# Technical Report

on the

# PONDEROSA PROPERTY

## Merritt Area, British Columbia, Canada

NTS: 1:50,000 Sheet 092I/02 / BC TRIM: 1:20,000 Sheet 092I006
50° 02' North and 120° 59' West
645,000 Easting / 5,544,300 Northing in UTM Zone 10 WGS84

Report For:

## Schooner Capital Corp.

1200 - 200 Burrard Street, P.O. Box 48600
Vancouver, British Columbia
V7X 1T2

Report by:

## Sean P. Butler, P.Geo.

Effective Date: August 5, 2020
Revised: October 6, 2020

**Cover Photo 0-1** 2019 Ponderosa Trench in the Tomahawk area

**I Sean P. Butler, P.Geo., do hereby certify that:**

1. I am a consulting geologist with residence at 3252 Ganymede Dr., Burnaby, BC, Canada, V3J1A4;

2. I am a graduate with a Bachelor of Science degree, in Geological Sciences from the University of British Columbia in 1982;

3. I am a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia (Member # 19,233);

4. I have examined the Ponderosa property on the 1st of May, 2020 which constitutes a Current Inspection of the property as defined by Part 6.2 of NI34-101. The author had not visited the property previously;

5. I am independent of 1201361 BC Ltd., the Ponderosa property and Schooner Capital Corp. as defined in Part 1.5 of NI 43-101;

6. I have practised the geological profession for greater than 35 years since graduation from university. I have worked extensively exploring for both base and precious metals from early stage programs up to advanced underground exploration and mining;

7. I have read the definition of "Qualified Person" as set out in Part 1.1 of National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association and previous relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101;

8. I am responsible for all of the report titled "Technical Report on the Ponderosa Property, Merritt Area, British Columbia, Canada" with the effective date of August 5, 2020 and revised on October 6, 2020 (the "Technical Report");

9. That as of the effective date of the Technical Report, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;

10. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form;

11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

**Dated this 30th day of November, 2020**

"Signed and Sealed"

**Signature of Qualified Person**

**Sean Butler, P.Geo.**

# EXECUTIVE SUMMARY

Schooner Capital Corp. (Schooner or "the company") hired the author to prepare a NI 43-101 compliant report for the purpose of defining the Ponderosa property as meeting the requirements of the "Qualifying Transaction" of a Capital Pool Corporation on the TSX.V Exchange.

The author is independent of 1201361 BC Ltd., the Issuer, Schooner Capital Corp. and the Ponderosa property. This Technical Report was completed on a fee for time basis.

On May 1, 2020 the author was accompanied by Marc Blythe and Bill Wengzynowski, of 1201361 BC Ltd., on a visit to the Ponderosa property. The three zones visited included: RibEye Zone (previously known as Clay Zone), Axel Ridge and Tomahawk Zone (previously known as the Dump Pile Zone) plus a few areas near these sites that are related to high gold in soil and significant historic gold bearing grab rock sample locations.

The RibEye Zone is a cattle watering pit with a contact of relatively unaltered volcanics against a highly clay altered rock. The spoil pile has abundant clay within the pile and indications of a high level (i.e. near surface alteration above the possible gold zone). Multiple trenches in the Axel Ridge area were visited and reviewed. The final area visited was to the five trenches hand dug in 2019 (see Photo 2-2) at the Tomahawk Zone (previously described as the Dump Pile Zone). This group of five trenches uncovered a quartz vein zone that trends north east - south west over about 55 metres of strike length.

The Ponderosa property is located approximately 16 kilometres southwest of the City of Merritt, BC. The property is in an area of semi open forest. It is within the catchment area of the Coldwater River and specifically its tributary Midday Creek.

The centre of the property is approximately 50° 02' North and 120° 59' West (datum WGS84) or near 645,000 Easting and 5,544,300 Northing in UTM Zone 10 of WGS84. The property is located on the NTS 1:50,000 topographic map sheet 092I/02 and also the BC Provincial TRIM 1:20,000 topographic map sheet 092I006.

The property consists of four claims, specifically the Pond 1 to 3 claims plus the unnamed (record number 521382) claim. The claims cover an area of 415 hectares and are presently valid until the earliest expiry dates in 2027.

**Table 0-1 List of Claims in the Ponderosa Project**

| Claim Name | Record Number | Area (hectares) | Record Date | Expiry Date | Option Agreement | Registered Owner |
|---|---|---|---|---|---|---|
| POND 1 | 1062136 | 41.52 | 2018/AUG/02 | 2027/MAR/15 | Balon / Jakubowski | Balon / Jakubowski |
| POND 2 | 1062143 | 207.56 | 2018/AUG/02 | 2027/MAR/15 | Balon / Jakubowski | Balon / Jakubowski |
| POND 3 | 1058267 | 124.54 | 2018/FEB/05 | 2027/MAR/15 | Balon / Jakubowski | Balon / Jakubowski |
| | 521382 | 41.51 | 2005/OCT/20 | 2029/OCT/27 | Almadex Minerals Ltd. | Almadex Minerals Ltd. |
| **Total Area** | | **415.13** | **hectares** | | | |

There are two agreements in place on the Ponderosa claims with 1201361 B. C. Ltd. The first agreement is an option on the Pond 1 to 3 claims with Edward Balon and Wojtek Jakubowski (optionors) equally sharing

ownership. The second option agreement is on the unnamed claim with claim number 521382 and was made with Almadex Minerals Ltd. to earn a 60% interest in the claim under a four-year option agreement.

An unsigned copy of a Letter of Intent dated August 14, 2020 between 1201361 B.C. Ltd ("Target") and Schooner Capital Corp. The Letter of Intent outlines the terms of an agreement so that the "Proposed Transaction will be structured to constitute a Qualifying Transaction for Schooner, as defined in the applicable policies of the TSX Venture Exchange." The agreement is to have 1201361 B.C. Ltd become a subsidiary of Schooner. To complete this transaction:

- "Schooner will issue a total of 7,147,409 common shares to the shareholders of the Target (which includes 324,376 common shares required to be issued to Almadex Minerals Ltd. ("Almadex") pursuant to an agreement between Almadex and the Target and 250,000 shares to be issued to each of Ed Balon and Wojtek Jakubowski under an agreement between Mssrs Balon, Jakubowski and the Target"

The City of Merritt, BC has highway access by the Coquihalla Highway #5, a multi-lane paved highway that connects to the coastal ports in and near Vancouver and railroads. Also, the regional service centre of Kamloops, which services mineral exploration as well as at least two other large mining operations is accessible along the Coquihalla freeway about 85 kilometres further north. Local access to the Ponderosa property is by a series of paved publicly maintained and gravel covered forestry roads that are in the area of the property.

The climate on the Ponderosa property is semi-arid with hot, dry summers and cooler winters with moderate snowfall. The mountains to the west make for a more "continental" climate than near the Pacific Ocean coast around Vancouver.

There is regional grid electrical power located to the south of the property about eight kilometres, near Gillis Lake. The nearest existing electrical sub-station is in nearby Merritt. Existing power for household uses is seen in the lower Midday Creek valley, supplied out of the Coldwater River valley. Merritt is a service centre for exploration with most of the required services and contractors for exploration and mining available here. More specialized supplies and services can be accessed in Kamloops a further hour drive away. Merritt is the most likely location to setup for an extended exploration program including stores, heavy equipment, motels and petroleum supplies. Vancouver, with full services for all levels of work, is about a three-hour drive from site.

There is enough room for a mining operation with a mill including tailings or heap leach pads.

The elevation varies from just under 1,000 metres in the south-east corner to about 1,250 metres in the north-west corner. The area of interest near the Ponderosa property is gentle hills sloping generally to the south west. There is outcrop near the top of the hill, in the area of historic drilling and trenching, with glacial and soil cover of various depths at lower elevations.

The history of exploration is summarized by Wengzynowski, 2019a. The Skoonka Creek property is located about 50 kilometres to the north-west of the Ponderosa property within the same Spences Bridge Group rocks. Its discovery occurred in the early 2000s. This work and early success at Skoonka Creek focused regional exploration on finding other epithermal gold targets within this group of rocks which ultimately included Ponderosa. Wengzynowski, 2019a noted:

> "Reconnaissance prospecting and geochemical sampling as follow-up to government based Regional Geochemical Survey (RGS) silt sample anomalies near the Ponderosa property led to the acquisition of the project area by Almaden Minerals Ltd. (Almaden) in 2005. Follow-up exploration programs in 2005 and 2006 carried out by Almaden included prospecting, grid-based soil sampling and bedrock mapping. In-situ epithermal style gold mineralization was documented on claims occupying the central portion of the claim area referred to as the Axel Ridge showing. The project was optioned to Strongbow Exploration Inc. which focused much of its 2007 efforts on mechanized exploration of the Axel Ridge trend in the form of diamond drilling. This work failed to identify the source of the surface mineralization"

The work in 2007, the most significant program to date on the property, was on a block of claims larger in area than the present Ponderosa group but was focused heavily on the Axel Ridge area, within the present 2020 Ponderosa property. This includes the trenching and drilling which is within the existing Ponderosa claims. The program included mechanical excavation of five trenches, a ground magnetic survey, prospecting, bedrock geological mapping and diamond drilling. The trenches completed included three in the Axel Ridge Zone and two trenches approximately 275m NNW of Axel Ridge as recorded in Jackson, et. al., 2008. Two were extensions of hand dug trenches from 2006. One of these trenches in 2006 extended in 2007 returned 2.22 g/t gold over 11.7m in trench PT07-01. Trench PT07-02 returned values of 1.92 g/t gold over 14.0m. In 2007 six diamond drill holes were completed totalling 961 metres. Three of these holes were positioned to the west of the Axel Ridge Showing, two holes to the east of the showing, and one hole to the north-west by the Beaver Pond according to Jackson, et. al., 2008. Drilling was completed with NQ2 size core (50.5 mm diameter) and the program included insertion of assay standards.

No further work is recorded until 2019, although there are reports of several trenches and two drill holes near the south side of the pond in the FlatIron Zone across from the Tomahawk Zone completed by Almadex (verbal communication with M. Blythe). There was an infill soil geochemistry survey on the Pond 1 to 3 claims. This was followed by was a hand trenching program on the unnamed claim (claim number 521382) in the fall after the Almadex agreement was completed.

The Ponderosa property is located in the Tectonic Belt of the Canadian Cordillera. Jackson, et. al., 2008 notes the following:

> "Lithologies within the Map … area include successions of Mesozoic to Cenozoic volcanic and sedimentary rocks, which have been intruded by plutons of various compositions and ages from approximately Permian and/or Triassic to Miocene. Locally thick deposits of Pleistocene and recent glacial drift and alluvium are prevalent in all of the major creek and river valleys. Much of the region was overridden during the last Pleistocene glaciation by ice moving generally southeast, but more directly southward in the Spius – Midday Creeks area Nicoamen Plateau; (…; Balon, 2006).
>
> The dominant rock assemblage underlying the Ponderosa property is the Cretaceous Spius Creek Formation, a basaltic andesite unit (IKSBSva). This is the upper sequence of the Spences Bridge Group (IKSBSva, IKSB, IKSBPva, and IKSBP) which is a broad northwest-trending thick sequence of gently folded volcanics with lesser sediments, having variable orientations and generally shallow dips. The upper sequence was formerly called the Kingsvale Group by earlier government geologists (Rice, 1947; Duffell and McTaggart, 1952; and others before Thorkelson, 1985). A lower assemblage

> called the Pimainus Formation includes intermediate, locally felsic to mafic, flows and pyroclastics with some sandstone, shale and conglomerate.
>
> The Spences Bridge Group unconformably overlies older plutonic rocks consisting of granodiorite to diorite/gabbro intrusives of the Permian-Triassic Mount Lytton Complex (PTrMgd, PTrMdr, and PTrMml). These plutonic rocks outcrop due west of the Ponderosa/Inn properties and follow a northwest trend adjacent to the Spences Bridge Group. The Mount Lytton Complex is observed in the southern portion of Strongbow's Skoonka Creek property. The Spences Bridge Group is unconformably overlain by the Eocene Princeton/Kamloops Group (EKav, EKas, EPrb, and EPr), mafic and felsic volcanics, large bodies of which are found both to the east (~2km) and west (~6km) of the property. Small Cenozoic intrusions of feldspar porphyry composition (Efp) occur in contact with the Spences Bridge rocks a few kilometres to the northeast, on Strongbow's Southern Belle property, and northwest of the claim group (…).
>
> The major structural features in the region are steeply dipping normal faults. The Spius Creek Fault, 2-3km west of the property, is a probable southern extension of the Lornex (Big Divide) Fault which transects the Guichon Batholith (LTrJqm, LTrJGH) ... A prominent northeasternly splay of the southern Spius Creek Break, called the Midday Creek Fault, cuts across the southeasternly portion of the claim block. Although local faults have been mapped with a variety of attitudes, the dominant trends are north-south and 140° to 150° (Monger, 1981). It has been postulated that the rocks of the Spences Bridge Group formed as a chain of stratovolcanoes associated with subsiding, fault bounded basins (… Thorkelson, 1985)."

Jackson, et. al., 2008 further states:

> "There are over six known occurrences of low sulphidation type epithermal gold mineralization hosted by quartz veins and breccia in Spences Bridge volcanic belt, which form a northwest-southeast trend of 50 kilometres (Balon, 2006). Although there are no currently producing gold mines within the belt, several of the gold showings have been drill tested, including the JJ showing (Skoonka Creek) and the RM zone (Prospect Valley)."

The mineralization as historically sampled consists of quartz veins and vein stockworks within the Pimainus formation as mapped in 2007 (Jackson, et. al., 2008). These are described as quartz-adularia veins in the BCGS Minfile and Balon, 2007 notes:

> "Alteration is most pervasive and locally intense along the Axel Ridge mineral zone. The dominant alteration minerals are silica, ankerite, clays, hematite, limonite, manganese oxide, and chlorite. Silicification is consistently present along quartz vein margins, but is generally tightly confined where the hostrock is a dense lava. Carbonate (ankerite-dolomite-calcite) and hematite-limonite alterations are more widespread, extending outward for several or even tens of metres from the larger quartz vein breccia masses. Strong clay alteration is common along numerous narrow shears within the mineralized corridor. Limonite, manganese oxide, and chlorite are ubiquitous throughout the zone; jarosite occurs locally with abundant Fe-Mn oxides, particularly on fractures in a dark grey pyritic chalcedony-matrix breccia. Minor adularia has been noted in some of the banded quartz vein rubble near the main Axel Ridge showing at Trench PT06-1."

The textures described by previous explorers are characteristic of epithermal deposits formed in a near surface environment. The gold values associated within the alteration and vein/stockwork zones make this property a classic epithermal gold deposit type target.

There have been multiple target zones outlined in the past year of work. They include the Tomahawk, FlatIron, RibEye and T-bone Zones plus the Axel Ridge area. These are shown in Figure 9-1 and were followed up on in 2019 and found based on soil geochemistry and previous field mapping work.

The deposit type target of the Ponderosa property is structurally controlled low-sulphidation Epithermal Precious Metal deposits. Grades and tonnages of this type of deposit can vary from large low-grade zones to very high-grade deposits of various tonnages and can include gold and silver plus other minor metals.

The rocks seen on the site visit are veins including stockwork and breccias of quartz, probable adularia and minor carbonate with trace base metal sulphides. These rocks are consistent with a low-sulphidation Epithermal Precious Metal deposit.

In 2019 there were two campaigns of exploration on the Ponderosa property, as recorded in Wengzynowski, 2019a and 2019b. They included a program focused on geochemistry on the POND 1 to 3 claims in May 2019. Later in 2019 an agreement was completed with Almadex and a hand trenching program on the unnamed claim with number 521382 was completed.

Significant further work was completed by 1201361 BC Ltd. that was not included in the Assessment Reports for financial and time reasons since the work filed extended ownership enough for the owners' purposes.

Drilling on the Ponderosa property was completed in 2007 with limited results. A summary of the 2007 drilling is found in Section 6 History of this report. The verbal reports of drilling by Almadex was not confirmed by the author.

The company has done no drilling to date.

Two rock samples were collected by the author and he maintained custody of the samples until hand delivery at the SGS Laboratory in Burnaby, BC. SGS Laboratory is a fully accredited laboratory related to an international chain of testing and analysis laboratories.

The first sample was from the Axel Ridge area from an historic trench that was cleaned out in the fall 2019. The grab sample (SBPOND1) is quartz and possibly adularia with ginguro banding. It returned 1,180 ppb gold and 3 ppm silver.

The second sample was from the Tomahawk Zone in a trench developed in the fall of 2019. This sample was of quartz veining in the most south-westerly existing trench in the zone. The sample returned 96 ppb gold and no silver. The ICP results of both samples have shown limited other metals.

The Ponderosa property is surrounded by claims owned by Talisker Resources (Talisker). It is part of the 226,035-hectare land package of their Spences Bridge Group project. Talisker, as noted on their web site, has staked over 85% of the Spences Bridge Group rock belt as seen in Figure 23-1. Much of the remaining belt is held by Westhaven Ventures (Westhaven) with their large Skoonka Creek, Shovelnose and Prospect Valley projects. Both companies are exploring for low-sulphidation epithermal gold zones in the Spences Bridge Group rocks that are also targeted on the Ponderosa property. The report author has not been able to verify the information on Talisker's or Westhaven's projects but the information has been reported by industry professionals and publicly posted. The results at these projects does not necessarily reflect the results or mineralization at Ponderosa.

The Ponderosa property is within the Spences Bridge Group belt of rocks that are known to host several epithermal gold deposits, including the nearby Shovelnose deposit of Westhaven Ventures and is surrounded by the Gran Torino target of Talisker Resources. Historic work has outlined several targets on the Ponderosa property and areas of elevated gold values. The rocks seen during the author's visit and noted in historic reports are consistent with epithermal mineralized systems. The areas of deeper glacial cover may only report low values in soil geochemistry. Methods such as ground magnetics or IP Resistivity can suggest target areas through this cover.

The infill 2019 soil geochemistry when interpreted in conjunction with the historic soil geochemistry has better confirmed local trends and targets. The later 2019 work has also uncovered details, such as the trenches developed at Tomahawk, that suggest a strike that varies from the historic work. The 2019 work has indicated that further work may offer a set of targets and trends that will vary from past work and drive an alternative interpretation of the area.

The Ponderosa property deserves to have further work done on it and the new targets uncovered in this work tested.

**Table 0-2 Recommended Budget**

| Ponderosa Property, Merritt BC Area | | | | | |
|---|---|---|---|---|---|
| **Item** | **Number of Units** | | **Cost per unit** | | **Total Cost** |
| Project Planning and Permitting | 20 | days | $ 500 | per day | $ 10,000 |
| Geological Mapping (all in cost, transport, board, etc.) | 40 | days | $ 800 | per day | $ 32,000 |
| Ground (or alternatively drone) based geomagnetic survey | 15 | days | $ 800 | per day | $ 12,000 |
| Processing, Interpretation and Reporting of Geomagnetics | 2 | days | $ 1,000 | per day | $ 2,000 |
| Induced Polarization | 15 | days | $ 5,000 | per day | $ 75,000 |
| Processing, Interpretation and Reporting of Induced Polarization | 4 | days | $ 1,000 | per day | $ 4,000 |
| Mechanical trenching with excavator | 40 | days | $ 2,500 | per day | $ 100,000 |
| Site supervision and sampling during the trenching | 50 | days | $ 800 | per day | $ 40,000 |
| Geochemical Analysis | 500 | samples | $ 60 | per sample | $ 30,000 |
| Reporting | 25 | days | $ 800 | per day | $ 20,000 |
| Diamond Drilling | 1,000 | metres | $ 200 | per metre | $ 200,000 |
| Contingency Funding | | | | | $ 55,000 |
| **TOTAL SUGGESTED BUDGET** | | | | | **$ 580,000** |

The Recommended work program at Ponderosa includes geological mapping, ground magnetics, Induced Polarization for Resistivity, mechanical excavator trenching of the Tomahawk, RibEye, T-bone and FlatIron Zones and1,000 meters of diamond drilling at the Tomahawk and possibly FlatIron Zones.

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# FIGURES, TABLES AND PHOTOS

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# 2 INTRODUCTION

The chapter numbers in this report are after the major headings of the NI 43-101-F1 report format.

## 2.1 Terms of Reference

Schooner Capital Corp. (Schooner or "the company") hired the author to prepare a NI 43-101 compliant report for the purpose of defining the Ponderosa property as meeting the requirements of the "Qualifying Transaction" of a Capital Pool Corporation on the TSX.V Exchange.

The author is independent of 1201361 BC Ltd., the Issuer, Schooner Capital Corp. and the Ponderosa property. This Technical Report was completed on a fee for time basis.

## 2.2 Sources of Information

Much of the information used in this Technical Report was published previously by industry professionals who have worked on the property or in the area. Government data sources, generally regional geological mapping, have also been accessed to support writing this report. Several of these technical reports, primarily the 2019 Assessment Reports, were supplied by 1201361 BC Ltd., the 2019 operator of the property while the others are in the public record as Assessment Reports or government technical documents and were located by the author online. A summary list of documents used in this report is outlined in the References section.

## 2.3 QP Personal Inspection of the Property

On May 1, 2020 the author was accompanied by Marc Blythe and Bill Wengzynowski, of 1201361 BC Ltd., on a visit to the Ponderosa property. The three zones visited included: RibEye Zone (previously known as Clay Zone), Axel Ridge and Tomahawk Zone (previously known as the Dump Pile Zone) plus a few areas near these sites that are related to high gold in soil and significant historic gold bearing grab rock sample locations. This was the author's first visit to this project or immediate area.

The RibEye Zone is a cattle watering pit with a contact of relatively unaltered volcanics against a highly clay altered rock. The spoil pile has abundant clay within the pile and indications of a high level (i.e. near surface alteration above the possible gold zone). Locations of high gold in a soil samples and nearby vein material (float) that was reportedly the highest gold value on the property were visited.

Multiple trenches in the Axel Ridge area were visited and reviewed. The 2019 program had cleaned and extended several of the trenches (see Photo 2-1) and the group on the visit discussed the drilling from 2007 and how it had stepped out a long way from the surface exposure in the trenches which increased the risk of missing the target. The large step-outs combined with unrecognized structural complexity resulted in the drill holes not testing the Axel Ridge surface target extension at depth

The final area visited was to the five trenches hand dug in 2019 (see Photo 2-2) at the Tomahawk Zone (previously described as the Dump Pile Zone). This group of five trenches uncovered a quartz vein zone that trends north east - south west over about 55 metres of strike length. There is a pile of weathering quartz

subcrop at the centre of this group of trenches that was also cleared of vegetation that exposed what appears to be high-level vein material. At the time of the site visit, these trenches had been excavated but remained unsampled. Grades of quartz float samples from this zone reportedly returned sub gram per tonne of gold values with the exception of one sample that returned 2.96 g/t. All trenches cut wide sections of quartz vein and silicified volcanics, however none of the trenches reached the hanging wall of this zone.

The FlatIron Zone (previously known as the Road Zone) was not visited but seen from across the pond and discussed on the results noted to date. This area had some snow at the time of the visit as seen in Photo 2-2.

**Photo 2-1 Part of a trench in the Axel Ridge Zone**

**Photo 2-2 Trench Dug in 2019 at the Tomahawk Zone**

## 2.4 Abbreviations and Units of Measure

All dollars are reported in Canadian Dollars unless noted otherwise. Units are metric unless noted. The following table is a list of abbreviations frequently used by the author.

**Table 2-1 List of Abbreviations Frequently Used**

| Abbreviation | Description | | Abbreviation | Description |
|---|---|---|---|---|
| AA | atomic absorption | | $km^2$ | square kilometre |
| Ag | silver | | m | metre |
| aka | also known as | | $m^2$ | square metre |
| AMSL | above mean sea level | | $m^3$ | cubic metre |
| Au | gold | | Ma | million years ago |
| AuEq | gold equivalent grade | | mm | millimetre |
| BC | British Columbia | | $mm^2$ | square millimetre |
| BCGS | British Columbia Geological Survey | | $mm^3$ | cubic millimetre |
| CAD$ | Canadian dollar | | Mo | Molybdenum |
| cm | centimetre | | Mt | million tonnes |
| $cm^2$ | square centimetre | | m.y. | million years |
| $cm^3$ | cubic centimetre | | NAD | North American Datum |
| cp | chalcopyrite | | NI 43-101 | National Instrument 43-101 |
| CSE | Canadian Securities Exchange | | opt | ounces per short ton |
| Cu | copper | | oz | troy ounce (31.1035 grams) |
| °C | degree Celsius | | Pb | lead |
| °F | degree Fahrenheit | | ppb | parts per billion |
| DDH | diamond drill hole | | ppm | parts per million |
| ft | feet | | py | pyrite |
| $ft^2$ | square feet | | QA | Quality Assurance |
| $ft^3$ | cubic feet | | QC | Quality Control |
| FSR | Forest Service Road | | qz | quartz |
| g | gram | | RC | reverse circulation drilling |
| GPS | Global Positioning System | | RQD | rock quality description |
| g/t | grams per tonne | | Sb | antimony |
| ha | hectare | | SEDAR | System for Electronic Document Analysis and Retrieval |
| ICP | inductively coupled plasma | | SG | specific gravity |
| IPO | Initial Public Offering | | t | tonne (1,000 kg or 2,204.6 lbs) |
| kg | kilogram | | US$ | United States dollar |
| km | kilometre | | Zn | zinc |

# 3 RELIANCE ON OTHER EXPERTS

The author has not relied on other experts for any parts of this report.

# 4 PROPERTY DESCRIPTION AND LOCATION

Schooner Capital Corp. has completed a Letter of Intent with 1201361 BC Ltd., the holder of two options on the underlying claims of the Ponderosa property. There are two agreements summarized later in the report that detail the agreements between the original claim owners and 1201361 BC Ltd. The property claims and location are summarized in Table 4-1, Figure 4-1 and Figure 4-2.

## 4.1 Location

The Ponderosa property is located approximately 16 kilometres south-west of the City of Merritt, BC. The property is in an area of semi open forest. It is within the catchment area of the Coldwater River and specifically its tributary Midday Creek.

The centre of the property is approximately 50° 02' North and 120° 59' West (datum WGS84) or near 645,000 Easting and 5,544,300 Northing in UTM Zone 10 of WGS84. The property is located on the NTS 1:50,000 topographic map sheet 092I/02 and also the BC Provincial TRIM 1:20,000 topographic map sheet 092I006.

## 4.2 Property Description

The property consists of four claims, specifically the Pond 1 to 3 claims plus the unnamed (record number 521382) claim, summarized in Table 4-1. The claims cover an area of 415 hectares and are presently valid until the expiry dates noted in the table. This information was sourced on August 5, 2020 as noted on the BC Government web site for Mineral Titles. https://www.mtonline.gov.bc.ca/mtov/home.do There are no surface rights to the land under the mineral claims but these rights can be acquired at a later date if sufficient work and permitting is completed to develop a mine. Access to the Crown Land underlying the claims is freely available to all but any surface disturbance must be permitted.

**Table 4-1 List of Claims in the Ponderosa Project**

| Claim Name | Record Number | Area (hectares) | Record Date | Expiry Date | Option Agreement | Registered Owner |
|---|---|---|---|---|---|---|
| POND 1 | 1062136 | 41.52 | 2018/AUG/02 | 2027/MAR/15 | Balon / Jakubowski | Balon / Jakubowski |
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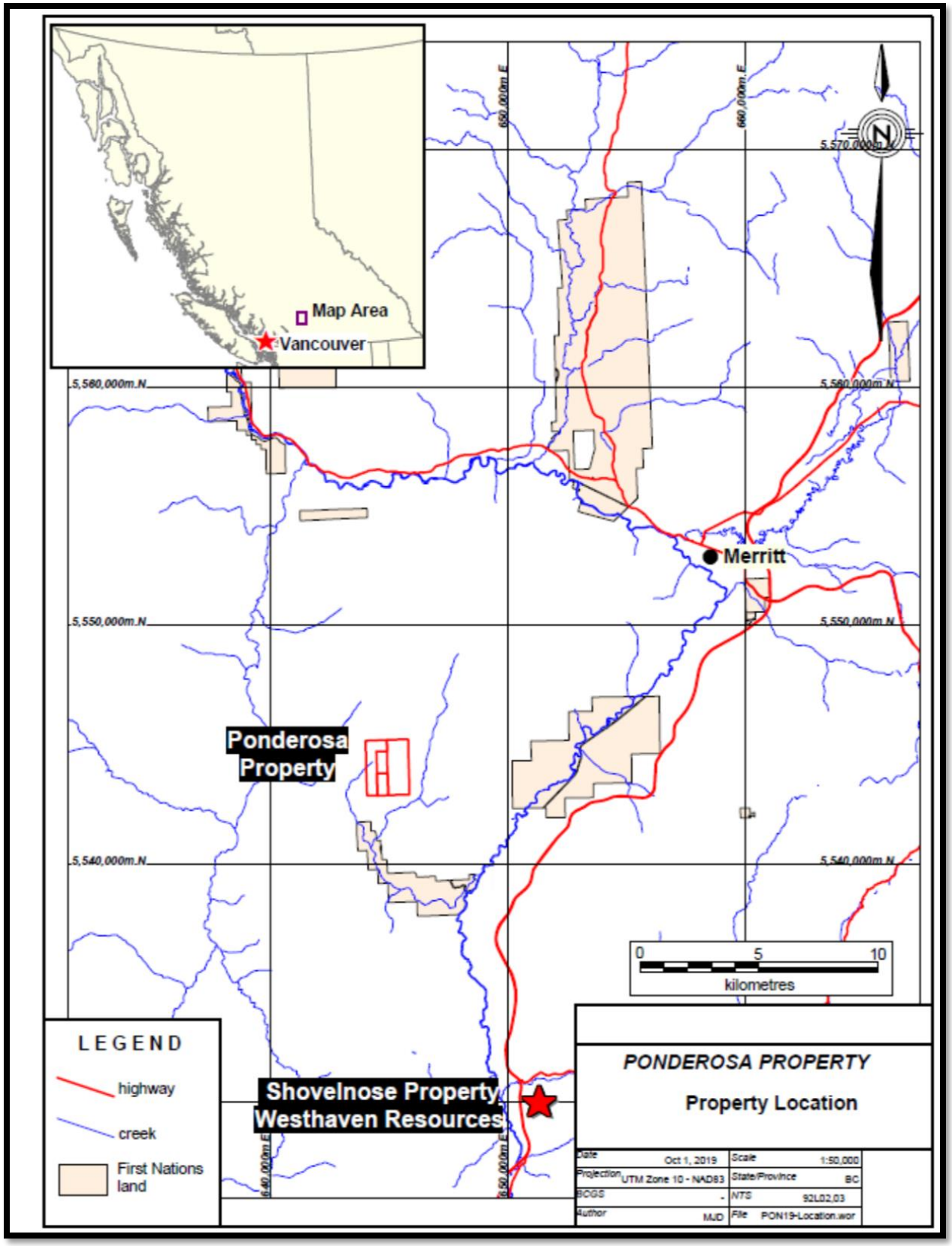
| | 521382 | 41.51 | 2005/OCT/20 | 2029/OCT/27 | Almadex Minerals Ltd. | Almadex Minerals Ltd. |
| **Total Area** | | **415.13** | **hectares** | | | |




Source: Wengzynowski, 2019a

**Figure 4-1 Property Location in BC, Canada**

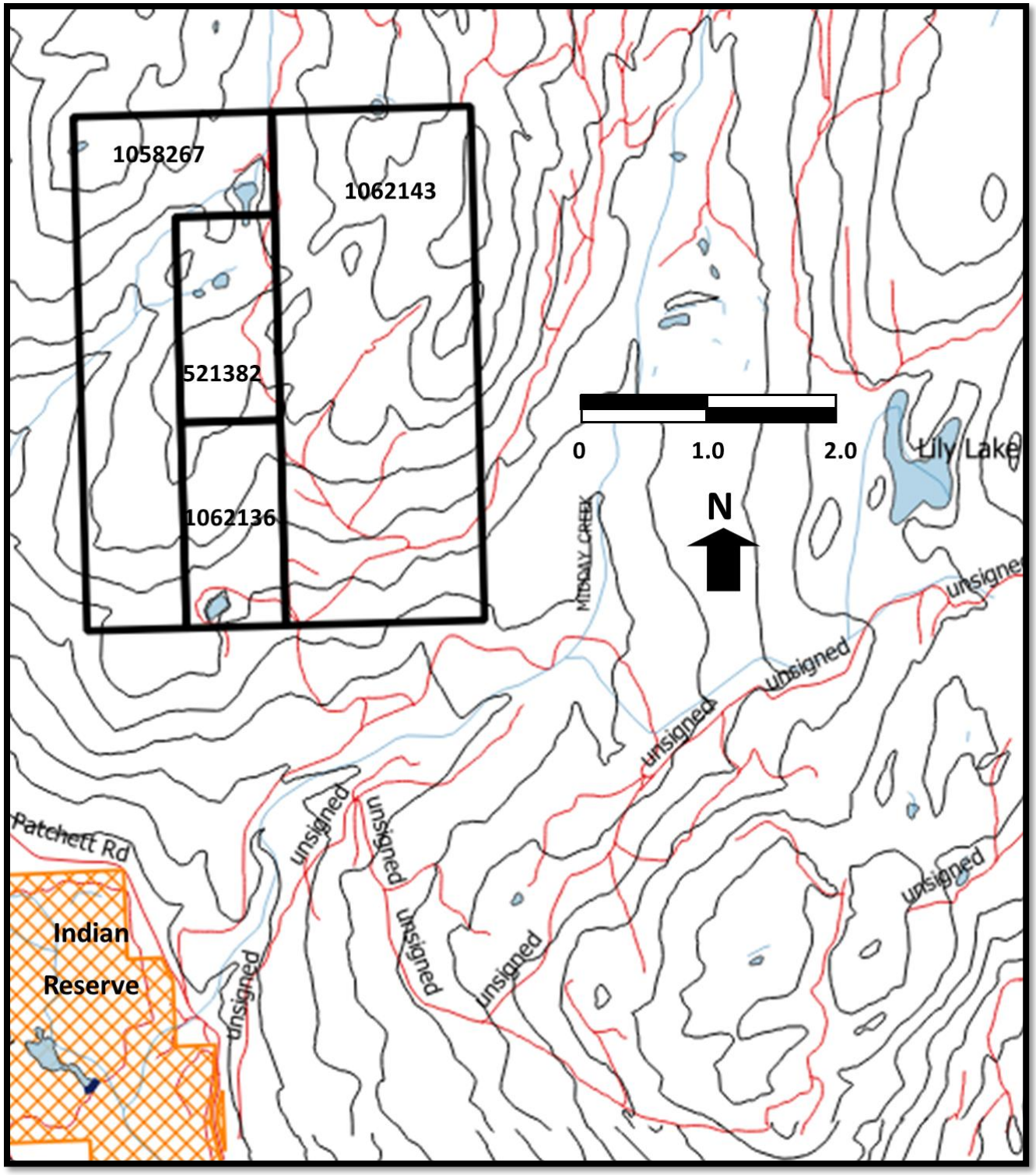



**Figure 4-2 Ponderosa Claims noted with Record Numbers**

## 4.3 Agreements

There are two agreements in place on the Ponderosa claims with 1201361 B. C. Ltd.

The first agreement is an option on the Pond 1 to 3 claims with Edward Balon and Wojtek Jakubowski (optionors) equally sharing ownership. The terms of the option dated April 5, 2019 include the following total payments to be equally shared (50% each) by the optionors:

- $25,000 on the date of execution (complete)
- $25,000 on the first anniversary of the agreement (complete)
- $25,000 on the second anniversary of the agreement
- Final $25,000 payment on the third anniversary of the agreement
- Incurring $1,000,000 in exploration expenditures by the fifth anniversary of the agreement
- Issue 250,000 shares in the company to each optionor (500,000 total) by the first anniversary of the company "Going Public"
- When all of the previous considerations are complete the optionors will turn over 100% of the Pond 1 to 3 claims to the company
- Further share distributions will be made to the optionors:
    - 250,000 shares to each when a Maiden Resource Estimate is complete
    - 250,000 shares to each when a Bankable Feasibility Study is complete
- A 2% Net Smelter Returns royalty will be payable to the optionors with 1% being purchasable by the producing company for $1,000,000 up to the point of "Commercial Production" (1% retained by optionors)

The second option agreement is on the unnamed claim with claim number 521382 and was made with Almadex Minerals Ltd. to earn a 60% interest in the claim under a four-year option agreement. This agreement is dated September 6, 2019 and includes:

- On date of option 5% of issued common shares of the optionee (1201361) (complete)
- On or before the third anniversary exploration expenditures of $500,000 including 500 metres of diamond drilling on the property
- On the business day immediately before a liquidity event issue of shares to maintain a 5% issued share ownership by Almadex in the company earning into the Ponderosa property.

The company has no surface rights in the area and there is private land to the east of the property. Surface rights can be acquired from the province to develop a mine if the project is developed to that stage.

An unsigned copy of a Letter of Intent dated August 14, 2020 between 1201361 B.C. Ltd ("Target") and Schooner Capital Corp. The Letter of Intent outlines the terms of an agreement so that the "Proposed Transaction will be structured to constitute a Qualifying Transaction for Schooner, as defined in the applicable policies of the TSX Venture Exchange." The agreement is to have 1201361 B.C. Ltd become a subsidiary of Schooner. To complete this transaction:

- "Schooner will issue a total of 7,147,409 common shares to the shareholders of the Target (which includes 324,376 common shares required to be issued to Almadex Minerals Ltd. ("Almadex") pursuant to an agreement between Almadex and the Target and 250,000 shares to be issued to each

of Ed Balon and Wojtek Jakubowski under an agreement between Mssrs Balon, Jakubowski and the Target"

## 4.4 Mineral Title Maintenance Requirements

The current Assessment Work (exploration work cost) requirements to maintain mineral title holdings in British Columbia are reflected below.

- $5.00 per hectare for anniversary years 1 and 2;
- $10.00 per hectare for anniversary years 3 and 4;
- $15.00 per hectare for anniversary years 5 and 6; and
- $20.00 per hectare for subsequent anniversary years
- Work can only be filed up to a maximum of ten years title maintenance into the future

The next required Assessment Work will need to be registered by 2027 as noted in Table 4-1. Exploration for the value of $5,604 will need to be completed by 2027, $7,472 by 2028 and $8,303 for every year after that. Any work done between now and 2027 can be applied to these dates and will extend the expiry dates out to ten years from the year of the work into the future. The Payment Instead of Exploration and Development work (PIED) rate has been set at double the value of the corresponding assessment work requirement as an alternative title maintenance option. This is a direct payment to the Government of British Columbia.

The Nlaka'pamux Nation is the regional aboriginal nation with the Coldwater Band occupying the two local Reserves downstream in the Coldwater River valley. Paul's Basin IR #2 is closest being within the lower Midday Creek valley. The primary road access to the Ponderosa property from the south goes through this reserve property. The Coldwater Band are a member of the Nicola Tribal Association, an extended group of First Nation bands in the Coldwater, Nicola and lower Thompson River valleys. The company will have to consult with this local First Nations as well as possibly others as directed by the Province of British Columbia.

There is a detailed process of environmental and local social engagement required to develop an exploration project into a mining operation.

## 4.5 Environmental Liabilities

There are no known environmental liabilities on the Ponderosa property.

## 4.6 Permits Required and Other Project Risks

Any exploration work that involves surface disturbance or cutting of merchantable timber in British Columbia will require a permit acquired through an online Notice of Work application. There are several options including one-time project approvals or a Multi-Year Area-Based Permit if a larger and longer program is budgeted.

The recommended line cutting, drilling and trenching when it is required, will necessitate a Notice of Work application and a Mines permit approval before beginning. The province will require a bond for any exploration work that is deemed to cause disturbance. If required, the author estimates the reclamation bond at CAD$20,000 for the proposed work program in this report's recommendations but the correct value will be determined by provincial staff. There will also need to be Indigenous consultations with the nearby First Nations before these permits are approved.

The risk to mineral title is considered to be low because the project is located in British Columbia.

# 5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

## 5.1 Accessibility

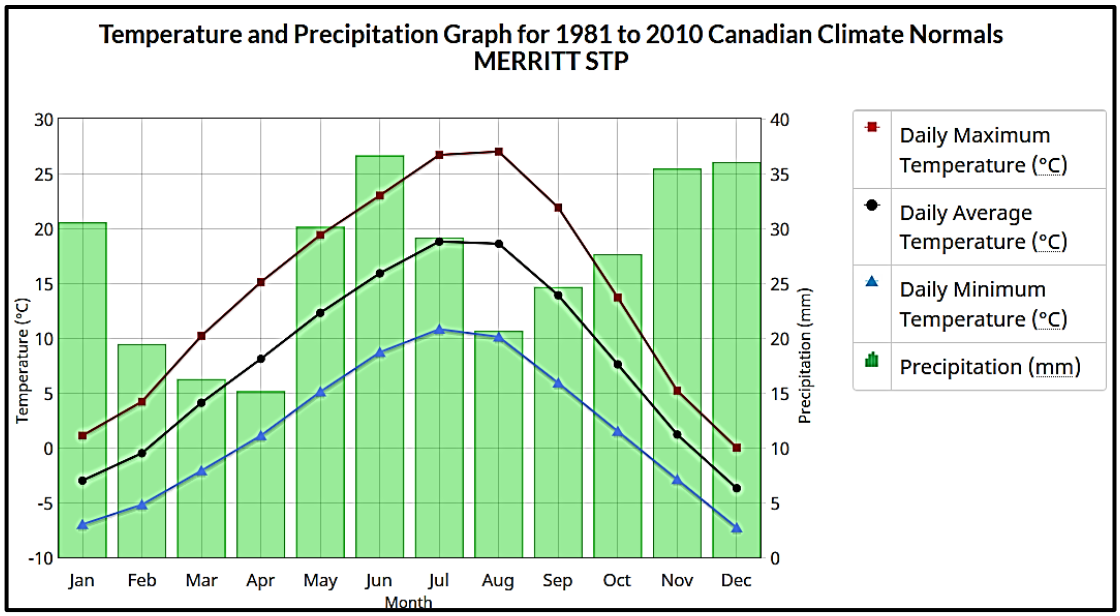
The City of Merritt, BC has highway access by the Coquihalla Highway #5, a multi-lane paved highway that connects to the coastal ports in and near Vancouver and railroads. Also, the regional service centre of Kamloops, which services mineral exploration as well as at least two other large mining operations is accessible along the Coquihalla freeway about 85 kilometres further north.

Local access to the Ponderosa property is by a series of paved publicly maintained and gravel covered forestry roads that are in the area of the property. Taking the paved Coldwater Road out of Merritt to the south about 15 kilometres then turning west-north-west on the gravel Patchett Road, followed by traveling north along non-active forestry roads will access the property from the south. The north end of the property can alternatively be accessed by the gravel Midday Valley Road leaving Merritt just south of the Coldwater River for about 18 kilometres to allow walking access from just north of the property.

## 5.2 Climate

The climate on the Ponderosa property is semi-arid with hot, dry summers and cooler winters with moderate snowfall. The mountains to the west make for a more "continental" climate than near the Pacific Ocean coast around Vancouver.

The nearest climate station is in Merritt, which is at a moderately lower elevation. The data from Environment Canada is summarized in Figure 5-1. The climate at Ponderosa is expected to be similar although a bit cooler. July and August are the hottest months and December and January are the coldest. Work can continue year-round on exploration but the winter will possibly require snow ploughing of roads and winterizing of equipment. The best months for exploration are generally from May to mid or late October when little or no snow is present. Drilling can start earlier and extend later into the season. Ponds and creeks in the area are sources of adequate water for exploration projects. Mining can occur year-round.




Source: https://climate.weather.gc.ca w/ details in References

**Figure 5-1 Monthly Climate Averages in Merritt, BC**

## 5.3 Local Resources and Infrastructure

There is regional grid electrical power located to the south of the property about eight kilometres, near Gillis Lake. The nearest existing electrical sub-station is in nearby Merritt. Existing power for household uses is seen in the lower Midday Creek valley, supplied out of the Coldwater River valley.

The Trans Mountain Pipeline, a petroleum pipeline, is located a few kilometres east of the property.

The nearest railroads are accessible at Spences Bridge on the Thompson River where both the Canadian National and Canadian Pacific Railroads have rail mainlines.

Merritt is a service centre for exploration with most of the required services and contractors for exploration and mining available here. More specialized supplies and services can be accessed in Kamloops a further hour drive away. Merritt is the most likely location to setup for an extended exploration program including stores, heavy equipment, motels and petroleum supplies. Vancouver, with full services for all levels of work, is about a three-hour drive from site.

There is enough room for a mining operation with a mill including tailings or heap leach pads. There is adequate water for exploration. Water on the property in winter and summer for processing may be a challenge but there are alternative sources nearby in the lower elevation rivers and valleys just off the property.

## 5.4 Physiography

The elevation varies from just under 1,000 metres in the south-east corner to about 1,250 metres in the north-west corner. The area of interest near the Ponderosa property is gentle hills sloping generally to the

south west. There is outcrop near the top of the hill, in the area of historic drilling and trenching, with glacial and soil cover of various depths at lower elevations.

Historically, the region has been selectively logged. The forests consist of widely-spaced Lodgepole Pine, Ponderosa Pine and Douglas Fir. Bedrock exposure is moderate in the upper regions of the project area, while soil and glacial till cover is highly variable in depth below the higher elevation knolls and ridge systems.

# 6 HISTORY

The following history is sourced from the report by Wengzynowski, 2019a.

> "Placer gold was discovered in gravel bars adjacent to the Skoonka Creek … These discoveries resulted in the Fraser and Thompson rivers gold rush between the 19th and 20th centuries (Balon, 2006). Placer gold was also mined from gravel bars on major tributaries in the Ashcroft- Lytton-Lillooet district. In particular, the Nicoamen River, situated 12 km downstream from the mouth of Skoonka Creek, played a pivotal role in starting the gold rush in interior British Columbia (Stewart & Gale, 2006). "

The Skoonka Creek property is located about 50 kilometres to the north-west of the Ponderosa property within the same Spences Bridge Group rocks. Its discovery occurred in the early 2000s. This work and early success at Skoonka Creek focused regional exploration on finding other epithermal gold targets within this group of rocks which ultimately included Ponderosa. Wengzynowski, 2019a continued:

> "Reconnaissance prospecting and geochemical sampling as follow-up to government based Regional Geochemical Survey (RGS) silt sample anomalies near the Ponderosa property led to the acquisition of the project area by Almaden Minerals Ltd. (Almaden) in 2005. Follow-up exploration programs in 2005 and 2006 carried out by Almaden included prospecting, grid-based soil sampling and bedrock mapping. In-situ epithermal style gold mineralization was documented on claims occupying the central portion of the claim area referred to as the Axel Ridge showing. The project was optioned to Strongbow Exploration Inc. which focused much of its 2007 efforts on mechanized exploration of the Axel Ridge trend in the form of diamond drilling. This work failed to identify the source of the surface mineralization"

The work in 2007, the most significant program to date on the property, was on a block of claims larger in area than the present Ponderosa group but was focused heavily on the Axel Ridge area, within the present 2020 Ponderosa property. This includes the trenching and drilling which is within the existing Ponderosa claims. The program included mechanical excavation of five trenches, a ground magnetic survey, prospecting, bedrock geological mapping and diamond drilling. The trenches completed included three in the Axel Ridge Zone and two trenches approximately 275m NNW of Axel Ridge as recorded in Jackson, et. al., 2008. Two were extensions of hand dug trenches from 2006. One of these trenches in 2006 extended in 2007 returned 2.22 g/t gold over 11.7m in trench PT07-01. Trench PT07-02 returned values of 1.92 g/t gold over 14.0m. In 2007 six diamond drill holes were completed totalling 961 metres. Three of these holes were positioned to the west of the Axel Ridge Showing, two holes to the east of the showing, and one hole to the north-west by the Beaver Pond according to Jackson, et. al., 2008. Drilling was completed with NQ2 size core (50.5 mm diameter) and the program included insertion of assay standards. Drill collars and hole details plus significant intercepts are summarized in Table 6-1.

**Table 6-1 2007 Diamond Drill Hole Program Summary**

| Hole # | Easting | Northing | Elevation | Depth | Dip | Azimuth | Significant intercepts reported in Jackson, et.al., 2008 ppb Au/metre length |
|---|---|---|---|---|---|---|---|
| | UTM Zone 10, NAD 83 | | m | m | deg | deg | |
| PD07-01 | 644701 | 5544148 | 1202 | 133.20 | -60 | 090 | ----- |
| PD07-02 | 644676 | 5544085 | 1192 | 200.25 | -45 | 090 | 26.8 ppb /1.5 m and 15.5 ppb /1.5m |
| PD07-03 | 644671 | 5544198 | 1181 | 154.53 | -45 | 090 | 68.2 ppb/1.15 m and 16.8ppb/1.0 m |
| PD07-04 | 644825 | 5544166 | 1180 | 163.68 | -45 | 270 | 33.8 ppb/ 1.5 m |
| PD07-05 | 644808 | 5544166 | 1184 | 154.53 | -45 | 270 | ----- |
| PD07-06 | 644693 | 5544380 | 1133 | 154.53 | -45 | 262 | ----- |
| | | **Total Length** | | **960.72** | **metres** | | |

The results in the trenches were encouraging but the drilling was not successful in following up on these results.

No further work is recorded until 2019, although there are reports of several trenches and two drill holes near the south side of the pond in the FlatIron Zone across from the Tomahawk Zone completed by Almadex (verbal communication with M. Blythe). Wengzynowski, 2019a and 2019b did multiple separate campaigns of field work in 2019. The first was an infill soil geochemistry survey on the Pond 1 to 3 claims. The second was a hand trenching program on the unnamed claim (claim number 521382) in the fall after the Almadex agreement was completed. The 2019 work is summarized in the Exploration section of this report.

There is no known historic mineral production on the property.

# 7 GEOLOGICAL SETTING AND MINERALISATION

## 7.1 Regional Geology

In this report the regional bedrock geology is summarized in Figure 7-1. This figure and the legend (Figure 7-2) that follows shows the local part of the southern Intermontane Tectonic Belt of the Canadian Cordillera; it was compiled by the BCGS and is based on regional geology from multiple historic government mapping sources. This map is displayed on BC Map Place. It should be noted that locally at Ponderosa this regional map differs from the detailed map presented in Figure 7-3 which is considered locally to be more accurate. Jackson, et. al., 2008 notes the following:

> "Lithologies within the Map … area include successions of Mesozoic to Cenozoic volcanic and sedimentary rocks, which have been intruded by plutons of various compositions and ages from approximately Permian and/or Triassic to Miocene. Locally thick deposits of Pleistocene and recent glacial drift and alluvium are prevalent in all of the major creek and river valleys. Much of the region was overridden during the last Pleistocene glaciation by ice moving generally southeast, but more directly southward in the Spius – Midday Creeks area Nicoamen Plateau; (…; Balon, 2006).
>
> The dominant rock assemblage underlying the Ponderosa property is the Cretaceous Spius Creek Formation, a basaltic andesite unit (IKSBSva). This is the upper sequence of the Spences Bridge Group (IKSBSva, IKSB, IKSBPva, and IKSBP) which is a broad northwest-trending thick sequence of

> gently folded volcanics with lesser sediments, having variable orientations and generally shallow dips. The upper sequence was formerly called the Kingsvale Group by earlier government geologists (Rice, 1947; Duffell and McTaggart, 1952; and others before Thorkelson, 1985). A lower assemblage called the Pimainus Formation includes intermediate, locally felsic to mafic, flows and pyroclastics with some sandstone, shale and conglomerate.
>
> The Spences Bridge Group unconformably overlies older plutonic rocks consisting of granodiorite to diorite/gabbro intrusives of the Permian-Triassic Mount Lytton Complex (PTrMgd, PTrMdr, and PTrMml). These plutonic rocks outcrop due west of the Ponderosa/Inn properties and follow a northwest trend adjacent to the Spences Bridge Group. The Mount Lytton Complex is observed in the southern portion of Strongbow's Skoonka Creek property. The Spences Bridge Group is unconformably overlain by the Eocene Princeton/Kamloops Group (EKav, EKas, EPrb, and EPr), mafic and felsic volcanics, large bodies of which are found both to the east (~2km) and west (~6km) of the property. Small Cenozoic intrusions of feldspar porphyry composition (Efp) occur in contact with the Spences Bridge rocks a few kilometres to the northeast, on Strongbow's Southern Belle property, and northwest of the claim group (…).
>
> The major structural features in the region are steeply dipping normal faults. The Spius Creek Fault, 2-3km west of the property, is a probable southern extension of the Lornex (Big Divide) Fault which transects the Guichon Batholith (LTrJqm, LTrJGH) ... A prominent northeasternly splay of the southern Spius Creek Break, called the Midday Creek Fault, cuts across the southeasternly portion of the claim block. Although local faults have been mapped with a variety of attitudes, the dominant trends are north-south and 140° to 150° (Monger, 1981). It has been postulated that the rocks of the Spences Bridge Group formed as a chain of stratovolcanoes associated with subsiding, fault bounded basins (… Thorkelson, 1985)."

Jackson, et. al., 2008 further states:

> "There are over six known occurrences of low sulphidation type epithermal gold mineralization hosted by quartz veins and breccia in Spences Bridge volcanic belt, which form a northwest-southeast trend of 50 kilometres (Balon, 2006). Although there are no currently producing gold mines within the belt, several of the gold showings have been drill tested, including the JJ showing (Skoonka Creek) and the RM zone (Prospect Valley)."

At the time of writing this report in early 2020 Westhaven Ventures Inc. is actively exploring for gold at Shovelnose property, approximately 20 km south-east with a large drill program and identifies the Skoonka Creek and Prospect Valley as significant prospects.

There are nine target areas identified by Talisker Resources as seen on Figure 23-1. The general extent of the Spences Bridge Group is approximated by the claim outline of the combined Talisker and Westhaven claim holdings in Figure 23-1. All of the dozen areas have been identified as low-sulphidation epithermal gold targets within the Spences Bridge Group terrane by these companies. The report author has not been able to verify the information on Talisker's or Westhaven's projects but the information has been reported by industry professionals and publicly posted. The results at these projects does not necessarily reflect the results or mineralization at Ponderosa.

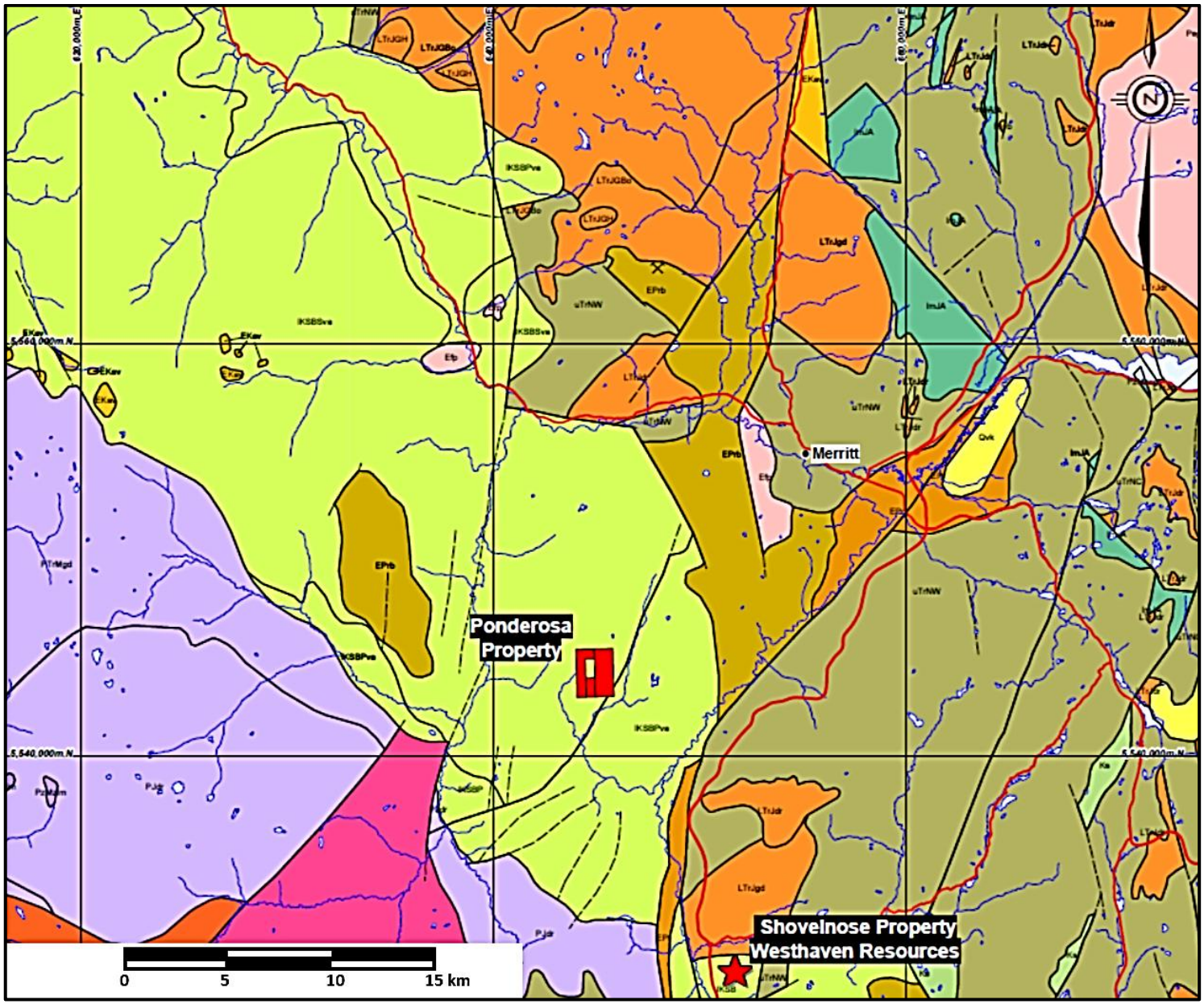
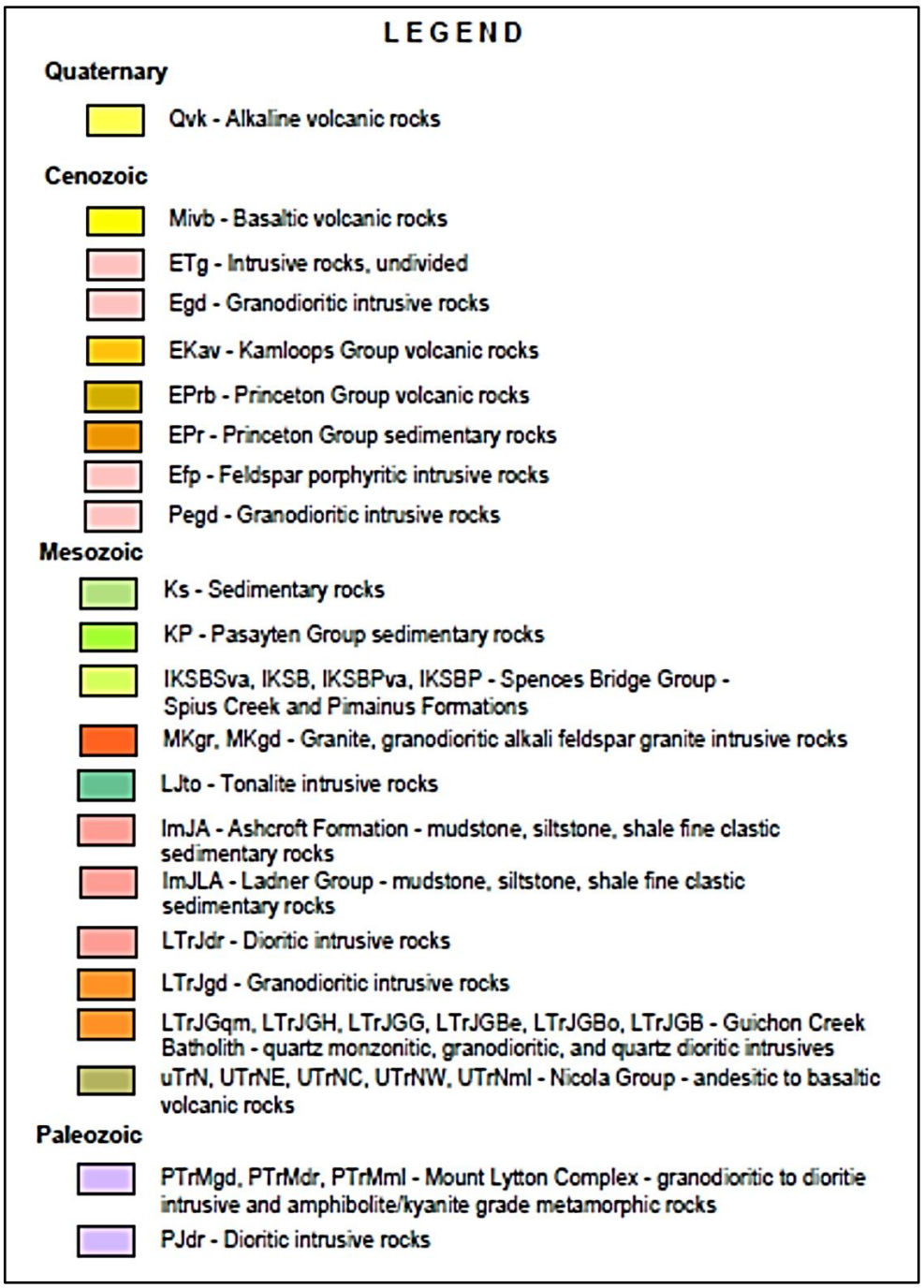



**Figure 7-1 Regional Geology** **Source: Wengzynowski, 2019a**




Source: Wengzynowski, 2019a

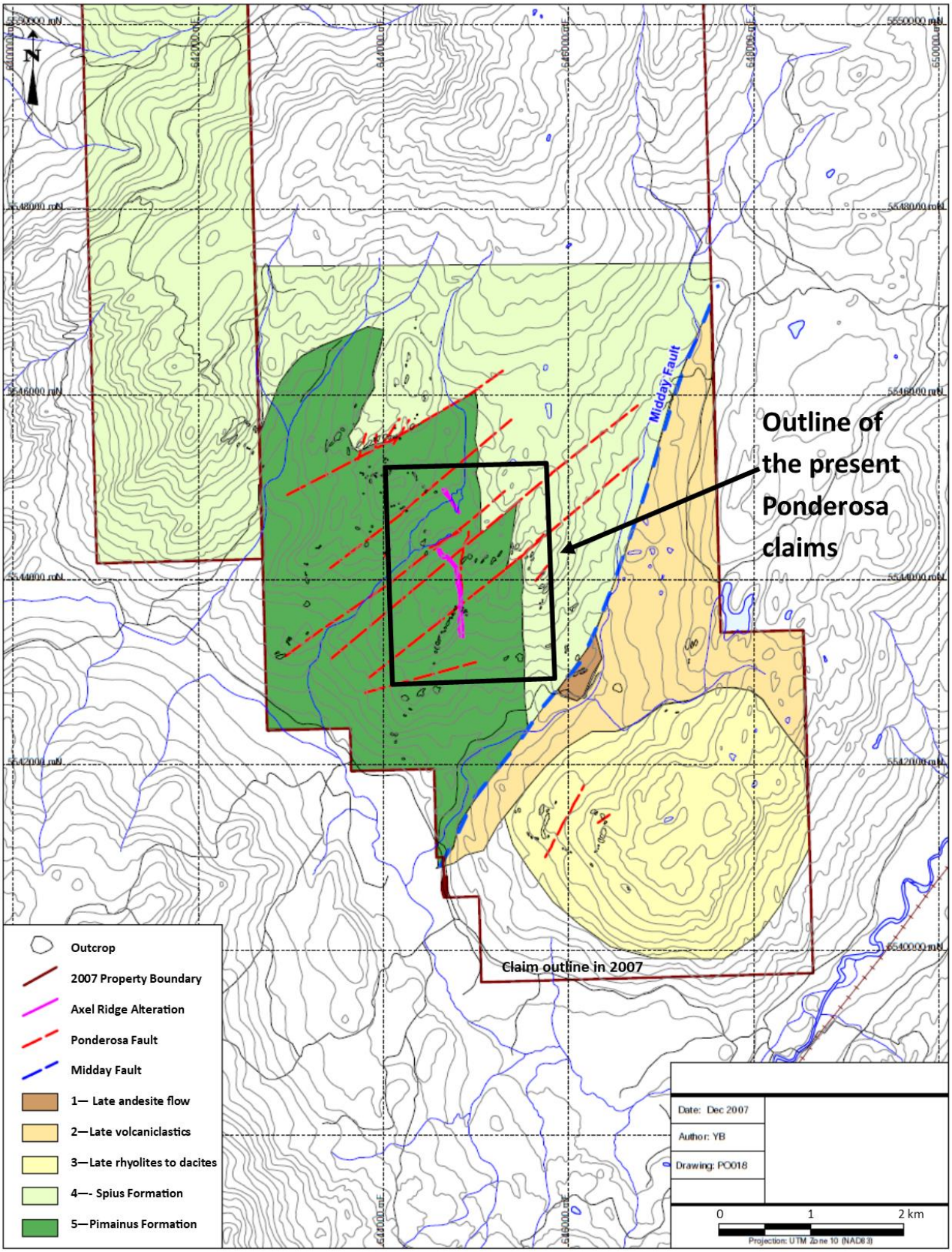
**Figure 7-2 Regional Geology Legend**

## 7.2 Local Geology

The largest and most extensive local geological mapping was compiled in 2007. It was completed by Lamont Leatherman (Leatherman, 2007). The primary focus of the mapping was to understand the geologic relationships of the Axel Ridge trend relative to the Spences Bridge Group volcanics. All mapping focused on

the existing 2020 Ponderosa property and nearby. Jackson, et. al., 2008 has summarized the local geology best and Figure 7-3 locates most of the units described. This work is based on Leatherman, 2007.

> "Unit 1 - Late andesite flow – light tan to grey, porphyritic andesite flow, 20% subhedral to euhedral plagioclase feldspar phenocrysts up to 3mm in length, 10% hornblende needles up to 2mm in length, 5% euhedral biotite phenocrysts up to 3mm in diameter. In localized areas there are quartz masses or phenocrysts, 1-2% subhedral, up to 2 mm in diameter. Outcrop scale observations include flow banding (locally chaotic) and blocky fracture/weathering.
>
> Unit 2 - Late volcaniclastics – tan, polymictic volcaniclastics and conglomerates. Clasts range up to 2 cm and are subrounded to very angular, clast types include felsic lithic fragments, minor intermediate to mafic lithic clasts, feldspar crystals/fragments and locally, angular quartz clasts. This unit rarely outcrops and much of the descriptive data above is from large float blocks. A large outcrop of conglomerate appears to cap the volcaniclastics; these are crudely bedded conglomerates with interbeds of greywacke and grits. Clasts are generally subrounded to very well rounded (…) and up to 0.6 meters in diameter. Pink clasts with porphyritic feldspar, greenish grey clasts with porphyritic feldspar and flow banded felsic clasts are the dominate clast type in the conglomerates. This conglomerate unit is estimated to be in excess of 50 metres thickness.
>
> Unit 3 - Late rhyolites to dacites – dark grey to white to pink, flow banded and brecciated rhyolite flows. The unit is commonly aphanitic to porphyritic with feldspar and quartz phenocrysts in varying amounts. Locally, a classic perlite texture is observed giving the rock a pseudo-granular texture. Flows are interbedded with felsic tuffs; clasts are angular and range up to 5cm in size (…). Clast outlines are only visible on weathered surfaces, on fresh surfaces clast boundaries are diffuse and difficult to identify. Tuffs are commonly very hard and silicified.
>
> Unit 4 - Spius Formation – brown to brownish grey, green and reddish grey to maroon andesitic flow and flow breccias (…); predominantly amygdaloidal, up to 30%, 0.5 – 2cm calcite and /or chlorite filled amygdules, amygdules commonly elongated. Occasionally the Spius is porphyritic, with 2-4mm feldspar. Outcrop scale observations include metre scale massive aphanitic flow units, alternating with green and maroon, amygdaloidal rich flows and flow breccias. Flow breccias commonly have cm scale, irregular, patches of calcite. Outcrops of this unit are low and rounded, commonly friable producing a granular soil around and down slope.
>
> Unit 5 - Pimainus Formation – greenish grey to bluish grey, dense, andesitic flows. Commonly porphyritic with up to 30%, 2-5 mm, subhedral to euhedral feldspar and 10% combined hornblende/pyroxene phenocryst. Pyroxenes are commonly red due to eddingsite alteration. Occasionally, flows have a massive fine grain sugary texture with diffuse phenocryst. Locally, a fine grained, trachytic texture has been observed. Outcrop scale observations include a highly jointed, blocky weathering and occasional subtle flow banding. Amygdules are generally rare but do occur in 10 cm scale layers within the flow, they are generally calcite filled and comprise < 5% of the rock.




Source: Modified for present claim boundaries from Jackson, et. al. 2008

**Figure 7-3 Local Geology**

> Units 1 to 3 belong to the Eocene Princeton/Kamloops Group to the southeast, whereas Units 4 and 5 belong to the Cretaceous Spences Bridge Group to the northwest. These two groups are separated by the northeast–southwest trending Midday Fault (…). The Pimainus Formation andesite flows host the Axel Ridge mineralization. Maroon to green, amygdaloidal rich, andesite flows and flow breccias of the Spius Formation (Unit 4) are found approximately 0.5km to the east of the Axel Ridge magnetic low (…). The transition from the blocky, massive flows of the Pimainus Formation to the amygdaloidal flows of the Spius Formation is abrupt and may represent an early north – south normal fault where the eastern block has been down dropped. At this point, no field observations confirming a fault contact have been documented; therefore the transition has been marked as an inferred contact (…)."

Leatherman, 2007 notes:

> "Structurally, the Axel Ridge trend and the Pimainus/Spius contact have been offset by a series of northeast/southwest trending strike slip faults resulting in sinistral offset (…)(Figure 7-3Figure 7-3 Local Geology ). Displacement along these faults range from a meter to as much as a kilometer. These faults are obviously younger than the mineralization and may be related to the Midday Fault to the south. It must be noted that Almaden Mineral's mapping of the Axel Ridge trend suggests fault offset that contradict the author's interpreted sinistral offset along the Pimainus-Spius contact. As an alternative, the alteration trend mapped by Almaden could be two distinct mineralized trends instead of the same trend offset along a northeast-trending fault. Subcrop occurrences of quartz veins provide some support to this possibility."

In Figure 7-3 the dark green unit is the underlying Pimainus Formation and the lighter green unit is the younger Spius Formation.

## 7.3 Local Mineralization

The mineralization as historically sampled consists of quartz veins and vein stockworks within the Pimainus formation as mapped in 2007 (Jackson, et. al., 2008). These are described as quartz-adularia veins in the BCGS Minfile and Balon, 2007 notes:

> "Alteration is most pervasive and locally intense along the Axel Ridge mineral zone. The dominant alteration minerals are silica, ankerite, clays, hematite, limonite, manganese oxide, and chlorite. Silicification is consistently present along quartz vein margins, but is generally tightly confined where the hostrock is a dense lava. Carbonate (ankerite-dolomite-calcite) and hematite-limonite alterations are more widespread, extending outward for several or even tens of metres from the larger quartz vein breccia masses. Strong clay alteration is common along numerous narrow shears within the mineralized corridor. Limonite, manganese oxide, and chlorite are ubiquitous throughout the zone; jarosite occurs locally with abundant Fe-Mn oxides, particularly on fractures in a dark grey pyritic chalcedony-matrix breccia. Minor adularia has been noted in some of the banded quartz vein rubble near the main Axel Ridge showing at Trench PT06-1."

Balon, 2007 continues:

> "Widespread, variable alteration is also present throughout the pyroclastic assemblage in the southeastern claims. The dominant types here include iron/manganese oxide, clay and carbonate. Some of this alteration is deuteric (Thorkelson, 1985); however, there are obvious (later) hydrothermal features evidenced by local patches of strong silicification with hematitic and/or pyritic quartz veinlets carrying elevated Au, As, Sb, Ba"

Balon 2007 notes gold mineralization was uncovered at three locations in the Axel Ridge area. Quartz vein mineralization is also seen in float found within a 2,000-metre-long soil geochemistry anomaly. Balon, 2007 notes the following vein textures:

> "The mineral occurrences exhibit classic textures typical of low sulphidation epithermal veins including the following: crustiform and colloform banded chalcedony and microcrystalline quartz, drusy cavities and layered comb quartz, chalcedony-matrix breccia with rimmed (cockaded) hostrock clasts. There is also an occurrence of bright red-brown jasper-rich multiphase quartz breccia, near Trench PT06- 2."

These textures described above are characteristic of epithermal deposits formed in a near surface environment. The gold values associated within the alteration and vein/stockwork zones make this property a classic epithermal gold deposit type target.

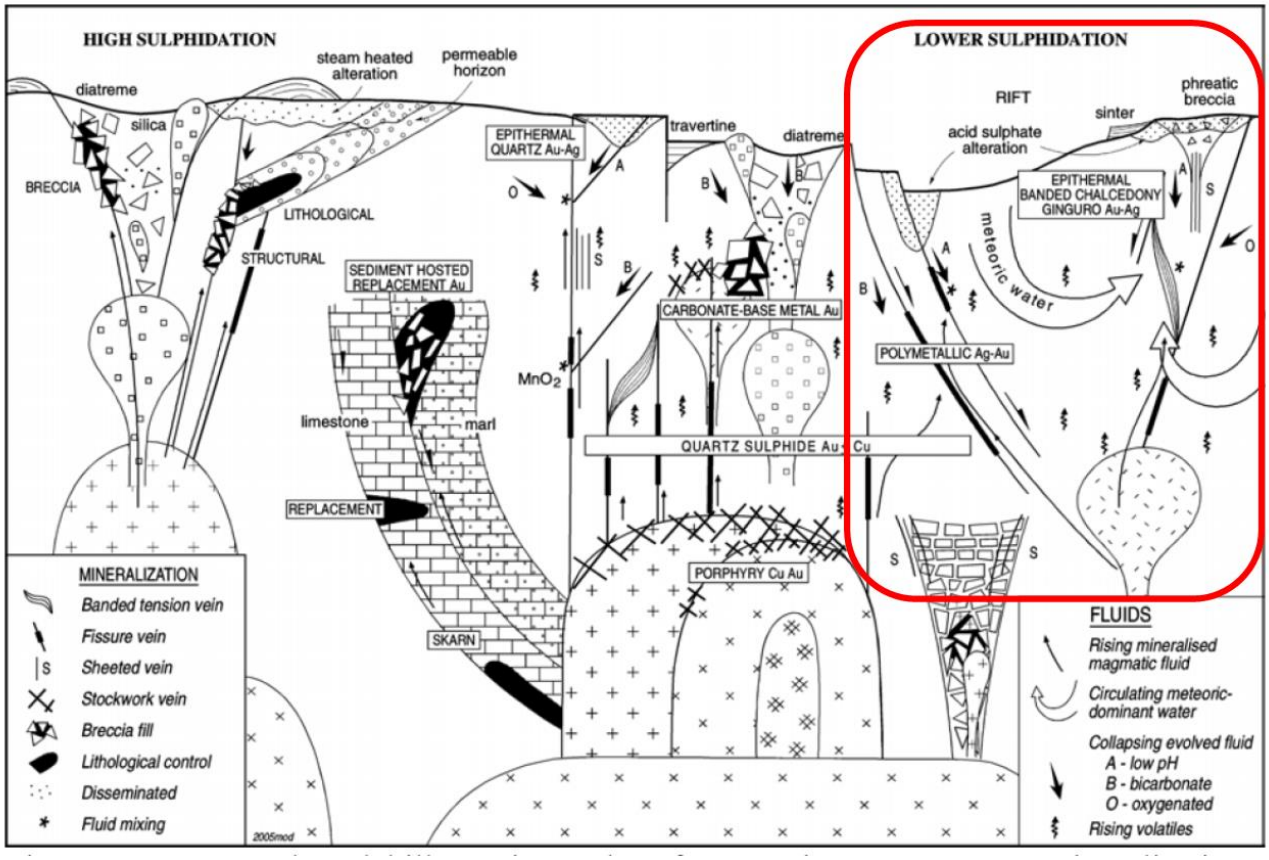
There is insufficient work to date to determine the full length, width, depth and continuity of the mineralization found on this property.

There have been multiple target zones outlined in the past year of work. They include the Tomahawk, FlatIron, RibEye and T-bone Zones plus the Axel Ridge area. See Figure 9-1 for general locations. These were followed up on in 2019 and found based on soil geochemistry and previous field mapping work.

# 8 DEPOSIT TYPES

The deposit type target of the Ponderosa property is structurally controlled low-sulphidation Epithermal Precious Metal deposits. Grades and tonnages of this type of deposit can vary from large low-grade zones to very high-grade deposits of various tonnages and can include gold and silver plus other minor metals.

The deposit type seen on the claims visited by the author is a low-sulphidation epithermal gold system. The local geology is predominantly felsic and intermediate sub-aerial and flow volcanic rocks in an extensional and strike-slip structural regime. This is a preferred environment for these deposit types. Epithermal deposits are created in the near surface of hydrothermal systems that include surface hot springs and deeper hydrothermal fluid-flow zones, which can be locales for mineralization. Mineral deposition takes place near the surface in the zones where the hydrothermal fluids undergo cooling by oner or more of the following: fluid mixing, boiling, and/or pressure loss. An illustration of a typical system is shown in Figure 8-1 with the low-sulphidation deposition zone identified on the right-hand side of the diagram circled in red.




Source: Corbett, 2005 (with low-sulphidation types in the red box)

**Figure 8-1 Epithermal Deposit Type Model Section**

The BCGS summary of deposit types (Panteleyev, 1995) includes the following summary: "Quartz veins, stockworks and breccias carrying gold, silver, electrum, argentite and pyrite with lesser and variable amounts of sphalerite, chalcopyrite, galena, rare tetrahedrite and sulphosalt minerals form in high- level (epizonal) to near-surface environments. The ore commonly exhibits open-space filling textures and is associated with volcanic-related hydrothermal to geothermal systems." These deposits are generally characterized by the presence and association of quartz and adularia which is recorded as present in previous studies of the Axel Ridge zone.

The rocks seen on the site visit are veins including stockwork and breccias of quartz, probable adularia and minor carbonate with trace base metal sulphides. These rocks are consistent with a Low-Sulphidation Epithermal Precious Metal deposit.

# 9 EXPLORATION

In 2019 there were multiple campaigns of exploration on the Ponderosa property, of which two were recorded in the Assessment Reports by Wengzynowski, 2019a and 2019b. The work recorded in the Assessment Reports extended the claim ownership for about five years.

Significant further work was completed by 1201361 BC Ltd. that was not included in the Assessment Reports for financial and time reasons since the work filed extended ownership enough for the owners' purposes was summarized in Wengzynowski, 2020b and includes the following highlights:

> "Work by 1201361 BC Ltd commenced with a thorough review of historical data which included reports from 2005-2006 (Almaden Minerals Ltd.), 2007 (Strongbow Exploration Inc.) and 2012 (Balon). The collective dataset comprised property wide soil geochemistry, rock geochemistry and broadly interpreted structural and stratigraphic mapping plus localized target scale hand and mechanized trenching, diamond drilling and an isolated ground magnetic geophysical survey. This data was compiled, reviewed and massaged to design and direct the subsequent field programs at the Axel Ridge, Tomahawk, FlatIron, T-Bone and RibEye zones and obtain a better understanding of the Ponderosa mineralizing system as a whole."

and

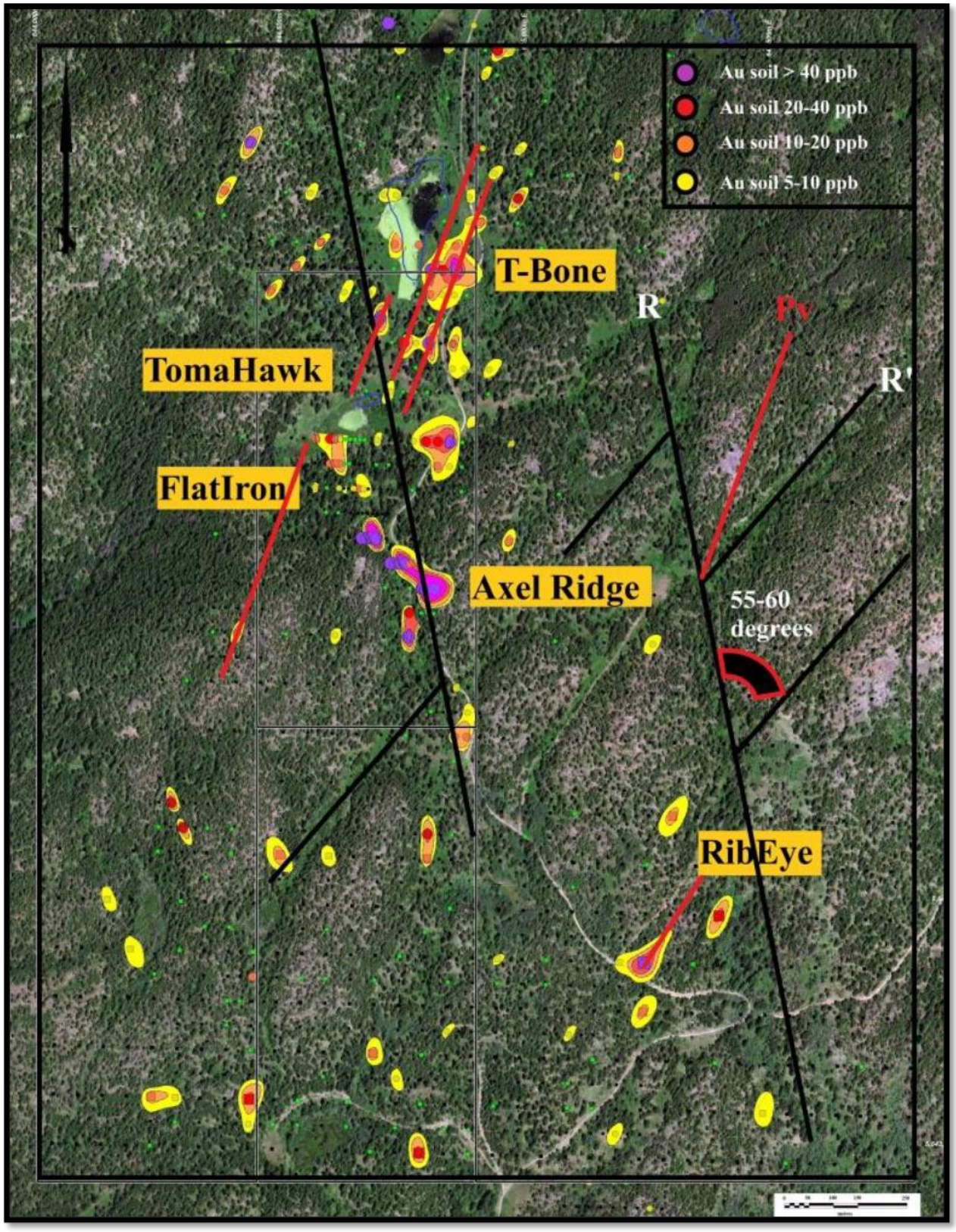
> "Terrain and geology were assessed across broad portions of the property through prospecting and traverses following up historical soil and rock sample anomalies (approximately 15 man days which were not included in assessment reporting)."

and

> "Previous mapping and structural interpretations were largely constrained to ridges and heights of land and most geological contacts and structural associations appear to be largely inferred. 1201361 BC Ltd acquired airphoto and satellite imagery for the area hosting the Ponderosa project which provided insight into a potential explanation of structural geometry. Structural lineaments appear as well-defined vegetation anomalies, several of which were field verified. This data was loosely modelled using the Riedel Shear system defining numerous repeatable conjugate fault sets defining R and R'. The "acute bisector" trend of these conjugate fault sets was found to coincide with the orientation of mineralization identified at a number new targets and alignment of soil geochemical anomalies."

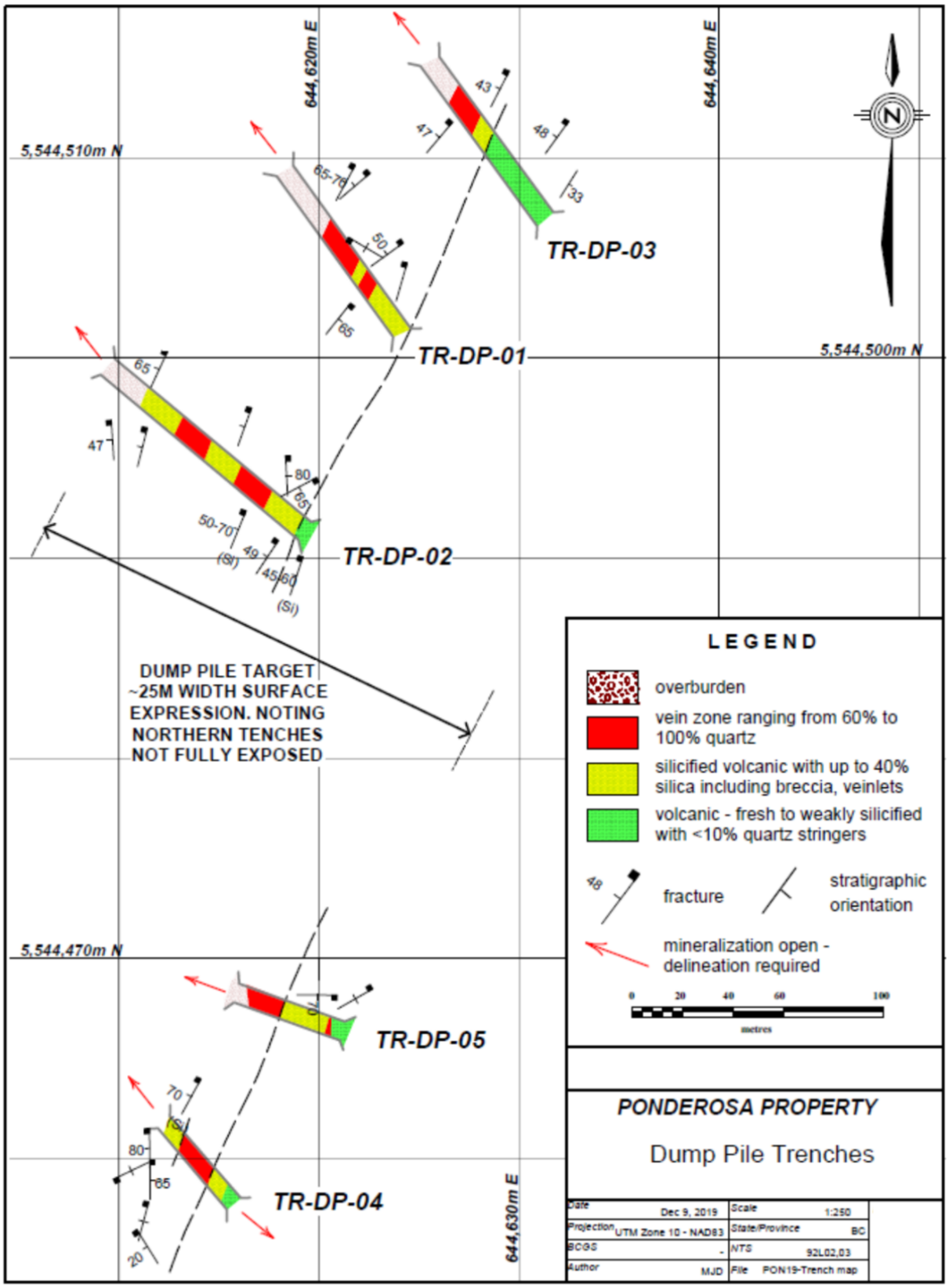
and

> "A detailed field map of the target area was also generated (approximately 4 man days of work, not filed as assessment) and it was concluded that the Axel Ridge setting is highly structurally complex and may represent a window of uplift from a deeper portion of the Ponderosa mineralizing system. Of particular note is the presence of post vein iron carbonate breccia containing shattered quartz vein mineralization along the trends interpreted to represent large scale structures associated with R and R' orientations of the Riedel Shear model inferring reactivation and post emplacement hydrothermal activity."




Source: Wengzynowski, 2020b

**Figure 9-1 Lineament summary with historic gold soil geochemistry at Ponderosa**




Source: Wengzynowski, 2019b when the Tomahawk Zone was called the Dump Pile Zone

**Figure 9-2 2019 Hand Trenching Plan at the Tomahawk Zone**

and

> "Six samples of weakly crustiform to cryptocrystalline/saccharoidal quartz were collected along the trend of the surface exposures and returned values ranging from below detection limits to 2.96 g/t gold. It should be noted that these samples were only analyzed for gold content."

Wengzynowski, 2020b also summarizes further field work at the FlatIron, T-Bone and RibEye zones that was not reported in the Assessment Reports. Rock samples were generally grab samples and not necessarily representative of the tenor of mineralization, but were collected to confirm previous sampling and coordinate zones for future exploration as noted below:

> "Twenty-four samples were collected by 1201361 BC Ltd mostly in the southern half of the claim block as confirmation sampling of historical results and to assess the nature of the material sampled and expand the scope of sampling beyond quartz vein material. Various styles of iron-carbonate alteration and breccia material was documented and sampled as well. The following table documents the anomalous samples collected by 1201361 BC Ltd."

**Table 9-1 Select analyses in 2019**

| Sample # | Easting | Northing | Au g/t | Ag g/t | As ppm | Ag:Au ratio |
|---|---|---|---|---|---|---|
| **Southern** | | | | | | |
| L995169 | 644881 | 5543002 | 1.58 | 2.82 | 80.6 | 1.8 |
| L995170 | 644884 | 5543082 | 0.78 | 4.63 | 72.7 | 5.9 |
| L995173 | 644909 | 5543041 | 0.68 | 1.03 | 21.8 | 1.5 |
| L995174 | 644970 | 5543027 | 0.81 | 2.37 | 20.8 | 2.8 |
| L995179 | 645332 | 5542850 | 9.78 | 8.71 | 125.5 | 0.9 |
| L995193 | 644504 | 5543250 | 1.05 | 2.51 | 50 | 2.4 |
| L562860 | 645190 | 5543040 | 2 | 2.55 | 37.6 | 1.3 |
| **Central** | | | | | | |
| L995197 | 644920 | 5543750 | 0.94 | 1.52 | 32.4 | 1.6 |
| L995199 | 644793 | 5543743 | 0.58 | 1.5 | 80.9 | 2.6 |
| L995200 | 644890 | 5543834 | 7.78 | 20.2 | 36.2 | 2.6 |

The first Assessment Report, Wengzynowski, 2019a, included a program focused on geochemistry on the POND 1 to 3 claims in May 2019. This was before the acquisition of the unnamed claim. This fieldwork took place in several phases between April 3 and August 2, 2019. It began with a property orientation, historical site investigation and evaluation for the purposes of onsite planning for subsequent exploration. Between May 12 and 22, 2019 grid soil sampling coverage was extended to the edges of the claim boundaries along the eastern part of the claim block in addition to locating soil lines between the historical grid lines in the southern part of the project area where much of the historical prospecting was conducted to create a symmetric unbiased grid. Wengzynowski, 2019a described the sample lines as located to infill and extend to the property boundary the lines from the 2006 work (Balon, 2007) is summarized as:

> "Soil sample collection was contracted to Rio Minerals Limited of Vancouver B.C. Four hundred twelve soil samples were collected at 50 m intervals along east-west oriented lines spaced roughly 100 m apart. Soil was collected at a consistent depth of 35 cm with a shovel and spoon. In cases where soil pits encountered bedrock, soil was collected from the soil-bedrock interface. Samples were placed in standard Kraft soil sample bags and labeled with the last five digits of their relative NAD 83 northing and easting grid location.
>
> The samples were dried and placed in marked poly bags which were then zap-strapped, placed in marked rice bags, double zap-strapped, and delivered directly to 1201361 B.C. which delivered them to ALS Canada Ltd. in a timely fashion. Site locations were established with the use of Garmin Global Positioning System (GPS) handheld devices and marked in the field with orange and blue flagging marked with the corresponding coordinates in black felt pen."

Analysis was at the International Standards ISO/IEC 17025:2017 and ISO 9001:2015 accredited ALS Laboratories in North Vancouver, BC. The preparation was by method SCR-41 whereby the sample is sieved to -180 micron. Two gold analyses were performed, the first of which was an Au-ST44 "super trace" procedure using a 50-gram charge analyzing gold by aqua regia extraction with ICP-MS finish. The second procedure, Au-AROR44 was utilized for over range analyses also using a 50-gram charge. Multi-element analyses were conducted using ME-MS41 analyzing for 50 elements by way of aqua regia with ICP-MS finish.

The 2019 soil geochemistry results for gold samples were low with one sample at 110 ppb and the only ten greater than 10 ppb gold. This was also combined with the 2006 data in the report maps to determine a larger data set. Wengzynowski, 2019a summarizes as:

> "The cumulative soil geochemical data set from historical work and the 2019 data collection identified a number of key observations, the first of which is associated with the very low tenor responses along the eastern part of the claim block. Most responses for gold and the typical pathfinder elements (As, Sb, Hg and Ag) are subdued across this area which is interpreted to be underlain by cover rocks of the Spius Formation.
>
> Conversely, the areas containing the strongest soil geochemical responses are interpreted to be underlain by the Pimanius Formation volcanic stratigraphy which is the same general unit that hosts gold mineralization at the Shovelnose Project. Soil geochemical anomalism was examined closely specifically for gold-in-soil results and successfully identified three linear trends with relatively well constrained orientations estimated at 330-335, 010-017 and 030-038 degrees. Some of these trends are recognized in fracture sets in areas of outcrop exposures and others are similar to the orientation of larger scale structural features suggested from the historical mapping."

Later in 2019 an agreement was completed with Almadex and a hand trenching program on the unnamed claim with number 521382 was completed. The September 2019 program consisted of follow up to the earlier programs as described by Wengzynowski, 2019b:

> "These efforts identified hand trenching targets along strike from Axel Ridge in an area referred to as Dump Pile (now known as Tomahawk). A series of five hand trenches were excavated across a zone of high level silica flooding between September 9th and 22nd while mapping was conducted shortly afterward."

The trench work is summarized in the plan in Figure 9-2. The suggested strike of the Tomahawk zone to the north-east – south-west differs from the historic direction noted in Figure 7-3 by the explorers in the mid-2000s. Wengzynowski, 2020b notes "While the trenches have been filed as assessment, they were not sampled, due to financial, seasonal weather and the need to extend the trenches to locate the hangingwall contacts."

The work completed to date is to an industry standard and is adequate for a project at this stage of development.

# 10 DRILLING

Drilling on the Ponderosa property was completed in 2007 with limited results. A summary of the 2007 drilling is found in Section 6 History of this report. The verbal reports of drilling by Almadex was not confirmed by the author.

The company has done no drilling to date.

# 11 SAMPLE PREPARATION, ANALYSES AND SECURITY

Sampling by the company has only been soil geochemistry and minor rock sampling.

The samples were collected by the contractor, Rio Minerals, and delivered to the company who directly delivered them to ALS Canada Ltd. an accredited geochemical laboratory in North Vancouver, BC meeting the International Standards ISO/IEC 17025:2017 and ISO 9001:2015.

The ALS quality program includes quality control steps through sample preparation and analysis, inter-laboratory test programs, and regular internal audits. It is an integral part of day-to-day activities, involves all levels of ALS staff and is monitored at top management levels. This laboratory is independent of the author, 1201361 BC Ltd., and the company.

The soil samples were first logged into the electronic tracking system, weighed and dried. The preparation was by method SCR-41 whereby the sample is sieved to -180 micron. Two gold analyses were performed, the first of which was an Au-ST44 "super trace" procedure using a 50-gram charge analyzing gold by aqua regia extraction with ICP-MS finish. The second procedure, Au-AROR44 was utilized for over range analyses also using a 50-gram charge. Multi-element analyses were conducted using ME-MS41 analyzing for 50 elements by way of aqua regia with ICP-MS finish.

Sample locations were noted by the field crew that consisted of the last five digits of the UTM northing and the last five digits of the easting. This was used to create the map in the report of the distribution of elements.

Rock samples were generally grab samples and not necessarily representative of the tenor of mineralization, but were collected to confirm previous sampling and coordinate zones for future exploration. Rock samples at ALS were prepared using method Prep-31, followed by gold analyses using either Au-GRA22 or Au-AA24.

Some samples were assayed for trace elements using Me-MS41. No rock sampling is reported in the 2019 Assessment Reports by the company. Some is provided in Wengzynowski, 2020b.

Four samples of clay collected from the RibEye Zone were analyzed at the University of British Columbia using the Rietveld method and x-ray powder diffraction to identify the clay species present.

The 2019 program does not appear to include a rigorous Quality Assurance/Quality Control program. For the soil sampling program, the methodology, processing and analysis used is deemed adequate for a project at this stage of development. Future field programs should include a Quality Assurance/Quality Control program including insertion of blanks and standards with rock sample analyses.

# 12 DATA VERIFICATION

There has been limited drilling at Ponderosa, in a poor location to intercept the target surface exposure, resulting in disappointing gold and silver values. The core was not available for review during the visit and therefore no core was sampled. Based on the results reported of the drilling the author determined the core was not required to be reviewed for this report. The existing trenches were cleaned out and extended and not marked sufficiently well enough during the site visit to resample specific historic locations of past samples. The samples collected were chip samples in the existing trenches of altered rock that had potential to contain gold and silver.

Two rock samples were collected by the author and he maintained custody of the samples until hand delivery at the SGS Laboratory in Burnaby, BC. SGS Laboratory is a fully accredited laboratory related to an international chain of testing and analysis laboratories. The methods of analysis used for the check samples are noted by the codes below:

- GE_FAA50V5 Au, FAS, exploration grade, AAS, 50g-5mL (Fire assay for gold of a 50-gram charge with Atomic Absorption Spectrophotometer analysis)
- GE_ICP40Q12 4 Acid Digest (HCL/HCLO4/HF/HNO3), ICP, 0.2g-12ml (Four acid digestion of the rock and 40 element analysis by ICP)

The first sample was from the Axel Ridge area from an historic trench that was cleaned out in the fall 2019. The grab sample (SBPOND1) is quartz and possibly adularia with ginguro banding. It returned 1,180 ppb gold and 3 ppm silver.

The second sample was from the Tomahawk Zone in a trench developed in the fall of 2019. This sample was of quartz veining in the most south-westerly existing trench in the zone. The sample returned 96 ppb gold and no silver. The ICP results of both samples have shown limited other metals.

The results are consistent with past sampling programs and confirm the presence of gold and silver in the hydrothermal system. Due to the "nuggety" nature of epithermal gold deposits the results along with field observations by the author are confirmation of an epithermal gold-silver system. Further sampling is required to determine the size and potential value of the system. The data collected and the verification of the values is adequate for a project at this stage of development.

# 13 MINERAL PROCESSING AND METALLURGICAL TESTING

There is no mineral processing or metallurgical testing done on this project yet.

# 14 MINERAL RESOURCE ESTIMATES

There has been no Resource Estimate completed on the Ponderosa property.

# 23 ADJACENT PROPERTIES

The Ponderosa property is surrounded by claims owned by Talisker Resources (Talisker). It is part of the 226,035-hectare land package of their Spences Bridge Group project. Talisker, as noted on their web site, has staked over 85% of the Spences Bridge Group rock belt as seen in Figure 23-1.

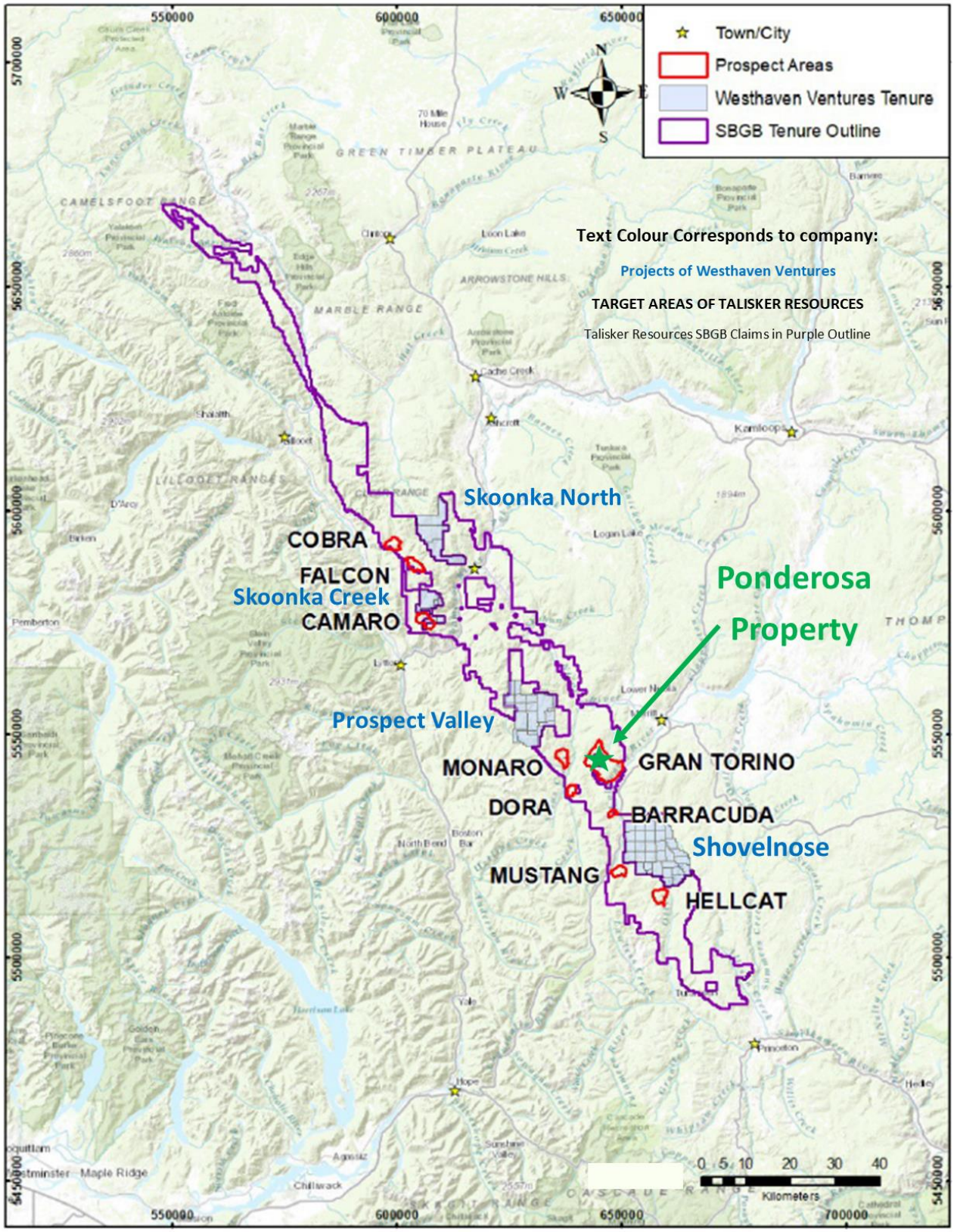
Much of the remaining belt is held by Westhaven Ventures (Westhaven) with their large Skoonka Creek, Shovelnose and Prospect Valley projects. Both companies are exploring for low-sulphidation epithermal gold zones in the Spences Bridge Group rocks that are also targeted on the Ponderosa property. Talisker has identified nine target areas in the length of this large project, that had 22 geologists on site in the field in 2019.

The Ponderosa property, according to the Talisker corporate presentations, is completely surrounded by their Gran Torino target. Gran Torino is one of the eight multi-basin Prospect Target Areas identified during the 2019 Talisker regional silt sampling program as identified in Figure 23-1. The report author has not been able to verify the information on Talisker's project but the information has been reported by industry professionals and publicly posted. The results at this project does not necessarily reflect the results or mineralization at Ponderosa.

Although not adjacent, the nearby Shovelnose property (Figure 23-1) of Westhaven shares a similar geological environment to Ponderosa and is located within the on-strike extension of the Spences Bridge Group rocks about 22 kilometres to the southeast. Exploration at Shovelnose is somewhat hindered by relatively extensive overburden cover which in places exceeds 100 m thickness. Mineralization is contained in steeply dipping north-west trending vein zones cumulatively traced for 700 m along strike over vertical ranges up to 300 m. Significant gold mineralization is well constrained within a 140 m vertical range locally between 1,138 and 1,278 m elevation. Shovelnose core intersections exhibit classic crustiform-colloform-banded quartz-adularia-ginguro textures. Numerous significant intercepts have been reported including:

- SN18-14: 17.70 metres of 24.50 g/t Au and 107.92 g/t Ag
- SN19 01: 12.66m of 39.31 g/t Au and 133.11 g/t Ag
- SN20 56: 10.56m of 3.67 g/t Au and 10.40 g/t Ag, including: 3.13m of 7.20 g/t Au and 27.30 g/t Ag,

The report author has not been able to verify the information on Westhaven's project but the information has been reported by industry professionals and publicly posted. The results at this project does not necessarily reflect the results or mineralization at Ponderosa. The information reported is assumed by the author to be from reputable sources.




Source: Modified from Talisker Resources website, March 2020

**Figure 23-1 Talisker Resources Map of the Spences Bridge Group belt claims**

# 24 OTHER RELEVANT DATA AND INFORMATION

No other data is relevant that has not been recorded in this report.

# 25 INTERPRETATION AND CONCLUSIONS

The Ponderosa property is within the Spences Bridge Group belt of rocks that are known to host several epithermal gold deposits, including the nearby Shovelnose deposit of Westhaven Ventures and is surrounded by the Gran Torino target of Talisker Resources. Historic work has outlined several targets on the Ponderosa property and areas of elevated gold values. The rocks seen during the author's visit and noted in historic reports are consistent with epithermal mineralized systems. The areas of deeper glacial cover may only report low values in soil geochemistry. Methods such as ground magnetics or IP Resistivity can suggest target areas through this cover.

The infill 2019 soil geochemistry when interpreted in conjunction with the historic soil geochemistry has better confirmed local trends and targets. The later 2019 work has also uncovered details, such as the trenches developed at Tomahawk, that suggest a strike that varies from the historic work. The 2019 work has indicated that further work may offer a set of targets and trends that will vary from past work and drive an alternative interpretation of the area.

The Ponderosa property deserves to have further work done on it and the new targets uncovered in the recent work programs tested.

As this Property is still a grassroots Property, with little previous exploration, there is always a substantial risk that the work proposed may not result in advancing the Property under current market conditions.

# 26 RECOMMENDATIONS

The Recommended work program at Ponderosa includes:

Further detailed geological and structural mapping is required to determine the relationship of the contact between the Pimainus and Spius Formations to determine if the contacts are either fault based or conformable. It is possible that the Pimainus Formation extends under the Spius Formation surface exposures. The goal then would be that further epithermal mineralization may be present in the buried Pimainus while not outcropping directly. The mapping also needs to be oriented towards recording and classifying the alteration surrounding the veins. The alteration of the Pimainus Formation rocks should be noted to try and determine the depth within the epithermal system at the various outcropping locations. Alteration should also be used to extend the zones along strike if possible.

Ground magnetics (or airborne or drone based possibly with optional radiometric targeting surface potassium and magnetics) should be used to determine the alteration system by magnetic lows suggesting the destruction of magnetite. Airborne or drone based possibly with optional radiometric targeting surface potassium and magnetics will return similar data but at a lower resolution. Post field work Reduce-to-Pole (RTP) processing and reporting will be required of the magnetic data.

Induced Polarization for Resistivity to target low-resistivity areas assuming the infill by quartz rich alteration.

Mechanical trenching with an excavator of the Tomahawk, RibEye, T-bone and FlatIron Zones will be used to determine the near surface extent and direction of the target zones of mineralization. Sampling will determine the highest-grade areas. Trenching will be used to do the final targeting of the drill holes to optimize results.

A preliminary Diamond drilling program of 1,000 meters to follow up on the targets suggested from the 2019 program and that will be confirmed as targets in the proposed ground-based portions of this program.

**Table 26-1 Recommended Budget**

| Ponderosa Property, Merritt BC Area | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Item | Number of Units | | | Cost per unit | | | Total Cost | |
| Project Planning and Permitting | 20 | days | | $ 500 | per day | | $ 10,000 | |
| Geological Mapping (all in cost, transport, board, etc.) | 40 | days | | $ 800 | per day | | $ 32,000 | |
| Ground (or alternatively drone) based geomagnetic survey | 15 | days | | $ 800 | per day | | $ 12,000 | |
| Processing, Interpretation and Reporting of Geomagnetics | 2 | days | | $ 1,000 | per day | | $ 2,000 | |
| Induced Polarization | 15 | days | | $ 5,000 | per day | | $ 75,000 | |
| Processing, Interpretation and Reporting of Induced Polarization | 4 | days | | $ 1,000 | per day | | $ 4,000 | |
| Mechanical trenching with excavator | 40 | days | | $ 2,500 | per day | | $ 100,000 | |
| Site supervision and sampling during the trenching | 50 | days | | $ 800 | per day | | $ 40,000 | |
| Geochemical Analysis | 500 | samples | | $ 60 | per sample | | $ 30,000 | |
| Reporting | 25 | days | | $ 800 | per day | | $ 20,000 | |
| Diamond Drilling | 1,000 | metres | | $ 200 | per metre | | $ 200,000 | |
| Contingency Funding | | | | | | | $ 55,000 | |
| **TOTAL SUGGESTED BUDGET** | | | | | | | **$ 580,000** | |

# 27 REFERENCES

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Wengzynowski, W.A., 2020b Bill's Ponderosa Summary of Work Final, a document summarizing 2019 and 2020 work, October, 2020

**BC Government Files:**

Minfile: AXEL RIDGE, PONDEROSA 092ISE192 https://minfile.gov.bc.ca/Summary.aspx?minfilno=092ISE192

BC Map Place: https://www2.gov.bc.ca/gov/content/industry/mineral-exploration-mining/british-columbia-geological-survey/mapplace

GeoData BC: https://catalogue.data.gov.bc.ca/dataset?download_audience=Public

BCGS Mineral Deposit Descriptions:
http://cmscontent.nrs.gov.bc.ca/geoscience/PublicationCatalogue/Miscellaneous/BCGS_MP-86.pdf

**Climate:**

https://climate.weather.gc.ca/climate_normals/results_1981_2010_e.html?searchType=stnProv&lstProvince=

BC&txtCentralLatMin=0&txtCentralLatSec=0&txtCentralLongMin=0&txtCentralLongSec=0&stnID=1022&dispBack=0

**Corporate Information on related projects for epithermal gold in the Spences Bridge Group rocks are found at the following web sites and in corporate presentations found online:**

https://taliskerresources.com

https://www.westhavenventures.com/