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- Diskettes: 
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- Paper Maps: 
- Microfiche: 
- Other: 

Received: 2009/05/15

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Sixth Year Assessment Report of
Prospecting Activities on
Licence 10157m
Steep Ridge Property
NTS Map Sheet 12H/15
Work Conducted Between
March 2008 and March 2009

Written and Compiled by
Eddie Quinlan
of
Quinlan Prospecting Inc.
May 2009
Sixth Year Assessment Report of

Prospecting Activities on

Licence 10157m

Steep Ridge Property

NTS Map Sheet 12H/15

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Introduction

The area of licence no. 10157m was staked in the late winter of 2003. Licence no10157m consisted of two individual licences, 9422m consist of eight claims, licence no. 9423m consist of two claims, After the first year assessment report was accepted the licences were grouped into licence. 10157m. The property consist of ten contiguous claims located within NTS map sheet 12H/15 Jackson’s Arm in the White Bay area of north-western Newfoundland. The property is adjacent to Kermode Resources Jackson’s Arm Property.

Kermode has discovered several areas of extensive gold mineralization within their property; the Road Zone, The Aspy Zone, and The Beaver Damn Zone are the main areas of highest gold concentrations. The Road Zone consist of highly altered, silicified carbonated, pyritized, granite. Several drill holes have intersected wide spread gold mineralization within the Road Zone and the Aspy Zone, highlights of these intercepts are as follows, 1.1g/t over 52m, 0.82 g/t over 47m, 1.09g/t over 20m, (Road Zone ), 1.1g/t over 47m, 1.3g/t over 31m, 0.843g/t over 38m, with samples from one trench assaying 44.8g/t Au.

The property is very rugged with steep terrain with elevations from 800m to 1200m. The property is mainly covered with mature stands of timber and a thin blanket of till with extremely large glacial boulders.

Location and Access

Licence 10157m is situated within NTS map sheet 12H/15 Jackson’s Arm, which is on the west side of White Bay in north-western Newfoundland. The community of Jackson’s Arm is located 4km’s southwest of the property. Access is gained via Hampden Highway from the TCH approximately 75km’s south of Jackson’s Arm. From the Hampden Highway the property is accessed via Cat Am Hydro Access Road which will take you to the northern end of the property. The remainder of the property is accessed by foot from the Cat Arm Hydro Road, through very rugged, steep terrain which has hampered prospecting numerous occasions.
Claim Status

The claims covered by this report are listed in Table 1. All claims are located on NTS sheet 12H/15 in the east central of the map sheet.

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Physiography

The topography is generally rugged. Elevations in the area range up to 540 m and characterized by well developed N-S to E-W trending linears which reflect the structural geology. These linears are expressed as ridges and valleys that afford extreme local relief which is not accurately reflected by the NTS maps. The deeply incised v-shaped valleys are occupied by first to third order streams; the drainage pattern clearly reflects the major structural controls in the area. Mass wasting in the valleys has resulted in extensive talus.

Description of Showings

There are no known mineral occurrences located within the property. There are several gold prospects, showings and occurrences in the surrounding area of the property. A brief description of the main gold occurrences is below. Numerous phases (too many to list details) of diamond drilling has been completed by Kermode Resources on the main showings since this description was written.

The South Zone showing is located at the south termination of the main mineralized zone in the French-Childs Granite French 1985, describes the main mineralized zone as a zone of moderate to intense fracturing and local intense shearing along dominantly NE trending and subsidiary SE trending faults. The main mineralized zone has a width of 200 m along its NS extent.

Mineralization consisting of minor chalcopyrite and magnetite occurs in intensely sheared highly altered, highly leached and fractured siliceous alkali granite. The host
rocks contain abundant ankerite and limonite on foliation plains and are cut by unmineralized quartz and calcite stringers. Local pink feldspathic zones are common, rarely alternating with biotite rich zones. Total aggregate width of significant mineralization encountered in four trenches yields an average grade of .0634 oz/Ton over 48.1 m. Mineralization appears as disseminated grains, stringers, and bands of pyrite 0-20% but generally 1-3%, and arsenopyrite less than 1%. Silver is directly associated with the gold (French, 1985).

Chip samples from four trenches gave the following results:
3.5 g/t Au over 16.0 (includes 9.2 g/t Au over 3.0 m)
4.4 g/t Au over 2.3 m
1.0 g/t Au over 7.5 m
1.4 g/t Au over 22.3 m
(French, 1985).

The D Zone: Stockwork Au, pyrite and arsenopyrite mineralization occurs in potassic altered and fractured foliated Grenvillian granitoids (French-Childs Granite). Alteration minerals include limonite and ankerite. Locally rocks appear leached and rusted. Pyrite and arsenopyrite locally are up to 8% in abundance but generally ranges between 1-2%.
(The D zone has a north and south extension).
Chip samples from two trenches gave the following results:
D Zone South Ext. 0.8 g/t Au over 13.0 m
D Zone 0.8 g/t Au over 5.7 m
D Zone North Ext. 0.78 g/t Au over 8.6 m
(French, 1985, p. 41-42).

The Road Zone South: Gold and silver in association with pyrite and arsenopyrite occurs in isolated shear zones that are up to 2 m wide, trend 030?, and dip subvertically (Tuach, 1987, personal communication). Bruneau gives the following description of the gold mineralization.
"No free gold has been seen. The form under which it occurs and its immediate host are unknown. The most that can be said is that where there is gold there is pyrite but where there is pyrite there is not necessarily gold. The amount of pyrite considered here is very small, less than one percent, although locally up to 5% may be seen in small hand samples. Quartz veining is not frequent and does not seem to be an important factor. Most of the anomalous gold values encountered so far occur in intermediate and light porphyries, with few lesser values in overlying quartzite" (Bruneau, 1984).

Assays of grab samples from the road section gave numerous values of 0.03 - 0.05 oz/ton Au. Some of the better assays from grab samples are as follows:
0.255 oz/ton Au and 0.03 oz/ton Au over 5 feet
0.080 oz/ton Au over 8 feet
0.076 oz/ton Au over 6.5 feet.
An outcrop near the road 50 feet by 10 feet wide carried gold throughout. Five samples
Exploration History

Dearin and Hepp (1987), Dearin (2003), and Poole (1991a) provide excellent overviews on the exploration history of the property. Quartz vein lode gold deposits had been discovered and partly worked during the early 1900s near Sops Arm, some 15 km to the southwest of the Jackson's Arm Property (Tuach, 1986; 1987a). These occurrences were in the Silurian Sops Arm Group and appear to mainly represent orogenic (mesothermal) type occurrences (cf. Groves et al., 1998).

Interest in the immediate area of the property was sparked in 1982 when prospector Clyde Childs, working for Labrador Mining and Exploration Ltd. (LME), sampled rusty, pyrite-bearing granitic rocks in a road cut of the newly constructed access road to the Cat Arm hydroelectric site. Assays of the samples revealed gold grades in the 1-2 g/t range. It is important to note here that these auriferous outcrops were not exposed until the road was pushed through.

In 1983, LME conducted further exploration work on the road cuts and including ground geophysical surveys, whole rock sampling, small scale soil geochemistry surveys (Bruneau, 1984). Aside from the auriferous zones within the granitoid, Bruneau described gold values in overlying quartzite and linked them with occurrences in the Sop's Arm Group to the south. He had trouble explaining the gold mineralization, which is within the Precambrian granite, but suggested that the gold is younger than the host rocks. The location of the gold was also unknown, but Bruneau suggested a correlation with pyrite, although he also notes that all not pyrite is auriferous. LME geologists conducted further exploration work on the property in 1984, which included trenching of prospects, IP surveys, and stream sediment geochemical surveys. This new work focussed mainly on the Grenville granitoids (FPBg) (French, 1985) but also sampled some units to east and found that (p.26) "Three of the four sample sites in Unit 4, which is in close proximity to the FPBg and intervening orthoquartzite unit gave slightly elevated values (0.004-0.0005 oz/T), but this is considered to reflect contamination from the underlying mineralized zone (underlining is this author's). The best assay was over FPBg in Trench 1 with 8.4 g/t over 3 m, Trench 2 has 4 g/t over 2.5 m. One sample (6090) from unit 10 located at the SE corner of CB 2878 gave a high value of 0.025 oz/T"; French lists sample 6090 as metavolcanic.

In terms of the mineralization in the granitoids, French (op dr.) defined "alkalic zones" as being enriched in Au. Soil samples averaged 0.0023 oz/T. French also...
completed some petrography of alteration zones in the granitoids and polished section work on pyrite and arsenopyrite, but he didn't determine what the Au bearing phase was. French (1985) suggested that were three stages of mineralization: 1) pyrite/arsenopyrite deposition -(p.74) "contemporaneous with influx of carbonate-rich fluids", post-dated by minor shearing and sericite, 2) "remobilization and redepot ion of sulphides due to shearing along quartz-rich fracture filings" - some potassic overprinting associated, and 3) "recrystallization of coarser-grained pyrite overgrowing quartz grain boundaries in mylonite and ultramylonite zones located along regional faults"

In 1985 LME personnel continued work on the main mineralized zones in the Grenvillian granitoid. Avison and French (1985) provided a brief overview of this work. They defined the host to the mineralization as an alkalic phase of the "French-Childs pluton"; this is only phase of the granitoid with significant Au values. They thought that the mineralization is structurally controlled. They also noted sedimentary rocks to east (i.e., unconformably overlying the granite) and Grenvillian granitoids were both cut by dykes, but that the "granite Is cut by many more joints and topographic linears than occur in the sediments".

BP Resources Canada Ltd., Selco Division (BP), optioned the claims from LME in 1986 and carried out an extensive exploration program that included the drilling of 1010.1 m in 10 holes over the Rattling Brook Granite zones (formerly the French-Childs pluton). According to McKenzie (1986 - p.7), "gold mineralization, with the exception of a few high values in hole RB-1, is uniformly low in 1 to 3 g/t range. Anomalous values (0.2-0.8 g/t) are also common in broad zones of altered granite. Enrichments only occur where alteration has results in the destruction of biotite with concomitant appearance of pyrite. As borne out by the multi-element geochemistry, there is a strong As-Au correlation (reflecting arsenopyrite) as well as a positive correlation with Ca and Sr".

McKenzie (op c/f.) identified four subunits in the granite - a) unaltered, b) weakly potassically altered, c) moderately potassically altered, and d) "strongly potassically altered granite: pink and very rich in K-feldspar, virtually free of mafic minerals. This sub-unit is often pyritized (1 to 15%), silicified and characterized by extensive fracturing and microfracturing. Arsenopyrite is often observed and quartz veinlets are common. All gold values are related to this alteration phase."

BP drilled a further five holes in 1986 and early 1987 with a total length of 682.5 m (McKenzie, 1987). Two drill holes were collared in Cambrian quartzite, and in one such hole they found that pre-tectonic mafic dykes were altered by pyrite, sericite and carbonate, i.e. just like mineralized granite. This BP work also found gold in soil anomalies and conducted regional mapping of granite.

In 1986, Varna Resources (Varna) conducted mineral exploration on contiguous claims to the BP claims (French, 1986). This work consisted of soil and rock sampling through the claims that were mainly underlain by "French-Childs pluton". The "most extensive and real soil anomaly is associated with the exposed anomalous gold zone in
the orthoquartzite" (op tit., p.25). Chip sampling of the orthoquartzite revealed Au contents of up to 1210 ppbAu and 6190 ppm As, Sb was anomalous as well.

By 1987, BP geologists began to realize that gold mineralization on the property was not restricted to Grenvillian granitoids. Holmes and Hoffman (1987- p.5) reported that "Auriferous mineralization is hosted by potassic (K-feldspar-rich) phase of Rattling Brook granite, as well as the overlying Cambro-Ordovician sediments"; (p.7)°Low grade mineralization in the area of L110N occurs in both granite and quartzite"; (p.7)Further to the south, several selected grab samples of pyritic quartzite returned highly concentrated gold - highest value HR1764, > 10g/t Au, 7.2 ppm Ag and 8210 ppm As". They also described gold in soil anomalies from five zones, three As anomalous zones, and high Ba over sediments.

Of the 17 drill holes reported by Holmes and Hoffman (1987), two holes were collared in basal! limestone of Forteau Formation. They concluded (op tit, p.26) that "Gold mineralization extends over the entire 5 km strike length of the baseline and is hosted by both the Rattling Brook granite and the overlying Coney Arm Group sediments. Interest to date has been on the granitic terrain, however, the current exploration program has illustrated that attention should not be restricted to one particular lithology, given the post Cambro-Ordovician age of mineralization."

Holmes and Reed (1987) describe the next round of drilling at the property by BP and also the results of soil sampling and IP surveys. In describing mineralization in the granitoid, they state (op tit., p. 5) that "The mineralized structures typically display carbonate (ankerite), potassic, albitic and sericitic alteration. Pyrite is ubiquitous (2-10%), occurring as disseminations and along fractures and microfractures. Arsenopyrite is widespread but not abundant (<1%) and base metal sulphides occur rarely'.

Other results were that: a) zones of high chargeability occur in quartzite (due to "sulphides"), and b) a 600 m long, linear As, Fe and Au soil anomaly extends into "limestone terrain"(p.10).

In the four trenches from the Apsy Zone (op cit, p. 10-11); "Trench A contains pyrite, quartzite and limestone of the Beaver Brook and Forteau Formations respectively. Gold values in the quartzite are in the 300-800 ppb range except at the contact of the limestone where 8120 ppb Au and 3780 ppm As over a true width of 0.5 metre were reported. The overlying limestone is also mineralized, containing 1100 ppb Au over 1 metre.

Trench B exposed the same pyrite-rich zone hosted by the quartzite, as well as a brecciated basal limestone, and calcareous phyllite of the Forteau Formation. Extensive slumping at the trench margins precluded any detailed sampling.

Trench C exposed the same lithologies as Trench B, including the pyrite-rich zone of the quartzite’s. A selected grab sample from the poorly exposed quartzite contained > 10,000 ppb Au and > 10,000 ppm As (reanalysis 0.32 oz/t Au).

Trench D.... Quartzite of the Beaver Brook Formation and minor limestone of the Forteau Formation were exposed with a tectonic thickening of the quartzite by westerly directed thrust faulting. A four metre wide gossan-stained quartz-carbonate stock work
was observed in the hanging wall of the quartzite. Both quartzite and limestone contain 1% to 7% fine-grained disseminated pyrite with minor arsenopyrite, with local concentrations to 20%. Anomalous gold values were detected over the length of the trench (27 metres), with a maximum gold value of 1620 ppb reported from the thrust fault itself.

Stewart (1987) visited the property on behalf of BP and was obviously perplexed by the styles of auriferous mineralization present. Stewart had worked extensively on mesothermal (or erogenic) styles of gold mineralization, as well epithermal types, such as BPs Hope Brook mine. Stewart (op cit., p.1) stated that "The Rattling Brook gold mineralization is unlike anything I have seen before. It is accompanied by a diffuse alteration characterized by K-feldspar (probably orthoclase or microperthite, possibly was adularia), muscovite/sericite, and carbonate; appreciable quartz veining and silicification are absent.

Structural control is not readily apparent and the mineralizing process was effectively a soaking of the rock mass. The unconformable contact of the sediments and the Rattling Brook granite does not seem to play any specific role.

Mineralization is younger than the granite, the sediments and the strong regional tectonism which foliated the latter. Mineralization was apparently a low temperature hydrothermal phenomenon: there is no development of skarn. Very minor chalcedonic veining may indicate a high crustal level, but characteristic epithermal type veins with banding, crustification, etc., have not been seen.

Ultimately the weak diffuse mineralization is likely derived from some concealed intrusion" (underlining is this author's).

In drill hole RB-30, Stewart (op cit,) notes that highly fissile chlorite schist overlies Forteau Formation limestone and in another hole, a carbonatized lamprophyre contained 5600 ppb Au.

In another report on contiguous claims to BPs Jackson's Arm claims, Dearin and Hepp (1987) report the strike extension of the Coney Arm Group ~ 8 km northeast into Little Coney Arm. They couldn't find any mineralization similar to the Rattling Brook type on the Varna claims, but they noted (p. 1) "several areas of jasperoid alteration and mineralized veins in Ordovician carbonates and quartzite’s were located". As for Carlin-style jasperoid, only "one small (< 1 m) unmineralized jasperoid (was) discovered" (p. 18). They defined four zones of "gold mineralization" in the Coney Arm Group sedimentary rocks with "significant alteration"(p.17); best is 10-20 cm wide, 50 m long "pyrite vein" in dolostone with Au up to 290 ppb, 4.9 ppm Hg, 265 ppm Sb, 917 ppm As, 413 ppm Mo, 2.2% Zn and 0.6% Pb. Nearby "ferruginous sandstone" was "highly anomalous" (p. 18) and chloritic phyllite contains 320 ppb Au, 1170 ppm As and 6 ppm Sb. Some stream samples with anomalous Au, base metals, As, Sb, Ba and W (not analysed for Hg) contents were collected during this project, but it is unclear if any were from the area underlain by the Coney Arm Group sedimentary rocks. Finally, they (op c/f.) noted that the Devonian (?) Devils Room granite is ""fresh", with only local argillizatton and narrow silica-fluorite "tuffisite"" (p. 15).
Hoppe and Bartlett (1988) conducted a preliminary metallurgical evaluation of Jackson's Arm ore samples. Most samples were granodiorite, but there were also one each of quartzite and phyllite; they did not distinguish between lithologies in the metallurgical studies. They concluded (op cit. - p.5) that a "significant fraction of the gold is non-leachable (refractory). A larger fraction of the gold in the May, 1988, program was readily leached. It is (underlining is this author's) hypothesized that the Jackson's Arm samples contained a refractory gold (mineralogically locked) and coarse free gold or fracture controlled mineralization."

Sinclair (1988) defined the mode of occurrence of gold in the Rattling Brook Prospect by examining polished mounts prepared from Heavy Mineral Concentrates (HMC) of high grade Au assay pulps. He found that the HMC contained mainly pyrite with arsenopyrite, rutile, zircon, Fe oxide, carbonate, and trace galena, sphalerite, Ag telluride, chalcopyrite and tennantite, Of the six samples examined, only three contained visible gold, and only one, with many pyrite grains, contained a single solitary gold grain (i.e., gold is locked in pyrite as micro inclusions and there was one free gold grain). The gold grains were very small < 0.5 to 1 microns, with a few larger grains.

In continuing work on contiguous claims, French (1988 - p.5) suggested that the Doucer's Valley Fault Complex (DVFC) and subsidiary shears "are the loci for low to high grade gold mineralization. The greatest potential may be in close proximity to the DVFC. Soil geochemistry indicates a widespread system which is known to extend outside the property area and confirms the fault controlled mineralization". In his exploration work, French (op eft.) collected 3500 soil samples and found 15 Au anomalies and 17 As anomalies, with six coincident Au and As anomalies. Most anomalies were over granodiorite, but some were over "carbonate", and of six coincident As-Au, three are in carbonate (i.e., there is a greater percentage in carbonate are coincident than those in granodiorite) - There was up to 375 ppb (3rd highest in survey) Au in soil with coincident As over carbonate; there was also 20-30x background in Pb and Zn.

By 1990, BP changed its exploration emphasis from the Rattling Brook Granite to the contact between the granite and overlying Beaver Brook Formation quartzite and into the stratigraphically higher Forteau and Hawke Bay formations (Poole, 1991 a). This work consisted mainly of drilling 22 holes with a 3341.53 cumulative depth in two zones, the Apsy Zone and Beaver Brook Zone (most holes were in the latter). Some of the more interesting findings from this drill program were:

a) the Forteau Formation dolomite/limestone contained abundant shale interlayers (i.e., constitute "dirty carbonates"),
b) not all limestone intervals were consistently sampled (i.e., there were gaps in assay coverage),
c) the samples were not analysed for elements beyond Au, Ag, Cu, Pb and Zn (i.e., no analyses for the pathfinder 'toxic elements' were completed),
d) in hole RB-44, 1.5 m of the Forteau Formation (FF) contained 4.8 g/t Au (this interval was not described in the logs, except as "strongly foliated, pyritic ± arsenopyrite"),
e) In hole RB-48, a "mixed fragmental (brecciated) mineralized zone" along the contact between the FF and Beaver Brook Formation (BBF) quartzite contained up to 7.87 g/t Au over 1 m and the best assays were where "hematite (sic) important in matrix" - this would appear to be a permeable zone within the stratigraphic sequence, the presence of hematite is also interesting - Dearin (2003) calculates this interval and more below in the BBF to contain 2.87 g/t Au over 6.7 m.

f) In hole RB-49, a 0.97 m long interval in "moderately pyritic brecciated limestone's/dolomites" along the contact between the Hawke Bay Formation (HBF) and BBF contained 6.25 g/t Au, this assay interval began at 71.14 m and was immediately overlain by a "Hematization Front" which was "intensely hematized from approx. 70.5 to 71.14 m with a sharp irregular break in alteration", the whole interval from 60.11-71.14 m is described in the logs as "weakly to intensely hematized and Fe carbonate altered brecciated limestones - yellow orange and deep red colour prominent",

g) In hole RB-59, a 0.37 m long interval of FF "basal limestone and ironstone (underlining in this author's), streaky pyritic character, up to 5% pyrite with magnetite" assayed 1.28 g/t Au and the immediately underlying BBF quartzite had 1.7 g/t Au over 0.34 m, and finally,

h) A sequence of basal FF sandwiched between HBF and BBF in hole RB-63 assayed at 1.2 g/t Au over 0.64 m, the logs describe this assay interval as "pyritized basal limestone", the whole interval is logged as "strongly foliated, highly pyritized, light yellow greenish limestone - pyrite -up to 10% as anatomizing fracture fillings, trace to 1% arsenopyrite, pyrite and arsenopyrite locally as core of brick red hematized fracture fillings and patches".

The significance of ironstones to the stratigraphy of the Coney Arm Group is illustrated by this caption from Poole (1991a - plate 1) "photograph of a typical unmineralized section from RB-52 consisting of medium grey Hawke Bay Formation in fault contact with light grey Forteau Formation basal limestones. The Forteau Formation basal limestone is conformable with a calcareous ironstone and black magnetite-rich ironstone. This is conformable with the Beaver Brook Formation."

The definitive, to date, academic review of the Rattling Brook mineralization has been provided by Saunders and Tuach (1991). These authors defined the mineralizing process as consisting of two related stages of alteration; Stage 1 was potassic, and basically changed the host granodiorite to granite, Stage 2 was sodic alteration developed along veins/fractures with additions of Au, K, Na, Au, As, S and CO2, slight enrichments of W, Sb and Br, whereas the HREE were depleted. They postulated that the mineralizing fluids were COa-rich, derived from deep in the crust, and were, more or less, of typical mesothermal type. They (Saunders and Tuach, 1991) describe CCb-bearing fluid inclusions, but they are poorly constrained. They described (p.560) the mineralogy as consisting of "Gold.... as clusters of less than 1 to greater than 15 microns in pyrite." with only trace Ag in Au, and very rare tellurides. They quote an age of age of 398 ±27 to 7 Ma from Erdmer (1986) for the Devils Room Granite and suggest that this Situro-
Devonian magmatism may have contributed magmatic heat and/or fluids to the Rattling Brook mineralization. This granite has recently been more precisely dated as Silurian at 425+10 Ma by Hearnan et al. (2002). Most interestingly, Saunders and Tuach (1991) do not describe auriferous mineralization in the Coney Arm Group sedimentary rocks, except to note (p.555) that "disseminated mineralization... extends into unconformably overlying Eocambrian - Early Cambrian quartzite and limestones".

Poole (1991b) also published a description of the Jackson's Arm mineralization. He described (p.122) the prospect as "The mineralized structures typically display carbonate (ankerite), potassic, aibitic and sericitic alteration. Pyrite is ubiquitous (2-10%) occurring as disseminations and along fractures and micro fractures. Arseneopyrite is widespread but not abundant (<1%) and base metal sulphides are rare." Referring to gold in overlying sediments, Poole (1991b - p.124) stated that "Auriferous alteration in the sedimentary rocks is characterized by pyrite (up to 20%) with minor acicular arsenopyrite. Pyrophyllite and sericite with minor pyrite and trace gold are found in shear zones higher in the limestone's, and unmineralized hematized rocks are found locally at the periphery of the pyritic alteration. Steeply dipping cross cutting structures are common. Brittle faulting and thrust faults post-date the mineralization" (underlining is this author's).

Dearin (1991) was the first to suggest an alternative origin for auriferous mineralization in the sedimentary rocks of the Coney Arm Group. He suggested (p.1) that some of the mineralization might be "high grade, Carlin Nevada style gold deposits".

Harris (2002) relogged 10 holes from the BP drilling programs, in particular to evaluate the auriferous potential of the Coney Arm Group in the Apsy Zone. In 52 samples from seven drill holes, predominantly from the FF, Harris found that gold contents were typically low with only 13 samples containing > 20 ppb; the highest assay was 489 ppb Au. The As values (p.9) "closely follow gold values, but there is not a direct correlation (i.e., highest Au doesn't occur with highest As)". Harris (op c#.) suggests that the Carlin-type mineralization potential to the north has not been tested, and based on the discovery of jasperoid-like silicification of carbonates to the north; there is some potential for this type of deposit on the property.

Dearin (2003) reports that during the 2000 and 2002 field seasons; zones of jasperoid-like silicification were discovered along the outcrop extension of the Coney Arm Group rocks up to Little Coney Arm, some 8 km to the northeast of the main Rattling Brook occurrences. Dearin suggests that, based on compilation of all drill hole core assay data, the auriferous intersections in the Coney Arm Group are higher grade than those in Rattling Brook Granite. In the assays of the relogged holes, there also anomalous concentrations of Sb (up to 9.3 ppm) and Hg (up to 58 ppb). Dearin (2003 - p.ii) contends that the Jackson's Arm Property as it is now constituted, has "considerable potential for new Carlin-style high grade sediment-hosted gold discoveries".

The lake sediment geochemist database developed by the Newfoundland Department of Mines and Energy indicate some very interesting geochemical associations for the Jackson's Arm area (see website http://gis.geosurv.gov.nf.ca). Gold, As and Sb are quite anomalous in a regional sense over the whole area, but the area
underlain by the Coney Arm Group are especially anomalous.

In September 2003 Kermode reported the results of a soil sampling program within their property. A total of 176 samples were taken and 12 of these (7%) contained significantly anomalous gold values ranging from 10.4 ppb to 1,032.3 ppb gold. Significant anomalies were noted in pathfinder elements such as antimony and arsenic. The gold soil anomalies tended to be grouped in clusters around previous till anomalies.

In December of 2003 Kermode announced the initiation of an extensive drill program within its Jacksons Arm Property consisting of a 1,100 m phase one drill program.

In January 2004 Kermode released initial results from the ongoing drill program. Individual gold values up to 10.02 g/t occur within a thick continuously mineralized section over core lengths in excess of 45 meters.

The drilling within this phase 1 has been focused on the Beaver Dam Zone. The first hole JA-03-01 encountered a continuous 33.2 meter interval of gold mineralization of which 22.6 m was in sedimentary rocks and averaged 1.52 g/t Au, the best individual assay was 10.02 g/t over 1.0 m. Hole JA-03-02 encountered 45 meter of continuous gold mineralization of which 34.3 m were in sedimentary rocks including a section of 7.0 m averaging 1.48 g/t gold. The best individual sample from this hole was 9.77 g/t over 0.5 m.

In February 2004 Kermode released the results of their Phase 1 drill program. Hole JA-04-03 intersected 46.8 m of 0.44 g/t Au, hole JA-04-04 intersected 46.7 m of 0.38 g/t Au, hole JA-04-05 intersected 16.2 m of 0.17 g/t Au, hole JA-04-06 intersected 50.6 m of 0.4 g/t Au, hole JA-04-08 intersected 15.8 m of 0.36 g/t Au, hole JA-04-09 intersected 36.6 m of 0.78 g/t Au, hole JA-04-10 intersected 22.3 m of 0.46 g/t Au.

In June 2004 Kermode released the results of their Phase 2 drilling program. The Road Zone was drilled with one vertical hole; the entire 82.6 m of core was mineralized and sampled. The most significant results were 45.9 m of 0.85 g/t Au, including 13.6 m of 1.49 g/t, including 0.5 m of 6.5 g/t, including 14.0 m of 1.21 g/t Au, including 0.6 m of 6.38 g/t Au.

In September of 2005 Kermode announced the drilling of Phase 3 to commence in a week. The Phase 3 will consist of 3,000 meters of drilling in a minimum of 15 holes.

In November of 2005 Kermode released the initial results of the first nine holes of the Phase 3 Program. The program has been increased to twenty holes consisting of 4,000 meters. In hole JA-05-26 an 87 m interval of mineralization was intersected and averaged 1.26 g/t Au over the 87 m. The best intersection in this hole was 31.19 m of 1.13 g/t Au.

In January 2006 Kermode released the results of their latest drilling at The Aspy Zone, a total of ten holes totalling 1,700 meters were drilled. The best results were: JA-05-35 intersected 74.4 m of 1.77 g/t Au, JA-05-36 intersected 115.7 m of 1.12 g/t Au, JA-05-38 intersected 67.0 m of 1.02 g/t Au. All the other holes intersected gold mineralization over significantly shorter widths.

Kermode's initial focus is to test the crosscutting feeder zone discovered at the end of the Phase 3 drill program. All four Phase 4 drillholes to date have encountered the mineralized feeder structure and extensive sections of drillcore have been cut and submitted for assay.
October 04, 2006: Phase 4 of the Jackson's Arm drill program is in progress with ten drillholes totalling 1,796 metres completed to date. Kermode's planned extensive Phase 4 drill program is designed to better define tonnage and grade of portions of the extensive gold mineralization on the Jackson's Arm property in Newfoundland.

Kermode's initial focus is to test the crosscutting Apsy Feeder Zone discovered at the end of the Phase 3 drill program. All 10 Phase 4 drillholes to date have encountered the mineralized feeder structure. The 10 holes drilled to date have tested the Apsy Feeder Zone on two north-south sections at 30 to 100 metre intervals along the zone. Analytical results have been received for 7 drillholes and the Apsy Feeder Zone intersections are reported below.

<table>
<thead>
<tr>
<th>Hole Number</th>
<th>From (m)</th>
<th>To (m)</th>
<th>Core Length (m)</th>
<th>Estimated True Thickness (m)*</th>
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<td>89.0</td>
<td>98.0</td>
<td>9.0</td>
<td>6</td>
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</table>

The mineralized Apsy Feeder Zone is oriented roughly grid east-west and dips approximately 45 degrees towards grid south. Previous drilling in this area has almost entirely been oriented towards grid west and would most likely either miss the feeder entirely or cut it at very poor angles resulting in apparent poor continuity or in exaggerated thicknesses. Kermode's ongoing Phase 4 drilling is oriented toward grid north to properly assess the mineralized feeder structure.

**November 14, 2006:** Kermode Resources Ltd. is very pleased to announce an intersection of 71.6 metres (estimated approximate true thickness of 50.6 metres) grading 1.32 g/t Au in the newly discovered Apsy Feeder Zone at Jackson's Arm. This is one of an additional 9 drillholes totaling 1,611 metres in the Phase 4 drill program on the Jackson's Arm property in Newfoundland and follows up the previously announced intersection of 91.2 metres (estimated approximate true thickness of 91 metres) grading 1.36 g/t Au.

**January 19, 2007:** Kermode Resources Ltd. is very pleased to announce an intersection of 6.98 gpt gold over 3.8 metres in its ongoing drill program at Jackson's Arm, Newfoundland. This high grade intersection is from one of Kermode's first drillholes in the Zone 31 area approximately 250 metres northeast of the Apsy Feeder Zone.

In addition to the intersection of 6.98 gpt gold over 3.8 metres, Kermode also intersected 3.81 gpt gold over 4.5 metres during this phase of the drill program. Kermode has been successful in defining previously unknown gold-bearing cross structures in the
Apsy Feeder Fault area and based on this, started exploring for other gold-bearing cross structures on the large Jackson's Arm property. Whereas the results within the Apsy Feeder Fault area showed wide intercepts of mineralization (estimated true thicknesses of 91 metres grading 1.36 gpt gold and 50.6 metres of 1.32 gpt gold), today's results from Zone 31 confirm the presence of much higher grade mineralization on the property.

Based on the excellent results generated from the first five holes drilled within Zone 31, Kermode plans further drilling to define and explore this area of the Jackson's Arm property.

**February 26, 2007:** Kermode Resources (TSX VENTURE:KLM) is pleased to report that the company has received analytical results from 7 additional drill holes from their ongoing drill program at Jackson's Arm, Newfoundland. These results are from the Road Zone which is located approximately 1.5 kilometres south of the recently announced intercepts on the highly encouraging Apsy Zone. The Road Zone is an area that Kermode has generated very little data from prior to the current drill program. Drilling in the Road Zone continues.

Highlights from these seven holes include an intersection of 50.8 metres of 1.27 gpt gold, 64.9 metres of 1.02 gpt gold, 32 metres of 1.30 gpt gold and 27.3 metres of 1.12 gpt gold. All seven holes drilled encountered significant gold mineralization

**March 22, 2007:** Kermode Resources is pleased to announce results from its ongoing drill program in Jackson's Arm, Newfoundland. Significant results, generated from the property's Road Zone, include 23 metres of 1.52 gpt gold, 20.5 metres of 1.42 gpt gold, 41.5 metres of 1.07 gpt gold, and 21.2 metres of 1.06 gpt gold. Analytical results are given below;

**April 24, 2007:** Kermode Resources is very pleased to report that drilling on the company's Jackson's Arm gold property continues to produce excellent results. The results include 64.7 metres of 1.04 gpt gold as well as a high grade intersection of 1.1 metres of 11.06 gpt gold.

Other results include 43.8 metres of 1.00 gpt gold, 25.5 metres of 1.21 gpt gold, 24.7 metres of 1.15 gpt gold and 10 metres of 1.28 gpt gold. These wide intersections of very good grades are in addition to intersections of higher grades such as 1.1 metres of 11.06 gpt gold, 3.0 metres of 3.68 gpt gold, 3 metres of 2.03 gpt gold and 1.4 metres of 4.43 gpt gold. These results were produced from the Road Zone of the property.

Neil Briggs, President of Kermode states, "We continue to obtain great results in Jackson's Arm. The property is generating wide intersections of very good grade in multiple zones. In addition to these wide intersections we are also getting some high grade intersections such as 11.06 grams per tonne gold over 1.1 metres. The important thing to understand is that it is multiple areas of the property that are generating these excellent numbers.
June 13, 2007: Kermode Resources is pleased to announce drill results from its ongoing drill program in Jackson's Arm, Newfoundland. In addition to drilling 4.7 metres of 4.10 gpt gold and 1.6 metres of 5.84 gpt gold in the Beaver Dam Zone, the southern most point of known mineralization encountered on the property to date, Kermode has encountered 28.5 metres of 0.93 gpt gold about 300 metres west of Kermode's previous closest Road Zone drilling.

Deposit Types and Geological Summary

Kermode's Jackson's Arm property in Newfoundland has the potential to contain two different, but related, deposit types. Firstly a bulk tonnage open pittable gold deposit and secondly a Carlin-type gold deposit. The 63 holes drilled to date on the property have partially defined the bulk tonnage potential and also point the way to the Carlin-type potential.

Bulk Tonnage

The Jackson's Arm alteration zone is exposed for 1.7 kilometres along the Cat Arm Road to the north and south of Rattling Brook. Gold mineralization occurs in this alteration zone and was the focus of most of the work carried out on the property to date. The exposed hydrothermal alteration zone is in late Proterozoic granitoid rocks. The gold mineralization is associated with sulphides occurring in veins, fractures and disseminations in the alteration zone.

Two main zones of gold mineralization of this type are known to occur about 1 kilometre apart and have been partially drilled. The Road zone is in alkali-enriched granite with strong alteration and mineralization over an area greater than 600 metres by greater than 300 metres. Drilled widths such as 47 metres grading 1.1 g/t Au are encountered in this zone. The Apsy zone is of similar extent and intersections such as 1.1 g/t Au over 67 metres are reported.

Kermode's target is an open pittable deposit of 50 to 100 million tonnes, grading 1 to 1.25 g/t Au similar to Kennecott's Ridgeway Mine in South Carolina. Ridgeway produced 1.47 million ounces of gold from 60 million tons of ore over an 11 year mine life -- a recovered grade of 0.0245 opt Au or 0.84 g/t Au. Ridgeway was not a heap leach operation, rather the ore was milled to less than 200 mesh and the gold extracted by a conventional carbon-in-pulp process.
Carlin-type

The alteration zones and gold mineralization in the granites on the Jackson's Arm property have been shown to extend into the unconformably overlying favourable Lower Paleozoic platform sediments. On regional, district and deposit scales the Jackson's Arm property shows strong similarities to gold deposits in the Carlin District of Nevada. The major distinguishing features of Carlin-type deposits are the presence of micron-scale gold disseminated throughout mainly carbonate-bearing sedimentary host rocks. Orebodies tend to be stratabound disseminated zones, irregular breccia bodies and/or siliceous replacement zones near steep faults. The gold-bearing rocks typically underwent de-calcification, silicification and argillic alteration and are associated closely with replacement of the carbonate rock by jasperoid. The deposits also show a distinctive suite of trace elements including arsenic, antimony and mercury.

At Jackson's Arm, the alteration zones in the granite are characterized by argillic alteration and silicification in addition to the gold the mineralization contains arsenic, antimony and mercury. Drilling has shown that the alteration zones continue upward from the granite and mineralize the overlying platform sediments. One hole shows a 35 metre section of altered limestones bearing gold; within this a 23.35 metre section averages 1.12 g/t Au. This intersection has not been followed up. Many holes encountered significant gold values in the quartzites immediately overlying the mineralized granites. Mineralization is known over a 4 kilometre strike length, 3 gold zones have been discovered but the majority of the area is untested.

Zones of jasperoid have recently been discovered on the Jackson's Arm property near to lakes with highly anomalous gold values in the lake sediments. These areas are unexplored.

Kermode's target is a Carlin-type deposit in the calcareous platform sediments overlying the known gold zones in the granites. Carlin-deposits range from small (less than 100,000 tonnes) to very large (greater than 200,000,000 tonnes) and vary in grade from 1 to 20 g/t Au. The Carlin deposit itself is reported to contain 20 million tonnes grading 11.4 g/t Au. The Carlin district is one of the most significant gold producing areas in the United States and the 50 millionth ounce of gold was produced from the Carlin trend, Nevada on 16 May 2002.
Newfoundland Geology

The island of Newfoundland lies at the north-eastern edge of the Appalachian Oregen. Newfoundland is divided into three major tectonic-stratigraphic subdivisions: the Humber Zone, Central Mobile Belt and the Avalon Zone (Williams, 1978). The Humber Zone, underlying the north-western part of the island is separated from the south-eastern Avalon Zone by the Central Mobile Belt (Fig.2).

The Humber Zone, with its Precambrian crystalline basement of late Grenvillian gneisses and plutonic rocks is overlain with Palaeozoic (Eocambrian to Ordovician )shelf facies clastic and carbonate rock sequences (Ermer, P. 1986 ).

The Avalon Zone consists of a Precambrian basement of late Hadrynian meta-volcanic, meta-sedimentary and plutonic rock overlain by early Palaeozoic (Eocambrian to Ordovician) shallow marine sedimentary strata (Williams, H. 1972).

The Central Mobile Belt records the formation, development and later destruction of the early Paleozoic ocean Impetus (Harland and Gayer, 1972). The Central Mobile belt is divided into the Dunnage Zone and the Gander Zone and consists of island/back-arc volcanic, sedimentary, amphibolites and plutonic rocks ranging in age from early Ordovician to Jurassic. The pre-Silurian rocks of this zone record the intra-oceanic events of island arc and back arc basins. Two geological subzones, the Notre Dame and Exploits make up this zone. They are separated by a large terrain boundary, (The Red Indian Line) with the Notre Dame subzone to the west and the Exploits to the east. The Exploits subzone represents remnants of the southeast flank of the Iapetus Ocean and is in contact and in part overlies the continentally derived sedimentary rocks of the Gander Zone. The sedimentary rocks of the Gander Zone are said to have been deposited at or near the eastern continental margin of the Iapetus Ocean (Colman - Sadd, 1980).
Regional Geology

Dearin and Hepp (1987) describe the history of the geological examination of the region back to the 19th century geological survey work. Geologically the Jackson’s Arm area consist of the Grenvillian Long Range Inlier to the west, Unconformably overlying sedimentary rocks of the Lower Paleozoic Coney Arm Formation, structurally emplaced allochthonous rocks of the Cambrian-Mid Ordovician Southern White Bay Allochthon - Coney Head Complex, stratigraphically younger Silurian rocks of the Sops Arm Group, and post-tectonic Devils Room Granite.

Hearman et al (2002) dated the Aspy Granite (also termed the Rattling Brook Granite), at 1000+82Ma. They also dated the host gnessis near the Aspy Granite at 1530+8Ma. The Devils Room Granite has been dated by Hearman ET (2002) at 425+10Ma (U-Pb zircon).

As defined by Smyth and Schillereff (1982), the Eocambrian-Ordovician Coney Arm Group comprises of: a) the Beaver Brook Formation which consists of mainly quartzite, sandstone and conglomerate, b) the Forteau Formation which consist predominantly of interbedded marbles, graphitic phyllites, schists, ironstone, and breccias, and c) the Hawkes Bay Formation which is mainly limestone, sandy dolostone, lime slate and orthoquartzite. These units represent an autochthonous plat formal sequence unconformably deposited on the Grenvillian rocks of the Long Range Inlier.

The allochthonous Southern White Bay Allochthon-Coney Head Complex is a sequence of slates, phyllites and melange that was structurally emplaced on the Coney Arm Group during the mid-Ordovician Taconic Orogeny. The Sops Arm Group unconformably overlies the allochthonous rocks and in places is in fault contact with them (Smyth and Schillereff, 1982).

The Doucer’s Valley Fault Complex separates the allochthonous Coney Arm Group from the allochthon and the Sops Arm Group (Tuach, 1987a). Movement on the faults dates from mid-Ordovician to Carboniferous (Saunders and Tuach, 1991). The fault complex has been implicated by most authors as the route flow of the auriferous fluids.
Property Geology

The property is underlain with rocks of the French-Childs granite. The granites are cut by numerous dykes, and are also cut by many joints and topographic linears. This explains the history of deformation and metamorphism of the rocks. Within the licence area it is feldspar porphyritic biotite granite with minor dioritic and grandioritic phases. The dykes that cut the granite in the area are of a wide variety that range from diabasic to diorite in composition. The granite is highly carbonated with minor quartz veins in some areas of the property.

Current Program and Results

The area of licence no. 10157m was staked in the late winter of 2003. Licence no10157m consisted of two individual licences, 9422m consist of eight claims, licence no. 9423m consist of two claims, After the first year assessment report was accepted the licences were grouped into lic. 10157m. The property consist of ten contiguous claims located within NTS map sheet 12H/15 Jackson’s Arm in the White Bay area of north-western Newfoundland. The property is adjacent to Kermode Resources Jackson’s Arm Property.

The property is very rugged with steep terrain with elevations from 800m to 1200m. The property is mainly covered with mature stands of timber and a thin blanket of till with extremely large glacial boulders.

Several trips have been made to the property area in the last couple of years, due to the inclement weather conditions some of the trips to the area were a complete lost, due to poor weather conditions, consisting of snow early in the fall and snow remaining on the ground in the higher elevations of the property in the late spring. The steep terrain being covered with snow made prospecting very treacherous and not worth risking a life or severe bodily injuries.

Follow up work to sampling done in the first year was the main agenda for the
last couple of years but, due to weather and other work commitments only nine rock samples were collected during the trips made to the property. Gr-110 scintillometers were carried with each prospector while traversing the property to determine if there was a possibility of discovering radioactive anomalies within the property. No radioactive anomalies were found while prospecting. The samples collected consisted of outcrop, float and subcrop. A large 1m + wide quartz vein was discovered within the property while prospecting. Five samples (outcrop & subcrop) were taken from this vein along the 50m strike exposure. The vein outcrops intermittently along the 50m. All samples taken from the vein were below the detection limit for gold. Four samples of localized float (quartz and granite) were taken along the road; only three samples were elevated in gold with the high value of 591ppb Au. Arsenic values were found to be highly elevated in the two samples of quartz float found in this area (499ppm & >2200ppm). No other anomalous elements were detected in the samples collected.

Although the results of the samples taken from the 1m + wide quartz vein were discouraging. With only five samples collected from the vein, the potential for gold mineralization within the vein is possible due to the vein size and possible strike length. Gold mineralization could possibly be discovered within the area of the quartz vein. The anomalous gold and arsenic discovered along the road will have to be investigated further. It was thought at first that the mineralization could possibly of been trucked there, highly unlikely due to the amount of road building material (blasted rock) that can be found along the road or the mineralization was just moved a few metres from the source while the road was being constructed by heavy equipment.

**Conclusion and Recommendations**

With Kemode evaluating their property to possibly contain a large low grade bulk tonnage deposit or Carlin Type high grade sediment hosted gold deposit adjacent to this property. This property certainly deserves some very detailed prospecting and geological mapping.

Kermode has the possibility of two different types of deposits (but related deposits within their Jackson’s Arm Property, for one a bulk tonnage open pittable deposit and second a Carlin type gold deposit. To date drilling has partially delineated the bulk tonnage potential and has also pointed towards a potential Carlin type deposit.

The Jackson’s Arm alteration zone on Kermode property is exposed for 1.7 km’s along the Cat Arm Road. Two main zones occur about 1 km apart that have been drilled,
the Road zone is alkali enriched granite with strong alteration and mineralization over an area estimated to be greater than 600m by 300m, drill intersection highlights such as 47 metres grading 1.1g/t Au in the Road Zone, The Aspy zone is similar with intersections of 1.1g/t over 67 metres. These zones are referred to being quite similar to Kennecott’s Ridgeway Mine in South Carolina which has produced 1.47 million ounces of gold from 60 million tonnes of ore at a recoverable grade of 0.84g/t Au. At Jackson’s Arm, the alteration zones in the granite are characterized by argillic alteration and silicification in addition to the gold the zones contain arsenic, antimony and mercury, Drilling the alteration zones have shown that the sediments overlying the granite have been altered and mineralized, one hole has a 35 metre section of gold bearing altered limestone, a 23.35 metre section of the limestone averaged 1.12g/t Au.

Most of the area contained in the ten claims has been untested and will need some detailed work. Soil or till samples will have to be taken around the areas of angular and local float or wherever it is possible to get a sample on the property, stream sediments should also be taken in the streams and drainage areas, all areas of previous rock samples will have to be revisited to determine if the mineralization can be found in outcrop within the vicinity of the property or a boulder train can be found.

With the discovery of a large quartz vein in outcrop within the property and the low amount of samples taken from the vein to date. Mineralization could possibly exist within the vein somewhere along the strike length of the vein. The vein was located for approximately 50m along strike from the initial outcrop. The vein has only been followed along strike to the north. No prospecting was done to the south of the first exposure of the vein. Even though the four samples were found to be below the detection limit for gold and no other element was found to be anomalous, further sampling of this vein is highly recommended. The quartz vein should be prospected along strike to the north and south the borders of the property, then sampling should be done along the known exposure of the vein and any other area of the vein that is found to be exposed over its entire strike length. Prospecting should be concentrated in the area of the quartz vein, usually if one quartz vein is found; there are more in close proximity to that one. The veins could be smaller or larger and the more veins that are discovered the higher the possibility of one of them being mineralized is much greater.

The subcropping found along the road that was anomalous in gold and arsenic will have to be followed up with more prospecting and if possible hand trenching in the areas that the samples were found.
References


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Illustrations
Fig. 1 Property Location Map
Fig. 2 Newfoundland Geology Map
Fig. 2 Newfoundland Geology

Geology of Newfoundland
1987

Simplified from Colman-Sadd and Hayes (in prep.)

HUMBER ZONE

DEVONIAN TO CARBONIFEROUS
- Subaerial, lacustrine, fluvial and deltaic clastic sedimentary rocks; minor limestone

SILURIAN
- Shallow marine and subaerial clastic sedimentary rocks; volcanic and volcanioclastic rocks

DUNNAGE ZONE

CAMBRIAN TO SILURIAN
- Marine clastic sedimentary rocks; island-arc volcanic and volcanioclastic rocks

CAMBRIAN TO ORDOVICIAN
- Ophiolitic melte – ultramafic rocks, pillow lava and related intrusions

GANDER ZONE

CAMBRIAN TO ORDOVICIAN
- Clastic metasedimentary rocks and migmatisic equivalents

HUMBER ZONE

PROTEROZIC III TO ORDOVICIAN
- Autochthonous and parautochthonous clastic and metasedimentary rocks

- Platformal limestone and dolostone; includes clastic sedimentary rocks

- Autochthonous sedimentary, mafic volcanic and minor metamorphic rocks

- Basal clastic and carbonate sedimentary rocks; includes mafic volcanic rocks

- Orthogneiss, paragneiss and amphibolite

AVALON ZONE

PROTEROZIC III TO ORDOVICIAN
- Subaerial and marine clastic sedimentary rocks; minor limestone

PROTEROZIC III
- Marine and deltaic clastic sedimentary rocks

- Mafic and felsic volcanic and volcanioclastic rocks
Fig. 3 Regional Geology Map
Fig.3  Regional Geology Map
Fig. 4 Property Geology Map
Fig. 5 Sample Location Map
Fig. 5 Sample Location Steep Ridge Property NTS 12H/15  lic.10157m

LEGEND
- Quartz vein
- 15600 Sample #
- X outcrop
- F float

SCALE
500m 500m

5526000N 5110000E
5525000N 5100000E

15900-15902
15903-15904
F 15905-15908
Appendices
### Appendix I
Expenditures

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# Appendix II

## List of Personnel and Contractors

### Personnel

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<td>Prospector</td>
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<td>Andy Budden</td>
<td>Baytona, NL</td>
<td>Prospector</td>
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</table>

### Contractors

<table>
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<tr>
<th>NAME</th>
<th>LOCATION</th>
<th>DESCRIPTION/TITLE</th>
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<tbody>
<tr>
<td>Quinlan Prospecting Inc.</td>
<td>Birchy Bay, NL</td>
<td>Prospector Supplier</td>
</tr>
<tr>
<td>Eastern Analytical Ltd</td>
<td>Springdale, NL</td>
<td>Geochemical Laboratory</td>
</tr>
<tr>
<td>Carousel Inn</td>
<td>Pollards Point</td>
<td>Accommodations</td>
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</table>
Appendix III
Sample Descriptions
<table>
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<tr>
<th>sample #</th>
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<th>northing</th>
<th>rocktype</th>
<th>description</th>
<th>Au ppb</th>
<th>As ppm</th>
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<td>510590</td>
<td>5525620</td>
<td>quartz vein</td>
<td>minor carbonate &amp; rust, minor granite frags no visible sulphides</td>
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<td>5</td>
</tr>
<tr>
<td>15901</td>
<td>outcrop</td>
<td>510610</td>
<td>5525510</td>
<td>quartz vein</td>
<td>minor carbonate &amp; rust, minor granite frags no visible sulphides</td>
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<tr>
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<td>510630</td>
<td>5525589</td>
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<td>minor carbonate &amp; rust, trace granite frags no visible sulphides</td>
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<td>15904</td>
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<td>5526268</td>
<td>granite</td>
<td>coarse grain, minor carb &amp; q-veins, 1-2% py</td>
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<td>510948</td>
<td>5526310</td>
<td>granite</td>
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<td>5526493</td>
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<td>5526476</td>
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<td>&gt;2200</td>
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Appendix IV
Analytical Certificates
| Sample Number | Au (ppb) | Ce (ppm) | Sr (ppm) | Ba (ppm) | Fe (%) | P (ppm) | Hg (ppm) | Mg (ppm) | As (ppm) | V (ppm) | Na (ppm) | Mo (ppm) | Al (ppm) | Be (ppm) | Ca (ppm) | Zn (ppm) | Cu (ppm) | Sb (ppm) | Ag (ppm) | Pb (ppm) | Bi (ppm) | Ti (ppm) | Cd (ppm) | Co (ppm) | Ni (ppm) | W (ppm) | La (ppm) | K (ppm) | Mn (ppm) | Sn (ppm) | Cr (ppm) |
|---------------|---------|---------|---------|---------|-------|--------|---------|---------|---------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 15900         | 5       | 26      | 10      | 34      | 1.89  | 0.03  | 1       | 0.55    | 5       | 38     | 0.20   | 2       | 0.81   | 0.5    | 0.12   | 36      | 1       | 5      | 0.2    | 2       | 0.01   | 0.6    | 7       | 12      | 10      | 10      | 0.10   | 184     | 10      | 245     |
| 15901         | 5       | 70      | 4       | 38      | >10.00 | 0.04  | 1       | 0.95    | 5       | 169    | 0.34   | 7       | 3.24   | 0.5    | 0.05   | 54      | 1       | 5      | 0.2    | 14      | 2       | 0.36   | 3.7    | 18      | 29      | 10      | 10      | 0.09   | 283     | 10      | 224     |
| 15902         | 5       | 10      | 10      | 10      | 0.62  | 0.01  | 1       | 0.16    | 5       | 11     | 0.13   | 1       | 0.23   | 0.5    | 0.01   | 13      | 2       | 5      | 0.2    | 2       | 0.01   | 0.5    | 2      | 7       | 10      | 10      | 0.01   | 78      | 10      | 299     |
| 15903         | 5       | 12      | 6       | 46      | 1.35  | 0.08  | 1       | 0.39    | 5       | 26     | 0.18   | 1       | 0.60   | 0.5    | 0.37   | 43      | 15      | 5      | 0.2    | 27      | 2       | 0.01   | 0.7    | 6       | 16      | 10      | 10      | 0.12   | 83      | 10      | 222     |
| 15904         | 5       | 16      | 9       | 55      | 2.12  | 0.13  | 1       | 0.52    | 5       | 40     | 0.23   | 3       | 0.80   | 0.5    | 0.54   | 64      | 73      | 5      | 0.2    | 27      | 2       | 0.01   | 1.0    | 19      | 63      | 10      | 10      | 0.15   | 110     | 10      | 241     |
| 15905         | 561     | 76      | >220    | 53      | 4.00  | 0.24  | 1       | 0.83    | 134     | 13     | 0.22   | 1       | 0.54   | 0.5    | 2.41   | 67      | 1       | 5      | 0.2    | 7       | 2       | 0.01   | 1.7    | 11      | 11      | 10      | 25      | 0.21   | 424     | 10      | 135     |
| 15906         | 126     | 178     | 163     | 91      | 3.54  | 0.21  | 1       | 0.89    | 41      | 31     | 0.25   | 1       | 1.53   | 0.5    | 1.48   | 83      | 1       | 5      | 0.2    | 5       | 2       | 0.02   | 1.3    | 11      | 10      | 10      | 0.63   | 336     | 10      | 112     |
| 15907         | 5       | 10      | 2       | 10      | 0.58  | 0.01  | 1       | 0.02    | 488     | 1      | 0.15   | 1       | 0.09   | 0.5    | 0.01   | 6       | 4       | 5      | 0.6    | 49      | 2       | 0.01   | 0.5    | 2       | 10      | 10      | 0.01   | 60      | 10      | 417     |
| 15908         | 54      | 10      | 4       | 10      | 1.24  | 0.01  | 1       | 0.02    | >2200   | 1      | 0.14   | 1       | 0.10   | 0.5    | 0.03   | 6       | 2       | 5      | 0.8    | 175     | 5       | 0.01   | 0.5    | 5       | 10      | 10      | 0.01   | 53      | 10      | 239     |