The Clydesdale Au Property is located on the southern side of the Baie Verte Peninsula and on the eastern shore of Micmac lake approximately 2 km east of the Baie Verte Highway, approximately 25 km SSW of the town of Baie Verte (NTS Map Sheet, 12H/09). The property can easily be accessed by boat (Evans, 2004) (Maps 1 and 2).

Regional Geology

Tectonostratigraphic Zone - Dunnage: The property lies within the Notre Dame Subzone of the Newfoundland Appalachians. The region is underlain by rocks of the Baie Verte Belt comprising i) Cambro-Ordovician Advocate Ophiolite Complex (AC), ii) Ordovician volcanic cover sequences of the Flat Water Pond Group (FPG), iii) Silurian terrestrial, volcanic and sedimentary sequences of the Mic Mac Lake Group (MLG) and iv) the Siluro-Devonian Burlington Granodiorite (Map 2). The Cambro-Ordovician sequences represent vestiges of Iapetus and formed in supra-subduction ophiolitic and primitive island arc environments.

Local Geology

The property lies 1 km east of the Baie Verte Line. Much of the western part of the property is underlain by the Micmac Lake Group comprising ash-flow tuffs, flow-banded rhyolite, massive mafic flows, conglomerate and sandstone, cut by felsic sills and late gabbroic dykes. The Flatwater Pond and Micmac Lake groups are in fault contact along the Micmac-Flatwater Fault, which trends sub-parallel to the Baie Verte Line. In the eastern part of the property, the Micmac Lake Group is intruded by the Siluro-Devonian Burlington Granodiorite. Small gabbroic bodies occur at the mafic volcanic – granodiorite contact. Four late fault zones are identified proximal to the western margin of the granodiorite body, transecting the granodiorite, gabbro and mafic volcanic units.

Mineralization

The Clydesdale Au Showing occurs in the northern part of the property. The Clydesdale prospect is an auriferous quartz-pyrite vein system, comprised of two, hematitic, 5 to 20 cm wide, quartz veins developed over a 1.4 m wide interval within chloritized and saussuritized Burlington Granodiorite (?) (MacDougall, 1988a). The veins are laminated, exhibit comb-textures and contain up to 30% coarse disseminated pyrite and minor chalcopyrite. The wall rock adjacent to the veins contains up to 1 to 2% disseminated pyrite. The veins appear to be fracture-controlled. The prospect occurs approximately 50 m SE of a major topographic linear which may mark the contact between the Flatwater Pond Group and the Burlington Granodiorite (MacDougall, 1988a). The Clydesdale prospect has been tested by three trenches, only two of which exposed bedrock, and a single 24 m long Winkle diamond-drill hole (WP-88-1). The Winkle drill hole intersected four mineralized quartz veins over a 2.4 m interval (MacDougall, 1988). The veins varied from 5 to 20 cm in width and contain up to 10% disseminated pyrite. Assay results for the veins ranged from 0.6 to 2.3 g/t Au and for the altered wall rock adjacent to the veins up to 0.1 g/t Au. Channel and chip sampling of the mineralized veins have assayed up to 59.6 g/t Au over 0.15 m, 29.0 g/t Au over 0.2 m and 10.7 g/t Au over 0.1 m. The best combined assay across the two veins averaged 6.6 g/t Au over 1.4 m. The other channels typically averaged 1.0 g/t Au over the 1.4 m interval (MacDougall, 1988).

Numerous gold showings occur immediately south of the property (Map 2), many, including the El Strato and Voodoo showing, discovered by Noranda Exploration in the late 1980’s during a regional exploration program. Numerous additional gold showings are identified to the NE of these occurrences over an approximate 3 km strike length, related to the Northeast Extension, Crooked Creek and Arrowhead fault zones.

The Crooked Creek Showings consist of multiple auriferous quartz (+/- carbonate) veins hosted in multiple faults along Voodoo Brook. Assays from grab samples include 18.0 g/t Au, 35.5 g/t Au, 44.8 g/t Au and 62.0 g/t Au. The Arrowhead showings consist of large angular quartz boulders (subcrop?), sourced to potential outcrop from which a grab sample (subcrop) returned an assay of 13.8 g/t Au. Other grabs from this area include 12.7 g/t Au and 54.3 g/t Au. Drilling along the Arrowhead linear in 2011 intersected up to 7.39 g/t Au over 0.8 m. The El Strato Au Showing is a 0.5 m wide quartz vein within silicified pyritiferous mafic volcanic rock, with a strike length of approx 40 m (MacDougall, 1990). It contains disseminations and bands of sphalerite, galena and pyrite with minor chalcopyrite and bornite. Grab samples have assayed up to 155.7 g/t Au, chip samples up to 239.6 g/t Au (over 0.5 m) (Bradley, 2000). Significant base metal-silver values are up to 1.0% Cu, 7.7% Pb, 5.5% Zn and 1.0 oz/t Ag (MacDougall, 1989). DDH ML 99 07 drilled on the El Strato returned an intersection with 9.96 g/t Au, 15.6% Pb, 1.88% Zn and 41.48 g/t Ag over 30 cm. The Voodoo Showing consists of numerous angular 1 to 2 m quartz vein blocks containing disseminated to banded pyrite, galena, sphalerite, minor chalcopyrite and locally visible gold. Assays returned values up to 105.3 g/t Au.

Highlights

- One historic Au occurrence on property
- Channels/chips up to 59.6 g/t Au over 0.15 m
- Numerous historic Au-Base Metal occurrences nearby
- Up to 1.0% Cu, 7.7% Pb, 5.5% Zn, 1.0 oz/t Ag
- Deposit Model: Fault zone hosted orogenic gold
- Significant vein-hosted base metals

The Mic Mac Lake NE Showing consists of several quartz carbonate veins occurring in multiple outcrops along the banks of Voodoo Brook. Two northeast-trending sub-parallel faults host each of the three main gold bearing veins (20-30 cm wide). Assay values include 5.2 g/t, 6.6 g/t, 9.8 g/t, 12.9 g/t and 15.0 g/t Au. The Mega Vein occurs within sheared gabbro and is mantled by a zone of pervasive quartz-carbonate alteration 2 m wide. The vein is up to 8 m wide and comprises massive quartz with patchy hematite and disseminated pyrite; grab samples assayed up to 325 g/t Au. Quartz-carbonate-chlorite veinslets within the vein contain chalcopyrite and assayed up to 469 g/t Au, 2.5% Cu and .56 ozs/t Ag (MacDougall, 1989). The Rocky Bottom trend, a 1.75 km long high chargeability anomaly in the west of the property resulted in the discovery of gold mineralization over its entire strike length. Grid prospecting during 2010 identified auriferous quartz veins; grab assays returned values up to 20.3 g/t Au and 61.7 g/t Au. Drilling by Cornerstone along this trend during 2011 intersected gold grades up to 14.23 g/t Au over 1.2 m, 3.15 g/t Au over 3.2 m, 3.01 g/t Au over 0.8 m and 2.16 g/t Au over 1.6 m (Dyke, 2012).

Mineralization Model

Mineralization on the property consists of fracture-controlled, orogenic/mesothermal style quartz +/- carbonate veins. Numerous, significant Au showings in adjacent properties indicate the potential for economic gold deposits in this area. The Baie Verte Peninsula has a strong mining culture and skilled labor force with experience in mineral exploration and hard rock mining. A paved highway and high voltage power line lie immediately west of the property and the Nugget Pond gold mill, which is owned and operated by Rambler Metals and Mining PLC, is located just 85 road km’s to the northeast. These factors place the project in an excellent geographic location (Dyke, 2012).