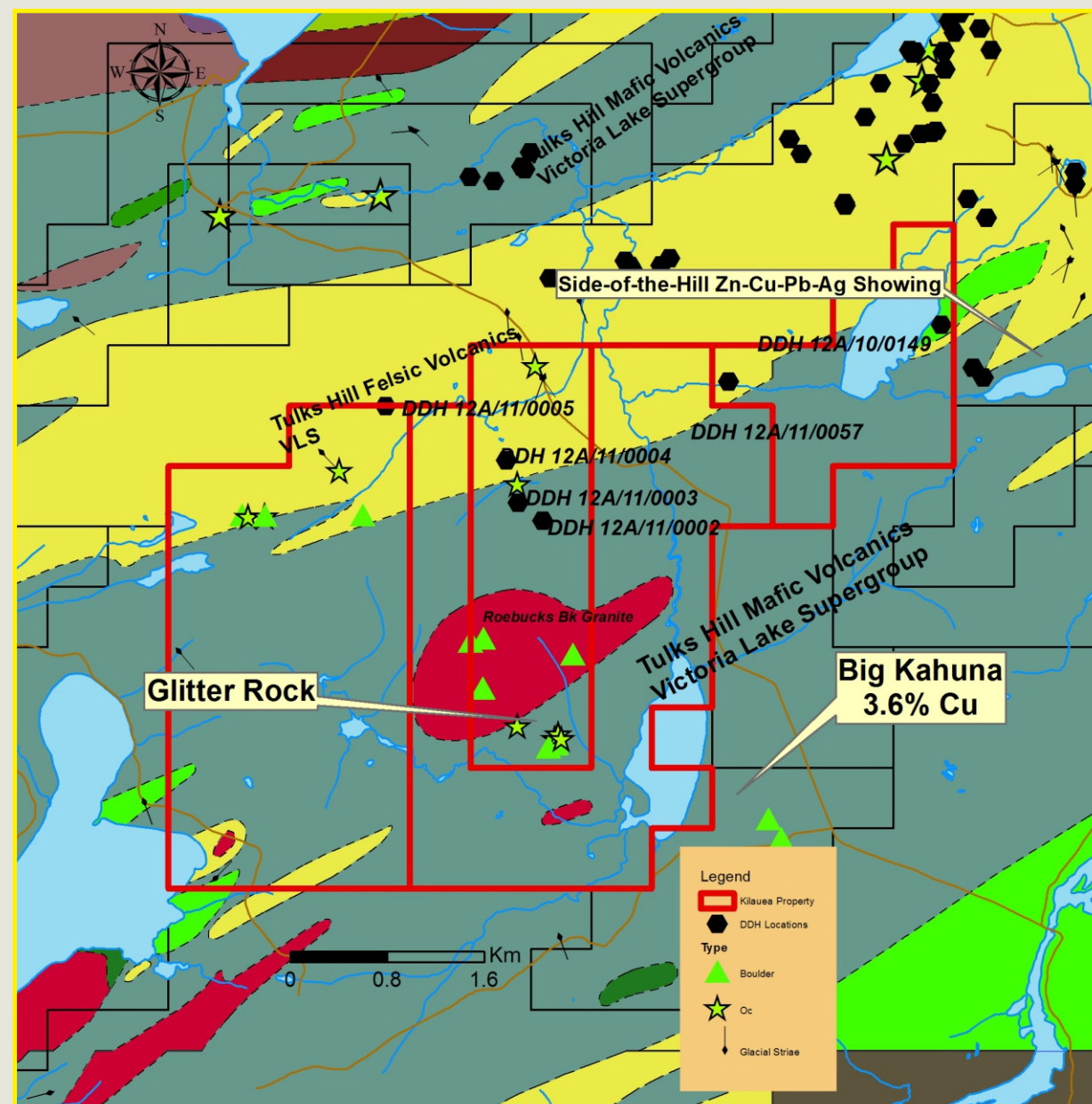


NEWFOUNDLAND & LABRADOR

Prospect · Discover · Develop



Kilauea - VMS



Map 2: Claims Location and Regional Geology

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:

- New discoveries of massive sulphide boulders
- Float returned 3.86% Cu, 38.9 g/t Ag

The **Kilauea VMS Property** is located in central Newfoundland near the the SE corner of Red Indian Lake. Access to the occurrence is via logging roads south from Millertown (NTS Map Sheets 12A/10, 11) (Maps 1 and 2).

Regional Geology:

The property lies within the Exploits Subzone (Dunnage Zone) and is underlain by the pre-Caradocian Victoria Lake Supergroup (VLS - Map 2) representing one of several pre-Caradocian island arc complexes in central Newfoundland. The group can be divided into two major regional lithofacies: 1) volcanic rocks in the southwest (Tuks Hill volcanics) and along the southeast margin (Tally Pond volcanics), and 2) a predominantly sedimentary facies laterally equivalent to, and derived from, the volcanic rocks. A variety of igneous plutonic rocks intrude the volcanics and sedimentary rocks.

Local Geology

The Tuks Hill volcanics (Kean and Jayasinghe, 1980) comprise numerous bands and lenses of volcanic and volcanoclastic rocks that occur in a belt extending from Pat's Pond to the mouth of Victoria River. They consist of predominantly felsic pyroclastic and minor mafic volcanic rocks that are intercalated with mafic to siliceous volcanoclastic rocks. The felsic volcanic rocks occur as locally extensive sheets of crystal and crystal-lithic tuff, breccia, porphyritic flows and shallow intrusives. Flow-banded rhyolite occurs locally. Felsic, pyroclastic breccias are also well developed. The mafic volcanic rocks are mainly pyroclastic. Pillow breccia occurs locally.

Mineralization and Previous Work

Little exploration work has been carried out on this area prior to that done by Messina in the early 2000's. Their 2005 work program included limited prospecting concentrated mainly along strike of the rusty weathered alteration zone, mapped in 2004, which is exposed sporadically for several hundred m along a logging road. This zone consists of disseminated and matrix/stringer pyrite-chlorite-chert-epidote-magnetite within a felsic flow breccia or breccia zone related to felsic intrusion. The unit was considered a potential exhalite horizon. Prospectors working for Messina in 2006 identified several massive sulphide boulders including the 460 tonne massive sulphide boulder named the 'Big Kahuna', located several hundred m E of the SE corner of the Kilauea property (Map 2). Several surveys were employed in an attempt to locate the source of the massive boulder. Clast analyses indicated a possible ice flow direction of WSW-ESE. A follow up till and soil survey was initiated on licence 9786M in an attempt to establish a dispersion pattern down ice of the Big Kahuna. No significant results were obtained. The boulder itself consisted of massive (up to 85%) fine to sugary pyrite with trace to 3% chalcopyrite and trace zinc, lead and galena with interstitial silica, carbonate and chlorite. Massive pyrite float containing visible base metal was located less than 1 km northeast of the Big Kahuna and ran trace base metals. Several samples from different parts of the Big Kahuna boulder ran 3.6% and 1.09% Cu. Due to the size of the boulder and the presence of pyritic float in the immediate area, it is postulated that a near surface sulphide massive sulphide deposit may be proximal.

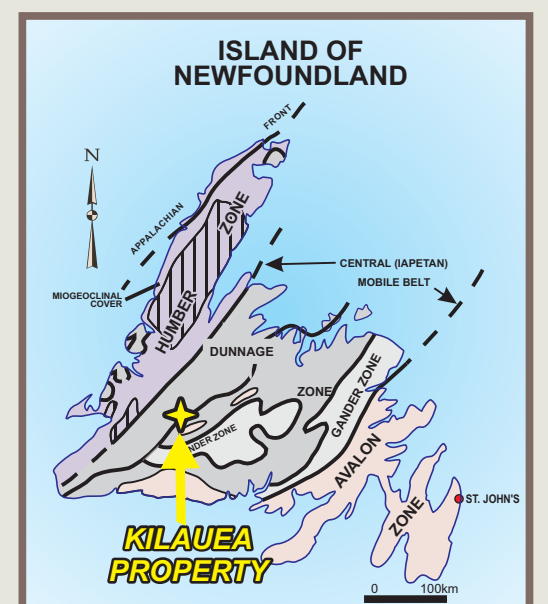
Recent prospecting by the present owners has led to the discovery of new massive sulphide boulders on the Kilauea Property. Preliminary assays from these boulders returned up 3.86% Cu and 38.9 g/t Ag. These new boulders appear similar to the Big Kahuna. Historical geophysical data (Map 3) indicate the presence of conductors near these new boulders suggesting a possible source area.

Other Historic Showings in the area.

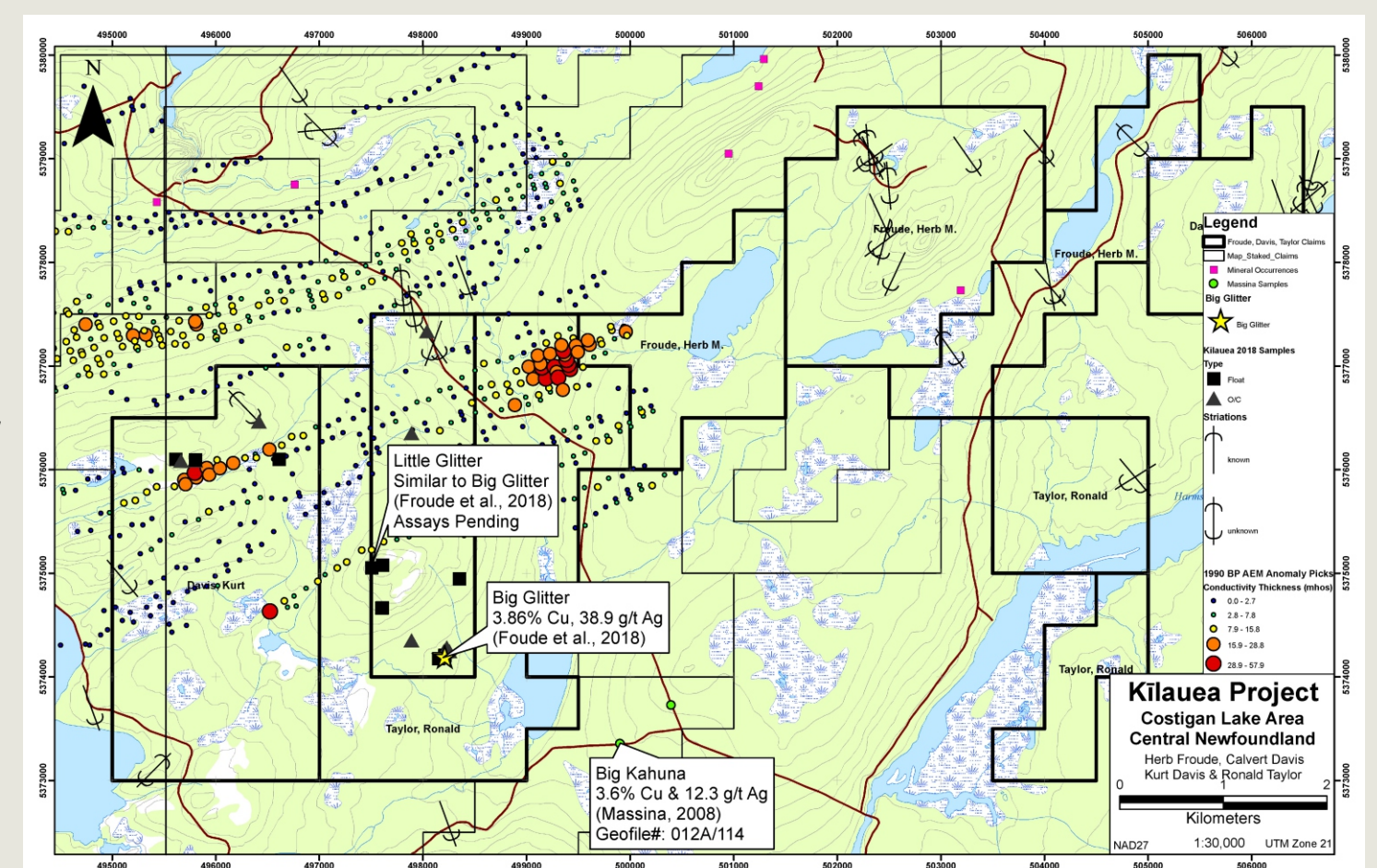
Adjacent to the Kilauea Property to the NE, the Side-of-the-Hill Zn-Cu-Pb-Ag Showing (Map 2) was discovered by Evans and Kean (1986) while carrying out exploration on the Jacks Pond VMS Prospect. See Michaelback Poster for details. Grabs returned up to **20 ppb Au, 10.7 g/t Ag, 465 ppm Cu, 6600 ppm Pb and 4500 ppm Zn**. The host rocks appear very similar to the rock groups in which the majority of the VMS deposits have been found within the larger area. Work to date has shown that the mafic and felsic volcanic rock units within the property are anomalous in base and precious metals. Quinlan (2011) reported scattered occurrences of minor disseminated chalcopyrite and sphalerite up to 1-2 % combined and up to **17g/t Au** in subcrop: recent work has identified other float material in the **1g/t Au** range scattered over a few hundred meters. This represents a new auriferous quartz vein system within the Michaelback Property: grab samples also returned up **0.26% Pb, 1.52% Zn and 0.5% Cu**.

Mineralization Model

The Victoria Lake Supergroup hosts numerous massive sulphide deposits and gold showings. New Cu-rich massive sulphide boulders found on the Kilauea Property indicate its potential to host another VMS type deposit.



Map 1: Property Location



Map 3: Historical Geophysical Anomalies

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