We are committed to providing accessible customer service.
If you need accessible formats or communications supports, please contact us.

Nous tenons à améliorer l'accessibilité des services à la clientèle.
Si vous avez besoin de formats accessibles ou d’aide à la communication, veuillez nous contacter.
Assessment Report

on the

Coldwell Property

Besco International Investment Co. Ltd

120-4611 Viking Way

Richmond, B.C.,

Canada, V6V 2K9

November 2016

J. G. Clark P.Geo.

Clark Exploration Consulting
Introduction

Clark Exploration Consulting of Thunder Bay, Ontario was contracted by Besco International Investment Co. Ltd. (“Besco”), to cut and extract small slab samples of the syenitic rocks on their Coldwell Property west of Marathon, Ontario. The work was carried out by Clark staff during October and November 2016, and consisted of locating syenite outcrops that had been located and described the previous year, and cutting slab samples using a hand held rock saw.
Location and Access

The Coldwell Property is located approximately 200 kilometres east of the city of Thunder Bay via TransCanada Highway 17 and approximately 24 kilometres west of the town of Marathon (Figure 1). The Property is bounded on the south by the CPR mainline and secondary roads traverse the claims. Just to the east of the Property is the deep water port of Coldwell.

Thunder Bay is a full service centre of > 100,000 people with international airport and port facilities. Marathon is a town of 4000 people that supports the forestry and mining industries.
Figure 1: Location Map
Claims

The Property is comprised of 6 contiguous claims (Table 1) recorded in good standing with the Ontario Ministry of Northern Development and Mines. The western claims are all bounded by the railway right of way which marks the north boundary of Nays Provincial Park. The claims cover approximately 1024 hectares (64 units). The claims are held 100% by Besco International Investment Co. Ltd.

Table 1: Coldwell Property Claims

<table>
<thead>
<tr>
<th>Township/Area</th>
<th>Claim Number</th>
<th>Recording Date</th>
<th>Claim Due Date</th>
<th>Annual Work Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>COLDWELL</td>
<td>4256268</td>
<td>2010-Sep-10</td>
<td>2017-Mar-10</td>
<td>$4,800</td>
</tr>
<tr>
<td>COLDWELL</td>
<td>4256269</td>
<td>2010-Sep-10</td>
<td>2017-Mar-10</td>
<td>$6,000</td>
</tr>
<tr>
<td>COLDWELL</td>
<td>4256270</td>
<td>2010-Sep-10</td>
<td>2017-Mar-10</td>
<td>$5,200</td>
</tr>
<tr>
<td>COLDWELL</td>
<td>4256271</td>
<td>2010-Sep-10</td>
<td>2017-Mar-10</td>
<td>$6,400</td>
</tr>
<tr>
<td>COLDWELL</td>
<td>4256272</td>
<td>2010-Sep-10</td>
<td>2017-Mar-10</td>
<td>$1,600</td>
</tr>
<tr>
<td>COLDWELL</td>
<td>4283461</td>
<td>2015-Aug-31</td>
<td>2017-Aug-31</td>
<td>$1,600</td>
</tr>
</tbody>
</table>

Recent proposed changes to the Mining Act will enact a system of Plans and Permits. Exploration work of the type completed in this program would fall outside of this new regulatory scheme.
Regional Geological Setting

The geology of the Coldwell Complex is best presented in Open File Report 5868 (Walker et al., 1993) and the following are summary portions of the report.

The Coldwell Alkalic Complex was emplaced in Archean rocks of the Wawa Subprovince of the Superior Province during the early stages of the Middle Proterozoic Mid-continent Rift at 1108 +/- 1 Ma (Heaman and Machado 1992). The 580 km² Coldwell Alkalic Complex is situated between Pic River and Dead Horse Creek, on the north shore of Lake Superior. The complex is located at the north end of the Thiel fault, a zone of faulting which separates grabens with different subsidence history in the rift (Cannon et al. 1989). A north-trending magnetic high occurs between the rocks of the Coldwell Alkalic Complex and those of the Mid-continent Rift beneath Lake Superior (Gupta 1991).

Originally, the complex was considered to be a result of extensive fractional crystallization of a single batch of magma within a funnel-shaped intrusion (Lilley 1964) or lopolith (Puskas 1967). Subsequent work demonstrated that the complex was not emplaced as a single batch of fractionated magma. Currie (1980) proposed a model in which the Coldwell Alkalic Complex developed from three intersecting systems of ring dikes and cone sheets, defined by igneous layering. Mitchell and Platt (1977, 1978) used petrological characteristics and relative timing relationships to divide the complex into 3 centers of alkalic magmatism emplaced by cauldron subsidence associated with major faults.

The Open File Report 5868 (Walker et al, 1993) supported the hypothesis of Mitchell and Platt (1977, 1978). Walker et al (1993) considered the configuration of the majority of the rocks represent magma that was intruded as sheet-like bodies during cauldron subsidence. Consequently, the present erosional surface exposes a sub-horizontally stratified sequence of rocks situated near the top of the Coldwell Alkalic Complex. The Coldwell Alkalic Complex intrudes Archean metavolcanic, metasedimentary and granitic rocks. Both eastern and western contacts of the complex truncate bedding or fabrics within the Archean rocks. The eastern contact between the complex and the Archean rocks has a regular arcuate shape; however, the west contact is irregular and apparently modified by faults. Metamorphism of the Archean rocks to the pyroxene hornfels grade can be detected within approximately 50 m of the contact with the complex.

Emplacement of the Coldwell Alkalic Complex

Magmatism within the Coldwell Alkalic Complex occurred within three centers, referred to as Center 1, 2 and 3 by Mitchell and Platt (1977, 1978). Volcanic xenoliths, miarolitic cavities and porphyritic rock types with a fine-grained matrix occur at the present erosional level, indicating that the magmas forming each of the Centers was emplaced at low pressure. In such an environment, processes such as, caldera subsidence, ring
Dike emplacement and stoping are important structural processes controlling the emplacement of magma.

The extrusion and preservation of the basaltic xenoliths may have been controlled by the process of caldera collapse. During the collapse, the tholeiitic to subalkaline gabbroic rocks were intruded as ring dikes and probably occur beneath the syenites of the complex. Caldera collapse and ring dike intrusion may also be the process controlling the intrusion of the alkaline gabbro and amphibole natrolite-nepheline syenite. These latter units define the outer margin of Center 2 magmatism, and are coincident with the Red Sucker Cove and Little Pic River lineaments. Ring dikes do not appear to be related to the intrusion of Center 3.

Large and small scale block faulting caused by the stoping of roof rocks into intrusive magma from each Center, has resulted in extensive assimilation of the roof rocks and hybridization of the magmas near the roof. This process is important in the intrusion of Center 1 feldspar-porphyritic syenite into the basaltic xenoliths, and the intrusion of the Center 3 amphibole quartz syenite into both the Center 1 and 2. It appears that the present erosional level corresponds to the top of Center 3 in the west and the top of Center 1 in the east.

Three diatremes occur within Coldwell Alkalic Complex. The largest of these is the Neys diatreme which has been mapped by Balint (1977) and Sage (1982). This diatreme occurs on the west side of the Coldwell Peninsula. It is elliptical in shape and has sharp contacts with the host nepheline syenite. The breccia consists of rounded clasts of gabbro, syenite, nepheline syenite, amphibolite in comminuted matrix (Sage 1982). The other two diatremes are smaller and were discovered during the present study. The first is located on Highway 17 northwest of Neys Lake and the other occurs on the west side of Red Sucker Cove. Both diatremes are small (few 10’s of square m) and consist of angular, brecciated rock fragments in a hematized matrix. Fluorite mineralization is associated with the diatreme along Highway 17 and carbonated mineralization is associated with diatreme in Red Sucker Cove.

**Economic Potential of Coldwell Complex**

Mineral occurrences in the Coldwell Alkalic Complex include: base (Cu,Ni), platinum group metals (PGE) and associated metals (V,Ti) rare metals (Nb, Y, Zr, rare earth elements (RE)), building stone, industrial minerals (nepheline), and semi-gemstones (spectrolite). The information on exploration activity can be reviewed in the Resident Geologist’s Files, Ontario Ministry of North Development and Mines, Thunder Bay and the Ontario Geological Survey’s website: [http://www.geologyontario.mndm.gov.on.ca/](http://www.geologyontario.mndm.gov.on.ca/).

The Property has been staked to examine the potential of building stone potential. The potential of the building stone from the Coldwell Complex goes back in history to when syenite from the Coldwell Alkalic Complex was extracted for the construction of railroad bridges over Pic and Little Pic Rivers by the Canadian Pacific Railway during the 1880s. Building stone was also extracted from small quarries within the complex by Peninsula Granite Quarries Limited for 12 months in 1927, Cold Spring Granite Company Limited...

In 1988 and 1989 a feasibility study was completed by Cold Spring Granite Company at two sites. One site is located north of Marathon along the Canadian Pacific rail at the old Cold Spring Granite Company Limited quarry and the other site is west of Port Coldwell along Highway 17 on claims optioned from Mr. D. Petrunka of Thunder Bay. A total of 37 diamond-drill holes (546 m) and the extraction of two large test samples were completed.
Property Geology

The Property is dominated by amphibole nepheline syenite in the east and amphibole quartz syenite in the west.

These units are well described by Walker et al (1993):

“The amphibole nepheline syenite is white to red, mesocratic to leucocratic, medium-grained with variable proportions of feldspar, nepheline, amphibole, biotite, apatite and zeolites. Locally the nepheline syenite is well-layered with melanocratic olivine nepheline syenite grading into mesocratic syenite. Spectacular orbicular layering occurs on the south shore of Pic Island. An intergranular texture resulting from intergrown feldspar, amphibole, and nepheline is typical of the unit. Near lineaments and lithological contacts the amphibole nepheline syenite becomes red. Texturally different varieties of amphibole nepheline syenite occur near the contacts and include mesocratic nepheline-amphibole syenite with near-equant euhedral-amphibole prisms and mesocratic amphibole nepheline syenite with interstitial amphibole and euhedral columnar feldspar.

The amphibole quartz syenite outcrops between Red Sucker Cove and the western contact of the complex and represents the final intrusion of syenite magmatism within the Coldwell Alkalic Complex. It appears to be a sheet-like intrusion which thickens to the west. Stratigraphically, the amphibole quartz syenite occurs below the amphibole, amphibole nepheline, and amphibole natrolite-nepheline syenites and is at a similar level to the iron-rich augite syenite.

Near the contacts, the amphibole quartz syenite is associated with synplutonic mafic dikes and extensive brecciation and assimilation of the overlying host rocks. Contacts between the amphibole quartz syenite and the xenoliths are angular to very delicate serrated outlines and range in size from less than 1 m to over 1 km. The amphibole quartz syenite consists of dikes of an older fine-grained, pink to mauve feldspar-phyric amphibole quartz syenite and younger medium-grained olive-brown to pink, mesocratic to leucocratic amphibole quartz syenite.

A younger medium-grained, mesocratic, amphibole quartz syenite with intergrown feldspar, amphibole and quartz intrudes the fine-grained feldspar-phyric amphibole quartz syenite on Pic Island and west of Coubran Lake. Based on the greater modal abundance of quartz, amphibole with higher alkali content, and higher concentrations of rare metals, the younger amphibole quartz syenite appears to be the most evolved phase of the amphibole quartz syenite unit.

The central part of the amphibole quartz syenite is coarser-grained, more massive, and is not associated with breccia zones. The coarse-grained amphibole quartz syenite has poorly aligned tabular-feldspar phenocrysts up to 3
cm long, interstitial amphibole, and quartz blebs. Typically the trachytic texture strikes between 3° and 49°, and dips up to 45° to the south. Pegmatitic patches in this unit are present but rare.”
Previous Exploration

An examination of the Ministry of Northern Development and Mines Assessment files reveal a limited historical work record on the present claims. Two terms of exploration were completed in the area of the present claims. The first term was from 1988 to 1990 by Cold Spring Granite (Canada) Ltd. and the second phase was by John Morgan from 1999 to 2001.

The work completed was by Cold Spring Granite (Canada) Ltd. on land that had been optioned from D. Petrunka a Thunder Bay prospector. Cold Spring completed sampling, diamond drilling, radar surveying, block sampling (14 ton) and a feasibility study. The work was completed over a period from 1988 to 1990. Some interesting results were obtained from the work.

The radar survey was performed over a small ground grid that would be present on the northwestern portion of claim 4256271. The survey results indicated:

“The data acquired along all survey lines at Site 2 were obtained with 100 MHz antennas (Figures 20 through 24). The radar data shows far fewer fractures at depth than at Site 1. A core sample from a depth of approximately four metres was provided to MultiVIEW Geoservices Inc. to conduct an electrical properties test. The electrical properties measurements were carried out by the University of Waterloo Earth Sciences physical property laboratory. The tests indicated that the resistivity of the rock sample is 1.25 x 105 ohm-metres. This very high resistivity indicates that the rock is transparent to the radar energy. The lack of radar reflections is therefore interpreted as an indication that the rock in this area has no major joints or fractures. This interpretation is further augmented by the absence of reflectors on the CMP sounding at Site 2 which indicates uniform rock conditions.”

The Feasibility Study included a 14 ton sample taken from the side of the Trans Canada highway on present claim 4256271. The site selection was chosen due to the ease of taking the sample. Comments in the report include:

“…the test results indicate that these samples of Canadian Red, with the exception of the results obtained from the C 170 test, meet the minimum ASTM test requirements. It is speculated that the compressive strength results may not indicate the true strength of this rock. This test is sometimes susceptible to erroneous results essentially due to poor sample preparation -faces not being true, improper loading of specimen and the direction of loading with respect to rift and grain may all conspire to cause a premature failure. In addition there may have been some induced micro fracturing caused by the heavy blasting when the highway was put through; however, if this were the case then this should have affected the other test results. Further ASTM testing, along with petrographic
analysis of samples, is required to establish a true representative value for this rock.”

The study also discusses the various good qualities of the red syenite sample though also points out some weathering features from monument stones that are present in Thunder Bay cemeteries.

The exploration work by John Morgan included prospecting, sampling, assaying and a radiometric survey (Table 2). The work by Mr. Morgan was to maintain claims on the same area as where Cold Spring Granite had focused.

In 2012 Clark Exploration designed an exploration program to evaluate as many outcrops as possible to provide Besco with a quick method of defining more potential areas on the Property for building stone testing. An excel spreadsheet was designed to provide descriptive features of the outcrops. These features included Colour, Fractures per metre, Fracture angles (not direct measurements just directions), Grain size, Textures, Iron stains, Sulfides Dimensions and Comments. The table also had a Waypoint location that was correspondent to the Global Positioning System (GPS) readings taken with a hand held Garmin unit. To measure outcrops that are large there was start and stop waypoint. Then to facilitate examination visually a series of pictures were taken of various features be they fractures, grain sizes or textures. To allow for further visual and potential thin section work representative samples were taken of various outcrops and stored for further use. To locate these pictures they correspond to waypoints (picture of GPS) and day of pictures. All this data was then placed into ArcGIS to co-ordinate a smooth system of evaluation.

Field work was carried out by Ray Koivisto and Jim Savage experienced prospectors of Thunder Bay and Jellicoe, Ontario, respectively. Work commenced August 19, 2012 and was completed August 29, 2012. The prospectors stayed in Marathon and commuted to the project daily.

Some claim posts, line posts and claim boundaries were located and GPS’s in while completing field work. It was noted the western and eastern most claims lines and posts are outside the claim fabric as downloaded from the Ministry of Northern Development and Mines website. The Ministry claim fabric is determined from the recording sketches drawn by the stakers and is not as accurate as the GPS readings. The actual land that the company owns is that demarked in the field.

During September 2015, Clark Exploration staff carried out another exploration and evaluation program similar to the one done in 2012 (see “Previous Exploration”), but examining new outcrops. The Property at this time also included one more claim (claim 4283461) which was also examined.
Table 2: Assessment List of Work on Property Claims

<table>
<thead>
<tr>
<th>AFRI_FID</th>
<th>ArcGIS_Dow</th>
<th>PERFORMED_</th>
<th>Work Performed</th>
<th>YEAR</th>
</tr>
</thead>
</table>
2016 Exploration and Evaluation Program

The exploration program conducted in late summer 2016 consisted of visiting some of the locations of syenite outcrop that had been examined and documented the previous year, and cutting slab samples from outcrops that were deemed suitable for marketing. The samples were cut using a portable hand-held rock saw, with samples usually ranging from 3-4 cm in thickness, 20-25 cm in length, and 10-15 cm in depth. Due to water not being readily available at most locations, the water used for cutting was carried to each site in 5 gallon jerry cans, and slowly poured over the saw blade while cutting. At each location one slab was cut and each sample site was photographed with the slabs positioned next to the spot where it were cut from, along with the GPS to verify the location and date of the sampling (see photos in Appendix IV).

The work was carried out by Des Cullen, P.Geo., of Kaministiquia, Ontario and Craig Maitland of Thunder Bay, Ontario. Work commenced on October 28th and was carried out until November 6th. The work is documented in Appendix I, “Daily Log”. The workers commuted to and from the Property from Marathon.
Discussion and Interpretation

The work program carried out in late summer 2016 has provided a number samples of syenite outcrops with photographs for future reference by Besco. These samples can be further cut and polished in order to display them to potential customers or for possible marketing studies by Besco.

Conclusions and Recommendations

It is recommended that Besco continue to further examine and analyse outcrops that it deems suitable for market either with more cutting as carried out in this program, or with a drill program, consisting of short, large diameter holes. The holes would only have to be to a depth suitable for quarrying, and the larger diameter core would provide them with large enough samples to allow cutting and polishing to show to potential customers, and also give an indication of the amount of fracturing present. A permit would be required from the MNDM for the drill program.
References

Assessment Files: Ministry Assessment Files housed in the Thunder Bay South Resident Geologist office, Thunder Bay or at http://www.geologyontario.mndm.gov.on.ca/


J. Garry Clark
1000 Alloy Drive
Thunder Bay, Ontario
Canada, P7B 6A5
Telephone: 807-622-3284, Fax: 807-622-4156
Email: gjclark@tbaytel.net

CERTIFICATE OF QUALIFIED PERSON

I, J. Garry Clark, P. Geo. (#0254), do hereby certify that:

1. I am a consulting geologist with an office at 1000 Alloy Dr., Thunder Bay, Ontario.

2. I graduated with the degree of Honours Bachelor of Science (Geology) from Lakehead University, Thunder Bay, in 1983. My Honours Thesis was completed on the Coldwell Alkalic Complex, Northwestern Ontario.

4. I am a registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario (#0254) and a member Ontario Prospectors Association.

5. I have worked as a Geologist for 29 years since my graduation from university.

6. I have read the definition of “qualified person” set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements as a Qualified Person for the purposes of NI 43-101.

7. I am responsible for the preparation of the Report.

8. I have had no prior involvement with the mineral Property that forms the subject of this Report.

Dated this 22nd day of November 2016.

SIGNED

“J. Garry Clark”

J. Garry Clark, P.Geo.
# Daily Logs – Coldwell Project – Besco – October 2016

<table>
<thead>
<tr>
<th>Date</th>
<th>Work Performed</th>
<th>Claims Worked On</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 28</td>
<td>Get maps, sample bags etc. from office and travel to Marathon and check into hotel</td>
<td>All</td>
</tr>
<tr>
<td>October 29</td>
<td>Cut slab samples on claim 4283461</td>
<td>4283461</td>
</tr>
<tr>
<td>October 30</td>
<td>Cut slab samples on claim 4283461</td>
<td>4283461</td>
</tr>
<tr>
<td>October 31</td>
<td>Cut slab samples on claim 4283461</td>
<td>4283461</td>
</tr>
<tr>
<td>November 1</td>
<td>Cut slab samples on claim 4256270</td>
<td>4256270</td>
</tr>
<tr>
<td>November 2</td>
<td>Cut slab samples on claim 4256270</td>
<td>4256270</td>
</tr>
<tr>
<td>November 3</td>
<td>Cut slab samples on claim 4256269</td>
<td>4256269</td>
</tr>
<tr>
<td>November 4</td>
<td>Cut slab samples on claim 4256272</td>
<td>4256272</td>
</tr>
<tr>
<td>November 5</td>
<td>Cut slab samples on claim 4256271</td>
<td>4256271</td>
</tr>
<tr>
<td>November 6</td>
<td>De-mob and Travel to Thunder Bay</td>
<td>All</td>
</tr>
<tr>
<td>Waypoint No.</td>
<td>Easting  (NAD 83 Zone 16U)</td>
<td>Northing  (NAD 83 Zone 16U)</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>CW-16-01</td>
<td>531699</td>
<td>5403241</td>
</tr>
<tr>
<td>CW-16-03</td>
<td>531671</td>
<td>5403264</td>
</tr>
<tr>
<td>CW-16-04</td>
<td>531673</td>
<td>5403290</td>
</tr>
<tr>
<td>CW-16-05</td>
<td>531695</td>
<td>5403301</td>
</tr>
<tr>
<td>CW-16-06</td>
<td>531725</td>
<td>5403254</td>
</tr>
<tr>
<td>CW-16-07</td>
<td>531722</td>
<td>5403337</td>
</tr>
<tr>
<td>CW-16-08</td>
<td>531628</td>
<td>5403576</td>
</tr>
<tr>
<td>CW-16-09</td>
<td>531577</td>
<td>5403712</td>
</tr>
<tr>
<td>CW-16-10</td>
<td>531567</td>
<td>5403740</td>
</tr>
<tr>
<td>CW-16-11</td>
<td>531634</td>
<td>5403826</td>
</tr>
<tr>
<td>CW-16-12</td>
<td>531271</td>
<td>5404013</td>
</tr>
<tr>
<td>CW-16-13</td>
<td>531107</td>
<td>5404098</td>
</tr>
<tr>
<td>CW-16-14</td>
<td>530588</td>
<td>5402675</td>
</tr>
<tr>
<td>CW-16-15</td>
<td>530586</td>
<td>5402653</td>
</tr>
<tr>
<td>CW-16-16</td>
<td>532058</td>
<td>5402428</td>
</tr>
<tr>
<td>CW-16-17</td>
<td>532023</td>
<td>5402436</td>
</tr>
</tbody>
</table>
APPENDIX III: PHOTOS

The following photos all correspond to the photos listed in the spreadsheet in Appendix II.
APPENDIX IV: Property Compilation Field Map