

Assessment Work Report
On Claims #3007492, #4243947, #1140510

Gillies Limit

Larder Lake Mining Division

By Alan Kon

March 21, 2013

Summary

During the late fall of 2012 and winter of 2013 a three line Magnetometer survey was conducted over claims #3007492, #4243947, #1140510 also known as the Hound Chutes claims in Gillies Limits Twp.

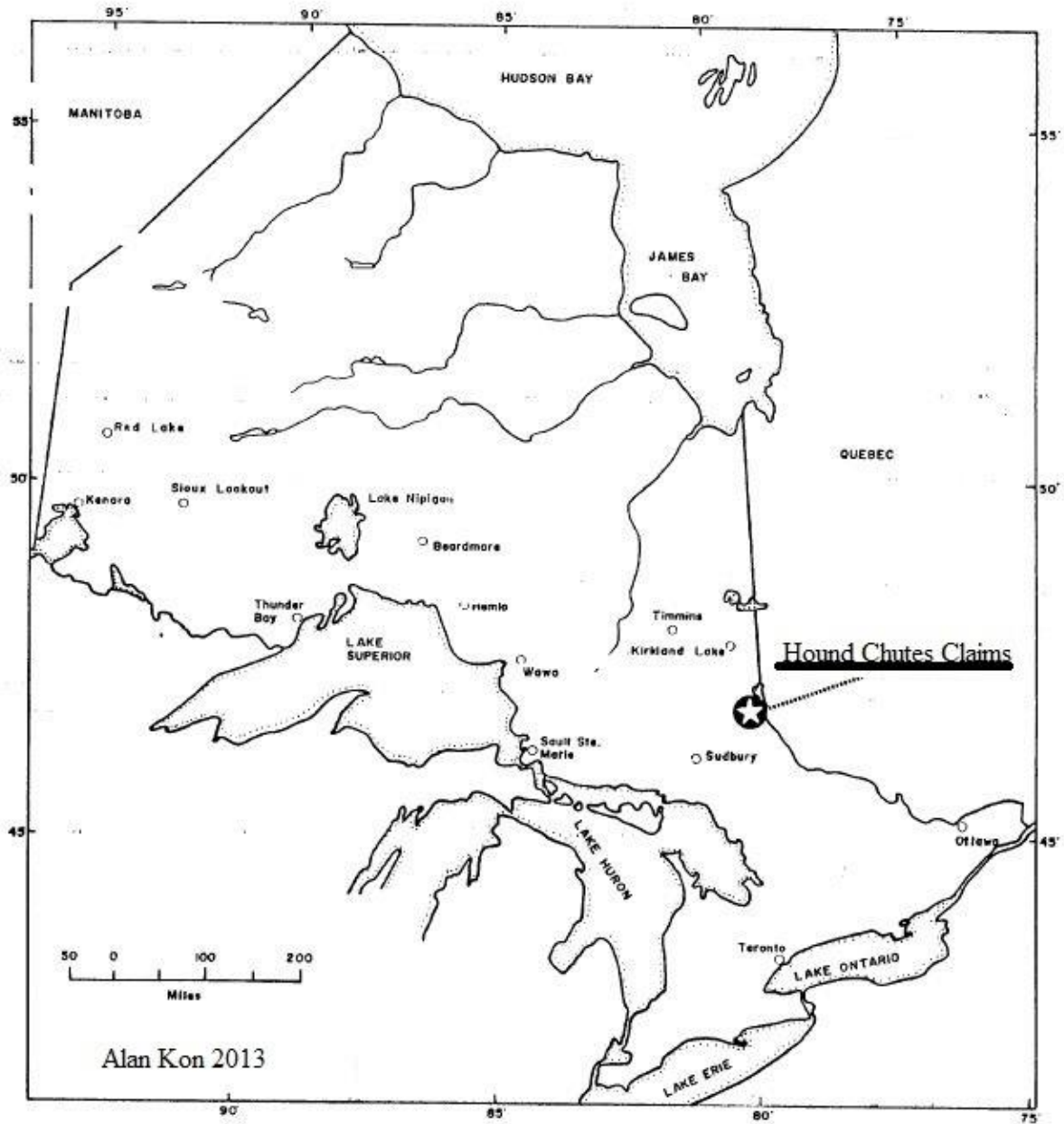
Mr. V R Kunduri PhD, Geophysical and Math professor (Ret) of Haileybury School of Mines after reviewing previous data on the Hound Chutes claims, suggest that one Magnetometer line be traversed north to south across an anomaly located from an earlier Magnetometer survey conducted by Larder Lake Geophysical. This one line proved to be quite helpful and several more lines were suggested.

Due to the large amount of snow fall this winter only two more Magnetometer lines could be done. There were also problems with GPS coverage. On several occasions the GPS signal was very weak or none at all.

Alan Kon (AI) conducted all of the ground work along with two helpers. A Geotronics 816/826A Portable Proton Magnetometer was used for the survey along with a Garmin 60 CS and 62 STC mapping GPS. A Polaris Indy 500 trail was rented for packing trails and for transport of men and equipment.

Index

Introduction	1
Access & Location Topographical & Vegetation.....	1
Geology & Property Geology.....	1
Historical Work & Work Program	1
Work Program.....	2
Interpretation.....	2
Magnetometer Data.....	3
Daily Work Log.....	4
Recommendations.....	5
Maps.....	Appendix 1
Equipment Descriptions.....	Appendix II



INTRODUCTION

This work report on the Hound Chutes claims has been prepared by Alan Kon of North Cobalt/Haileybury Ontario. Mr. Kon is also the title owner of the claims.

PROPERTY LOCATION AND ACCESS

The claims can be accessed by the Hound Chutes Road, an Ontario Hydro access road that departs south west from the town of Cobalt and follows the eastern side of the Montreal River. The claims are within one Km of the Hound Chutes hydro power dam and the Ragged Chutes dam.

TOPOGRAPHY AND VEGETATION

Maximum relief on the property is approximately 25 metres. Topography is generally rolling with local steep ledges and cliffs. Giroux Creek flows south and westward through the area mapped and into the Montreal River.

Overburden is relatively shallow over the north and south parts of the claims but of unknown depth in the centre. Vegetation on the claims consists mainly of mature mixed forest and locally dense underbrush.

The north west half of claim #3007492 and west part of claim #1140510 have recently been logged out.

REGIONAL AND PROPERTY GEOLOGY

The claims are located in the southern part of the Cobalt mining camp. Regionally the area is underlain by an N-S trending trough of Huronian metasedimentary rocks (Cobalt Group, Gowganda Formation, Coleman Member - conglomerates) that cover a complex Archean mafic volcanic terrain. In the cobalt area the Archean volcanic and overlying Huronian sediments have been intruded by extensive Nipissing aged diabase sills and dykes. There is a strong possibility that the Coleman sediments in this area are underlain by a Nipissing sill. The youngest known consolidated rocks in the area are kimberlite rocks.

Historical Work

Extensive work has been carried out in the general Cobalt District but very little has been reported in the immediate area of the Hound Chutes claims. One drill hole was completed by E. Forbear in 1955 at a point approximately 75 m north west of the area.

In December 1998, High-Sense Geophysics Limited carried out an airborne electromagnetic survey over the area on behalf of Branchwater Resources Ltd. Seymour Sears carried out geological mapping in 2003 on behalf of Cabo Mining Corp.

During the summer months of 2009, Alan Kon performed a KIM survey and prospecting over parts of the claims on behalf of Diamond Exploration Inc.

Historical Work *(continued)*

A ground Magnetometer/VLF survey carried out between January 28 and February 4, 2011 by Larder Geophysics of Larder Lake Ontario *(see IMMC No Grid Mag-VLF Cobalt Feb 7, 2011)* and Al Kon who did the initial consultation, ground inspection and organized the work.

Al Kon performed a Phase 1 exploration program in the early summer of 2012 and a Phase 2 exploration program in the late summer. Three additional claims were staked to the east and south bringing the total amount to six.

Work Program

Magnetometer Survey

The ground magnetometer survey was completed using a Geotronics-816/826A Portable Proton Magnetometer. This instrument measures the total intensity of the earth's magnetic field in gammas. The unit was set to 56000 gamma base. This survey was done without a cut grid, using a GPS grid. The first line was done using a pre-flagged line during the late fall when there was no snow on the ground and worked out fairly well. The rest of the lines were done in the winter in heavy snow and proved to be very difficult to navigate. The lack of a good GPS satellite signal only made matters worse.

Each station was to be at 12.5 metres apart but ended up being anywhere between 10 to 13 metres apart. The line spacing is at ~ 25 metres apart but that was only achieved after returning twice to straighten the lines.

Two people worked together at all times during the survey. One person to operate and record the Mag readings and one person would run point to help guide the operator and to clear a path and pack the snow. All readings were recorded on the Garmin 62 STC.

Interpretation

Even though only three Mag lines were done across the claims the object of the survey was achieved.

Several readings recorded far lower than the 56000 Gamma base. On three occasions a 52000 to 53000 Gamma reading was recorded along with several 53000 to 54000 Gamma and 54000 to 55000 Gamma readings. These readings confirm the reading taken during the Mag survey conducted in 2011 by Larder Lake Geophysics.

There are two or possibly three low Mag anomalies which strike in a north westerly direction paralleling the Montreal River Fault system. The low Mag readings also reveal what is believed to be the centre of the anomaly.

Magnetometer Readings

Stn	Coordinate	Reading	Stn	Coordinate	Reading
1	599519 5238871	55683	60	599592 5238781	55306
2	599518 5238879	56117	61	599584 5238678	55308
3	599513 5238884	56130	62	599526 5238915	55382
4	599513 5238895	56081	63	599586 5238669	55533
5	599504 5238900	56056	64	599570 5238855	55539
6	599496 5238912	55960	65	599654 5238735	55602
7	599488 5238927	55984	66	599593 5238662	55611
8	599481 5238941	55940	67	599473 5238983	55612
9	599472 5238952	55882	68	599631 5238768	55686
10	599471 5238964	55754	69	599445 5239036	55687
11	599457 5238973	55647	70	599472 5238990	55697
12	599443 5238993	55651	71	599496 5238967	55717
13	599433 5239007	55662	72	599482 5238977	55757
14	599419 5239022	55699	73	599449 5239027	55771
15	599405 5239028	55671	74	599463 5239002	55774
16	599394 5239040	55670	75	599676 5238703	55781
17	599383 5239049	55696	76	599532 5238906	55790
18	599375 5239059	55799	77	599596 5238660	55810
19	599353 5239073	55825	78	599456 5239013	55850
20	599346 5239065	55685	79	599628 5238780	55862
21	599343 5239053	55626	80	599715 5238666	55870
22	599337 5239037	55633	81	599624 5238787	55881
23	599329 5239022	55671	82	599586 5238824	55892
24	599319 5239014	55603	83	599595 5238815	55893
25	599302 5239002	55611	84	599410 5239095	55895
26	599289 5238997	55624	85	599404 5239100	55900
27	599275 5238989	55567	86	599703 5238672	55903
28	599265 5238985	55583	87	599699 5238683	55915
29	599256 5238979	55579	88	599544 5238891	55940
30	599245 5238972	55621	89	599552 5238881	55941
31	599229 5238971	55621	90	599641 5238759	55963
32	599216 5238965	55482	91	599687 5238692	55973
33	599224 5238955	55640	92	599602 5238650	55974
34	599233 5238941	55644	93	599542 5238898	55978
35	599547 5238759	52712	94	599611 5238641	55991
36	599614 5238736	52866	95	599586 5238787	55993
37	599605 5238749	52952	96	599577 5238792	56023
38	599602 5238763	53006	97	599619 5238640	56026
39	599554 5238748	53059	98	599605 5238808	56035
40	599623 5238723	53075	99	599612 5238800	56043
41	599427 5239073	53352	100	599521 5238864	56063
42	599663 5238725	53461	101	599634 5238611	56089
43	599561 5238726	53503	102	599545 5238832	56090
44	599594 5238768	53641	103	599558 5238871	56137
45	599439 5239062	53682	104	599529 5238853	56141
46	599543 5238773	53965	105	599580 5238835	56144
47	599432 5239067	54182	106	599574 5238842	56194
48	599577 5238702	54321	107	599565 5238862	56200
49	599559 5238809	54340	108	599478 5238843	56212
50	599425 5239079	54492	109	599536 5238843	56228
51	599567 5238716	54582	110	599649 5238748	56244
52	599667 5238710	54872	111	599496 5238830	56333
53	599584 5238696	54889	112	599502 5238822	56366
54	599439 5239051	54928	113	599513 5238813	56439
55	599556 5238821	55034	114	599528 5238798	56474
56	599503 5238948	55192	115	599521 5238806	56479
57	599564 5238799	55222	116	599533 5238787	56603
58	599516 5238935	55223	117	599624 5238631	56212
59	599519 5238926	55255	118	599627 5238620	56212

Daily Work Log

Nov 7	Plot GPS maps, Flag Mag Line, put up safety fence
Nov 8	Flag Mag Line
Nov 11	Mag Survey
Nov 20	Redo 7 mag stations
Jan 9	Set up GPS map for Mag
Jan 12	Mag survey
Jan 19	Mag survey No access
Jan 28	Prep trail for Mag
Feb 11	No access
Feb 12	Prep trail and access, single line Mag survey
Mar 11	Report and Geophys mapping

Recommendations

It is highly recommended that further exploration be done on the Hound Chutes claims starting with surface stripping/trenching the low Mag anomaly as soon as finances and equipment is available.

The area in and around the 52000 to 53000 Gamma readings is probably the best start place to start. The areas to strip should be approximately 4 m wide x 15 m long to start, and then expanded if needed. A series of shorter trenches should be done going towards the north in hopes of locating a contact. The overburden in that area is believed to be no more than 3 to 5 m deep.

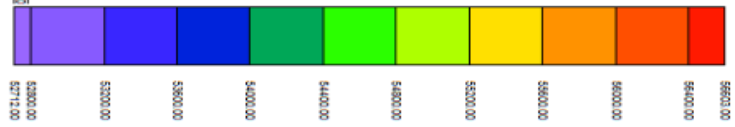
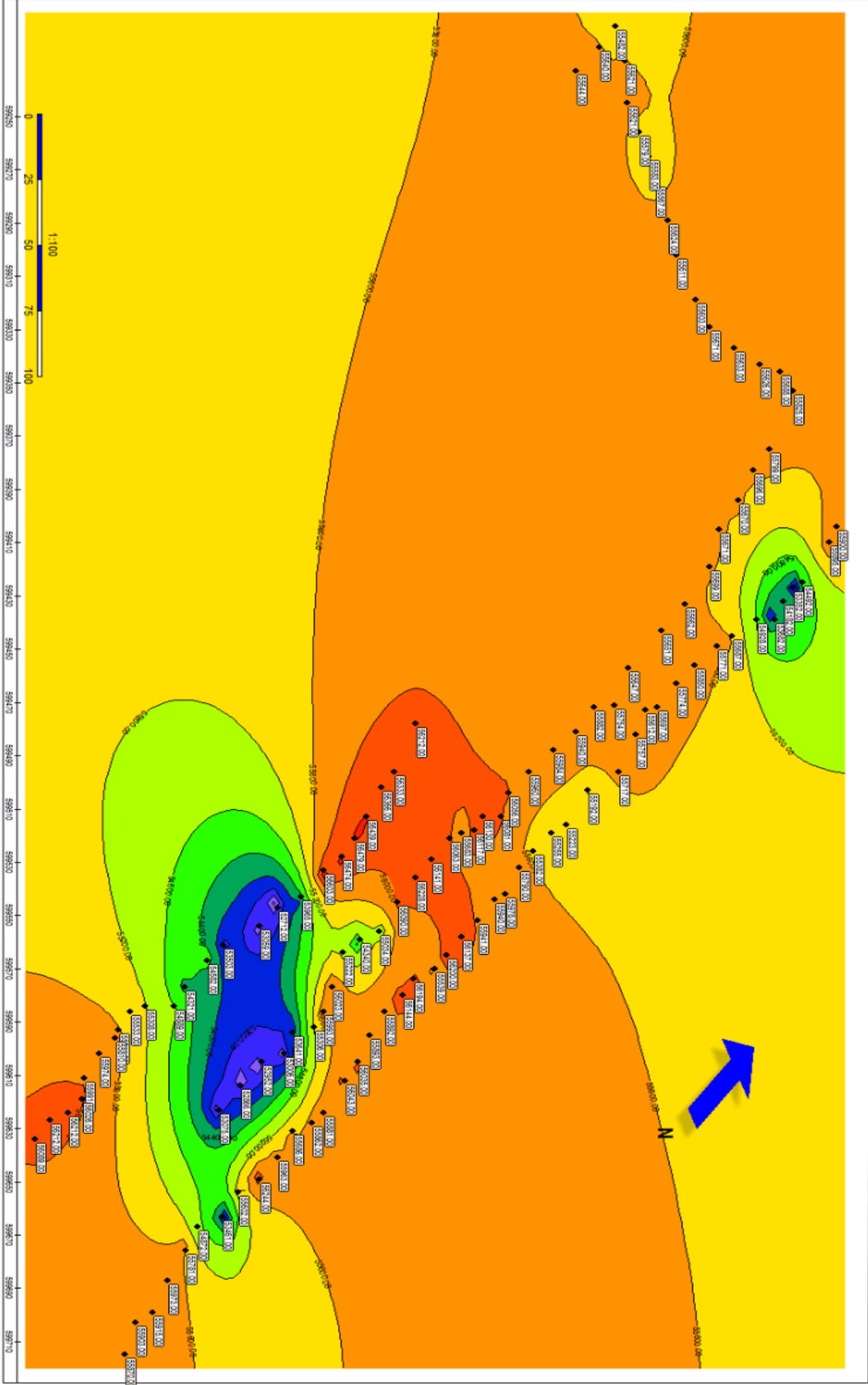
If the underlying rock can be identified then it should be mapped and sampled. Diamond drilling should also be considered should the sample results prove promising.

Thank you.

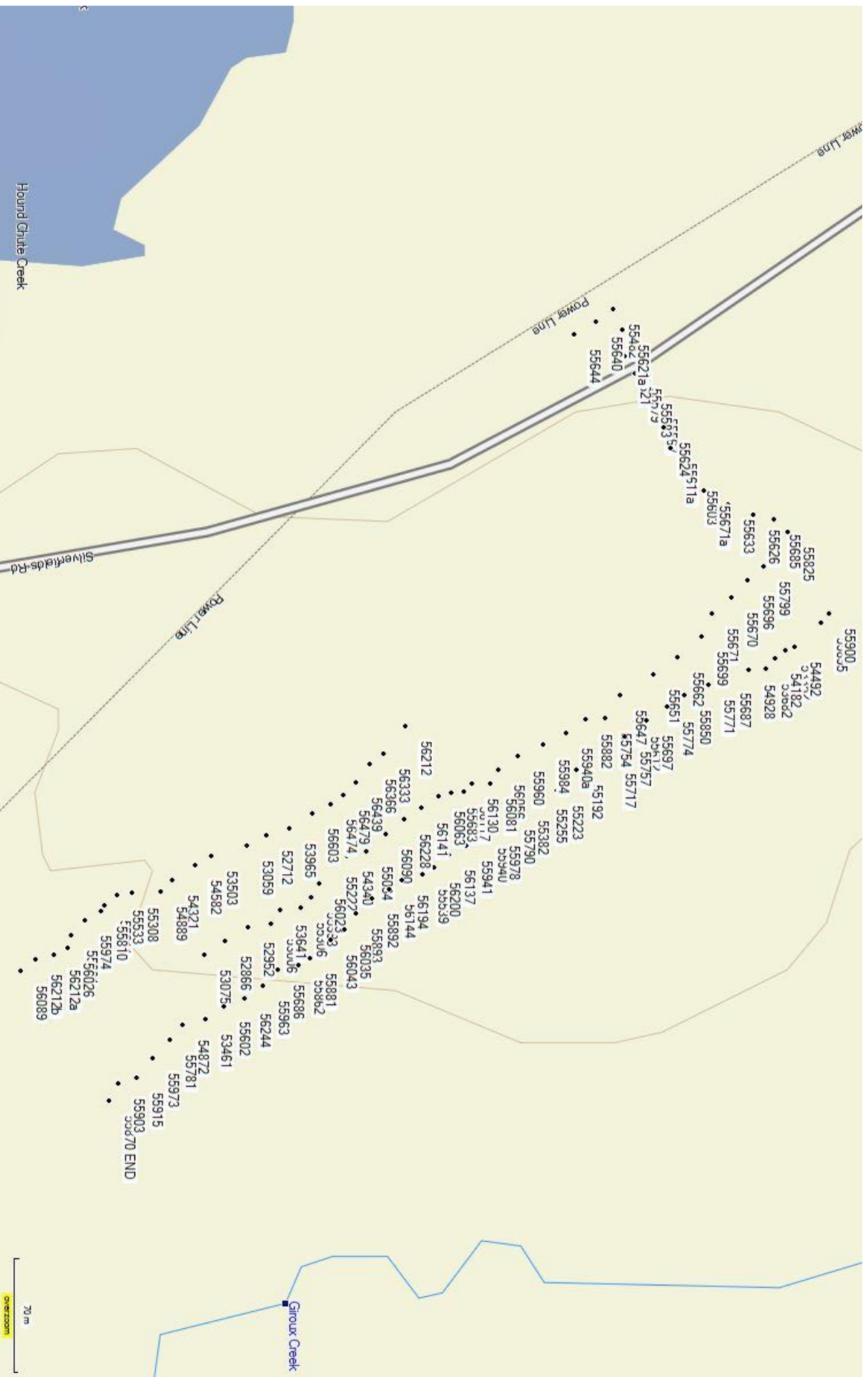
Respectfully submitted by:

Alan Kon

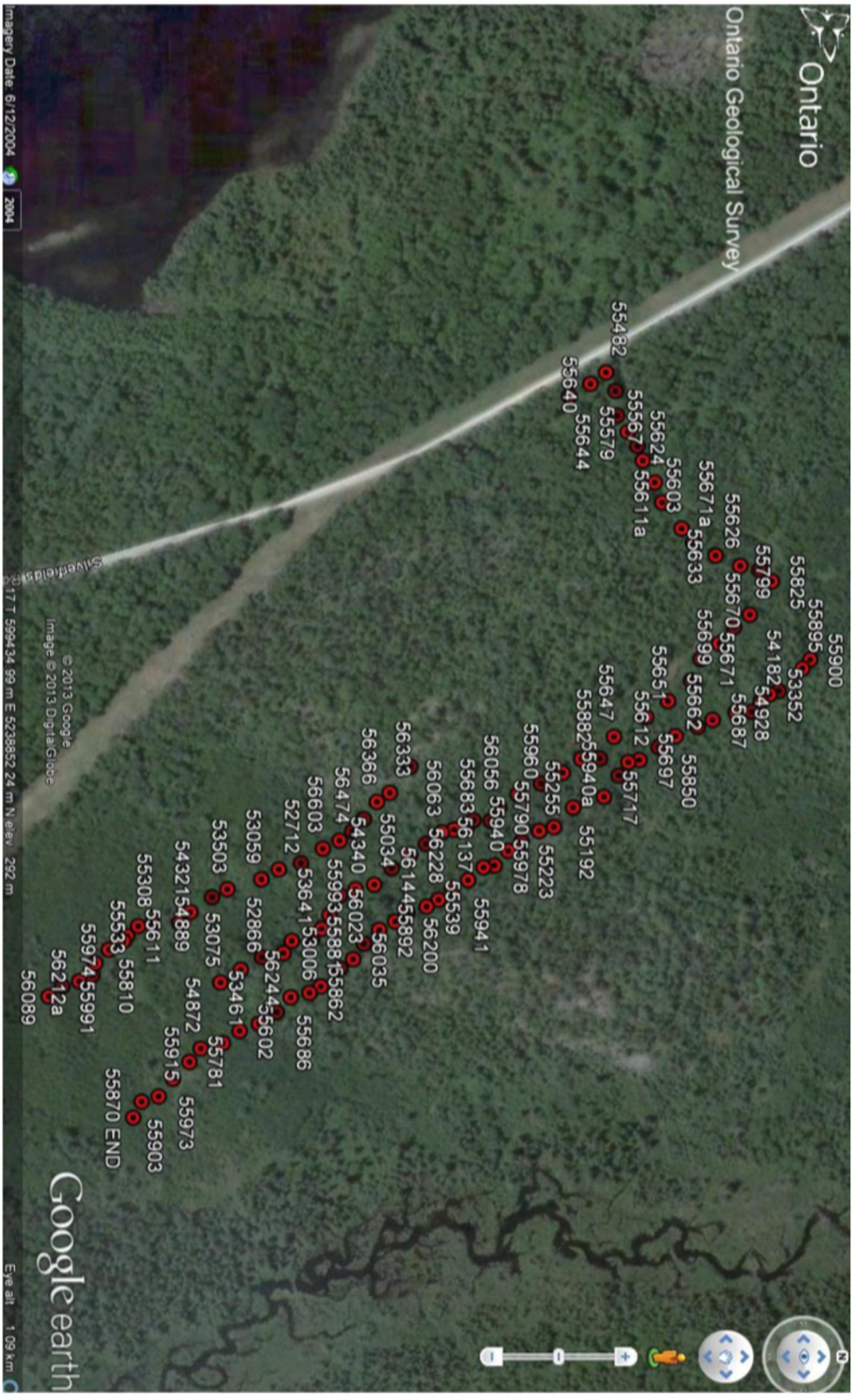
APPENDIX I

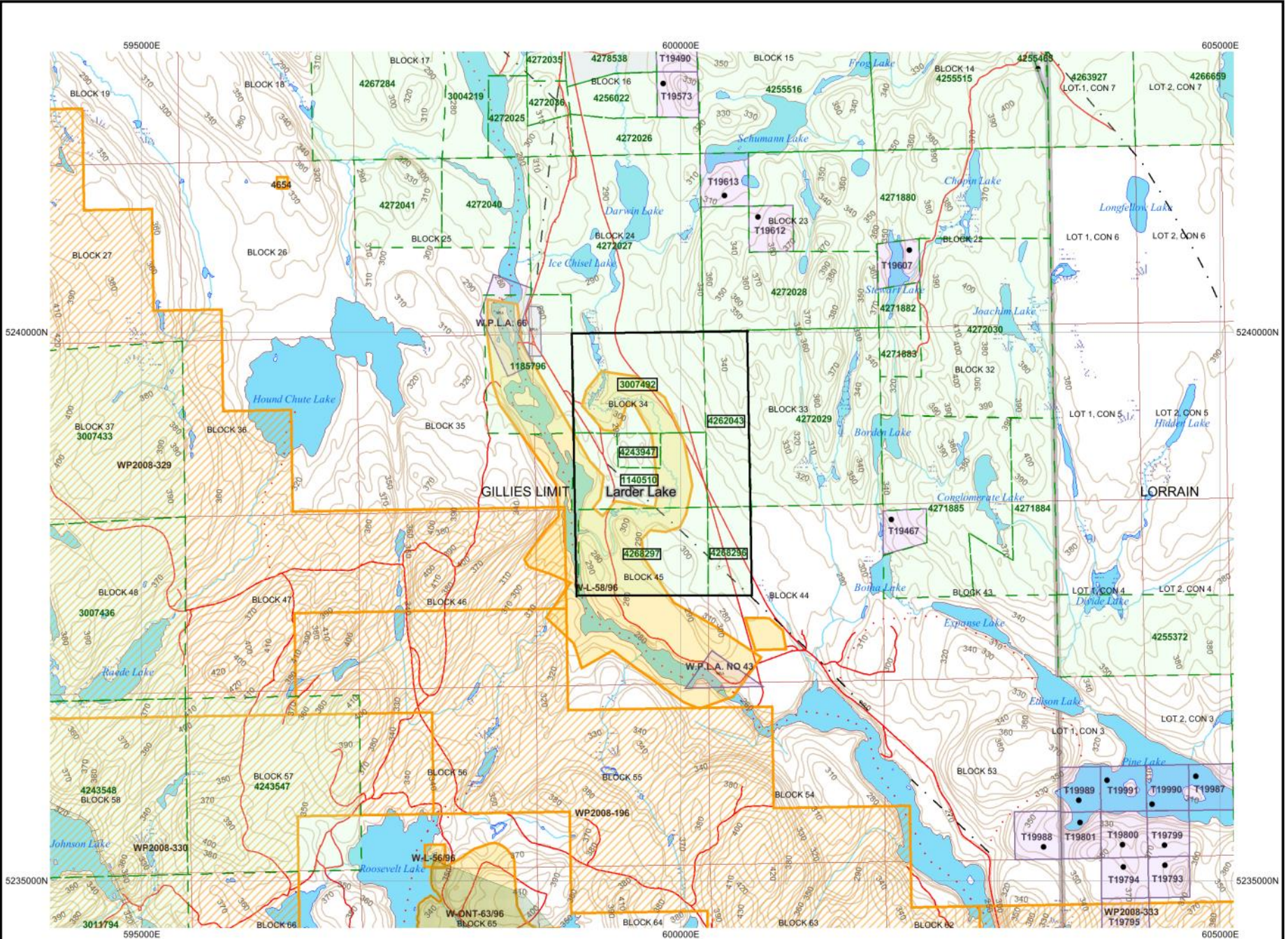


• Hound Chute Mag Survey - Feb 2013



Magnetometer Readings on Garmin Map





UTM Zone 17
5000m grid

APPENDIX II

Equipment Descriptions

G-816/826

Portable Proton Magnetometer

Sensor: High signal, noise cancelling, mounted on staff or attached to backpack.

Size: Console: 3.5 x 7 x 11 inches

(9 x 18 x 28 cm)

Sensor: 3.5 x 5 inches (9 x 13 cm)

Staff: 1 inch diameter x 8 ft. length

(3 cm x 2.5 m)

Weight: ' Lbs. Kgs.

Console (w/batteries): 5.5 2.5

Sensor and signal cable: 4 1.8

Aluminum staff: ,J_ .9

11.5 TT

1. G-816/826 Magnetometer console | each

2. Sensor | each

3. Collapsible sensor staff | each

4. Signal cable-staff (long) | each

5. Signal cable-backpack (short) | each

6. Adjustable carrying harness ' | each

7. Batteries: Type D Premium Carbon Zinc with 24 each cardboard jacket (12 each -within console)

8. Applications Manual for Portable Magnetometers | each

9. Operator's Manual | each

10. Storage/Carrying Case | each

Operating

1.3 SPECIFICATIONS

Sensitivity:

Rang*: ' - t Tuner; *3 Gradient tolerance: •T Sampling 'Rate: Output::

Power Requirements: D Cell Batteries

Temperature Range: -10c to 30c

Accuracy (Total Field): ^ | gamma throughout range. 20,000 to 90,000 gammas (worldwide).

Multiposition switch with signal amplitude indicator light on display.

*Exceeds 800 gammas/feet. Manual push button, one reading each six seconds.

Five digit numeric display with readout directly in gammas.

Twelve 1.5 volt "D" cell universally available flashlight-type batteries;

Charge state or replacement signified -by flashing indicator light on display.

Console and sensor: -40* to +55* C.

Battery pack: O* to +50* C (limited use to -15* C; lower temperature battery belt operation - optional).

^ | gamma through O" td +50" C temperature range.

Garmin Map 62 STC

Physical Performance	
Unit dimensions, WxHxD:	2.4" x 6.3" x 1.4" (6.1 x 16.0 x 3.6 cm)
Display size, WxH:	1.6" x 2.2" (4.1 x 5.6 cm); 2.6" diag (6.6 cm)
Display resolution, WxH:	160 x 240 pixels
Display Type:	Transflective, 65-K color TFT
Weight:	9.3 oz (262.1 g) with batteries
Battery:	2 AA batteries (not included); NIMH or Lithium recommended
Battery life:	16 hours (2 AA batteries)
Waterproof:	Yes (IPX7)
High-sensitivity receiver:	Yes
Floats:	No
Interface:	High-speed USB and NMEA 0183 compatible
Maps & Memory	
Basemap:	Yes
Ability to add maps:	Yes
Built-in memory:	3.5 GB
Accepts data cards:	microSD™ card (not included)
Waypoints/favorites/locations:	2000
Routes:	200
Track Log	10,000 points, 200 saved tracks
Features:	
Automatic routing (turn by turn routing on roads):	Yes (with optional mapping for detailed roads)
Electronic compass:	Yes (tilt-compensated, 3-axis)
Touchscreen:	No
Barometric altimeter:	Yes
Camera:	Yes (5 megapixel with autofocus; automatic geo-tagging)
Geocaching-friendly:	Yes (paperless)
Custom maps compatible:	Yes
Photo navigation (navigate to geotagged photos):	Yes
Outdoor GPS games:	No
Hunt/fish calendar:	Yes
Sun and moon information:	Yes
Tide tables:	Yes
Area calculation:	Yes
Custom POIs (ability to add additional points of interest):	Yes
Unit-to-unit transfer (shares data wirelessly with similar units):	Yes
Picture viewer:	Yes
Garmin Connect™ compatible (online community where you analyze, categorize and share data):	Yes

Garmin Map 60 CS

Physical Performance	
Unit dimensions, WxHxD:	2.4" x 6.3" x 1.4" (6.1 x 16.0 x 3.6 cm)
Display size, WxH:	1.6" x 2.2" (4.1 x 5.6 cm); 2.6" diag (6.6 cm)
Display resolution, WxH:	160 x 240 pixels
Display Type:	Transflective, 65-K color TFT
VWeight:	9.3 oz (262.1 g) with batteries
Battery:	2 AA batteries (not included); NIMH or Lithium recommended
Battery life:	16 hours (2 AA batteries)
VWaterproof:	Yes (IPX7)
High-sensitivity receiver:	Yes
Floats:	No
Interface:	High-speed USB and NMEA 0183 compatible
Maps & Memory	
Basemap:	Yes
Ability to add maps:	Yes
Built-in memory:	3.5 GB
Accepts data cards:	microSD™ card (not included)
VWaypoints/favorites/locations:	2000
Routes:	200
Track Log	10,000 points, 200 saved tracks
Features:	
Automatic routing (turn by turn routing on roads):	Yes (with optional mapping for detailed roads)
Electronic compass:	Yes (tilt-compensated, 3-axis)
Touchscreen:	No
Barometric altimeter:	Yes
Camera:	Yes (5 megapixel with autofocus; automatic geo-tagging)
Geocaching-friendly:	Yes (paperless)
Custom maps compatible:	Yes
Photo navigation (navigate to geotagged photos):	Yes
Outdoor GPS games:	No
Hunt/fish calendar:	Yes
Sun and moon information:	Yes
Tide tables:	Yes
Area calculation:	Yes
Custom POIs (ability to add additional points of interest):	Yes
Unit-to-unit transfer (shares data wirelessly with similar units):	Yes
Picture viewer:	Yes
Garmin Connect™ compatible (online community where you analyze, categorize and share data):	Yes