

MAGNETOMETER ASSESSMENT REPORT
on the
QUEEN GULCH PROJECT
63.955N by 139.22W
UTM 582292.31E x 7093098.41N
KLONDIKE GOLDFIELDS, YUKON
NTS:1150/14, Bonanza Creek Area

for

Homegold Resources Ltd.
Unit 5 – 2330 Tyner Street
Port Coquitlam, BC
V3C 2Z1

by

J. T. Shearer, M.Sc., P.Geo. (BC & Ontario)

September 26, 2018

Work Completed between June 1 and September 15, 2018

TABLE of CONTENTS

	<u>Page</u>
LIST of ILLUSTRATIONS and TABLES	ii
SUMMARY	iii
INTRODUCTION	1
LOCATION and ACCESS and FIELD PROCEDURES	3
CLAIM STATUS	5
HISTORY	6
REGIONAL GEOLOGY	13
PROPERTY GEOLOGY	13
WORK PROGRAM 2018	20
INTERPRETATION and CONCLUSIONS (Discussion of Results).....	21
RECOMMENDATIONS.....	22
COST ESTIMATE for FUTURE WORK	24
REFERENCES	25
APPENDICES	
Appendix I Statement of Qualifications.....	26
Appendix II Statement of Costs, Queen Gulch	27
Appendix III Magnetometer	28
Appendix IV GPS Readings	32

LIST of ILLUSTRATIONS and TABLES

		<u>Page</u>
FIGURE 1	Location Map.....	iv
FIGURE 1a	Detail Location, Google Image.....	v
FIGURE 2	Placer Claims	1
FIGURE 2a	Claim Map Showing Old Railway Right-of-Way	2
FIGURE 3	Regional Bedrock Geology Map.....	7
FIGURE 4	Location of RC Holes and Test Pits 2017	11
FIGURE 5	Google Image of Queen Gulch	14
FIGURE 6	Overall Location of Magnetometer Survey 2017	15
FIGURE 7	Magnetometer – West Section Detail	16
FIGURE 8	Magnetometer – West Central Section Detail	17
FIGURE 9	Magnetometer – East Central Section Detail.....	18
FIGURE 10	Magnetometer – East Section Detail.....	19

TABLES

		<u>Page</u>
TABLE I	List of Claims.....	5

PHOTOS

		<u>Page</u>
PHOTO 1	Test Pit 1	4
PHOTO 2	Test Pit 3	4
PHOTO 3	Reverse Circulation Drill Rig on Site	9
PHOTO 4	Initial Concentration of Reverse Circulation Drill Cuttings.....	12
PHOTO 4a	Initial Concentration of Reverse Circulation Drill Cuttings.....	12
PHOTO 5	Taking Magnetometer Readings	20
PHOTO 6	Final Screening, Panning and Microsluice of Heavy Concentrate.....	23

SUMMARY

The 2018 work program consisted of minor reclamation and an initial ground magnetometer survey.

The ground magnetometer shows a series of short magnetic lows (100 gammas) which could correlate with the extensions to the southeast of the Queen Gulch gold-bearing gravels or local fault zone which controls the course of the Queen Gulch Creek. These highs are in the area of overburden.

The previous 2017 work program consisted of 4 test pits in May and a 17 hole reverse circulation drill campaign in July/August.

A 30 to 40 kg sample were collected every 5 feet from the reverse circulation drill's return cyclone and sluiced on site to a 1 to 2kg of heavy concentrate.

Later the heavy concentrates were screened and further concentrated with combination of screening, careful panning and a micro sluice. The amounts of gold and associated heavy minerals were noted.

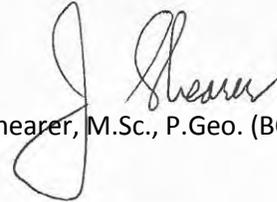
Geology of Queen Gulch was observed to be a series of schistose rocks dominated by NE-SW striking quartz-muscovite schist, chloritic schist and to the west a distinctive graphitic schist.

Evidence of very old mining was noted, especially in the lower portion of the claims but the presence of the Klondike railway right-of-way through the claims indicates historic mining was not permitted upstream of the railway.

Conversations were held with former owners of the claims who still reside and work in Dawson City.

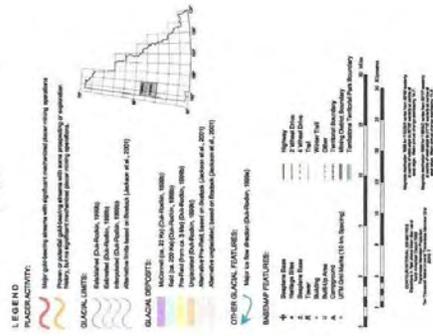
Future exploratory work should focus upstream of the old railway right-of-way above the noticeable break-in-slope. Auger drilling should be a suitable method to conduct this investigation.

Respectfully submitted,



J. T. Shearer, M.Sc., P.Ge. (BC & Ontario)

DAWSON AREA PLACER ACTIVITY MAP
Scale: 1:50,000



Location of Queen Gulch

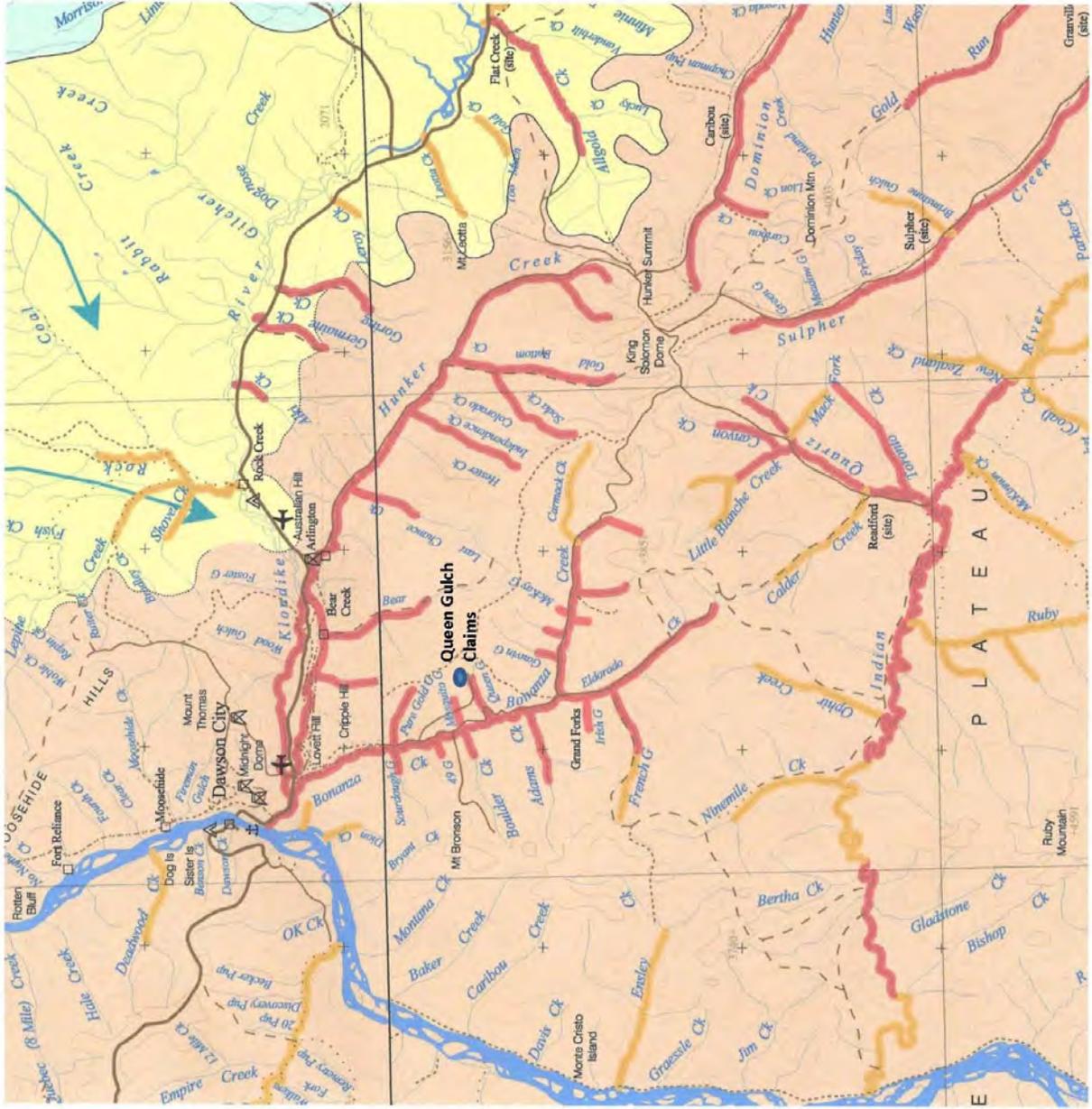


Figure 1 Location of Queen Gulch Claims



Figure 1a Google Image of Queen Gulch

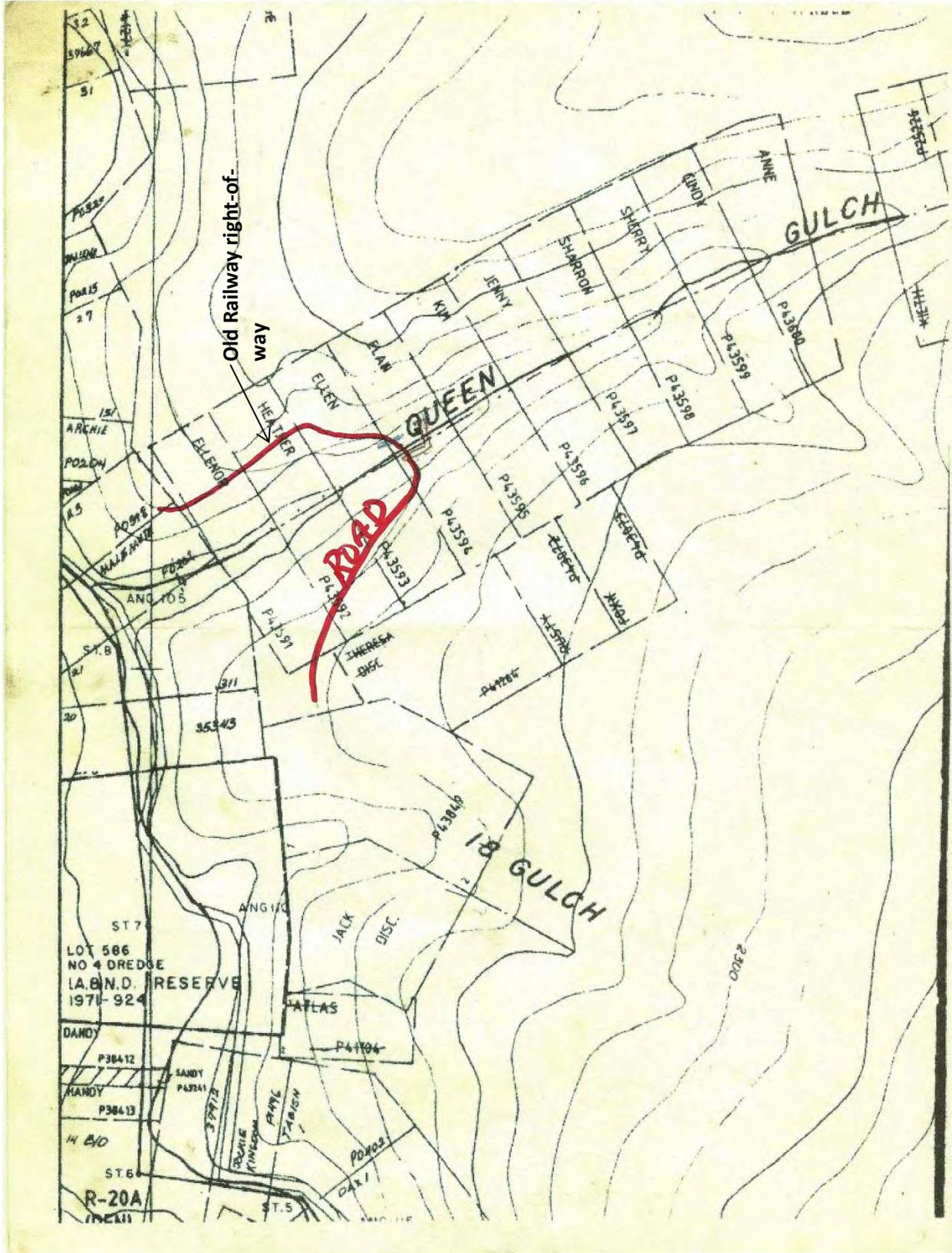


Figure 2a Queen Gulch Road

LOCATION and ACCESS and FIELD PROCEDURES

The placer property is located on Queen Gulch which is approximately 11.2 kilometres southeast of Dawson City. Queen Gulch is a tributary of Bonanza Creek and flows westerly into Bonanza Creek on its eastern bank. Queen Gulch is found on NTS map sheet 115-O-14 in the Dawson Mining District (Figure 1) 582292.31E 7093098.41N, 512 elevation.

Access

The placer claims are shown on Figure 2. Access to the Queen Gulch Property is via the Klondike Highway from Dawson City then southeast along the Bonanza Creek Road for 11.2km. From the Bonanza Creek Road, a 4 X 4 tote road goes easterly along Queen Gulch. During the exploration phase of the project, personnel were located in accommodations in Dawson City. During future operations a small camp may established at existing on-site camp facilities.

Field Procedures

The magnetic survey was carried out, using a Sharpe MF1 fluxgate magnetometer by experienced field operators (B.Lennan & K.Hannan). This instrument measures variations in the vertical component of the earth's magnetic field to an accuracy of 10 gammas. Corrections for diurnal variations of the earth's field were made by tying-in to previously established base stations at intervals. Approximately every 2 hours readings were taken at the original base station to measure any change in diurnal variations.

Readings were taken facing north using the 30k gamma reading selection. All metal objects were removed; magnets, metal field books, caulk boots, metal belt buckles, coins, pens etc. As a prospecting tool the Sharpe MF1 can give anomalous readings that can be followed up by prospecting or geochemistry sampling survey. Both high and low readings are worth considering.

The gravel stratigraphy was noted during test pit excavation along with location data and samples from the bottom of each pit. Each sample was panned down to a heavy concentrate. The gravels were observed to be wet, therefore the program was changed from auger drilling to reverse circulation drilling.

Each Reverse Circulation drill hole was located in the field by Garmin GPS which was laid out previously using hipchain and compass. Five lines were marked in the field. Line 4 was located at the old railway crossing over Queen Gulch Stream. Samples were carefully collected in large plastic bags from each 5-foot interval. Each 5-foot interval was carefully concentrated using a small highbank sluice. Sample weight and volume were measured for each sample before sluicing.

Heavy concentrate from every sample in the highbank sluice results were put in heavy duty freezer bags. At a later date, these heavy concentrates were further screened, panned down and run through a micro sluice to reveal the number of gold grains.



Test Pit #1 Dark Graphitic Gravel, Abundant Quartz



Test Pit #2 Brownish Micaceous Schist Gravels, Abundant Quartz

Photo 1 and 2 Queen Gulch Test Pits

CLAIM STATUS

The Queen Gulch Placer Property consists of 10 placer claims and are listed as follows and shown in Figure 2:

Claim Name	Claim Number
Ellenor	P43591
Heather	P43592
Ellen	P43593
Elan	P43594
Kim	P43595
Jenny	P43596
Sharron	P43597
Sherry	P43598
Cindy	P43599
Anne	P43600

An old P21137 Post was located near the “Z” course in Queen Gulch Creek.

The claims are in good standing for 3 years with an extra 2 years in reserve.

HISTORY

Exploration History

Queen Gulch has been explored intermittently since the 1898 Gold Rush and then by the Yukon Consolidated Gold Company who mined downstream on Bonanza Creek with Dredge #4. There is no recorded production except in 2002 but old timer mine workings are evident on Queen Gulch. The Queen Gulch Placer Property covers the lower end of the creek. One shaft, several cleared areas and one trench across an inferred bench on the SW side of the creek likely date from the early 1900's.

The claim area is not in First Nation Settlement Lands but J. Shearer has consulted with the local First Nation to establish a working relationship.

Geological Description and Previous Work

The Queen Gulch drainage is underlain by bedrock material consisting of metamorphic rocks found southwest of the Tintina Trench and is identified as "Klondike Schist": Klondike Schist consists of mainly buff weathering, light pale green quartz - muscovite - chlorite schist, and schistose - chloritic quartzite, with all intermediate rock types also present - minor silvery muscovite schist, fine grained quartz - biotite gneiss, thinly laminated quartz - graphite – sericite schist and quartzite. South of Queen Gulch the area is underlain by Devonian to Upper Devonian SnowCap FM quartzite, psammite, pelite and marble; minor greenstone and amphibolite (Figure 3). Observations in 2017 indicate that the local rock types are dominated by NE-SW striking quartz-muscovite schist, chloritic schist and to the west a distinctive graphitic schist.

During the late 1920s to 1935, hard rock exploration was primarily focused on locating sources for the gold in the placer deposits. This work focused on exploring quartz veins cutting through the Klondike Schist as several veins had been uncovered in bedrock to the north of the Queen Gulch Property. Several adits were constructed in several gulches to the north which intersected quartz veins to 35 cm wide. Sulphide mineralization was sparse and trace amounts of gold were identified along fractures in the veins. It was believed that the gold had migrated into the fractures from overlying colluvial material rather than from hydrothermal processes. A conclusive finding of the source of the gold in the vein fractures was not determined at the time. One short adit was apparently driven for approximately 3 m in the steeper slopes of Queen Gulch; however, the location of the adit was not documented and remains unknown.

The fluvial material lying above the Klondike Schist bedrock consists of fluvial gravels derived from the eroded bedrock. The area of Queen Gulch has not undergone glaciation. The gravel, sand and organic stratigraphy has been determined during the current exploration program. From the historic knowledge of the area, it is reasonable to assume that the Queen Gulch fluvial gravels and sands are overlain by and organic layer of soil and vegetation commonly referred to as "black muck". The thickness of this material above the fluvial gravels and sands was determined during exploration drilling and/or trenching.

Limited mining has been conducted in the past on the property; however it is not known where the historic operations were located nor is the amount of gold produced. Anecdotal information indicates that up to 600 troy ounces of gold were produced. In 2002, royalty payment records for the 600 troy ounces of gold in 2002 have been viewed; however, the location on Queen Gulch from which the gold

was mined has not been ascertained. Past production plans and additional royalty payments were investigated at the Dawson District Mining Records Office.

The only previous recorded exploration work conducted on the Queen Gulch Property was a seismic survey was conducted on Placer Lease #8563 in Queen Gulch on May 31, 1991. This survey was conducted by seismic consultant, Ted Sandor of Whitehorse YT. Mr. Sandor processed field recordings and interpreted the data received. A total of five seismic stations were established at approximately 215 m intervals longitudinally along the center of Queen Gulch valley which is where the deepest depth to bedrock was anticipated. From east to west the depth to bedrock was found to be 4.5 m increasing to 6.7 m to bedrock nearer to Bonanza Creek. This was not unexpected as it appears that the alluvial material forms a fan near the mouth of Queen Gulch before it enters Bonanza Creek. Observations in 2017, show that the Ellenor Claim is underlain by White Channel gravels.

This limited amount of previous exploration information is useful for the 2017 exploration program as it provides bedrock depth information for exploration drilling and/or trenching. The seismic report of 1991 does not describe the presence of permafrost layers within the organic soils nor in the fluvial gravels. The seismic report also does not identify clear breaks between different fluvial layers such as gravels, sands, silts or clay. This may have been a result of the very limited extent of the survey. As previously described, the survey appears to have identified the bedrock/gravel interface which will assist with providing a cross-sectional profile for the proposed drilling program.



Figure 3 Regional Bedrock Geology

2017 Work Program

A track mounted Reverse Circulation drill was utilized to explore the alluvial material contained in Queen Gulch for the purpose of discovering placer gold deposits and assessing the grade and value of those deposits. Before completion of the drilling program, trenching was completed utilizing an excavator to obtain bulk samples. The exploration program is chronologically outlined as follows:

- 1) Establish five grid lines perpendicular to the Queen Gulch claim base line in and NW SE direction across width of placer claims Ellenor P43591, Heather, Ellen P43593, Elan, Kim P43595. Place station flags every 50 m along each of the six lines for distance of 500 m both NW and SE of the claim baseline.
- 2) Select 3 of the 50 metre stations NW of the claim base line at the center of Kim P43595, Sharron P43597 and Cindy P43599 and select 3 of the 50 metre stations SE of the claim baseline of the above noted claims. These will be drill hole locations. At claims Ellenor P43591, Heather P43592, and Ellen P43593 mark another five of the 50 metre stations both NW and SE for potential drill hole locations. This will establish 4\17 potential drill hole locations along the six grid lines noted in item 1). It is anticipated that drill hole depths will range from 4.6 to 7.6 metres where bedrock is expected based on the 1991 seismic survey conducted by others.
- 3) The soil and fluvial sands and gravels will be logged as to geologic features such as grain size, composition and colour at each hole from the Reverse Circulation cyclone.
- 4) The geological borehole logs will then be used to construct six cross-sections across Queen Gulch valley from which fluvial stratigraphy will be established and mapped from one cross-section to the next to determine the buried channel configuration.
- 5) All fluvial material collected from the reverse circulation cyclone was saved in over 1.5m intervals and placed in containers calibrated in cubic feet (or fractional portions thereof). Each sample will be marked as to drill hole number and depth interval.
- 6) The volume of each sample was recorded. Each sample will then be processed through a small wash plant and sluice system. The sluice riffles and matting will be washed into a concentrating device such as a gold pan and further concentrated. The shape and size of any gold flakes will be recorded and the gold will be extracted from the panned concentrate. The gold accumulated from the sample will be dried and weighed. With the volume of the sample recorded and the weight of gold recovered also recorded, a total weight and value of gold will be factored up using calculations to arrive at a grade (gm/yd³) and value per cubic yard (\$yd³) of material to be mined.
- 7) Based on the value per cubic yard of material calculated from the drill hole sampling, a small program of excavator trenching at the drill holes exhibiting the greatest values will be carried out to produce a small bulk sample to confirm the drill hole results.



Photo 3 Reverse Circulation Drill Rig on Site

8) With favourable results from the exploration program, a mine plan can then be designed

The entire exploration program took 20 days to complete. The work required two drill operators (driller & helper), one geologist, and two sample handlers and processors.

The equipment used consisted of a track mounted reverse Circulation drill, an excavator (Cat 225) and a small sample wash plant consisting of material wash tray with screen emptying into a 10 inch wide by 4 foot long “long tom” sluice equipment with 1 inch expanded metal riffles over matting. A 2 to 3 inch Honda type pump was used to bring water from Queen Gulch to the water manifold on the wash tray and screen assembly. The wash water brought the gold bearing material into the long tom sluice.

A preliminary GPS traverse up the 4x4 road on the north side of the claims was as follows:

71m from 1st line at west end of claims to possible old pond WP053
278m to Tr 1
20m to 2 pink flags
30m up road to WP053 07V 0581714 7092725 Elevation 458m
246m to start of road crossing 142° bearing lines (old railway R/W)
WP055 2nd line 0581829 7092820 74m elevation
WP057 60m to down to Trench 4
WP058 1+1000 flag
WP059 1500'
188 way around WP060+upper road 157m (railway R/W crosses creek)
247m to “end” of road WP061
Trench 2 496m elevation

The location and description of test pits dug by the excavator are contained in Appendix III. The black muck layer was quite thin and unfrozen. Coarse gravels were noted below 3 feet and are wet. Locations are plotted on Figure 4.

The location of the 17 Reverse Circulation holes are plotted on Figure 4. Samples were collected every 5 feet (1.5m). Sample volumes were carefully measured before sluicing to a heavy concentrate (see Appendix V).

Drillholes were spaced approximately 10m apart on 5 lines oriented perpendicular to the Creek. The highest elevation was 503m (Hole 1 on Line 5 Site 1) which was just above creek level down to just below Hole 17 (Line 1-Site 1) at an elevation of 459m over a distance of about 6,000m. There is a noticeable drop in elevation just above the railway R/W.

Old spoil piles are evident around Line 2 and Line 1 from very old previous mining.

The high point in a north-south direction (perpendicular to the creek gully) is on the 4x4 access road and varies from about 498m on Line 3 to 484m at creek level on Line 3.



Photo 4 and 4a Initial Concentrate of Reverse Circulation Drill Cuttings, Highbank Test Sluice

REGIONAL GEOLOGY

Geology & Economic Mineralization

Queen Gulch is underlain by Klondike Schist, the same rock unit underlying all major placer creeks in Klondike district. The creek is an area of relatively low rolling topography. The placer property covers up and down stream of a prominent change in stream gradient along Queen Gulch. The section in Queen Gulch is NOT frozen and consists of loess (Black Muck), grey gravel and lowermost orange/yellow gravel lying on highly weathered bedrock. Airphoto analysis suggests Bonanza Creek benches may be present in the lower half of the property.

Queen Gulch is on the east side of Bonanza Creek and the location of both creeks may be controlled by a bedrock fault. Eldorado Creek and Bonanza Creek were the richest creek mined during the Klondike Gold Rush and still currently produces thousands of ounces of gold per year.

PROPERTY GEOLOGY

The fluvial material lying above the Klondike Schist bedrock consists of fluvial gravels derived from the eroded bedrock. The area of Queen Gulch has not undergone glaciation. The gravel, sand and organic stratigraphy has been determined during the current exploration program. From the historic knowledge of the area, it is reasonable to assume that the Queen Gulch fluvial gravels and sands are overlain by and organic layer of soil and vegetation commonly referred to as “black muck”. The thickness of this material above the fluvial gravels and sands was determined during exploration drilling and/or trenching.

Geology of Queen Gulch was observed to be a series of schistose rocks dominated by NE-SW striking quartz-muscovite schist, chloritic schist and to the west a distinctive graphitic schist.

Evidence of very old mining was noted, especially in the lower portion of the claims but the presence of the Klondike railway right-of-way through the claims indicates historic mining was not permitted upstream of the railway.

The only previous recorded exploration work conducted on the Queen Gulch Property was a seismic survey was conducted on Placer Lease #8563 in Queen Gulch on May 31, 1991. This survey was conducted by seismic consultant, Ted Sandor of Whitehorse YT. Mr. Sandor processed field recordings and interpreted the data received. A total of five seismic stations were established at approximately 215 m intervals longitudinally along the center of Queen Gulch valley which is where the deepest depth to bedrock was anticipated. From east to west the depth to bedrock was found to be 4.5 m increasing to 6.7 m to bedrock nearer to Bonanza Creek. This was not unexpected as it appears that the alluvial material forms a fan near the mouth of Queen Gulch before it enters Bonanza Creek. Observations in 2017, show that the Ellenor Claim is underlain by White Channel gravels.

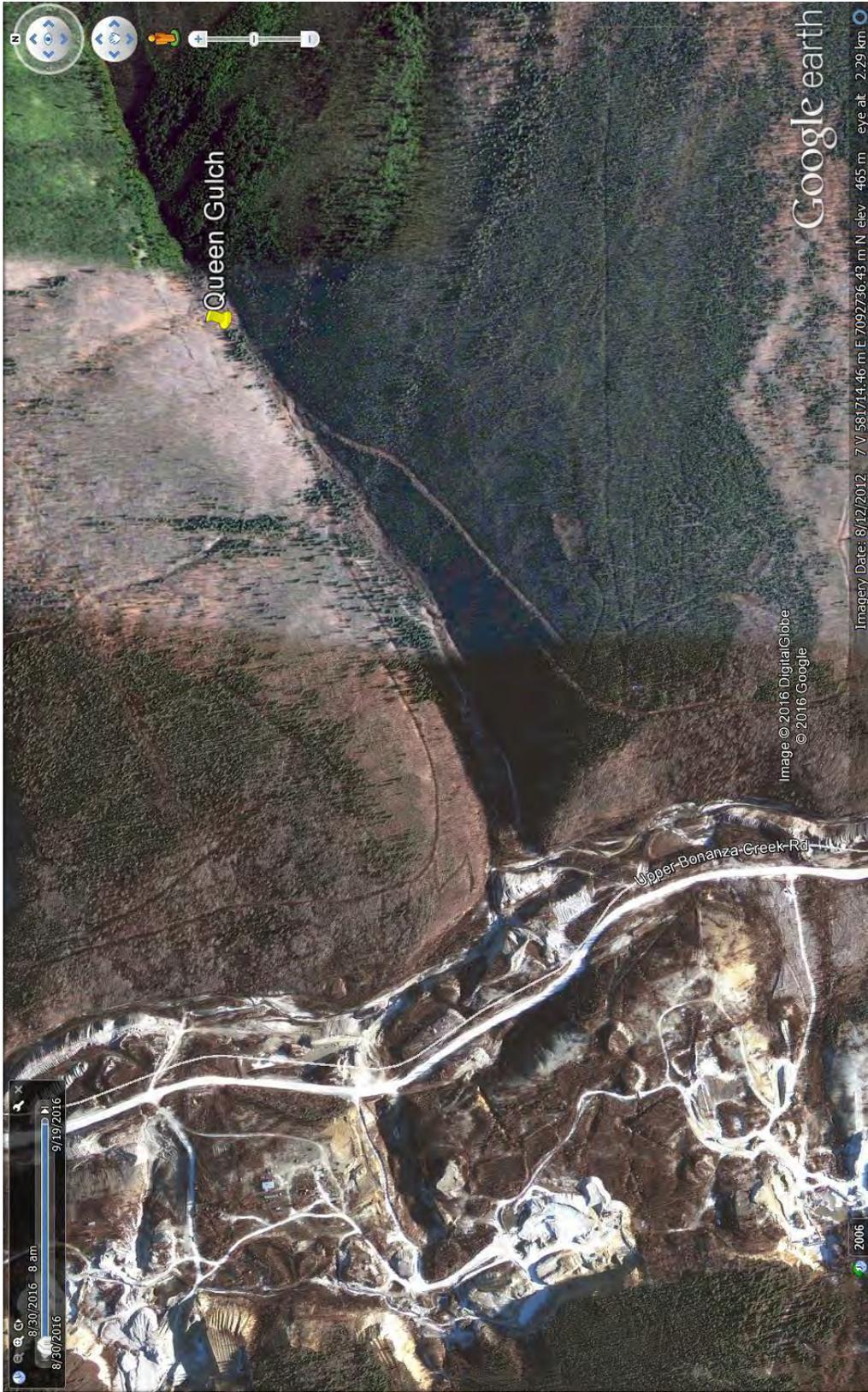
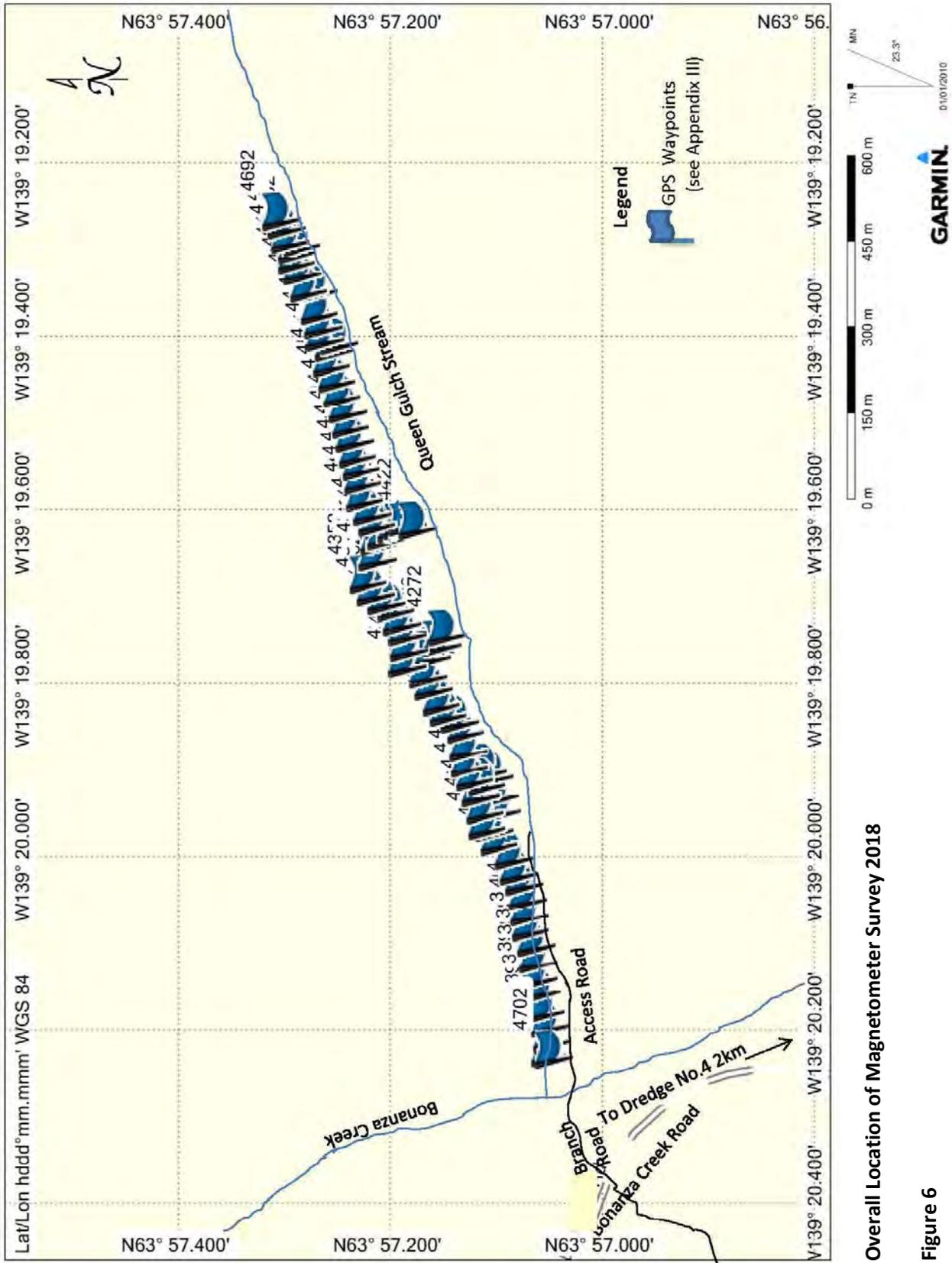
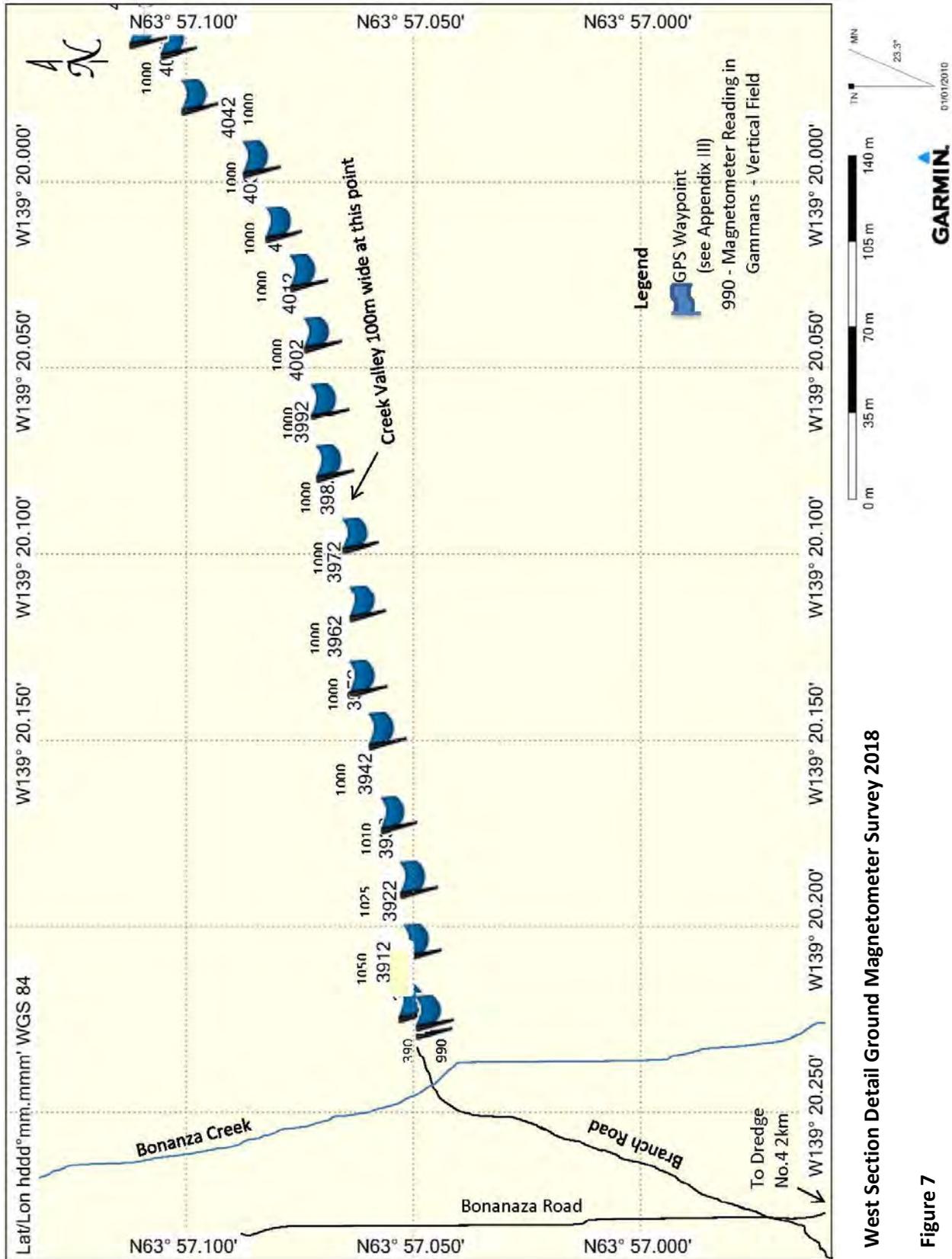


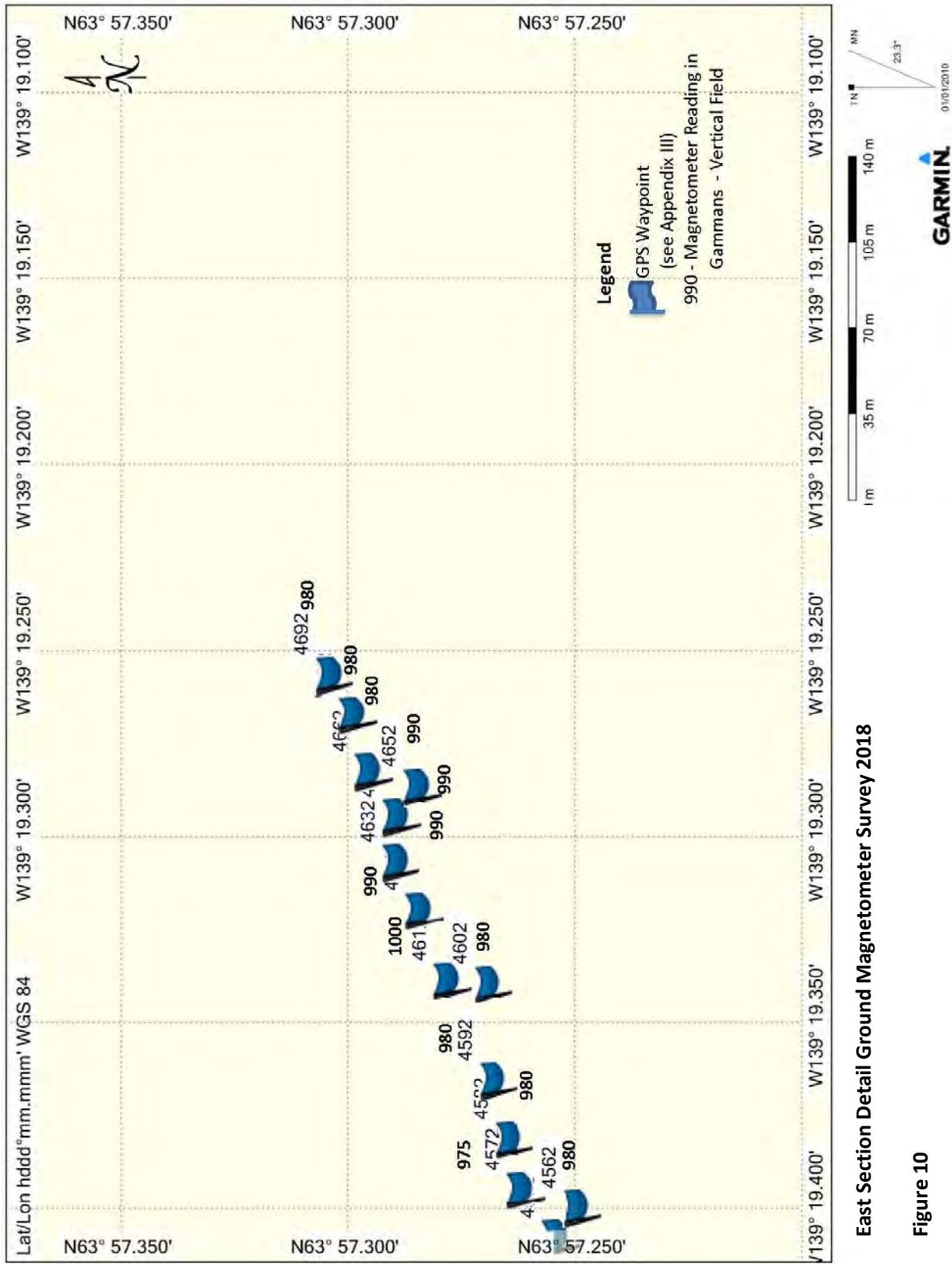
Figure 5 Google Image of Queen Gulch



Overall Location of Magnetometer Survey 2018

Figure 6





East Section Detail Ground Magnetometer Survey 2018

Figure 10

WORK PROGRAM 2018

The magnetic survey was carried out, using a Sharpe MF1 fluxgate magnetometer by experienced field operator (B.Lennan & K.Hannan). This instrument measures variations in the vertical component of the earth's magnetic field to an accuracy of 10 gammas. Corrections for diurnal variations of the earth's field were made by tying-in to previously established base stations at intervals. Approximately every 2 hours readings were taken at the original base station to measure any change in diurnal variations.

Readings were taken facing north using the 30k gamma reading selection. All metal objects were removed; magnets, metal field books, caulk boots, metal belt buckles, coins, pens etc. As a prospecting tool the Sharpe MF1 can give anomalous readings that can be followed up by prospecting or geochemistry sampling survey. Both high and low readings are worth considering.

The ground magnetometer shows (figures 6 to 10) a series of short magnetic lows (100 gammas) which could correlate with the extensions to the southeast of the Queen Gulch gold-bearing gravels or local fault zone (which control the location of Queen Gulch Stream).



Photo 5

Taking Magnetometer Readings
2018

INTERPRETATION and CONCLUSIONS (Discussion of Results)

An exploration program consisted of four test pits and 17 Reverse Circulation drill holes was completed between May and August 2017. Subsequently, a ground magnetometer survey was completed in 2018.

The results were carefully evaluated to guide future exploration and potential production. The western 3 claims are traversed by the right-of-way of the Klondike Railway. Evidence of old mining was noted on the Ellenor and Heather claims (west of the railbed) and more recent exploration (shaft and sluice) were noted around where the rail right-of-way crosses Queen Gulch Creek on the west side boundary between Ellen and Elan Claims.

More gold was noted in the reverse circulation drill samples above (to the east) of the rail crossing. Very little evidence of old exploration is apparent on the seven claims upstream of the rail crossing.

Anecdotal stories from a former claim owner references nuggets being found in auger holes above the rail crossing.

White Channel Gravels were noted in the west side of the Ellenor Claim. Apparently these White Channel Gravels were bulldozed flat a long time ago.

The distribution of the number of gold grains observed in the reverse circulation drill samples suggest that the bulk of the gold is located in the coarser gravels at the bedrock interface and also in the top portion of the bedrock. Bedrock structures (lithological changes) appear to be at a 40° angle to the course of the Queen Gulch Creek which could be controlling the distribution of gold.

The 2018 magnetic survey was carried out, using a Sharpe MF1 fluxgate magnetometer by experienced field operators (B.Lennan & K.Hannan). This instrument measures variations in the vertical component of the earth's magnetic field to an accuracy of 10 gammas. Corrections for diurnal variations of the earth's field were made by tying-in to previously established base stations at intervals. Approximately every 2 hours readings were taken at the original base station to measure any change in diurnal variations.

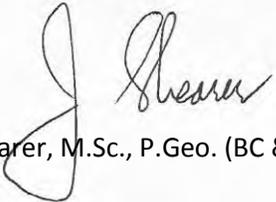
Readings were taken facing north using the 30k gamma reading selection. All metal objects were removed; magnets, metal field books, caulk boots, metal belt buckles, coins, pens etc. As a prospecting tool the Sharpe MF1 can give anomalous readings that can be followed up by prospecting or geochemistry sampling survey. Both high and low readings are worth considering.

The ground magnetometer shows (figures 6 to 10) a series of in magnetic lows (100 gammas) which could correlate with the extensions to the southeast of the Queen Gulch gold-bearing gravels or reflect the trace of a local fault which governs the location of the Queen Gulch Stream.

RECOMMENDATIONS

Future exploratory work should focus upstream of the old railway right-of-way above the noticeable break-in-slope in the Creek. Auger drilling should be a suitable method to conduct this investigation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. T. Shearer". The signature is written in a cursive style with a large initial "J".

J. T. Shearer, M.Sc., P.Ge. (BC & Ontario)



Photo 6 Final Screening, Panning and Microsluice of Heavy Concentrates

COST ESTIMATE for FUTURE WORK

Exploration in 2018 should concentrate on the seven claims upstream of the railway right-of-way (Elan, Kim, Jenny, Sharron, Sherry, Cindy and Anne).

A rapid assessment using a small auger drill should be sufficient to give an indication of gold values.

1)	Road/trail construction plus test pits 5 days @ \$1,000/day	\$5,000
2)	Project Mob & Demob	\$4,000
2a)	Auger Drilling	\$8,000
3)	Supervision & Geology	\$15,000
4)	Camp & Hotel	\$3,000
4a)	Food & Meals	\$2,000
5)	Processing Samples	\$2,000
6)	Truck Rental	\$4,000
	Grand Total	<u>\$43,000</u>

REFERENCES

Bostock, H.S.; 1934:

Memoir 178, Mining Industry in Yukon, in GSC Publication

Jensen, R:

Metro Drilling; possible auger drill contractor

Klondike Gold Corp (Adjacent hard rock work)

News Releases and Technical Reports

Sandor; 1991:

Seismic Survey of Queen Gulch Assessment Report

Shearer, J. T.; 2017:

Exploration Report on the Queen Gulch Project, YMEP 17-051, October 15, 2017

Personal Communication with former owner of claim group

APPENDIX I

STATEMENT of QUALIFICATIONS

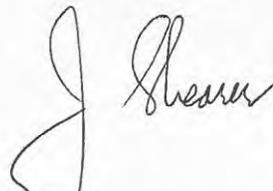
September 26, 2018

STATEMENT of QUALIFICATIONS

I, Johan T. Shearer of Unit 5 – 2330 Tyner Street, in the City of Port Coquitlam, in the Province of British Columbia, do hereby certify:

1. I graduated in Honours Geology (B.Sc., 1973) from the University of British Columbia and the University of London, Imperial College, (M.Sc. 1977).
2. I have practiced my profession as an Exploration Geologist continuously since graduation and have been employed by such mining companies as McIntyre Mines Ltd., J.C. Stephen Explorations Ltd., Carolin Mines Ltd. and TRM Engineering Ltd. I am presently employed by Homegold Resources Ltd.
3. I am a fellow of the Geological Association of Canada (Fellow No. F439). I am also a member of the Canadian Institute of Mining and Metallurgy, the Geological Society of London and an elected fellow of the Society of Economic Geologists. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (P.Geo., Member Number 19,279).
4. I am an independent consulting geologist employed since December 1986 by Homegold Resources Ltd. At Unit #5 2330 Tyner Street, Port Coquitlam, British Columbia.
5. I am the author of the report entitled “Magnetometer Assessment Report on the Queen Gulch Project” dated September 26, 2018.
6. I have visited the property between in 2018 between July 30 and September 3, 2018 and May 18, 2017 and August 8, 2017. I have carried out mapping and sample collection and am familiar with the regional geology and geology of nearby properties. I have become familiar with the previous work conducted on the Queen Gulch Project by examining in detail the available reports and maps and have discussed previous work with persons knowledgeable of the area.

Dated at Port Coquitlam, British Columbia, this 26th day of September, 2017.



J.T. Shearer, M.Sc., P. Geo. (BC & Ontario)

APPENDIX II

STATEMENT of COSTS

September 26, 2018

APPENDIX II
STATEMENT of COSTS 2018
Magnetometer Survey

Supervision Queen Gulch	
J. T. Shearer, M.Sc., P.Geo., 3 days @ \$500/day	\$1,500.00
W.B. Lennan, P.Geo., 3 days @ \$500/day	1,500.00
Sub-total	\$3,000.00
Truck Rental – Whitehorse	607.25
Gas	565.00
Magnetometer Rental, 4 days @ \$150/day	600.00
Fieldhand (K.Hannan) 3 days @ \$200/day	600.00
Hotel in Dawson 6 man days @ \$89/day	534.00
Data Compilation	500.00
GPS & Field Supplies	100.00
Satellite Phone for Emergencies	150.00
Report Preparation	1,000.00
Word Processing and Reproduction	250.00
Reclamation by Hand	400.00
Sub-total	\$5,306.25
Grand Total	\$8,306.25

APPENDIX III

MAGNETOMETER

September 26, 2018

Magnetometer Readings September 1 & 2 , 2018

Queen Gulch

Waypoint	Distance	Reading in Gammas
WP390	At truck	990
WP391	13 ase	10.50
WP392	15m	10.25
WP393	30m	10.10
WP394	45m	10.0
WP395	15m	10.0
WP396	30m	10.0
WP397	45m	10.0
WP398	15m	10.0
WP399	30m	10.0
WP400	45m	10.0
WP401	15m	10.0
WP402	30m	10.0
WP403	45m	10.0
WP404	15m	10.0
WP405	30m	10.0
WP406	45m	10.0
WP407	15m	9.9 junction of creek & road
WP408	30m	9.9
WP409	45m	9.9
WP410	10m	9.9
WP411	15m	9.9
WP412	30m	9.9
WP413	45m	9.9/9.9
WP414	15m	9.9
WP415	15m	9.9
WP416	30m	10.0
WP417	45m	10.0
WP418	15m	9.9
WP419	30m	10.0 old pond
WP420	45m	10.0
WP421	15m	9.9
WP422	30m	9.9
WP423	45m	9.9
WP424	10m	9.8/9.9
WP425	15m	9.8
WP426	30m	9.75
WP427	45m	9.75
WP428	15m	9.8
WP429	30m	9.9
WP430	45m	9.75

WP431	15m	9.8
WP432	30m	9.8
WP433	45m	9.9
WP434	15m	9.75
WP435	30m	9.8
WP436	45m	10.3
WP437	13m	9.75/9.75
WP438	15m	9.8
WP439	30m	9.8
WP440	45m	9.75
WP441	10m	9.8
WP442	25m	9.8
WP443	15m	9.75
WP444	30m	9.75
WP445	45m	9.75
WP446	60m	9.75
WP447	15m	9.75
WP448	30m	9.75
WP449	45m	9.75
WP450	15m	9.75
WP451	30m	9.75
WP452	45m	9.8
WP453	15m	9.8
WP454	30m	9.8
WP455	45m	9.9
WP456		9.8
WP457	15m	9.75
WP458	30m	9.8
WP459	45m	9.8
WP460	15m	9.8
WP461	30m	10.0
WP462	45m	9.9
WP463	15m	9.9
WP464	22m	9.9
WP465	12m	9.9
WP466	22m	9.8
WP467	12m	9.8
WP468	22m	9.8
WP469		
WP470		

Magnetometer Survey

WP390	BASE STATION – on 30K 10.5/ 10.25 top of Bonanza Creek, up road t 15m intervals
WP397	Rise in road elevations, still in white channel gravels, 10.0 all the way
WP398	Creek about 100m wide at this point
WP400	Pit on side road, lower part
WP404	Creek valley narrows down, old test pits on north side of road
WP405	Another old test pit to North
WP407	9.9, junction with road and creek, into graphitic ??? sediments
WP408+409	Pit #1, Mag reading at Pit #1 9.9, Line 1 of drilling 10:45am Base Station 9.9
WP412	9.9 on north side of creek Trench 1 graphitic bedrock
WP413	On old tailings
WP414	Still beside old tailings
WP416	Still beside old tailings,10.0
WP417	Still beside old tailings,10.0 – 11:00am
WP418	Still beside old tailings, 9.9
WP419	Old Old Pond, S-curve in creek 10.0, road rises sharply on North
WP420	10.0
WP421	9.9, last of graphite
WP422	Micaceous schist-gneiss
WP423	Buff weathering, micaceous schist 9.9
WP424	Trench 2 WP424 10m mag 9.8, gouging south down trench 2
WP424+425	At drillhole
WP426	Rusty, pyritic
WP427	On south side of creek
WP428	9.8 on main Road again
WP429	7.5
WP430	Buff Ry sample 9.8
WP431	9.8
WP432	9.9
WP434	Old rail grade 9.785
WP435	15m past entry of old rail grade 9.8
WP436	10.3 Top of Trench #3 WP437 → 9.75, more chloritic schist in float – lots of graphitic schist and quartz
WP438	9.8, drill hole
WP443	Back on main road 9.75
WP444	9.75
WP449	9.75, coming to rail crossing
WP451	Old shaft area – waste from shaft to WP452-453
WP453	Turn in rail right-of-way
WP454	Drill hole and rail right-of-way 9.8, shaft area WP454 10.8
WP455	Drillhole 9.9, 9.8 to cross creek
WP456	9.75

WP459	4+60 WP459 + 7m, flag
WP460	Partway to #5, 9.8
	Over pipe in ground 10.1
WP461	10.0 pipe to (4+90 34m[4m])
WP462	9.9
	Drill hole #1 Line 5 – Mag 9.9
WP464	+#2 – 9.9
WP465	Sample of some graphitic schist float and micaceous schist some rusty, abundant quartz sweats and veins
WP470	Back to truck, 9.9 base station
	10.25
	07V 0581467 7092590 457m elevation

APPENDIX IV

GPS READINGS

September 26, 2018

Queen Gulch Waypoints 2018-09

390	01-SEP-18 12:04:58PM	N63 57.046 W139 20.226	488 m
391	01-SEP-18 12:10:14PM	N63 57.049 W139 20.221	482 m
392	01-SEP-18 12:18:44PM	N63 57.048 W139 20.204	475 m
393	01-SEP-18 12:21:32PM	N63 57.049 W139 20.187	475 m
394	01-SEP-18 12:23:24PM	N63 57.053 W139 20.170	473 m
395	01-SEP-18 12:24:21PM	N63 57.056 W139 20.148	471 m
396	01-SEP-18 12:25:23PM	N63 57.060 W139 20.133	472 m
397	01-SEP-18 12:26:16PM	N63 57.060 W139 20.113	472 m
398	01-SEP-18 12:27:13PM	N63 57.062 W139 20.095	473 m
399	01-SEP-18 12:28:21PM	N63 57.067 W139 20.076	474 m
400	01-SEP-18 12:28:59PM	N63 57.068 W139 20.059	475 m
401	01-SEP-18 12:30:19PM	N63 57.070 W139 20.041	475 m
402	01-SEP-18 12:31:25PM	N63 57.073 W139 20.024	474 m
403	01-SEP-18 12:32:21PM	N63 57.078 W139 20.011	474 m
404	01-SEP-18 12:33:09PM	N63 57.083 W139 19.994	473 m
405	01-SEP-18 12:34:04PM	N63 57.097 W139 19.977	472 m
406	01-SEP-18 12:34:49PM	N63 57.102 W139 19.962	474 m
407	01-SEP-18 12:36:06PM	N63 57.095 W139 19.939	476 m
408	01-SEP-18 12:37:24PM	N63 57.096 W139 19.922	475 m
409	01-SEP-18 12:39:07PM	N63 57.101 W139 19.899	476 m
410	01-SEP-18 12:39:54PM	N63 57.108 W139 19.893	477 m
411	01-SEP-18 12:47:41PM	N63 57.108 W139 19.959	468 m
412	01-SEP-18 12:52:38PM	N63 57.110 W139 19.942	478 m
413	01-SEP-18 12:53:37PM	N63 57.114 W139 19.922	479 m
414	01-SEP-18 12:54:48PM	N63 57.109 W139 19.909	481 m
415	01-SEP-18 12:56:40PM	N63 57.120 W139 19.904	479 m
416	01-SEP-18 12:57:39PM	N63 57.125 W139 19.888	479 m
417	01-SEP-18 12:58:49PM	N63 57.126 W139 19.870	479 m
418	01-SEP-18 12:59:36PM	N63 57.129 W139 19.850	480 m
419	01-SEP-18 1:00:27PM	N63 57.134 W139 19.837	481 m
420	01-SEP-18 1:01:22PM	N63 57.145 W139 19.829	484 m
421	01-SEP-18 1:02:27PM	N63 57.151 W139 19.816	486 m
422	01-SEP-18 1:03:15PM	N63 57.159 W139 19.799	488 m
423	01-SEP-18 1:03:55PM	N63 57.164 W139 19.785	488 m
424	01-SEP-18 1:07:23PM	N63 57.157 W139 19.757	485 m
425	01-SEP-18 1:07:56PM	N63 57.160 W139 19.761	483 m
426	01-SEP-18 1:09:52PM	N63 57.151 W139 19.748	479 m
427	01-SEP-18 1:11:13PM	N63 57.145 W139 19.736	480 m
428	01-SEP-18 1:16:50PM	N63 57.183 W139 19.773	486 m
429	01-SEP-18 1:17:27PM	N63 57.182 W139 19.755	487 m
430	01-SEP-18 1:18:34PM	N63 57.184 W139 19.737	488 m
431	01-SEP-18 1:19:23PM	N63 57.189 W139 19.723	490 m
432	01-SEP-18 1:20:19PM	N63 57.195 W139 19.707	489 m
433	01-SEP-18 1:21:17PM	N63 57.203 W139 19.700	493 m

434	01-SEP-18 1:22:42PM	N63 57.213 W139 19.690	494 m
435	01-SEP-18 1:24:00PM	N63 57.221 W139 19.675	492 m
436	01-SEP-18 1:24:51PM	N63 57.212 W139 19.650	495 m
437	01-SEP-18 1:25:49PM	N63 57.210 W139 19.631	495 m
438	01-SEP-18 1:28:29PM	N63 57.204 W139 19.626	490 m
439	01-SEP-18 1:29:25PM	N63 57.194 W139 19.616	486 m
440	01-SEP-18 1:30:20PM	N63 57.189 W139 19.613	482 m
441	01-SEP-18 1:32:01PM	N63 57.183 W139 19.610	480 m
442	01-SEP-18 1:34:30PM	N63 57.174 W139 19.613	486 m
443	01-SEP-18 1:39:58PM	N63 57.212 W139 19.609	491 m
444	01-SEP-18 1:40:57PM	N63 57.217 W139 19.597	491 m
445	01-SEP-18 1:41:47PM	N63 57.224 W139 19.580	490 m
446	01-SEP-18 1:43:11PM	N63 57.226 W139 19.561	490 m
447	01-SEP-18 1:43:55PM	N63 57.227 W139 19.545	490 m
448	01-SEP-18 1:44:59PM	N63 57.231 W139 19.530	489 m
449	01-SEP-18 1:45:56PM	N63 57.233 W139 19.512	490 m
450	01-SEP-18 1:46:49PM	N63 57.237 W139 19.496	490 m
451	01-SEP-18 1:47:41PM	N63 57.240 W139 19.477	490 m
452	01-SEP-18 1:48:31PM	N63 57.245 W139 19.461	490 m
453	01-SEP-18 1:50:16PM	N63 57.250 W139 19.444	490 m
454	01-SEP-18 1:51:26PM	N63 57.255 W139 19.425	490 m
455	01-SEP-18 1:52:57PM	N63 57.253 W139 19.408	493 m
456	01-SEP-18 1:54:16PM	N63 57.248 W139 19.400	492 m
457	01-SEP-18 1:57:01PM	N63 57.261 W139 19.395	492 m
458	01-SEP-18 1:57:50PM	N63 57.263 W139 19.382	493 m
459	01-SEP-18 1:59:01PM	N63 57.267 W139 19.366	493 m
460	01-SEP-18 2:00:25PM	N63 57.268 W139 19.340	494 m
461	01-SEP-18 2:01:25PM	N63 57.277 W139 19.339	497 m
462	01-SEP-18 2:03:05PM	N63 57.283 W139 19.320	500 m
463	01-SEP-18 2:04:15PM	N63 57.288 W139 19.307	500 m
464	01-SEP-18 2:05:42PM	N63 57.288 W139 19.295	501 m
465	01-SEP-18 2:06:45PM	N63 57.284 W139 19.287	500 m
466	01-SEP-18 2:10:53PM	N63 57.294 W139 19.283	505 m
467	01-SEP-18 2:11:44PM	N63 57.298 W139 19.267	506 m
468	01-SEP-18 2:12:40PM	N63 57.303 W139 19.257	509 m
469	01-SEP-18 2:13:04PM	N63 57.303 W139 19.257	507 m
470	01-SEP-18 2:35:41PM	N63 57.045 W139 20.223	456 m