

2-53191

REPORT ON

PROSPECTING, SAMPLE EXTRACTION, FABRICATING SAMPLES

ACTLABS (ASTM) ARCHITECTURAL STONE TESTING

McTAVISH TOWNSHIP (G-0675) THUNDER BAY MINING DIVISION

NTS 52A 10NE

CLAIM # 4242686 AND # 4242682

GERALD BLAKELY CLIENT # 300399

OCTOBER 2012



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Daily Prospecting Diary

Monday May 10, 2010

Prospecting crew: Verne Smith, Jim Dampier, and myself
Equipment list: 2 half tons, 1 trailer, 3 quads, 3 power saws

This week we will be prospecting the area that would eventually become claim #4242686 and 4242682. See attached map.

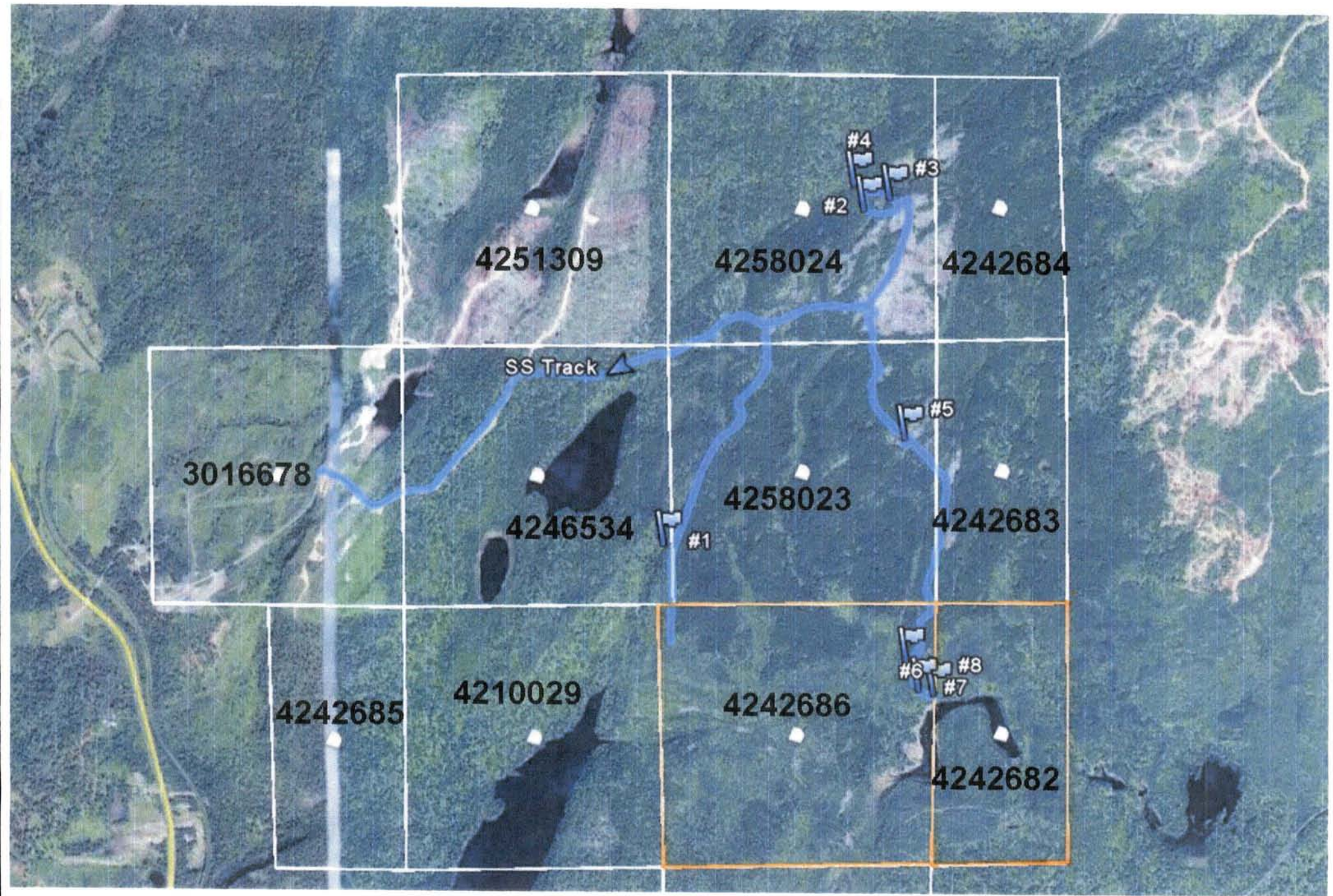
We left Nipigon at 7:30 AM loaded the day before for this prospect with a quad on my trailer and my half ton and a quad on Verne's half ton. We arrived at an abandoned railroad siding at Pass Lake at 8:30 AM. We had been through this area before looking at the sandstone exposures and had hunted the area several times for partridge. The area of prospect is accessible with an old logging road in pretty good shape except for blow downs. Within the first 400 meters going up a steep hill we encountered surface exposed buff sandstone. Further along for another couple of hundred meters, we came to road junction turning to our left and soon within another couple of hundred meters coming upon another open buff sandstone exposure. There is a ledge here of 1 to 2 meters of pretty good looking quarryable stone. Going further along this road we came to a fault line crossing the road with a 1 to 4 meter face exposed. The top 2 meters is fractured, but below seems to be a massive layer of red sandstone. We followed this ridge southwest to Upper Pass Lake and south along the east shore of Upper Pass Lake. This whole exposure runs in and out of being fractured and is under layered with dolomite. The only area of real potential seems to be right where the road intersects the fault. We drove with our quads to Upper Pass Lake not noticing any more potential showings. We returned to our vehicles, loaded up the quads and returned home by 8:30 pm.

Tuesday, May 11, 2010

This morning is another cloudy day. We headed out of Nipigon at 7:30 am. Today we will prospect from the junction on the road heading to Little Horseshoe Pond. See attached map. Just to the east of Horseshoe, there is an alder grown in road; as far as we could bring our quads. Up to now, access was easy, only having to remove blow down trees. From here we walked north along this grown in road to the north end of Horseshoe Pond. Here we found a south facing exposure which overlooks the pond approximately 3 to 4 meters high. This area maybe quarryable buff to pink sandstone. From here we proceeded north along the east side of a creek that flows into Horseshoe Pond, soon coming upon open exposed areas with vertical ledges facing west on the east side of the creek with slight dipping to the east. From here we could see hills to the east that we had noticed were dolomite. These hills run north, covering any possibly exposed sandstone. We then headed back, arriving in Nipigon at 8:00 pm.

Wednesday, May 12, 2010

We left Nipigon at 8:00 am today, prospecting west of Horseshoe Pond and west of the creek running into Horseshoe. This is a forested area with no noticeable potential exposures. We will now consider prospecting areas to the north. We returned home to Nipigon at 6:30 pm.



4251309

4258024

4242684

3016678

SS Track ▲

4246534

4258023

4242683

4242685

4210029

4242686

4242682

#2 #3 #4

#1

#5

#6 #7 #8



OFRLA Map for Work Permit - TBS-11-56
Licensee: Gerald Blakely *Jane Hannon*
Sept 4/12



1:10,000

site 4 - Area = 1.3ha



site 2 - Area = 0.3ha



site 1 - Area = 1ha





RECEIVED
NOV 05 2012
GEOSCIENCE ASSESSMENT

site 3 - Area = 1ha

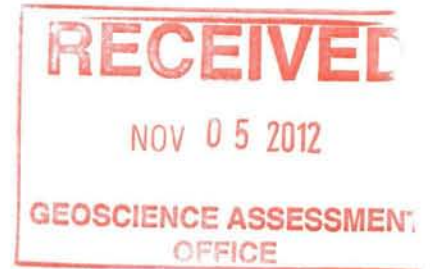


Upper Pass Lake

-  Harvest Areas - max area as indicated on map
-  Roads - max 30m Right of Way

Daily Prospecting Diary

Prospecting crew: Verne Smith, William Richardson and myself
Equipment List: 2 half tons, 1 trailer, 3 quads, 3 power saws



This week we will be prospecting, locating and creating drill access to potential quarry sites in claim #s 4242686 and 4242682. This is continued prospecting from May of 2010. See attached map for site and trail access.

Monday, July 04, 2011

Clear in the morning, but rained in the afternoon. We left Nipigon at 8:00 am. My truck and trailer (each loaded with a quad) and Verne's truck with a quad and each with a power saw. From the previous years' prospecting and claim staking, we wanted to locate sites with the most quarry potential and to locate and create drill access to these sites. We unloaded quads at the abandoned rail siding at Pass Lake. We accessed the claims by using an old logging road from the siding which runs up to the north end of Upper Pass Lake and branches northeast approximately 400 meters north of the siding and runs south of Little Horseshoe Pond. From the start near the siding, we encountered several large poplar trees across the road which had been fallen by beavers. Further along the way, we encountered a few more blow down trees and bent over alders. We decided to concentrate on cleaning up the old road to Upper Pass Lake. This took up the entire day. We returned to Nipigon by 6:30 pm.

Tuesday, July 05, 2011

Clear day. We left Nipigon at 7:30 am planning to locate drill access to a potential area north of Horseshoe Pond that we identified on initial prospecting of the area. We traveled by quad up the bush road, turning west at the junction. From here it's only a couple of hundred meters where we go by a potential drill site (#3 on the map). We then proceeded another couple of hundred meters where there is an open exposed sandstone area on the north side of the road from which we can drive our quads quite close to an open marsh west shoreline of Horseshoe Pond. Using our power saws, we cut a trail to the marsh avoiding merchantable timber. We encountered a couple of beaver runs roughly .5 to 1 meter across which we crossed using some salvaged blow down logs from the trail. We had to cut some alders along the shoreline in order to keep the trail on higher firmer ground. Today we managed to locate the trail to the north end of Horseshoe Pond. This completed our day and we returned to Nipigon by 6:30 pm

Wednesday, July 06, 2011

Mostly clear. Left Nipigon at 8:00 am to continue the trail north of Horseshoe Pond to claim post #1 and #4 of the claims. From the marsh, we encountered several elevations, choosing the most moderate and accessible route. The area has exposed buff sandstone and has shallow overburden and few alders. We managed to locate a trail to the top of the claims. We returned home to Nipigon, arriving at 6:30 pm.

Thursday, July 07, 2011

Rained out

Friday, July 08, 2011

Clear , nice day. Left Nipigon at 8:00 am. When we went to cross the beaver runs, to our surprise, they were flowing rapidly (not like when we first created the trail). We soon realized this location would not hold up in wet conditions or heavy use. We have an alternative route around the east side of Horseshoe to cut an old road, thickly grown in with alders. This was not an easy chore due to the dense alders, but gave us a good high and dry access to the north end of Horseshoe Pond. This took us all day and returned to Nipigon at 7:30 pm.

Personal Information:

Gerald Blakely (claim holder)

Client # 300399

Box 584 Nipigon, ON P0T2J0

111 8th Street Nipigon ON

Ph 807-887-3677 cell 807-889-0025 email: gblakely@bell.net

Signature

Handwritten signature of Gerald Blakely in blue ink, written over a horizontal line.

William G. Richardson

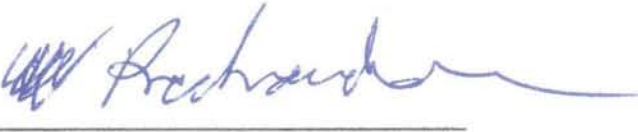
Prospector client # 187325

222 Hwy 587

RR #1 Pass Lake

Shuniah, ON P0T2J0

Signature

Handwritten signature of William G. Richardson in blue ink, written over a horizontal line.

Verne Smith

51745 Warbler Dr

Bemidji, MN 56601

Signature

Handwritten signature of Verne Smith in blue ink, written over a horizontal line.

Personnel Information:

Gerald Blakely (claim holder) – Client Number 300399

Box 584 Nipigon ON P0T 2J0

111 8th Street Nipigon ON

Ph 807-887-3677 Cell 807-889-0025 email: gblakely@bell.net

Signature -----

James Dampier

Box 612 Nipigon ON P0T 2J0

Hwy 11-17 Nipigon ON

Ph 807-887-3625

Signature -----

Block Extraction for ASTM Testing

Drill crew: Verne Smith, William Richardson and myself
See attached test sites map

Tuesday, October 18, 2011

Cloudy and cool

Left Nipigon at 8:00 am with two half tons one trailer and 3 quads loaded from the day before. Today we intend to extract our first sample from test site # 3 in claim # 4242686 and 4242682. We are using a one inch Hilti drill with pins and feathers and a 16 inch rock saw. We were kept busy drilling and sawing some stone to fit our fabricating saw and hauling the stone out by quad.

We returned to Nipigon at 5:00 pm.

Wednesday, October 19, 2011

Cloudy and mild

We left Nipigon at 8:00 am and continued with the stone extraction the same as yesterday. Returned to Nipigon at 5:30 pm.

Thursday, October 20, 2011

Clear and cool

We left Nipigon at 8:00 am and continued and finished with the stone extraction today. We transported drill and generator to next extraction site. Returned to Nipigon at 5:00pm.

Fabricating Samples for ASTM Testing

Fabricator: Verne Smith

Location: Nipigon shop

Monday, November 14, 2011

Started sawing and fabricating ASTM required samples from site #3 in claim # 4242686 and 4242682 (see attached ACTLabs size and quantity chart and claim map).

Start 8:00 am and finish at 5:00 pm

Tuesday, November 15, 2011

Continued fabricating samples.

Start 8:00 am – finish at 5:00 pm

Wednesday, November 16, 2011

Continued and finished fabricating samples.

Start 8:00 am – finish 5:00 pm

Thursday, November 17, 2011

Fabricated and packed custom crate for shipping ASTM samples for ACTLabs.

Start 8:00 am – finish at 5:00 pm

Gerald Blakely

From: "Pat Misale" <PatMisale@Actlabs.com>
To: <gblakely@bell.net>
Sent: September 7, 2011 12:43 PM
Subject: Samples- Canadian Sheild Stone Works
 Hi Gerald,

Further to our quotation Q1119 Revised Feb 8, 2011:

Attached are the particulars associated with the samples for each test. Note that I have requested extra samples due to the fact that this is a natural product that may be easily damaged.

TEST	Total No. Samples	Comments	Approximate Size
Water Absorption ASTM C97	3	1 test per condition, 2 are spares	2 ½" cube
Bulk Density ASTM C67	3	1 test per condition, 2 are spares	2 ½" cube
Compression ASTM C170 , 5 tests per condition	8	5 tests per condition, 3 are spares	2 ½" cube
Modulus of Rupture ASTM C99, 5 tests per condition	8	5 tests per condition, 3 are spares	8" x 4" x 2 ¼"
Resistance to abrasion, Taber Method ASTM C1353	3	1 test per condition, 3 are spares	3 ½" x 3 ½" x ¼"
Flexure Strength ASTM C880, 5 tests per condition	8	5 tests per condition, 3 are spares	1 ½" x 1" x 12"
Freeze, thaw ASTM C67, 5 tests per condition	8	5 tests per condition, 3 are spares	8" x 4" x 2 ¼"

Do not hesitate to contact me if we can be of any further assistance with this or any related matter.

Thanks,

Pat Misale , P Eng

Operations Manager Materials Testing
 Activation Laboratories Ltd.
 1348 Sandhill Dr
 Ancaster, Ontario, Canada L9G 4V5
 Tel: +1 905 648 9611 ext 150
 Fax: +1 905 648 9613
 E-mail: patmisale@actlabs.com
www.actlabs.com

Laboratory No. M11-852-2, Final

Gerald Blakely Explorations

March 15, 2012

Attention: Gerald Blakely

Topic: Stone Quality Evaluation

Sample Identification: #3, Nov 29, 2011, #3 "Banded Pink" # THB-938-80692

Purchase Order Number: pending

This report is subject to the following terms and conditions:

1. This report relates only to the specimen provided and there is no representation or warranty that it applies to similar substances or materials of the bulk which this specimen is a part of. 2. The contents of this report is for the information of the customer identified above only and it shall not be represented or published in whole or in part or disclosed to any other party without prior consent of ACTLABS. 3. The name ACTLABS shall not be used in connection with the specimens reported or any substance or materials similar to that specimen without prior written consent of ACTLABS. 4. Any tests outsourced to an accredited subcontractor are identified as follows: (*) 4. Neither ACTLABS nor its employees shall be responsible for any claims, loss or damages arising in consequence of reliance on this report or any error or omissions in its preparation or the test conducted. 5. Specimens are retained for 90 days. Samples which are critical or the subject of litigation should be retrieved as soon as possible. Actlabs will not be responsible for loss or damage however caused. Test reports and test data are retained 10 years, from date of final test report and then disposed of, unless instructed otherwise in writing. 6. Micrograph magnification based on a photo size of approximately 3.5"x5" unless otherwise noted. QA Forms Revision 4.2 Effective Date: March 22, 2008

Test Report Certified By:

Prepared By:

Approved By:

Shoudan Liu, B.Sc.

Senior Metallurgist

Pat Misale, P. Eng.

Department Manager

Laboratory No. M11-852-2, Final

Table 1, Water Absorption and Bulk Density Result
Sample ID: #3, Nov 29, 2011, #3 "Banded Pink" # THB-938-80692

	Water Absorption, ASTM C97, %	Bulk Density, ASTM C97, lb/ft ³
1	1.63	153.64
2	1.37	155.12
3	1.38	154.78
Average	1.46	154.51

Table 2, Mechanical Tests Results
Sample ID: #3, Nov 29, 2011, #3 "Banded Pink" # THB-938-80692

Stone ID	Compressive Strength, ASTM C170 PSI	Modulus of Rupture, ASTM C99 PSI	Flexural Strength, ASTM C880 PSI
Dry Condition (Before testing, dry samples for 48 hours at 60°C)	1	> 16,200*	2,582
	2	> 17,100*	2,155
	3	> 16,100*	1,726
	4	> 15,500*	1,683
	5	12,800	2,204
	Average	---	2,070
Wet Condition (Before testing, immerse samples in water for 48 hours at 22°C)	1	> 15,600*	1,670
	2	13,300	1,495
	3	13,400	1,718
	4	14,100	1,566
	5	---	1,517
	Average	---	1,593

* Over the maximum load limit of Instron test machine

Laboratory No. M11-852-2, Final

Table 3, Index of Abrasion Resistance Result
Sample ID: #3, Nov 29, 2011, #3 "Banded Pink" # THB-938-80692

	Index of Abrasion Resistance as per ASTM C1353
1	39
2	51
3	53
Average	48

Table 4, Freezing and Thawing Test Result as per ASTM C67

	Weight Loss, % After 50 Cycles as per ASTM C67	Visual Inspection After 50 Cycles as per ASTM C67
1	0.01	No New Cracks or Breakage
2	< 0.01	No New Cracks or Breakage
3	< 0.01	No New Cracks or Breakage
4	0.01	No New Cracks or Breakage
5	0.01	No New Cracks or Breakage
Average	0.01	- - -

SCALE: 2 CM = 100 M. MAG DEC 0° USED. DIST THUNDER BAY & PLAN 40074

McTAVISH TWP. NE 14 LOT 12 CONC. 6

NAD 83 UTM. ZONE 16

G. BLAKELY LIC #34580

CROWN

CP# 412 M LP 412 M
4 372781 5382139

CP# 414 M
1 373605E 5382139

TAG # 4242682
PREFERRED SITE #1.

TAG # 4242686

3736288 5381849 N

WP. 316 M. S. CP #1.

FAULT LINE.

BUFF SANDSTONE
WHITE SANDSTONE
RED SANDSTONE

FLAT SANDSTONE

WATER SWAMP

BUFF SANDSTONE

BUFF SANDSTONE

BUSH ROAD

WP. 152 M. SOUTH LP

CP# 412 M LP 412 M
3 372781 5381326

CP# 414 M
2 373605 5381311
START 700 AM 07/07/10
FINISH 530 PM. 07/07/10.

STAKED: CROWN LIC # 4207431

A photograph of a rock outcrop showing layered sandstone. The rock is light-colored with some reddish-brown staining. A prominent white quartzite section is visible in the lower center. The rock is surrounded by moss and some bare branches.

Claim # 4242686 and 4242682

Preferred Location: #1 NAD 83 16-U
373628E 5381849N

Dated: Oct 20 2011

Content: White Quartzite Sandstone

OEC ASSISTANCE PROGRAM
PROSPECTING PROGRAM

SIBLEY SANDSTONE
SUPERIOR OYSTER WHITE PROJECT

GERALD BLAKELY
FEBRUARY 2011

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Prospector's Licence/
Permis de Prospecteur

LIC E34580

EXP 08SEP2011

CLN 300399

GERALD A. BLAKELY



**APPLICATION FOR FUNDING
ONTARIO EXPLORATION CORPORATION ASSISTANCE PROGRAM
(OEC)**

INSTRUCTIONS: Please read the guidebook before completing form. Please type or print in ink. Submit completed form to:

Ontario Exploration Corporation, 1100 Memorial Avenue Suite 364
Thunder Bay, ON P7B 4A3

Office Use Only File Number:

Date of application FEB 14/11

Last Name BLAKELY First Name(s) GERALD Mr. Mrs. Miss Ms.
 Address PO Box 504 LAKE NIPIGON RESERVE
 City NIPIGON Province ON Postal Code P7E 2J0
 Telephone 807 887-3677 Contact Telephone 807 887-0025
 Email Address: gblakely@bell.net
 Client No. 300-399 Occupation Construction SUPERVISOR
 (Attach photocopy of your Ontario Prospectors Licence)

Briefly state your prospecting or related experience and training (No. of years and type) (attach separate list if necessary):

PROSPECTING SINCE EARLY 90'S. BASE METALS AT FIRST 10 YRS THEN PROSPECTING REGULARLY FOR QUARRYABLE STONE (GRANITE, MARBLE, SANDSTONE) GENERAL INTEREST GEOLGY COURSE (MARK SMYK) DISTRICT GEOLOGIST, PROSPECTING COURSE, GPS, MAPS COURSE ETC.

Industry References (that can comment on your prospecting ability): MRS. B. GEL INC. CO. ID
 Name VERN SMITH Telephone 807 754 9811 Occupation Stone Procurement Manager
 Name DUNCAN McHANE Telephone 807 229 3881 Occupation PARK SUPERVISOR & PROSPECTOR

Ministry reference (if known, preferably Resident Geologist staff): 807 475 1106
MARK O'BRIEN MINERAL DEV CONSULTANT THUNDER BAY DIST.

Past performance (list of properties optioned, locations, optionee, year, financial assistance, source of fund) (attach separate list if necessary)
SELF FINANCED HAVE PURCHASE SOME PATIENT MINING CLAIMS, STAKED SEVERAL AND HAVE OPTIONS ON SEVERAL.

Briefly describe your prospecting project and attach proposal (see guideline for details)
ASTM TEST STONE FOR QUARRY POTENTIAL.

Start date of project APRIL 01/11 Proposed number of: field working days by applicant 7 DAYS, report preparation days by applicant 3 DAYS

Proposed project area(s) (Twp. or claim map name, UTM, NTS, and Resident Geologist's area)
McTAUISH TWP. SEE ATTACHED CLAIM MAPS (C10675)
MARK O'BRIEN RESIDENT GEOLOGIST 807-475-1106
DISTRICT OF THUNDER BAY, PASS LAKE.

A/ PROJECT LOCATION

Sibley Sandstone Superior Oyster White

McTavish Township
Thunder Bay District
Thunder Bay Mining Division
McTavish Township Claim Map
UTM 374005E 5382139N
NTS 52A 10NE

B/ Location Maps

Map # 1: Claim Map: McTavish Township (G0675) Thunder Bay Mining Division
Claim # 4242686 and Claim # 4242682

Map # 2: Sibley Sandstone Property Compilation Map

Map # 3: Sibley Sandstone Proposed Stone Test Extraction Project Area

C/ Property Access

The property is located approximately 50 km east from Thunder Bay. From Thunder Bay the access is via Hwy 11/17 approximately 40 km east to Pass Lake junction, then south on Hwy 587 approximately 10 km until you come to a B & B at Pass Lake. At this location to your left or east is an abandoned CNR railroad siding and continue along this siding for 400 metres to an old existing logging road on your left or north. This road enters into the southern claims and I will have quad or drill access from this old logging road into each test site. See attached maps with access shown.

D/ List of Claims

TB 4242686, TB 4242682, (See attached map)

E/ Prospecting Targets

The primary target is to locate and determine by ASTM testing the quality and specifications of quarryable sandstone. Very little exploration and no recorded ASTM testing and quarry block testing results are recorded in the MNDMF files. If this stone is of ASTM specifications further block testing would be warranted.

F/ Regional and Local Geology

Sibley Sandstone property is located within the area ranging from early to precambrian in age. Animikie rocks of the middle precambrian age are represented by the Gunflint and Rover Formations located northwest of the Sibley Group sandstone. Outcrops of the Rover Formation (shale is the main rock type present north of Pass Lake). Keweenawan Sibley Group rocks of the late precambrian age underlie the rest of the map area with the exception of small sills and dykes of Logan-type Diabase. An informal terminology Pass Lake sandstone, Red Rock dolomite and Karma Hill siltstone is used here for the subdivision of the Sibley Group, formally known as the Pass Lake Formation, Red Rock Formation and Karma Hill Formation.

The Pass Lake sandstone has its type section at Pass Lake exposed along the CNR railroad tracks 50 metres thick. The lower underlying section of basal conglomerate is visible three metres thick of the Gunflint Formation. Just to the north of this area, also, at the lower section is some outcrops of fine shale of the Rover Formation. Everything above these showings is buff to pink sandstone (Pass Lake sandstone) of the Sibley Group, quartz arenite (quartzrose), red dolomite and red sandstone. Further north of this location I encountered a dark red to brown sandstone and a more consistent buff sandstone. Also, further north and east of these claims of mine the sandstone or Sibley Group is capped and replaced with red dolomite.

G/ Previous Work

My research and inquiries have no references or geological reports regarding the Sibley sandstone. I came across several old staked claim lines which I believe were claimed for base metals as iron, copper, lead, silver and gold showings are known north of Pass Lake. This area had recently been staked for sandstone by Tony Yozipovic and he had let the claims lapse. To my knowledge there had been no ASTM stone testing or production size sample blocks or face sample exposure to determine quality, uniformity, bedding and fracturing etc to prove the site quarryable. Last summer and fall I staked the greater part of the known and visible sandstone with intentions to follow up with the required testing to determine the stones quarry potential.

H/ Reason/Rationale

The Sandstone Property has had very little or limited exploration to date. Any previous work has not proven the site to be quarryable. I am not aware of any ASTM stone testing to warrant further block testing or core sampling. Upon discussions with the resident geologist and mineral development consultant as to the possible potential of this showing I staked the property.

I/ Proposed Work

The proposed field work is to extract with a drill and rock saw from solid bedrock of perspective areas, samples of rock to be tested, to see if it would comply with the standards of ASTM sandstone tests. Required testing with ASTM methods C97-Density, C97-Absorption, C170-Compression, C99-Modulus of Rupture, C1353-Resistance to Abrasion, C880-Flexural Strength and C67-Freeze Thaw. The work would require the removing of samples of required dimension and number of pieces of each particular stone for each test. Most of these tests require five specimens each, in approximate sizes ranging up to 1'x1'x1" to 4". This requires sawing and preparing to exact size for test pieces determined by the testing company, extra test sample pieces, packing and shipping and final ASTM report. This would determine the potential for further exploration for the potential of a quarryable site.

J/Field Work

I would be spending every day from start to finish in the field. I estimate 7 days of working in the field.

APPLICATION FOR FUNDING
Proposed Budget (Assessment Eligible Expenses Only)

(SEE ATTACHED SHEET FOR THIS
 K / PROJECT BUDGET NEXT PAGE)

1. Analyses, Assay Costs.....	\$	
2. Equipment Rentals/Supplies	\$	
3. Contract Services (state type) _____	\$	
_____	\$	
_____	\$	
4. Travel (state method: road, air, etc.) _____	\$	
5. Food and Accommodation	\$	
6. Other Expenses (specify) _____	\$	
_____	\$	
_____	\$	
TOTAL EXPENDITURES	\$	
Funding Requested	\$	

The Ontario Exploration Corporation may verify all statements related to and made herein this application.

I hereby declare that:

1. I am the person named in the Application for Funding from the Ontario Exploration Corporation.
2. I have complied with all requirements of the said program.
3. I am stating that all statements and all other information submitted in support of the said application are true and correct.
4. I will not be an employee of the Ontario Exploration Corporation while in receipt of OEC funding.
5. I am aware that all work and expenses completed utilizing the OEC funding will be applicable to the listed Mining Lands as Assessment work under the Mining Act RSO.
6. I understand that an incomplete application will be rejected and that no revisions will be permitted following receipt.
7. I understand funding will only be forthcoming once a Funding and Royalty Agreement defining the Claims, the Royalty to be tendered, the terms of the royalty buy-back and the amount of funding offered is signed with the Ontario Exploration Corporation.
8. The Claims to which I am a beneficial owner are free and clear of any undeclared liens, hypothecs, charges, encumbrances or royalties.

Signature of Applicant *Gerald Blakey* Date FEB 14/11

Name (print) GERALD BLAKEY

Personal information collected on this form by OEC and OPA will be held in confidence.

K/ Project Budget

1. Analyses, Assay Costs (ASTM stone testing) 7 tests and report		\$4,650.00
2. Equipment Rental/ Supplies		\$2,260.00
3. Contract Services		
(Sawing Stone) Specimens to test lab size	\$800.00	
(Shipping Stone) Sawing and Testing	\$2,250.00	\$3,050.00
4. Travel (Road) 1400 km @ \$0.50/km		\$ 700.00
5. Food and Accommodation 7 lunches @ \$20.00 each		\$ 140.00
6. Other Expenses (one helper) 7 days @ \$150.00/day		\$1,050.00
	Total Expenditures	\$11,850.00
	Funding Requested	\$10,000.00

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 - [Local Community Outreach](#)
 - [Sustainability Standards](#)
- [History](#)
 - [History Book](#)
 - [Milestones](#)

ASTM Overview

ASTM International, formerly known as the American Society for Testing and Materials (ASTM), is a globally recognized leader in the development and delivery of international voluntary consensus standards. Today, some 12,000 ASTM standards are used around the world to improve product quality, enhance safety, facilitate market access and trade, and build consumer confidence.

ASTM's leadership in international standards development is driven by the contributions of its members: more than 30,000 of the world's top technical experts and business professionals representing 135 countries. Working in an open and transparent process and using ASTM's advanced electronic infrastructure, ASTM members deliver the test methods, specifications, guides and practices that support industries and governments worldwide. Learn more about ASTM International.

- ASTM was formed in 1898 by chemists and engineers from the Pennsylvania Railroad. At the time of its establishment, the organization was known as the American Section of the International Association for Testing and Materials. Charles B. Dudley, Ph.D., a chemist with the Pennsylvania Railroad, was the driving force behind the formation of the Society. In 2001, the Society became known as ASTM International. Click [here](#) for more on ASTM's history.
- ASTM International standards are the tools of customer satisfaction and competitiveness for companies across a wide range of markets. [Through 141 technical standards-writing committees](#), ASTM serves diverse industries ranging from metals to construction, petroleum to consumer products, and many more. When new industries look to advance the growth of cutting-edge technologies, such as nanotechnology and additive manufacturing, many of them come together under the ASTM International umbrella to achieve their standardization goals.
- In the arena of global commerce, [ASTM International standards](#) are the passports to a successful trading strategy. High quality, market-relevant ASTM standards, developed in accordance with the guiding principles of the World Trade Organization, fuel trade by opening new markets and creating new trading partners for enterprises everywhere. From Fortune 500 leaders to emerging startups, ASTM standards help level the playing field so that businesses of all sizes can better compete in the global economy.
- ASTM International standards are developed in accordance with the guiding principles of the World Trade Organization for the development of international standards: coherence, consensus, development dimension, effectiveness, impartiality, openness, relevance and transparency. [Learn more about ASTM and Global Cooperation](#).
- ASTM International welcomes and encourages participation from around the world in the development of its standards. ASTM's open consensus process, using advanced Internet-based standards development tools, ensures worldwide access for all interested individuals. [Join ASTM International](#).
- Beyond its leadership in the area of standards development, ASTM International offers technical training programs for industry and government, as well as proficiency testing, interlaboratory crosscheck programs and newly initiated certification programs, which support manufacturers, users, researchers and laboratories worldwide. [Learn more about training](#).
- ASTM International world headquarters are located in West Conshohocken, Pa. The Society also has offices in Beijing, China, and Mexico City, Mexico.

QUOTATION

Submitted To: *Gerald Blakely*
 Canadian Shield Stone Works

Quotation Number: **Q1119 Revised**
 Date Submitted: February 11, 2011
 Attention:

Quantity	Description	Unit Price	Total
1	Water Absorption, ASTM C97, Per Specimen	\$149.00	\$149.00
1	Specific bulk Density, ASTM C97, Per Specimen	\$149.00	\$149.00
1	Compression ASTM C170 per set of 5 specimens, per condition*	\$175.00	\$175.00
1	Modulus of Rupture ASTM C99, per set of 5 test specimens per condition*	\$325.00	\$325.00
1	Resistance to Abrasion by Foot Traffic, Taber Method, ASTM C1353, per specimen	\$450.00	\$450.00
1	Flexural Strength of Natural Stone, ASTM C880, per set of 5 specimens per condition*	\$475.00	\$475.00
1	Freezing/thawing ASTM C67, 50 cycles , per set of 5 specimens	\$2,400.00	\$2,400.00
1	Freezing/thawing ASTM C1262, per set of 5 specimens	\$450.00	\$450.00

+ HST
 \$4,573.00

Prices quoted above are based on a regular turnaround time of 12-15 business days, or for timed tests: turnaround is the duration of the test plus 3-4 days for reporting and analysis, unless otherwise noted above. Interim reports can be generated upon request as tests finish (for multiple test projects) or all results can be reported together after the final test. Testing will only begin upon receipt of a purchase order number and written authorization to proceed with the testing. Prices are subject to adjustment at the discretion of supervising technician upon sample receipt or if reasonably unforeseen complications arise during testing. Status inquiries should be directed to customerservice@actlabsint.com. Terms are net 30 days. Prices are valid for ninety (90) days from date of quotation. Minimum invoice charge of \$100.00 on all work orders.

Quotation Submitted By:
 Pat Misale
 Manager - Materials Testing

Terms: Net 30 days
 Prices in effective for 90 days
 *Minimum Invoice Charge \$100.00

Feb 14th 2011

Rational/Economics

I have personally contacted and met with several Stone and Fabricating companies in the United States and Canada. Several groups have come out to view the sites and most have been given small six inch square polished cut samples as well as grab samples. I had the sample pieces cut and polished in Bemidji Minnesota, North Carolina Granite and Ledgerock Stone Products in Owen Sound, Ontario. I have also visited several quarries, fabricating sites and manufacturing equipment facilities of stone products.

I have had a couple of Chinese companies and one Italian company that have shown interest in buying sandstone as all of the fabricators have indicated the trend towards sandstone.

In the stone industry you can take your operation to basically three phases or in combination of the three phases being a rough block supplier, a slab supplier or a fabricating and distribution company.

In the rough block industry you can have a business with a minimum amount of capital investment and risk. You have to be certain that you have a quarry that can produce adequate quantities and consistent uniformity. For the Stone Building Industry you have to have a stone that would meet the architectural required standards (ASTM) American Society Testing and Materials. A secondary market would be random size blocks for other stone markets, such as, natural landscaping stone pieces, fabricated landscaping stone, pavers, tile, sills, steps, monuments, retaining walls, stone engraved signs etc. There is also a market demand for uniform size and colour aggregate in the landscaping and fabricated stone industry.

A value added phase of production would be Slab Fabrication. This phase allows you a larger market base but requires a substantial capital investment. Slab or Slab blanks of various thicknesses can be sold to fabricators who in turn can easily handle and utilize these pieces or slabs in their fabricating production; no waste is shipped out and a better control of the quality is realized by the seller and buyer.

Fabricating and marketing your own finished product is further added value but obviously a very high capital investment which also greatly impacts on the risk. I really don't see myself at this stage considering this phase. There may be some possibility of a joint venture.

I will start the business out supplying various size rough blocks and eventually produce and sell slabs and possibly monument blanks rough sawn or polished as well as the same for signs and fabricated outdoor uses (steps, fireplaces, retaining walls, pavers etc).

The quarrying cost average from \$3.00 to \$6.00/cu ft and the logistics have to be considered as well as management, sales and marketing which could cost an additional \$3.00/cu ft. Sales on random size pieces range from \$10.00 to \$15.00/cu ft and architectural blocks would easily sell for \$20.00 to \$30.00/cu ft. For example, a twenty ton (commercial size) architectural block is approximately 225 cu ft @ \$20.00/cu ft = \$4500.00 gross and could cost as high as \$2025.00 netting \$2475.00/block FOB loaded on highway transport at my block storage near quarry site. Average production could produce two to three blocks a day. On random size blocks we should be able to double this production at a sales price of minimum \$10.00/cu ft producing the same net amount per day. This is a very conservative figure on volume production as I do have an associate that produces eight to ten blocks per day.

As long as the stone is proven and I manage the operation conservatively I believe this venture should prove very profitable. I do have a team of a very experienced quarry master and quarry manager, an experienced sales and marketing (stone industry) person, a long time accounting and management firm from Thunder Bay and my own background of owner operator of a logging company for over twenty five years.

The following is a list of companies who know of my possible quarry and are anticipating possible agreements:

- Cold Spring Granite Company – Jerry Robel Quarry Sales/Procurement Manager
- Allstone Quarry Products Inc – Jose Melo/President
- Capital Granite – Joshua Behling/President
- Durcon Tile and Concrete Ltd – John Naccarato/Owner Granite Tops
- North Carolina Granite – Eric Higgenbotham/Quarry Company/Owner
- Ledgerock Natural Stone Products Ltd – Tom Stobbe/Owner
- Little Falls Granite Works Ltd – Scott Nagel/Chief Operating Officer
- Granitslab International Inc – Maryse Roy/ Sales and Marketing
- Masabi Natural Stone – Brad Gerlach/Owner
- Keith Blades M.A. Conservation Studies, Institute of Advanced Architectural Studies, University of York, England (consultant in the Conservation of Historic Buildings Inc)
- Clyde Burick – Personal Quarry Master
- Vern Smith – Personal Quarry Master, Explosives Expert, Sales and Marketing

In conclusion, once the stone has been tested and meets the ASTM test approval the stone can then be marketed as a certified architectural building stone and I will be confident in selling the stone as a proven, reliable product.



COLD SPRING GRANITE™

Cold Spring Granite Company, 17482 Granite West Road, Cold Spring, MN 56320-4578 USA
800-328-5040 320-685-3621 Fax 320-685-8490
www.coldspringgranite.com

February 8, 2011

Canadian Shield Stoneworks Ltd.
Attn: Verne Smith

RE: Superior Redstone
Superior Oyster White
Superior Chocolate
Superior Pink

Dear Verne:

This letter is to confirm that if the materials mentioned above meet ASTM minimums and can be supplied in adequate quantities and uniformity, Cold Spring Granite would be interested in purchasing rough blocks from you for use in our architectural division.

Please send me samples of all materials noted once they are prepared. Also confirm when blocks have been extracted and are ready for inspection.

Sincerely;

Cold Spring Granite Company

Jerry Robel

Jerry Robel
Quarry Sales / Procurement Manager

jmr/slf

Gerald Blakely

From: "O'Brien, Mark (MNDMF)" <mark.o'brien@ontario.ca>
To: "Gerald Blakely" <gblakely@bell.net>
Sent: February 3, 2011 3:16 PM
Subject: RE: OEC Funding

Jerry

Please accept this email as a letter of support with regard to your OEC funding application.

I can confirm that I have worked with you over the past several years with regard to stone development opportunities in Northern Ontario. In particular, we have discussed and in most cases visited/sampled the following sites: amethyst near Big Pearl Lake, buff and red sandstones near Pass Lake, white marbles near Ullet Lake, banded marble near Eaglehead Lake and Ruby Lake, red sandstone on Vert Island, white quartzite on Quarry Island, brown and black granite near Marathon, spectrolite at Shack Lake, and black granite near North Bay. I know directly that you have completed a great deal of research on these sites and have initiated engagement with potentially affected aboriginal groups. You have also notified and engaged your immediate neighbours as well as staff of the Ministry of Natural Resources with regard to Pass Lake and Pearl Lake sites.

As stone projects do not involve junior exploration companies, funding comes in the form of direct investment. Your lack of option agreements should not be construed as a lack of success; rather your networking with potential investors and the variety of stones that you have secured is a clear indication of your dedication to these endeavours.

I wish you well with regard to this funding application and your 2011 exploration/development programs.

If further information is required, I am available for follow-up with the OEC evaluator.

Mark O'Brien, Mineral Development Consultant
Ministry of Northern Development, Mines and Forestry
807-475-1106 (p)
807-475-1112 (f)
e-mail: mark.o'brien@ontario.ca

Gerald Blakely

From: "O'Brien, Mark (MNDMF)" <mark.o'brien@ontario.ca>
To: "Gerald Blakely" <gblakely@bell.net>
Sent: February 16, 2011 11:58 AM
Subject: RE: OEC Funding Evaluator
 Jerry;

see revised information below

Mark O'

From: O'Brien, Mark (MNDMF)
Sent: February 16, 2011 8:51 AM
To: 'Gerald Blakely'
Cc: Vern Smith
Subject: RE: OEC Funding Evaluator

Jerry:

Per our conversation, I fully concur that your four sandstone sites in the Pass Lake area are distinct with regard to colour, texture, mineral content and permitting requirements. From my experience, a broad palette of stones is very desirable to the stone industry; in fact, these sandstone colours would be classed as different commodities from a marketing perspective. All of the colours (pink, biege, red and brown) that you have located at Pass Lake are expected to be popular with consumers (both residential and commercial). Architectural consultants have shown great interest in these colours over the past several years, and indeed since 1880 when it comes to the red and biege sandstones from Vert Island and Simpson Island, respectively. With regard to permitting, MNDMF administers bulk sampling under the *Mining Act* - we consider sites to be distinct if they are different commodities or separated by a geographic feature, infrastructure or distance. We also consider sites to be distinct if they are the same commodity but located on a separate claim or separated by a distance of at least 500m. MNR administers production of stone under the *Agregate Resources Act* - they use the same criteria to distinguish quarry sites as they directly relate to groundwater, surface water, road access and rehabilitation considerations.

Please feel to provide my contact information to the OEC Evaluator if any additional information is required.

Mark O'Brien
 Mineral Development Consultant

Ministry of Northern Development, Mines and Forestry
 807-475-1106 (p)
 807-475-1112 (f)
 e-mail: mark.o'brien@ontario.ca



RED ROCK BAND

Lake Helen Reserve # 53A
P.O. Box 1030
Nipigon, Ontario P0T 2J0
Tel. (807) 887-2510
Fax (807) 887-3440
Toll Free (877) 887-2510

November 23, 2010

Gerald Blakely
General Deliver
Nipigon, ON
P0T 2J0

Dear Mr. Blakely,

The Red Rock Indian Band would like to thank you for taking the time to update us on the activities of your mineral exploration that is taking place on our traditional territories.

The Red Rock Indian Band welcomes your company to travel freely on our lands, we ask that you respect our land, leave as little footprints as possible and to keep us informed of any major alterations to the land.

We are also requesting that if there are any opportunities such as employment, summer student employment, mentorship programs, apprenticeship programs and economic opportunities that you give first consideration to our First Nation, our citizens and assets.

We also have available equipment for hauling, clearing and road building.

Sincerely,

Chief and Council
Red Rock Indian Band

Handwritten signatures:
- [Signature]
- [Signature]
- [Signature]



RED SKY MÉTIS Independent Nation

406 East Victoria Avenue, Thunder Bay, Ontario, Canada, P7C 1A5
Phone: (807) 623-4635 Fax: (807) 623-9331
rsmin@tbaytel.net www.rsmin.ca

February 16, 2011

Gerald Blakely
PO Box 584
Nipigon, Ontario P0T 2J0

Dear Jerry,

Thank you for the opportunity to meet and discuss your planned sandstone sampling project near Pass Lake on February 14, 2011. Chief and Council met with Donelda DeLaRonde, Executive Director, to discuss your project. We are confident your project will progress with respect for the land and as such, at this time we have no objections to your plans and support your endeavours to proceed with your project.

We would appreciate being kept informed of any potential employment opportunities that we could post for our members. Additionally, we would like to be made aware of any archaeological finds should they occur as our ancestors lived on the lands.

We wish you well with this undertaking and look forward to hearing from you in the future.

Salute et Meegwetch

Métis Chief Troy J.P. DeLaRonde
Red Sky Métis Independent Nation
Indigenous Métis First Families of Upper Canada

March, 29, 2011

Letter of Permission RE: Proposed Sandstone Sampling Project near Pass Lake, Ontario

Mr. Gerald Blakely
P.O. Box 584
Nipigon, ON
POT 2J0
Email: g blakely@shaw.ca

Please accept this letter in recognition of notifying the Métis Nation of Ontario in regards to your Sandstone Sampling Project near Pass Lake as indicated in your October 09/10 letters. At this time, the Lakehead/Nipigon/Michipicoten Consultation Committee is not opposed to the removal of test blocks. We reserve the right to be notified if an application for a quarry permit is submitted to the Ministry of Natural Resources.

In closing, the landscape of Aboriginal consultation has changed! Section 35(2) of the *Constitution Act, 1982*, outlines that aboriginal peoples of Canada include the Indian, Inuit and Métis peoples; in 2003, the *Powley Decision* affirmed that s. 35 recognizes our distinct existence and protects our existing Aboriginal rights; and in 2004, the Supreme Court of Canada set out a new legal framework that outlined the Crown's duty to consult and accommodate through the Haida and Taku River cases. We appreciate your recognition of the Metis as distinct Aboriginal people with our own distinct culture and history, as well as your willingness to include us within this process both through opportunities to review the Sandstone Sampling Project near Pass Lake, ON and by your willingness to create full time employment opportunities with the Métis Nation of Ontario

Sincerely,

Joe Daye for Cameron Burgess

CAMERON BURGESS
Region 2 Councillor
Chair- Consultation Committee
METIS NATION OF ONTARIO
807-622-2167
807-627-8111 Cell

Good Morning Mr. Blakely,

After some discussion and under the section 52 of the Mining Act administered by the Ministry of northern development, mines and forestry, on the topic of duty to consult with first nations. It is our understanding that you are seeking permission to explore an area near Pass Lake, Ontario to find Sandstone Mineral.

It is recognized that this mapped area is within the traditional territory of Fort William First Nation (FWFN) and would stress that **in the event that there are minerals to be mined within the marked zone of the map provided by yourself, the operation must come forth for a second review of consultation and accommodation to our Chief and Council.**

We hope the best to your project and hope to hear from you in the near future.

Chi Miigwetch,

Brian Ludwigsen

**Consultation Officer
Fort William First Nation**

bludwigs@fwfn.com
Office: 807-623-9543
Cell: 807-252-0160





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Mining Claim Abstract

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THUNDER BAY - Division 40		Claim No: TB 4242686		Status: ACTIVE
Due Date:	2012-Jul-09	Recorded:	2010-Jul-09	
Work Required:	\$ 1,600	Staked:	2010-Jul-07 17:30	
Total Work:	\$ 0	Township/Area:	MCTAVISH (G-0675)	
Total Reserve:	<u>\$ 0</u>	Lot Description:	ne 1/4 Lot 12, Con 6	
Present Work Assignment:	\$ 0	Claim Units:	4	
Claim Bank:	\$ 0			

Claim Holders

Recorded Holder(s) Percentage

BLAKELY, GERALD ANTOINE (100.00 %)

Client Number

300399

Transaction Listing

Type	Date	Applied	Description	Performed Number
STAKER	2010-Jul-09		RECORDED BY BLAKELY, GERALD ANTOINE (E34580)	R1040.02654

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road

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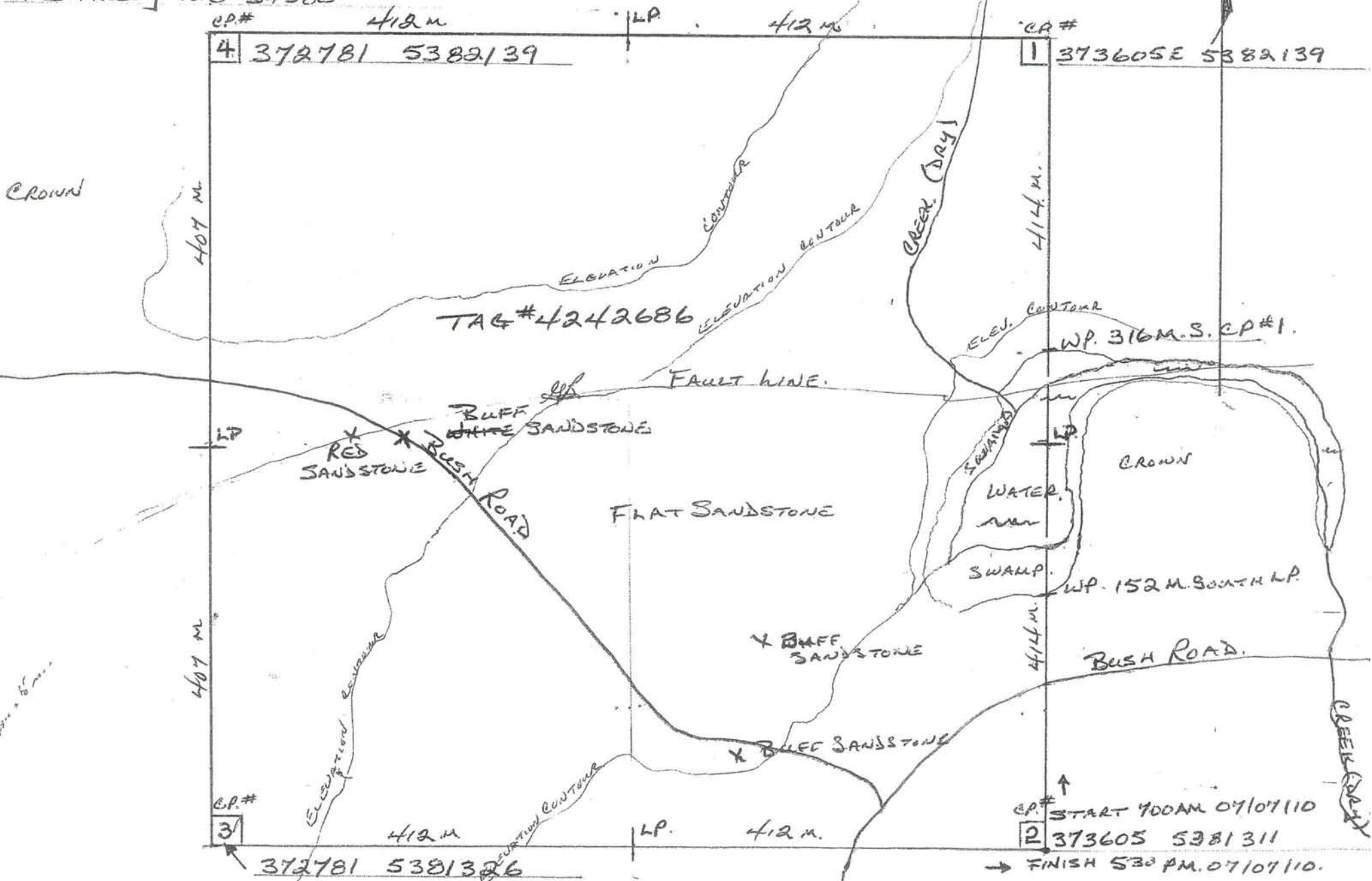
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McTAVISH TWP. NE 1/4 LOT 12 CONR. 6

NAD 83 UTM. ZONE 16

G. BLAKELY LIC #34580

CROWN



CROWN

407 M

407 M

CP# 4 372781 5382139

CP# 1 373605E 5382139

CP# 3 372781 5381326

CP# 2 373605 5381311
START 700AM 07/07/10
FINISH 530 PM. 07/07/10

TAG # 4242686

WP. 316 M. S. CP # 1.

WP. 152 M. SOUTH LP.

STAKED: CROWN LIC # 4207431

11



MINISTRY OF NORTHERN DEVELOPMENT,
MINES AND FORESTRY

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Mining Claim Abstract

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THUNDER BAY - Division 40		Claim No: TB 4242682		Status: ACTIVE	
Due Date:	2012-Nov-03	Recorded:	2010-Nov-03		
Work Required:	\$ 800	Staked:	2010-Oct-21 18:00		
Total Work:	\$ 0	Township/Area:	MCTAVISH (G-0675)		
Total Reserve:	<u>\$ 0</u>	Lot Description:	NW 1/4 W 1/2 Lot 12, Con 5		
Present Work Assignment:	\$ 0	Claim Units:	2		
Claim Bank:	\$ 0				

Claim Holders

Recorded Holder(s) Percentage

BLAKELY, GERALD ANTOINE (100.00 %)

Client Number

300399

Transaction Listing

Type	Date	Applied	Description	Performed Number
STAKER	2010-Nov-03		RECORDED BY BLAKELY, GERALD ANTOINE (E34580)	R1040.03733

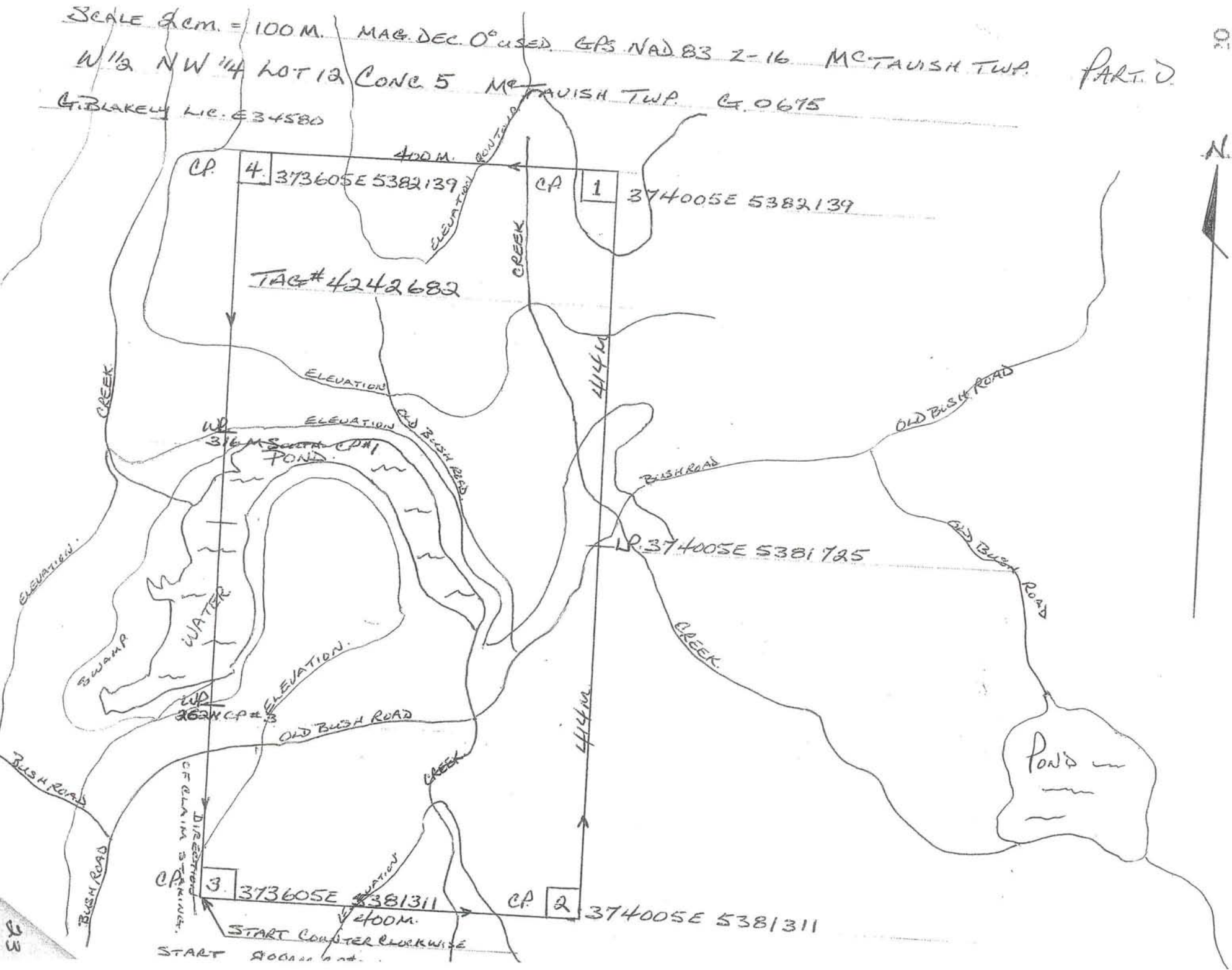
Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road

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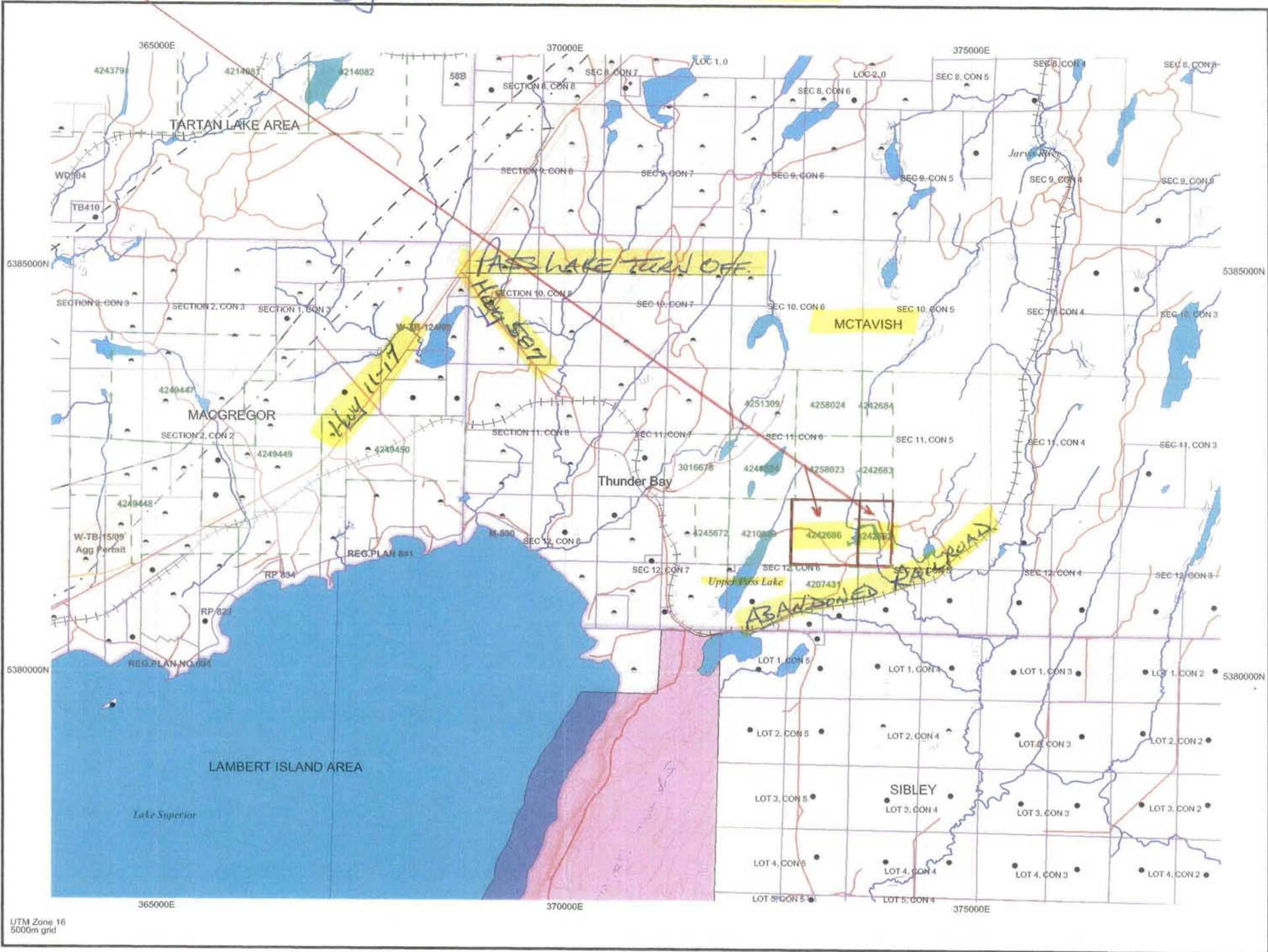
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 W 1/2 NW 1/4 LOT 12 CONC 5 McTAUISH TWP G. 0675
 G. BLAKELY LIC. E34580

PART D



23

SUPERIOR OYSTER WHITE CLAIMS & ACCESS.

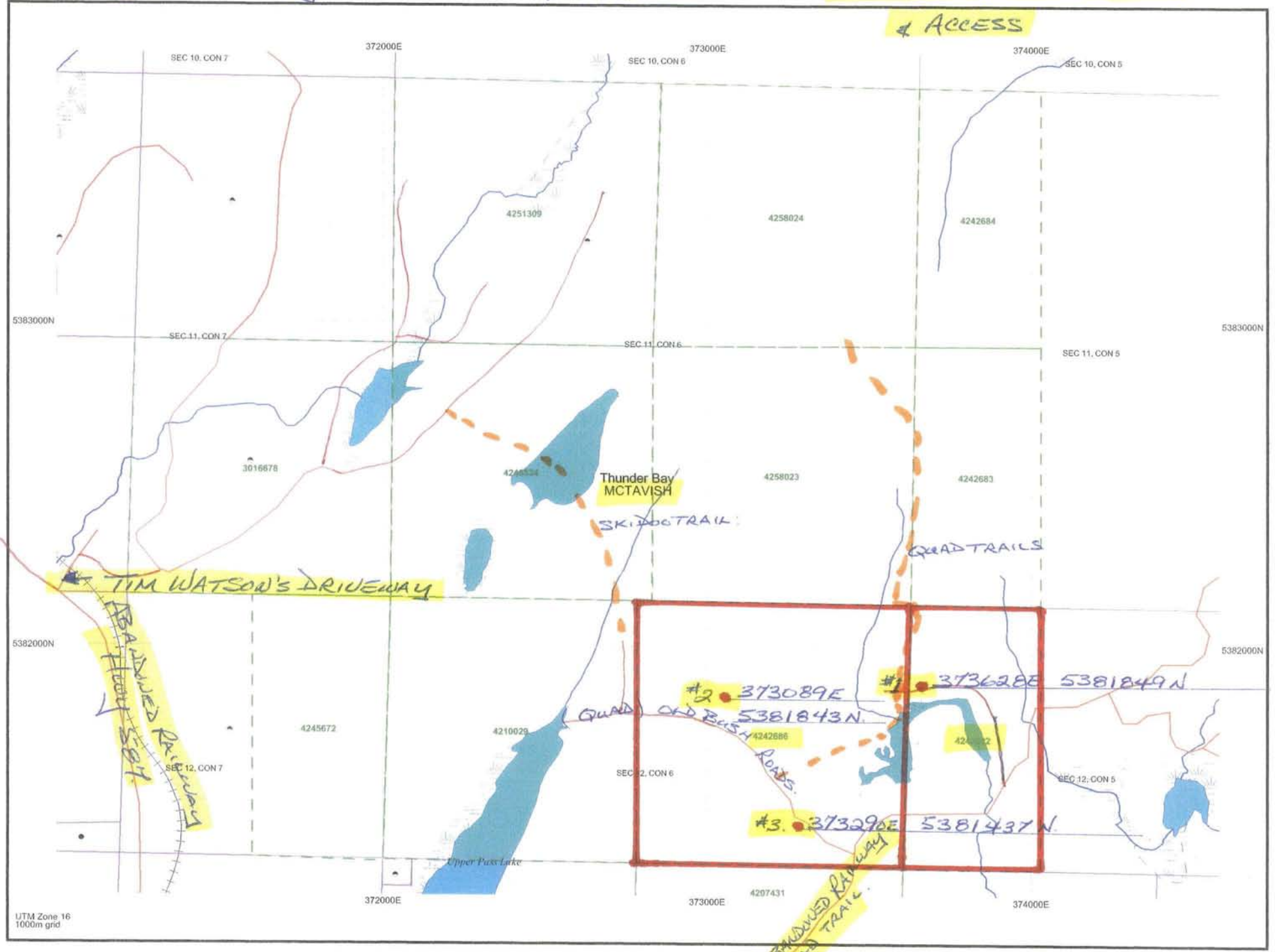


UTM Zone 16
5000m grid

76

SUPERIOR OYSTER WHITE • PREFERRED SITES #1-#3 BY PREFERENCE

ACCESS

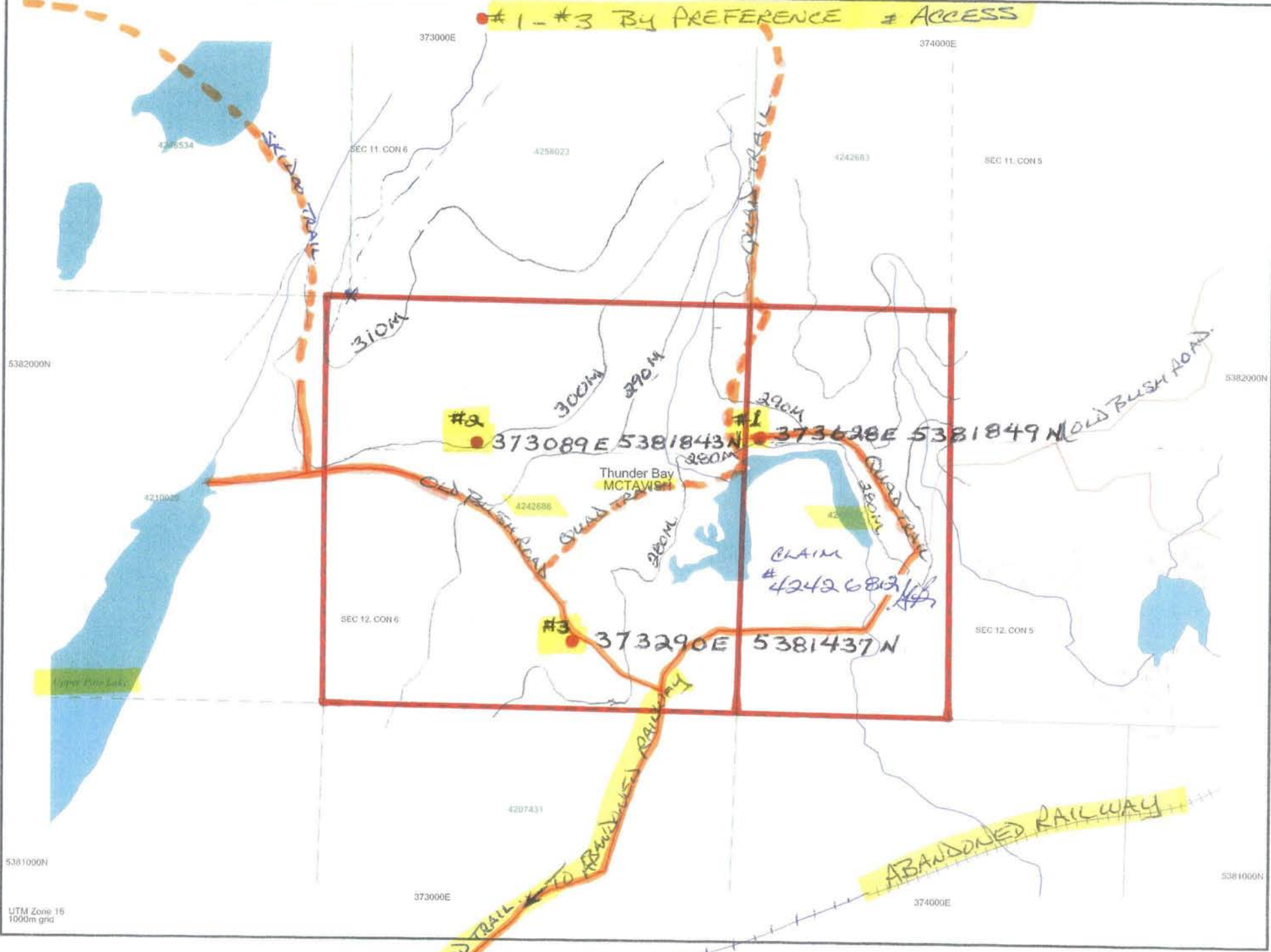


UTM Zone 16
1000m grid

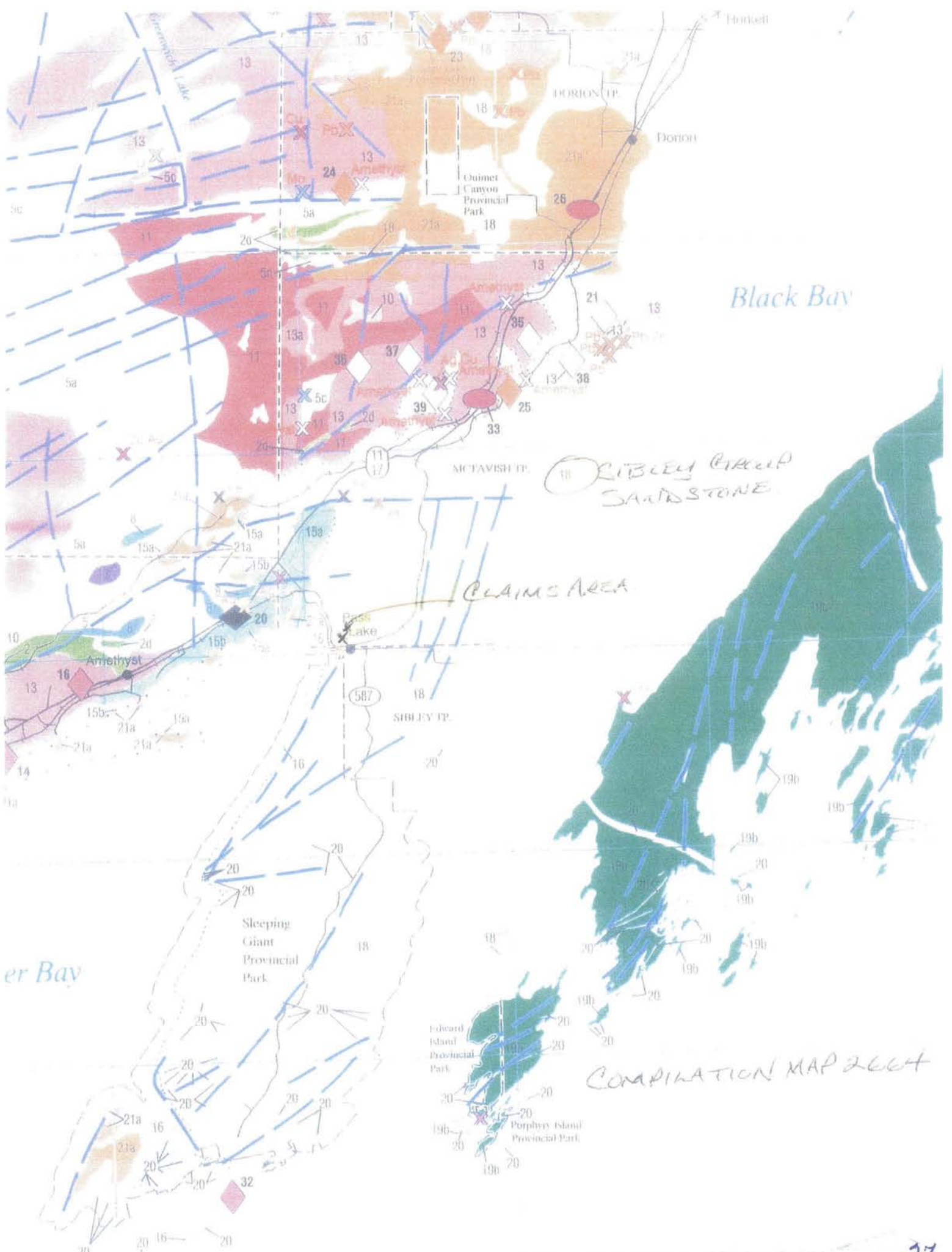
25

SUPERIOR OYSTER WHITE NAD83 UTM ZONE 16

1 - # 3 BY PREFERENCE ≠ ACCESS



UTM Zone 16
1000m grid



Ministry of Northern Development,
Mines and Forestry

Ministère du Développement du Nord,
des Mines et des Forêts



Mineral Development and
Lands Branch

Direction de l'exploitation des minéraux
et de la gestion des terrains miniers

933 Ramsey Lake Road, B6
Sudbury ON P3E 6B5
Tel.: (705) 670-5784
Fax: (705) 670-5803
Toll Free: 1-888-415-9845, Ext 5784

933, chemin du lac Ramsey, étage B6
Sudbury ON P3E 6B5
Tél.: (705) 670-5784
Télééc.: (705) 670-5803
Sans frais : 1-888-415-9845, poste 5784

May 11, 2011

Thunder Bay File: BSO-02

Gerald Blakely
PO Box 584
Nipigon ON P0T 2J0

Dear Mr. Blakely:

RE: Application to Test Mineral Content, Blakely Superior Oyster White Sandstone

Attached is a copy of the Permission to Test Mineral Content ("Permission") under the authority of subsection 52(1) of the Mining Act, R.S.O. 1990, Chapter M.14, per your request.

Please note the third paragraph of the attached "Permission" in which it is stipulated that "The removal of the sample shall be completed by November 15, 2011." A signed report including all information set out in Appendix A shall be submitted to the Mineral Development Officer in Thunder Bay by May 15, 2012.

The threshold for advanced exploration is 1000 tonnes of material excavated in total for the project site; an area of 10,000 square metres or a volume of 10,000 cubic meters of surface stripping, except for the conditions outlined in O. Reg. 240, s. 3(1) 5 and/or; an area of 2500 square meters or a volume of 2500 cubic meters of surface stripping within 100 meters of a body of water. These limits may not be exceeded until the requirements of subsection 140(1) of the *Mining Act* are met.

Upon the submission of a final report and completion of the site rehabilitation according to the requirements set out in Schedule "A", the Minister shall, on request, return the financial assurance paid in the amount of \$500.

If you have any questions or need any assistance please do not hesitate to call Mark Puumala or Mark O'Brien at 807-475-1331.

Sincerely,

Cindy Blancher-Smith
Director
Mineral Development and Lands Branch

- c: Chief Pierre Pelletier, Red Rock Indian Band
- Chief Peter Collins, Fort William First Nation
- Melanie Paradis, Métis Nation of Ontario
- Donelda DeLaRonde, Red Sky Métis
- Clive Stephenson, MNDMF, Sudbury
- John Scott, MNDMF, Thunder Bay
- Mark O'Brien, MNDMF, Thunder Bay
- Mark Puumala, MNDMF, Thunder Bay
- Craig Hockridge, MNR, Thunder Bay District
- Don Jewitt, MOL, Thunder Bay
- Ed Solonyka, MNDMF, Sudbury

PERMISSION TO TEST MINERAL CONTENT

Under the authority of subsection 52(1) of the Mining Act, R.S.O., 1990, Chapter M.14, Gerald Blakely is hereby granted permission to remove and test in-situ rock samples from the following site:

Mining claims TB4242686 and TB4242682, the recorded claim holder being Gerald Blakely.

The sample shall consist of white sandstone and the combined tonnage of rock disturbed is not to exceed 500 tonnes. The amount of surface stripping shall not exceed an area of 10,000 square metres or a volume of 10,000 cubic meters, except for the conditions outlined in O. Reg. 240, s. 3(1) 5 or an area of 2500 square meters or a volume of 2500 cubic meters within 100 meters of a body of water.

If applicable, all processing and testing shall be carried out off site. The removal of the sample shall be completed by November 15, 2011. A signed report including all information set out in Schedule "A" shall be submitted to the Mineral Development Officer in Thunder Bay by May 15, 2012.

Under subsection 52(4) of the *Mining Act*, any proceeds above and beyond the eligible costs of stripping, removing, transporting, processing, marketing and testing said samples shall be escheated to the Crown and paid via a cheque made out to the Minister of Finance.

In the event that archaeological materials are discovered during the removal of the sample, the proponent must immediately stop all work in the immediate area and contact the Ministry of Culture at 416-314-0738. If the materials include human remains then the proponent must immediately stop all work in the immediate area and contact the local Police Department, the Ministry of Culture at 416-314-0738 and the Cemeteries Regulation unit at 416-326-8393.

Further, this permission is conditional upon the claim holder, Gerald Blakely, adhering to all applicable legislation, regulations, permit requirements and conditions of this permission which form Schedule "A". Following removal of the bulk sample, the site shall be left in a safe condition. Rehabilitation measures must be undertaken as outlined in Schedule "A" and comply with the standards, procedures and requirements of the Mine Rehabilitation Code of Ontario set out in O. Reg. 240/00, s. 4(1). Rehabilitation work shall be completed within three months of the completion of the excavation work date, unless the Minister grants an extension of time to complete the rehabilitation work.

Dated at Sudbury,

this 11 day of May, 2011



Cindy Blancher-Smith

Director

Mineral Development and Lands Branch

Schedule "A"

Permission to Test Mineral Content – Gerald Blakely
Mining Claims TB4242686 and TB4242682 – Superior Oyster White Sandstone Site

This Permission is subject to the following conditions:

1. The person who has the written permission shall not excavate more than 1,000 tonnes of material unless any requirements that are required by Part VII of the Act to be satisfied prior to commencing advanced exploration within the meaning of the Act are satisfied.
2. The person who has the written permission shall, if the person excavates over 1,000 tonnes of material, comply with the requirements and conditions set out in this Regulation and in Part VII of the Act.
3. The person who has the written permission shall ensure that any work authorized under the written permission proceeds as described in the portions of the application for permission that address the requirements of paragraphs 7 to 13 of subsection 3 (2), Ontario Regulation 192/06.
4. The person who has the written permission shall ensure that the following practices are followed in the course of carrying out any work authorized under the written permission:
 - i. Where it is reasonably practicable, milling, refining and testing activities occur at a site separate from the excavation site.
 - ii. At the excavation site,
 - A. signs identify any mine hazards on the site,
 - B. fences are installed at the brow of any vertical rock face or pit wall greater than three metres in height,
 - C. measures are in place to prevent inadvertent access to the site, where appropriate, and
 - D. stripped topsoil and overburden are stockpiled on the site for use in future rehabilitation measures.
5. The person who has the written permission shall ensure that the following rehabilitation measures are performed at any excavation site on which work authorized under the written permission was done, in addition to any rehabilitation measures that are listed in the application in relation to paragraph 13 of subsection 3 (2), Ontario Regulation 192/06:
 - i. Removal of all equipment, chemicals, oils, contaminated soil, temporary shelters, explosives and garbage from the site.
 - ii. For any rock face or pit wall greater than three metres in height, reduction of the rock face or pit wall to three metres, or the sloping of the rock face or pit wall.
 - iii. Restoration and contouring of the disturbed area using waste rock, stockpiled overburden and topsoil.
 - iv. Revegetation of restored and contoured areas, where appropriate.
6. The person who has the written permission shall, by the date specified in the written permission, submit a signed report to the Minister containing the following information regarding the results of the mineral testing:
 - i. The location of the excavation site.
 - ii. The number of tonnes of material excavated, tonnes removed from the excavation site and tonnes tested.
 - iii. Plans and sections of excavations.
 - iv. A description of the physical tests, chemical tests, milling tests and engineering tests performed and the results of the tests.
 - v. A description of the marketing tests performed and the results of the tests.
 - vi. A description of the rehabilitation work completed.
 - vii. A description of the safety measures provided.
 - viii. A description of the product or mineral produced from the excavated material.
 - ix. The revenues from the sale of the product or mineral that is produced from the excavated material.
 - x. The total cost of the work, including excavation, mining, milling, refining, testing, transportation, evaluation and rehabilitation costs.
 - xi. Future development plans for the excavation site.

Regional and Local Geology

Rocks in the vicinity of the Sibley Sandstone property consist largely of Proterozoic-age (Middle to Late Precambrian) sedimentary rocks of the Gunflint Formation, Rove Formation, and Sibley Group. These nearly flat-lying sedimentary rocks unconformably overlie much older Archean-age igneous and metamorphic rocks that are exposed to the northwest of the property in the vicinity of Highway 11-17. All of these rocks are locally intruded by Proterozoic-age diabase sills and dikes, which are the youngest rocks exposed in the area.

The oldest sedimentary rocks are those of the Gunflint Formation, which are exposed to the west of Highway 587 and consist of iron formation, chert, carbonate, taconite, argillite, conglomerate, jasper, algal chert concretions and tuff. The Gunflint is overlain by the Rove Formation, which largely consist of black shales. In the vicinity of Pass Lake, these shales contain large calcareous concretions known locally as "flowerpots." The Sibley Group rocks have been subdivided into three separate formations known as the Pass Lake, Red Rock and Kama Hill Formations. The Pass Lake Formation is comprised largely of sandstone, while the Red Rock and Kama Hill Formations are dominated by dolomite and siltstone respectively.

The rocks exposed on the Sibley Sandstone property are those of the Pass Lake Formation. The sandstone on the property occurs in a range of colours, including buff, pink, red and brown. Similar sandstone material has previously been quarried nearby at Vert and Simpson Islands. As a result, this sandstone is considered to have the potential to be developed for use in the stone industry.

References:

- Hinz, P., Landry, R.M. and Gerow, M.C. 1994. Dimension stone occurrences and deposits in northwestern Ontario; Ontario Geological Survey, Open File Report 5890, 191p.
- McIlwaine, W.H. 1975. McTavish Township (Southern Half), District of Thunder Bay; Ontario Division of Mines, Preliminary Map P.990, scale 1:15,840.