



APPENDIX U ARCHAEOLOGICAL AND HERITAGE ASSESSMENT

BOREAL HERITAGE CONSULTING

**STAGE ONE AND TWO ARCHAEOLOGICAL AND HERITAGE ASSESSMENT
OF THE PROPOSED TREASURY METALS
GOLIATH GOLD PROJECT
LOCATED IN ZEALAND TOWNSHIP
DRYDEN AREA
KENORA DISTRICT**

Prepared for

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Province of Ontario Archaeological Licence P073

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ORIGINAL REPORT

December 10, 2012

EXECUTIVE SUMMARY

A Stage 1 and Stage 2 archaeological and cultural heritage assessment was undertaken May 10, 2012 of the Treasury Metals Goliath Gold site near Dryden NW Ontario and the site revisited for a Stage 2 review on September 12, 2012. The site is located just off of Highway 17, north of the community of Wabigoon, on Normans Road in Zealand Geographic Township, Kenora District.

The purpose of the assessment was to determine the potential for the presence of archaeological resources at the location of the proposed Treasury Metals Goliath Gold Project. The property was the site of previous mining exploratory activities in the past and as such there are some disturbances. Wood harvesting and present mining exploratory activities have created further surficial alterations. The area to the north of the Project site was the location of a tree nursery from the mid 1970's to about 2008. No further information is available. The property was purchased by Treasury Metals in 2010. The Stage 1 background study indicated some low potential for archaeological resources at the project location as the 1:50,000 map of the site shows several small intermittent possible water courses on the property. Therefore a Stage 2 was required to be able to assess these locations. The Stage 2 property survey of the site indicated low potential for archaeological resources as the several intermittent water courses are seasonal, flowing through dense scrub brush. Also Treasury Metals intends to leave a 50 metre buffer zone around any water courses on the property. A raised knoll on the property was examined and found to be disturbed. No other features of archaeological potential were identified. No testing was required.

Recommendations are as follows:

The area of the proposed Goliath Gold Project site does not exhibit archaeological potential therefore it is recommended that the location does not require further archaeological assessment.

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PROJECT PERSONNEL

Mike McLeod, Licensee and Field Director, Report Preparation.

Mac Potter, Environmental Technician, Goliath Gold Project.

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Doug Steele, Manager, Environmental Services, TBT Engineering.

Scott Peterson, Manager, Geological Services, TBT Engineering.

Mark Wheeler, Senior Mining Engineer, Treasury Metals.

Rory Krocker, Senior Project Geologist, Treasury Metals.

Norm Bush, Vice President, Goliath Gold Project.

1.0 PROJECT CONTEXT

1.1 Development Context

The archaeological assessment was completed in accordance with the requirements to get the advanced exploration permit from Ministry of Northern Development and Mines – Mining Act.

The area of the project is about 20 km east of the Town of Dryden. Access is via Hwy 17 and secondary roads to approximately 2 km north of the community of Wabigoon on Hwy 17. The Goliath Gold Project consists of an area of approximately 4,881 ha.

Access to the site was obtained by TBT Engineering with permission from Treasury Metals.

Goliath Gold Project

The Goliath Gold Project is located in the Kenora Mining Division in Northwestern Ontario, about 20 km east of the City of Dryden and 325 km northwest of the port city of Thunder Bay, Ontario. The Goliath Gold Project consists of 137 contiguous unpatented mining claims (254 units; 4,064 ha) and 19 patented land parcels (817 ha.), totalling approximately 4,881 hectares (approximately 49 square km total) and covering portions of Hartman and Zealand Geographic Townships. The Goliath Gold Project comprises two existing mining properties which are now consolidated under the common name Goliath Gold Project: the larger Goliath Gold Project, purchased from Teck Resources and Corona Gold Corp., and the Larimide Property, transferred to the company from Larimide. The Goliath Gold Project has been expanded from its original size through the staking of mining claims, land purchases and option agreements. The project is held 100% by the company, subject to certain underlying royalties and payment obligations on 14 of the 19 patented land parcels, currently totalling about \$103,500 per year, and an option on one patented land parcel to earn in 100% as described for the Brisson Mineral Property under Contingencies and Commitments of this MD&A.

In September 2011, the company completed a 50,000 metre drilling program within the current resource aimed at delineating and upgrading the status of the find. The company plans to continue testing the high-grade areas to depth and towards the east, over the recently acquired property. In addition, the company continues to develop a strong target pipeline through assessment of historical sampling, drilling, fieldwork and geological interpretation.

1.2 Historical Context

Zealand Geographic Township has been divided into lots and concessions but is largely undeveloped. A former Ministry of Natural Resources tree nursery was located on the property but is not a historic feature. No historic settlements or historic transportation

routes have been identified on or in proximity to the property. No historic atlas of the area is available.

1.3 Archaeological Context

General

Several cultural traditions are represented in the prehistory of Northwestern Ontario extending from about 10,000 years ago until present.

Palaeo-Indian Period (ca. 10,000 B.P. – 7000 B.P.)

These people were the first inhabitants of the area. Most likely they arrived by following herds of caribou across the tundra/parkland environment of newly opened lands left by the retreating glaciers. Within a few hundred years encroachment of the boreal forest led to an adaptation to a forest environment and the concentration of peoples on the lakes and river systems. Several types of spear points, made of different types of material indicate that different groups of these early hunters moved in at various times.

However, because of the later retreat of the glaciers in the northern part of the province and subsequent flooding of the glacially compressed landscape by pro and post glacial lakes there was a time delay in the settlement of the land by colonizing vegetation, animals and people.

It appears that people may have entered the Thunder Bay area about 10,000 years ago, while archaeological work in the Hudson's Bay Lowland suggests that human occupation maybe limited to about the last 7000 years.

Archaic Period (ca. 7,000 B.P. – 2,500 B.P.)

A change in the environment to warmer, drier conditions (ca. 7,000 B.P.) brought about a change in plant and animal communities which resulted in a change in the subsistence patterns of humans in this area. These changes are reflected in the artifact assemblages. In response to the hunting of smaller game, large spear points were replaced by smaller notched projectile points and smaller stone knives.

A new technology involving the production of stone tools by grinding rather than chipping was also utilized.

About 5000 years ago people started making use of copper, which was cold hammered to form spear points, knives and gaff hooks. One of the most complete copper artifact assemblages for Northwestern Ontario was found at a burial site south of Lake Nipigon that dated to about 3,500 years ago.

The Lac Seul area has produced an abundance of copper artifacts reflecting many tool types.

Initial Woodland Period (ca. 2,500 B.P. – 900 A.D.)

This tradition is marked by the introduction of fired clay pottery vessels. These were made using the coil method and had conical bases. They were smooth with the exception of the neck and rim which were decorated with distinctive toothed or sinuous edged tools. The makers of these vessels are known as the Laurel people. They practiced a way of life similar to the region's Archaic people – fishing, hunting, and collecting wild plants on the major waterways.

There are two major theories concerning the origin of the Laurel culture in the area. One is that it arose out of an Archaic base differing only by the adoption of pottery. The other is that the people of the Laurel culture moved into the area following the expansion of wild rice into the area about 2,500 B.P.

Terminal Woodland Period (ca. 900 A.D. – 1600 A.D.)

Two distinctive cultures, both of which appear to have developed from a Laurel base are present in the Terminal Woodland Period.

One of these is the Black Duck culture. This is characterized by globular pottery vessels. The body is textured by cord wrapped paddle and the rim is decorated with cord wrapped object impressions.

Most Archaeologists believe them to be ancestral to the modern day Ojibway or Anishnabeg Aboriginal Peoples and First Nations.

Another is the Selkirk tradition with fabric-impressed vessels. They are found farther north. These people are thought to be ancestral to the Cree Aboriginal Peoples and First Nations.

Contact Period (ca. 1650 A.D. – Present)

This tradition starts with the arrival of Non-Aboriginal Peoples into the area, first the French then English traders bringing with them trade goods such as axes, guns, beads and metal and woollen goods.

Specific

A request was made for information from the site registration database at the Ministry of Tourism, Culture and Sport. The project is located in the DgJc Borden block and no sites have been reported within two kilometres of the project.

Research shows the physiography and soils of the area to be Glaciolacustrine deposits: silt and clay, minor sand; basin and quiet water deposits. Also Bedrock: undifferentiated igneous and metamorphic rock exposed at surface or covered by a discontinuous, thin layer of drift (Barnett, Henry and Baubin 1991, Sado and Carswell 1987). Archaeological

sites are most often associated with well-drained sandy soils. The research showing silt and wet clay over bedrock suggests low archaeological potential. The soils will be examined during the property inspection to confirm this.

The site of the Goliath Gold Advanced Exploration Program Project is located north of Normans Road and west of Nursery Road (which leads to a former MNR tree nursery). A small beaver dam pond located on the property has now been drained. The property is seasonally drained by two intermittent water flows as shown on the topographic map (Map 3) which drain into Blackwater Creek. This creek flows a short distance through the property along the southern boundary. It is a narrow (non-navigable) creek which flows through thick impenetrable scrub brush, in places, into Wabigoon Lake. The water flow is reduced to a trickle during summer months, making it an intermittent water flow itself. The creek is protected by a Ministry of Natural Resources setback of 30 metres whereas the unnamed intermittent water sources are not. Treasury Metals is committed to increasing this setback by a further 20 metres to provide a 50 metre zone of no disturbance on this Canadian Shield property.

Forest cover is mixed as the area has been cut over in the past; however it is mainly scrub brush along the intermittent water ways. The project location, as shown in Map 3, has several small locations of elevated topography. However upon observation these locations have been found to be disturbed by wood harvesting activities. They are shown to be draped with a heavy layer of thick clay over bedrock which turns to quagmires with rain and disturbances.

The property is located on the Canadian Shield, which will be confirmed during inspection.

In summary, from the background research it appears that the features of archaeological potential on this property are two intermittent water sources and one creek. No other features were identified. The property will be examined for additional features of potential during the Stage 2 property inspection.

2.0 FIELD METHODS – PROPERTY INSPECTION, PROPERTY SURVEY

The property was inspected May 10, 2012 under partially cloudy skies and warm temperature in the range of 20° C, providing excellent visibility of all land features. Maps 1-5 show the location of the Goliath Gold Project. The property was inspected in its entirety including the periphery with the exception of areas deemed to be unsafe to traverse due to wood harvesting debris left on the surface, such as sharp branches, bark and wet logs which made walking treacherous in places.

The property is confirmed to be a low lying Canadian Shield with bedrock overlain by a layer of clay and boreal forest growth of spruce, pine and birch. The terrain is very flat with minor undulations.

The assessment began with an orientation meeting with Treasury Metals personnel at the on-site Goliath Gold Project office. This was followed by the property inspection with Mac Potter, Environmental Technician, Goliath Gold Project.

Map 2, Plan of the site, shows the locations of the proposed main mining, milling and tailings storage facility activities while Map 5 shows the location and orientation of photos of the project areas.

Image 1 is a view south on Nursery Road towards Normans Road showing the proposed Tailing Area 2 and Laydown area on the left with the proposed Mill/Pit area on the right. Image 2 is a view northeast to the proposed Tailings Area 2. The cleared area is under the transmission lines. Image 3 shows the dense brush covering an intermittent water course in the proposed Tailings Area 2. Portions of the area have been used as part of the former nursery to the north at the end of Nursery Road (Map 1).

Image 4 is a view northwest to the proposed Laydown area showing the disturbances and waste piles of slash, bark and branches from former wood harvesting in the area. The proposed Tailings Area 2 is in the background. Image 5 shows the dense brush in a small intermittent water course adjacent to the laydown area..

Image 6 is a view southeast in the proposed Tailings Area 1 while Image 7 shows the dense brush associated with the intermittent water course in Tailings Area 1. Image 8 is a view west of the proposed Explosives Plant area on Nursery Road.

The area has been harvested of its wood with a secondary growth occurring. It also shows the clay bed roadway which quickly becomes impassable with rain. Where possible exposures were examined and nothing was found.

Image 9 is a view northwest of the Blackwater Creek course altered by beaver dams over the years while Image 10 is a view northwest of the Blackwater Creek showing the cumulative small water volume flowing from the Project area. Image 11 is a view south of an old beaver dam on Blackwater Creek with Mac Potter showing the height of the dam indicating the amount of material excavated by the beavers and the alterations that they can make in an area.

Image 12 is a view southwest on Nursery Road to the proposed Mill, Facilities and Open Pit area. Image 13 is a view southwest from Nursery Road to the proposed Open Pit area showing disturbances from wood harvesting and the clay cover of the area.

Image 14 is a view northwest of the beaver dam area on Normans Road showing clay cover of the area. Image 15 is a view southeast of the area of the intermittent creek exiting from the beaver dam, clay covered road way. Image 16 is a view southwest of a clay covered knoll area west of beaver dam, Normans Road.

Image 17 is a view north above the beaver dam, Normans Road showing exploratory area with clay over bedrock. Image 18 is a view east to Nursery Road of Project area work disturbances. Image 19 is a view northeast towards Nursery Road of drilling rig. Image 20 is a view southeast of intermittent creek location and work disturbances.

3.0 ANALYSIS AND CONCLUSIONS

3.2.1 The location of the proposed Goliath Gold Advanced Exploration Program is 500 metres from any major water source with low lying clay draped bedrock in between. An inspection of the Project area disturbances and access roads with their disturbed exposures found no cultural material and it was determined that there was no potential for archaeological resources.

3.2.2 The area of the Goliath Gold Advanced Exploration Program has been disturbed by previous mining exploratory testing, wood harvesting and current exploratory works. These disturbances have shown the clay covering the area which quickly turns to an unfavourable location with moisture.

4.0 RECOMMENDATIONS

The area of the proposed Goliath Gold Project site does not exhibit archaeological potential therefore it is recommended that the location does not require further archaeological assessment.

5.0 ADVICE ON COMPLIANCE WITH LEGISLATION

This report is submitted to the Minister of Tourism, Culture and Sport as a condition of licensing in accordance with Part VI of the *Ontario Heritage Act*, R.S.O 1990, c 0.18. The report is reviewed to ensure that it complies with the standards and guidelines that are issued by the Minister, and that the archaeological fieldwork and report recommendations ensure the conservation, protection and preservation of the cultural heritage of Ontario. When all matters relating to archaeological sites within the project area of a development proposal have been addressed to the satisfaction of the Ministry of Tourism, Culture and Sport, a letter will be issued by the ministry stating that there are no further concerns with regard to alterations to archaeological sites by the proposed development.

It is an offence under Sections 48 and 69 of the *Ontario Heritage Act* for any party other than a licensed archaeologist to make any alteration to a known archaeological site or to remove any artifact or other physical evidence of past human use or activity from the site, until such time as a licensed archaeologist has completed archaeological fieldwork on the site, submitted a report to the Minister stating that the site has no further cultural heritage value or interest, and the report has been filed in the Ontario Public Register of Archaeological Reports referred to in Section 65.1 of the *Ontario Heritage Act*.

Should previously undocumented archaeological resources be discovered, they may be a new archaeological site and therefore subject to Section 48 (1) of the *Ontario Heritage Act*. The proponent or person discovering the archaeological resources must cease alteration of the site immediately and engage a licensed consultant archaeologist to carry out archaeological fieldwork, in compliance with Section 48 (1) of the *Ontario Heritage Act*.

The *Cemeteries Act*, R.S.O. 1990 c.C.4 and the *Funeral, Burial and Cremation Services Act*, 2002, S.O. 2002, c.33 (when proclaimed in force) require that any person discovering human remains must notify the police or coroner and the Registrar of cemeteries, at the Ministry of Consumer Services.

6.0 REFERENCES

Barnett, P.J., Henry, A.P. and Babuin, D.

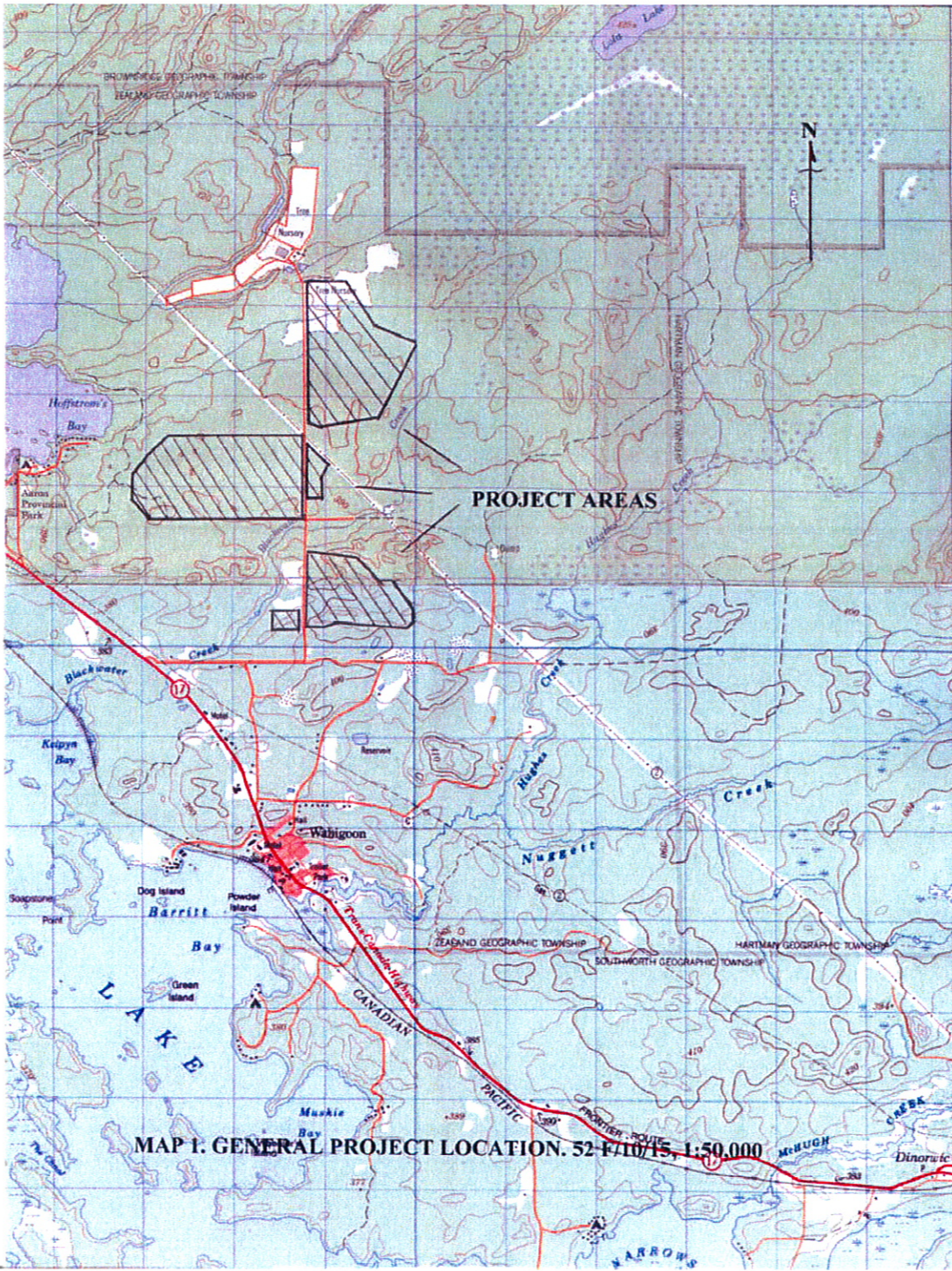
1991 Quaternary Geology of Ontario, west central sheet; Ontario Geological Survey, Map 2554, scale 1: 1000,000.

Sado, E. V., and Carswell, B. F.

1987 Surficial Geology of Northern Ontario; Ontario Geological Survey, Map 2518, scale 1: 1 200 000.

7.0 MAPS

On following pages.



MAP 1. GENERAL PROJECT LOCATION. 52 F/10/15, 1:50,000

Map 1. General Project Location. 52 F/10/15, 1:50,000

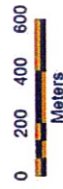
MAP 2.
Goliath Gold Project
Proposed Site Map
with Tailings
Option #1 and #2

Legend	
.....	Watercourse: Intermittent
.....	Watercourse
---	Road
---	Proposed Access Road
---	50m Buffer
---	Waste Rock After Backfill
---	Waste Rock Before Backfill
---	Reclaim Line
---	Tailings Line
---	Powerline
---	Dam
---	Open Pit

September, 2012

Scale 1:7000

NAD83 UTM ZONE 15N

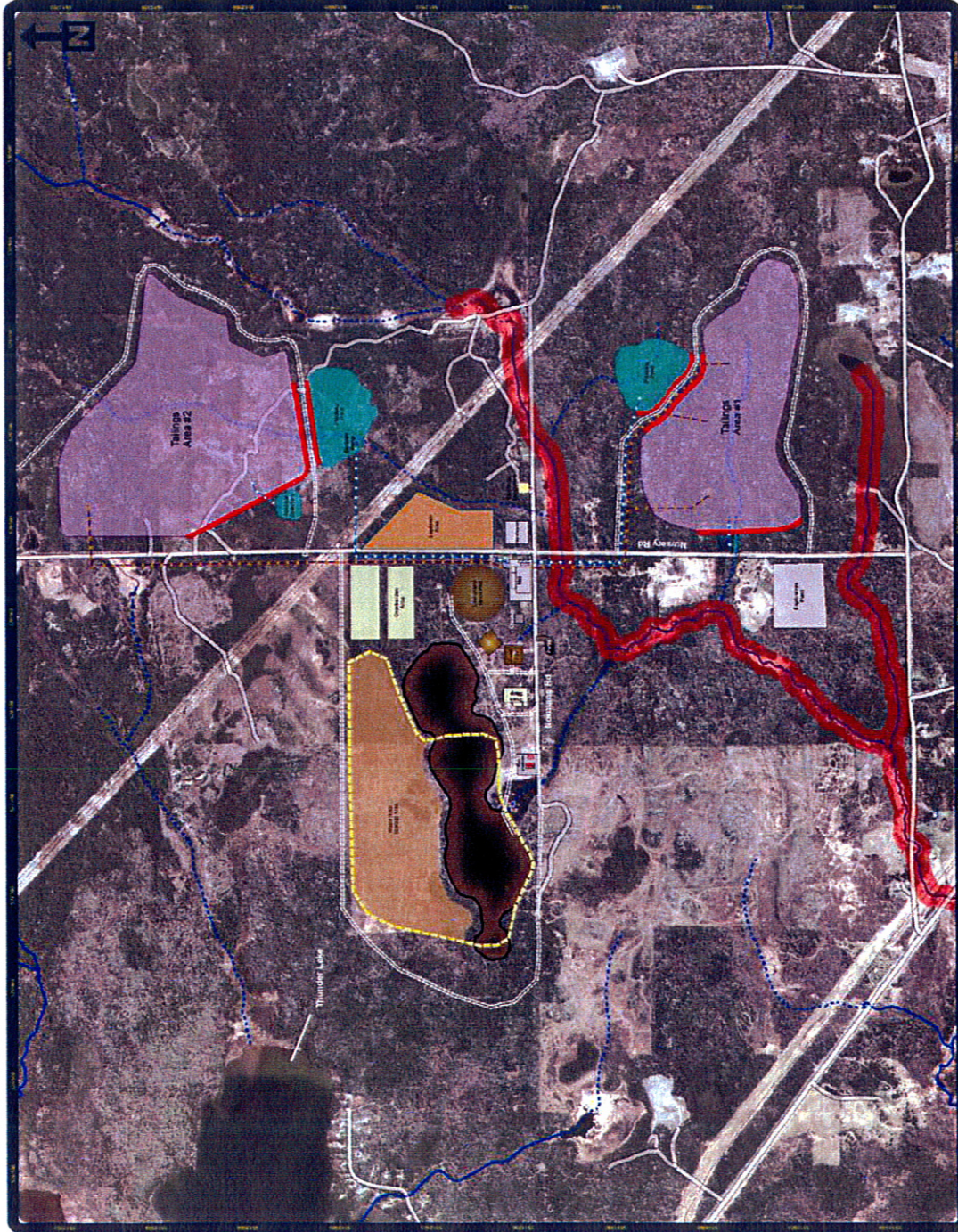


Compiled and Produced by:
Adam Tochtlik

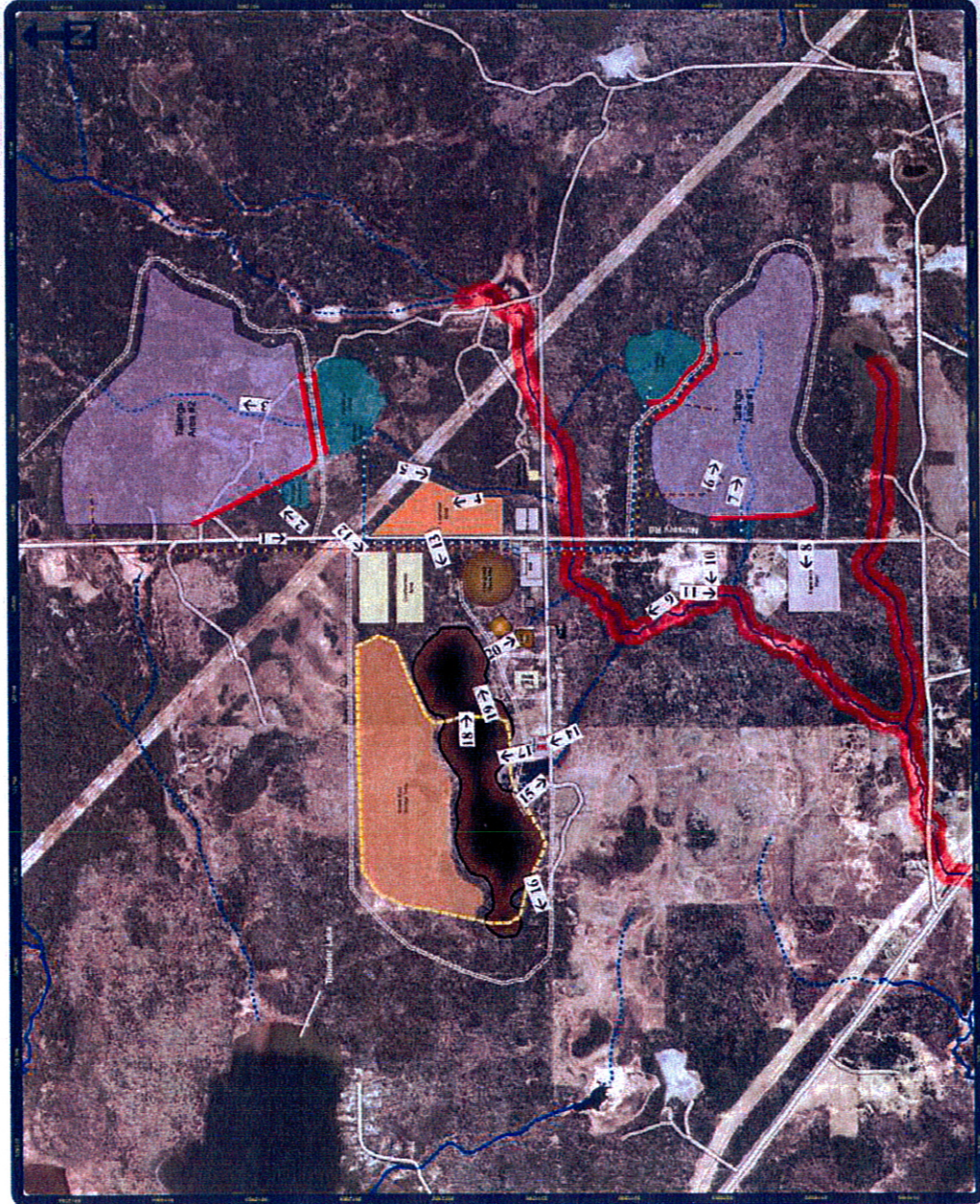


TREASURY METALS
INCORPORATED

Map not intended for regulatory purposes. © Treasury Metals Inc. 2012



MAP 3.
Goliath Gold Project
Proposed Site Map
with Tailings
Option #1 and #2
Images (1 ->)



8.0 IMAGES

On the following pages.



Image 1. View south on Nursery Road towards Normans Road, Tailing Area 2, Laydown Area on left, Mill, Pit area on right.



Image 2. View northeast to Tailings Area 2.



Image 3. View north, Tailings Area 2, intermittent water course Mac Potter, dense brush.



Image 4. View northwest to Laydown area and Tailings Area 2, background.



Image 5. View south of intermittent water course Laydown area.



Image 6. View southeast of Tailings Area 1.



Image 7. View southeast of intermittent water course in Tailings Area 1.



Image 8. View west of Explosives Plant area.



Image 9. View northwest Blackwater Creek course altered by beaver dams.



Image 10. View northwest Blackwater Creek showing cumulative small water volume from Project area.



Image 11. View south Blackwater Creek old beaver dam, Mac Potter showing height.



Image 12. View southwest on Nursery Road to Proposed Mill, Facilities and Open Pit area.



Image 13. View southwest from Nursery Road to proposed Open Pit area.



Image 14. View northwest of beaver dam area Normans Road.



Image 15. View southeast of area of intermittent creek exiting from beaver dam, Normans Road.



Image 16. View southwest of clay covered knoll area west of beaver dam, Normans Road.



Image 17. View north above Beaver Dam of exploratory location and clay covered bedrock.



Image 18. View east to Nursery Road of Project area work disturbances.



Image 19. View northeast towards Nursery Road of Drilling Rig.



Image 20. View southeast of intermittent creek location and work disturbances.