

**1<sup>st</sup> and 2<sup>nd</sup> Year Assessment Report on Prospecting on the Gold Star  
Property, Southern Block, Beckington Lake (G-2532) and Squash  
Lake (G-3140) Areas, Patricia Mining Division, Ontario**

NTS 52J/02

For

Paragon Minerals Corporation

Work conducted from  
May 30<sup>th</sup> to August 8<sup>th</sup>, 2011

**Total Eligible Expenditures: \$20,795**

**Total 5 claims (59 units)**

Prepared by:

**Bryan Sparrow, B.Sc., G.I.T.**

and

**David A. Copeland, M.Sc., P.Geo.**

August 8<sup>th</sup>, 2011

## TABLE OF CONTENTS

SUMMARY .....	3
1.0 INTRODUCTION.....	5
2.0 LOCATION, ACCESS AND PHYSIOGRAPHY .....	5
3.0 PROPERTY DESCRIPTION .....	6
4.0 REGIONAL GEOLOGY .....	9
5.0 PROPERTY GEOLOGY .....	11
6.0 MINERALIZATION.....	12
6.1 Volcanogenic Massive Sulphide Mineralization .....	13
6.2 Gold Mineralization .....	13
7.0 EXPLORATION HISTORY .....	17
7.1 Powell Prospect.....	24
7.2 Richelieu.....	25
7.3 Davidson-Carr Area .....	25
7.4 Y-Island Prospect.....	26
7.5 Thomas Lake .....	26
7.6 Mine Lake Area .....	27
7.7 Stewart -Contact Zone.....	28
7.8 Beckington Lake .....	28
7.9 Oz Island Area .....	28
8.0 2011 EXPLORATION .....	28
8.1 Prospecting .....	29
8.2 Statement of Expenditures.....	29
9.0 CONCLUSIONS AND RECOMMENDATIONS .....	30
10.0 REFERENCES.....	31
11.0 PROFESSIONAL CERTIFICATION.....	36

## LIST OF APPENDICES

Appendix I. List of Personnel and Contractors .....	at end
Appendix II. Rock Sample Descriptions and Locations .....	at end
Appendix III. Rock Sample Analytical Certificates .....	at end
Appendix IV. Analytical Procedures .....	at end
Appendix V. Statement of Expenditures by Claim .....	at end

## LIST OF TABLES

Table 1. List of Property.....	6
Table 2. Summary of historic work in the Gold Star Property area. ....	18

**LIST OF FIGURES**

Figure 1. Location of the Gold Star Property, Northwestern Ontario.....	8
Figure 2. Regional Geology of the Western Wabigoon Subprovince and the Sturgeon Lake Greenstone Belt (after Sanborn-Barrie and Skulski, 2006). .....	11
Figure 3. Geology of the Northern Sturgeon Lake Area (after Trowell, 1983). .....	16
Figure 4. Rock Sample Locations – Map 1 .....	at end
Figure 5. Rock Sample Locations – Map 2 .....	at end

## SUMMARY

The Gold Star property is located approximately 230 km northwest of Thunder Bay, Ontario and immediately East of the community of Savant Lake, Ontario. The property consists of 35 claims (373 units) for a total area of 5,968 hectares. Paragon Minerals Corporation acquired the Gold Star property in 2009, and southern block claims comprise a small package of claims southeast of the formerly producing St. Anthony gold mine.

The Gold Star property is underlain by rocks of the Archean Savant Sturgeon Lake Greenstone Belt. In particular the property covers the ca. 2745Ma Handy Lake Assemblage, a sequence of bimodal arc volcanic rocks. The Northern claim block of the property is host to numerous gold occurrences from north to south: Northeast Arm Creek, Thomas Lake, Mine Lake North, Wagon Road, Stewart Contact Zone, Mine Lake, Powell, Davidson Carr, Y-Island East and Y-Island West. The southern claim block hosts the Oz Island Prospects.

Gold mineralization on the property is associated with at least three regional deformation zones, the Northwest Arm Shear Zone (Powell, Davidson Carr, Y-Island gold prospects), the Mine Lake-Thomas Lake Shear Zone (Thomas Lake, Mine Lake, Mine Lake North, Stewart-Contact Zone and the Wagon Road gold prospects) and the East Bay Shear Zone (Oz Island, Rainbow Island SW). These structures and subordinate splay off of them form an ideal site to host economic gold mineralization. In addition, the redistribution of early stage gold into later D<sub>2</sub> structures and associated splay zones has been demonstrated within the region (e.g. Red Lake) to be a key factor in the concentration of gold. Early stage work at the Gold Star Property has shown that these structural characteristics are present and play a role in the formation of the gold prospects on the property. The under explored nature of this belt and the results of recent exploration highlight the potential for discovery of new economically significant gold deposits.

Gold exploration in the area started as early as the 1890's. Early positive results favored increased activity with prospecting, trenching, and sinking of shafts in many locales. Of this early activity, the St. Anthony gold mine was developed and produced 63 310 ounces of gold and 16 341 ounces of silver during the period 1905 to 1941. Gold exploration continues through to the present day, but during the 1970's VMS mineralization was recognized at the southern extension of Sturgeon Lake sparking a base metals rush to the area. The Mattabi and Lyon Lake deposits were defined, developed and mine life ended in the early 1990's. Even though significant exploration and mining for various base and precious metals has had success, the *Sturgeon Lake Gold Belt* is still considered a grassroots exploration play, with limited diamond drilling being completed in the area. Most gold exploration to date has concentrated on high-grade, orogenic lode gold vein systems.

From May 30<sup>th</sup> to June 15<sup>th</sup>, 2011 a team of two prospectors from Quest Inc. of Birchy Bay, NL, under contract to Paragon completed systematic prospecting on 5 claims that form the southern block of the Gold Star Property. The limited prospecting program on the southern claim block of the Gold Star Property was successful in returning anomalous gold values in two separate areas. Gold assays of 0.319 and 0.441 g/t from samples 013 and 025 (claim 4251260) were obtained from a 30% pyrite bearing boulder (013) and an outcrop of quartz veined and Fe-carbonate altered mafic volcanic rocks. These samples were collected on a small island ("Rainbow Island

South”) just to the east of Rainbow and Oz Islands, both of which host significant gold prospects. A second area of anomalous gold mineralization is just south of Morgan Island where sample 022 has returned 0.692 g/t Au from quartz veins hosted in mafic volcanic

Based on the exploration results to date a two phase program is recommended as follows:

- Phase 1: Geological mapping, trenching & geophysics to further define priority target areas (Mine Lake, Thomas Lake, Powell, Davidson-Carr and Oz Island Prospects) and delineate drill targets. The estimated cost of the phase 1 program is \$400,000.
- Phase 2: 2,500 metres of drilling to test priority targets resulting from the Phase 1 work. The estimated cost of the Phase 2 drill program is \$600,000.

Recommendations for the southern block in particular (as part of the Phase 1 program above) are:

- Additional data compilation and data review with target selection.
- New electromagnetic and magnetic airborne survey over the Oz Island – Rainbow Island South trend to generate drill targets.

## **1.0 INTRODUCTION**

From May 30<sup>th</sup> to June 15<sup>th</sup>, 2011, Paragon Minerals Corporation of Vancouver, BC, completed a prospecting program covering the southern part of the Gold Star Property, Ontario. A total of 27 rock samples were collected over the 5 claims that form the southern block of the Gold Star Property. The objective of the work was to discover new zones of gold mineralization. This report covers the work completed during the program and associated exploration expenditures.

All data and work in this report are presented in UTM NAD83, Zone 15U, unless otherwise stated.

## **2.0 LOCATION, ACCESS AND PHYSIOGRAPHY**

The Gold Star property is located 230 kilometres northwest of Thunder Bay, Ontario and approximately 12 km east of the community of Savant Lake, Ontario (Figure 1). The property is situated along the northeastern end of Sturgeon Lake in the Patricia Mining Division on National Topographic Series map 52J/02 in the Beckington Lake and Squash Lake Areas (officially renamed Squash Lake from Squaw Lake on November 22, 2010).

The Gold Star property occurs as two claim blocks situated over the Northeast Arm of Sturgeon Lake and an area to the northwest. This area has low rolling relief with a maximum elevation change of only 60 metres from a base elevation of approximately 400 metres. Cover is typical northern Ontario bush with pine, fir and cedar conifer forest cover with aspen and birch margins to numerous bogs and swamps. Outcrop exposure on land is excellent however the property is underlain by approximately 30% water.

Access to the property is gained by proceeding north along highway 599 from Ignace to Savant Lake. From there the Southern Block of the property can be accessed over water within Sturgeon Lake. This is best achieved by boat originating from outfitters cabins along the west side of Sturgeon Lake along route 599. In the winter months the prospects along the Lake can be accessed via snowmobile across the ice. Float planes exist in the area and many parts of the Northeast Arm are amenable to float plane use.

The climate is typical for northwestern Ontario, where temperatures range from 10 to 25 degrees Celsius from June through October. Temperatures during the winter months of November through May range from 0 to -40 degrees Celsius. Lakes freeze during winter months allowing snowmobile, heavy machinery or drill equipment access, but lake access is restricted during the annual freeze (November to December) and thaw (April to late May) periods.

There are several fishing/hunting lodges along Hwy 599 in the Sturgeon Lake area that offer rooms and meals and the local community of Savant and the local native reserve offer a population of several hundred people that have workers and equipment available for exploration work. Infrastructure in the area includes the paved Hwy 599 along the West side of Sturgeon Lake which has numerous logging and mining roads accessing much of the lake on both sides. A gravel air strip located to the immediate northwest of the northern end of the property can be used by smaller aircraft up to twin otter in size. The main CNR railway crosses the area only a

five kilometres north of the property. High voltage powerlines are in the area and larger communities of Ignace (90 km's by road), Sioux Lookout (80 km's by road) and Dryden (155 km's by road) provide larger local populations and services that aid the project.

### 3.0 PROPERTY DESCRIPTION

The Gold Star property is located near the community of Savant Lake, Ontario; 230 kilometres northwest of Thunder Bay, Ontario, Canada. The property consists of 35 claims (373 units) for a total area of 5,968 hectares (Table 1, Figure 1). The property consists of ground covered under two option agreements from prospectors.

Table 1. List of Property.

<b>Claim Number</b>	<b>Township Area</b>	<b>Registered Holder</b>	<b>Recording Date</b>	<b>Claim Due Date</b>	<b>Work Required</b>	<b>Units</b>	<b>Area (hectares)</b>
4251271	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$5,600.00	14	224
4251272	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$5,200.00	13	208
4251273	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$4,400.00	11	176
4251274	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$6,400.00	16	256
4251275	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$2,400.00	6	96
4251276	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$4,000.00	10	160
4251277	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$6,400.00	16	256
4251278	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$3,200.00	8	128
4251279	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$6,400.00	16	256
4251280	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$6,400.00	16	256
4251281	BECKINGTON LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$6,400.00	16	256
4251260	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$4,800.00	12	192
4251261	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$3,200.00	8	128
4251264	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$4,000.00	10	160
4251265	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$5,600.00	14	224
4251267	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$6,000.00	15	240
4251269	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$3,200.00	8	128
4251270	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$4,800.00	12	192
4251282	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$800.00	2	32

4251283	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$3,600.00	9	144
4251284	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$4,000.00	10	160
4251285	SQUASH LAKE	Perry Vern English	2009-Aug-10	2011-Aug-10	\$1,200.00	3	48
4224853	SQUASH LAKE	Perry Vern English	2009-Nov-09	2011-Nov-09	\$4,800.00	12	192
4224854	SQUASH LAKE	Perry Vern English	2009-Nov-09	2011-Nov-09	\$4,800.00	12	192
4224855	SQUASH LAKE	Perry Vern English	2009-Nov-09	2011-Nov-09	\$4,800.00	12	192
4224856	SQUASH LAKE	Perry Vern English	2009-Nov-09	2011-Nov-09	\$4,800.00	12	192
4224857	SQUASH LAKE	Perry Vern English	2009-Nov-09	2011-Nov-09	\$2,400.00	6	96
4224858	SQUASH LAKE	Perry Vern English	2009-Nov-09	2011-Nov-09	\$4,800.00	12	192
4224859	SQUASH LAKE	Perry Vern English	2009-Nov-09	2011-Nov-09	\$4,800.00	12	192
4217370	BECKINGTON LAKE	Perry Vern English	2009-Dec-24	2011-Dec-24	\$2,400.00	6	96
4217371	BECKINGTON LAKE	Perry Vern English	2009-Dec-24	2011-Dec-24	\$3,200.00	8	128
4217372	BECKINGTON LAKE	Perry Vern English	2009-Dec-24	2011-Dec-24	\$2,800.00	7	112
4217373	BECKINGTON LAKE	Perry Vern English	2009-Dec-24	2011-Dec-24	\$3,200.00	8	128
4217374	BECKINGTON LAKE	Perry Vern English	2009-Dec-24	2011-Dec-24	\$3,600.00	9	144
4249672	BECKINGTON LAKE	David Raymond Healey	2009-Dec-07	2011-Dec-07	\$4,800.00	12	192

**Total****35****\$149,200.00****373****5,968**



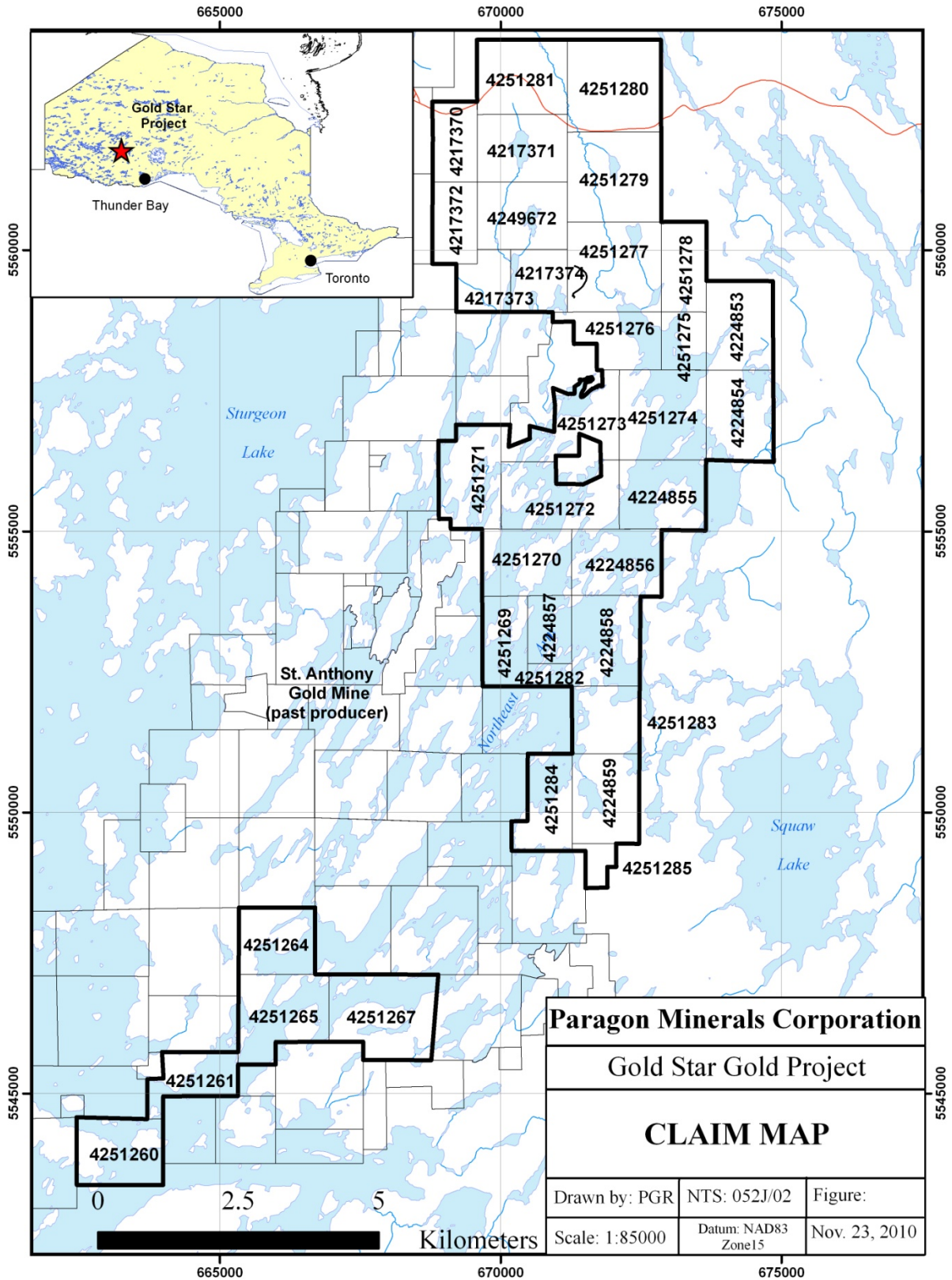


Figure 1. Location of the Gold Star Property, Northwestern Ontario.

#### 4.0 REGIONAL GEOLOGY

The geology of the Sturgeon Lake – Savant Lake Area was first systematically mapped and documented by Trowell (1974a, 1974b, 1983) following up largely on the discovery and development of massive sulphides in the region (e.g. Mattabi, Lyon Lake Deposits). More recently multi-disciplinary geological studies have been completed on the region as part of the Geological Survey of Canada's Western Superior NATMAP project (Sanborn-Barrie et al., 1998, 1999, 2002; Skulski et al., 1998 and Sanborn-Barrie and Skulski, 1999 and 2005; and Sanborn-Barrie, 2000).

The Savant-Sturgeon Greenstone Belt (SSGB) is a 150 by 100 km northeast-trend-striking, steeply dipping sequence of Neo-Archean bimodal island arc volcanic and intrusive rocks with lesser sedimentary sequences which form the eastern part of the western Wabigoon subprovince (Figure 2). The rocks in the region document a protracted episode of Neo-Archean island-arc volcanism, related oceanic and continental shelf sedimentation and arc-continent collision and orogenesis between 2.72 to 2.68 Ga (Sanborn-Barrie and Skulski, 2006). Volcanic and sedimentary rocks of the SSGB flank largely granitoid rocks of the Meso-Archean Winnipeg River subprovince. The contact between the two is marked by a Meso-Archean quartzite and conglomerate sequence (Jutten assemblage; ca. >2750 to <2880 Ma) located at the base of the SSGB. This sequence of rocks lies unconformably on the Winnipeg River basement and forms a preserved continental margin sequence. The volcanic rocks of the SSGB likely developed in an oceanic to transitional-arc setting adjacent to the Winnipeg River micro-craton. Late stage, pre-tectonic turbidite marine sediments of the Warclub assemblage mark a sequence of marine sediments that were deposited between the continental rocks of the Winnipeg River subprovince and the volcanic arc sequences. The Warclub Assemblage represents oceanic marine sediments that were deposited off the Winnipeg River continental margin and at some distance to the arc volcanic rocks of the SSGB.

The SSGB is bounded to the north and west by the Lewis Lake Batholith, an intrusive suite that is synvolcanic with the SSGB volcanic rocks (Figure 2). The volcanic and sedimentary strata of the SSGB are subdivided in a series of assemblages which from the oldest basal sequence to youngest that includes the Fourbay Lake Assemblage (ca. 2775 Ma), the Handy Lake Assemblage (ca. 2745 Ma), the South Sturgeon Assemblage (ca. 2735 Ma), the Quest Lake assemblage (ca. 2720-2735 Ma) and the Central Sturgeon assemblage (ca. 2720 Ma). The Fourbay Lake Assemblage is a 1-2 km thick sequence of tholeiitic basalts commonly pillowed but including massive and tuffaceous sections and occasional thin dacite lapilli tuffs. This is conformably overlain by the Handy Lake Assemblage which is dominated by tholeiitic basalt flows that grade upwards into intermediate to felsic pyroclastic sequences interbedded with basalt flows. The Handy Lake Assemblage is overlain by the main South Sturgeon Assemblage (ca. 2735 Ma), the main caldera sequence hosting the Sturgeon Lake VMS systems (Mattabi, Lyon Lake) in the southern part of the greenstone belt. The South Sturgeon assemblage comprises intermediate to felsic volcanic rocks that are contemporaneous with large syn-volcanic intrusive complexes such as the Lewis Lake batholith.

A younger assemblage consisting of sediments is known as the Quest Lake assemblage (2718-2735Ma). This sequence of wackes, siltstones, argillites and conglomerates is believed to be

mark a volcanic hiatus which culminates with the Central Sturgeon assemblage (2720Ma). This assemblage is bimodal with tholeiitic basalt flows with calc-alkaline basalts and felsics. Unconformably overlying the volcanics are clastic rocks of the Warclub assemblage (2698-2704 Ma). This assemblage defines a belt-scale tectonic basin environment consisting of conglomerates, wackes and extensive Fe-Formations. Detrital material is believed to have sourced from several sources in this post-D1, syn-D2 tectonic setting.

Intrusive rocks in the region are dominated by the large Lewis Lake batholith consisting of hornblende-biotite tonalite with granodiorite and diorite phases (ca. 2735 Ma). Other intrusive complexes include the Beidelman Bay (ca. 2733 Ma) and Pike Lake (ca. 2733 Ma) plutons. Late to post tectonic alkali potassic intrusives include the Squaw Lake and Sturgeon narrows complexes of Sanukitoid affinity (Figure 2).

Deformation in the region consists of two penetrative deformation events ( $D_1$  and  $D_2$ ). Post-2704 Ma  $D_1$  deformation in the northern Sturgeon Lake area is dominated by north striking steep dipping fabrics and reflects early continental collision and deformation. This fabric is typically axial planar to moderate north plunging  $F_1$  folds and associated with early stage thrust faulting. Localized development of  $D_1$  shear zones is noted and is typically more intense proximal to lithological contacts. A second generation of ductile deformation ( $D_2$ ; post-2699Ma) is characterized by a variably developed foliation generally striking  $030^\circ$ - $070^\circ$  and is axial planar steeply plunging  $F_2$  folds. Localized  $D_2$  high strain zones are developed, particularly along the Northeast Arm of Sturgeon Lake.

Metamorphism in the region varies from middle greenschist to upper amphibolite facies with maximum conditions in the Lac Seul region reaching 4-6 kbar and 650-750 C. The timing of peak metamorphism is best constrained at ~2690 Ma and presumably synchronous with  $D_2$  deformation. Locally on the Gold Star Property, the presence of garnet, biotite, chloritoid and amphibole suggest that lower to middle amphibolites-facies conditions were reached, however observations throughout the area indicate that middle to upper greenschist-facies peak metamorphic conditions prevailed.

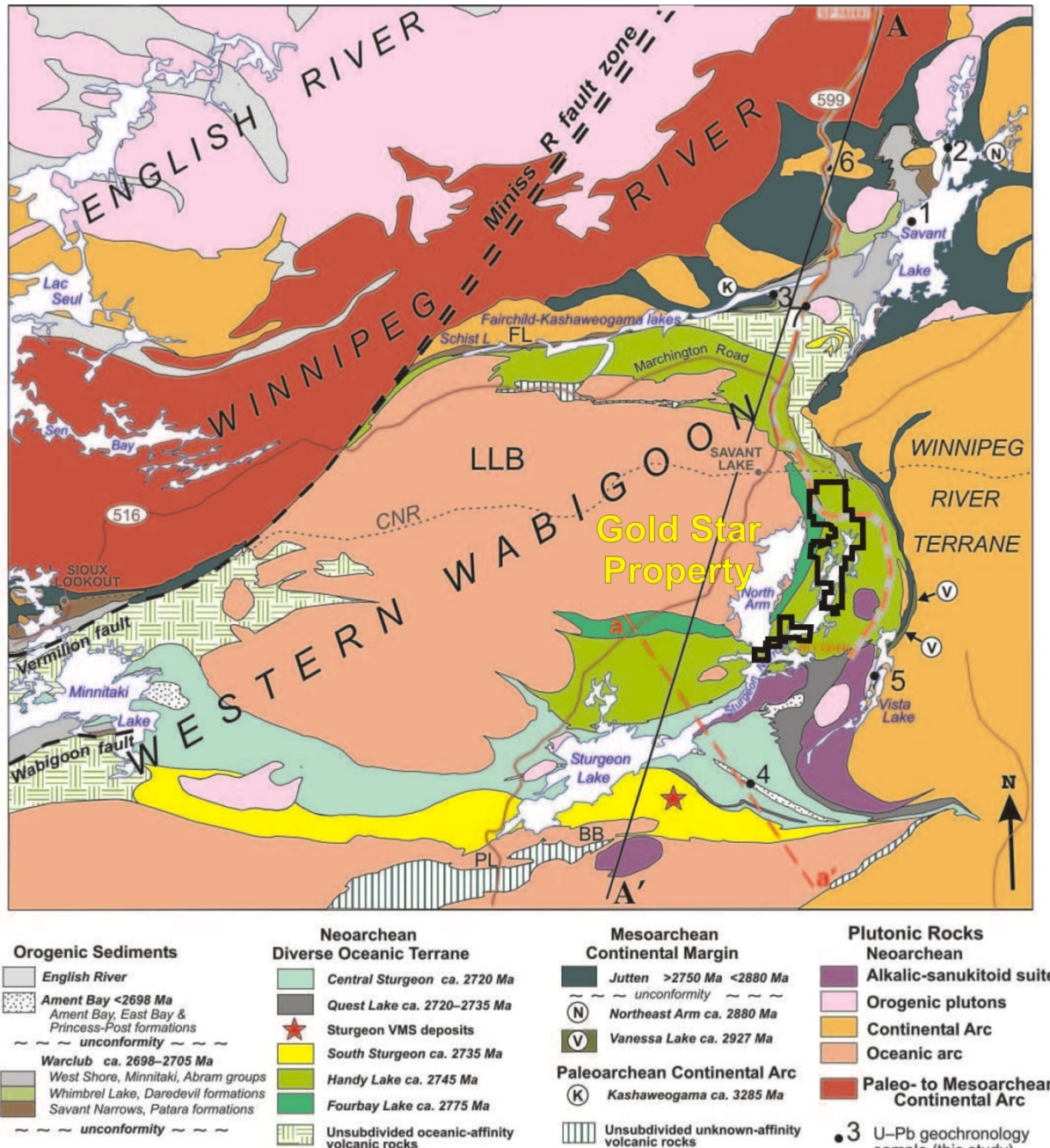


Figure 2. Regional Geology of the Western Wabigoon Subprovince and the Sturgeon Lake Greenstone Belt (after Sanborn-Barrie and Skulski, 2006).

## 5.0 PROPERTY GEOLOGY

The Gold Star Property covers a portion of the central SSGB. Locally exposed along the western edge of the property are easterly younging pillowed tholeiitic basalts and interbedded mafic and felsic tuff of the Fourbay Lake assemblage (ca. 2775 Ma). Near the Lewis Lake batholith the rocks are commonly metamorphosed to amphibolite-facies due to proximal contact metamorphism. Regionally the rocks are of middle to upper-greenschist regional metamorphism.

The majority of the Gold Star Property is underlain by tholeiitic basalts and calc-alkaline intermediate to felsic volcanic rocks of the Handy Lake assemblage (ca. 2745 Ma; Figure 3). The pillowed tholeiitic basalts generally have tops indicating younging to the east and to the south in keeping with the main stratigraphic asymmetry on the property. The upper portion of the Handy Lake assemblage has a higher proportion of calc-alkaline intermediate and felsic volcanics which are well exposed in the Mine Lake area and along the Northeast Arm of Sturgeon Lake up through the Moose Creek-Beckington Lake area to the north. This sequence includes felsic tuffs, tuff breccia and tuffaceous sediments as well as minor siltstones, sandstones and argillaceous sediments.

The volcanic and sedimentary rocks of both the Fourbay and Handy Lake assemblages are cut by numerous gabbro dykes and stocks, quartz-feldspar porphyritic felsic intrusive and feldspar porphyry dykes. The age of these intrusive units is largely uncertain but are in part related to the nearby syn-volcanic Lewis Lake, Beidelman Bay and Pike Lake intrusions; and associated with later syn-orogenic intrusive suites or late  $D_2$  intrusive activity contemporaneous with the Sturgeon Narrows intrusive alkalic activity (2696- 2685Ma). These late tectonic intrusive complexes are significant because they may be directly related to a significant gold mineralizing event and in some cases maybe the causative intrusions for mineralization. VMS-style alteration zones have been documented in the Moose Creek-Beckington Lake area in the north part of the property and likely hosted within bimodal mafic-felsic strata of the Handy Lake assemblage or stratigraphy perhaps correlative with the South Sturgeon Assemblage mapped to the south in the Mattabi area. Within this volcanic sequence a laterally continuous silicate iron formation (largely comprised of garnet+hornblende amphibolites) exists that is interpreted to represent an exhalative chemical sedimentary horizon.

Three major structural domains are apparent on the property with the northeastern part of the property dominated by north-striking  $D_1$  shear fabrics and related folds that are overprinted by a relatively weak north east –striking  $S_2$  cleavage and  $F_2$  open folds. Preceding to the east the  $D_2$  fabric intensity increases towards the Northeast Arm of Sturgeon Lake where the dominant fabric becomes the  $S_2$  foliation. In the southern part of the property strong easterly trending shear zones ( $D_2'$ ) affect all lithologies. Currently there is no strong overprinting evidence defining the relative age of this generation of structure but these may represent sympathetic shear zones to the main northeast oriented  $D_2$  shear zones. All shear fabrics  $D_1$  through  $D_2/D_2'$  have shown to contain and deform gold-bearing quartz veins are be related to presence of disseminated sulphide (pyrite) that is host to gold mineralization.

## **6.0 MINERALIZATION**

The Gold Star Property is underlain by rocks of the Savant-Sturgeon Greenstone Belt (SSGB), which is host to significant past production from both lode gold (St. Anthony Mine) and volcanogenic massive sulphide deposits (Mattabi and Lyon Lake Mines). The SSGB is a typical Archean orogenic lode-gold belt where gold is associated with syn-orogenic deformation that is hosted along or proximal to major and minor shear zone structures in greenstone belts and associated flanking plutonic rocks during regional deformation between 2.71 and 2.68 Ga. The SSGB is also highly prospective for and hosts volcanogenic massive sulphide (VMS) deposits as

the belt is comprised of ancient, island-arc sequences that have been preserved through orogenesis and subsequent erosion.

### **6.1 Volcanogenic Massive Sulphide Mineralization**

The Gold Star Project is underlain by bimodal felsic-mafic volcanic rocks that are well exposed along the Northeast Arm of Sturgeon Lake and further to the north in the Moose Creek and Beckington Lake area. Systematic exploration for VMS deposits within this area was undertaken during the 1970's and 1980's (e.g. UMEX, BP Selco) following the discovery of the Matabi and Lyon Lake mines to the south. Work largely focused on felsic volcanic rocks in the Ouillette Lake and Moose Creek-Beckington Lake Area. UMEX mapped an extensive VMS style alteration zone and drilled several holes targeting massive sulphide mineralization. Base metal stringer mineralized zones were intersected on the Beck grid in 1982 in hole #8 where assays of 0.76% Zinc over 1.4 feet were at a depth of 317.8 feet.

More significant nearby massive sulphide mineralization exists just off the property 8 kilometres to the northwest of the community of Savant Lake at the Marchington massive sulphide deposit. The Sabine VMS Property is currently being explored by Commander Resources Ltd. The property comprises numerous VMS prospects including the Marchington, GOLSIL, South Zone, S-23 Zone and Kash Zone Prospects. The Marchington Deposit hosts a non-NI 43-101 compliant resource of <100,000 tons grading between 2.0 to 2.5% Cu, ~1% Zn, and 2.5 to 3.0 oz/t Ag. The mineralized zone is between 2 to 9.15 metres wide with grades up to 4.28% Cu, 4.75% Zn, 1.62% Pb, 177.2g Ag and 1.17g Au ([www.commanderresources.com](http://www.commanderresources.com)). The VMS prospects of the Sabine property are hosted within bi-modal mafic felsic volcanic rocks of the Handy Lake assemblage.

### **6.2 Gold Mineralization**

Gold mineralization is hosted predominantly within quartz veins as well as sheared and weakly sulphide bearing wallrock (pyrite, chalcopyrite). The quartz veins are commonly developed along lithological boundaries, where deformation and competency contrast of the rocks is highest (e.g. mafic/felsic contact zones). Later folding and structural disruption of the shear zones (D<sub>1</sub>) and primary gold mineralization show excellent potential for remobilization and concentration of gold within later D<sub>2</sub> structures as evidenced along the Northeast Arm Shear Zone; a feature common to many high-grade gold environments in the region (e.g. Red Lake). Of particular importance in these environments are subordinate splays that trend obliquely to the main shear zones a recent possible example being the discovery of a new northwest oriented trend of mineralization at the Mine Lake Prospect. The gold prospects along the Northeast Arm Shear Zone are observed to be largely flanking the main D<sub>2</sub> deformation zone and geological evidence collected recently suggest abundant potential for additional mineralized zones beneath the waters of the Northeast Arm of Sturgeon Lake.

Numerous conventional high grade gold-in-quartz vein prospects are present across much of the Gold Star Property (Figure 3). These occurrences are hosted in several rock types and are typically associated with shear zones of various ages that have localized at lithological contacts (e.g. mafic-felsic volcanics contacts; QFP-mafic contacts, gabbro-felsic tuff contacts). The area

has been largely explored for the traditional high-grade quartz veins, and the area hosts numerous small pits and historical shafts that targeted the veins. Traditional work concentrated on high grade targets due to small scale mining techniques and economic requirements of the time. This work in the earlier part of the 1900's culminated in the discovery and development of the St. Anthony Gold Mine. Below is a brief description of the mineralization present at each of the main prospects on the Gold Star Property, proceeding from north to south across the property. Although the St. Anthony deposit does not occur on the Gold Star Property it is described here to provide a belt-scale context for gold mineralization.

***Thomas Lake – Mine Lake Area*** – The Thomas-Mine Lake Area encompasses a large (2.0 by 1.5 km) area that is host to multiple historic mineralized trends including the Thomas Lake, Mine Lake, Mine Lake North and the Stewart-Contact Zone prospects. The area was the subject of extensive historic (ca. pre-1935, 1947) trenching and blasting of several pits and sinking of two shallow shafts and limited underground development at Mine Lake and the Stewart-Contact Zone. Limited historic diamond drilling (17 shallow holes for 1,078 metres) has targeted the area, with the majority of the holes being completed in the Mine Lake and Mine Lake North prospects. No drilling has been completed at the Thomas Lake Prospect or the Stewart-Contact Zone. In addition, gold assay results were not reported for the majority of the historic drillholes.

Coarse visible gold was sampled at the Thomas Lake prospect from a 2-metre wide composite quartz vein zone hosted at a mafic-felsic volcanic contact. The vein, exposed in a historic trench, assayed between 0.14 g/t gold and 62.80 g/t gold (1.83 oz/t). Sampling of historic pits at the Mine Lake Prospect has returned assays of 29.00 g/t gold (0.84 oz/t) and sampling of the Contact-Stewart Zone, prospecting has returned assays up to 17.75 g/t gold (0.52 oz/t).

***Powell Prospect*** - The Powell Prospect comprises visible gold-bearing quartz veins hosted within sheared contact zone between mafic volcanic rocks and quartz porphyry. The sheared contact between these two rock types has been traced 1.5 kilometres to the southwest towards the Richelieu Gold Prospect. The quartz veins are exposed in several small historic pits and shallow shafts. The veins have variable orientation generally striking NE (045 degrees) and NW (330 degrees) and contain along with visible gold, abundant chalcopyrite, bornite, azurite and malachite. A total of 9 diamond drillholes totaling 711.9 metres have been completed at the Powell Prospect. Drilling has returned assays up to 0.87 oz/ton gold over 4 feet. Sampling returned assays from 34.2 g/t to 276.0 g/t gold (0.99 to 8.06 oz/ton) at the Powell Prospect.

***Davidson-Carr Prospect*** - The Davidson-Carr Prospect comprises a visible gold-bearing quartz vein hosted at the contact between mafic volcanic rocks and quartz porphyry. The vein has a minimum inferred strike length of 200 feet (60 metres), is steeply dipping, and strikes from NE (040 degrees) to NW (330 degrees). The vein structure is hosted within a local minor fold implying a possible linkage between fold and vein development. The prospect was discovered as early as 1911, and by 1930 an inclined shaft was sunk on the quartz vein to a depth of 160 feet (48.8 metres). A total of 230 feet (70.1 metres) of underground development on levels 130 and 160 were completed prior to the workings being flooded in 1930. Historic underground sampling returned an average grade of 0.34 oz/tonne gold on the vein. A total of 15 shallow drillholes (749.9 metres) have tested the prospect area. Highlight assay grades from previous drilling include 4.62 oz/ton gold over 0.5 feet and 0.12 oz/ton gold over 5.5 feet in the associated

shear zone. Surface sampling by Paragon in October 2009 (5 samples) from surface waste dumps near the historic shaft returned 3.46 g/t to 22.80 g/t gold (0.10 to 0.66 oz/ton) at the Davidson-Carr Prospect.

Prospecting in 2010 has identified additional gold-bearing quartz veins 350 and 500 metres west of the Davidson-Carr shaft. These new mineralized zones assay 3.83 g/t gold (0.11 oz/t) and 5.14 g/t gold (0.15 oz/t), respectively, and highlight the potential new discovery within the Davidson-Carr area.

***Y-Island Prospect*** – The Y-Island Prospect comprises two vein zones exposed via historic trenching on a small island. The quartz vein zones (15 cm wide) are associated pyrite-bearing sheared mafic volcanic wallrock, strike east-northeasterly (065 degrees) and have steep southeasterly dips. Historic sampling at the Y-Island East prospect returned assays up to 4.54 oz/t gold and 0.66% copper. Historic sampling at the Y-Island West prospect returned assays up to 3.80 oz/t gold. Each vein zone has been tested by a single drillhole totaling 201.8 metres. Drilling returned assays of 0.30 oz/t gold over 0.9 feet (59.4 to 60.5 feet) from hole 3 targeting Y-Island East. Hole 4 targeting Y-Island West returned 0.04 oz/t gold over 0.6 feet (68.0 to 68.6 feet). Sampling by Paragon returned assays of 49.8 g/t gold (1.45 oz/ton) at the Y-Island East prospect with 6.14 g/t gold (0.18 oz/ton) from the sheared host wallrock and assays up to 44 g/t gold (1.28 oz/t) from the Y-Island West prospect.

***Oz Island*** - Several holes were drilled on the southern of the two islets by persons unknown, probably around 1947. The vein on the southern islet was probably trenched at the same time. Several companies and individuals have sampled the vein in the past 20 years. Moran Resources Corporation examined the islands in 1983 as part of a larger program over the East Bay and King Bay areas of Sturgeon Lake. The islands are composed of massive to foliated mafic metavolcanics. The volcanics are intruded by relatively coarse grained quartz porphyry and quartz feldspar porphyry lenses, from 1 to 20 m in width, which strike approximately east-west. Two shear zones, one striking 120 degrees and the other 060 degrees, cut the outcrop. These shears range from 2 to 4 m in width and have been trenched at several locations on the two islands. One shear zone, which strikes 060 degrees, is located on the east end of the of the west island. This shear hosts a 0.3m wide quartz vein containing pyrite, chalcopyrite and galena mineralization. Gold assays from this vein have ranged from 0.4 to 0.75 ounces of gold per ton.

***St. Anthony Gold Mine*** – The past-producing St. Anthony Gold Mine is located approximately 3 kilometres to the west of the Gold Star Property. The St. Anthony Gold Mine was first discovered between ca. 1900 and 1902. The mine produced a total of 63,310 ounces of gold and 16,341 ounces of silver from 333,720 tonnes at an average grade of 0.191 ounces/tonne until production stopped in 1941 (Evans, 2009).

Gold mineralization at St. Anthony is hosted within quartz stockwork and pervasively sericite-altered quartz-feldspar porphyry of the St. Anthony intrusion. The St. Anthony may be the same age as the nearby Lewis Lake Batholith and may represent a younger syn-orogenic felsic intrusion that has been deformed at the SSGB/Lewis Lake Batholith contact, where deformation has been focused.



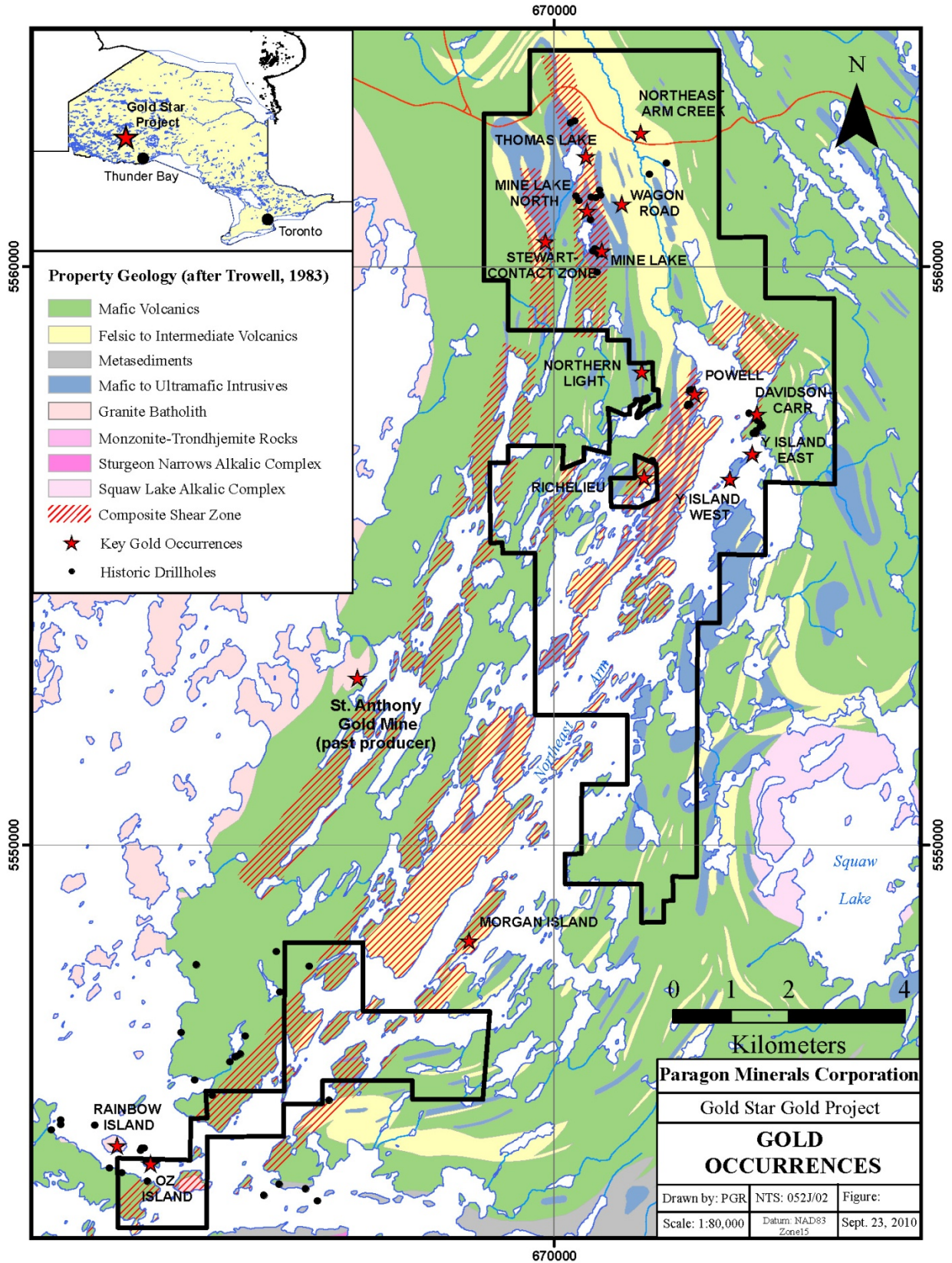


Figure 3. Geology of the Northern Sturgeon Lake Area (after Trowell, 1983).

The following is an excerpt from the report by Evans (2009) on the St. Anthony Mine mineralization:

“Widespread moderate to intense pervasive sericite alteration with 10-50% quartz stockwork is present over the entire SE portion of the St. Anthony pluton where exposed... These areas of extensive pervasive sericite alteration typically contain 1-5% disseminated pyrite with lesser pyrrhotite and trace amounts of chalcopyrite, sphalerite and galena and variable intensities of quartz stockwork (0-50+%). Historic Au assay data is limited, but from available reports there appears widespread anomalous gold values associated with this style of mineralization (200-10,000 ppb Au range) as well as higher grade (10g/t+ gold) in more discrete en-echelon vein zones. Even vein zones are difficult to identify on surface other than relatively higher density vein stockwork zones. Later QP dykes reported in the area and from Aubet’s 1983 drilling may be post-ore dykes as part of the primary St. Anthony pluton and not a separate intrusive event, this was corroborated during the site visit where QP dykes display widespread sericite alteration and presence of quartz veining. Historically work focussed on the gold potential of quartz veins only and paid little to no attention to mineralization in altered wallrock. Historic work recognized low grade gold was present in the pyritic sericite stockwork country rock but anything less than 3-5 g Au was not of economic interest. Typically the highest gold grades are found in various quartz veins and historic work used the presence of sphalerite and galena as an indicator for higher gold grades ie. 10-140 g Au. Pockets of visible native gold were reportedly common during early mining and the author has seen native gold within dump piles on the property.”

It has been suggested that this style of mineralization within the SSGB indicates the potential for the belt to host bulk tonnage felsic porphyry style mineralization similar to that present in other areas of the Wabigoon subprovince (e.g. Hammond Reef, etc.).

## 7.0 EXPLORATION HISTORY

The earliest exploration work traceable with names in the Sturgeon Lake area comes as early as 1900 with McInnes (1900, p.115-122A) reporting gold-bearing quartz veins discovered by prospector P. King in 1898. Development of the St. Anthony Au-Ag mine by Can-Con Enterprises & Exploration Ltd. led exploration efforts up to 1905 when it commenced intermittently producing, until 1941, 63,310 oz Au and 16,341 oz Ag. Regionally, many gold occurrences have been tested with shafts, adits, pits, and trenches (Trowell, 1983). Regional exploration efforts were limited during the St. Anthony mine life, and most exploration in the area was near-mine.

Following the closure of the St. Anthony mine there was little exploration activity in the area until 1969 with the discovery of the Mattabi base-metal sulphide deposit. This was subsequently put into production by Mattabi Lake Mines Ltd. Further exploration for base metals followed shortly after when in 1970 a second deposit, *Boundary*, was discovered in the area, and was put into production by Sturgeon Lake Mines Ltd. A third deposit, *Lyon Lake Creek*, was found in late ‘71/early ’72 and put into production by Mattagimi Lake Mines Ltd (Franklin et al., 1977).

Exploration of the Sturgeon Lake area was slow-paced following the base metal rush in the area of the early 1970’s. During the period up to 1988, several areas in the region were explored for

base metals and Au-Ag mineralization with a combination of prospecting and various geophysical surveys followed by drilling, but results produced little of economic significance; Table 2 provides a summary of historic exploration work on the Gold Star Property.

Table 2. Summary of historic work in the Gold Star Property area.

Year	Occurrence	Proximity to Paragons Ground	Operator	Activity	References
1899	Richelieu	Centre of claim block; not Paragons property.	Anglo Canadian Gold Estates	The Richelieu was first developed around 1899 on patent FM.206. They sank a test pit, 6' by 8', on a quartz vein 23' deep, which was later called the No. 1 Shaft.	Twomey, 1992
1910	Powell Prospect	East Sturgeon Lake (middle-North of claim block).	Unknown	A number of trenches and two pits, each 25 feet deep, were put down on a quartz vein which varied in width from 2 inches to 15 inches. It is located in a complex contact of greenstone, porphyry and "grey schist".	Twomey, 1992
1911	Ouilette Lake  Davidson Carr	East and South boundary of claim block.  East Sturgeon Lake (middle-North of claim block)	E.S. Moore  E.S. Moore	Prospects reported – “vein was well mineralized with chalcopyrite and he found ‘good samples of gold at a depth of 20 feet.’ Showed a pit or shaft on the property; subsequently mentioned by Graham (1931).	Gillette, 1986; Twomey 1992  Graham, 1931
1927	Davidson Carr	East Sturgeon Lake (middle-North of claim block)	S.A. Wookey  D.G.H. Wright  A.R.Globe	Sampling of vein on claim H.W. 682 showed an average value of \$20.50 over 2.65 ft. for 80 feet in over 3 feet.  Channel sampling; varying degrees of Au mineralization at Davidson Carr (?)  Reports Au mineralization at island near Davidson Carr where a 160' shaft (deepest) was sunk.	SLKT file 52J/02NE-9288; See Airth, W.B., 1935 Corporate memo.
1928-29	Davidson Carr	East Sturgeon Lake (middle-North of claim block)	Golden Centre Mining Co. / Mineral research Corp.	A shaft inclined at -60 was sunk to 160 feet and 150 feet of underground lateral work was completed. Construction of an 18 ft high headframe, a combined hoist house and blacksmith shop with bunk house and ice house. In addition 230 feet of drifting had been done on the 160 level and 30 feet at the 130 foot level (Annual Report of Ontario Department of Mines, p119)	Trowell, 1983
1930	Powell Prospect	East Sturgeon Lake (middle-North of claim block).	Unknown	The two pits were later timbered and deepened in the 1930's and a camp erected.	Twomey, 1992
1932	Couture Lake/	West of Property	Unknown	Exploration increased to include Ouilette	Gillette, 1986.

	Mine Lake/ Thomas Lake Zone	Boundary/ North centre within claim block/ North centre within claim block		and Couture Lakes. The Mine Lake and Thomas Lake areas were prospected and 2 shafts were sunk on Mine Lake. During the period several companies with overlapping management carried out development and promotional programs north of Ouillette Lake. Many of the quartz veins from North Bay of Sturgeon Lake to the east side of Mine Lake were examined by trenching and assay of the sulphide bearing veins.	
1932	Richelieu	Centre of claim block; not Paragons property.	Golden Spur Syndicate	Stripped off and exposed the vein on surface for 900 feet.	Twomey, 1992
1934	Richelieu	Centre of claim block; not Paragons property.	Richelieu Gold Mines Ltd.	In 1934, Richelieu Gold Mines Ltd. acquired the prospect from Golden Spur then sank the two compartment No. 2 Shaft. They also sampled the vein on surface intermittently for 900 ft strike length. They sent a 12 ton bulk sample to Ottawa from a 160 ft length of the vein just north of the No. 1 Shaft, which returned 0.46 oz/ton gold over an average width of 2.11 feet	Twomey, 1992
1934	Thomas Lake Zone	North centre within claim block.	Stewart, W.F.	Stripping/trenching (AF-0063): Three trenches along east side of Thomas Lake.	Gillette, 1986 after Stewart, 1936
1934-1937	Ouillette Lake	East and South boundary of Northern claim block	Supreme Gold Mines	Exploration program: stripping, trenching, shaft sinking.	Gillette, 1986
1935-1936	Thomas Creek	North centre within claim block.	Stewart, W.F.	Grab samples from 0.3 to 6 ounces per ton gold on Stewart Vein. Grab sample from 0.4 to 2.8 ounces per ton gold on Contact Vein.	Gillette, 1986 after Stewart, 1936
1935-1936	Thomas Lake	North centre within claim block.	Stewart, W.F.	Sampling of the Thomas Lake Prospect yielded quartz veins assaying from 0.52 to 1.93 oz/t Au.	SLKT # 52J/02NE-0063
1935	Mine Lake North	North centre within claim block.	Unknown	Grab samples from an outcropping vein in the vicinity report visible gold being observed from a 10 foot wide vein in the area, but no assays were reported.	SLKT # 52J/02NE-0063
1935	Richelieu	Centre of claim block; not Paragons property.	Richelieu Gold Mines Ltd.	“Operations ceased in the summer of 1935 "owing to a low cash position". No assay plans are known to exist for the underground development and all the above data were gathered from Northern Miner articles from 1935 and from company reports.”	Twomey, 1992

1936	Thomas Lake Zone	North centre within claim block.	Unknown	Channel samples, No. 8 vein (clippings), assays from 0.52 to 1.93 ounce gold per ton.  Channel samples, No. 10 vein (clipping), assay 1.15 ounce gold per ton (SLKT Assessment File 52J02NE-0063).	SLKT # 52J/02NE-0063  SLKT # 52J/02NE-0063
1946-47	Ouilette Lake	East and South boundary of Northern claim block	Ouilette Lake Mining Company	Drilled veins; intersected \$10.50 over 5' (0.3oz/ton Au = \$35/oz)	SLKT # 52J/02NE-9285
1947	Richelieu	Centre of claim block; not Paragons property.	Ouilette Mines Ltd.	Mapping of Richelieu.	Twomey, 1992
	Ouilette Lake	East and South boundary of Northern claim block.	Ouilette Mines Ltd.	Four diamond drill holes were put down in 1947 on what was thought to be a mineralized zone about 3000 feet (900 metres) in length and passing north-southerly through the Main Shaft. Drillhole No. 4 about 1200 feet north of Mine Lake intersected mineralized zones with narrow, very low (<0.01 oz/t) to trace gold values; no information is available on other drilling.	Gillette, 1986
	Mine Lake North	North centre within claim block	Unknown	Two drillholes (#1 and #4) completed in 1947 in the area of the loosely defined prospect returned assays of 0.27 oz/t Au over 5 feet (hole #1) and 0.065 oz/t over 15 feet (hole #4).	Gillette, 1986
	Oz Island	South East of Claim Block	Unknown	Several holes were drilled on the southern of the two islets by persons unknown. *probably around 1947.	Gillette, 1986
1960	Richelieu	Centre of claim block; not Paragons property.	Cromorr Mines Ltd.	Conducted diamond drilling in 1960, and 5 more in 1963	Twomey, 1992
1969-1970	Ouilette Lake	East and South boundary of Northern claim block.	Selco Exploration	Selco drilled 5 shallow holes, 242-D-1 to 5, with a total length of 772.5 feet (235 metres) to test various conductive zones in the search for base metal deposits.  Magnetometer and conductivity surveys. Five holes designated 242 D-1 to D-5, totaling 772.5' we drilled.	52J/02NE-0068, 69 and 71  52J/0SE-8761, 8762; 52J/O2NE-0110, 113
1970	Powell	East Sturgeon Lake (middle-North of claim	McCrae Mining Ltd.	Commissioned an aerial geophysical survey over the Northeast Arm of Sturgeon Lake. The EM and magnetic	SLKT # 52J/02NE-0028-B1

	Davidson Carr	block). East Sturgeon Lake (middle-North of claim block)	McCrae Mining Ltd.	surveys bordered the Powell occurrence, but did not cover the areas above water level (SLKT 52J/02NE-0028-B1).  Conducted airborne magnetic and electro-magnetic surveys over the claim group. The claims were subsequently dropped (Trowell 1983).	SLKT # 52J/02NE-0028-B1
	Beckington Lake		Selco Exploration	1 Diamond drill hole(s) on property 201085; 2 on Pa. 201060 (242-D4, 242-D5); Pa. 201064 1DDH, 242 D-3;	SLKT #'s 52J/02NE-0074; 52J/02NE-0071
1980	Powell	East Sturgeon Lake (middle-North of claim block).	Sherritt Gordon Mines Ltd.	Took an option on the re-staked Powell property as part of a large landholding, which included some of the present property. They conducted HLEM, Mag, geological and lithogeochem surveys. They found gold upon panning crushed quartz from small veins in chlorite schist occurring as the north strike extension of the Richelieu property. Sherritt-Gordon suggested that the Powell occurrence was the most favorable gold target in the area due to the strongly mineralized quartz and recommended stripping, trenching and systematic sampling.	Twomey, 1992
1980-1983	Beckington Lake	Southeast of claim blocks	UMEX	Drilled at least 9 drill holes	UMEX, SLKT # 52J/02NE-0020; UMEX SLKT # 52J/02NE-0048
1981	Davidson-Carr/Powell	East Sturgeon Lake (middle-North of claim block)/Sturgeon Lake (middle-North of claim block)	Sherritt Gordon Mines Ltd.	Mapping and sampling program over the Davidson-Carr claims which were held by prospector S. Johnson at the time. The geologist on the survey examined the Powell occurrence and recommended additional work on it.	Venn, 1982b SLKT # 52J/02NE-9270; SLKT # 52J/02NE-0036-B1
1982	Ouilette Lake	East and South boundary of Northern claim block.	Mid-North Engineering Services/ Candore Explorations Ltd.	Exploration program – showings located and sampled. A grid was cut over the property and magnetic, radiometric and VLF surveys were carried out. A program of rock sampling, mapping and a horizontal loop electromagnetic (HLEM) survey was recommended.	Lithosystems Ltd., (1982), SLKT # 52J/02NE-0043
	Ouilette Lake/ Thomas Lake/ Mine Lake	East and South boundary of claim Northern block/ North centre within claim block/ North centre within claim block.	Mid-North Engineering Services/ Candore Explorations Ltd.	Two new grids were cut on the property, the Thomas Lake grid and the Mine Lake grid. Humus geochemical surveys were done on both grids. 5 diamond drill holes were done based on geochemical and geophysical anomalies. No assays were given in the drill logs.	Lithosystems Ltd., (1982), SLKT # 52J/02NE-0043

	Moose Creek (South of Northeast Arm Creek)	North centre within claim block	UMEX (Union Miniere Explorations and Mining Corporation).	DDH #BE-8 (AF-0051, 0019): SECTION ASSAYS 0.76% ZN/1.4FT AT 317.8FT.	SLKT # 52J/02NE-0022-A1
	Beckington Lake	Southeast of claim blocks.	UMEX	DDH's B7, B9, B10, and B11	UMEX, SLKT # 52J/02NE-0013
	Powell/ Davidson-Carr	West Sturgeon Lake (middle-North of claim block)/ East Sturgeon Lake (middle-North of claim block)/	Sherritt Gordon Mines Ltd.	Carried out geological and geophysical surveys over the Powell occurrence which included analyses of grab samples for gold on the Powell property and limited mapping over the site. Gold assays of 0.18 to 0.64 ounce gold per ton were returned from selected grab samples in a quartz vein approximately 1 foot wide. This vein contained pyrite, pyrrhotite and chalcopyrite as well as rare visible gold. Produced detailed maps of the surface of the Powell and Davidson-Carr properties along with a table of gold and silver assays from samples selected from the two properties.	Venn, 1982a, SLKT # 52J/02NE-0050
	Y-Island	Middle-North of claim block	Sherritt Gordon Mines Ltd.	Sampled the Y Island claims and examined 9 pits or trenches. 21 samples were taken from 7 of the pits. Selected grabs assayed from 0.04 to 3.8 ounces gold per ton from the southwest vein area and from 0.12 to 2.16 ounces gold per ton for the northeast vein.	SLKT # 52J/02NE-0039-B1
1983	Beckington Lake/Moose Creek (South of Northeast Arm Creek)	Southeast of claim blocks/North centre within claim block	UMEX (Union Miniere Explorations and Mining Corporation).	9 diamond drill holes: DDH #BE-9 (AF-0051,0019): SECTION ASSAYS 410 PPB AU/12 FT AT 448FT; Performed geophysical surveys – MAG, VLF, HLEM;	1983 UMEX – SLKT # 52J/02NE-0037
	Oz Island	South East of Claim Block	Moran Lake Corp.	Examined the islands as part of a larger program over the East Bay and King Bay areas of Sturgeon Lake.	SLKT # 52J/02SE-9265
1984	Moose Creek (South of Northeast Arm Creek)	North centre within claim block.	UMEX (Union Miniere Explorations and Mining Corporation)	Started an exploration program to explore a north trending belt of intermediate to felsic rocks centred on the Beckington Lake road. Nine drill holes were drilled in the first program and at least 21 holes were involved in the complete program. Both surface and drill hole samples were analysed by x-ray and geochemical methods capable of the required precision.	Umex Diamond Drilling report, 1984

	Mine Lake	North centre within claim block.	Mid-North Engineering	VLF magnetic and radiometric surveys. Geological survey.	Gillette, 1987
1985	Northeast Arm Creek	North centre within claim block	UMEX (Union Miniere Explorations and Mining Corporation)	Conducted a geological and geophysical program over a block of claims on the east side of Sturgeon Lake parallel to the Beckington Lake Road. The primary targets of the program were base metal prospects, but gold and other precious metals were included in the geochemical assaying program. 4 drill holes in 1985 gave interesting gold assays.	SLKT # 52J/02NE-0009
1986	Thomas Lake	North centre within claim block.	UMEX (Union Miniere Explorations and Mining Corporation)	Drill testing of the vein zone with two drillholes (#4 and #6) looking for VMS-style mineralization along a creek north of Thomas Lake.	SLKT# 52J/02NE-0033
1986	Ouilette Lake	East and South boundary of Northern claim block	Mine Lake Minerals	Mapping, geochemical soil sampling, geophysical surveys, and drilling. Four holes were completed in 1986 and 1987 (86-1, 86-2, 86-3 and 87-1). Although the two shallow drillholes intersected zones of increased sulphide mineralization (in places semi-massive pyrite and pyrrhotite with lesser chalcopyrite) and quartz-carbonate veining, assays were not reported for these drillholes and no comments made as to their mineralized nature in the assessment work reports.	Gillette, 1986
	Beckington Lake	Southeast of claim blocks.	UMEX (Union Miniere Explorations and Mining Corporation)	6 diamond drill holes completed	UMEX, SLKT # 52J/02NE-0033
1987	Powell Prospect	West Sturgeon Lake (middle-North of claim block).	Minnova Inc.	Drilled holes GA-6, GA-7, GA-8.	Minnova Inc., 1987.
	Beckington Lake	Southeast of claim blocks.	Mine Lake Minerals Inc/Acton Minerals Inc.	Drilled 5 holes	Gillette, 1987.
1988	Davidson-Carr/Powell	West Sturgeon Lake (middle-North of claim block)/ West Sturgeon Lake (middle-North of claim block).	Villeneuve Resources Ltd.	Conducted drilling programs on the Davidson-Carr and Powell properties. DDH P-88-2 on the Powell property intersected a 4 foot long intersection which assayed 0.87 ounce gold per ton (SLKT 52J/02NE-0066).	SLKT # 52J/02NE-0006
1995	Mine Lake	East and South boundary of Northern claim	Koski, Hollingworth, and Best;	Drilled 7 DDH's on East and North side of Mine Lake. Results included one Au value up to 1.028 oz/t, all other assays	Dignard, 1995



		block	Prospectors.	were of non-economic interest.	
2004	Beckington Lake	Northwest partially covering current claim blocks.	Emerald Fields Resource Corporation	Performed an EM geophysical survey over the property identifying and outlining several anomalous targets for follow-up.	Emerald Fields Resource Corporation, 2004; SLKT # 52J/02-2002
	Beckington Lake	Northwest partially covering current claim blocks.	Emerald Fields Resource Corporation	Follow-up ground work to previously identified geophysical targets was performed. Grab samples ranging from 0.02 g to 22.1 g Au and 1 g Ag were collected indicating the gold potential for the area to match the EM values.	Emerald Fields Resource Corporation, 2004; SLKT # 52J/02NE-2001
2009	Davidson-Carr, Y-Island, Oz Island and Powell Prospects	North centre within claim block.	Paragon Minerals Corporation	Prospecting, sampling, mapping.	Sparrow and Copeland, 2011
2010	Thomas Lake, Mine Lake, and Powell Prospects	North centre within claim block/ North centre within claim block/ West Sturgeon Lake (middle-North of claim block).	Paragon Minerals Corporation	Prospecting, sampling, mapping, and trenching.	Sparrow and Copeland, 2011

From October 15<sup>th</sup> to October 18<sup>th</sup>, 2009 and August 11 to August 30<sup>th</sup>, 2010, Paragon completed two programs of systematic prospecting, lithochemical sampling and geological mapping covering the Gold Star Property. A total of 359 rock samples were collected over the property. From October 12<sup>th</sup> to November 2, 2010 Paragon completed an approximate 3 week program of mechanical stripping, channel sampling (224 samples including blanks and standards) and detailed trench mapping following up on the results of the previous two prospecting programs. The objective of the work was to locate and better expose gold mineralization on the property and develop targets for future diamond drilling.

A summary of the main prospects that are focus of Paragon's exploration work are described in below.

### 7.1 Powell Prospect

The Powell prospect was recognized as early as 1930 for gold mineralization, several shallow shafts were sunk. The records of this activity are non-existent. Further work didn't occur, or wasn't recorded, until McCrae Mining Ltd. performed geophysical surveys on the lake in 1970.

The GSO surveyed the Powell occurrence a decade later in 1981 as part of a regional program, and the geologist recommended additional work on it. Sherritt Gordon Mines Ltd. (Venn, 1982 -

2 (52J/02NE-9270); SLKT 52J/02NE-0036-B1) carried out geological and geophysical surveys over the Powell occurrence which included analyses of grab samples for gold on the Powell property and limited mapping over the site. Gold assays of 0.18 to 0.64 ounce gold per ton were returned from selected grab samples in a quartz vein approximately 1 foot wide. This vein contained pyrite, pyrrhotite and chalcopyrite as well as rare visible gold. Further, detailed maps of the surface of the Powell property along with a table of gold and silver assays from samples selected from the property were produced. (Venn, 1982 – 1, 52J02NE0050)

A few years later, in 1987, Minnova Resources drilled on the property holes GA-6, GA-7, GA-8 (Minnova Inc., 1987). A year later, Villeneuve Resources Ltd. conducted a drilling program on the Powell property with DDH-88-2 intersecting 4ft. of Au which assayed at .87oz/ton (Villeneuve, SLKT # 52J/02NE-0006).

Sampling by Paragon has returned assays from 34.2 g/t to 276.0 g/t gold (0.99 to 8.06 oz/ton) at the Powell Prospect.

Trenching by Paragon (2 trenches) followed-up on high grade gold rock grab samples from historic pits and trenches that assayed from 34.2 g/t to 276.0 g/t gold (0.99 to 8.06 oz/ton). Two trenches exposed three quartz vein zones hosted in variably sheared felsic and mafic volcanic and intrusive rocks. The quartz vein zones occur as boudinaged veins measuring up to 2.0 metres in width. A total of 19 channel samples were collected from the Powell Prospect with assays including 6.26 g/t gold over 0.3 metres (Sparrow and Copeland, 2011).

## **7.2 Richelieu**

The Richelieu deposit was first developed around 1899 on patent FM.206. They sank a test pit, 6' by 8', on a quartz vein 23' deep, which was later called the No. 1 Shaft. Anglo Canadian Gold Estates were the first operators of the ore body. The termination of Anglo's operations is unrecorded. In 1932 Golden Spur Syndicate stripped off and exposed the Richelieu vein on surface for 900 feet. Two years later, in 1934, Richelieu Gold Mines Ltd. acquired the prospect from Golden Spur and sank the two-compartment, No. 2 Shaft (Twomey, 1992).

Richelieu Gold Mines Ltd. agglomerated a 12 ton bulk sample that was sent to Ottawa from a 160 ft length of the vein just north of the No. 1 Shaft, which returned 0.46 oz/ton gold over an average width of 2.11 feet. Operations ceased in the summer of 1935 "owing to a low cash position". Ouilette Mines acquired the property between 1935 and 1947 and started mining the ore body again. It operated for an unrecorded amount of time.

## **7.3 Davidson-Carr Area**

Davidson-Carr was recognized early on during the 1920's as a prospective target for gold mineralization. Channel Sampling over the prospect led to a rapid and intense program of shaft sinking from 1927-1929. A shaft inclined at -60 was sunk to 160 feet, and 150 feet of underground lateral work was completed. Construction of an 18 ft. high headframe, a combined hoist house, and blacksmith shop with bunk house and ice house was completed. In addition, 230 feet of drifting had been done on the 160 level and 30 feet at the 130 foot level (Annual Report

of Ontario Department of Mines, p119). An unknown quantity of ore was taken. Presumably there were profitable and encouraging results, but record keeping from this period is non-extant.

The Davidson-Carr shaft/mine and prospect was quiet, and remained so, after the intense work of the late 20's. Further work didn't initiate on the area until 1970 when McCrae Mining Ltd. conducted airborne magnetic and electro-magnetic surveys over the claim group. The claims were subsequently dropped (Trowell, 1983). Sherritt-Gordon Mines Ltd. conducted an exploration program on the area during the early 1980's; a table of gold and silver assays from samples selected from the property can be seen in their 1982 report (Venn, 1982 – 1, 52J/02NE-0050).

During the late 1980's, Villeneuve Resources Ltd. conducted drilling programs on the Davidson-Carr property. No results of economic significance were reported, and the property was dropped at a later date.

Surface sampling by Paragon in October 2009 (5 samples) from surface waste dumps near the historic shaft returned 3.46 g/t to 22.80 g/t gold (0.10 to 0.66 oz/ton) at the Davidson-Carr Prospect. Prospecting in 2010 identified additional gold-bearing quartz veins 350 and 500 metres west of the Davidson-Carr shaft. These new mineralized zones assay 3.83 g/t gold (0.11 oz/t) and 5.14 g/t gold (0.15 oz/t), respectively, and highlight the potential for new discoveries within the Davidson-Carr area (Sparrow and Copeland, 2011).

#### **7.4 Y-Island Prospect**

The Y-Island Prospect comprises two vein zones exposed by historical trenching on a small island. The quartz vein zones (15 cm wide) are associated pyrite-bearing sheared mafic volcanic wallrock, strike east-northeasterly (065 degrees) and have steep southeasterly dips. Historic sampling at the Y-Island East prospect returned assays up to 4.54 oz/t gold and 0.66% copper. Historic sampling at the Y-Island West prospect returned assays up to 3.80 oz/t gold.

Each vein zone has been tested by a single drillhole totalling 201.8 metres. Drilling returned assays of 0.30 oz/t gold over 0.9 feet (59.4 to 60.5 feet) from DDH #3 targeting Y-Island East zone. DDH #4 targeting Y-Island West zone returned 0.04 oz/t gold over 0.6 feet (68.0 to 68.6 feet). Sampling by Paragon returned assays of 49.8 g/t gold (1.45 oz/ton) at the Y-Island East prospect with 6.14 g/t gold (0.18 oz/ton) from the sheared host wall rock; and assays up to 44 g/t gold (1.28 oz/t) from the Y-Island West prospect.

#### **7.5 Thomas Lake**

Work by Stewart on the area during 1935 comprised three trenches along with sampling of the Thomas Lake Prospect yielding quartz veins assaying from 0.52 to 1.93 oz/t Au where No. 8 vein assayed from 0.52 to 1.93 ounce gold per ton. A year later in 1936, channel samples from No. 10 vein produced an assay of 1.15 ounce gold per ton. Little other exploration was recorded, and the area was apparently dormant until a new grid was cut on the property, the Thomas Lake. The work performed after this is unrecorded.

After a four decade hiatus on the property, Mid-North Engineering Services teamed with Candore Explorations Ltd. in 1982 by performing drill testing of the vein zone with two drillholes (#4 and #6) looking for VMS-style mineralization along a creek north of Thomas Lake. During 1987, stripping and trenching along east side of Thomas Lake was performed (SLKT Assessment File 52J02NE-0063).

At the Thomas Lake prospect, coarse visible gold in quartz was sampled from a 2-metre wide composite quartz vein zone located at a mafic-felsic volcanic contact. The vein, exposed in a historic trench, assayed between 0.14 g/t gold and 62.80 g/t gold (1.83 oz/t).

Trenching by Paragon in October 2010 (1 trench) uncovered four composite quartz, iron-carbonate and sulphide vein zones that measure between 0.3 to 3.0 metres in width. The vein zones are hosted by strongly sheared quartz porphyry rocks measuring up to 15 metres in width and marked by significant sericite, chlorite and Fe-carbonate alteration. The vein zone remains open along strike. A total of 114 channel samples were collected from the trench with significant assays of 15.4 g/t gold over 0.5 metres. No drilling has been reported in this area (Sparrow and Copeland, 2011).

## **7.6 Mine Lake Area**

The potential for gold mineralization was recognized in the Mine Lake area during the 1930's. The Mine Lake and Thomas Lake areas were prospected and 2 shafts were sunk on Mine Lake in 1934 by persons unreported, though Stewart, W.F. who worked the area at the time is may have done this. Grab samples from an outcropping vein in the vicinity report visible gold being observed from a 10 foot wide vein in the area, but no assays were reported (SLKT Assessment File 52J/02NE-0063). Further work in the area started again in 1947 when two drillholes (#1 and #4) completed in the area of the loosely defined prospect returned assays of 0.27 oz/t Au over 5 feet (hole #1) and 0.065 oz/t over 15 feet (hole #4).

Mid-North Engineering Services and Candore Explorations Ltd. cut a new grid on the property, named the Mine Lake grid. Humus geochemical surveys were performed. 5 diamond drill holes were done based on geochemical and geophysical anomalies. No assays were given in the drill logs. Mid-North Engineering followed up with VLF magnetic and radiometric surveys in 1987 (Gillette, 1987).

At the Mine Lake Prospect, sampling of the historic pits at the Mine Lake Prospect has returned assays of 29.00 g/t gold (0.84 oz/t) and sampling of the Contact-Stewart Zone has returned assays up to 17.75 g/t gold (0.52 oz/t).

Trenching by Paragon (1 trench) exposed a new, previously unrecognized structural trend of visible, gold-bearing quartz veins hosted within a broad, northwest striking, up to 10 metre-wide, deformation zone. The shear structure is marked by intense Fe-carbonate alteration and contains gold bearing quartz and quartz-iron carbonate vein zones measuring between 3 to 10 metres in width. Previous surface grab samples (3) returned up to 29.0 g/t gold (0.84 oz/ton). A total of 84 channel samples were collected with significant assays of 6.90 g/t gold over 3.2 metres including 20.1 g/t gold over 1.0 metre. The northwest trending deformation/shear zone represents a new gold-bearing, structural zone oblique to the main north-south trending shear zones in the

Mine Lake area. Previous exploration in the area (12 shallow historic drillholes, 814 metres) focused on the north-south trending structures, and did not test these northwest trending shears which may represent a more favourable environment for gold mineralization. The new structural trend remains open along strike (Sparrow and Copeland, 2011).

Limited diamond drilling at each of the prospects highlights the underexplored nature of the Thomas Lake – Mine Lake area; particularly given the positive results of surface sampling and diamond drilling completed to date. All drillholes were completed using narrow diameter drilling (AXT, AQ and BQ) and have not tested below 200 vertical metres.

### **7.7 Stewart -Contact Zone**

The Stewart contact zone was recognized as being prospective for economic mineralization by W.F. Stewart during the 1930's. Grab samples from 0.3 to 6 ounces per ton gold on Stewart Vein. Grab sample from 0.4 to 2.8 ounces per ton gold on Contact Vein.

Further work on the Stewart and Contact vein zones comprised shallow shafts with grades up to .53 oz/5ft. and .39oz/3ft. Poor record keeping makes the exact locations ambiguous, but these samples are understood to be on the west side of the zone. Other data exists describing the area, but data loss/lack of input makes these records unreliable.

### **7.8 Beckington Lake**

Southeast of the claim blocks lies a NNE linear, Beckington Lake. It has been explored for gold since the early 1960's when 5 shallow drill holes totalled 568ft. depth. Selco exploration drilled one hole in the area, but this didn't generate much interest. Exploration was renewed in the 1980's when UMEX picked up the property and drilled 15 DDH's intersecting interesting values of gold however the results were lukewarm and did not generate much further interest past 1986. Though not on Paragons claim block, Beckington Lake is important as an indicator of interest in the area demonstrating belt-scale prospectivity.

### **7.9 Oz Island Area**

The island was explored during the 1940's for Au mineralization. Follow-up work led to two drill holes during 1947; records from this are non-extant. Moran Lake Corp. examined the islands as part of a larger program over the East Bay and King Bay areas of Sturgeon Lake (Report SLKT # 52J/02SE-9265).

## **8.0 2011 EXPLORATION**

From May 30<sup>th</sup> to June 15<sup>th</sup>, 2011 a team of two prospectors from Quest Inc. of Birchy Bay, NL, under contract to Paragon completed systematic prospecting on 5 claims that form the southern block of the Gold Star Property. A total of 27 rock grab samples (sample #001-027) were collected during the prospecting program and sent for assay and ICP analysis. The objective of the work was to locate gold or base metal mineralization on the property and generate targets for future trenching and diamond drilling. During the program the prospecting crew stayed at the Silver Dollar and gained access to the property via boat from the Whiskey Jack Lodge on the

west end of Sturgeon Lake. Inclement weather (high winds and rain) from June 8<sup>th</sup> to 12<sup>th</sup> prevented access to the property as high winds produced rough conditions on Sturgeon Lake. Dale Matthews, owner of the Whiskey Jack Lodge, provided guiding services during the program.

A list of Paragon contractors who completed the work along with a break-down of man days worked per claim is presented in Appendix I. Rock sample (float, grab and channel) locations and descriptions are presented in Appendix II with analytical certificates presented in Appendix III. A summary of the analytical procedures used is presented in Appendix IV. A statement of expenditures by claim is presented in Appendix V. All samples were collected by Paragon contractors with samples being submitted to ALS Minerals in Thunder Bay, Ontario for sample preparation. Sample pulps were forwarded to ALS Minerals in North Vancouver, BC for gold assay and 33-element ICP analysis. Standards and blanks were not inserted with the prospecting samples.

## **8.1 Prospecting**

The limited prospecting program on the southern claim block of the Gold Star Property was successful in returning anomalous gold values in two separate areas. Gold assays of 0.319 and 0.441 g/t from samples 013 and 025 (claim 4251260) were obtained from a 30% pyrite bearing boulder (013) and an outcrop of quartz veined and Fe-carbonate altered mafic volcanic rocks. These samples were collected on a small island (“Rainbow Island South”) just to the east of Rainbow and Oz Islands, both of which host significant gold prospects (Figure 4; Appendix II and III). Sampling of the Oz Island Prospect in 2010 by Paragon returned an assay of 23.1 g/t Au (Sparrow and Copeland, 2011). Rainbow Island South is underlain largely by felsic porphyritic intrusion in contact with mafic volcanic rocks and occurs as the intersection of the Northeast Arm Deformation Zone and the ESE oriented shear zone that runs down through East Bay. During the 2010 prospecting program, Paragon obtained assays of up to 0.82 and 3.38 g/t Au from sheared and quartz veined felsic intrusive on the opposite of the island to the most recent samples. The line of islands from Rainbow, Oz and Rainbow Island South forms a trend parallel to the ESE shear zone passing through East Bay. The area around Rainbow Island South and the Northeast Arm Deformation Zone forms dynamic structural environment and an attractive area for the focussing of gold bearing fluids.

A second area of anomalous gold mineralization is just south of Morgan Island where sample 022 has returned 0.692 g/t Au from quartz veins hosted in mafic volcanic (Figure 5; Appendix II and III). This sample was collected from a northeast oriented shear zone that is parallel to the main Northeast Arm Deformation Zone. This area is also associated with an east-west oriented linear topographic feature that may represent a similar local east-west shear zone similar to that crossing through East Bay.

## **8.2 Statement of Expenditures**

A summary of expenditures by claim on the Gold Star Property is presented in Appendix V.

## 9.0 CONCLUSIONS AND RECOMMENDATIONS

Gold mineralization on the property is associated with at least three regional deformation zones, the Northwest Arm Shear Zone (Powell, Davidson Carr, Y-Island gold prospects), the Mine Lake-Thomas Lake Shear Zone (Thomas Lake, Mine Lake, Mine Lake North, Stewart-Contact Zone and the Wagon Road gold prospects) and the East Bay Shear Zone (Oz Island, Rainbow Island SW). These structures and subordinate splays off of them form an ideal site to host economic gold mineralization. In addition, the redistribution of early stage gold into later D<sub>2</sub> structures and associated splays zones has been demonstrated within the region (e.g. Red Lake) to be a key factor in the concentration of gold. Early stage work at the Gold Star Property has shown that these structural characteristics are present and play a role in the formation of the gold prospects on the property. The under explored nature of this belt and the results of recent exploration highlight the potential for discovery of new economically significant gold deposits.

The Gold Star Prospect is a grassroots exploration project. There is abundant potential for extensive gold mineralization, but significantly more early-stage prospecting and trenching assisted by geological mapping is required for better understanding of the mineralizing systems controlling the gold distribution in the area. Historical mining in the area combined with the widespread alteration and deformation suggests that a much larger gold resource still exists to be discovered.

Based on the exploration results to date a two phase program is recommended as follows:

- Phase 1: Geological mapping, trenching & geophysics to further define priority target areas (Mine Lake, Thomas Lake, Powell, Davidson-Carr and Oz Island Prospects) and delineate drill targets. The estimated cost of the phase 1 program is \$400,000.
- Phase 2: 2500 metres of drilling to test priority targets resulting from the Phase 1 work. The estimated cost of the Phase 2 drill program is \$600,000.

Recommendations for the southern block in particular (as part of the Phase 1 program above) are:

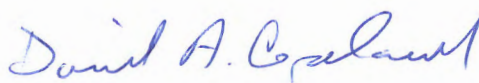
- Additional data compilation and data review with target selection.
- New electromagnetic and magnetic airborne survey over the Oz Island – Rainbow Island South trend to generate drill targets.

Respectfully Submitted:

**Paragon Minerals Corporation**



Bryan Sparrow, B.Sc., Geologist-in-  
Training



David A. Copeland, M.Sc., P. Geo.

## 10.0 REFERENCES

- Airth, W.B., (1963). Davidson-Carr, Sturgeon Lake Gold Property; Corporate Memo. Report #53JO2NE9288. Ministry of Natural Resources.
- Anderson, L. (1955). Report #10 Area of Squaw Lake. Report #52J02SE8923. Ministry of Natural Resources.
- Annual Report of Ontario Department of Mines, v.39 pt , p119.
- Canex Aerial Exploration Ltd., (1970). A Geophysical Report on a Combined Ground Magnetic and Electromagnetic Survey for Canex Exploration Ltd. Report # 52J02NE0112. Ontario Ministry of Natural Resources.
- Dignard, J.R. (1995). 1995 Summary OPAP Summary Report SLKT Report # 52J/02-0076. Ontario Ministry of Natural Resources.
- Emerald Fields Resource Corporation, (2004). Airborne Geophysical Survey, Project 446 by Geotech Ltd. Report # 52JO2NE2002. Ontario Ministry of Natural Resources.
- Emerald Fields Resource Corporation, (2004). Airborne Geophysical Survey, Project 446 by Geotech Ltd. Report # 52JO2NE2001. Ontario Ministry of Natural Resources.
- Evans, G., (2009), Technical Report on the St. Anthony and Best/King Bay Properties, In the Beckington Lake, Squaw Lake and Fourbay Areas of Patricia Mining Division, Ontario Canada. Pacific Iron Ore Corporation, p. 28.
- Franklin, J.M., Gibb, W., Poulsen, K.H., and Severin, P., (1970) Archean Metallogeny and Stratigraphy of the South Sturgeon Lake Area; Mattabi Trip, 23<sup>rd</sup> Annual Meeting at Institute on Lake Superior Geology, 73p.
- Gillette, T.E., (1986). Geological Evaluation of the Ouilette Lake Claim Group, Mine Lake Resources Inc. Report #52J02NE0010, Ontario Ministry of Natural Resources.
- Gillette, T.E., (1987). Mine Lake Minerals Inc. Geological and Geophysical report of the 1987 field program. Report # 52J02NE0003. Ontario Ministry of Natural Resources.
- Graham, A.R., (1930). Sturgeon Lake Gold Area, Districts of Kenora and Thunder Bay; Ontario Department of Mines, Volume39, Part 2, pp36-50 (published 1931). After Trowell, 1983.
- Kuryliw, Chester J., (1984). Report on a VLF-EM Survey. Sturgeon Lake, Rainbow Island, Iron Duke and 590678 Claim Groups, District of Patricia Ontario. Report #52JO2SE8671. Ontario Mining Lands Section, Ministry of Natural Resources.



- KBG Minerals Corporation, (2004). Assessment Report on King Bay Property, 2004 Geophysical Program. NTS 52J2. Thunder Bay Mining Division, Northwestern Ontario. Report #52JO2SW2003 Ontario Ministry of Natural Resources.
- Lithosystems Ltd., (1982) Summary of 1982 Field Surveys, Sturgeon Lake Project Property (Ouilette Gold Prospect) Area of Beckington lake Patricia Mining Division Ontario,. Prepared for Mid-North engineering systems Ltd. And Candore Explorations Ltd. Report # 52JO2NE0043. Ontario Ministry of Natural Resources.
- McCrae Mining Ltd., Klein, Jan (1971). Report on Airborne Geophysical Survey, Sturgeon Lake Area, Ontario. Report #52JO2NE0089. Ontario Dept of Mines, Ministry of Natural Resources.
- Minnova Inc. Drill Logs, 1987. Report #52JO2NE0008. Ontario Ministry of Natural Resources.
- Moran Resources Corporation, (1983). Report #52JO2SE9265. Ontario Ministry of Natural Resources.
- McInnes, W. (1900) Exploration and Surveys, Rainy River District, Ontario; p115A-122A in Geological Survey of Canada, Annual Report, Volume 2 1899. Report A, 224p.
- Ouilette Mines Ltd., (1947). Progress Report. Report #52JO2NE9285. Ministry of Natural Resources.
- Salt, D.J., (1965). Geophysical Survey, Meakin Grubstake, Sesegenaga Lake, Ontario. Report #52JO1SW0014. Ontario Ministry of Natural Resources.
- Sanborn-Barrie, M. (1989) Geology of the Savant Lake area. *In* Summary of Field Work and Other Activities 1989. Ontario Geological Survey, Miscellaneous Paper 146, pp. 54–62.
- Sanborn-Barrie, M. (1990) Geology of the Savant Lake area. *In* Summary of Field Work and Other Activities 1990. Ontario Geological Survey, Miscellaneous Paper 151, pp. 22–30.
- Sanborn-Barrie, M. (1991) Structural geology and tectonic history of the eastern Lake of the Woods greenstone belt, Kenora District, Northwestern Ontario. Ontario Geological Survey, Open File Report 5773.
- Sanborn-Barrie, M., and Skulski, T. (1998) Structural geology, central Sturgeon Lake area, Ontario. Geological Survey of Canada, Open File 3641, Scale 1:50,000.
- Sanborn-Barrie, M., Skulski, T., and Whalen, J.B. (1998) Tectonostratigraphy of central Sturgeon Lake, Ontario: deposition and deformation of submarine tholeiites and emergent calc-alkaline volcano-sedimentary sequences. *In* Current Research, Part C. Geological Survey of Canada, Paper 98–1C, pp. 115–126.

- Sanborn-Barrie, M. Skulski, T., and Stern, R.A. (1999) A record of collision of two terranes at ~2.7 Ga in the Savant–Sturgeon greenstone belt, western Superior Province. *In* Lithoprobe Transect 5th Annual Workshop, February 1–3, 1999. *Edited by* R.M. Harrap and H.H. Helmstaedt. Lithoprobe Secretariat, The University of British Columbia, Vancouver B.C., Lithoprobe Report 70, p. 163.
- Sanborn-Barrie, M., and Skulski, T. (1999) Tectonic assembly of continental margin and oceanic terranes at 2.7 Ga in the Savant Lake – Sturgeon Lake greenstone belt, Ontario. *In* Current Research, 1999-C. Geological Survey of Canada, Paper 99–1C, pp. 209–220.
- Sanborn-Barrie, M. (2000) Structural geology, Savant Lake greenstone belt, western Superior Province, Ontario. Geological Survey of Canada, Open File Map 3947, Scale 1:100,000.
- Sanborn-Barrie, M., Skulski, T., Percival, J.A., Whalen, J.B., Brown, J., and McNicoll, V. (2002) Geology and tectono-stratigraphic assemblages, western Wabigoon subprovince, Ontario. Geological Survey of Canada, Open File 4255. Ontario Geological Survey, Map P3446, Scale 1 : 250 000.
- Sanborn-Barrie, M., and Skulski, T. (2005) Geology, Sturgeon Lake greenstone belt, western Superior Province, Ontario. Geological Survey of Canada, Open File 1763, Scale 1: 100,000.
- Sanborn-Barrie, M., and Skulski, T. (2006) Sedimentary and Structural Evidence for 2.7 Ga continental Arc-Oceanic-Arc Collision in the Savant Lake – Sturgeon Lake Greenstone Belt, Western Superior Province, Canada. *Can. J. Earth Sci.* **43**, pp. 995–1030.
- Selco Exploration Company Ltd. (1970). Diamond Drill Logs, Report #52J02NE0068. Ontario Ministry of Natural Resources.
- Selco Exploration Company Ltd. (1970). Diamond Drill Logs, Report #52J02NE0069 Ontario Ministry of Natural Resources.
- Selco Exploration Company Ltd. (1970). Diamond Drill Logs, Report #52J02NE0071. Ontario Ministry of Natural Resources.
- Selco Exploration Company Ltd. (1970). EM Survey East bay. Report #52J02SE8761. Ontario Ministry of Natural Resources.
- Selco Exploration Company Ltd. (1970). EM Survey East bay. Report #52J02SE8762. Ontario Ministry of Natural Resources.
- Skulski, T., Sanborn-Barrie, M., and Stern, R.A. (1998) Did the Sturgeon Lake supracrustal belt form near a continental margin? *In* Lithoprobe Transect 4th Annual Workshop, March 23–24, 1998. *Edited by* R.M. Harrap and H.H. Helmstaedt. Lithoprobe Secretariat, The University of British Columbia, Vancouver B.C., Lithoprobe Report 65, pp. 87–88.

- Skulski, T., Sanborn-Barrie, M., and Stern, R.A. (1999) Continental margin and oceanic terranes in the Savant Lake – Sturgeon Lake greenstone belt, Ontario. *In* Lithoprobe Transect 5th Annual Workshop, February 1–3, 1999. *Edited by* R.M. Harrap and H.H. Helmstaedt. Lithoprobe Secretariat, The University of British Columbia, Vancouver B.C., Lithoprobe Report 70, pp. 165.
- Skulski, T., Corkery, M.T., Stone, D., Whalen, J.B., and Stern, R.A., (2000) Geological and geochronological investigations in the Stull Lake – Edmund Lake greenstone belt and granitoid rocks of the northwestern Superior Province. *In* Report of Activities 2000, Manitoba Industry, Trade and Mines. Manitoba Geological Survey, pp. 117–128.
- SLTK # 52J020063. Unknown Author. Ontario Ministry of Natural Resources.
- Stewart, W.F., (1936). Supreme Gold Mines Ltd. Press Release. Ontario Ministry of Natural Resources. Report #52J02NE0010.
- Sylvanite Gold Mines Ltd, (1947). Correspondence letter. Report #52JO2SE0098. Ministry of Natural Resources.
- Trowell, N.F. (1974a) Geology of the Bell Lake – Sturgeon Lake area. Ontario Division of Mines, Geoscience Report 114, Maps 2268 and 2269, Scale 1 : 31 680.
- Trowell, N.F. (1974b) Geology of the Glitter Lake area. Ontario Division of Mines, Geoscience Report 120, Map 2284, Scale 1:31360.
- Trowell, N.F. (1983) Geology of the Sturgeon Lake area, districts of Thunder Bay and Kenora; Ontario Geological Survey, Report 221, Maps 2456, 2457, 2458, Scale 1:50000.
- Twomey, T.J., 1992. VLF, Magnetic, and Geological Surveys, Sturgeon Lake Property. NTS 52J2. Report # 52J02NW9500. Ontario Ministry of Natural Resources.
- UMEX Inc., (1982). Report # 52J02NE0013. Ontario Ministry of Natural Resources.
- UMEX Inc., (1982). Ground magnetic and VLF-EM surveys, Beckington Lake Area. Report #52JO2NE0051, Ontario Ministry of Natural Resources
- UMEX, Inc., (1984). Diamond Drilling report #33. Report # 52J02NE0025. Ontario Ministry of Natural Resources.
- UMEX Inc., (1985). Diamond Drilling Report. Report# 52J02NE0009. Ontario Ministry of Natural Resources.
- UMEX Inc., (1985). Diamond Drilling Report. Report# 52J02NE0018. Ontario Ministry of Natural Resources.

UMEX Inc., (1986). Diamond Drilling Report. Report # 52J02NE0033. Ontario Ministry of Natural Resources.

Villeneuve Resources, 1988. Diamond drilling report # 39. Ontario Ministry of Natural Resources. Report #52J02NE0006.

Venn, V.R. (1982a). Sherritt Gordon Mines Ltd. Geophysical Report: Electromagnetic and Magnetometer Surveys, Davidson-Carr Property, Beckington Lake Area. Report #52J02NE0050. Ontario Ministry of Natural Resources.

Venn, V.R. (1982b). Sherritt Gordon Mines Ltd. Geological Report on Properties Held Under Option in the Area of the North East Arm of Sturgeon Lake: Report #52J02NE9270. Ontario Ministry of Natural Resources.

## 11.0 PROFESSIONAL CERTIFICATION

I, David A. Copeland, a geologist in the employee of Paragon Minerals Corporation, residing at 6 Falcon Place, St. John's, Newfoundland, A1A 5P1, hereby certify that:

1. I am a graduate of the University of New Brunswick, Fredericton with a M.Sc. degree in geology (1999), and a graduate of the University of New Brunswick, Fredericton with a B.Sc. degree in geology (1995).
2. I have been employed in the geoscience industry for 14 years, and have explored for gold, base metals and diamonds in Canada and Australia for both senior and junior mining and exploration companies.
3. My most recent visit to the Gold Star Property was during October 2010.
4. I am a member in good standing of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (license # M66276) and the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (Registration # 04257).
5. I personally prepared, supervised and reviewed all sections of this assessment work report entitled "1<sup>st</sup> and 2<sup>nd</sup> Year Assessment Report on Prospecting on the Gold Star Property, Southern Block, Beckington Lake (G-2532) and Squash Lake (G-3140) Areas, Patricia Mining Division, Ontario" and supervised the fieldwork.
6. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the report not misleading.

Dated this 8<sup>th</sup> day of August, 2011



David A. Copeland, M.Sc., P. Geo.

*David A Copeland*

\_\_\_\_\_  
Signature of Author

(Effective Date: August 8<sup>th</sup>, 2011)

## **Appendix I**

### **List of Personnel and Contractors**

Appendix I - List of Personnel and Contractors

<b>Paragon Minerals Corporation</b>		
<b>Personnel</b>	<b>Location</b>	<b>Title</b>
Bryan Sparrow	St. John's, NL	Geologist
Dave Copeland	St. John's, NL	Geologist
<b>Contractors</b>		
Mervin Quinlan	Birchy Bay, NL	Prospector
Kyle Pretty	Birchy Bay, NL	Prospector
Dale Matthews	Savant Lake, ON	Guide/Boat Operator/Accommodations
<b>ALS Chemex</b>		
ALS Chemex	Vancouver, BC	Geochemical Laboratory

## **Appendix II**

### **Rock Sample Descriptions and Locations**



Appendix II. Rock Sample Descriptions and Locations

Sample	Claim	Easting	Northing	UTM_Zone	Datum	Project	Area	NTS	Date	Sampler	Sample_Type	Rock_Type	Condition	Lithology	Alteration	Mineralization	Assay_Type
001	4E+06	668391	5546354	15U	NAD83	Gold Star	Southern Block	52J/2	6/3/2011	MQ/KP	O/C	Mafic	Altered	Mafic volcanic, 20% Py, w/ Hm and Bt.	Hm, Bt	20% Py	Au+ICP
002	4E+06	668201	5546414	15U	NAD83	Gold Star	Southern Block	52J/2	6/3/2011	MQ/KP	O/C	QV	Altered	Carbonated qtz vein, 15cm, with minor sulphides.	Crb	Tr Py+Cpy	Au+ICP
003	4E+06	667259	5546297	15U	NAD83	Gold Star	Southern Block	52J/2	6/4/2011	MQ/KP	O/C	QV	Altered	10cm qtz vein in mafic wallrock containing minor Py and Chalcopyrite.		Tr Py+Cpy	Au+ICP
004	4E+06	666440	5546290	15U	NAD83	Gold Star	Southern Block	52J/2	6/4/2011	MQ/KP	O/C	Mafic	Altered	Fractured mafic filled with quartz, pyrite and chalcopyrite.		Tr Py+Cpy	Au+ICP
005	4E+06	666495	5546450	15U	NAD83	Gold Star	Southern Block	52J/2	6/4/2011	MQ/KP	O/C	QV	Altered	6m wide qtz vein with malachite staining and trace pyrite.		Tr Py+Cpy	Au+ICP
006	4E+06	666497	5546453	15U	NAD83	Gold Star	Southern Block	52J/2	6/4/2011	MQ/KP	Local float	QV	Altered	Same as 005		Tr Py+Cpy	Au+ICP
007	4E+06	666492	5546459	15U	NAD83	Gold Star	Southern Block	52J/2	6/4/2011	MQ/KP	O/C	QV	Altered	Small qtz vein in mafic volcanic with 2% Cpy.		2% Cpy	Au+ICP
008	4E+06	664409	5545445	15U	NAD83	Gold Star	Southern Block	52J/2	6/5/2011	MQ/KP	O/C	Mafic		Sheared mafic volcanic with hematite staining	Hematite	minor Py	Au+ICP
009	4E+06	664488	5545209	15U	NAD83	Gold Star	Southern Block	52J/2	6/5/2011	MQ/KP	O/C	Mafic	Altered	Ultramafic volcanic, with 20% Cpy and Py.		20% Cpy	Au+ICP
010	4E+06	664479	5545206	15U	NAD83	Gold Star	Southern Block	52J/2	6/5/2011	MQ/KP	O/C	QV	Altered	Qtz vein in ultramafic containing 10% Py.		10% Py	Au+ICP
011	4E+06	664496	5545272	15U	NAD83	Gold Star	Southern Block	52J/2	6/5/2011	MQ/KP	O/C	QV	Altered	15cm qtz vein in ultramafic w/30% disseminated Py throughout.		30% Py	Au+ICP
012	4E+06	663616	5544025	15U	NAD83	Gold Star	Southern Block	52J/2	6/5/2011	MQ/KP	Local boulder?		Altered	20cmx15cm boulder w/30% disseminated Py.		30% Py	Au+ICP
013	4E+06	663889	5544229	15U	NAD83	Gold Star	Southern Block	52J/2	6/5/2011	MQ/KP	O/C	?	Altered	20cmx15cm boulder w/30% disseminated Py.		30% Py	Au+ICP
014	4E+06	665370	5545877	15U	NAD83	Gold Star	Southern Block	52J/2	6/5/2011	MQ/KP	local float	QV	Altered	Banded smokey qtz containing minor Py.		Tr Py	Au+ICP
015	4E+06	665713	5546291	15U	NAD83	Gold Star	Southern Block	52J/2	6/6/2011	MQ/KP	O/C	QV	Altered	Multi small qtz vein with cubic Py and Tr Cpy.		Tr Py+Cpy	Au+ICP
016	4E+06	665668	5547828	15U	NAD83	Gold Star	Southern Block	52J/2	6/7/2011	MQ/KP	Local float	Mafic	Altered	Mafic volcanic boulder containing 10% Py and Tr Cpy.		10% Py	Au+ICP
017	4E+06	666055	5546848	15U	NAD83	Gold Star	Southern Block	52J/2	6/7/2011	MQ/KP	O/C	QV	Altered	Highly siliceous qtz vein in mafic volcanic, minor Py, and Cpy.		Tr Py+Cpy	Au+ICP
018	4E+06	666278	5547821	15U	NAD83	Gold Star	Southern Block	52J/2	6/7/2011	MQ/KP	O/C	QV	Altered	10cm Qtz vein in mafic volcanic with minor Py and Cpy.		Tr Py+Cpy	Au+ICP
019	4E+06	666024	5547783	15U	NAD83	Gold Star	Southern Block	52J/2	6/7/2011	MQ/KP	O/C	Mafic	Altered	Sheared mafic, carbonate w/disseminated Py throughout.	Crb	Tr Py	Au+ICP
020	4E+06	662772	5544291	15U	NAD83	Gold Star	Southern Block	52J/2	6/7/2011	MQ/KP	O/C	Mafic with quartz vein		Highly silicified quartz in mafic volcanic	Silica	trace Py and Cpy	Au+ICP
021	4E+06	668522	5545831	15U	NAD83	Gold Star	Southern Block	52J/2	6/7/2011	MQ/KP	float	Felsic	Altered	Felsic (?); Pink qtz-vein boulder 25cmx25cm with minor Cpy and Py.		Tr Py+Cpy	Au+ICP
022	4E+06	668399	5546354	15U	NAD83	Gold Star	Southern Block	52J/2	6/7/2011	MQ/KP	O/C	QV	Altered	Small Qtz vein in mafic, both wallrock and vein, mineralized with cubic Py.		Tr Py	Au+ICP
023	4E+06	668398	5546365	15U	NAD83	Gold Star	Southern Block	52J/2	6/7/2011	MQ/KP	O/C	QV	Altered	Same as 022			Au+ICP
024	4E+06	663964	5545715	15U	NAD83	Gold Star	Southern Block	52J/2	6/13/2011	MQ/KP	O/C	QV	Altered	Sil. Qtz vein with disseminated Py and trace Cpy.		Tr Py+Cpy	Au+ICP
025	4E+06	663835	5544261	15U	NAD83	Gold Star	Southern Block	52J/2	6/13/2011	MQ/KP	O/C	QV	Altered	Rusty carbonated qtz vein in mafic volcanic.			Au+ICP
026	4E+06	663164	5544468	15U	NAD83	Gold Star	Southern Block	52J/2	6/13/2011	MQ/KP	O/C	QV	Altered	10cm wide heavy smokey qtz vein from a 2mx2m pit.			Au+ICP
027	4E+06	666906	5545944	15U	NAD83	Gold Star	Southern Block	52J/2	6/14/2011	MQ/KP	O/C	QV	Altered	Carbonated qtz vein containing 10% Py, tr Cpy in mafic volcanic/		10% Py, Tr Cpy	Au+ICP

## **Appendix III**

### **Analytical Certificates**



ALS Canada Ltd.  
 2103 Dollarton Hwy  
 North Vancouver BC V7H 0A7  
 Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: PARAGON MINERALS CORP  
 140 WATER STREET, SUITE 605  
 ST. JOHN'S NL A1C 6H6

Page: 1  
 Finalized Date: 26-JUL-2011  
 Account: PARMIN

**CERTIFICATE TB11126333**

Project:  
 P.O. No.:  
 This report is for 27 Rock samples submitted to our lab in Thunder Bay, ON, Canada on 30-JUN-2011.  
 The following have access to data associated with this certificate:  
 DAVID COPELAND

SAMPLE PREPARATION	
ALS CODE	DESCRIPTION
WEI-21	Received Sample Weight
LOG-22	Sample login - Rcd w/o BarCode
CRU-31	Fine crushing - 70% <2mm
SPL-21	Split sample - riffle splitter
PUL-31	Pulverize split to 85% <75 um
CRU-QC	Crushing QC Test
PUL-QC	Pulverizing QC Test

ANALYTICAL PROCEDURES		
ALS CODE	DESCRIPTION	INSTRUMENT
Au-AA23	Au 30g FA-AA finish	AAS
ME-ICP61	33 element four acid ICP-AES	ICP-AES

To: PARAGON MINERALS CORP  
 ATTN: DAVID COPELAND  
 140 WATER STREET, SUITE 605  
 ST. JOHN'S NL A1C 6H6

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature:   
 Colin Ramshaw, Vancouver Laboratory Manager



ALS Canada Ltd.  
 2103 Dollarton Hwy  
 North Vancouver BC V7H 0A7  
 Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: PARAGON MINERALS CORP  
 140 WATER STREET, SUITE 605  
 ST. JOHN'S NL A1C 6H6

Page: 2 - A  
 Total # Pages: 2 (A - C)  
 Finalized Date: 26-JUL-2011  
 Account: PARMIN

**CERTIFICATE OF ANALYSIS TB11126333**

Sample Description	Method Analyte Units LOR	WEI-21	Au-AA23	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61
		Recvd Wt. kg	Au ppm	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Ga ppm
		0.02	0.005	0.5	0.01	5	10	0.5	2	0.01	0.5	1	1	1	0.01	10
001		1.08	0.175	<0.5	6.19	9	70	<0.5	<2	1.12	<0.5	33	2	10	14.60	30
002		1.20	<0.005	<0.5	4.10	11	20	<0.5	<2	2.45	<0.5	28	13	46	7.45	10
003		0.77	<0.005	<0.5	3.01	6	70	<0.5	<2	5.42	<0.5	5	23	6	1.89	10
004		1.12	<0.005	<0.5	7.32	11	50	<0.5	<2	6.42	<0.5	55	2	92	12.60	20
005		1.16	<0.005	<0.5	0.35	<5	10	<0.5	<2	0.57	<0.5	6	25	470	0.64	<10
006		1.04	<0.005	0.5	1.04	13	10	<0.5	<2	0.32	<0.5	7	19	609	0.88	<10
007		0.91	0.025	1.5	0.48	38	<10	<0.5	<2	2.11	2.5	24	14	3680	2.00	<10
008		1.03	<0.005	<0.5	7.06	<5	60	<0.5	<2	8.36	<0.5	52	243	301	9.12	20
009		0.97	0.045	0.8	7.56	7	20	<0.5	<2	5.02	<0.5	52	165	3150	10.50	20
010		0.89	0.011	<0.5	7.91	24	20	<0.5	<2	5.09	<0.5	43	127	1005	9.52	20
011		0.79	0.124	2.1	5.93	6	10	<0.5	<2	7.18	1.5	206	106	6300	14.25	20
012		1.16	<0.005	<0.5	7.04	<5	40	<0.5	<2	8.56	<0.5	58	106	244	10.25	20
013		0.90	0.319	<0.5	7.51	40	180	0.6	<2	0.30	<0.5	11	15	109	4.28	20
014		0.81	<0.005	<0.5	0.20	7	40	<0.5	<2	30.6	<0.5	6	1	14	2.44	<10
015		1.11	<0.005	<0.5	6.23	<5	40	<0.5	<2	5.56	<0.5	35	43	216	6.79	10
016		1.11	0.008	<0.5	7.30	10	60	0.5	<2	6.06	<0.5	40	57	112	11.15	30
017		1.49	<0.005	<0.5	8.18	5	40	<0.5	<2	5.68	<0.5	34	27	104	6.50	20
018		0.69	<0.005	<0.5	0.72	<5	10	<0.5	<2	0.51	<0.5	5	20	22	1.39	<10
019		0.95	0.031	<0.5	6.15	5	10	<0.5	<2	11.05	<0.5	30	115	128	6.17	20
020		0.78	0.778	<0.5	7.88	106	590	0.6	3	0.31	<0.5	5	9	80	2.68	20
021		0.94	0.060	<0.5	4.03	5	80	0.9	<2	0.38	<0.5	7	9	5	1.18	10
022		0.81	0.692	<0.5	6.15	30	150	0.7	<2	1.35	<0.5	19	2	54	11.55	20
023		0.88	0.035	<0.5	5.71	16	20	<0.5	<2	1.95	<0.5	37	1	21	13.55	30
024		1.25	0.127	<0.5	7.50	<5	290	0.6	<2	3.72	1.2	32	90	302	6.94	20
025		0.75	0.441	<0.5	7.40	6	180	<0.5	<2	0.28	<0.5	9	11	58	3.83	20
026		0.94	<0.005	<0.5	5.05	17	40	<0.5	<2	5.41	<0.5	27	100	12	6.05	10
027		0.71	0.006	<0.5	8.21	6	220	<0.5	<2	4.68	<0.5	56	218	221	9.62	20



ALS Canada Ltd.  
 2103 Dollarton Hwy  
 North Vancouver BC V7H 0A7  
 Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: PARAGON MINERALS CORP  
 140 WATER STREET, SUITE 605  
 ST. JOHN'S NL A1C 6H6

Page: 2 - B  
 Total # Pages: 2 (A - C)  
 Finalized Date: 26-JUL-2011  
 Account: PARMIN

**CERTIFICATE OF ANALYSIS TB11126333**

Sample Description	Method Analyte Units LOR	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61
		K %	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	S %	Sb ppm	Sc ppm	Sr ppm	Th ppm	Ti %
001		0.41	10	1.28	993	1	2.25	<1	960	9	2.61	<5	36	59	<20	0.68
002		0.02	<10	1.54	1275	2	1.90	19	210	<2	0.09	<5	28	45	<20	0.42
003		0.13	<10	0.35	426	2	0.61	2	20	3	0.02	<5	3	77	<20	0.02
004		0.09	<10	2.80	1670	2	1.35	2	170	5	0.14	<5	57	182	<20	1.39
005		0.02	<10	0.19	100	2	0.05	6	20	2	0.03	<5	4	4	<20	0.02
006		0.01	<10	0.20	83	2	0.62	15	290	7	0.05	<5	5	8	<20	0.22
007		<0.01	<10	0.42	241	2	<0.01	36	60	2	0.29	<5	3	2	<20	<0.01
008		0.36	10	4.36	1320	1	1.56	102	260	<2	0.36	<5	28	136	<20	0.46
009		0.09	10	4.02	1175	2	1.63	168	300	2	0.25	<5	32	112	<20	0.47
010		0.11	10	3.94	1055	1	2.04	36	310	<2	0.18	<5	43	116	<20	0.54
011		0.05	10	3.68	1230	2	1.12	406	260	2	4.31	<5	31	233	<20	0.37
012		0.20	10	3.80	1505	2	1.95	63	330	<2	2.15	<5	38	113	<20	0.43
013		1.01	10	0.97	134	2	4.15	12	290	<2	0.83	<5	9	144	<20	0.19
014		0.03	10	0.54	8880	5	0.10	5	30	14	0.24	<5	2	373	<20	0.01
015		0.09	10	2.69	1040	2	2.47	55	490	5	0.13	<5	31	135	<20	0.71
016		0.12	10	3.17	1525	1	1.79	42	380	4	0.28	<5	34	185	<20	0.85
017		0.16	10	2.45	1090	1	1.95	52	400	<2	0.03	<5	27	179	<20	0.47
018		0.01	<10	0.39	236	2	0.16	5	30	<2	<0.01	<5	3	3	<20	0.03
019		0.03	10	2.52	1190	1	1.20	66	240	<2	0.18	<5	34	112	<20	0.42
020		3.67	10	0.60	165	2	0.68	6	360	<2	0.26	<5	8	27	<20	0.28
021		0.17	20	0.02	88	2	3.25	1	90	2	0.62	<5	1	141	<20	0.04
022		2.40	10	0.87	991	1	0.10	<1	750	2	3.42	<5	37	28	<20	0.54
023		0.29	10	2.25	1290	1	0.67	<1	850	<2	1.64	<5	33	30	<20	0.46
024		0.78	10	3.03	871	2	2.58	74	400	<2	0.76	<5	26	208	<20	0.45
025		1.37	10	1.01	182	1	3.64	10	330	<2	0.10	<5	9	67	<20	0.24
026		0.21	<10	2.73	924	2	1.01	60	190	<2	<0.01	<5	21	117	<20	0.22
027		0.89	10	3.21	1105	1	2.14	119	270	<2	0.01	<5	34	109	<20	0.34



ALS Canada Ltd.  
 2103 Dollarton Hwy  
 North Vancouver BC V7H 0A7  
 Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: PARAGON MINERALS CORP  
 140 WATER STREET, SUITE 605  
 ST. JOHN'S NL A1C 6H6

Page: 2 - C  
 Total # Pages: 2 (A - C)  
 Finalized Date: 26-JUL-2011  
 Account: PARMIN

**CERTIFICATE OF ANALYSIS TB11126333**

Sample Description	Method Analyte Units LOR	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61	ME-ICP61
		Tl	U	V	W	Zn
		ppm	ppm	ppm	ppm	ppm
		10	10	1	10	2
001		<10	<10	103	<10	124
002		<10	<10	211	<10	83
003		<10	<10	66	<10	16
004		<10	<10	529	<10	90
005		<10	<10	14	<10	9
006		<10	<10	18	<10	18
007		<10	<10	15	<10	51
008		<10	<10	240	<10	76
009		<10	<10	251	<10	93
010		<10	<10	265	<10	66
011		<10	<10	213	<10	175
012		<10	<10	253	<10	115
013		<10	<10	60	<10	15
014		<10	60	7	<10	31
015		<10	<10	265	<10	75
016		<10	<10	332	<10	121
017		<10	<10	222	<10	70
018		<10	<10	18	<10	11
019		<10	<10	226	<10	63
020		<10	<10	46	<10	12
021		<10	<10	2	<10	12
022		<10	<10	120	<10	72
023		<10	<10	92	<10	122
024		<10	<10	171	<10	359
025		<10	<10	58	<10	13
026		<10	<10	138	<10	59
027		<10	<10	239	10	109

**Appendix IV**

**Analytical Procedures**

## **Appendix IV**

### **Analytical Procedures**

#### **Paragon Sampling Methods**

##### *Rock Samples*

Rock samples are typically in the range 0.3 – 1 kg in size. Samples are placed in clear plastic bags together with a waterproof paper ticket depicting a unique sample number. Each bag is tied with vinyl flagging tape and labelled with permanent marker. Samples were stored under the supervision of the sample's collector (Paragon prospector or geologist), with samples being submitted to ALS Minerals in Thunder Bay, Ontario for gold assay. Sample pulps were forwarded to ALS Minerals in North Vancouver, BC for 33 element ICP analysis. Systematic analytical standards and blanks were inserted into the channel sample stream every 20 samples to monitor quality of the analytical results. All blanks and standards analyzed within 2 standard deviation of the accepted mean assay indicated good assay quality of the natural samples. Standards and blanks were not employed with the prospecting samples.

#### **Sample Preparation ALS Minerals**

All sample preparation is completed by ALS Minerals of Thunder Bay to the following specifications. Samples are crushed in two stages to approximately -10 mesh and split using a riffle splitter to approximately 300 grams and ring milled to approximately 98% - 150 mesh. Ring mills are quartz cleaned between samples. A 30 gram sample is then split off for analysis at ALS Chemex while all remaining pulp (rock powder) is transferred to a small envelope and, with accompanying control standards, forwarded to ALS Chemex Laboratory Services Ltd., in Vancouver, BC for analyses.

#### **Control Standards**

Paragon inserted a control standard of powder (with a known concentration) and a blank into each block of 20 channel samples. Grab and float samples did not get standards or blanks inserted. ALS Chemex runs QA/QC checks on sample preparations at regular intervals.

#### **Sample Analyses by ALS Minerals**

All samples were analyzed for Au at ALS Minerals in North Vancouver, BC, by fire assay as described below:

#### **Fire Assay Procedure - Au-AA23 & Au-AA24: Fire Assay Fusion, AAS Finish**

##### **Sample Decomposition:**

Fire Assay Fusion (FA-FUS01 & FA-FUS02)

##### **Analytical Method:**

Atomic Absorption Spectroscopy (AAS)



A prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, inquarted with 6 mg of gold-free silver and then cupelled to yield a precious metal bead.

The bead is digested in 0.5 mL dilute nitric acid in the microwave oven, 0.5 mL concentrated hydrochloric acid is then added and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 4 mL with de-mineralized water, and analyzed by atomic absorption spectroscopy against matrix-matched standards.

Method Code	Element	Symbol	Units	Sample Weight (g)	Lower Limit	Upper Limit	Default Overlimit Method
Au-AA23	Gold	Au	ppm	30	0.005	10.0	Au- GRA21
Au-AA24	Gold	Au	ppm	50	0.005	10.0	Au- GRA22

### Precious Metals Analysis – Screen Metallics Gold, Double Minus Au-SCR21

**Sample Decomposition:**

Fire Assay Fusion

**Analytical Method:**

Gravimetric

1000 g of the final prepared pulp is passed through a 100 micron (Tyler 150 mesh) stainless steel screen to separate the oversize fractions. Any +100 micron material remaining on the screen is retained and analyzed in its entirety by fire assay with gravimetric finish and reported as the Au(+)fraction result. The -100 micron fraction is homogenized and two sub-samples are analyzed by fire assay with AAS finish (Au-AA25 and Au-AA25D). The average of the two AAS results is taken and reported as the Au (-) fraction result. All three values are used in calculating the combined gold content of the plus and minus fractions.

In the fire assay procedure, the sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required in order to produce a lead button. The lead button, containing the precious metals, is cupelled to remove the lead and the resulting precious metal bead is parted in dilute nitric acid, annealed and weighed to determine gold content.

The gold values for both the +100 and -100 micron fractions are reported together with the weight of each fraction as well as the calculated total gold content of the sample.



## Fire Assay Procedure

### Au- AA23 & Au- AA24 Fire Assay Fusion, AAS Finish

#### Sample Decomposition:

Fire Assay Fusion (FA-FUS01 & FA-FUS02)

#### Analytical Method:

Atomic Absorption Spectroscopy (AAS)

A prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, inquarted with 6 mg of gold-free silver and then cupelled to yield a precious metal bead.

The bead is digested in 0.5 mL dilute nitric acid in the microwave oven, 0.5 mL concentrated hydrochloric acid is then added and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 4 mL with de-mineralized water, and analyzed by atomic absorption spectroscopy against matrix-matched standards.

Method Code	Element	Symbol	Units	Sample Weight (g)	Lower Limit	Upper Limit	Default Overlimit Method
Au-AA23	Gold	Au	ppm	30	0.005	10.0	Au- GRA21
Au-AA24	Gold	Au	ppm	50	0.005	10.0	Au- GRA22

Revision 04.00  
Aug 17, 2005

RIGHT SOLUTIONS RIGHT PARTNER

www.alsglobal.com



## Fire Assay Procedure

### Au- SCR21 Precious Metals Analysis – Screen Metallics Gold, Double Minus

#### Sample Decomposition:

Fire Assay Fusion

#### Analytical Method:

Gravimetric

1000 g of the final prepared pulp is passed through a 100 micron (Tyler 150 mesh) stainless steel screen to separate the oversize fractions. Any +100 micron material remaining on the screen is retained and analyzed in its entirety by fire assay with gravimetric finish and reported as the Au(+)fraction result. The -100 micron fraction is homogenized and two sub-samples are analyzed by fire assay with AAS finish (Au-AA25 and Au-AA25D). The average of the two AAS results is taken and reported as the Au (-) fraction result. All three values are used in calculating the combined gold content of the plus and minus fractions.

In the fire assay procedure, the sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required in order to produce a lead button. The lead button, containing the precious metals, is cupelled to remove the lead and the resulting precious metal bead is parted in dilute nitric acid, annealed and weighed to determine gold content.

The gold values for both the +100 and -100 micron fractions are reported together with the weight of each fraction as well as the calculated total gold content of the sample.

#### **Calculations:**

$$Au^{-} \text{ avg} = \frac{Au^{-}(1) + Au^{-}(2)}{2}$$

$$Au_{Total}(g/t) = \frac{(Au^{-} \text{ avg}(g/t) \times Wt.Minus(g) \times 10^{-6} t/g) + (Weight \text{ Au in Plus}(mg) \times 10^{-3} g/mg)}{(Wt.Minus(g) + Wt.Plus(g)) \times 10^{-6} t/g}$$

Jul 30, 2004

RIGHT SOLUTIONS RIGHT PARTNER

www.alsglobal.com



## Fire Assay Procedure

### Fire Assay

#### Procedure - Au- SCR21 Precious Metals Analysis - Screen Metallics Gold, Double Minus cont'd

Determination Reported	Description	Detection Limit	Upper Limit	Units
Au Total (+)(-) Combined	Total gold content of sample as determined by metallics calculation above.	0.05	1000	ppm
Au (+) Fraction	Gold content of plus fraction determined by Au-GRA21.	0.05	100,000	ppm
Au (-) Fraction	Gold content of minus fraction. Reported as average of two subsamples.	0.05	1000	ppm
Au-AA25	Gold content of first minus fraction subsample.	0.05	1000	ppm
Au-AA25D	Gold content of second minus fraction subsample.	0.05	1000	ppm
Au (+) mg	Weight of gold in plus fraction.	0.001	1000	mg
WT. (+) Fraction Entire	Weight of plus fraction.	0.01	1000	g
WT. (-) Fraction Entire	Weight of minus fraction.	0.1	10,000	g

Jul 30, 2004

RIGHT SOLUTIONS RIGHT PARTNER

[www.alsglobal.com](http://www.alsglobal.com)

**Appendix V**

**Statement of Expenditures by Claim**

Appendix V - Statement of Expenditures by Claim.

<b>Southern Block</b>								
<b>Claim</b>	<b>Units</b>	<b>Due Date</b>	<b>Work Required</b>	<b>Assessment work complete</b>	<b>Assessment report writing expenditures</b>	<b>Total Assessment Work</b>	<b>Reserve</b>	<b>Deficit</b>
4251260	12	10-Aug-11	\$487	\$3,982	\$243	\$4,225	\$3,738	\$0
4251261	8	10-Aug-11	\$2,504	\$2,655	\$243	\$2,898	\$394	\$0
4251264	10	10-Aug-11	\$2,257	\$3,319	\$243	\$3,562	\$1,305	\$0
4251265	14	10-Aug-11	\$4,676	\$4,646	\$243	\$4,889	\$213	\$0
4251267	15	10-Aug-11	\$4,441	\$4,978	\$243	\$5,221	\$780	\$0
<b>Totals</b>	<b>59</b>		<b>\$14,365</b>	<b>\$19,580</b>	<b>\$1,215</b>	<b>\$20,795</b>	<b>\$6,430</b>	<b>\$0</b>

007 outcrop  
local float  
quartz vein in  
Mafic vol. 2% chalco  
0666492  
5546459

June 05

sheared 008 outcrop  
Mafic vol.  
Hem stain, minor PY  
15u 0664409  
5545445

009 outcrop  
Mafic, Ultramafic vol. chalco and  
PY 20%  
0661128  
5545004

001 outcrop  
Mafic vol. 20% PY  
Biotite, Hem. staining  
15u 0668391 E  
5546354 N

002 outcrop  
15cm Carbonated  
quartz vein  
in mafic Hem stained  
minor Sulphide PY,  
15u 0668201 E  
5546414 N  
June 04

003 outcrop  
10cm quartz vein  
in mafic minor  
chalco.  
0667257 E  
5546297 N

015 outcrop  
quartz vein in mafic  
vol 50cm wide cubic  
PY minor chalco  
0665713  
5546291

014 local float  
boulder banded PY  
smoky quartz  
0665370  
5545877  
mafic vol.

013 outcrop  
Silicified quartz  
20cm wide disseminated  
PY thin, sharp  
0667859  
5544229

010 outcrop ultramafic  
quartz vein in mafic vol.  
10% py 0664479  
5545206

011 outcrop  
ultra 15cm wide mineralized  
/ mafic vol 30% py minor  
chalc 0664496  
5545272

012 local float  
boulder 20cm x 15cm  
mafic vol 30% disseminated  
py 0663616  
5544025

004 outcrop  
sheared fractured mafic vol.  
fractures fill with quartz  
py, chalc 0664759  
~~5545936~~  
B

0666440  
5546290

005 outcrop sheared zone  
6m wide quartz  
WE bearing mal staining  
py 0666495  
5546450

006 local float same as  
005 0666497  
5546453

FIELD(S)

June 06  
0667211  
5546900  
4m wide clear quartz  
vein

June 7  
016 local float  
mafic vol. boulder  
10% py + trace chalc  
0665668  
5547828

017 outcrop sheared  
highly sil quartz  
vein in mafic vol.  
minor py, chalc  
0666055  
5546848



018 outcrop

sheaved 10cm quartz vein in mafic vol. trace chalc and py.

0666278

5547821

019 outcrop

sheaved mafic vol. carbonated iron enriched py throughout

0666624

5547783

020 outcrop

highly sil. quartz in mafic vol trace py and chalc

0662772

5544291

024 outcrop

sheaved sil. quartz vein in mafic vol disseminated

py 0663964

5545715

June 13

025 outcrop

vasty, carb. sil. quartz sheaved mafic dol

0663835

5544261

6x6 pit.

026 outcrop from a pit. compact heavy smoky quartz

vein 10cm wide.

0663164 mafic vol.

5544468

021 float felsic?  
 Pink quartz boulder  
 25cm x 25cm 5% Chalco  
 and minor py

0668522  
 5545831

022 outcrop  
 mafic vol. 2cm quartz  
 vein both quartz and wallrock  
 contain cubic py 20%

0668399  
 5546354

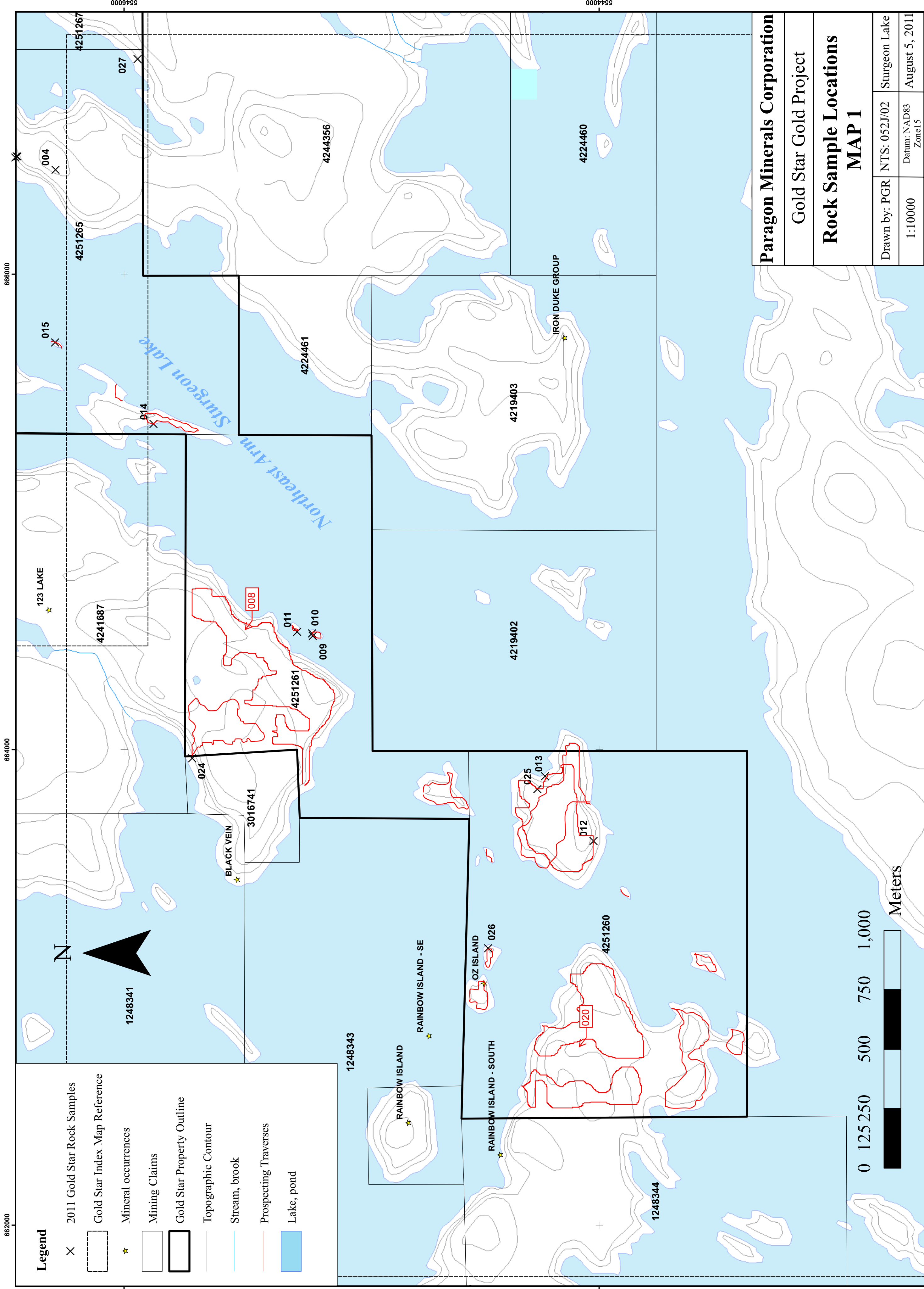
023 outcrop mafic vol.  
 2cm quartz vein  
 same as 022

0668398  
 5546265

June 15

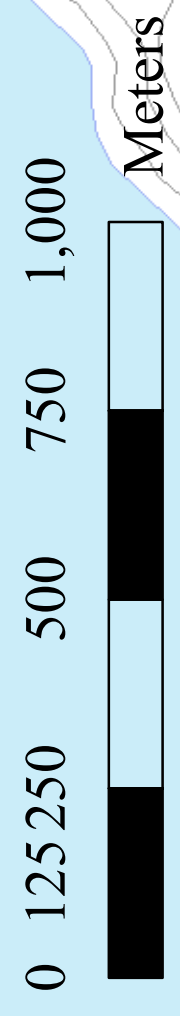
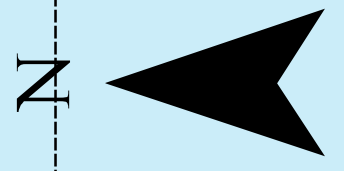
027 outcrop  
 mafic vol. 109% py  
 trace chalco

0666906  
 5545944



**Legend**

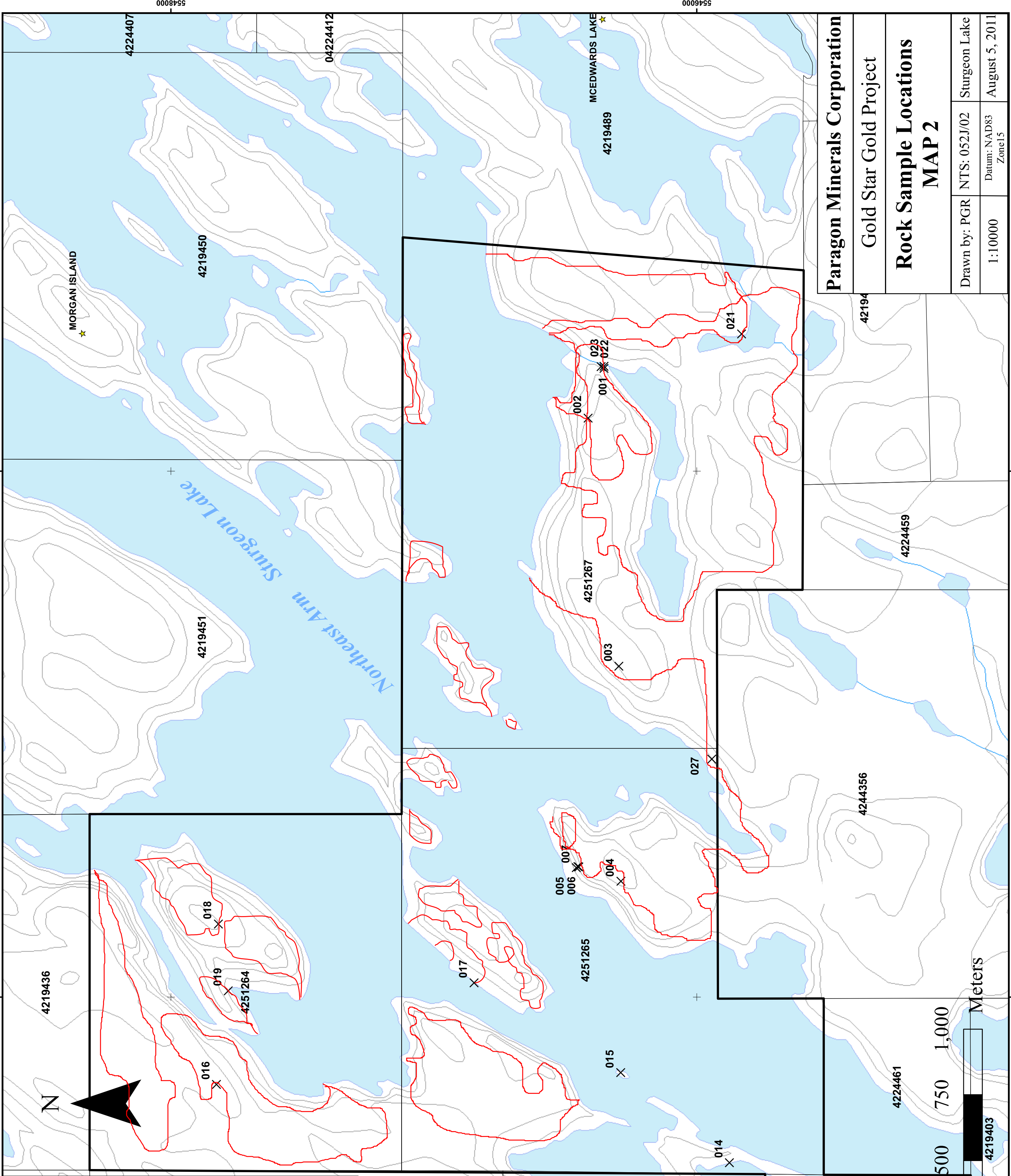
- X 2011 Gold Star Rock Samples
- Gold Star Index Map Reference
- ★ Mineral occurrences
- Mining Claims
- Gold Star Property Outline
- Topographic Contour
- Stream, brook
- Prospecting Traverses
- Lake, pond



<b>Paragon Minerals Corporation</b>			
Gold Star Gold Project			
<b>Rock Sample Locations</b>			
<b>MAP 1</b>			
Drawn by: PGR	NTS: 052J/02	Sturgeon Lake	
1:10000	Datum: NAD83 Zone15	August 5, 2011	

**Legend**

- X 2011 Gold Star Rock Samples
- Gold Star Index Map Reference
- Mineral occurrences
- Mining Claims
- Gold Star Property Outline
- Topographic Contour
- Stream, brook
- Prospecting Traverses
- Lake, pond



**Paragon Minerals Corporation**  
**Gold Star Gold Project**  
**Rock Sample Locations**  
**MAP 2**

Drawn by: PGR	NTS: 052J/02	Sturgeon Lake
1:10000	Datum: NAD83 Zone 15	August 5, 2011

