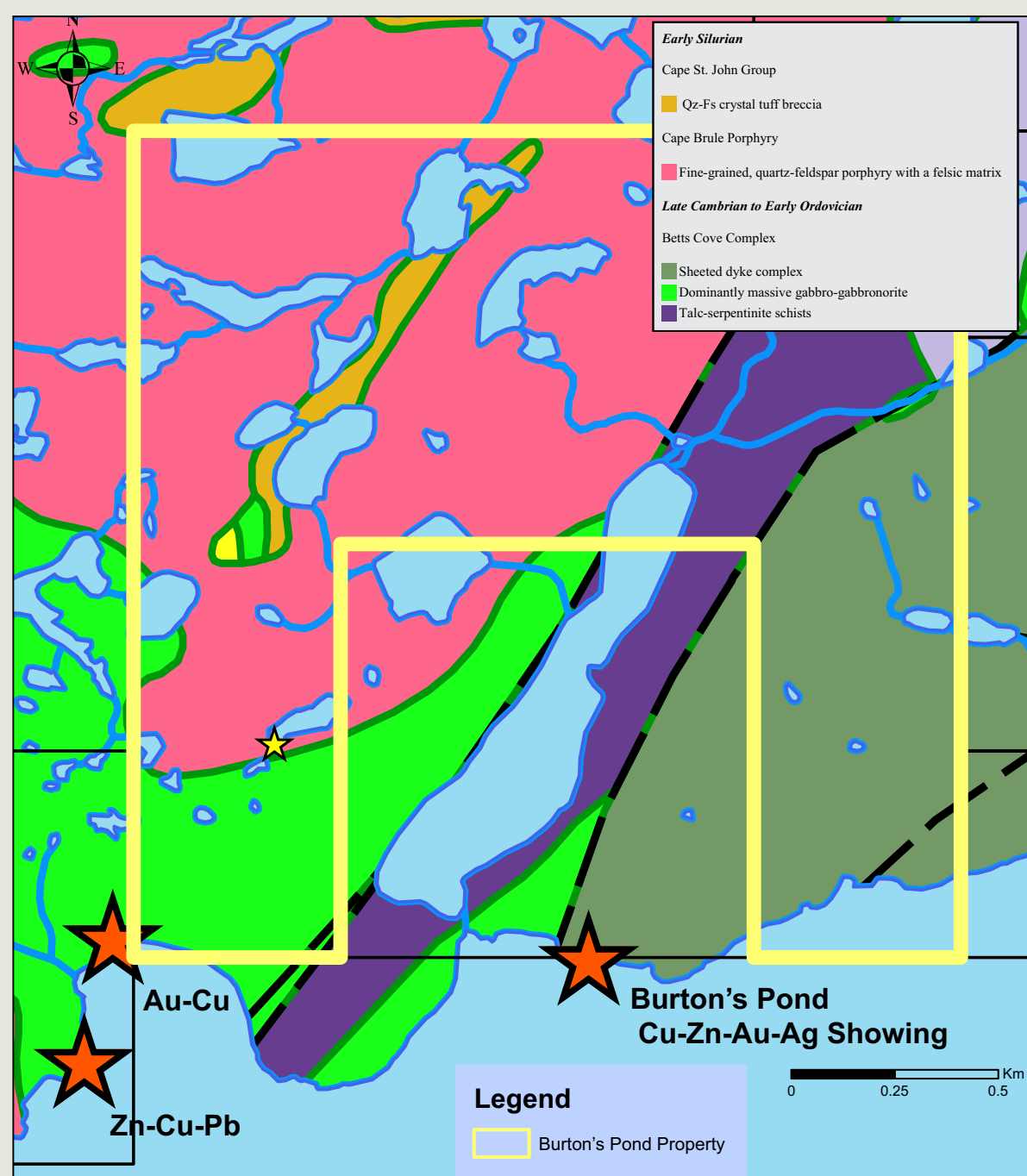


NEWFOUNDLAND & LABRADOR

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Burtons Pond – Cu-Zn-Au-Ag



Map 2: Claims Location, Geology, Mineralization

Geology Source:
Crisby-Whittle, L. V. J. (compiler): 2012: Bedrock geology dataset for the Island of Newfoundland. Newfoundland and Labrador Department of Natural Resources, Geological Survey, Open File NFLD/2616 version 7.0.
Mineral Occurrence Source: Mineral Occurrence Database - Geological Survey, Department of Natural Resources Website: <http://www.gov.nl.ca/mines&en/geosurvey>

Highlights

- Adjacent to property containing historic Au-Cu Prospect
- Historic prospect contains
- Grabs to 14.4 g/t Au, 1.2% Cu
- Channel samples up to 4.1 g/t Au, 1.97% Cu over 50 cm.
- Drill intersections - 9 m with 1.08% Cu, 1.87 g/t Au and 10.18 g/t Au, 15.17 g/t Ag and 1.64% Cu over 3 m and 1.27 g/t Au, .55% Cu over 23.77 m
- Deposit Models: Shear zone hosted orogenic gold, VMS

Cove Complex, to the NE of the Burton's Pond Property. The Tilt Cove Mine produced 9 M tons of 2 - 7% Cu, 410 tons of Ni and 42,425 ozs of Au. The Bett's Cove Mine (2 km to the NE) produced about 131,000 tons of approx 10% Cu. The past-producing Nugget Pond Mine (6 km on strike to the NE) produced 488,000 tonnes of ore grading 12.24 g/t Au in the late 1990's. New interpretations of the geology (Jacobs and Frew, 2005), presence of untested IP anomalies, and newly revealed geochemically anomalous character of the Stocking Harbour Fault significantly highlights the exploration potential of the Burton's Pond Property (Jacobs and Frew, 2005).

The **Burtons Pond Property** is located on the NE side of the Baie Verte Peninsula, which can be reached by taking the Baie Verte Highway (410) north from the Trans Canada Highway, then Highway 414 east roughly 34 km and subsequently south on an all-weather road to Nippers Harbour (Maps 1 and 2).

Regional Geology

Tectonostratigraphic Zone - Dunnage: The property lies within the Notre Dame Subzone (Dunnage Zone) of the Newfoundland Appalachians and is underlain by rocks of the Ordovician Betts Cove Ophiolite and Silurian-age Cape Brule Porphyry (CBP). The Betts Cove Complex is interpreted to be part of an oceanic crust and mantle obducted onto the North American continental mass.

Local Geology

The property is dominated by ophiolitic and felsic intrusive rocks separated by the regionally extensive, NNE-trending Stocking Harbour Fault (SHF), which passes under Burton's Pond. The ophiolitic rocks comprise a sequence of basal ultramafic rocks passing, transitionally, upwards to the east into gabbros, sheeted dykes and pillow lavas of the Betts Cove Complex. The felsic rocks belong to the Cape Brule Porphyry, a large, high level, quartz-feldspar rich, subvolcanic body. The SHF is characterized by a broad zone of deformation consisting of conjugate and subsidiary shear and fault structures. Talc carbonate schists have been noted along the SHF, locally, where there has been intense shearing between the CBP and the ultramafic rocks

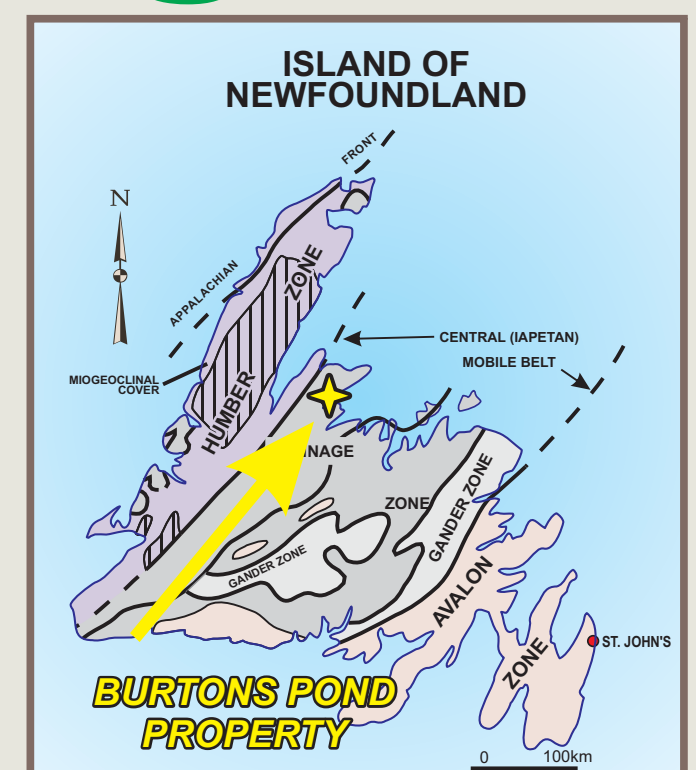
Mineralization

The Burton's Pond Property is located adjacent to Palisades Resources Corps Burton's Pond Prospect Project which contains the Burton's Pond Prospect. This prospect occurs within sheeted diabase dykes; samples along side a test pit contain pyrite and chalcopyrite mineralization in chloritized diabase rocks (Upadhyay, 1974). The following description is mostly taken from Jacobs and Frew (2005). The Burton's Pond Cu-Zn-Ag-Au Prospect is located near the coast and consists of two shafts of unknown depth and several trenches along a shear zone system that has been traced for 200 m N from the shoreline. The zone measures up to 3 m wide on surface and is characterized by an intense system of fractures, shears and quartz-calcite veins hosting disseminations, stringers and veinlets of pyrrhotite and chalcopyrite. Locally, the sulphides occur as massive pods and lenses up to few cm in size as is evident in the gossanous ore dump located on the beach. Panning of this material by RioCanex personnel in 1982 revealed visible gold. One of the earliest grab samples returned **14.4 g/t Au, 10.63 g/t Ag, 1.21% Cu and 2.7% As** (Douglas, 1940). A channel sample by RioCanex (1982) returned **0.23 oz/t Au, 0.72 oz/t Ag, 3.4% Cu over 3.2 m**. Diamond drilling by Rio Algom (1984) returned intersections including **10.18 g/t Au, 15.2 g/t Ag and 1.6% Cu over 3 m; 7 g/t Au, 4.7 g/t Ag, 1.2% Cu over 4 m and 24 g/t Au, 93 g/t Ag, 11.8% Cu over 0.13 m**. Further drilling by Granges (1988) returned intersections including **10.4 g/t Au, 1.11 g/t Ag and 3.32% Cu over .43 m and 1.27 g/t Au and 0.55% Cu over 23.8 m**.

Three contiguous channel samples were taken by Prominex across the prospect trench near the inclined shaft for a total channel width of 3.5 m (Jacobs and Frew, 2005). Assays included up to **1.97% Cu and 4.15 g/t Au over .5 m and 0.45% Cu and 647 ppb Au over 1.5 m**. Drilling by Prominex (2005) revealed multiple zones of structurally-controlled pyrrhotite-chalcopyrite-gold mineralization within diabase, microgabbroic and pyroxenitic dykes. Best assays from drill hole intersections returned up **1.08% Cu, 11.7 g/t Ag, 1.87 g/t Au over 9.1 m and 1.3% Cu, 15.14 g/t Ag and 3.92 g/t Au over 2.5 m**.

Mineralization Model

Ophiolitic sequences throughout the region are host to numerous epigenetic gold and VMS type occurrences including the past producing Tilt Cove and Bett's Cove mines hosted by the Bett's



Map 1: Property Location

FOR MORE INFORMATION CONTACT:

Wayde Guinchard

Ph: (709) 364 3764

E-mail: waydeacm@yahoo.ca

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