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BC Geological Survey Assessment Report 39888

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)]: Geochemical Assessment

TOTAL COST: $ 7,057.50

AUTHOR(S): J. T. Shearer, M.Sc., P.Geo.

SIGNATURE(S): [signature]

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

YEAR OF WORK: 2021

STATEMENT OF WORK - CASH PAYMENTS EVENT NUMBER(S)/DATE(S): 5864216

PROPERTY NAME: Zeballos North

CLAIM NAME(S) (on which the work was done): 1084613
Zeb Maquinna

COMMODITIES SOUGHT: Cu, Au

MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN:

MINING DIVISION: Alberni

NTS/BCGS: 092L, 092E

LATITUDE: 50 ° 02 ' 10.26 " **LONGITUDE:** 126 ° 49 ' 18.05 " **(at centre of work)**

OWNER(S):
1) J. Bakus
2)

MAILING ADDRESS:
Unit 5 - 2330 Tyner Street
Port Coquitlam, BC V3B 2Z7

OPERATOR(S) [who paid for the work]:
1) Same
2)

MAILING ADDRESS:
Same

PROPERTY GEOLOGY KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude):
Lower Jurassic Bonanza Group calc-alkaline rocks; Triassic Parson Bay limestone; Jurassic Island Plutonic Suite granodiorite; Eocene to Oligocene Mt. Washington Plutonic Suite diorite; Gold-quartz veins, skarn

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS:
5079, 12772, 32298

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TYPE OF WORK IN THIS REPORT	EXTENT OF WORK (IN METRIC UNITS)	ON WHICH CLAIMS	PROJECT COSTS APPORTIONED (incl. support)
GEOLOGICAL (scale, area)			
Ground, mapping			
Photo interpretation			
GEOPHYSICAL (line-kilometres)			
Ground			
Magnetic			
Electromagnetic			
Induced Polarization			
Radiometric			
Seismic			
Other			
Airborne			
GEOCHEMICAL (number of samples analysed for...)			
Soil			
Silt			
Rock	10	1084613	7,057.50
Other			
DRILLING (total metres; number of holes, size)			
Core			
Non-core			
RELATED TECHNICAL			
Sampling/assaying			
Petrographic			
Mineralographic			
Metallurgic			
PROSPECTING (scale, area)			
PREPARATORY / PHYSICAL			
Line/grid (kilometres)			
Topographic/Photogrammetric (scale, area)			
Legal surveys (scale, area)			
Road, local access (kilometres)/trail			
Trench (metres)			
Underground dev. (metres)			
Other			
		TOTAL COST:	$ 7,057.50

GEOCHEMICAL ASSESSMENT REPORT
on the
ZEBALLOS NORTH GOLD PROJECT

Alberni Mining Division, British Columbia, Canada
Latitude: 50°02’10.26”N; Longitude: 126°49’18.05”W
UTM Zone 09 (NAD83)
5541161N 655364E
EVENT # 5864216

For

1240089 BC Ltd.

By

J. T. Shearer, M.Sc., P.Geo. (BC & Ontario) FSEG
Unit 5 – 2330 Tyner Street
Port Coquitlam, BC
V3C 2Z1
Phone: 604-970-6402

December 27, 2021

Work Completed Between November 2 2021 and December 27, 2021

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SUMMARY

The Zeballos North Gold Project mineral claims cover an area of 498.07 ha and are situated about ? km north of the village of Zeballos on the west coast of the Vancouver Island in the Alberni Mining District.

The property is accessed by travelling north on Highway 19 about 140 km past the city of Campbell River to the Zeballos-Steel road intersection. From there on a well-maintained 40 km gravel road can be followed to the village of Zeballos.

The Zeballos North Gold mineral property consists of six mineral claims 100% owned by 1240089 BC Ltd. It is situated on the western and easter bank of the Zeballos River and straddles some of its western tributaries. The property lies within the Vancouver Island's mountain range and stretches from sea level to over 1,200 m in elevation.

Rocks underlying the property are Lower Jurassic Bonanza Group volcanic rocks conformably underlain by Lower Triassic to Upper Triassic Vancouver Group - Parson Bay Formation composed of limestone, slate, siltstone and argillite. Early Jurassic to Middle Jurassic Island Plutonic Suite granodiorite has intruded all older rocks. Quartz diorite intrusive rocks of the Eocene to Oligocene Catface Plutonic suite are spatially related with most of the areas gold-quartz veins. Zeballos mining camp's mineral deposits are of the intrusion related gold type and of the skarn and replacement type.

The Zeballos North Gold Project encompasses several small past producing gold mines and a mineral prospects.

In 2011, North Bay Resources Inc. engaged in a first pass prospecting program which consisted of a field check on the main old mining works. The associated assessment report (AR32298) also produced a compilation of the geology and mining history of the mineral property.

Work in 2021 on the Zeballos North Gold Project focussed on mainly float samples in the general vicinity of known showings close to the main access road. The rocks collected appear to be representative of the lithologies described from reports and Minfile.

Samples ZN-3 to ZN-7 (Waypoints 261 to 262)are near the blackbird Minfile showing. The area of the Blackbird occurrence is underlain by a lens of silicified limestone, 600 metres long and 100 metres wide, striking west and dipping 75 degrees north. The limestone is part of the Upper Triassic Vancouver Group, Quatsino Formation and is surrounded by pyroclastic andesite, tuffs and volcanic breccia of the Lower Jurassic Bonanza Group. These rocks are intruded by hornblende diorite (Zeballos phase) of the Late Jurassic Island Plutonic Suite.

The occurrence, which has been explored over about 25 metres, by several open cuts and a short adit comprises a 10 metre wide band of interbedded dacite, limestone and garnetite which contains scattered clusters of magnetite and chalcopyrite with minor pyrite and pyrrhotite. This band lies between crystalline limestone to the south and green hornfelsed and skarn altered tuff to the north. Epidote, wollastonite, diopside and actinolite are also present.

Respectfully submitted

J. T. Shearer, M.Sc., P.Geo. (BC & Ontario) FSEG
December 27, 2021

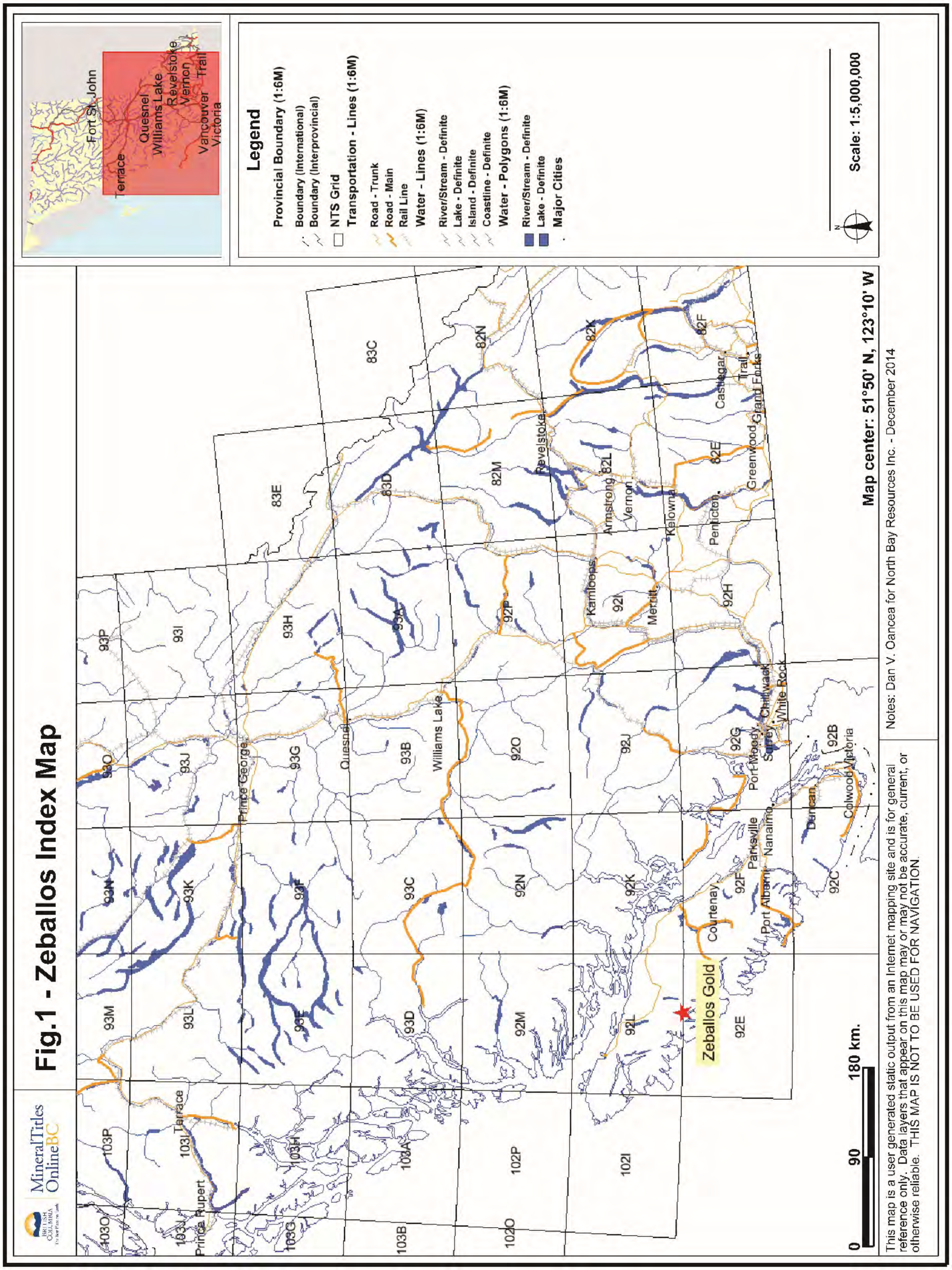


Figure 1 Location Map

INTRODUCTION

The Zeballos North Gold Lake Project of 1240089 BC Ltd. comprise 6 claims totalling 498.07 hectares.

Terms of Reference

J. Shearer was engaged by 1240089 BC Ltd. to provide a technical report that compiles all the known data on the Zeballos North property near Zeballos, documents work done in 2021 and recommends a program to further advance to property.

The author has compiled this report with all due care and reviewed all available reports. It is believed that the information contained within this report is accurate and reliable. All previous work programs on the property have been undertaken by experienced exploration personnel and the referenced reports cited were written by competent professionals. The author has assumed that all the information and technical documents listed in the References section of this report are accurate and complete in all material aspects. While the author carefully reviewed all the available information, the author cannot guarantee its accuracy and completeness.

The author has relied on the documents listed in the References section for the information in this report. The results and opinions outlined in this report are dependent on the aforementioned information being current, accurate and complete as of the date of this report and it has been assumed that no information has been withheld which would impact the conclusions or recommendations.

Qualifications of Author

J. T. Shearer is an independent economic geologist with extensive experience in mineral exploration and industrial mineral production throughout North America. He has conducted regional exploration for industrial minerals in the Zeballos-Fair Harbour area. The Author of this report does not have any material interest in 1240089 BC Ltd., the Vendor nor in mineral asset considerations in this report.

PROPERTY DESCRIPTION and LOCATION

The Zeballos Gold property consists of six mineral claims that cover 498.07 hectares. The claims are 100% owned by 1240089 BC Ltd. (J. Bakus) and are centered at 50° 02' 10.26'' N and 126° 49' 18.05'' W. The mineral property is covered by the BCGS 092L006, 092L007, 092E096 and 092E097 maps.

Table 1 Claim List

Title #	Claim Name	Area (ha)	Issue Date	Good To Date	Owner
1074400	Zeballos Ford	20.75	February 5, 2020	March 20, 2025	J. Bakus
1075095	Zeb Barnacle NW	20.75	March 9,2020	March 20, 2025	J. Bakus
1077611	Zeballos Uebell Ext. 10	145.29	July 27, 2020	March 20, 2025	J. Bakus
1078268	Zeb Barnacle Maquinna Au	20.75	August 30, 2020	March 20, 2025	J. Bakus
1084613	Zeb Maquinna	207.54	October 6, 2021	March 20, 2025	J. Bakus
1084614	Zeb Ford Cordova	82.99	October 6, 2021	March 20, 2025	J. Bakus
		Total ha 498.07			

The Zeballos North Gold mineral claims partially overlap the following Crown Grant mineral lots.

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.

Initial First Nations Consultations have not been undertaken.

However, the First Nations – Resource Industry landscape is rapidly changing. The Provincial government is moving rapidly to implement the "United Nations Declaration on the Rights of Indigenous Peoples" (UNRIP). At the present time, the clarity and certainty moving forward with local First Nations is lacking.

An Archaeological Overview Assessment (AOA) has not been completed. Permitting for operating in BC is currently in flux due to the implementation of UNRIP. Personal relationships are a must in moving forward along with proponent consultation.

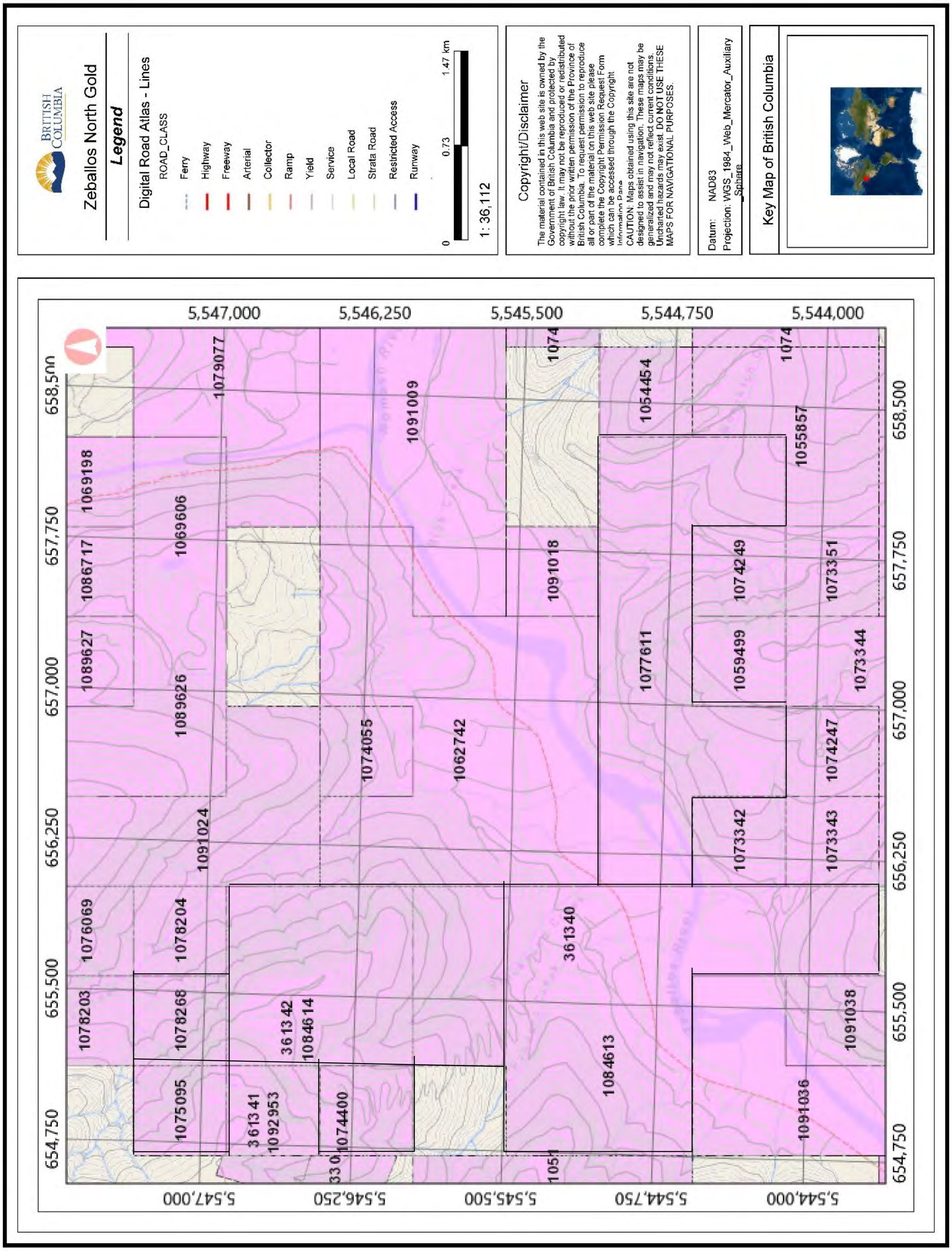


Figure 2 Claim Map

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY

The Zeballos North Gold mineral property is located on the west coast of the Vancouver Island in British Columbia, Canada. It is within the Alberni Mining Division and is covered by NTS Map sheet 092E and 092L.

The property is accessed by travelling north on Highway 19 about 140 km past the city of Campbell River to the Zeballos-Steel road intersection. From there on a well-maintained all season 40 km gravel road can be followed to the village of Zeballos.

The Zeballos Gold Project is about 2 km north of the 150-200 inhabitants village of Zeballos. The village sits at the head of Zeballos Inlet, gateway to Nootka Sound, world-famous for salmon fishing and kayaking opportunities. The inlet was named by Captain Alejandro Malaspina in 1792 after one of his lieutenants, Ciriaco Cevallos.

The mineral project covers ground that stretches from sea level to 1,221 m in elevation (Mt. Beano). Physiography is rugged with hillsides being steep and bluffy. At higher elevations creeks are flowing through steep canyons and present numerous waterfalls. The Zeballos North project encompasses the Hidden Valley Creek and the Golden Gate Creek as eastern tributaries of the Zeballos River which flows into the Pacific Ocean at the Zeballos Village. The project area also encompasses the headwaters of the Spud Creek and Bingo Creek.

The climate is wet and mild. Most of the 5 meters of average annual precipitation occurs from October through May. Snowfall is never more than a few inches at the beach but is heavier at higher elevations.

Logging is the prominent industrial activity in the area and parts of the project area had also been recently logged. Fishing, fish processing and tourism are also mainstays of the local economy.

Limited accommodation, food and gas is available in the Village of Zeballos.

HISTORY

According to John S. Stevenson (1950) small amounts of placer gold were found on the Zeballos River as early as 1907 but the staking of the first gold-quartz vein (Zeballos Gold Project's Tagore mine) happened only in 1924. In 1926 the King Midas was staked and by 1929 forty claims had been staked in the valley. Tagore made the camp's first ore shipment during the same year.

Small pockets of coarse placer gold had been found at the mouth of the Spud Creek and in 1933 rich gold-quartz floats were also identified. The floats were followed upstream and in 1935 the Zeballos Gold Project's Gold Field veins were identified.

Most of the gold mines closed during the WWII and the last mine to operate was the Privateer which closed gates in 1948. The Ford iron ore mine (092L 028) operated in the 1962 to 1969 period; it mined a magnetite skarn.

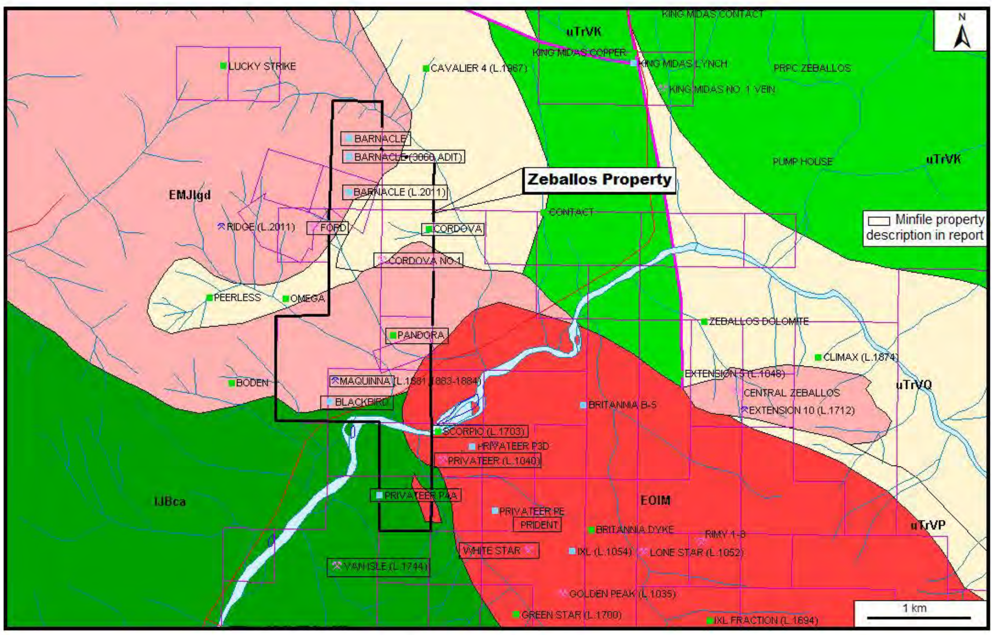
A detailed history of mining, development and exploration as it relates to the Zeballos Gold Project could be found in the 2011 report (AR32298).

GEOLOGICAL SETTING and MINERALIZATION

Regional Setting

The claim area is part of the Insular belt of the Canadian Cordillera which is comprised of a number of accreted volcanic and sedimentary terranes.

The Zeballos gold camp is an area underlain by a Lower Jurassic Bonanza Group Island arc sequence of basaltic to rhyolitic volcanic rocks. Conformably underlying the Bonanza rocks are limestone and limy clastics of the Quatsino and Parson Bay formations, and the tholeiitic basalts of the Karmutsen Formation, all belonging to the Upper Triassic Vancouver Group. Dioritic to granodioritic Jurassic plutons of the Zeballos intrusion phase of the Island Plutonic Suite have intruded all older rocks. The Eocene Zeballos stock, a quartz diorite phase of the Catface Intrusions, is spatially related to the areas gold-quartz veins. Bedded rocks are predominantly northwest striking, southwest dipping, and anticlinally folded about a northwest axis.



GEOLOGY LEGEND

EOIM
Eocene to Oligocene
Mount Washington plutonic rocks
quartz dioritic intrusive rocks

lJBca
Lower Jurassic
Bonanza Group
calc-alkaline volcanic rocks

uTrvP
middle Triassic to upper Triassic
Vancouver Group - Parsons Bay Formation
limestone, slate, siltstone, argillite

uTrVQ
middle Triassic to upper Triassic
Quatsino Formation
limestone, marble, calcerous sedimentary rocks

EMJlgd
Early Jurassic to Middle Jurassic
Island Plutonic Suite
granodioritic intrusive rocks

Figure 3 Geology Map

The Zeballos mining camp's mineralization is related to the emplacement of the Tertiary Mount Washington (Catface) intrusive rocks. The camp's mineralization is considered to be of the intrusion related gold mineralization type.

Recorded production for the camp totals 9,465 kilograms gold and 4,119 kilograms silver, from 652,000 tonnes of ore mined. Most of the production came from the Spud Valley and Privateer deposits.

Stevenson (1950): "The mineral deposits of the area include gold-bearing quartz veins and high temperature replacement deposits, which contain copper and iron, and one gold-bearing replacement deposit . The gold-quartz veins are economically the most important. Magnesian limestone in the area is potentially of economic importance."

Minfile (092L 005) notes that: "In the Zeballos gold camp, generally narrow (10 to 30 centimetres) quartz-calcite veins, trending north or east (Fieldwork 1983, page 230) cut all rock types. Vein mineralogy includes pyrite, sphalerite, galena, chalcopyrite and locally arsenopyrite."

Stevenson (1950) considers that " fractures and consequently veins formed under tension are the most favorable for ore, those veins or parts of veins that strike close to north 62 degrees east and are vertical are the most likely to contain the best oreshoots."

According to Stevenson (1950) host rock alteration as it relates to veins is dependent upon the type of rocks. Granite and quartz diorite are altered to a silvery white rock with feldspar plagioclase completely sericitized and biotite and hornblende destroyed and replaced by chlorite. The lime-silicate rocks are only slightly altered along the vein walls. The feldspar tuff, green volcanic tuff and lava have been altered for distances up to 6 inches from the vein shear to a light buff dense rock (sericite + carbonate) that contains cubes of pyrite. Assays of the wallrock along the gold rich veins show that no gold of economic importance seeped into the wallrock of the veins.

The sequence of mineralization is considered to be pyrrhotite, arsenopyrite, pyrite, sphalerite, chalcopyrite, galena and gold. In the quartz-sulphide ore the amount of gold is not only proportional to the sulphide content, but is also dependent on the presence of sphalerite and galena. Quartz veins that contain either pyrite or arsenopyrite only do not as rule contain much gold.

Property Geology and Mineralization

Rocks underlying the property are represented by the Lower Jurassic Bonanza Group calc-alkaline volcanic rocks conformably underlain by Lower Triassic to Upper Triassic Vancouver Group - Parson Bay Formation composed of limestone, slate, siltstone and argillite. Early Jurassic to Middle Jurassic Island Plutonic Suite represented by granodiorite had intruded all older rocks. Quartz diorite intrusive rocks of the Eocene to Oligocene Catface Plutonic suite are spatially related with most of the areas gold-quartz veins.

The Zeballos North Gold Project encompasses several, small past producing gold mines and prospects.

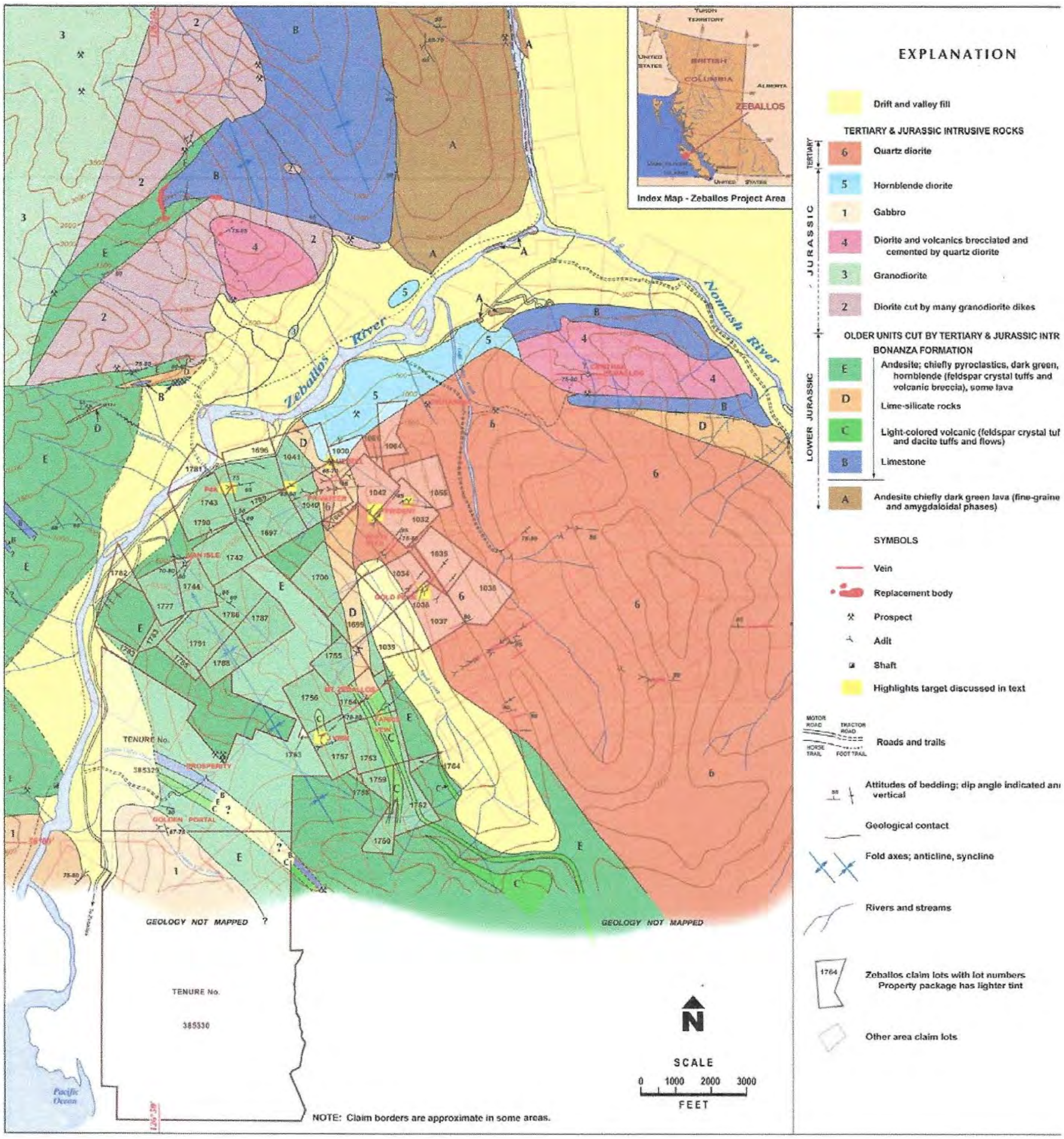


Figure 3a Zeballos Claims and Geology

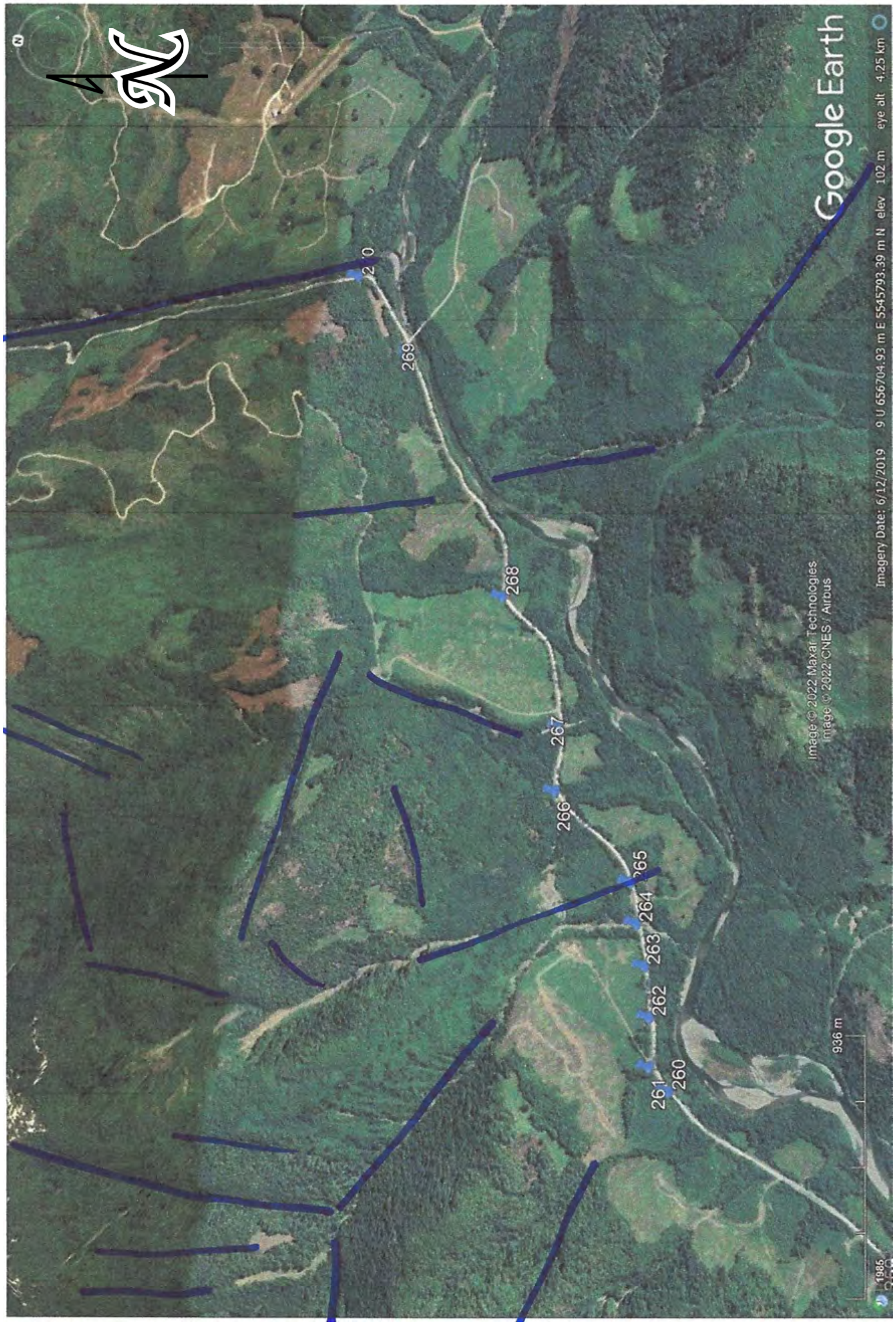


Figure 4 Google Image showing waypoints and general linears

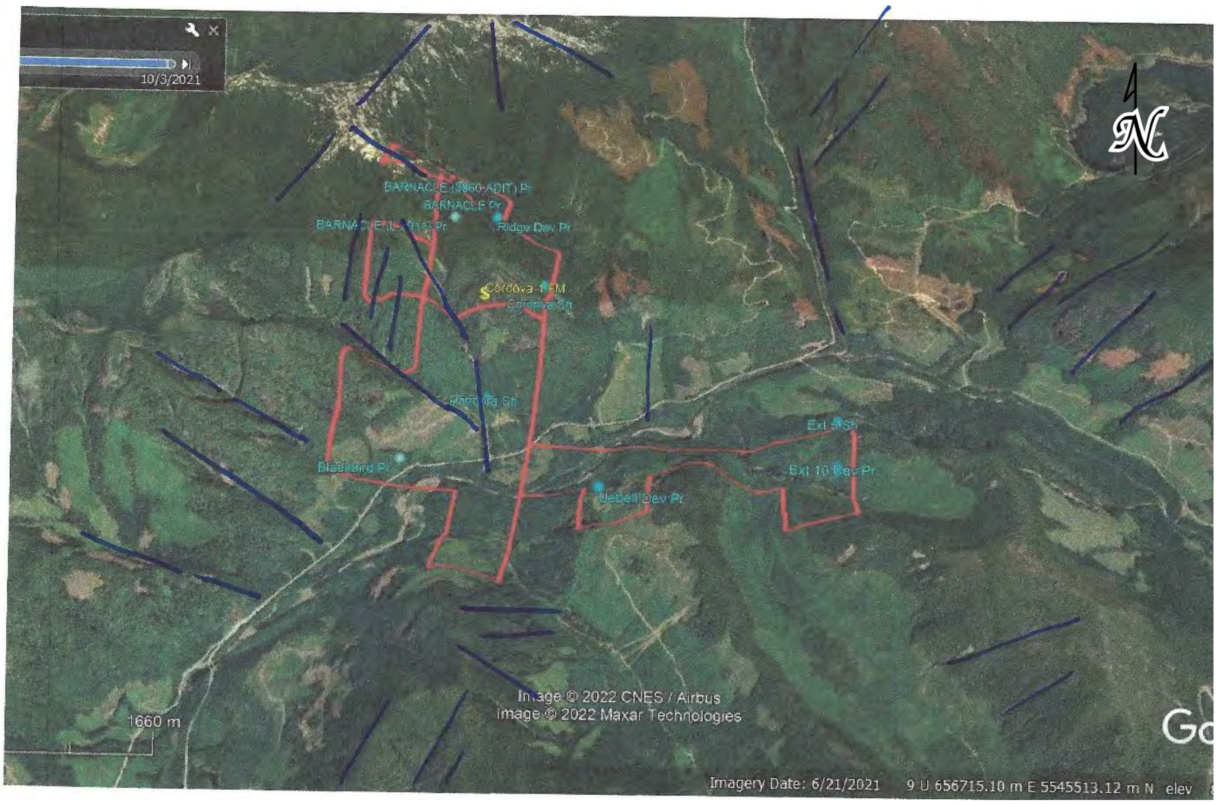


Figure 5a Showing Structural Linears

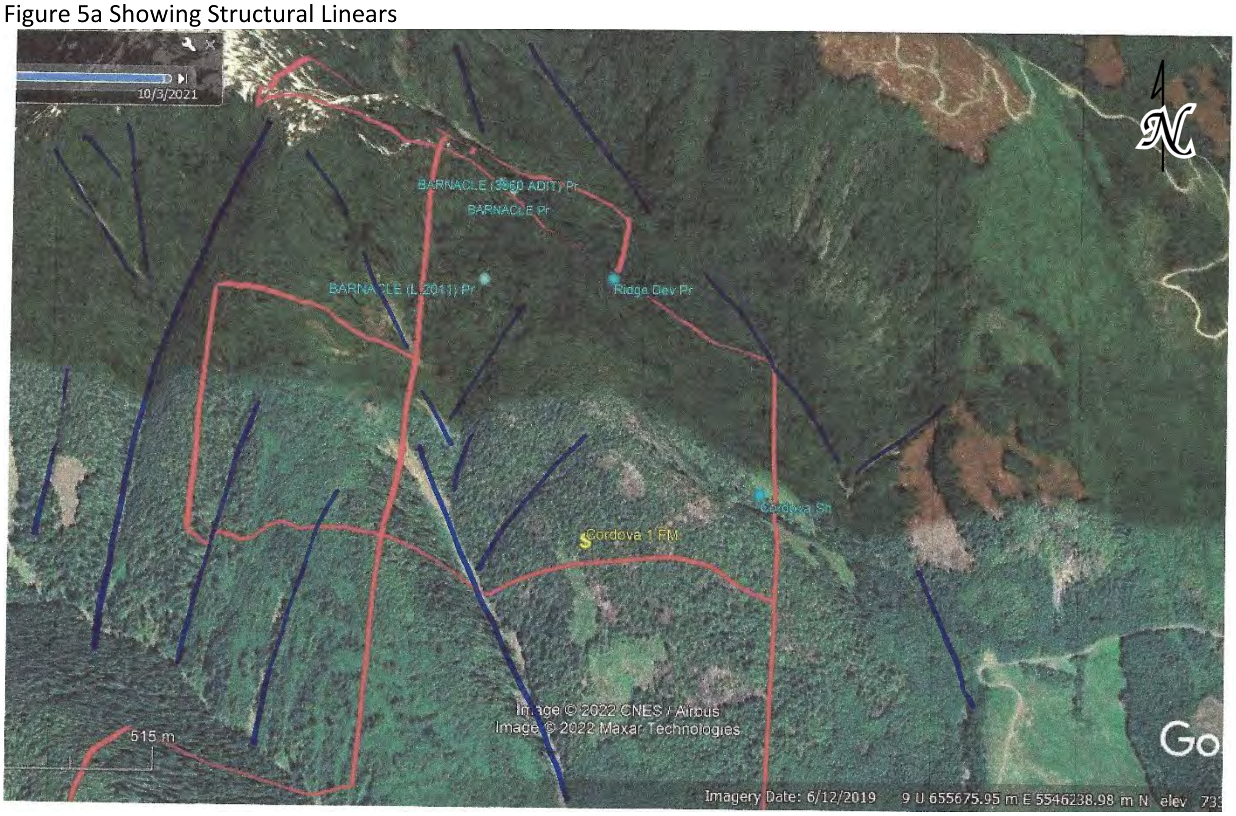


Figure 5b Showing Structural Linears

Figure 5c Showing Structural Linears

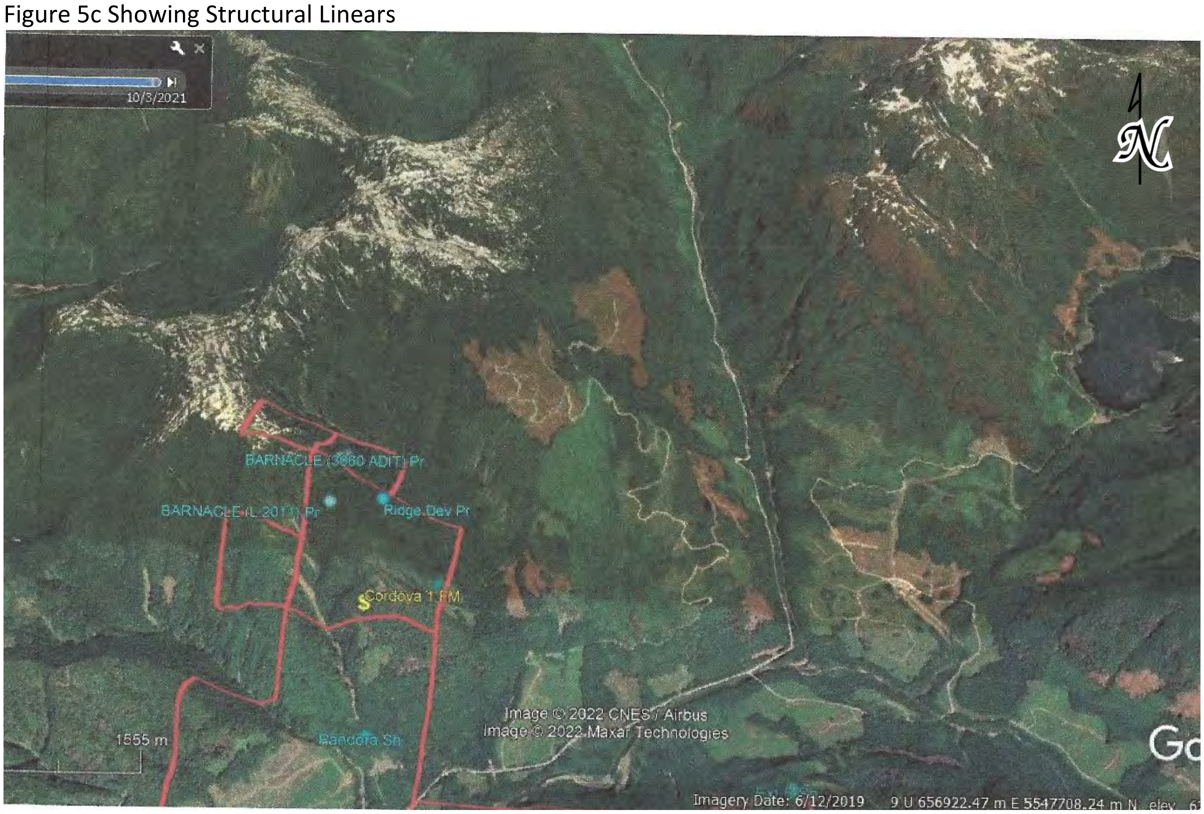


Figure 5d Showing Structural Linears

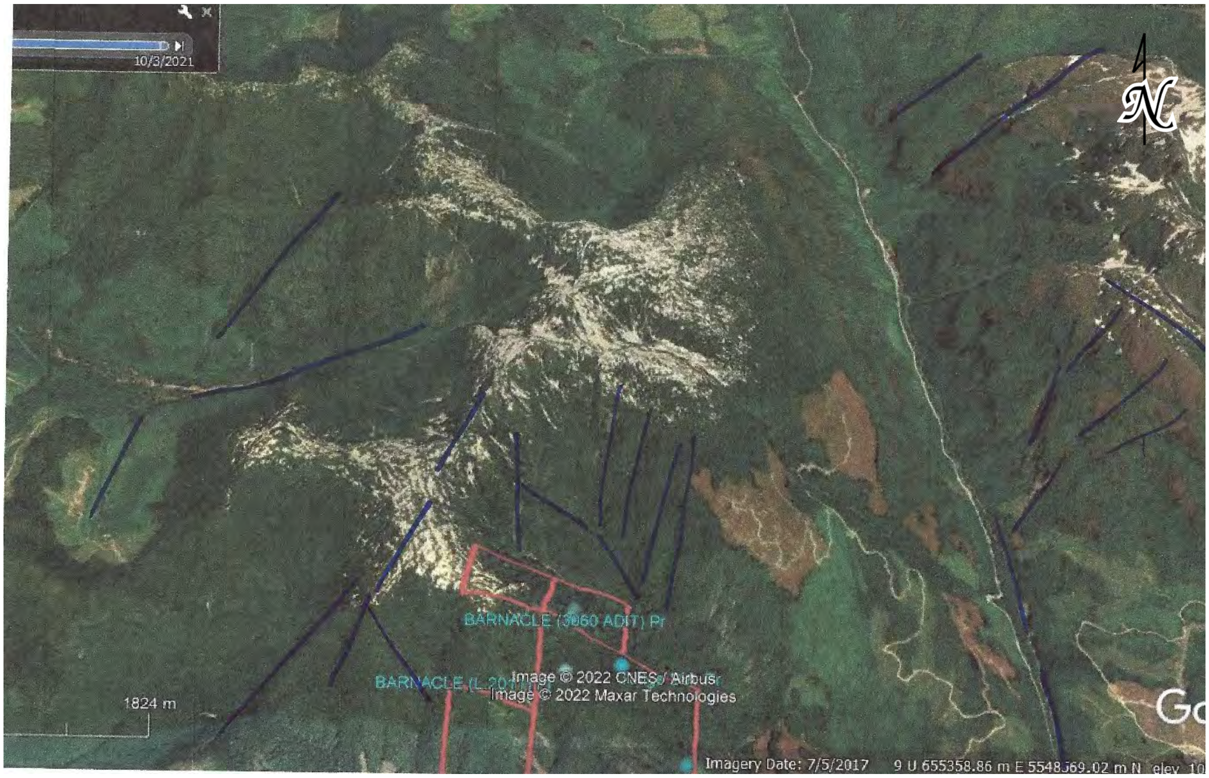


Figure 5e Showing Structural Linears

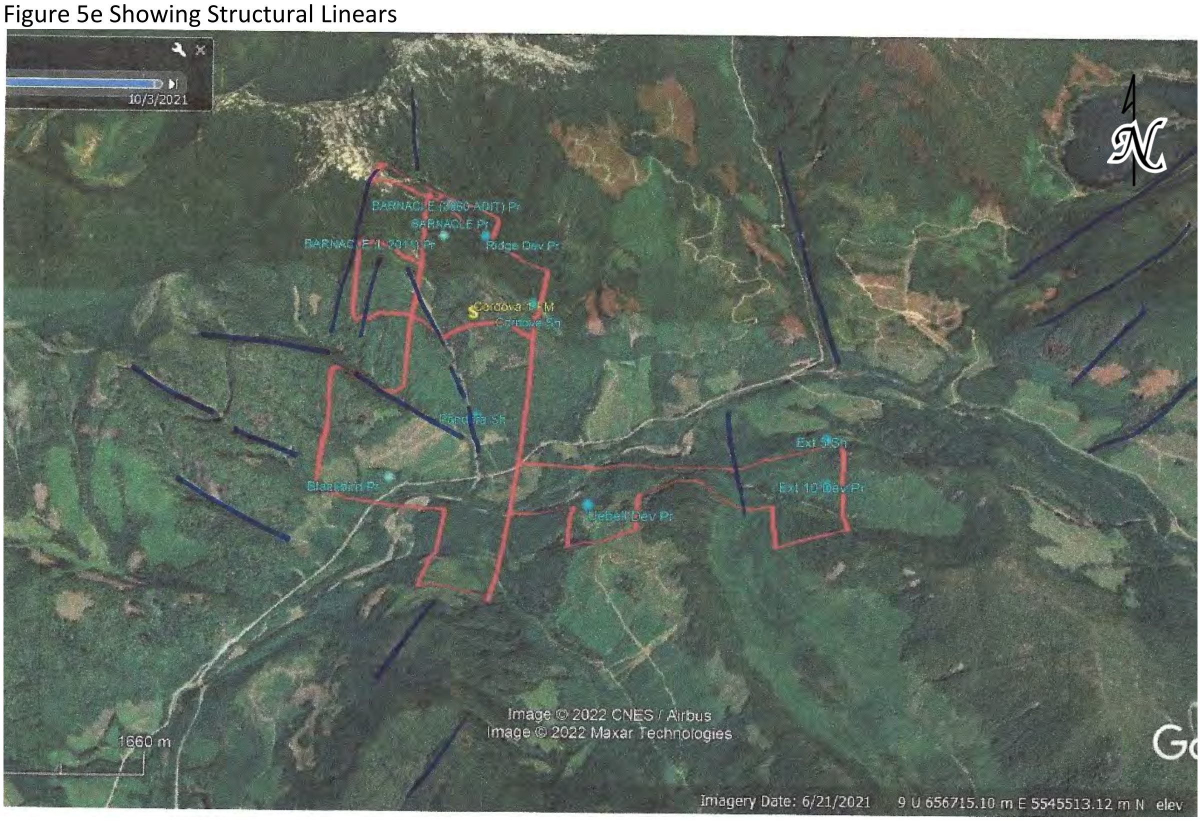


Figure 5f Showing Structural Linears

Figure 5g Showing Structural Linears

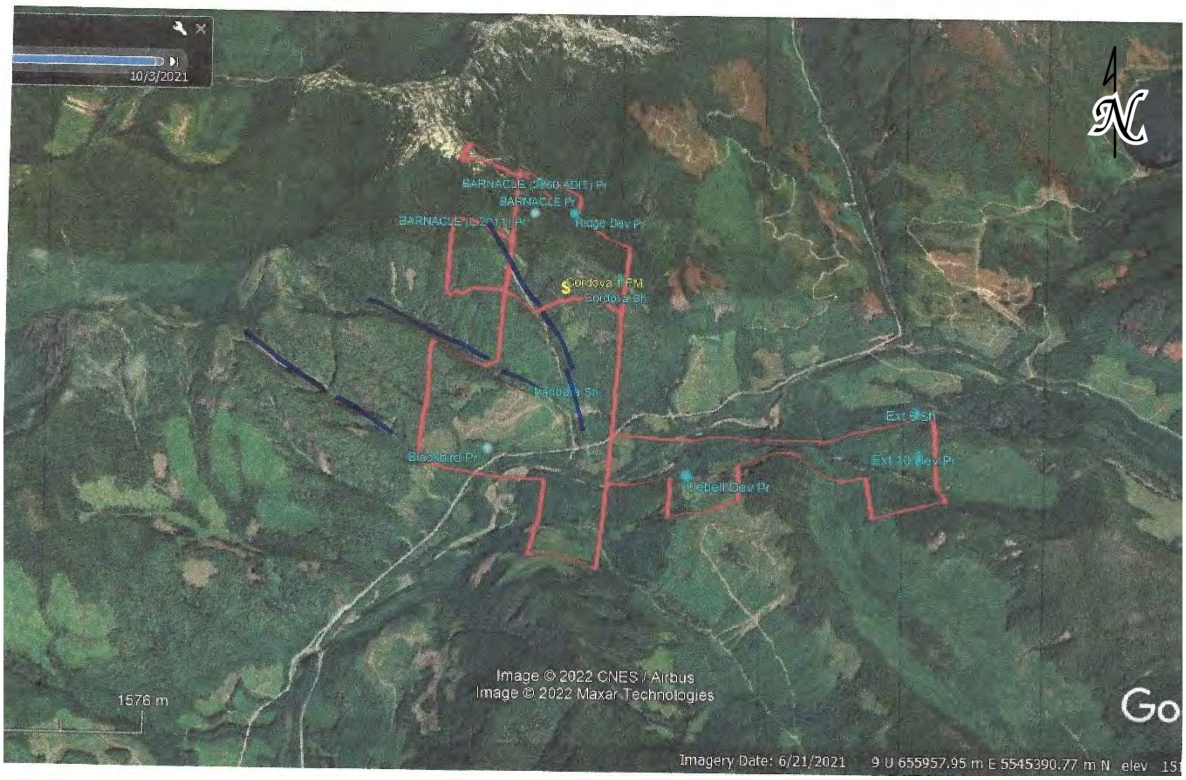


Figure 5h Showing Structural Linears

Figure 5i Showing Structural Linears

EXPLORATION 2021

Work in 2021 on the Zeballos North Gold Project focussed on the geochemical characterization of mainly float samples within the claims due to the lack of outcrop. The rocks collected appear to be representative of the lithologies described from reports and Minfile. Assay values and descriptions are contained in Appendix III and Figure 6.

Assays were conducted by using an XRF Unit factory calibrated (Cert No. 0154-0557-1) on October 30, 2013, Instrument #540557 Type Olympus DPO-2000 Delta Premium. The instrument was calibrated using Alloy Certified reference materials by ARM1 and NIS5 standards. Only certified operators were employed and that were experienced in XRF assay procedures. Read times were 120 seconds or greater.

Samples ZN-3 to ZN-7 (Waypoints 261 to 262)are near the blackbird Minfile showing. The area of the Blackbird occurrence is underlain by a lens of silicified limestone, 600 metres long and 100 metres wide, striking west and dipping 75 degrees north. The limestone is part of the Upper Triassic Vancouver Group, Quatsino Formation and is surrounded by pyroclastic andesite, tuffs and volcanic breccia of the Lower Jurassic Bonanza Group. These rocks are intruded by hornblende diorite (Zeballos phase) of the Late Jurassic Island Plutonic Suite.

The occurrence, which has been explored over about 25 metres, by several open cuts and a short adit comprises a 10 metre wide band of interbedded dacite, limestone and garnetite which contains scattered clusters of magnetite and chalcopyrite with minor pyrite and pyrrhotite. This band lies between crystalline limestone to the south and green hornfelsed and skarn altered tuff to the north. Epidote, wollastonite, diopside and actinolite are also present.

Sample ZN-3 is an epidote and chlorite-rich basalt/andesite which contains abundant magnetite. Samples ZN-4+5 are variable coarse to fine crystalline siliceous intrusives. Samples ZN-6+7 are massive magnetite with associated calc-silicates including fine-grained brown garnet and green actinolite and diopside. The massive magnetite assayed 79.69% Fe.

To the northeast, samples AN-8 to SN-10 are altered volcanics, calc-silicate rocks and contact altered andesite/basalt.

To the north of the Blackbird occurrence are a number of gold veins named (a) Pandora, (b) Cordova, (c) several Barnacle zones and the (d) Ridge Dev. Immediately to the west is the magnetite skarn Ford Iron Mine which was in production between1961 and 1969. The Ford minesite is held by crowngrants in good standing.

The Ford occurrence is underlain by a roof pendant of the Upper Triassic Vancouver Group, Quatsino Formation limestone. This is overlain by Lower Jurassic Bonanza Group tuffs. The roof pendant is surrounded to the north, south and west by granodiorite and hornblende diorite of the Zeballos stock of the Early to Middle Jurassic Island Plutonic Suite.

The limestone and tuff are extensively recrystallized. Andesite dykes, considered to be intrusive phases of Bonanza volcanics, cut the tuffs and are most frequent at the southwest end of the occurrence. Feldspar porphyry dykes cut limestone and tuff.

The roof pendant is a recumbent overturned anticline that plunges southwest and opens to the southeast, exposing the limestone. Beds dip moderately to the northwest at surface but steeper at depth and are projected to overturn below the drilled depth.

A major northwest striking vertical fault, with a right lateral displacement of 31 to 61 metres, cuts the main orebody in half. A second parallel fault, 150 metres to the south, is post-ore and has little offset.

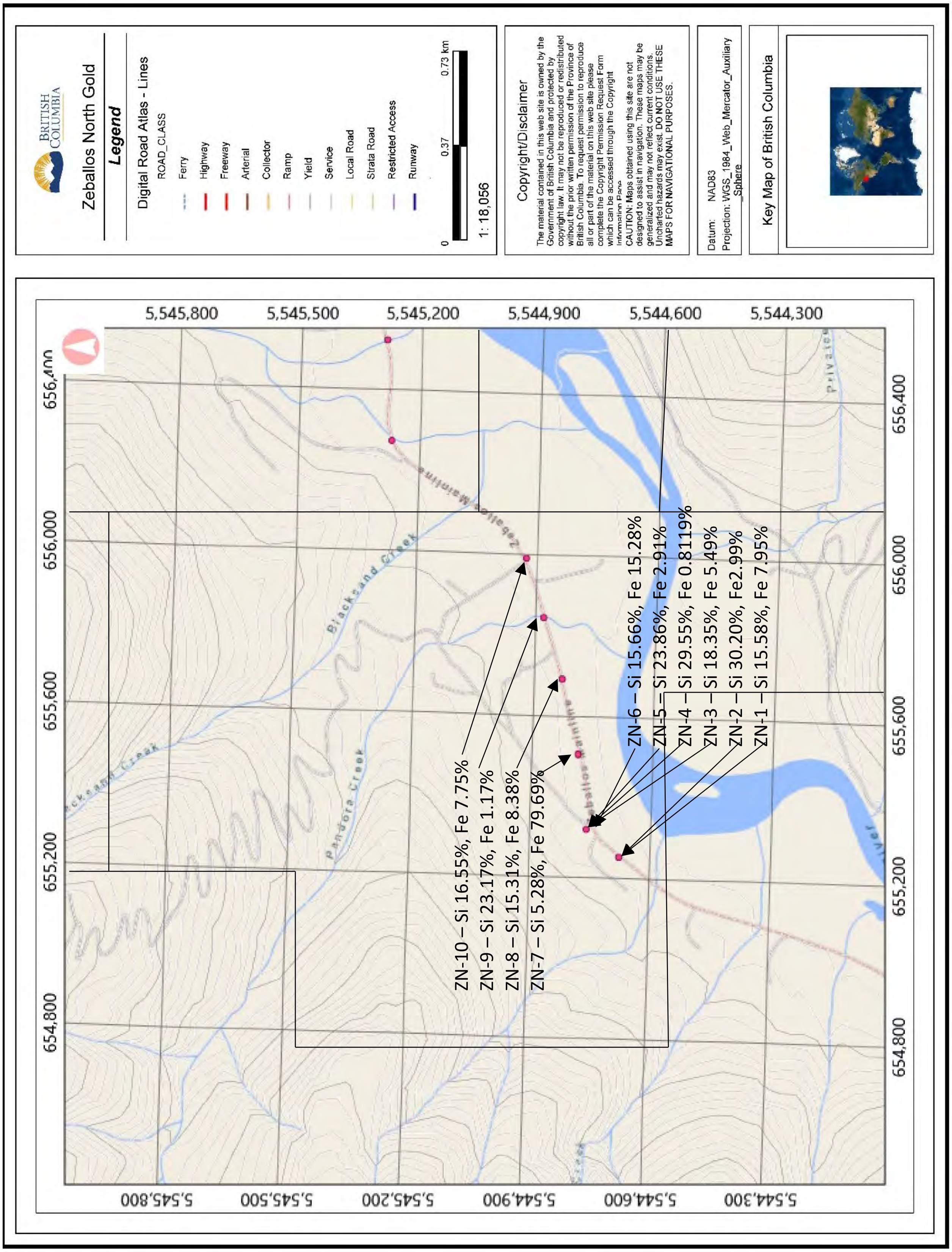


Figure 6 Sample Locations and Results

Mineralization consists of a 21-metre thick tabular body of massive magnetite that strikes northeast and dips northwest. At the northeast end, it pinches out along the limestone-tuff contact. At the southwest end, 400 metres away, the magnetite fingers out in a migmatitic zone where the tuff is intruded by the Zeballos stock.

The magnetite follows the limestone-tuff contact down dip, but crosses the stratigraphy where the contact becomes vertical at depth. A thin layer of pyrite is present locally at the magnetite-limestone contact. Pyroxene-epidote skarn, with only minor garnet, occurs as an irregular 31 metre thick layer, 3 metres above the magnetite, forming generally sharp contacts. A second skarn band lies 61 metres above the first.

It has been suggested that magnetite replacement was partially controlled by fracturing (Minister of Mines Annual Report 1962, pages 100-103).

Most of the magnetite is pure, massive and fine-grained; but it commonly occurs as octahedral grains up to 1.3 centimetres across.

During 1962 and 1963 the deposit was mined by open pit methods. From 1963 to the end of production in 1969, underground methods were used. Between 1962 and 1969 the deposit produced 1,282,233,396 kilograms of iron concentrate from 1,681,283 tonnes mined.

The Pandora occurrence is comprised of a 10 centimetre wide zone of gouge within a 0.1 to 2.0 metre wide shear zone in white granodiorite of the Late Jurassic Island Plutonic Suite. The shear zone strikes 058 degrees and dips vertically. The gouge contains fragments of quartz which range up to 2.5 centimetres in length and contain small amounts of pyrite. Gold content is unknown.

A shear zone which was reported to host mineralized quartz was well exposed by open cuts and stripping in 1939 but, is now covered by debris.

The Maquinna vein strikes 076 degrees, dips near vertically and has been traced over 670 metres in andesite of the Lower Jurassic Bonanza Group . The vein, 2.5 to 76 centimetres wide, follows a shear zone that contains crushed quartz and gouge, with variable amounts of pyrite, pyrrhotite, arsenopyrite and sphalerite, chalco- pyrite and galena. Locally, the vein is ribboned and ranges up to 100 centimetres in width. Values to 21.3 grams per tonne gold have been obtained (Clothier, G.A., 1939, page 4) but assays along the vein are generally less than 7.0 grams per tonne gold (Bulletin 27, page 122).

The occurrence lies 220 metres north of Blackbird (092L 130).

The Cordova shear-vein has been explored by a 15 metre adit and 3 open cuts on the main vein and an adjacent subsidiary vein which cuts fine-grained diorite and light colored granodiorite of the Late Jurassic Island Plutonic Suite. The shear zone strikes 063 degrees and dips 80 degrees south and ranges between 5 to 45 centimetres in width. Pyrite and arsenopyrite with a small amount of gold mineralization occur within lenses of quartz in the shear zone. The quartz is broken and crushed.

In 1939, about 1.0 tonne of ore was shipped and 156 grams of gold, 31 grams of silver and 4 kilograms of copper were recovered.

The occurrence, 150 metres south-southwest of the Barnacle Ex- tension 1-3 showing (092L 029), consists of a shear zone set with three gouge zones. These are 2.5 to 15 centimetres wide and contain 2.5 to 7.5 centimetre wide vuggy quartz veins that carry coarse gold. The shear zone follows the wall of a 1 metre wide diabase dyke in fine-grained Bonanza Group andesite. The vein strikes 022 degrees and has been explored by an open cut and adit for 10 metres.

To the east of the Zeballos River, the Britannia B series of low-grade quartz veins are located on Crowngrants in good standing (see figure xx Lot 1060, 1059).

The Uebell copper showings are about 100m west of the Zeballos North Project. The Uebell zone was drilled in the early 1960's that indicated a considerable quantity of 2% copper hosted by intrusive breccia in close proximity to the Privateer high-grade gold veins.

A fracture/lineament study was also conducted since many of the gold bearing veins are controlled by local structures.

An inspection of Figure 5a to 5i, clearly show a dominant trend of linears in a westerly to north-westerly direction. Concentrated prospecting along these major linears in the vicinity to the west of the Blackbird and Cordova showings is recommended.

An inspection of Figure 5a at the Barnacle Area illustrates the strong north-south orientation of the underlying structures.

Faulting in this surrounding areas seems to have been the major structural response to regional deformation (Muller, et. Al., 1974).

The most obvious fault in the area is represented by a zone of intense faulting along the north fork of Zeballos River. This fault is transverse to the regional structure and is considered to be pre-mineral. It is considered to represent the northern continuation of the pre-Tertiary, Hecate Channel Fault (Muller, et.al., 1974). This regional shear continues northward and dissects Vancouver Island; the fault extends from Kendrick Inlet on Cook Channel in the south, through the centre of Nimpkish Lake, and passes through Malcolm Island in Queen Charlotte Strait for a total traceable distance of approximately 80 kilometres. For the most part strikes a little west of north and is vertical or dips steeply east where observed in the north fork of Zeballos River. The fault disappears in the Zeballos Stock only to remerge, offset to the west, and continues along the east side of the lower reaches of the Zeballos River. This same fault has been mapped on Bingo and Friend Creek (tributaries to Little Zeballos River, four kilometres east of the Village of Zeballos) by Hoadley (1953) where it is traced into Zeballos Inlet and Hecate Channel. Gunning (1932, page 36A II) considers the North Zeballos River Fault to have been downthrown to the east.

Because the Zeballos Stock is emplaced along this fault, it is suggested that the regional structure has been active over geologic time. It is suggested that the fault zone has acted as a passage for the intrusive and gave access to later mineralizing solutions rising from an underlying magma chamber.

Fracture patterns discussed by Patmore (1938) and Hansen and Sinclair (1992) suggest that cooling cracks in the differentiated outer shell of the intrusive were filled with gold-bearing quartz veins in a preferential northeast-southwest (Prident, White Star, Mount Zeballos, Zeballos Pacific and Spud Valley) and an east-west direction (Central Zeballos, Privateer, Prident, Rimy, Homeward, Britannia M and Big Star). Sinclair and Hansen (1992) conclude that all known deposits lie with 1,000 metres of the intrusive contact and all commercial deposits lie within the intrusive narrows, this further suggests that mineralization is selectively emplaced in the overlying or contact zone of the intrusive.

Stevenson (1938, 1950) studied the direction of major shearing stress and established that the principal directions are 030° -60° and 080° -90°. He derives 62°/vertical to be the plane of tension and concludes that this orientation is most important with respect to vein orientation and mineralization, "fractures and consequently veins formed under tension are the most favourable for ore…" (Stevenson, 1950). Hansen and Sinclair (1992) confirmed Stevenson's previous study and indicated that the vein orientation, 080° -90°, stands out to be of considerable importance with respect to mineralization. They further suggest that planes of shearing (e.g. the 030°-60° and 080° - 90° direction) rather than tension are important in the localization of mineralized veins.

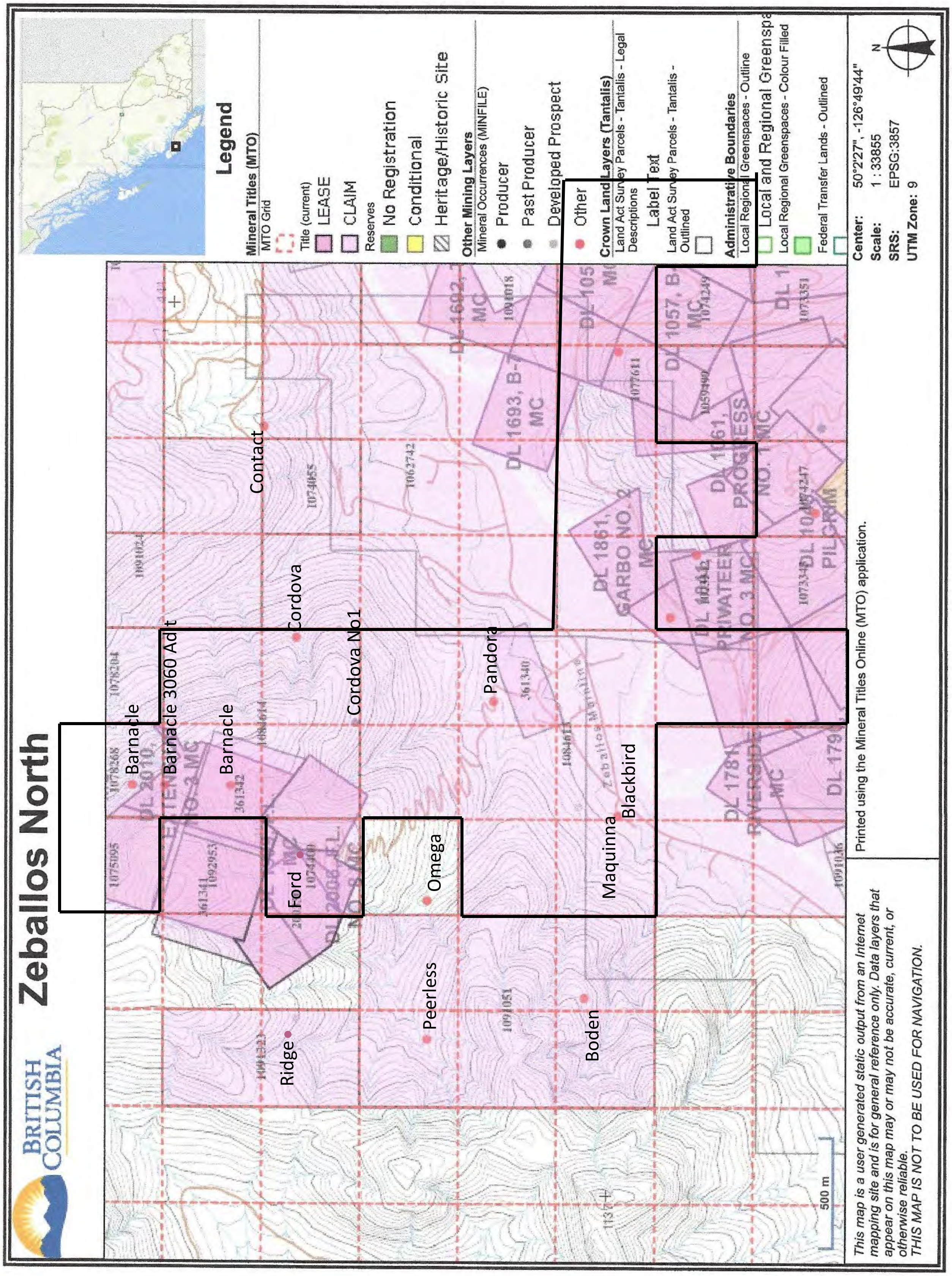


Figure 7 Locations of Minefile Reports

CONCLUSIONS

The Zeballos Gold Project is located in a favorable geological setting represented by the presence of the productive Mt. Washington intrusion and/or in the proximity to it.

An analysis of the camp's mines and mineralization done by government geologists (AR12772, p.13) indicate that the greatest potential for economic mineralization seems to be within 1,000 m of large intrusive bodies i.e. the Mt. Washington intrusion which not only that hosts most of the camps gold mines, but also provided the gold-base metals mineralization and fluids that permeated the adjacent Bonanza group rocks and the Parson Bay limestone/lime-silicates rocks. The eastern part of the Zeballos gold project overlaps the western side of the Mt. Washington intrusion while the majority of the project area is located within the aforementioned 'fertile' zone i.e. being within 1,000 m of the intrusion, which makes the project prospective for hosting economic mineralization.

Work in 2021 on the Zeballos North Gold Project focussed on the geochemical characterization of mainly float samples within the claims due to the lack of outcrop. The rocks collected appear to be representative of the lithologies described from reports and Minfile.

Samples ZN-3 to ZN-7 (Waypoints 261 to 262)are near the blackbird Minfile showing. The area of the Blackbird occurrence is underlain by a lens of silicified limestone, 600 metres long and 100 metres wide, striking west and dipping 75 degrees north. The limestone is part of the Upper Triassic Vancouver Group, Quatsino Formation and is surrounded by pyroclastic andesite, tuffs and volcanic breccia of the Lower Jurassic Bonanza Group. These rocks are intruded by hornblende diorite (Zeballos phase) of the Late Jurassic Island Plutonic Suite.

The occurrence, which has been explored over about 25 metres, by several open cuts and a short adit comprises a 10 metre wide band of interbedded dacite, limestone and garnetite which contains scattered clusters of magnetite and chalcopyrite with minor pyrite and pyrrhotite. This band lies between crystalline limestone to the south and green hornfelsed and skarn altered tuff to the north. Epidote, wollastonite, diopside and actinolite are also present.

RECOMMENDATIONS

The limit of mapping indicates that large areas within the company's claims have not been mapped (Maps 1 and 2). These areas require geological mapping possibly augmented by a few widely scattered test pits in areas of no outcrop.

The "all-in" cost of the drill program is anticipated to cost $139,800. This would include developing the necessary drill roads and drill pads as well as assay costs.

Phase I		Without GST
Senior Geologist-18 days @ $800/day		$14,400
8 days Reporting @ $800/day		$6,400
Helper for sample coordination 20 days @ $300/day		$6,000
	Subtotal	$26,800
Transportation		
Truck- 20 days @ $150/day		$3,000
Fuel		$1,000
Side-by-side & Trailer- 20 days@ $150/day		$3,000
Food - 40-man days & meals @ $50 per man day		$2,000
Drill Contract (Auger Drill)		$80,000
Camp & Hotel		$4,000
XRF Analysis and Lab Assays		$10,000
Contingency		$10,000
	Subtotal	$113,000
	Total without GST	**$139,800**

Phase II: mapping, soil sampling, IP/Resistivity, trenching, drilling.

1)	Soil sampling, 10 md @ $175/md.	$ 1,750.00
	250 samples (Au, As) @ $12.00/sample	3,000.00
2)	Grid preparation, surveying & cutting, 8 line-km, 32 md @ $175/md.	5,600.00
3)	IP/Resistivity, 8 line-km, @ $1350/line-km	25,800.00
4)	Geological mapping, 12 md @ $300/md	3,600.00
5)	Trenching (525m) 42 hr @ $85/hr	3,570.00
	Mob/Demob	500.00
6)	Drilling 1000 m @ $120/m	120,000.00
	Mob/Demob	6,000.00
7)	Site supervision, geology, sampling/drilling and trenching program	
	Geologist, 40 md @ $300/md.	12,000.00
	Assistant, 40 md @ $175/md.	7,000.00
	1000 assays @ $1650/sample (Au,As,Sb)	16,500.00
8)	Support Costs	
	- room and board, 170 md @ $50/md	8,500.00
	- vehicle, 1.5 months @ $1,500/mo	2,500.00
	- fuel	1,000.00
	- airfares, 5 x $400	2,000.00
	- consumables & equipment rental	2,000.00
	- communications & freight	1,000.00

9)	Engineering, drafting, reporting	10,000.00
10)	Grid preparation, survey, 5 line-km, 10 md @ $175/md	1,750.00
11)	Soil sampling, 10 md @ $175/md	1,750.00
	100 samples (Au,As) @ $12.00/sample	1,200.00
12)	Geology, 5 md @ $300/md	1,500.00
	Prospecting, 5md @ $175/md	875.00
	Assays, 100 (Au,As,Sb) @ $16.50/sample	1,650.00
13)	Support Costs	
	- room and board, 30 md @ $50/md	1,500.00
	- vehicle, 10 md @ $70/d	700.00
	- consumables & equipment rental	200.00
	- communications & freight	100.00
14)	Engineering, drafting, reporting	$ 1,500.00
	TOTAL PHASE II	$ 245,045.00

Respectfully submitted

J. T. Shearer, M.Sc., P.Geo. (BC & Ontario) FSEG
December 27, 2021

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APPENDIX I

STATEMENT of QUALIFICATIONS

DECEMBER 27, 2021

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 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, the Geological Society of London and the APO (Ontario). I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (P.Geo., Member Number 19,279).

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 " Geochemical Assessment Report on the Zeballos North Gold Project" dated December 27, 2021.

6. I have worked on the property on November 3+4, 2021. I have carried out mapping and 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 Zeballos North Gold Project by examining in detail the available reports and maps and have discussed previous work with persons knowledgeable of the area.

Dated at Port Coquitlam, British Columbia, this 27th day of December 2021.

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

APPENDIX II

STATEMENT of COSTS

DECEMBER 27, 2021

STATEMENT of WORK
Zeballos North Project

Wages & Benefits	Without GST
J. T. Shearer, M.Sc., P.Geo; 1.5 days @ $800/day, November 3+4, 2021	$1,200.00
Subtotal	$1,200.00
Transportation	
Truck - Fully equipped 4x4 truck, 1.5 days @ $125/day	187.50
Fuel	450.00
Airphoto – Structural Analysis	1,600.00
Hotel, 1 night @ $120/night each	120.00
Meals & Food	200.00
Field Supplies – Sat Phone, GPS, Radios	100.00
XRF Assays & Operator	450.00
Data Compilation and Mapping	800.00
Report Preparation	1,600.00
Word Processing	350.00
Subtotal	$5,875.50
Grand total	$ 7,057.50

Event #	5864213
Date	December 27, 2021
Amount Filed	$ 7,057.50
PAC	$ 3,022.93
Total Filed	$ 10,080.43

APPENDIX III

SAMPLE LOCATIONS and RESULTS

DECEMBER 27, 2021

XRF Zeballos North

WP	Sample #	Al	Si	Ca	Fe	Mg	Description
260	ZN-1	5.59	15.58	5.4696	7.95		Chloritized green basalt
260	ZN-2	2.52	30.2	3.2761	2.9919		White variegated veinlets in green basalt (quartz)
261	ZN-3	5.99	18.35	5.6325	5.49		Epidote-rich basalt and chlorite
261	ZN-4	4.94	29.55	1.3571	0.8119		Light grey quartz diorite, cat-face?
261	ZN-5	8.08	23.86	6.4561	2.915		Diorite – Coast range?
261	ZN-6	4.01	15.66	23.46	15.28		Magnetite with brown garnet and calcite
262	ZN-7	2.27	5.2802	4.4018	79.69		Solid magnetite and green actinolite
263	ZN-8	0.69	15.31	21.94	8.38	2.69	Actinolite-dolomite rock and diopsite?
264	ZN-9	4.72	23.17	2.0379	1.1698		White bleached felsite (dyke?)
265	ZN-10	8.27	16.55	2.7746	7.75		Dark green altered basalt, contact metasomatic, very fine grained

Waypoints Zeballos 2021

260	N50 02.048 W126 49.924	93 m
261	N50 02.091 W126 49.866	85 m
262	N50 02.102 W126 49.709	92 m
263	N50 02.123 W126 49.553	94 m
264	N50 02.148 W126 49.424	92 m
265	N50 02.171 W126 49.301	91 m

APPENDIX IV

ASSAY RESULTS

DECEMBER 27, 2021

Zeballos North 2021

All results in %

Sample #	Mg	Mg +/-	Al	Al +/-	Si	Si +/-	P	P +/-	S	S +/-	Cl	Cl +/-	K	K +/-	Ca	Ca +/-	Ti
ZN-1	2.85	0.28	5.59	0.07	15.58	0.11	0.1884	0.0185	0.1719	0.0033	ND		0.5261	0.0051	5.4696	0.0383	0.1309
ZN-2	ND		2.52	0.06	30.2	0.18	0.3659	0.0253	0.2081	0.0044	ND		0.7757	0.0069	3.2761	0.0215	0.1813
ZN-3	1.43	0.35	5.99	0.09	18.35	0.15	0.6659	0.0275	0.173	0.0042	ND		0.5754	0.0065	5.6325	0.0453	0.361
ZN-4	ND		4.94	0.07	29.55	0.16	0.2509	0.0225	ND		ND		0.0389	0.0037	1.3571	0.0099	0.1676
ZN-5	ND		8.08	0.08	23.86	0.13	0.5934	0.0244	0.1362	0.0035	ND		2.5911	0.0154	6.4561	0.0361	0.1803
ZN-6	ND		4.01	0.07	15.66	0.1	0.2047	0.0267	ND		ND		ND		23.46	0.14	0.3951
ZN-7	1.67	0.36	2.27	0.06	5.2802	0.0364	0.3043	0.0181	ND		7.47	0.05	ND		4.4018	0.0197	0.1847
ZN-8	2.69	0.41	0.69	0.05	15.31	0.14	0.2485	0.0311	ND		ND		ND		21.94	0.19	0.0694
ZN-9	ND		4.72	0.07	23.17	0.15	0.4977	0.0249	0.0126	0.0034	ND		ND		2.0379	0.0146	0.138
ZN-10	1.71	0.27	8.27	0.09	16.55	0.12	1.4991	0.0279	ND		ND		3.7784	0.0263	2.7746	0.0204	0.3434

Ti +/-	V	V +/-	Cr	Cr +/-	Mn	Mn +/-	Fe	Fe +/-	Co	Co +/-	Ni	Ni +/-	Cu	Cu +/-	Zn	Zn +/-	As
0.0144	0.0324	0.0065	ND		0.1381	0.0052	7.95	0.06	ND		ND		ND		0.0041	0.0005	ND
0.0186	0.0317	0.0084	ND		0.0502	0.0042	2.9919	0.0279	ND		0.0029	0.0009	ND		0.003	0.0005	ND
0.0225	ND		ND		0.0976	0.0056	5.49	0.05	ND		ND		ND		0.0031	0.0006	ND
0.0176	ND		ND		0.015	0.0029	0.8119	0.0118	ND		0.0028	0.0008	ND		ND		ND
0.0178	0.0362	0.0082	ND		0.0508	0.004	2.915	0.0256	ND		ND		0.007	0.0008	0.0053	0.0006	ND
0.0237	ND		ND		0.379	0.0101	15.28	0.1	ND		0.0049	0.0014	ND		0.0066	0.0008	ND
0.0191	ND		ND		0.0596	0.0073	79.69	0.3	ND		ND		ND		ND		ND
0.0204	ND		ND		0.1778	0.0085	8.38	0.08	ND		0.0055	0.0015	ND		0.0044	0.0008	ND
0.0174	ND		ND		0.0171	0.0031	1.1698	0.0153	ND		ND		ND		0.0015	0.0004	ND
0.0196	0.109	0.0092	ND		0.1615	0.0061	7.75	0.06	ND		0.0085	0.0012	0.0027	0.0008	0.0368	0.0013	0.0018

As +/-	Se	Se +/-	Rb	Rb +/-	Sr	Sr +/-	Y	Y +/-	Zr	Zr +/-	Mo	Mo +/-	Ag	Ag +/-	Cd	Cd +/-	Sn	Sn +/-	Sb
	ND		0.0022	0.0002	0.048	0.0006	0.002	0.0002	0.0081	0.0003	ND		ND		ND		ND		ND
	ND		0.0028	0.0002	0.0336	0.0005	0.0017	0.0002	0.0094	0.0003	ND		ND		ND		ND		ND
	ND		0.0015	0.0002	0.0562	0.0008	0.0024	0.0002	0.0101	0.0004	0.0011	0.0002	ND		ND		ND		ND
	ND		0.0006	0.0001	0.0179	0.0003	0.0053	0.0002	0.021	0.0003	ND		ND		ND		ND		ND
	ND		0.0057	0.0002	0.0515	0.0006	0.0011	0.0002	0.0047	0.0003	ND		ND		ND		ND		ND
	ND		ND		0.0017	0.0002	0.0038	0.0003	0.0103	0.0004	0.0011	0.0002	ND		ND		ND		ND
	ND		0.0022	0.0007	0.0055	0.0004	0.0041	0.0004	0.0033	0.0005	0.014	0.0004	ND		ND		ND		ND
	ND		ND		0.0025	0.0002	0.0007	0.0002	0.0018	0.0003	0.0015	0.0003	ND		ND		ND		ND
	ND		0.0005	0.0001	0.0182	0.0003	0.004	0.0002	0.0149	0.0003	0.0005	0.0002	ND		ND		ND		ND
0.0003	ND		0.0086	0.0003	0.0274	0.0005	0.0027	0.0002	0.0085	0.0003	ND		ND		ND		ND		ND

Sb +/-	W	W +/-	Hg	Hg +/-	Pb	Pb +/-	Bi	Bi +/-	Th	Th +/-	U	U +/-	LE	LE +/-
	ND		ND		ND		ND		ND		ND		61.31	0.3
	ND		ND		ND		ND		ND		ND		59.35	0.24
	ND		ND		0.0012	0.0004	ND		0.0026	0.0008	ND		61.17	0.35
	ND		ND		ND		ND		ND		ND		62.82	0.2
	ND		ND		0.0016	0.0003	ND		ND		ND		55.03	0.23
	ND		ND		0.0019	0.0005	ND		0.0028	0.0008	ND		40.57	0.32
	ND		ND		0.0168	0.003	ND		0.0288	0.0015	0.0088	0.0011		
	ND		ND		ND		ND		0.0035	0.0009	ND		50.47	0.41
	ND		ND		ND		ND		ND		ND		68.2	0.2
	ND		ND		ND		ND		ND		ND		56.95	0.3