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<td>2019-03-17</td>
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<td>2014-03-30</td>
<td>01N/06, 07</td>
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Continued next page □ Yes ✓ No

Number of Volumes: ________________

Digital Copy Only ✓

Enclosures (indicate number of each):

CD: 1 DVD: ______ Flash drive: ______ Paper Maps: ______

Other: ________________________________

Received: 2016-03-17

Comments: Quarry Materials Exploration Licence (1 year) assessment.

Signed: ___________________________

Date: 2016-06-16
ASSESSMENT REPORT

on

AGGREGATE MAPPING
& TEST PIT SITE CUTTING/CLEARING

within

QUARRY MATERIALS EXPLORATION LICENCE
705:1507

BLACK MOUNTAIN, NUT BROOK,
CONCRETE AGGREGATE PROJECT

NTS 1N/06 & 1N/07
Foxtrap, NL.

by

Brad Dyke, P. Geo.,
Senior Project Geologist

for

Newcrete Investments Limited Partnership,
by its general partners,
Newcrete Investments GP Ltd.

Work Conducted: June, 2015
Total Expenditures: $5,116.93
Total Hectares: 350
March, 2016
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<th>Section</th>
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<td>8.0  CONCLUSIONS AND RECOMMENDATIONS</td>
<td>13</td>
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1.0 INTRODUCTION

This assessment report provides a summary of a one day aggregate mapping program and test pit/access route flagging with follow up cutting/clearing in June of 2015 within quarry materials exploration licence 705:1507.

The Black Mountain, Nut Brook, project is located in eastern Newfoundland on the Avalon Peninsula off the Foxtrap Access Road and is roughly 20 km southwest of the City of St. John’s (Figure 1). The property consists of one quarry materials exploration licence, which covers 350 ha. Newcrete’s currently active concrete aggregate quarry is located approximately 1 km to the south and is held under Newcrete Investments Limited Partnership, by its general partners, Newcrete Investments GP Ltd. This quarry, in 2015, was supplying high quality, non-alkali reactive aggregate for concrete being poured throughout the northeast Avalon and in 2014 the aggregate was used in the Hebron Gravity Based Structure (GBS).

Based on the continual demand for concrete aggregate Newcrete is constantly trying to source high quality CSA approved aggregate of significant volume in close proximity to the end market. The proposed exploration work, for the Nut Brook licence, is attempting to locate future aggregate resources in close proximity to the existing quarry site.

2.0 ACKNOWLEDGEMENTS

A list of personnel who worked on the Black Mountain, Nut Brook, project during the 2015 exploration program, is presented in Table 1 below.

Table 1: Personnel and Contractors

<table>
<thead>
<tr>
<th>PERSONNEL</th>
<th>Residence</th>
<th>Person Days</th>
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<tr>
<td>Brad Dyke, P.Geo.</td>
<td>Paradise, NL</td>
<td>3</td>
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<tr>
<td>Rod Mercer, P.Geo.</td>
<td>Bay Roberts, NL</td>
<td>0.5</td>
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Total Person Days = 3.5

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<tr>
<th>COMPANY</th>
<th>SERVICE</th>
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<td>SCI Exploration</td>
<td>Access Route &amp; Site Cutting/Clearing</td>
<td>Myles Cove, NL</td>
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</tbody>
</table>
FIGURE 1: PROPERTY LOCATION MAP (BLACK MOUNTAIN PROJECT; QUARRY MATERIALS EXPLORATION LICENCE 705:1438; N.T.S. 1N/06).
3.0 LOCATION, ACCESS AND PHYSIOGRAPHY

The Nut Brook project is located in eastern Newfoundland on the Avalon Peninsula on 1:50,000 NTS map sheets 1N/06 & 1N/07. The project area is located west of the Foxtrap Access Road and north of the Trans Canada Highway (TCH), approximately 20 km southwest of the City of St. John’s (Figure 2). The entire project area is located within the municipal boundary of the City of St. John’s.

The exploration licence can be accessed from three different locations. The first being Incinerator Road and a 1.8 km private access road, owned by Newcrete, which extends from Incinerator Road to Quarry Lease 114308. This provides immediate access to the southern portion. The second is along Legion Road, which becomes a gravel road to the south. The gravel portion of the road starts behind Kent Building Supplies in Conception Bay South (CBS) off of Route 2, the CBS Bypass Highway. This gravel road deteriorates to an All-Terrain Vehicle (ATV) trail near the northern boundary and extends into the north western portion of the licence. The third access route is a road which extends from the Foxtrap Access Road to the north east portion of the licence. This road further deteriorates to an ATV trail and extends through the north east portion of the licence. These roads and trails provide primary access to a significant portion of the property by truck and ATV. The remainder of the project area can be accessed on foot.

The property area is forested mainly with balsam fir intermixed with minor tamarack and minor white birch. To a lesser extent coniferous and deciduous scrub are present. There are several bogs, sporadic small ponds and generally a northwest-southeast trending stream running through the project area. This stream flows northwest to Conception Bay (Atlantic Ocean) and the marshy areas are located in the low lying portions of the licence. There is one small pond just outside the project boundary called Sandy Pond. Sporadic outcrop exposure is typically common along the higher points of land.
4.0 CLAIMS DESCRIPTION AND STATUS

Quarry materials exploration licence 705:1507 makes up the entire property and covers 350 ha or an area of 3.5 km² (Table 2). Pennecon Limited initially staked the area in July of 2013 under QMEL 705:1478. The licence was allowed to lapse and was subsequently re-staked in April 2014, under QMEL 705:1507, by Capital Ready Mix Limited. The licence was further transferred to Newcrete in the spring of 2014 and is 100% owned by Newcrete with no underlying agreements. The property is located on 1:50,000 NTS map sheet 1N/06 & 1N/07 with the northeast corner located at 350,000mE; 5,258,500mN (NAD 27, UTM Zone 22; Figure 2).

Approximately $5,000 in expenditures are being filed and thus with the acceptance of this report licence 705:1507 will be renewed in full on March 30th, 2016, the expiry date.

Table 2: Quarry Materials Exploration Licence Description

<table>
<thead>
<tr>
<th>Licence Number</th>
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<td>$1,750</td>
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<td>March 30, 2016</td>
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<td>Total</td>
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<td>$1,750</td>
<td>(updated February 29, 2016)</td>
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5.0 GEOLOGICAL SETTING

5.1 Regional Glaciation

The last ice age during the Late Pleistocene time period covered most of Canada. There were three major ice sheets that covered much of North America which make up the most recent glaciation event typically referred to as the Wisconsinan North American ice sheet complex. The three ice sheets include the Laurentide Ice Sheet which was centred on the Canadian Shield and extended west and south into the Interior Plains; the second is the Cordilleran Ice Sheet which was located along the west coast of North America and extended from the northern most United States to Alaska and the Yukon; and the third ice sheet was the Inuitian Ice Sheet which blanketed the majority of the Canadian Arctic (Dyke, A., 2004).
Separate from these three ice sheets was an isolated glaciation over Newfoundland and the Maritimes which is referred to as the Appalachian Ice Complex. In this case ice flowed out from local centres and not the Canadian Shield. The Labrador portion of Newfoundland and Labrador (NL) was glaciated by the Laurentide Ice Sheet with a small portion of this ice sheet extending onto the tip of the Great Northern Peninsula. Any evidence of glaciation in Newfoundland & Labrador prior to the Wisconsinan event is limited and there is very little indication of multiple till sheets within the province (Dyke, A., 2004).

During the Wisconsinan glaciation event all of Labrador was covered by the Laurentide Ice Sheet except for the peaks of the northern Torngat Mountains and Mealy Mountains, south of Lake Melville. Ice generally flowed out from central Labrador in all directions, except for in the north where the Torngats restricted ice flow to major valleys through the mountain range. It was around 6,500 years ago that the Laurentide Ice Sheet finally melted in the Schefferville area of western Labrador (Batterson & Liverman, 2000).

The majority of the island portion of NL was covered with smaller ice caps independent of the Laurentide Ice Sheet. These independent ice sheets occurred over the Avalon Peninsula, central Newfoundland and the Long Range Mountains. In some cases the ice sheets overlapped at different times generating complicated ice flow patterns. Approximately 12,500 years ago coastal areas became ice free as the glaciers began to melt and recede. There was a brief melting hiatus roughly 10,500 years ago with the subsequent complete melting of the ice sheets located on the island portion of NL (Batterson & Liverman, 2000).

5.2 Property Surficial Geology

The Black Mountain, Nut Brook, exploration licence covers an area that has been historically mapped on a very broad scale. The majority of the project area was mapped as being underlain by concealed bedrock and till veneer (Figure 3).

On a property scale, the compilation and field work to date has identified the presence of hummocky terrain in low lying areas and a possible “wedge” of material in the aggregate area outlined in 2015. It is anticipated, based on exploration work in the general area, that additional glacial features containing useable aggregate will be recognized.

To date no test pitting work has been completed and based on several shallow hand dug pits it appears the aggregate is granite derived and similar to sand/gravel observed elsewhere in the “Black Mountain Valley”.

LEGEND

Bog/Marsh

Roads & Secondary Trails

Newcrete Quarry
Materials Exploration Licence

GEOLOGY LEGEND

- EXPOSED BEDROCK
- CONCEALED BEDROCK
- TILL VENEER
- TILL BLANKET
- HUMMOCKY TERRAIN
- RIDGED TILL
- GLACIOFLUVIAL GRAVEL AND SAND
- MARINE CLAY, SAND, GRAVEL AND DIAMICTON
- ALLUVIUM
- COLLUVIUM
- BOG

Note: This map is adapted from MAP 90-08 compiled by Liverman, D. & Taylor, D.; 1990
6.0 PREVIOUS WORK

6.1 Historic Work

A review of previous work documented under the Government of Newfoundland and Labrador’s GeoScience OnLine website (http://gis.geosurv.gov.nl.ca/) was completed. Relevant Geofiles were downloaded in pdf format (http://gis.geosurv.gov.nl.ca/minesen/geofiles/) or photocopied by the Department of Natural Resources and couriered to the author. This search dated back to the early 1900’s and yielded very little previous work within and immediately around the exploration licence.

1949 (Summers, W.F.)

Summers provided one of the earliest complete descriptions of glaciation on the Avalon Peninsula. He described eskers and moraine ridges and attempted to reconstruct ice flow patterns.

1972 (Henderson, E.P.)

Henderson built on Summers work and from which he determined the glacial and postglacial history of the Avalon. He concluded that there was an ice cap centered over St. Mary’s Bay which broke into smaller ice sheets located over the major peninsulas on the Avalon. It was noted that the majority of the major glaciofluvial deposits were deposited along significant valleys and offshore.

1982 (Kirby et. al.)

Between 1975 and 1980 the Department of Mines and Energy were tasked with carrying out a reconnaissance aggregate sampling program within a 6 km wide corridor of existing and proposed transportation routes across Newfoundland and Labrador. The results of this work defined areas containing aggregate within the 6 km wide corridor across the island. This enabled construction companies to more easily locate and define material suitable for the work it was required for. The Department of Mines and Energy built of this initial program and work carried beyond the early 80’s, but this was the first real step in defining and accurately mapping aggregate resources for industrial use throughout the island.

1988 (Kirby, F.T.)

During 1987 in and around the St. John’s Peninsula and the Conception Bay North area bedrock sampling was completed to assess its potential as an aggregate source. Also, during the same field season a hammer seismic survey was carried out, mainly in areas of known aggregate resources. This was done in an attempt to determine overburden thicknesses so that aggregate reserves could be estimated. A few of the hammer seismic surveys were completed in the Foxtrap area.
1996 (Bragg, D.J.)
It was not until the early 90’s that alkali-aggregate reactivity was first systematically investigated. The work published by Bragg in 1996 clearly documented the severity of the problem and the need for the use of non-alkali reactive aggregate in concrete. It was noted that most of the potentially reactive rocks in eastern Newfoundland included siliceous sandstone, siltstone, argillite and tuffaceous sandstone/siltstone and felsic tuff. All of these rock types contain micro-crystalline quartz.

1999 (Ricketts, M.J.)
Ricketts, 1999 documents several significant aggregate sources along the northeast Avalon. Of note, are the Fenelons Pond deposit containing an estimated 2,000,000 m$^3$ of aggregate contained in hummocky moraine, short sandy till ridges and a 400 m long esker located east of Route 62 and north of the TCH. Also, of note is the Black Mountain Pond deposit containing 3,000 m$^3$ of aggregate contained in a 700 m long esker at 3 to 8 meters high and located along the east side of Black Mountain Pond. These two areas along with others documented by Ricketts have the potential to be expanded upon and are possible sources of suitable concrete aggregate.

2006 (Draper, P.)
In 2005 Draper oversaw a prospecting and hand dug test pit sampling program in the area of White Hill, west of Black Mountain Pond. A total of 4 samples were collected and submitted to AMEC for sieve analysis. The results were encouraging with silt content around 10%. It is important to note that that these samples are not truly representative as they were only collected from the top portion of the till sequence. The actual thickness of the aggregate needs to be determined so that a resource volume can be estimated. This was the only previous industry related aggregate exploration work that was noted during compilation work.

2009 (Coates, H.J.)
During 2008 geological mapping, reconnaissance soil sampling and a radiometric survey in the area of Black Mountain Pond and to the northwest was completed.

2009 (Mercer, R.)
In 2009 an application was submitted by R. Mercer for the development of an 89.8 Ha quarry south of Black Mountain Pond. This application documented the test pitting work completed to define the aggregate resource and also contained the required elements for the issuance of a quarry lease under the Quarry Materials Act and Regulations. Subsequent to the submission, Quarry Lease 114308 was issued in September of 2010.
In 2013 a detailed test pitting program, during the months of August and September, was completed south of Black Mountain Pond. This work included the excavation of 41 test pits which were utilized in outlining a new 2.07 Mt aggregate resource. Subsequent to the field work an eBee UAS Drone survey was completed on September 19th, 2013. This survey acquired high resolution colour stereo imagery and cm scale topography data.

In July of 2014 a 25.6 Ha lease application was submitted to the Department of Natural Resources to secure the 2.07 Mt of aggregate for near term use. This application is currently being reviewed.

In March of 2015 a report was submitted to the Department of Natural Resources outlining the excavation of 114 test pits north east of Black Mountain Pond. In the report additional work was planned for 2015 to fully outline an aggregate resource in the area.

In November of 2014 a one day property visit was completed by the author of an assessment report submitted to the Department of Natural Resources in March of 2015. This visit identified glacial features within the project area that warrant follow up work.
7.0 2015 EXPLORATION PROGRAM AND RESULTS

7.1 Introduction

The 2015 Nut Brook work program included reconnaissance style aggregate mapping (i.e. hand dug test pitting), test pit site and temporary access route cutting/clearing. This work was completed during the month of June. Hand dug test pitting was completed by the author and sites/routes were cut and cleared by SCI Exploration. Also, in early June the routes and test pit sites were flagged in the field by the author. All of the expenditures related to the above noted work, are presented in Appendix A and all maps submitted with this report and are in UTM projection NAD 83 Zone 22.

The exploration work was completed in a strategic location, in close proximity to existing infrastructure and also in an area containing the potential for high quality aggregate. From Newcrete’s current Black Mountain Lease, concrete aggregate is being processed for use throughout the northeast Avalon in foundations, bridges, precast products, etc. Also, in 2014, aggregate was trucked to the Bull Arm fabrication facility where it was used as a concrete aggregate for the Hebron Gravity Based Structure.

7.2 Aggregate Mapping

During the month of June a one day property visit was made by the author. This focused on an area having aggregate potential previously identified through compilation and field work in 2014. During the field program reconnaissance mapping and several shallow hand dug pits were excavated. These pits contained sand and gravel that appears similar to granite derived material seen elsewhere in the Black Mountain Valley. The hand dug pits correspond to test pit sites as per Figure 4. After outlining a sizeable area, that possibly contains significant aggregate, 5 test pit sites were flagged for subsequent cutting/clearing (Table B1).

Only five hand dug pits were excavated on a broad scale to determine if aggregate covering a large surface area was present. Further, these pits were prepared for mechanical test pitting to determine the actual depth of the aggregate material and if a sufficient volume is present to warrant additional exploration expenditures in the area.

7.3 Test Pit Site Cutting and Clearing

During the month of June SCI Exploration Ltd. spent 1 day, with a 5 man crew, cutting and clearing test pit sites and temporary excavator access routes. Figure 4 depicts the trails and test pit locations.
Revised Date: AGGREGATE & TEST PIT LOCATION MAP
Newcrete Investments GP Ltd.
Date Drafted: 02/25/2016
NTS: 1N/06 & 1N/07
Scale: 1:7,500

Figure 4
Area: Eastern, NL
Data Drafted: 02/25/2016
Drafted By: B. Dyke
Revised Date:
Scale: 1:7,500
File: Agg_TP Map.wor
NTS: 1N06 & 1N07

Newcrete Investments GP Ltd.

Project: Black Mountain, Licence 705:1507

© 2010 DigitalGlobe © 2010 GeoEye Earthstar Geographics
8.0 CONCLUSIONS AND RECOMMENDATIONS

During June of 2015 Newcrete completed mapping and hand dug reconnaissance aggregate test pitting and flagged test pit sites and temporary excavator access routes. These sites and routes were subsequently cut and cleared in anticipation of a fall test pitting program. Due to unforeseen circumstances the program has been delayed until the 2016 field season.

In 2016 the 5 test pit sites, prepared in 2015, should be excavated and additional mapping completed to determine if other areas within the property contain significant aggregate potential.

Respectfully submitted,

[Signature]

Brad Dyke, P. Geo.
Senior Project Geologist
Pennecon Limited
St. John's, NL
March 18, 2016

Revised April, 22, 2016 as per Mr. Nunn's deficiencies letter referred to as NIGPL.160322c (Quarries) and dated March 22, 2016. This letter is attached at the back of this report.
9.0 REFERENCES


Ricketts, M.J. (1999): Surficial aggregate mapping in the Holyrood (NTS 1N/6) and Bay Bulls (NTS 1N/7) map areas, In Current research, Edited by C. P. G. Pereira and D. G. Walsh, Government of Newfoundland and Labrador, Department of Mines and Energy, Geological Survey, Report 99-01, Geofile Number NFLD/2685, pages 149-161.

Summers, W.F. (1949): The physical geography of the Avalon Peninsula of Newfoundland, MSc, Mcgill University, Montreal, Quebec, Geofile Number 001N/0030, 210 pages.
APPENDIX A

STATEMENT OF EXPENDITURES
## Statement of Expenditures

**Black Mountain Project, Licence 705:1507**

*(March 30th, 2015 Anniversary Date - Second Year Report)*

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<td>Geologist - Mineral Resource Manager</td>
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<td>Vehicle Rental and Operating</td>
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<td>Field/Office/Safety Supplies</td>
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<td>Map Production Expenses/Digitizing</td>
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APPENDIX B

HAND DUG TEST PIT DESCRIPTIONS
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<td>B. Dyke</td>
<td>349,691</td>
<td>5,258,169</td>
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<td>349,593</td>
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<tr>
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<td>705:1507</td>
<td>15-Jun-16</td>
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<td>349,586</td>
<td>5,258,037</td>
<td>organics removed and hand dug ~0.3m into aggregate to confirm it's presence</td>
<td>aggregate observed appears to be granite derived</td>
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<td>15-Jun-16</td>
<td>B. Dyke</td>
<td>349,513</td>
<td>5,258,200</td>
<td>organics removed and hand dug ~0.3m into aggregate to confirm it's presence</td>
<td>aggregate observed appears to be granite derived</td>
</tr>
<tr>
<td>NB-15-005</td>
<td>Blk Mtn. - Nut Brook</td>
<td>705:1507</td>
<td>15-Jun-16</td>
<td>B. Dyke</td>
<td>349,478</td>
<td>5,258,291</td>
<td>organics removed and hand dug ~0.3m into aggregate to confirm it's presence</td>
<td>aggregate observed appears to be granite derived</td>
</tr>
</tbody>
</table>

Note: Hand dug reconnaissance pits to be followed up with mechanical test pitting.
March 22, 2016

Newcrete Investments GP Ltd.
1309 Topsail Road,
P. O. Box 8274, Station A,
St. John’s, NL.
A1B 3N4

Attention: Mr. Brad Dyke

Dear Mr. Dyke,

Re: quarry materials exploration licence 705:1507,
Black Mountain, Nut Brook, Concrete Aggregate Project,
Foxtrap, NTS 1N/06 and 07.

Your report titled “Assessment report on aggregate mapping & test pit site cutting/clearing within Quarry Materials Exploration Licence 705:1507 Black Mountain, Nut Brook, Concrete Aggregate Project NTS 1N/06 & 1N/07 Foxtrap, NL.” (sic) and submitted as a record of assessment work for that licence has been reviewed for compliance with the Quarry Materials Regulations (CNLR 804/96), Section 4.(2)(l).

The following comments and/or deficiencies (keyed to page +/- paragraph numbers or appendix +/- column numbers) are noted:

Page 5, paragraph 1 – delete “..., it was initially staked in July of 2013,” (see next note);

Page 5, paragraph 2 – “Licence 705:1507” → The area of the licence was initially staked in July of 2013 as Quarry Materials Exploration Licence 705:1478 but... – or something of that ilk;

Page 9, paragraph 1 – Bragg (1983) not in references;

Page 11, paragraphs 3 and 4, and Page 12, Figure 4 – all of the shallow, hand dug excavations must be supported by a table of GPS locations and descriptions of what was found (+ any other pertinent observations) and then an explanation as to why only five were chosen for future sampling; and
Appendix A, map production expenses – “1” → 0.17 (days @ $150/day = $25.00);

I trust that this is to your satisfaction. If you have any questions or comments concerning the above, please do not hesitate to contact me.

Yours sincerely,

Ges Nunn, P.Geo.
Geologist, Quarry Materials.
Tel.: 709-729-6418
Fax.: 709-729-6782
E-mail: gesnunn@gov.nl.ca

Mr. Kevin Sheppard, P.Geo., Director, Mineral Lands Division.
Mr. Gerald Kennedy, Manager, Quarry Materials Section, Mineral Lands Division.
Ms. Andrea Devereaux, Quarry Inspector (eastern Newfoundland).

NIGPL.160322c (Quarries)