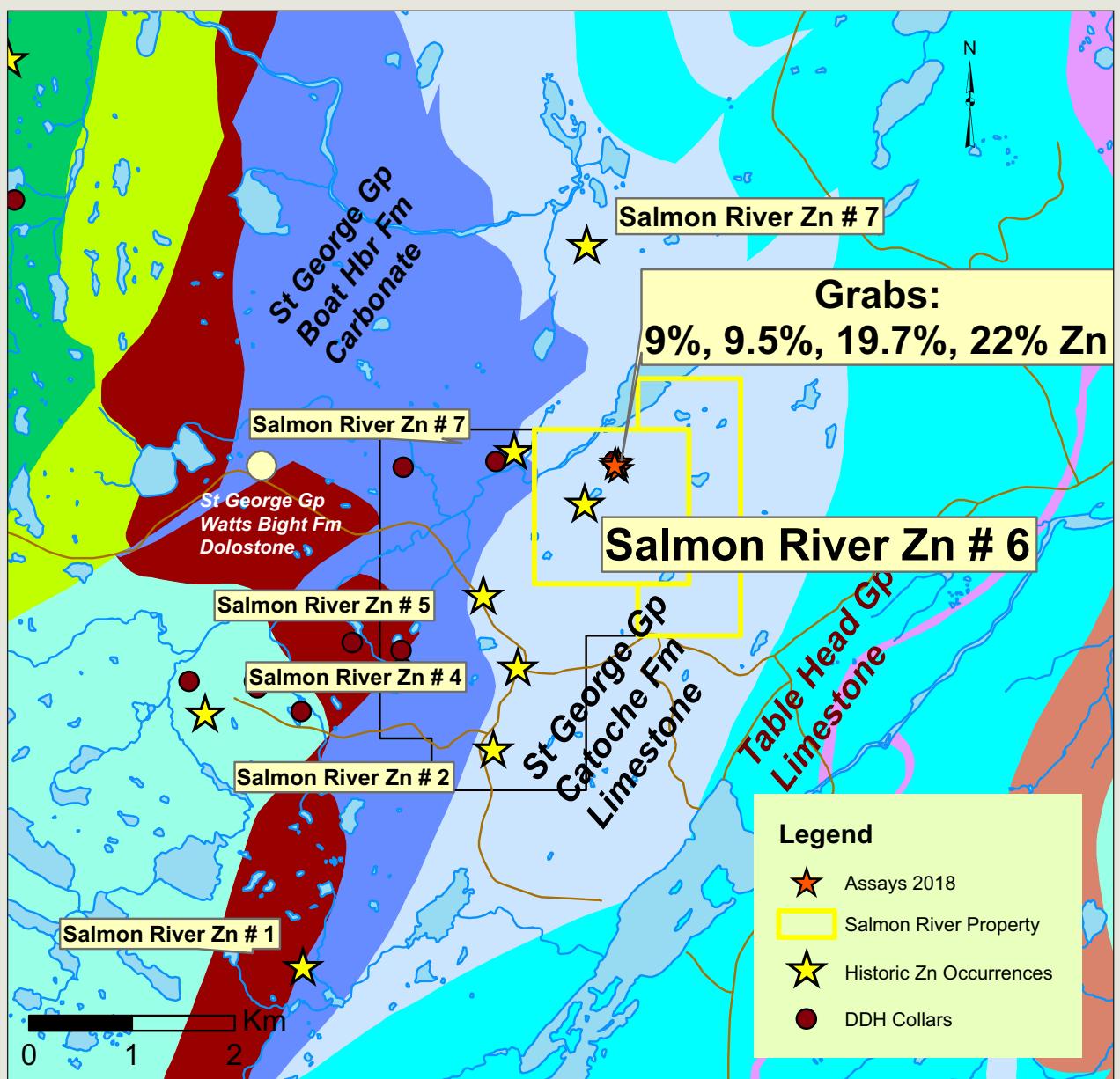


NEWFOUNDLAND & LABRADOR

Prospect • Discover • Develop



Salmon River Zinc



Map 2: Claims Location and Geology

mineralization is sporadic, with approximately 10% of the pseudobreccia samples containing significant sphalerite. Some samples contain up to **20%** coarse crystalline red sphalerite in white dolomitic cement and fine-grained yellow sphalerite occurring within the black cement. Grab samples of sphalerite-rich pseudobreccias range from **10.49 to 20.04 wt. % Zn**, whereas a sample of

pseudobreccia with less than 5% visible sphalerite returned 1.75 wt. % Zn. Assays of **pseudobreccia containing green sphalerite yielded 1.75% Zn** (King and Conliffe, 2017). Sampling by the present owners returned up to 22% Zn in grabs (Map 2).

Highlights:

1 historic Zinc occurrences: 6 DDHs

Historic 3% Zn in DDH

New grabs up to 22% ZN

MVT-type mineralization mostly sphalerite

Nearby Round Pond Deposit has non-NI-43-101 resource of 400,000 tons grading 2% Zn

Excellent potential for delineation of resources on the property

Same host rocks as historic Newfoundland Zinc Mine which produced 6,531,730 tonnes averaging 8.0% zinc

Previous Work

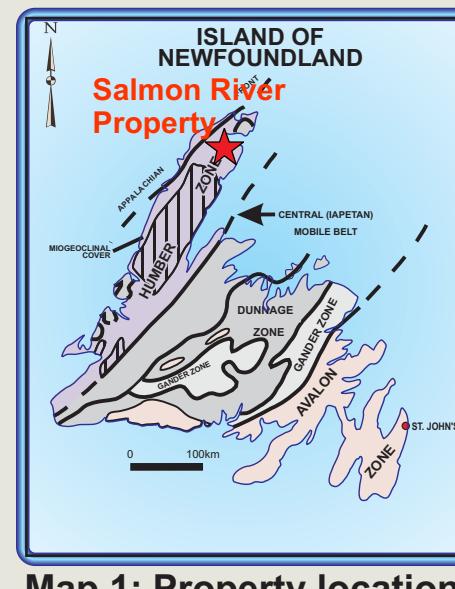
The region has been the focus of intermittent exploration for carbonate-hosted zinc deposits since the late 1960s. This work followed the discovery of the Newfoundland Zinc Mine deposits (Daniels Harbour Zinc Mine) by Leitch Gold Mines in 1964. The St. George Group hosts numerous zinc prospects and showings, including the former Newfoundland Zinc Mine, which was operated by Teck between 1975 and 1990 and produced 6.5MT averaging 8.0% Zn (Lane, 1990). Cominco optioned ground near Round Pond from Commodore in 1967, and carried out regional scale geological mapping, geochemical surveys and limited drilling and discovered mineralization at Round Pond (Cook and Rhodes, 1969), approx 13 km N of the Salmon River Zinc Property. Amongst carbonate-hosted Zn deposits on the Northern Peninsula, the Round Pond Deposit is second in importance only to the Daniels Harbour Zinc Deposits (Saunders, 1991).

Approximately 400,000 tons grading 2% Zn has been outlined by diamond drilling (Born, 1983). Narex also estimated the zone to have dimensions of 250 m long by 50 m wide with an average thickness of 11.3 m. The Round Pond Deposit is hosted by basal limestones and dolostones of the St. George Gp. Most of the mineralization is hosted within pseudo-breccia zones in dolomitic limestones. In 1976,

Shell conducted exploration to the north and south of the Round Pond prospect. They identified two main mineralized zones: one at Twin Ponds and another in the Salmon River region. The two areas were mapped and prospected, followed by testing with a grid-based soil-geochemical survey, trenching, pitting and eventually diamond drilling. Although trenching identified significant zinc mineralization at both locations, drilling yielded up to approx 6% Zn near surface in one drillhole at Salmon River #6.

Mineralization Model

Carbonate-hosted zinc mineralization at Round Pond and the former Newfoundland Zinc Mine, is epigenetic. Mineralization at the Newfoundland Zinc Mine is hosted by pseudobreccia zones within dolomitized limestone of the upper 50 m of the Catoche Formation (Lane, 1990). Carbonate rocks of western Newfoundland are thought to host > 160 zinc and or lead showings of the MVT type (Pollock, 2000). A review of past drilling by Buchans Minerals (Moore and Butler, 2010) at the Round Pond Prospect indicates the mineralization remains open down dip to the northeast. Similarities between the Newfoundland Zinc Mine area and the Round Pond area include: significant (early karst?) brecciation, related to unconformities above the limestone units; widespread pseudobreccia development in the limestone units; a cap rock in the form of fine grained early diagenetic dolomites of the Aguathuna Formation in the mine area and the Upper Dolomite in the Round Pond area; and significant sphalerite mineralization (O'Connell in Moore and Butler, 2010). The Round Pond Prospect remains the most significant zinc mineralization in carbonates of the Northern Peninsula outside the Newfoundland Zinc Mine area. Sphalerite mineralization of the type encountered on the Northern Peninsula has economic advantages. It makes a premium concentrate, as it is coarse grained and unaccompanied by other appreciable sulphides. It has naturally buffered tailings and occurs in shallowly dipping rocks, easily developed by open pit or decline.



Map 1: Property location

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