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HOME GOLD RESOURCES LTD.

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Homegold is a private company, incorporated in 1987 and owned by Jo Shearer, which is engaged in the exploration for a variety of industrial minerals (Kaolinite, Silica, Dolomite, Pyrophyllite, White limestone, Gemstones and Aggregates) and precious metals. Detail information can be obtained from:

Website: www.HomegoldResources.com

The Apple Bay Kaolinite Project, PEM100 Chalky Geyserte Quarry is a partnership between Homegold and a local pioneering family Jack and Robert Howich of Quatsino. Jack Howich has held claims in the Apple Bay-Wann Knobs area for over 30 years.

Jo Shearer first became interested in the Kaolinite potential of the Holberg Inlet Area in 1970 during a regional prospecting program. Lafarge Cement had a produced 5,000 tonne bulk sample from their Apple Bay Quarry in 1968 for silica, which was processed with poor results at their Vananda Limestone operation on Texada Island. The site of the Lafarge quarry is now held by claim owned by Homegold.

The geological setting of the PEM100 quarry is that of an intense advanced argillic alteration system (acid sulphate leaching) developed within a rhyolite flow dome.

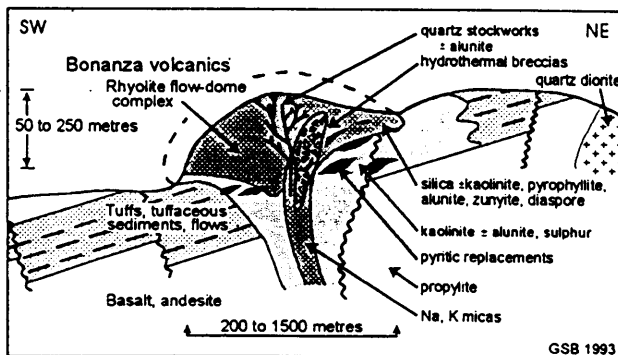


Figure 3. Schematic relationships between permeable lithologies, volcanic structures, hydrothermal conduits and mineralization in the Pemberton Hills; adapted, in part, from Reyes (1990).

There are a series of very altered advanced argillic zones from parts of the Island Copper ore zone, northwest through Apple Bay, Pemberton Hills, McIntosh-Hushamu, Red Dog and Knob Hill north of Holberg. The advanced argillic alteration is characterized by such common minerals as kaolinite, vuggy remnant silica, alunite, pyrophyllite and also a host of obscure rare minerals.

The PEM100 quarry is dominated by two main rock types, 1) a finely laminated flow banded rhyolite and 2) fine to coarse rhyolite breccias. Alumina (Al_2O_3) varies from <4% to greater than 35% but averages around 15% Al_2O_3 . The rest of the rock is composed of Silica (SiO_2) with minor Fe_2O_3 . The advanced argillic alteration has leached undesirable elements such as K_2O , Na_2O , MgO or SO_3 out of the material.

The proximity of the quarry to tidewater and relatively low cost bulk transportation by tug and barge is an important consideration in the overall economics of the project.