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# **GEOLOGICAL REPORT ON THE POWDERHORN LAKE PROPERTY**

**Springdale Area, Newfoundland, Canada**

**Prepared For: Champion Minerals Inc.**



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### **3. Summary**

The Powderhom Lake Property, located in central Newfoundland, is held by Copper Hill Resources Inc. a company based in St. John's, Newfoundland. The property hosts two varieties of metallic mineral occurrences, in turn indicative of two distinct geologic settings: (1) volcanic-hosted massive sulphide ("VHMS") polymetallic mineralization, and (2) nickel sulphide mineralization associated with mafic intrusives. The VHMS style mineralization is hosted by the Roberts Arm Group, a regional geological unit that hosts a number of past-productive deposits, such as Buchans and Gullbridge. Selected hand samples taken by previous workers from the sulphide occurrences on the property have returned values of up to 4.5 percent zinc, 2.14 percent copper, 1.87 percent lead, and 1.2 grams per tonne ("g/t") gold. Diamond drilling in the Pearl Zone has intersected mineralization within a stratigraphic interval, with core samples returning values of up to 4 percent zinc over 0.6 meters ("m") and 3.1 percent zinc over 5 m (apparent thickness). More recent exploration efforts have focused on lithological, alteration, mineral zonation and geophysical features that may enable a trend or "vector" to be discerned, pointing toward the assumed VHMS source of this mineralization.

Occurrences of nickel sulphide mineralization on the property are restricted a gabbroic to dioritic intrusive suite. They do not appear to be of any economic significance.

In order to define possible VHMS targets on the property it is recommended that a primary geologic approach is taken in order to establish an observation based geologic model after which geophysical data may be incorporated in order to test and refine it, leading to the delineation of discrete drill targets. This approach should incorporate a fresh geological mapping campaign, with particular emphasis on stratigraphy, structure, alteration and mineral zonation. This should be followed by the re-logging of all drill core, incorporating the sub-surface geology into the established geological classifications and with a focus on any features that may indicate a direction toward better thicknesses and grades of sulphide mineralization. The combination of surface and subsurface geologic data should allow for the construction of a three-dimensional geologic model, upon which the existing and perhaps additional geophysical data may be incorporated to verify and perhaps refine the geologic model. Drill targets may then be selected, accordingly. A budget of C \$300,000 is estimated.