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<th>Licence/Property</th>
<th>No. of Claims</th>
<th>Assessment Year</th>
<th>Date Issued</th>
<th>NTS Map</th>
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<td>2</td>
<td>1</td>
<td>2010-09-03</td>
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CD: _______  DVD: _______  Flash drive: _______  Paper Maps: _______

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Received: 2012-01-03

Comments: ________________________________________________

Signed: ____________________________

Date: 2012-02-13
1 St Year Assessment Report
Prospecting, Rock and Soil Sampling
Flora Lake Property
Lin. # 17942 M (Two Blocks)

Map Sheet 23B/15

Submitted by:
Gary Lewis

for:
Unity Resources Inc.

October 30, 2011

Work year: 2010-11

Lin. # 17942M (Two Blocks) Total claims: 2 (Total expenditures: $2,321.00)
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Prospecting, Rock and Soil Sampling
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Map Sheet 23B/15

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TABLE OF CONTENTS

I. Introduction                                         1

II. Location & Access                                   2

III. Physiographic Setting                              2

IV. Previous Work                                       6

V. Geology & Mineralization                             8

VI. Prospecting 2010-11                                  9

VII. Conclusions & Recommendations                       9

VII. References                                         10

VIII. Expenditures                                      12

FIGURES

Fig. I. Property Location                               3

Fig. II. Claims Location                                4

Fig. III. Detail Geology and Sample Location Map         5

APPENDICES

App. I. Sample Assay Data
Introduction

The Flora Lake licence # 017942 M consists of two claims located in Labrador West approximately 6 km south east of Wabush.

The properties were staked in 2010 for it’s Garnet, Kyanite and Graphite potential and its proximity to the IOC Mine. The area of the property is known for its Iron Ore potential with numerous showings and producing mines.

Location and Access (licence # 017942 M) n-e corner

Region: Newfoundland
UTM Zone: 19
Easting: 06 49 000
Elevation (m): 550
NTS Area: 23B/15
Northing: 58 60 000
Location Uncertainty (m): 1.0
ACCESSIBILITY

The Flora Lake licence # 017942 M consists of two claims located in Labrador West approximately 6 km south east of Wabush. The properties were staked in 2010 for it’s Garnet, Kanite and Graphite potential and its proximity to the IOC Mine. The area of the property is known for its Iron Ore potential with numerous showings and producing mines.

Physiographic Setting

The Flora Lake area is generally flat, with thick glacial cover and numerous bogs and marshes. The highest hills in the area are 122 m (400 ft.) above the surrounding country; however, the general relief is around 61 m (200 ft.).

Flora Lake claim is located near the south end of Flora Lake.
Figure II

(Claims Location Map)
Sample # FL-01 is Assay # 47451 UTM 19 648719E 5859923N

Figure III

(Geology & Samples & Traverses)
Previous Work

The earliest geological reconnaissance in the southern extension of the Labrador Trough, within the
Grenville Province, was by prospectors who went there in 1914 in search of gold (refer to North Weber -
NMI File No. 23G/02/Cu003). Several parties visited the area between 1914 and 1933, but it was not
until 1937 that the first geological map and report was published by Gill et al., 1937 (Rivers, 1980).
The metamorphosed iron formation in the vicinity of Wabush Lake was first recognized by Dr. J.E. Gill
in 1933. A few years later, the Labrador Mining and Exploration Co. Ltd. (LM&E) evaluated this iron
formation, but decided it was too lean for immediate consideration (Gross et al., 1972).
In 1936, LM&E acquired and began geological investigations on a mineral concession in western
Labrador. The concession, located about the headwaters of the Churchill (formerly Hamilton) and
Naskaupi Rivers, included an area of approximately 51,800 km2 (20,000 sq. mi.) (Retty, 1937). Efforts to
date have been concentrated mainly on the evaluation and development of the iron (+/- manganese)
deposits of the central and southern Labrador Trough (refer to Retty, 1937, 1938; ... Stubbins, 1986).
Base metal deposits have also been found, but have not, however, proved to be of commercial value.
In 1948, cobalt was discovered by prospecting northwest of Bloom Lake, Quebec. This occurrence has
been explored by trenching and diamond drilling (Avison, 1981).
In 1949, interest in the Carol Lake area by LM&E was renewed and geological mapping was carried out
in the Duley Lake - Wabush Lake area by H.E. Neal. The work was done on a scale of 1" = 1/2 mi. and
covered an area approximately 8 km (5 mi.) wide by 40 km (25 mi.) long from Mills Lake northward to
the middle of Wabush Lake. This work formed part of the systematic mapping and prospecting carried on
by LM&E in their concession.
Concentrations of magnetite and specularite were found in many places west of Duley Lake and Wabush
Lake during the course of Neal's geological mapping. Broad exposures of this enrichment, up to 1.2 km
(3/4 mi.) long, assayed from 35-54% Fe and 17-45% SiO2. Two bulk samples, each about 68 kg (150
lbs.), were taken for ore dressing tests. The material was considered to be of economic significance, as
the metallurgical tests indicated that it could be concentrated.
In addition to the magnetite-specularite ore, disseminated pyrite and pyrrhotite were also found by Neal
(1950) to be scattered through a small granite intrusive (Duley Lake Northeast - NMI File No.
23B/15/Pyr002) and narrow quartz stringers (Strawberry Lake - NMI File No. 23B/10/Pyr001). This
mineralization was said to be very local and of minor interest.
Geological mapping on a scale of 1" = 1/2 mi. was continued by H.E. Neal in the Wabush Lake -
Shabogamo Lake area in 1950. This mapping covered a dumbbell-shaped area with one lobe comprising
the Neal Lake district, passing northeastward along a narrow strip on the west side of Wabush Lake to
another lobe from the west shore of Shabogamo Lake to Bruce Lake. The total length of the area mapped
was roughly 80 km (50 mi.) in the southwest - northeast direction.
Several additional areas of magnetite-specularite enrichment, similar to those mapped and sampled in
1949, were found during the 1950 season. A deposit of hard blue siliceous hematite was also found at
Julienne No. 1 (NMI File No. 23G/02/Fe013) (Neal, 1951).
Neal (1951) also reported numerous occurrences of pyrolusite and psilomelane (botryoidal goethite being
frequently associated with the manganese) within the iron formation and quartzite.
Sulphide mineralization in narrow and giant quartz veins was also mapped in several scattered localities
throughout the area. Assay results showed that gold was either absent or merely as a trace in these veins
(Neal, 1951).
Occurrences of kyanite in garnet-biotite gneiss/schist and quartz- muscovite-feldspar schist of the
Wabush Lake area were first reported by Neal (1950 and 1951). Neal (1951) stated that 'elongated light
to dark blue kyanite crystals are scattered through these rocks. Larger kyanite crystals are closely
associated with narrow quartz veins'. According to Neal (1950), at one locality immediately west of
Dumbell Lake the kyanite forms flattened crystals up to 7.6 cm (3 in.) long and 6 mm (1/4 in.) wide in
the garnet-biotite-kyanite gneiss. Outcrops of the garnet-kyanite schist, with kyanite crystals up to 1.3 cm (1/2 in.) in length, were also located along the southwest shore of Wabush Lake and on an island southeast of this point.

Note: Neal apparently did not consider the kyanite to be of economic interest at that time since the occurrences were not indicated on his geology maps of the area.

In 1951, nearly all of the concession held by LM&E within the Labrador Trough, was flown with an airborne magnetometer (Moss, 1952).

During the summer of 1953, the Newfoundland and Labrador Corporation (Nalco) began a geological exploration program to determine the economic possibilities of their concessions in Newfoundland and Labrador (Boyko, 1953).

Approximately 1036 km² (400 sq. mi.) were examined in the Wabush Lake area by W.P. Boyko (of Nalco). As a result, iron deposits were located at the south end of Wabush Lake (Scully Mine (Burden No. 1) - NMI File No. 23B/15/Fe001) and on a peninsula between Wabush and Julienne Lakes (Julienne Lake (Boyko No. 1) - NMI File No. 23G/02/Fe009).

In addition to the iron ore, Boyko (1953) also noted deposits of kyanite, sulphides and graphite throughout the area.

Concentrations of kyanite were located by Boyko (1953) near Flora Lake, Rectangle Lake, Gibraltar Lake and Moose Head Lake, the largest being at Flora Lake; i.e., Flora Lake South No. 2 (NMI File No. 23B/15/Kyn002).

During the latter part of January and early February of 1958, an airborne magnetometer survey covering a 829 km² (320 sq. mi.) strip of land, extending from northeast Shabogamo Lake to the southwest corner of the North Concession, was conducted for Pickands Mather & Co. and the Steel Company of Canada Ltd. Several minor magnetic anomalies were indicated by this survey, and a preliminary examination on the ground was made on some of these during April. No mineral occurrences of major interest were located at that time (Pickands Mather & Co., 1959).

In 1972, an extensive airborne electromagnetic survey covered 2150 km² (830 sq. mi.) of territory, and entailed 2736 line km (1700 line mi.) of flying in the Labrador City area. The area covered extends from the southern extremity of Kissing Lake to north Sawbill Lake, and from approximately the Quebec-Labrador border on the west to the major drainage system, through Duley, Wabush and Shabogamo Lakes on the east. The survey was done by Sander Geophysics Ltd. (for LM&E) using a helicopter equipped with a NPM-4 magnetometer, plus a fluxgate magnetometer (to assist in defining strong magnetic gradients), a modified Sander EM-3 electromagnetic system employing a single coil receiver, and a VLF unit (Stubbins, 1973).

In 1972 to 1973, an airborne magnetic survey was conducted over the area by Survair Ltd., Geoterrex Ltd., Lockwood Survey Corporation Ltd. for the Geological Survey of Canada (GSC).

In 1977, geological mapping was initiated by T. Rivers of the Newfoundland Department of Mines and Energy in the southerly continuation of the Trough rocks within the Grenville Province of the Wabush-Labrador City area. This work was part of the program of 1:50,000 scale mapping and reassessment of the mineral potential of the Labrador Trough by the Newfoundland Department of Mines and Energy. Mapping was continued by Rivers in western Labrador in 1978 to 1980.

A reconnaissance lake sediment and water survey was undertaken by the GSC, in conjunction with the Newfoundland Department of Mines and Energy, over about one-half (134,000 km²) of Labrador during the summers of 1977 and 1978. The survey was designed to furnish the exploration industry with data on bedrock composition and to identify metalliferous areas as large scale prospecting targets (McConnell, 1984). Sampling continued in 1982 in southwestern Labrador. Waters and sediments from lakes over an area of about 50,000 km² were sampled at an average density of one sample per 13 km². Lake sediment samples were analyzed for U, Cu, Pb, Zn, Co, Ni, Ag, Mo, Mn, Fe, F, As, Hg and L.O.I. In addition, U, F and pH were determined on the water samples (Davenport and Butler, 1983).
Geology and Mineralization

Geological Province: Grenville

Tectonic Zone:

Stratigraphic Unit: Attikamagen Fm-Knob Lake Gp

Geological Age: Paleoproterozoic

Rock Type(s): Mica-garnet gneiss

Flora Lake, Labrador occurs within the Wabush, Flora and Opocopa Lakes map area of Rivers (Maps 7872, 80 282 and 85-24), which is located in the southern extension of the Labrador Trough, within the Grenville tectonic province of the Canadian Shield. The area lies close to the Grenville Front within the Grenville Front Tectonic Zone - i.e., the northern margin of the Grenville Province, where it abuts against an Archean gneiss terrain of the Superior Foreland Zone and against weakly metamorphosed and deformed Aphebian (Lower Proterozoic) supracrustals of the Churchill Foreland Zone. (The Wabush Lake area encompasses part of the southern Grenville Front Tectonic Zone adjacent to the Superior foreland.) All rocks in the area are highly metamorphosed and deformed. The oldest rocks comprise the Ashuanipi Metamorphic Complex consisting of a high grade, Archean migmatitic gneiss terrain, intruded by granitoid plutons; and this sequence forms the basement on which the Aphebian sediments of the Labrador Trough were unconformably deposited. The sedimentary sequence is referred to as the Knob Lake Group (formerly known as the Gagnon Group, refer to Rivers (1980)) and is part of the Kaniapiskau Supergroup. In the Wabush Lake area, it consists of the following conformable formations (ascending order), Attikamagen, Denault, McKay River, Wishart, Sokoman and Menihek.

Helikian (Middle Proterozoic) rocks of the Blueberry Lake Group and Sims Formation unconformably overlie the Knob Lake Group in the Churchill Province. Rocks of the Shabogamo Intrusive Suite intrude both the Blueberry Lake Group and the Sims Formation as well as various units of the Knob Lake Group. Gabbro of the suite is dated at approximately 1400 Ma by Rb/Sr, Sm/Nd and 40Ar/39Ar methods, Brooks et al. (1981), Dallmeyer (1982).

Minor syn- to posttectonic (approximately 1000 Ma) pegmatites, known as the Sawbill Intrusions, are widespread, but not abundant.

Note: The structural development of the Knob Lake Group, within the Grenville Province, is described in detail by Rivers (1978, 1980, 1983) for the Wabush-Labrador City area (refer to Smallwood Mine - NMI File No. 23G/02/Fe001) where three phases of Grenvillian deformation (the first and second deformations characterized by northeast trending structures and the third characterized by northwest trending structures) have been recognized.
**Prospecting**

A total of 2 man days were used to prospect the area and one day was spent analyzing the government airborne data and doing flow up site visits to prospect the areas.

Prospecting on the Flora Lake property was conducted in 2010-11. We flew into the area and took a speed boat to the property and a quick traverse was done on the property to locate the known mineralized outcrops. We had trouble locating the Graphite but the Kyanite was located.

The area is generally flat with thick glacial cover and numerous bogs and marshes.

This is good as the till and bog cover may be covering a world class deposit of Kyanite or Graphite.

The main No. 2 showing presents as a ridge that runs for hundreds of meters in a north direction and is in places tens of meters wide. It is located west of the south end of Flora Lake.

Kyanite occurs locally as bands and in trace amounts as coarse-grained massive garnet-mica schist in the Attikamagen and Menihek Formations throughout the Wabush Lake area.

The kyanite represents the metamorphic expression of a sediment high in aluminum which may be extensive as the extensions are covered with till.

One sample was assayed. The property is located at the south end of Flora Lake.

**Conclusions and Recommendations**

The Archean gneiss terrain area has excellant potential to host large tonnage of both Kyanite and possible graphite.

We are talking to companies about options which would a detail air born survey over the area with deep penetration EM and gravity. This could outline potential target areas for property expansion.

The minor syn- to posttectonic (approximately 1000 Ma) pegmatites, known as the Sawbill Intrusions, are widespread, but not abundant. These may have potential to host REES.
References

Avison, A T, Alcock, P W, Poisson, P, and Connell, E

Crouse, R A

Grant, J M


Johnson, I

Kelly, R G and Stubbins, J B

McConnell, J and Gibbons, R V

Neal, H E
Nincheri, R

Rivers, T

Smith, P J R, Stubbins, J B, Avison, A T, Grant, J M, and Hallof, P G

Stubbins, J B

Stubbins, J B
III. SUMMARY OF WORK 2010-11
(Expenditures)
Licence 017942 M

Trips

Travel by truck and Plane

Gary Lewis 2 days
Aubrey Budgell 1 days

Total of 3 man days @ $400/day  
1200.00

Meals for 3 man days @ $40/day  
120.00

Fuel for 1 trips @ $100/trip  
100.00

Boat Rental @ $70/DAY @1 days  
70.00

Private Plane Rental @ $2000/day @ ½ Day  
500.00

Accommodations 1 Night at Hotel  
200.00

Assays

(Eastern Analytical)
1@ICP30  
40.00

Sub - Total  
$2,110.00

Administration costs 10%  
211.00

Total  
$2,321.00
Sample # FL-01 is Lab # 47451
| Sample Number | Cc | ppm | Sr | ppm | Ba | ppm | Fe | % | P | ppm | Hg | ppm | Mg | ppm | As | ppm | V | ppm | % | Na | ppm | % | Al | ppm | % | Si | ppm | % | Ca | ppm | % | Zn | ppm | % | Cu | ppm | % | Pb | ppm | % | Br | ppm | % | Ti | ppm | % | Cd | ppm | % | Co | ppm | % | Ni | ppm | % | W | ppm | % | La | ppm | % | K | ppm | % | Mn | ppm | % | Cu | ppm | % | Sn | ppm | % | Cr | ppm | % |
|---------------|----|-----|----|-----|----|-----|----|----|---|-----|----|-----|----|-----|----|----|---|----|----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|----|-----|----|---