December 2009 work program, crews stayed at the Mahatta bunkhouse and accessed the property via the Klaskino Main logging road.

The terrain on and in the vicinity of the property is generally steep and rugged, with steep fast flowing deeply incised creeks that flow south into Klaskino Inlet. Elevations on the property range from sea level to over 966 meters at the peak of Mount Kotzebue. Climate and vegetation are typical of the west coast of Vancouver Island. The area receives abundant rainfall, and snow is not uncommon at higher elevations during winter months. The forest is dense and the tree canopy often results in poor GPS coverage. Undergrowth is thick, and consists of salal, salmon berry, vine maple and other west coast shrubs. Portions of the property have been logged at various times over the past 50 years, including some helicopter logging. These previously logged areas are particularly thickly regrown with second growth forest with dense undergrowth.

FIGURE 2 Kiuska Prospect – Detail Location Map



## MINERAL TENURE/ CLAIM LIST

The Kluska 1 claim, totalling 165.58 hectares is listed in Table I and outlined in Figure 3. As shown on Figure 1, the Klaskino property is centred about 25 kilometers southwest of the village of Port Alice, B.C., on the west coast of northern Vancouver Island. The property is located on NTS map sheet 092L/05, covers an area of approximately 1692 hectares, and is centred at latitude 50°19'10"N and longitude 127°42'45"W.

TABLE I  
List of Claims

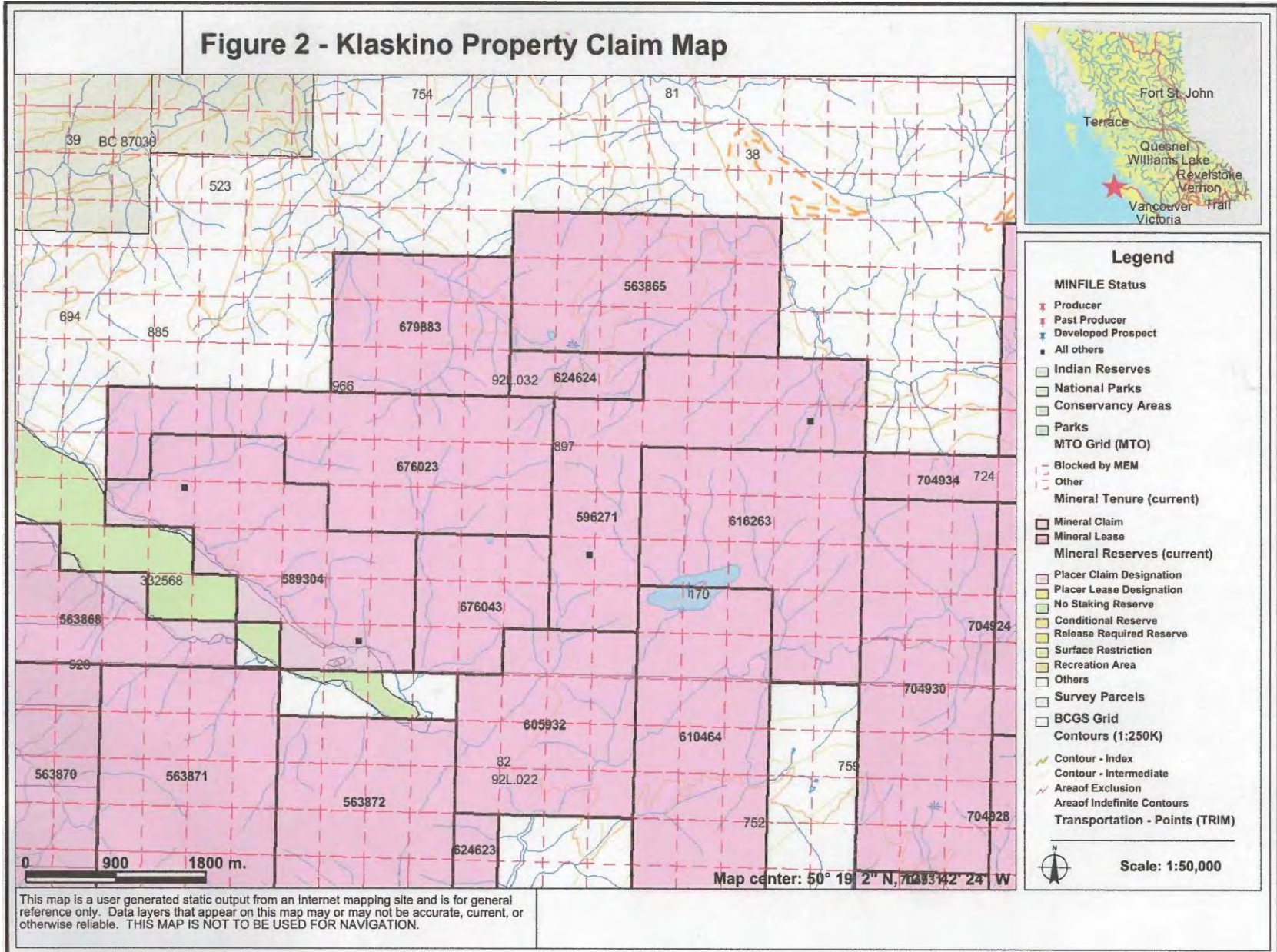
Name	Tenure #	Area (ha)	Location Date	Current Expiry Date	Registered Owner
Kluska 1	1015626	165.58	January 1, 2013	June 1, 2017	J. T. Shearer

Total 165.58 ha

\* upon acceptance of assessment credits documented by this report.

Cash may be paid in lieu if no work is performed. Following revisions to the Mineral Tenures Act on July 1, 2012, claims bear the burden of \$5 per hectare for the initial two years, \$10 per hectare for year three and four, \$15 per hectare for year five and six and \$20 per hectare each year thereafter.

FIGURE 3 Claim map



#### Legend

**MINFILE Status**

- ⌘ Producer
- ⌘ Past Producer
- ⌘ Developed Prospect
- All others

**Indian Reserves**

- 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
- ~ Area of Exclusion
- ~ Area of Indefinite Contours

**Transportation - Points (TRIM)**

- Transportation - Points (TRIM)

Scale: 1:50,000

## HISTORY

The first known work on the Klaskino property was in 1903, when the Mexican Group of claims was staked to cover a large gossan visible from Klaskino Inlet (the present Red Bluff showing). Further mention is made of work in the area in 1915, on claims owned by the Klaskino Copper Company, Limited (BC Minister of Mines Annual Reports, 1903, 1915). No further work is known on the property until the 1960's when porphyry copper mineralization was identified at the Island Copper deposit, and exploration attempted to discover other areas of similar mineralization nearby. The following discussion, taken in large part from Houle (2010), describes several small work programs that have been completed on the property since the late 1960's.

There has been some confusion with the same name being applied to different showings over the years (i.e. West Zone, North Zone, Sinkers Zone). For simplicity, in this report, areas of mineralization on the property are referred to as the Camp Creek, Red Bluff, Brad and Jarr showings, not necessarily by the name used at the time the historical work was done.

**1966** Flesher and Wilson (1966) describe a small dip-needle geophysical survey and a mercury soil geochemical survey in the vicinity of the Camp Creek Zone. The report also refers to diamond drilling done, and to the presence of copper, nickel and cobalt, but without details.

**1969** Utah Construction completed geological mapping, soil sampling and 3 line miles of IP to test for copper skarn mineralization at the Brad showing, in the northeastern part of the current Klaskino property (Young, 1970; BC Minister of Mines Annual Report, 1969).

**1970-71** Stream and soil geochemical surveys were done in the vicinity of the Jarr showing, in the eastern part of the Klaskino property, where copper skarn and low-grade disseminated mineralization is reported (BC Minister of Mines Annual Report, 1970). Additional soil geochemistry was done in this area in 1971, along with geological mapping. Elevated copper values were returned from soil samples over an area of about 2.5 square kilometres. Several smaller areas of coincident elevated molybdenum were also defined. Six diamond drill holes totaling 700 feet were completed, but results were not made available (Anzalone, 1971).

In the vicinity of the Camp Creek and Red Bluff Zones, geological mapping and soil geochemical surveys were done during 1970 for Belvedere Mines Ltd. A large gossan in andesitic volcanics was found to contain abundant pyrite, with lesser pyrrhotite and finely disseminated chalcopyrite. Two large areas of anomalous copper in soils were identified (Dodson, 1970).

**1972** Perry, Knox, and Kaufman, Inc. carried out additional soil sampling in the area of the Brad showing, as well as rock chip sampling, to follow-up on work by Utah in 1969 (Kaufman, 1972).

**1973** Brinex optioned the western portion of the current Klaskino property from Ron Bilquist, and carried out a program of geological mapping and soil geochemistry in the vicinity of the Camp Creek and Red Bluff Zones. Chalcopyrite was discovered as disseminations and in fractures with pyrrhotite, and locally with molybdenite. Geochemistry results showed coincident elevated values of copper, molybdenum and cobalt in four zones (Leighton and Stokes, 1973).

**1982** B.P. Minerals Limited staked the Kl claims, straddling Klaskino Inlet, and completed geological mapping and stream and soil geochemical surveys, targeting epithermal style gold mineralization (Wong, 1983).

**1989** The western part of the property was re-staked by Ron Bilquist and a prospecting program was completed. Old trenches and drill hole sites were relocated, and widespread copper skarn mineralization was identified at the Camp Creek and Red Bluff Zones (Bilquist, 1990).

**1990** Pan Orvana Resources Inc. completed geological, stream moss mat and soil geochemical surveys, plus some rock geochemistry and radiometric geophysical surveys on the Madhat Claim Group, which partially covered the eastern part of the current Klaskino property (Bradshaw, 1990).

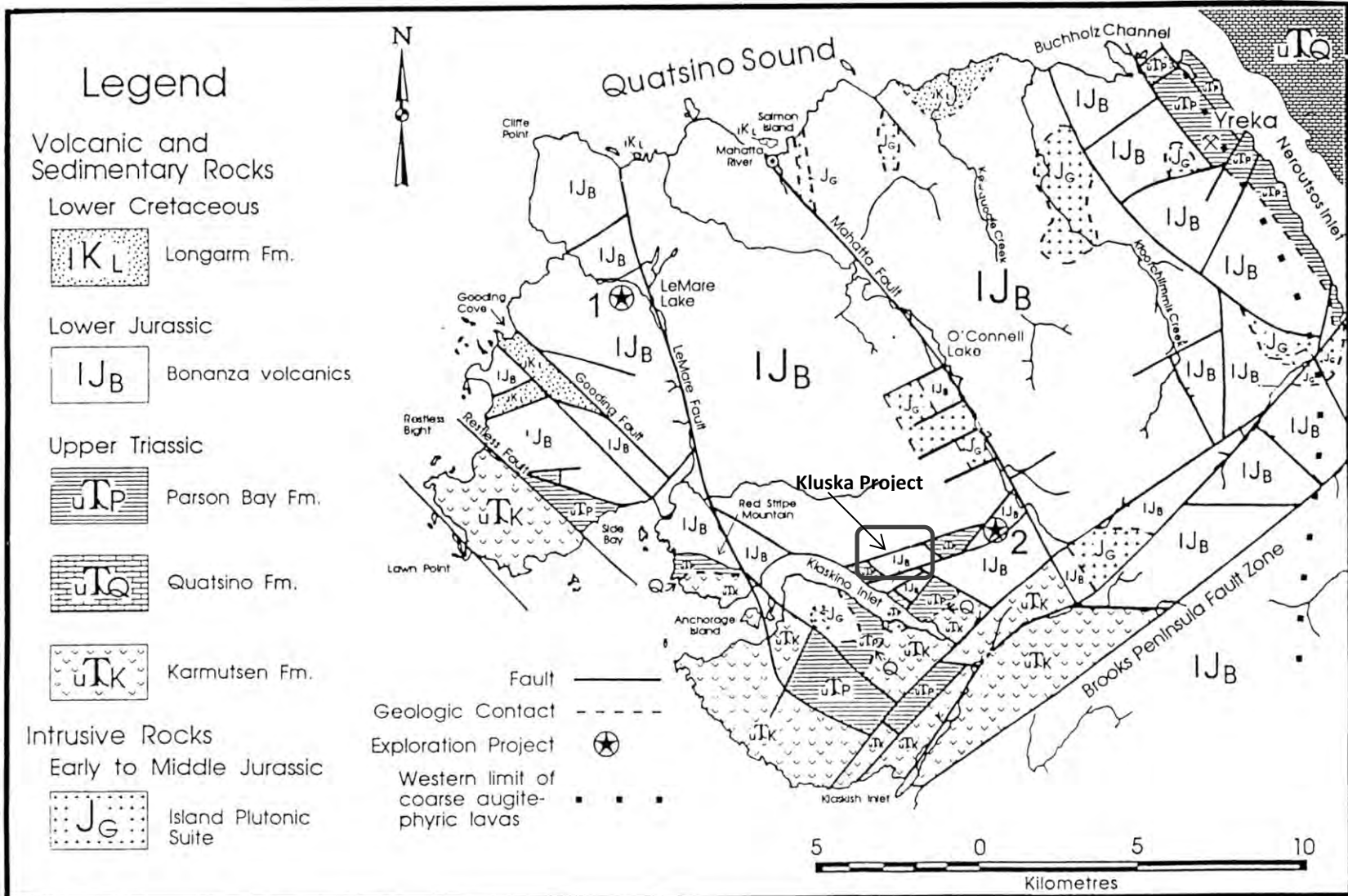
**2009** Centerfire Minerals Inc. acquired the Klaskino property by staking and by way of two separate option agreements. A program of prospecting and rock sampling, moss mat sampling, soil geochemistry and ground geophysics (IP, magnetometer) was completed during December 2009 (Houle, 2010).

The geophysical survey was completed by Brad Scott, Gord Stewart, Dave Hall, and Esteban Zaragoza of Scott Geophysics Ltd. of Vancouver, B.C. Dave Pugh, Ron Stack and Melvin Rissanen were employed by Centerfire Minerals to run lines, clear underbrush and assist with the IP survey. Crew accommodation was at Western Forest Product's bunkhouse in Mahatta. Linda Caron was the project geologist who designed the work program and prepared this report.

IP and ground mag data was collected over the Camp Creek Zone, on three 800 meter long east-west trending lines, spaced at 100 meter intervals. Mag data was also collected along contour lines in the Camp Creek and Red Bluff areas. Contour lines had variable lengths and an ideal spacing of 50 meters in elevation. In total, 2.4 kilometers of IP and 9.7 kilometers of ground magnetometer surveying was done. Logistical details regarding the survey are contained in a separate report (Scott, 2009).

Soil sampling was also done along the IP grid and the contour lines. The results of the geochemical samples are presented in a recent NI 43-101 report prepared on the property (Houle, 2010).

Figure 4 Regional Geology



Geology after Nixon et al, 1993

**REGIONAL GEOLOGY**

## REGIONAL GEOLOGY

The Mahatta Creek map sheet (NTS 92L/5) was recently mapped as part of a large regional geological mapping program that the BC Geological Survey Branch undertook for northern Vancouver Island (Nixon et al, 2006; Nixon and Orr, 2007). This work has resulted in a new stratigraphic framework for the Early Mesozoic stratigraphy of the north island, which described as follows. The reader is referred to the above sources for a more in depth discussion of the regional geological setting.

*Geoscience Map 2006-4 covers the Mahatta Creek area (NTS 092L/5). The region is underlain by a folded and faulted sequence of Late Triassic to Middle Jurassic volcanic and sedimentary rocks of the Vancouver and Bonanza groups intruded by granitoids of the Early to Middle Jurassic Island Plutonic Suite. The latter intrusions are associated with important calc-alkaline Cu-Mo-Au porphyry, base- and precious-metal skarn and epithermal mineral occurrences. The folded Triassic-Jurassic succession is overlain unconformably by Cretaceous marine clastics equivalent to rocks of the Kyuquot, Queen Charlotte and Nanaimo groups which are exposed elsewhere on Vancouver Island and in the Queen Charlotte Islands. These strata are succeeded by Tertiary (Neogene) volcanic and-sedimentary rocks of the Alert Bay volcanic belt. Recently recognized granitoid plutons of Miocene-Pliocene age, the Klaskish Plutonic Suite, appear to be confined to the Brooks Peninsula fault zone and represent intrusive equivalents of the Alert Bay volcanic rocks. The Mahatta Creek and previously published geoscience maps provide a new stratigraphic framework for the Early Mesozoic strata, calibrated by  $^{40}\text{Ar}/^{39}\text{Ar}$  and U-Pb isotopic dating and macrofossil and microfossil (conodont and radiolarian) faunas. The Bonanza Group now includes the Late Triassic Parson Bay Formation, which contains mappable volcanic-volcaniclastic horizons and is overlain by unnamed volcaniclastic-sedimentary strata of latest Triassic (Rhaetian) to lowermost Jurassic (Hettangian) age. These strata are succeeded by Early (Hettangian) to Middle (Bajocian) Jurassic, predominantly volcanic and volcaniclastic sequences of the informally named LeMare Lake volcanic unit, formerly known as the "Bonanza volcanics". The latter term may be usefully retained to informally refer to all the volcanic rocks within the Bonanza Group, as presently defined.*



## PROPERTY GEOLOGY

As shown by Nixon et al (2006), the Klaskino property is situated north of the Klaskino Fault, which trends northwest through Klaskino Inlet, and north of the northeast trending Klaskish Fault along the Klaskish River. Except for the extreme eastern part of the property, the claims are situated west of the north-northwest trending Mahatta Fault, which generally follows Mahatta Creek.

The property is predominantly underlain by volcanics of the LeMare Lake volcanic succession and by sediments of the Parson Bay Formation. Two dominant orientations of structural fabric trends are noted on the property, northwesterly and northeasterly, coinciding in general with the trends of the regional scale Klaskino and Klaskish faults. Fault blocks consist largely of a moderately north-dipping homoclinal sequence of interbedded impure limestones and fine clastic sediments of the Parson Bay Formation, locally underlain by massive limestones of the Quatsino Formation, and overlain by mafic to intermediate volcanics of the LeMare Lake Succession. Previous workers have observed numerous exposures of the Island Plutonic Suite during the course of property scale work, which represent dykes, sills and small plutons of diorite to granodiorite that intrude the older units. Houle (2010) suggests that these intrusives may underlie all other units on the Property, as suggested by high magnetic responses from regional aeromagnetics.

Previous exploration on the Klaskino property has identified four areas of mineralization, the Camp Creek (Minfile 092L 144), Red Bluff (Minfile 092L 237), Jarr (Minfile 092L 191) and Brad (Minfile 092L 176) showings. All have characteristics of copper skarn and/or porphyry copper +/- molybdenum mineralization. Houle (2010) suggests that these four showings could represent the surface expressions of a single large mineralized cluster, related to a large intrusive of the Island Plutonic Suite underlying the Mesozoic strata, with a zone of semi-continuous alteration exposed over an area of 15-20 square kilometres.



Figure 5 Google Image of Kiuska Area



Figure 5 Google Image of Kluska Area

## MINERALIZATION (As defined by previous work)

### GEOPHYSICS

During December 2009, induced polarization and ground magnetometer surveys were performed on the Klaskino property. A total of 2.4 kilometers of IP survey and 9.7 kilometers of magnetometer survey were completed, under contract to Scott Geophysics Ltd. A brief logistical report describes the survey specifications.

Seven contour lines were run over the Camp Creek area. Contour lines had an ideal elevation spacing of 50 meters and ranged up to 850 meters in length, to give good coverage over the zone of known mineralization. Three contour lines were also run over the Red Bluff Zone. Contour lines were labelled with the ideal elevation (i.e. L100m, L150m, etc.); with stations labelled with an easting coordinate relative to the start point of the line. Magnetometer readings were collected over all contour lines. Readings were taken at 12.5 meter intervals along lines, and with GPS readings collected from all stations where possible. It should be emphasized that the terrain presents a challenge to exploration, particularly in the Red Bluff area, and that the combination of the steep terrain and the tree canopy results in poor GPS coverage in many places, so that it is not always possible to get a clear signal.

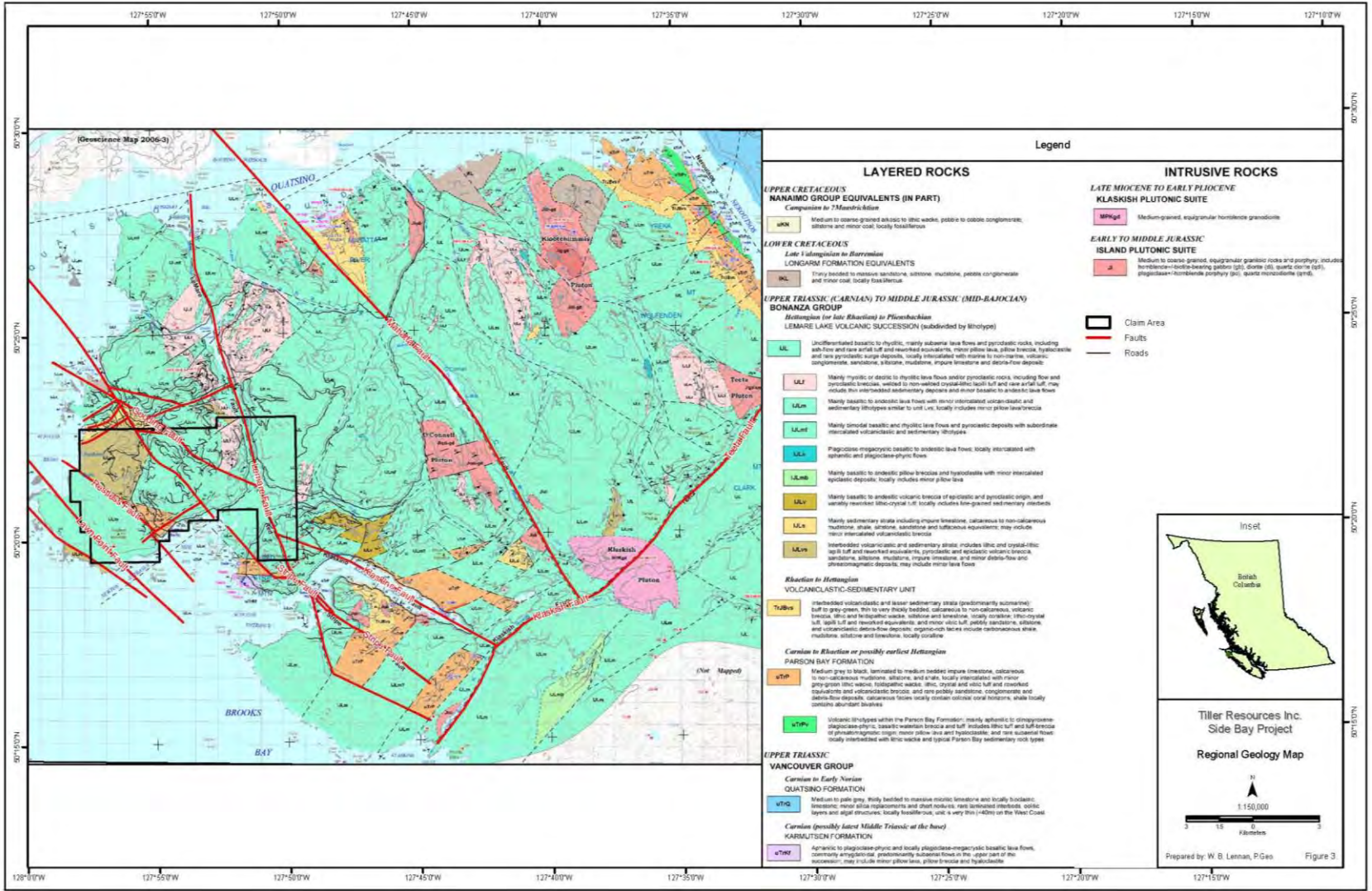
Three 800 meter long, east-west trending, flag and picket grid lines were run over the Camp Creek area. Lines were spaced at 100 meter intervals and were labelled as L IP350N, L IP450N and L IP550 N. Both IP and ground mag data were collected over the Camp Creek grid. Magnetometer data is presented, along with the data collected on contour lines. The IP survey utilized a pole dipole array, with an “a” spacing of 25 meters and “n” separations of 1 to 5. GPS readings.

The December 2009 geophysical program showed that both magnetic and induced polarization surveys may be useful exploration tools for the Klaskino property. In the Camp Creek area, a chargeability high anomaly centered on L IP550N 325E (588750E 5574550N), was defined by the survey. The anomaly remains open to the north of the area tested. A coincident copper-molybdenum-gold-cobalt soil anomaly was defined by the December work program, which similarly remains open to the north. Outcrop samples collected from this area consisted of silicified sediments with 5-15% stringer and stockwork sulfides, and with elevated copper and molybdenum values. It is a high priority target for follow-up (Houle, 2010).

Also in the Camp Creek area, a mag high anomaly, about 200 metres in diameter and centered at L IP450N 550E (588975E 5574475N), was defined by the December 2009 survey. A copper-molybdenum-gold-cobalt-arsenic-mercury soil anomaly coincides with the western part of the mag high anomaly, while the eastern part of the mag high anomaly has a coincident resistivity high response. Rock samples from an old blasted trench in this area consisted of chlorite and actinolite altered mafic volcanics with 5-15% sulphides, and returned elevated copper values. This area is a further high priority target for follow-up (Houle, 2010).

In the Red Bluff area, the survey covered too small an area to result in anomaly definition, but does show, as in the Camp Creek area, that ground magnetics may be a useful exploration method to focus follow-up trenching or diamond drilling.

Figure 6 Detail Geology



## KLUSKA ZONE

On the Kluska group, a section of Bonanza sediments up to 1,000 feet thick occurs as a west plunging syncline in surrounding Karmutsen basaltic to the nose of the fold. They appear to have no lateral continuity and may be dragged out remnants of Quatsino Limestone.

The entire assemblage is intruded by diorite which grades into dioritized andesite along its margins. Several irregular bodies of granite intrude both the diorite and the volcanic flows in the northeastern portion of the claim group.

Skarn type alteration with some pyrite and chalcopyrite occurring as small pods and lenses are exposed. This alteration and mineralization appears to be on the nose of a small dragfolded section of limestone enclosed in Bonanza sediments. Minor amounts of pyrite and some chalcopyrite are found in weak shears and the occasional quartz vein elsewhere on the property.

Assessment Report 2652 also reports weak disseminated and fracture controlled chalcopyrite and pyrite in diorite and Bonanza Groups sediments.

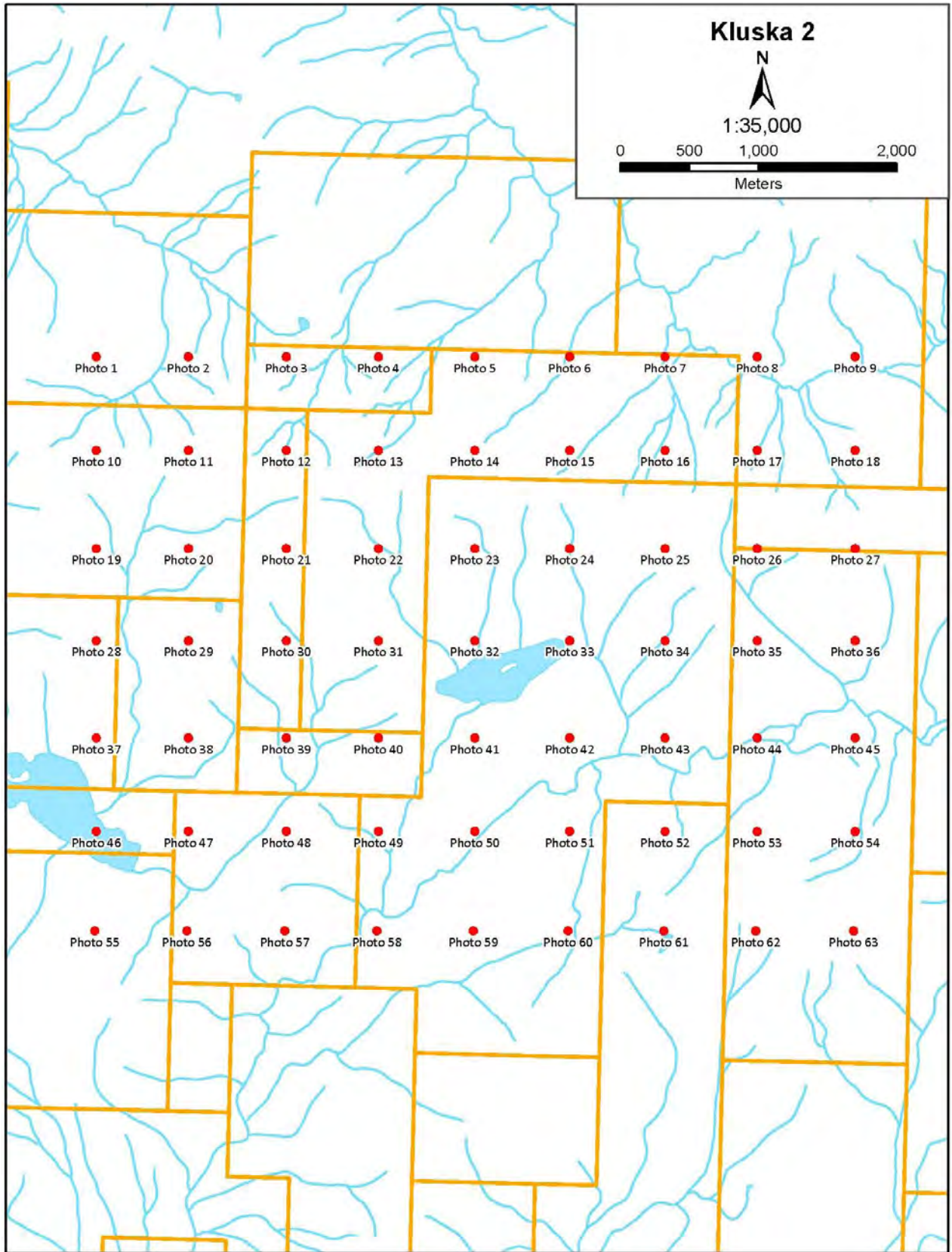


Figure 7 Key Map

## AIRPHOTO INTERPRETATION

A total of a XX colour airphotos were received on digital DC format. Each photo was greater than 1 GB of data. A selection of low digital scans of the printed product is contained in Appendix III. Each photo was plotted on standard airphoto size as to 9 inch by 9 inch and grouped to the flight lines.

The most important series are:

- (1) Flight line Photos 1-9
- (2) Flight line Photos 10-18
- (3) Flight line Photos 19-27
- (4) Flight line Photos 28-36
- (5) Flight line Photos 36-45
- (6) Flight line Photos 46-54
- (7) Flight line Photos 55-63

A transparent overlay was attached and the prominent geological features as mapped were noted. Each stereo pair was examined in detail using a Gordon stereoscope type F-71 serial #9466. Detailed attention was given to the mapped location of the known alteration and mineralized zones.

Well-developed northwest trending linears are common towards Kluskina Inlet but also occur to the southeast and are probably reflective of the continuation of major fault zones.

At almost right angles are prominent linears across the main ridge in a northeast orientation. These linears are accentuated by avalanche paths and drainages.



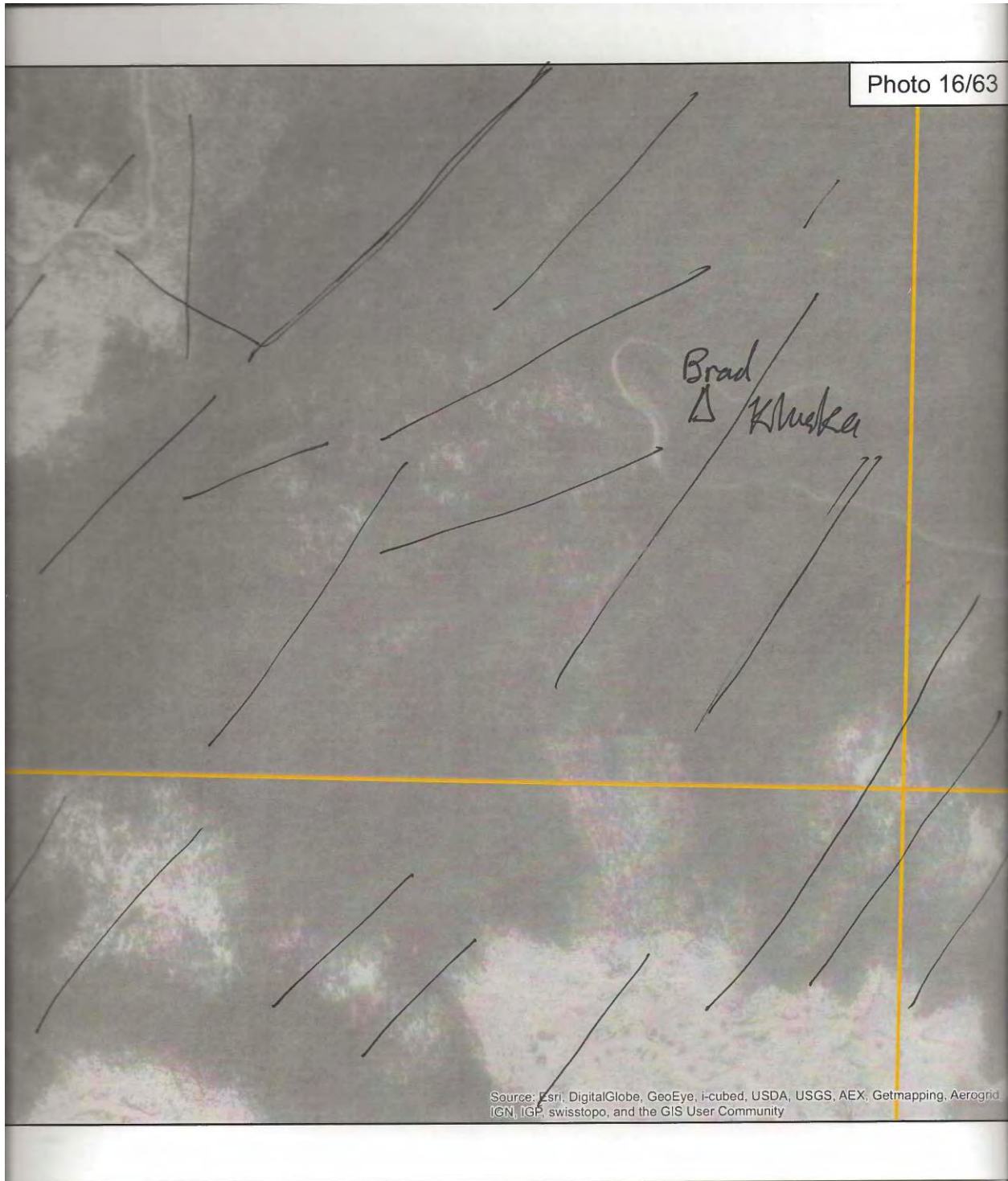


Figure 8 Airphoto 16/63

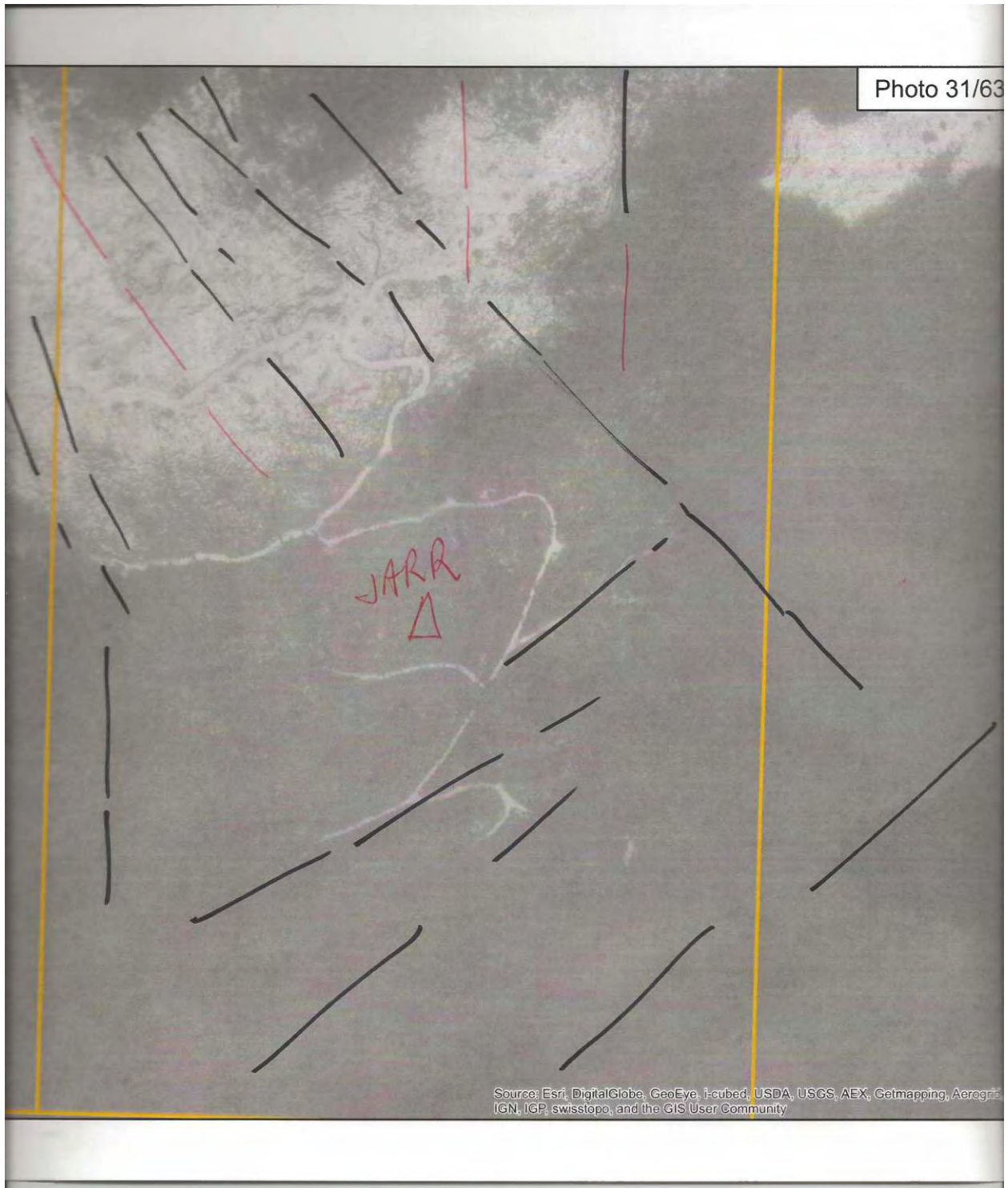


Figure 9 Airphoto 31/63

## **CONCLUSIONS and RECOMMENDATIONS**

Additional work is recommended for the Klaskino property. This work should include both detailed follow-up (trenching and/or diamond drilling) to known targets, as well as property-scale work to assess other less well-defined areas. This property-scale work should include geological mapping, prospecting, soil and moss-mat geochemistry and geophysics. Consultation with the local First Nations and an archaeological assessment of the property is also recommended. Houle (2010) presents detailed recommendations for a phased \$500,000 work program for the property.

## REFERENCES

- Anzalone, S.A., 1971.  
Jarr Copper prospect, Report on Geochemical Survey, for American Smelting and Refining Company, August 1971. Assessment Report 3166.
- Bilquist, R., 1990.  
Prospecting Survey Report on the Klaskino #1 Claim, Nanaimo Mining Division, March 1990. Assessment Report 20,094.
2009.  
Prospecting Report on the Klaskino #1 Claim, Nanaimo Mining Division, July 17, 2009. Assessment Report 31,164.
- Bradshaw, P., 1990.  
Report on Geological and Geochemical Soil Grid, the Madhat 1-4 Claim Group, Nanaimo Mining District, Vancouver Island, British Columbia, December 1990. Assessment Report 21,120.
- Caron, L., 2010  
Assessment Report on the 2009 Exploration Program Ground Geophysics on the Klaskino Property, Nanaimo Mining Division for Centerfire Minerals Inc., February 16, 2010
- Dodson, E.D., 1970.  
A Geological and Geochemical Report on the Sinker and RUF Mineral Claims, located at Klaskino Inlet, Nanaimo Mining Division, for Belvedere Mines Ltd., April 24, 1970. Assessment Report 2,407.
- Flesher, E.R. and W.H.C. Wilson, 1966.  
A Geophysical and Geochemical Report on the Sinker Group of Claims on the North Side of Klaskino Inlet, Nanaimo, M.D., December 4-7, 1966. Assessment Report 961.
- Houle, J., 2010.  
Summary Report on the Klaskino Property, Nanaimo Mining Division, for Centerfire Minerals Inc., January 31, 2010.
- Kaufman, M.A., 1972.  
Geochemical Report, K Claim Group, Nanaimo Mining Division, for Perry, Knox, Kaufman, Inc., August 15, 1972. Assessment Report 3792.
- Leighton, D.G. and R.B. Stokes, 1973.  
Geological and Geochemical Report on the Klaskino Mineral Claims, Nanaimo Mining Division, for Brinex, November 14, 1973. Assessment Report 4,730.
- Minfile 092L 144 (Sinker); 092L 176 (Brad); 092L 191 (Jarr); 092L 237 (Ruf 41).
- Minister of Mines Annual Reports: 1900 p.195; 1915 p.288; 1969 p.206; 1970, p.271.
- Nixon, G.T., J.L. Hammack, J.V. Hamilton, H. Jennings, J.P. Larocque, R.M. Friedman, D.A. Archibald, M.J. Orchard, J.W. Haggart, H.W. Tipper, T. Tozer, and F. Cordey, 2006.  
Geology of the Mahatta Creek Area, Northern Vancouver Island, NTS 092L/5, BC Geological Survey Branch Geoscience Map 2006-4.

Nixon, G.T. and A.J. Orr, 2007.

Recent Revisions to the Early Mesozoic Stratigraphy of Northern Vancouver Island (NTS 102I, 092L) and Metallogenic Implications, British Columbia, Geological Fieldwork 2006, Paper 2007-1, p.163-177.

Wong, R.H., 1983.

Assessment Report on the Geological and Geochemical Survey on the KI Group, for BP Minerals Limited, May 25, 1983. Assessment Report 11,226.

Young, M.J., 1970.

Geological and Geochemical Report, Brad Group, for Utah Construction and Mining Co., October 15, 1970. Assessment Report 2652.

**APPENDIX I**

**STATEMENT of QUALIFICATIONS**

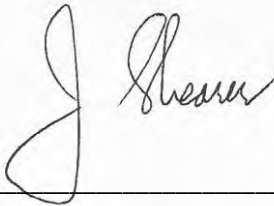
**JANUARY 15, 2014**

**Appendix I**  
**STATEMENT OF QUALIFICATIONS**

I, JOHAN T. SHEARER, of Unit 5 2330 Tyner 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 35-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).
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 a report entitled "Airphoto Interpretation Report on the Kluska 2 Claim" dated January 15, 2014.
6. I have carried out Airphoto mapping, and supervised sample collection, August 19-20, 2013. I am familiar with the regional geology and geology of nearby properties. I have become familiar with the previous work conducted on the Kluska claims by examining in detail the available reports and maps and have discussed previous work with persons knowledgeable of the area.
7. I have a royalty interest in the claims.

Dated at Port Coquitlam, British Columbia, this 15<sup>th</sup> day of January 2014.



J.T. Shearer, M.Sc., F.G.A.C., P.Geo.  
Quarry Supervisor  
January 15, 2014

**APPENDIX II**

**STATEMENT of COSTS**

**January 15, 2014**



**APPENDIX II**  
**Statement of Costs**

	Total without HST
J. T. Shearer, M.Sc., P.Geo., 1 day @ \$700/day	\$ 700.00
Truck, Fully equipped 4x4, 1 day @ \$120/day	120.00
Hotel, 1 day	130.00
Airphotos	300.00
Airphoto Interpretation	700.00
Report Preparation	1,400.00
Word Processing and Reproduction	300.00
	<hr/>
<b>Total</b>	<b>\$ 3,650.00</b>

Event #	548989
Date filed	December 31, 2013
Filed	\$ 2,950.00
PAC	\$ 1,176.46
Total	\$ 4,126.46

**APPENDIX III**

**SELECTED AIRPHOTOS**

**January 15, 2014**

Photo 10/63



Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

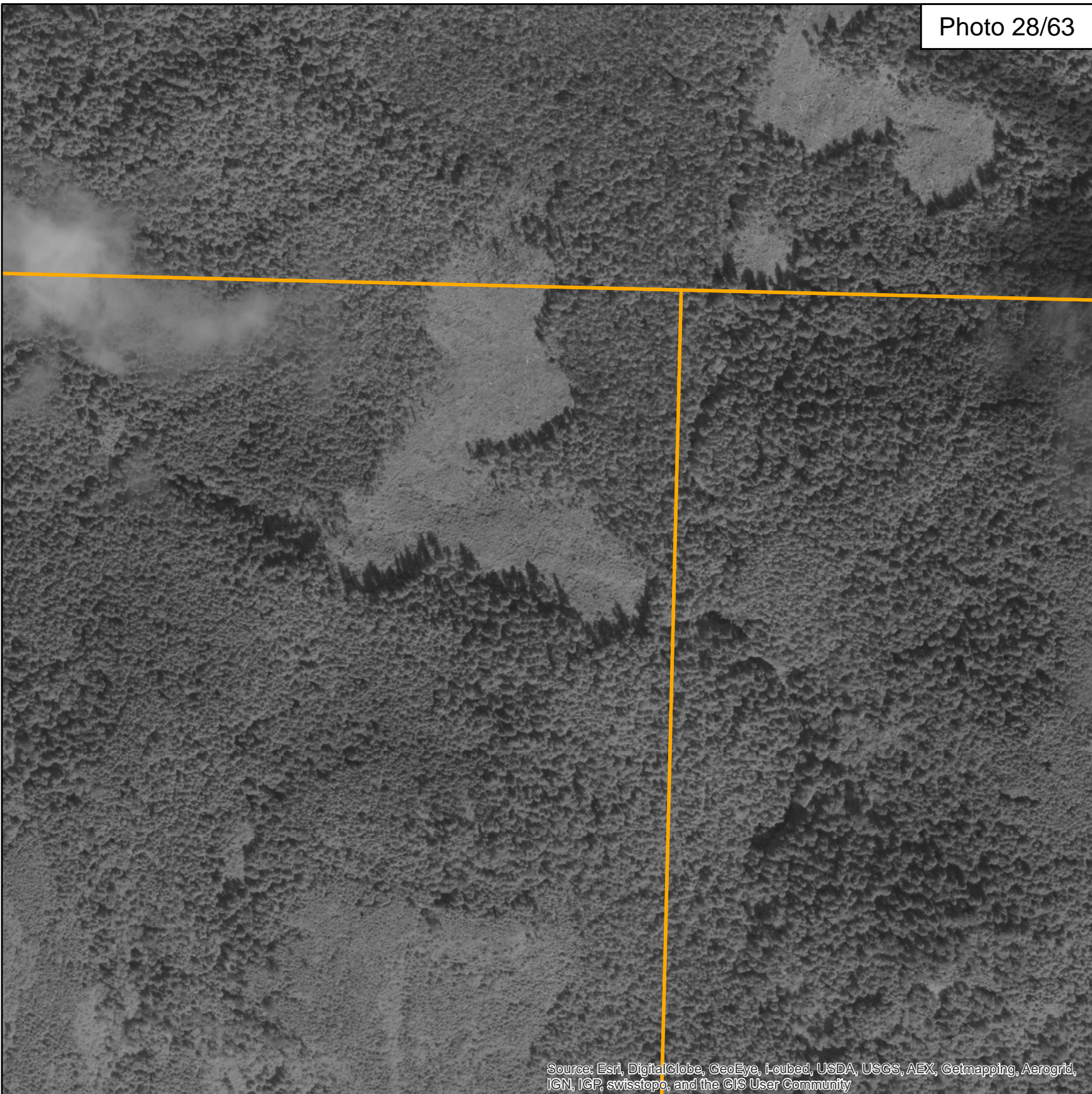




Photo 46/63



Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community