

**Assessment Report on Ground-truthing and Prospecting
Conducted on claim 4248746, 4255504 & 4255505
Canagco Mining Corporation**

**Lorrain Township
Larder Lake Mining District**

**UTM Zone 17
Nad83 Projection
Centered on 604836E 5248025N**

**Work Conducted on
Claims 4248746, 4255504 & 4255505**

Work Conducted From June 5th, 2012 to July 6th, 2012

Prepared by:

Martin Ethier, MSc.

Hinterland Geoscience & Geomatics

**For:
Canagco Mining Corporation
08 July 2012**

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Summary

Canagco Mining Corporation (formerly 2278419 Ontario Limited) is exploring for minerals on several blocks of contiguous mining patents/mining claims covering parts of six townships (Bucke, Coleman, Gillies Limit, Lorrain, Harris and Casey) in the historic Cobalt Mining Camp.

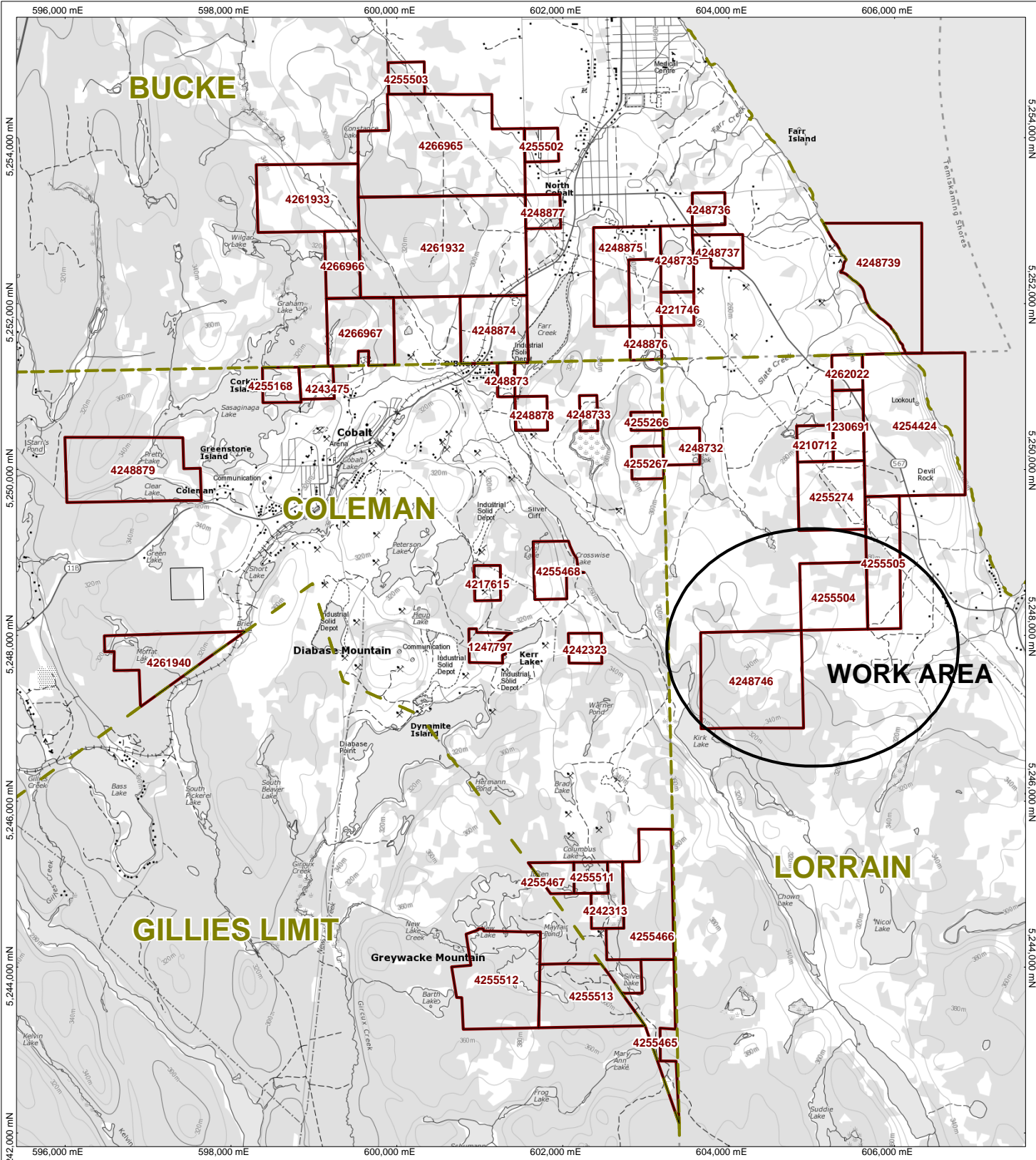
This report consists of ground-truthing airborne magnetic anomalies, in conjunction with understanding the nature of the rock types, topography and cultural features. Forestry cuts have been performed in the last 5 to 20 years. Ground visual and precise mapping would be important for future geophysical work. Most of the claim posts for these claim units are not in the correct location, in depth positional analysis was conducted and survey pins located. The costs of the labor described above, plus the direct costs of planning the work, writing and producing this report are filed herein as assessment work. This work will help devise a future exploration.

Property Location

These claims are located in Lorrain Township about 7 km along highway 567 southeast of North Cobalt (southern part of the City of Temiskaming Shores). The claims can be accessed by vehicle on highway 567, and by an all-weather access road from UTM 606318E, 5248999N.

This access road is on private land and an agreement must be reached between the workers and the land owner in order to obtain a key for the gate. From this road, a grown in ATV trail at UTM 605465E, 5247900N can be used to access claim to the north and west.

Canagco has not conducted any work on this claim previously, and this preliminary work will be the base for future advanced work. The claim area is entirely within crown land, no surface right owners are present.



LEGEND

- Township
- Canagco Mining Claims

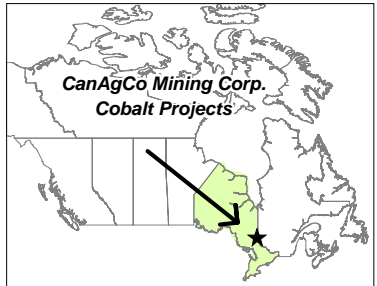


Image Reference:
Toporama 31M05 ver.7

Projection: UTM Zone 17 (NAD 83)

**Property Claim Map
Cobalt Area**

Scale - 1 : 65,000	Date: July 6th, 2012
Figure - 1	Author: M.Ethier

Prospecting Summary

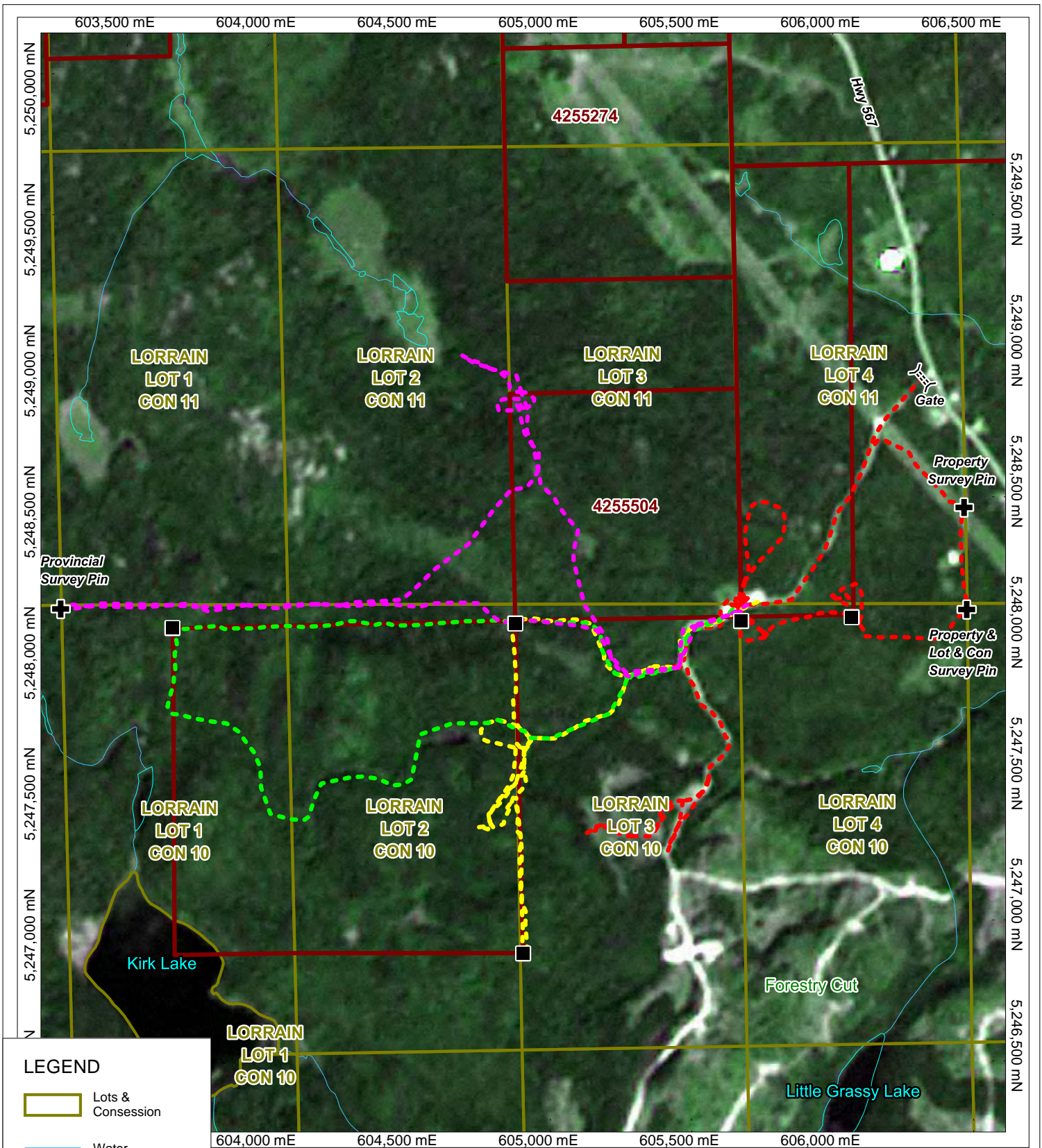
On November 9, 2011, Canagco Mining Corporation (formerly 2278419 Ontario Limited) purchased the Cobalt area assets of Aranka Gold Inc. in northeastern Ontario. Canagco also made option agreements with local prospectors and companies holding claims in the Cobalt area.

On June 5th, 6th, 7th and 8th 2012, the author traversed these claims with the purpose of ground-truthing airborne magnetic anomalies, in conjunction with understanding the nature of the rock types, topography and cultural features. Forestry cuts have been performed in the last approx. 10 years on southern half of claim 4248746. Winter roads corridors are visible on recent satellite imagery, but are now impassible by ATV's and the thick overgrowth is even difficult to penetrate by walking. Numerous little hunting ATV trails are usable, but most must be cleared up by chainsaw.

In the field, the northern and eastern boundaries of claim 4248746 was flagged and re-mapped. After reviewing the claim data and positioning, it was very apparent that the claim data needed to be clean up in this surveyed township. Two survey pins were found and clarified the boundary between Concessions 11 & 10, Lorrain Township. This east-west trace should be the actual northern extent of claim 4248746 and the southern line of claims 4255504 & 4255505. Interestingly, an overgrown (5 years) 5 foot wide survey line is noticeable in the field on the western quarter of the north boundary of 4248746. (See Fig2).



This photo taken in the field shows a Provincial Survey Pin grounding the boundaries of Coleman Township (Lot 1-Concession 5) to the northwest, Coleman Township (Lot 1-Concession 4) to the southwest, Lorrain Township (Lot 1- Concession 11) to the northeast, and Lorrain Township (Lot 1-Concession 10) to the southeast (UTM Nad83 603264E 5248106N). The other pin located at (UTM Nad83 606475E 5248104N) and represents



LEGEND

- Lots & Concession
- Water
- + Claim Post
- Point
- - - June 5th Traverse
- - - June 6th Traverse
- - - June 7th Traverse
- - - June 8th Traverse
- Canagco Claims

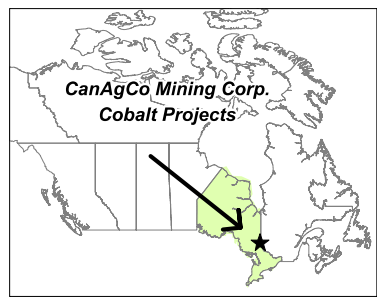


Image Reference:
Aster Image (Aug. 11, 2011)

Projection: UTM Zone 17 (NAD 83)

**Prospecting-Traverse
Ground Truthing Map**

Scale - 1 : 18,000	Date: June 6th, 2012
Figure - 2	Author: M.Ethier

the southeastern corner of Lorrain Township (Lot 4- Concession 11) and the northeastern corner of Lorrain Township (Lot 4- Concession 10).

Sampling & Geology

Detailed mapping of the claims was not completed due to time constraint, but mostly because of the thick vegetation. During the traverses general rock description were noted and mapped (See- Fig. 3). A subset map on figure 3 shows an area that was cleared by a forestry company and a good amount of overburden was removed for road building. This resulted in exposing bedrock, and 4 pit areas were dug-up with a skidsteer backhoe where veining was evident. This area needs more detail mapping, shearing, veining, faulting are all evident in this cleared zone. Four (4) samples all with calcite/quartz veins were analyzed, but no silver-gold values were encountered.

UTM NAD83

Rock

sample	xcoord	ycoord	Description
21002	605666.9	5248146	Sheared Gabbro with minor quartz and calcite veining
21003	605615	5248090	Sheared Gabbro with minor quartz and calcite veining
21004	605604	5248076	Gabbro (Brecciated)
21001	605710.4	5248129	Gabbro (Brecciated) with miner veining and sulphides

See next page for result.

List of Personnel

Martin Ethier, M.Sc. Pgeo
Hinterland Geosience & Geomatics
P.O. Box 304
Haileybury ON, P0J 1K0

Maurice Ethier
Contractor/Geo Assistant
North Cobalt ON

PolyMet Laboratories

Client: Canagco Mining Corp.
Job No. 0-214

CERTIFICATE

14299

**RUSH
Rocks**

Date:
July 5, 2012

Sample #	Au Oz/ton	Au g/tonne	Ag Oz/ton	Ag g/tonne
21001	<.001	<.03	<.10	<3.4
21002	<.001	<.03	<.10	<3.4
21003	<.001	<.03	<.10	<3.4
21004	<.001	<.03	<.10	<3.4

4 Rocks

Std OxL 93 0.176 6.034
Blank <.001 <.03

Certified Assayer:



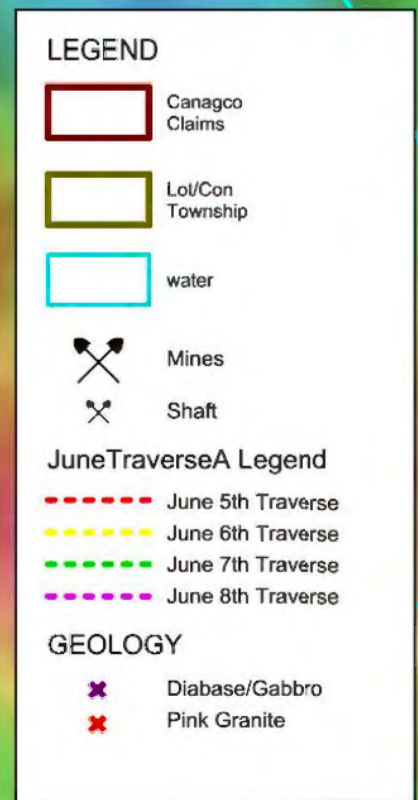
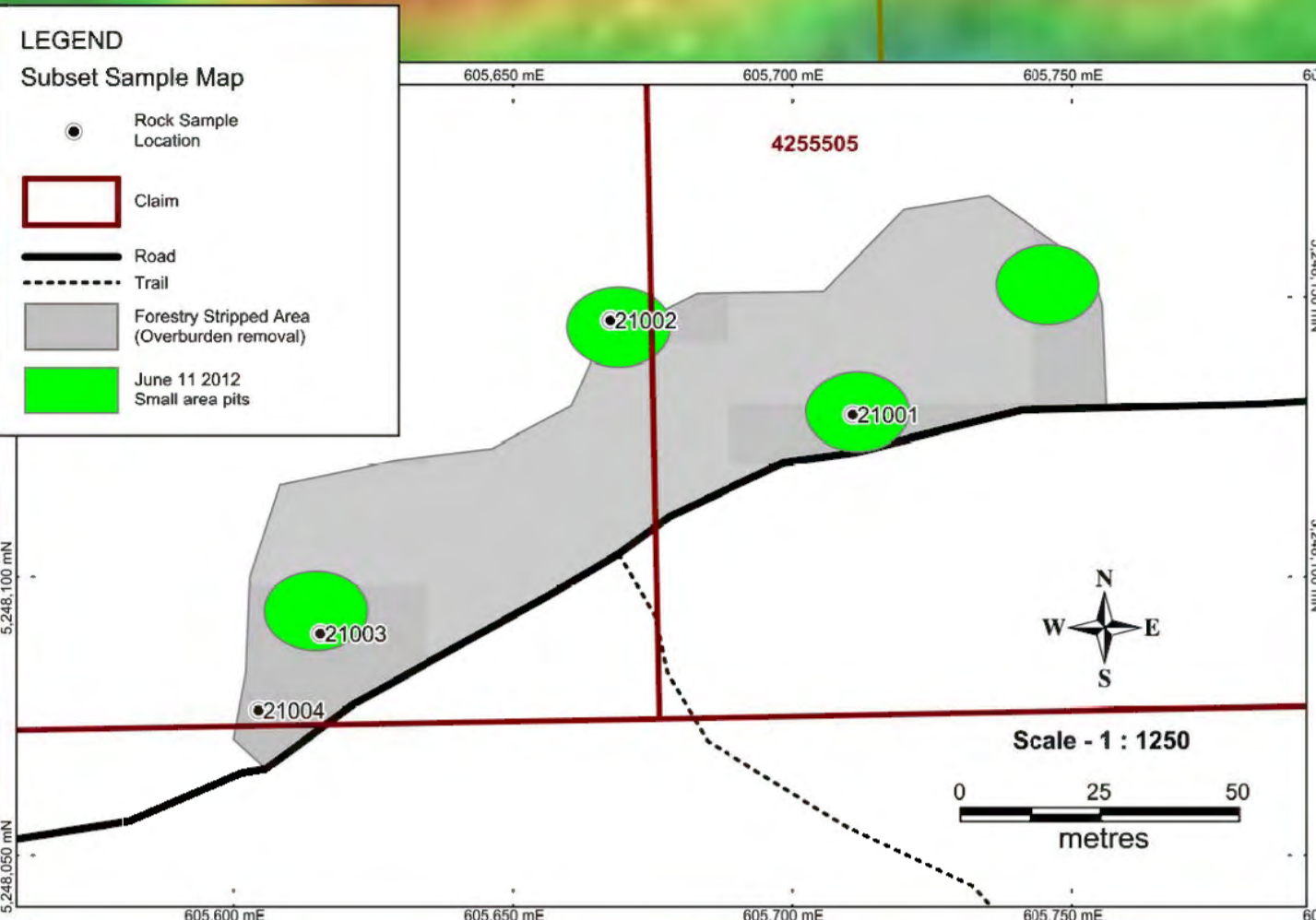
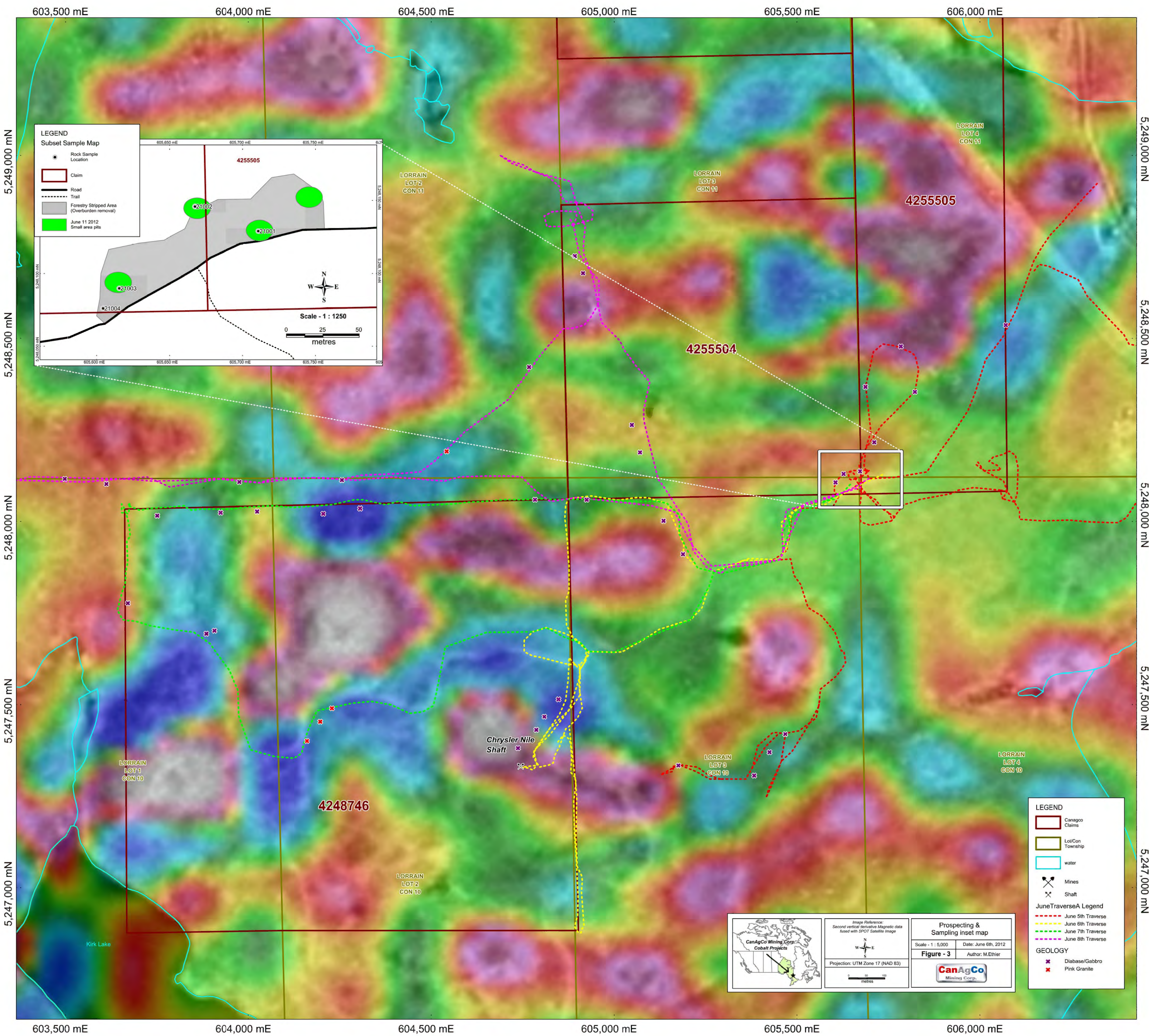
Futhermore, the Chrysler Nyle Shaft was located at UTM 604744E, 5247333N and it is exposed with no barriers, certainly a hazard. Most of the roads and the whole area is overgrown, and this shaft is difficult to find, especially in the summer.



Chrysler Nyle Shaft



Chrysler Nyle waste pile north of shaft



Prospecting & Sampling inset map

Scale - 1 : 5,000 Date: June 6th, 2012

Figure - 3 Author: M.Ethier

CanAgCo Mining Corp.

Image Reference:
Second vertical derivative Magnetic data fused with SPOT Satellite Image

Projection: UTM Zone 17 (NAD 83)

0 50 100 metres

603,500 mE 604,000 mE 604,500 mE 605,000 mE 605,500 mE 606,000 mE

5,249,000 mN

5,248,500 mN

5,248,000 mN

5,247,500 mN

5,247,000 mN

603,500 mE 604,000 mE 604,500 mE 605,000 mE 605,500 mE 606,000 mE

4255505

4255504

4248746

LORRAIN LOT 2 CON 11

LORRAIN LOT 3 CON 11

LORRAIN LOT 4 CON 11

LORRAIN LOT 1 CON 10

LORRAIN LOT 2 CON 10

LORRAIN LOT 3 CON 10

LORRAIN LOT 4 CON 10

Chrysler Nile Shaft

Kirk Lake