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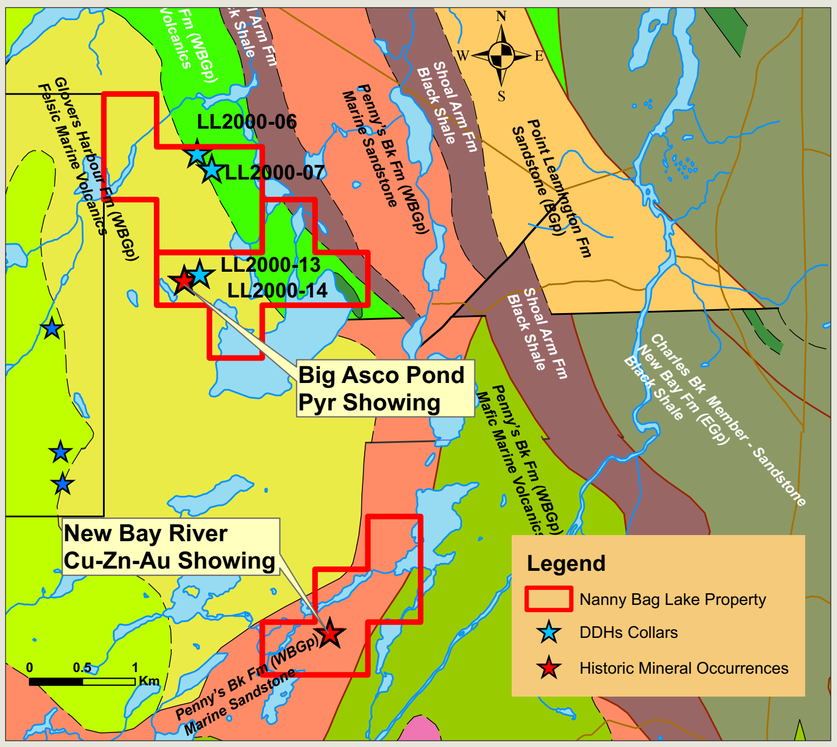
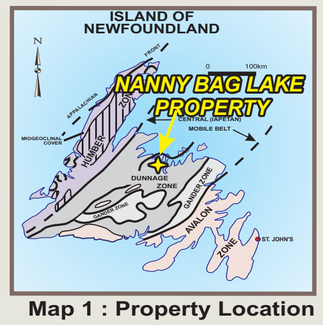
Nanny Bag Lake - Gold



Map 2 : Claims Location and Geology



Map 1 : Property Location

The ***Nanny Bag Lake Property*** comprises 2 separate licenses located approximately 10 km south of the town of Point Leamington. The property is accessible from woods roads off Highway 350, just east of the property, which connects the TCH at Bishop's Falls to Point Leamington (Maps 1 and 2). (NTS 2E/06) (Map 1).

Regional Geology

The Nanny Bag Lake Property lies within the structurally complex, NE Exploits subzone (Dunnage Zone) of central Newfoundland. The property covers a large felsic volcanic-intrusive complex, centred on Nanny Bag Lake, that is part of the Cambro-Ordovician ophiolitic Wild Bight Group. Felsic volcanic rocks elsewhere in the Wild Bight Group host significant massive sulphide deposits and occurrences including the Point Leamington Deposit, Lockport Mine and Seal Bay Prospect. The Badger Group, occurring mostly in the eastern part of the property, comprises a mid-Ordovician to early Silurian shale-turbidite sequence.

Local Geology

The northern licenses are underlain mainly by the Glovers Harbour and Sparrow Cove formations of the Wild Bight Group. The southern license is mainly underlain by the Penny's Brook Formation of the Wild Bight Group. The latter consists of a bimodal, tholeiitic volcanic suite of mafic pillowed and pyroclastic rocks and intermediate to felsic, quartz and feldspar phyric fragmental and flow rocks. The Penny's Brook Formation comprises mainly siliciclastics, interbedded with volcaniclastic units and, locally, pillow basalts. The Glovers Harbour Formation is bounded to the north east (overlain by?) an extensive sequence of siliciclastics and black shale, perhaps representing a post volcanic basin infill. The Penny's Brook Formation is commonly recognized as overlying the Glovers Harbour Formation and is considered the upper part of an underlying thrust slice. The repetition of stratigraphy and fault bounding of units is characteristic of thrust stack terrains. These mafic to felsic volcanics have associated gabbroic and granitoid intrusions. The Badger Group consists of Ordovician to Silurian shale-turbidite sequence

Previous Work and Mineralization

There are two historic mineral occurrences on the property, viz the ***Big Asco Pond Pyrite and the New Bay River Cu-Zn-Au showings*** (Map 2). The Big Asco ocurrence is underlain by felsic pyroclastics of the Penny's Brook Formation. Mineralization consists of disseminated pyrite hosted by felsic volcanic rocks over an extensive area.

At the New Bay River Cu Showing, samples collected during Rubicon's late 1990's exploration program, were weakly mineralized with pyrite and five of the samples contained trace amounts of chalcopyrite and sphalerite. One sample, which contained anomalous gold **(346 ppb Au**) consisted of jasper, hematite and silica (Singh, 2000). Other assays returned > **.22% Zn, up to 0.63% Cu and 4.1 g/t Ag.** Rubicon carried out a drilling campaign to follow up on EM targets. DDH LL2000-06 intersected grey chert with magnitite but this was not assayed. DDH LL2000-07 intersected **1.6 m of 1415 ppb Au including 3041ppb Au over 0.6 m,** contained in grey chert with magnitite. Anomolous Au was intersected from **48.1 to 63.9 m ranging from 12 ppb to 3014 ppb Au**. Neither hole satisfactorily explained the EM conductor being followed up. DDHs LL2000-13,14: these holes tested a limited area of a large IP anomaly with at least a 2 km extent, coincident with the west edge of a large magnetic high. Both holes encountered altered and mineralized quartz porphyry and quartz-feldspar porphyry. Alteration and mineralization continued to the end of the holes - 424 m and 153 m respct. These holes intersected extensive zones of 3-10% sulphides including py+/-po+/-cpy+/-sp in fractures, stringers, patchy concentrations and disseminations: assays returned up to **9898 ppm Cu, over 0.7 m and 2456 ppm Zn, over 0.7 m.** The Nanny grid was constructed after zinc-rich mineralization **(1-3% Zn, and up to 1.2 g/t Au and 38g/t Ag in grab samples**) was discovered. Both holes were collared at the same location. Other EM conductors were not followed up by Rubicon.

Highlights:
13 Km east of historic Point Leamington Deposit (PLD)
Alteration/mineralization indicate prospectivity for VMS
Up to 346 ppb Au, > .22% Zn, 0.63% Cu and 4.1 g/t Ag
PLD has NI 43-101 of 14,100,000 tonnes grading 1.86 % Zn, 0.42%

Exploration Model

The property lies approx 13 km to the east of the Mining Lease covering the Point Leamington Deposit, which represents the largest accumulation of massive sulphides in the Canadian Appalachians, outside the Bathurst Camp. There are many similarities in the geological setting of the Nanny Bag Lake property with the geology of the Point Leamington massive sulphide deposit, including, i) a prevalence of massive and clastic (brecciated) quartz porphyritic rhyolite and felsic intrusives; ii) presence of extensive hematitic volcanic and volcaniclastic rocks within the quartz porphyritic rocks (may be the peripheral part of an alteration system); iii) locally mixed felsic volcanic/volcaniclastic sequences host chert-jasper and sulphide-rich beds; iv) extensive areas of quartz-sericite-pyrite alteration typical of footwall alteration zones (2 zones of Zn-bearing mineralization were discovered by Rubicon Minerals (McVeigh, 2001) associated with this alteration). **The Point Leamington Deposit:** The Point Leamington mineralization is a large, felsic-hosted, gold-rich, Zn-Au-Cu-Ag massive sulphide deposit in a near-surface zone along a 500 m strike length and to depths of 360 m. The most important rock type in the area from an exploration viewpoint is a quartz porphyritic rhyolite occurring as flows and pyroclastics. Much exploration has been carried out culminating in an NI 43-101 Inferred Resource Estimate by Calibre Mining Corp in 2013 at a cut-off grade of **4.0% ZnEq, of 14,100,000 tonnes grading 1.86 % Zn, 0.42% Cu, 0.02% Pb, 1.07 g/t Au and 17.12 g/t Ag (6.15% ZnEq) containing 577M lb Zn, 130M lb, Cu, 6.2M lb Pb, 484,000 oz Au and 7,755,000 oz Ag**. The property was bought out by Newmarket Gold in 2014 who intersected up to 40 m of massive sulphide mineralization during diamond drilling and returned a number of intercepts including 13.38 m grading 2.5 g/t Au, 2.44% Zn and 0.90% Cu (PL14-079) and 10.57 m grading 1.0 g/t Au, 4.60% Zn and 0.39% Cu (PL14-078).

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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