Registry File Nos: 775:3574

Geological Survey No: 012A/08/1628

Confidential Until: 2017-02-27

Mineral Rights:

- [☑] Licence
- [ ] Extended Licence
- [ ] Impost
- [ ] Mining Lease
- [ ] Regional
- [ ] Other

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<th>Licence/Property</th>
<th>No. of Claims</th>
<th>Assessment Year</th>
<th>Date Issued</th>
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Received: 2014-02-27

Signed: [Signature]

Date: February 11, 2015

Comments:
1st Year Assessment Report

Mineral Exploration License
#020719M

Pipestone Pond, Southern Newfoundland,

NTS 12A/08

By
Darrin Hicks

Year: 2012

Submitted: February 2014
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Introduction

The mineral exploration license #020719M is located within the southern portion of Newfoundland. The licensed area lies within the 1:50,000 scale NTS topographic map sheet 12A/08 (Figure 1).

Location, Access and Topography

The mineral exploration licensed area is located approximately 60klm north of a community called St. Albans. The occurrences are located near the northwest shore of Chrome Pond between Pipestone Pond and Sitdown Pond. A gravel road from the town of St. Alban’s to the North Salmon Control Structure does extend to within approximately 7klm to the license but the area is best accessible by floatplane to either Pipestone or Sitdown Ponds.

License#020719M begins at the Northeast corner of the herein described parcel of land, and said corner having UTM coordinates of 5 354 500 N, 567 500 E; of Zone 21; thence South 1,000 metres, thence East 1,000 metres, thence South 500 metres, thence West 1,500 metres, thence North 1,500 metres, thence East 500 metres to the point of beginning. All bearings are referred to the UTM grid, Zone 21. NAD27. (Figure 2)
Figure 1: NTS Map Sheet
Figure 3: Generalized geology map of the island of Newfoundland by Hayes (1987) showing the tectonostratigraphic subdivisions of the Newfoundland Appalachian mountain belt (after Williams, 1979). License #020719 is located within the southern portion of Exploits Subzone (Dunnage Zone.)
Regional and Local Geological Setting
The licences are within the Dunnage zone of the Newfoundland Appalachians and straddle the contact between the Mount Cormack Subzone (Gander Zone) and the Exploits Subzone (Dunnage Zone) and are underlain by one of several disrupted ophiolite suites in central Newfoundland. Late Cambrian to Middle Ordovician, ophiolitic rocks of the Pipestone Pond Complex, represents the stratigraphic base of the Exploits Subzone (Figure 3). The Pipestone Pond complex originated as oceanic crust forming the basement to overlying Lower Paleozoic sedimentary and volcanic sequences.

Much of the property is underlain by Pipestone Pond Complex peridotite to the west and sheared, serpentinized and brecciated peridotite to the east. Near the eastern fault boundary, the peridotite is commonly highly altered, sheared and locally injected by quartz veins. The southern portion of the property is underlain by gabbro. A trondhjemite plug lies just south of the property boundary. The upper levels of the gabbro are truncated by a major north-east-trending fault, which juxtaposes the ophiolite with Baie d’Espoir Group lithologies and granitoid rock to the west. (Figure 4)

The Chrome Pond area of the Pipestone Pond Complex is of particular importance. In the Chrome Pond area rocks consists of serpentinized pyroxenite and lesser dunite, with gabbro and quartz diorite. Mafic and felsic volcanics are also known to exist in the area. Just west of Chrome Pond, ultramafic rocks are pervasively talc-carbonated altered and contain isolated small pods of solid chromite.
Historic Exploration Work

There been a long history of exploration in the Pipestone pond area. Exploration began with Murray and Howley. (1881). Murray and Howley was the earliest explorer who noted the presence of asbestos, chromite and copper in the ultramafic rocks near Pipestone Pond.

Willis (1901) sampled boulders and veins of the Chromite occurrences which returned an average of 47%Cr203.

Moore (1930) reinvestigated the chromite occurrences and located four Chromite outcrops, each showing having its own different characteristics. The showings consist of lenses and pods of solid chromite, plus stringers and irregular veins of moderate disseminations. The four outcrops are as follows;

- Outcrop #1 consists of two good lenses averaging 42.9%Cr203.
- Outcrop#2 consists of one good lens averaging 45.6%Cr203.
- Outcrop#3 is a water filled pit with good ore on the edges averaging 45.3%Cr203 and
- Outcrop#4 consists of three lenses averaging 49.9%Cr203. Boulders from surrounding area averaged 48.0%Cr203.

Moore also sampled coarse serpentine gravel located south of Chrome Pond. This chrome sand returned values of 21.6%Cr203 and 8.2%Cr203.

Wolofsky (1951) did a thesis on the Sitdown Pond area at Queen’s University which was support by The Buchan’s Mining Company. Wolofsky concludes that there are two modes of occurrences of chromite in the ultramafic rocks of the Pipestone Pond Complex. The two modes are as follows;
(1) Disseminated octahedral grains along with magnetite, especially near the eastern contact.

(2) Lensoidal bodies of high grade chromite in talc-carbonate rock which typical of the Chrome Pond Prospect.

Wolofsky concludes that there are at least four Lensoidal chromite bodies which are thought to have been emplaced by injection of a chrome-bearing liquid before serpentinization of the wall rocks occurred.

Fogwill (1964) carried out an assessment of chromite occurrences of Newfoundland for the Mineral Resources Division of the Department of Mines, Agriculture and Resources. Fogwill assayed a massive representative sample from the largest lens and from a large lens located southwest of the large lens. The assayed results were 36.3%Cr2O3 and 44.5%Cr2O3 respectively.

Denholm and Shurr (1965) carried out a gravity survey over the Chrome Pond Prospect by Canadian Aero Mineral Surveys Limited for the Newfoundland Department of Natural Resources. A large positive anomaly with amplitude of 0.30 milligals and striking 45 degrees was detected. This anomaly was interpreted by geophysicists to be caused by a major occurrence at depth of chromite or iron at least 30 meters deep. A couple of smaller anomalies were detected which were believed to be related to known chromite occurrences.

Barning (1965) investigated Chromite Occurrences for the Department of Mines, Agriculture and Resources. Barning reports there are other small-scattered occurrences in the area. The mineralization is in the form of massive chromite in highly altered ultra basic a rock with the average tenor is 30% Cr2O3.

Butler and Davenport (1978) conducted a lake sediment geochemical survey in the Sitdown Pond area for the Newfoundland Department of Mines and Energy. Survey results gave anomalous nickel values ranging from 80ppm to more than 160ppm Results seemed to correspond to mafic and/or ultramafic rocks of the Pipestone Pond Complex.
Minorex Ltd. (1981) staked claims which covered the Chrome Pond Prospect. Prospecting consisted of sampling old trenches. Grab samples from the trenches were assayed and returned values from 42.5%Cr203 to 50.8%Cr203.

Altius Minerals Corporation (2011) reported on the progress of its Newfoundland and Labrador exploration alliance with Cliffs Natural Resources Exploration Inc., a subsidiary of Cliffs Natural Resources Inc. Work program designed to identify nickel-iron alloy on the island of Newfoundland in the Pipestone Pond Complex yielded positive results. Awaruite, a naturally occurring alloy composed of nickel and iron, has now been confirmed in three locations. Moreover, awaruite has been identified in archived drill core from the Pipestone Pond Complex and samples from six holes have been submitted for analysis.

A 2011 Exploration program was attempted in the late fall but could not be completed. Conne River Air service was hired to transport an assistant and myself to Chrome Pond area. Dave Mcdonald, the pilot of the float plane, transported us to the area and tried to land in Sitdown Pond, Chrome Pond or Pipestone Pond. Due to all three pond was ice capped over, the pilot would not land for safety reason therefore we had to return to Conne River and abort the exploration program for this year.

Present Exploration

2012 exploration program consisted of 1 day preliminary visit which traditional prospecting was conducted. The visit, with two helpers and I, was accomplished by the use of helicopter support from Newfoundland Helicopters based in Appleton. The direction of flight from Appleton to Pipestone pond transected the Route 360 near Northwest Gander River therefore this is where I instructed Newfoundland Helicopters to use for my pickup location.

Several rocks were inspected but only 1 rock was taken from an outcrop which showed minor sulphides. The sample was sent to Eastern Analytical in Springdale for ICP-30+Au analyses. The sample returned 293ppb Au.
Photo 1: Pick-up location (Route 360-NW Gander River)

Photo 2: Exposed outcrop
Conclusions and Recommendations

The 2012 visit was successful in locating an outcrop anomalous in gold. This may present a new area not presently well known for gold. It’s worth revisiting the property.

In conclusion, the property may hold great potential.
References:

Wolofsky, L
1951: Geology of the Sitdown Pond area, Newfoundland. MSc thesis, McGill University. 41 pages. [GSB# 012A/08/0095]

Barning, K

Butler, A J and Davenport, PH

Denholm, J G and Schuur, W

Teck Explorations Limited (1990)
First year assessment report on geological and geochemical exploration for licence 3816 on claim blocks 6250-6256 in the Pipestone Pond area, central Newfoundland<br>
Author(s): Clarke, E J


Celtic Minerals

2001: Prospecting and soil Sampling in the Chrome Pond Claims, Newfoundland. NTS 12A/08. Open file 12A/08/1013
APPENDIX “A”

Expenses

(1) Report writing — 2 days @ $100.00/day ................................................................. $ 200.00
(2) Air Support (Newfoundland Helicopters) ......................................................... $ 3712.16
(3) Prospecting (3-persons) 1 day @ $100.00/day ....................................................... $ 300.00
(4) Meals (3 persons) 1 day @ $25.00/day ................................................................. $ 75.00
(5) Fuel Cost .................................................................................................................. $ 50.00
(6) Truck ......................................................................................................................... $ 50.00
(7) Assay Expense .......................................................................................................... $ 34.75

Sub-Total $ 4421.91

(3) Administration & overhead @ 15% ................................................................. $ 663.29

Total $ 5085.20
Appendix B
| Sample Number | Au ppm | Ce ppm | Sr ppm | Ba ppm | Fe % | P % | Hg ppm | Mg ppm | As ppm | V ppm | Na ppm | Mo ppm | Al ppm | Be ppm | Ca ppm | Zn ppm | Cu ppm | Pb ppm | Bi ppm | Ti ppm | Cd ppm | Co ppm | Ni ppm | W ppm | La ppm | K ppm | Ca ppm | Sn ppm | Cr ppm |
|---------------|--------|--------|--------|--------|------|-----|--------|--------|--------|-------|--------|-------|-------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Blank - Au    | 6      | -      | -      | -      | -    | -   | -      | -      | -      | -     | -      | -     | -     | -     | -      | -      | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Blank         | 1370   | -      | -      | -      | -    | -   | -      | -      | -      | -     | -      | -     | -     | -     | -      | -      | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| LKSD-2-STD    | 158    | 14     | 178    | 3.11   | 0.11 | 1   | 0.01  | 1      | 0.01   | 1     | 0.01  | 0.5   | 0.01  | 1     | 5     | 0.2   | 2      | 2     | 0.01  | 0.5   | 1     | 10    | 0     | 10    | 0.01  | 5     | 20    | 1     |
| CP297-12      | 5      | 10     | 1      | 3.04   | 0.01 | 1   | >5.50 | 5      | 2      | 0.25  | 1     | 0.03  | 0.5   | 0.07  | 7     | 1     | 5     | 0.2   | 2     | 2     | 0.01  | 1.6   | 37    | 298   | 10    | 10    | 0.01  | 238   | 20    | 127   |
| CP297A-12     | 5      | 10     | 1      | 1.82   | 0.01 | 1   | >5.50 | 17     | 1      | 0.22  | 1     | 0.03  | 0.5   | 0.05  | 5     | 1     | 5     | 0.2   | 2     | 2     | 0.01  | 0.9   | 39    | 310   | 10    | 10    | 0.01  | 718   | 20    | 48    |
| CP297B-12     | 5      | 10     | 1      | 3.47   | 0.01 | 1   | >5.50 | 384    | 3      | 0.27  | 1     | 0.05  | 0.5   | 0.03  | 14    | 1     | 5     | 0.2   | 4     | 2     | 0.01  | 1.8   | 74    | >1100 | 10    | 10    | 0.01  | 553   | 20    | 110   |
| CP299-12      | 5      | 10     | 1      | 1.98   | 0.01 | 1   | >5.50 | 12     | 1      | 0.22  | 1     | 0.03  | 0.5   | 0.04  | 5     | 1     | 5     | 0.2   | 2     | 2     | 0.01  | 1.1   | 42    | 304   | 10    | 10    | 0.01  | 636   | 20    | 82    |
| CP299A-12     | 5      | 10     | 1      | 3.68   | 0.01 | 1   | >5.50 | 10     | 3      | 0.24  | 1     | 0.04  | 0.5   | 0.02  | 14    | 4     | 6     | 0.2   | 4     | 2     | 0.01  | 1.9   | 72    | >1100 | 10    | 10    | 0.01  | 558   | 20    | 95    |
| CP300-12      | 5      | 10     | 1      | 2.92   | 0.01 | 1   | >5.50 | 39     | 3      | 0.30  | 1     | 0.06  | 0.5   | 0.01  | 17    | 1     | 5     | 0.2   | 4     | 2     | 0.01  | 1.5   | 73    | >1100 | 10    | 10    | 0.01  | 315   | 20    | 150   |
| CP300-12 Dup C| 5      | 10     | 1      | 3.00   | 0.01 | 1   | >5.50 | 39     | 3      | 0.27  | 1     | 0.05  | 0.5   | 0.01  | 17    | 1     | 5     | 0.2   | 5     | 2     | 0.01  | 1.5   | 73    | >1100 | 10    | 10    | 0.01  | 315   | 20    | 154   |
| CP305-12      | 293    | 13     | 1      | 5.27   | 0.01 | 1   | >5.50 | 135    | 5      | 0.21  | 1     | 0.05  | 0.5   | 0.02  | 7     | 3     | 5     | 0.2   | 2     | 2     | 0.01  | 2.7   | 128   | 745   | 10    | 10    | 0.01  | 686   | 20    | 183   |
| CP308-12      | 6      | 10     | 1      | 2.69   | 0.01 | 1   | >5.50 | 32     | 3      | 0.19  | 1     | 0.04  | 0.5   | 0.06  | 7     | 3     | 5     | 0.2   | 2     | 2     | 0.01  | 1.4   | 61    | 678   | 10    | 10    | 0.01  | 921   | 20    | 94    |
| CP308A-12     | 5      | 19     | 1      | 5.60   | 0.01 | 1   | >5.50 | 5      | 4      | 0.25  | 1     | 0.05  | 0.5   | 0.07  | 7     | 5     | 5     | 0.3   | 2     | 2     | 0.01  | 1.5   | 70    | 747   | 10    | 10    | 0.01  | 1239  | 20    | 36    |
| CP308B-12     | 5      | 12     | 1      | 2.99   | 0.01 | 1   | >5.50 | 170    | 1      | 0.20  | 1     | 0.03  | 0.5   | 0.03  | 8     | 4     | 6     | 0.2   | 2     | 2     | 0.01  | 1.5   | 94    | >1100 | 10    | 10    | 0.01  | 1782  | 20    | 172   |
| CP308C-12     | 5      | 10     | 1      | 2.83   | 0.01 | 1   | >5.50 | 582    | 1      | 0.19  | 1     | 0.02  | 0.5   | 0.06  | 8     | 1     | 141   | 0.3   | 44    | 2     | 0.01  | 1.4   | 70    | >1008 | 10    | 10    | 0.01  | 1036  | 20    | 25    |
| CP310-12      | 5      | 12     | 1      | 3.48   | 0.01 | 1   | >5.50 | 570    | 1      | 0.20  | 1     | 0.02  | 0.5   | 0.15  | 7     | 15    | 5     | 0.2   | 2     | 2     | 0.01  | 1.8   | 86    | >1100 | 10    | 10    | 0.01  | 922   | 20    | 29    |