Report of Assessment Work on Claim #4262132

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Scott Schelske, P. Eng., F.E.C.

May 2015

Introduction:

877578 Ontario Inc. (the Company) has staked a number of claims in Northwestern Ontario for their dimension stone quarry potential. These occurrences exhibit unique colours and textures of the stone matrix and are found to have the possibility of being amenable to the quarrying of gang saw sized blocks. They have the massive formations that have exposures that demonstrate unblemished formations with the scarcity of structural features that is sought. These deposit ruining structural features are such things as: numerous or non-orthogonal joint sets, veins, faults, fissures, xenoliths and textural variations that serve to prevent a granite deposit from being capable of producing blocks.

Previous work has been focused on the dimension stone potential and involved removing, cutting and polishing stone samples.

Subsequently, it was realized that even if bulk sampling should determine that some of those deposits might not have a suitable structure for block production, they might still have market potential as a coloured aggregate. These coloured aggregates have a variety of uses such as: crushed landscaping stone, aquarium gravel, stucco dash, terrazzo and in an epoxied matrix as a composite stone product. Furthermore, even the best dimension stone deposits from a structural standpoint only "net" 40 - 55% and most are in the 20% range. The term "net" is used by the granite industry to express the ratio of marketable blocks shipped from a quarry for processing versus the total amount of stone quarried. If another market can be established for the stone from what is essentially waste rock, then the economics of a dimension stone quarry can be dramatically improved.

Location:

The site is found along the Bondy Road, which is an abandoned secondary resource access road that branches off to the right of the Wenasaga Road, just past the 55 km milepost and just before the Ben Road turn off. The Wenasaga Road is a major resource access road that is found via a left turn off the Gold Pines Road which intersects Highway 105 in the town of Ear Falls.

The main outcrop of the claim is bisected by the Bondy Road at about 2 km from the intersection with the Wenasaga Road.

Sampling:

The aggregate sampling program consisted of removing small pieces that could be broken off of bedrock using a sledgehammer and iron bar. These samples weighed approximately 50 - 100 lbs and were reduced to -3" using a sledgehammer and removed from the bush.

Samples were subsequently crushed to I" minus in size and then screened by hand to 4 sizes: +3/4",

-3/4' - 1.2'', -1/2'' - -1/4'' and -1/4''. Of particular interest to potential customers will be the smallest size, (-1/4'') in that it approaches the size-fraction-utilized by pre-casters, and manufacturers of composite stone products.

Regional Geology:

The "Greenstone" rocks of the Superior Province of the Canadian Shield dominate the geology of North-western Ontario. Sub Provinces in the Region take the form of east-west trending belts known as the Wabigoon, Winnipeg River, Bird river, English River, Uchi and Berens River belts (from south to north),. These belts are Achaean in age and comprised mainly of vertically dipping volcanic, sedimentary and sub-volcanic intrusive rocks. These rocks themselves tend to be highly deformed and are therefore not likely to host granitoid rocks that would be favourable for dimension stone deposits.

Neo-meso Achaean Intrusive Complexes:

After the development of the Achaean basement rocks that for the major greenstone belts, a regional scale tectonic event (the Kenoran Orogeny) took place over time. Initially, this structural event was responsible for significant deformation of pre-existing lithologies. However, the last stages of this event were accomplished by voluminous late tectonic felsic plutonism. It is these late felsic plutons that have endowed the North-western Ontario Region with its legacy of high quality, undeformed granite resources (i.e. The Lount Lake Complex part of the Winnipeg River Sub-province and English River Sub-province).

The English River Sub-province consists of predominantly a metasedimentary migmitite domain to the North and a granitoid intrusive-gneiss domain to the South. It is bounded on the North by the Uchi Sub-provinces and on the South by the Winnipeg River Sub-province.

The neo to meso Achaean intrusive suite includes massive granodiorite and granites, diorite, monzonites, muscovite bearing granitic rocks, a suite of foliated tonalite intrusives and gneissic tonalities between the ages of 2.5 - 2.9 Ga.

Geology of the deposit:

Stone Description:

The stone is a porphyritic granite that has a background colour and texture consisting of a fine grained, dark charcoal grey matrix with relatively uniformly distributed light beige to off white rectangular crystals, approximately $\frac{1}{2}$ wide, scattered throughout the stone in the "on section" view, which would be in the direction of cutting in a granite fabricating plant. The crystals are oblong, $\frac{3}{4}$ " to $1\frac{1}{2}$ " long and orientated in the same direction in the "on plan" view.

Unfortunately, the off white crystal keep it from being a true "charcoal grey" granite, which is very much in demand and running in short supply. Yet the preponderance makes the crushed aggregate appear to be a very bland grey crushed rock that is used for road topping and other industrial uses and would have little ornamental value.

Site Physiography:

The majority of the stone exposure is limited to small outcrops, and one small hill, approximately 40 m in diameter. The hill also has some forested areas with an overall exposure of about 60%. It is felt that some mechanical stripping of overburden will be required to completely evaluate the deposit. However, there is an area that was stripped of top soil that is located just off of the south side of the road on the gentler slope of the hill. This area would be approximately 250 sq m.

The remainder of the claim is in a former clear cut area with secondary growth consisting of grasses, brush, small jack pines and marsh. Although the overburden is light (.3 - 1.0 m thick) it is still heavy enough to preclude further observation of the stone and structure.

The hill is about 6 m high and falls off steeply in the north east corner and exhibits good ledge development.

Structure:

There are virtually no open vertical joints visible, since any joints have been in-filled by quartz veins. These quartz veins are very visible, since they range up to 2" wide and differential weathering against the granite host has left the veins extending 1" - 3" above the surface of the surrounding stone. They appear to run parallel to each other and dip in a near 90° vertical plane (as observed by the small portion of the veins that extend above the surface). The spacing of these veins is about 6 – 8 m, which would indicate that gang sized blocks may be possible to be quarried for this deposit.

The horizontal sheeting may be observed at the steep drop of the "backside" of the hill. Here the sheet joints are at a 20 cm - 1 m vertical space, which whilst not ideal, is still acceptable and it may improve with depth.

Quarriability and Reserves:

Although the majority of the deposit is covered by a layer of overburden, there are a few, scattered bedrock exposures that exhibit the same stone characteristics in both colour and texture over the bulk of the claim area. Therefore, it can be extrapolated that the lateral extent of the deposit is over the entire area. This would yield a granite resource of over 1 million tonnes.

Since there is a fairly steep drop off of the north east corner of the hill, and the ground is relatively flat leading to that slope, there is an ideal ledge development from which to commence quarry operations.

Since the Wenasaga Road is a major resource development road that is continuously being used for log hauling, the road maintenance is not an issue. However, the secondary Bondy Road itself will require some rebuilding.

Appendix:

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Figure 1: Photo of Cut and Polished Sample

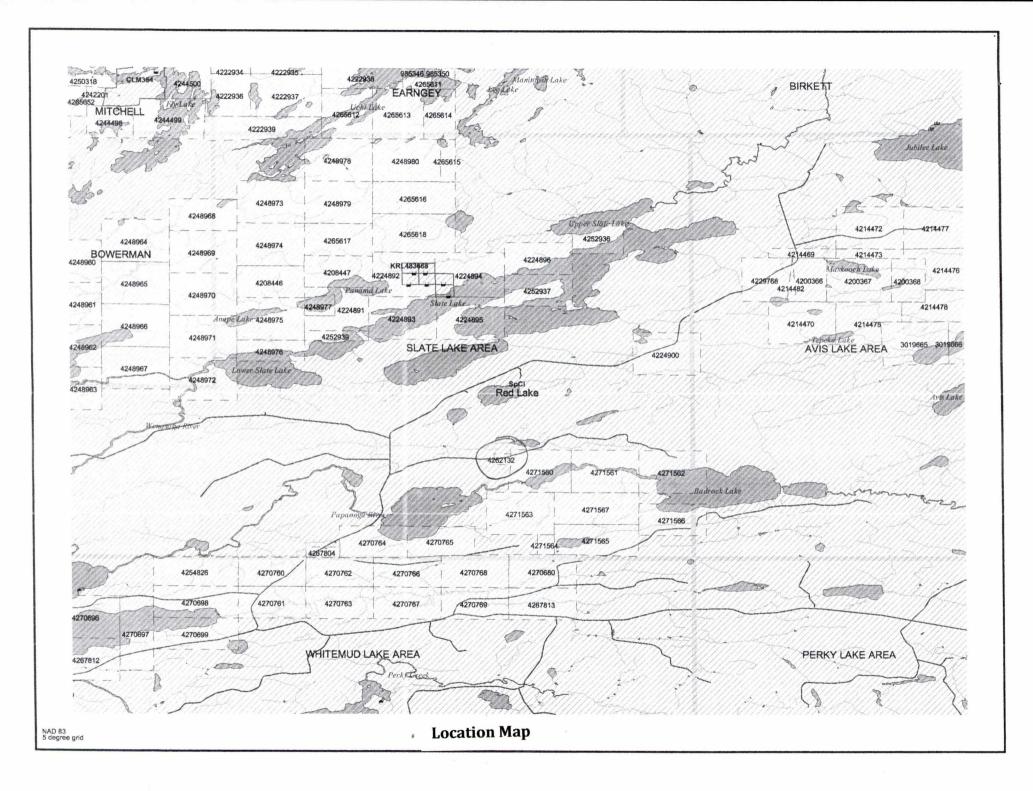
Submission Number 2.56001

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Transaction Number W1520.01202

<u> Claim # 4262 132</u>

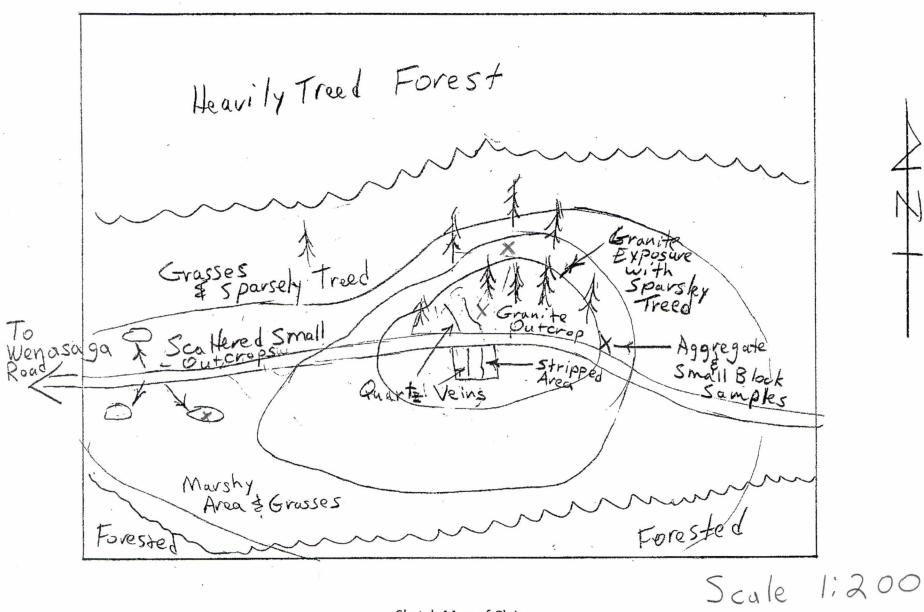
Addendum Information



Claim Map Legend

Item **Symbol Claim Boundary** 300 **Contour Lines** 310 320 **Mature Vegetation Edge of Dense New Vegetation Sample Location Diamond Drill Hole Location** DDH **Magnetic North Arrow Outline of Outcrop Exposure** Roadway Large Boulder Field

Claim # 4262132



Sketch Map of Claim

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Introduction:

877578 Ontario Inc. (the Company) has staked a number of claims in Northwestern Ontario for their dimension stone quarry potential. These occurrences exhibit unique colours and textures of the stone matrix and are found to have the possibility of being amenable to the quarrying of gang saw sized blocks. They have the massive formations that have exposures that demonstrate unblemished formations with the scarcity of structural features that is sought. These deposit ruining structural features are such things as: numerous or non-orthogonal joint sets, veins, faults, fissures, xenoliths and textural variations that serve to prevent a granite deposit from being capable of producing blocks.

Previous work has been focused on the dimension stone potential and involved removing, cutting and polishing stone samples.

Subsequently, it was realized that even if bulk sampling should determine that some of those deposits might not have a suitable structure for block production, they might still have market potential as a coloured aggregate. These coloured aggregates have a variety of uses such as: crushed landscaping stone, aquarium gravel, stucco dash, terrazzo and in an epoxied matrix as a composite stone product. Furthermore, even the best dimension stone deposits from a structural standpoint only "net" 40 - 55% and most are in the 20% range. The term "net" is used by the granite industry to express the ratio of marketable blocks shipped from a quarry for processing versus the total amount of stone quarried. If another market can be established for the stone from what is essentially waste rock, then the economics of a dimension stone quarry can be dramatically improved.

Location:

The site is bisected by the Chilcott Road, which is a secondary resource access road that branches off to the left of the Wenasaga Road, at about 22 km from the start. The Wenasaga Road is a major resource access road that is found via a left turn off the Gold Pines Road which intersects Highway 105 in the town of Ear Falls.

The main outcrop of the claim is adjacent to the west side of the road starting at 7 km from the intersection with the Wenasaga Road.

Sampling:

The aggregate sampling program consisted of removing small pieces that could be broken off of bedrock using a sledgehammer and iron bar. These samples weighed approximately 50 - 100 lbs and were reduced to -3" using a sledgehammer and removed from the bush.

Samples were subsequently crushed to I" minus in size and then screened by hand to 4 sizes: +3/4",

-3/4' - 1.2'', -1/2'' - -1/4'' and -1/4''. Of particular interest to potential customers will be the smallest size, (-1/4'') in that it approaches the size-fraction-utilized by pre-casters, and manufacturers of composite stone products.

Regional Geology:

The "Greenstone" rocks of the Superior Province of the Canadian Shield dominate the geology of North-western Ontario. Sub Provinces in the Region take the form of east-west trending belts known as the Wabigoon, Winnipeg River, Bird river, English River, Uchi and Berens River belts (from south to north),. These belts are Achaean in age and comprised mainly of vertically dipping volcanic, sedimentary and sub-volcanic intrusive rocks. These rocks themselves tend to be highly deformed and are therefore not likely to host granitoid rocks that would be favourable for dimension stone deposits.

Neo-meso Achaean Intrusive Complexes:

After the development of the Achaean basement rocks that for the major greenstone belts, a regional scale tectonic event (the Kenoran Orogeny) took place over time. Initially, this structural event was responsible for significant deformation of pre-existing lithologies. However, the last stages of this event were accomplished by voluminous late tectonic felsic plutonism. It is these late felsic plutons that have endowed the North-western Ontario Region with its legacy of high quality, undeformed granite resources (i.e. The Lount Lake Complex part of the Winnipeg River Sub-province and English River Sub-province).

The English River Sub-province consists of predominantly a metasedimentary migmitite domain to the North and a granitoid intrusive-gneiss domain to the South. It is bounded on the North by the Uchi Sub-provinces and on the South by the Winnipeg River Sub-province.

The neo to meso Achaean intrusive suite includes massive granodiorite and granites, diorite, monzonites, muscovite bearing granitic rocks, a suite of foliated tonalite intrusives and gneissic tonalities between the ages of 2.5 - 2.9 Ga.

Geology of the deposit:

Stone Description:

The stone is very attractive gneiss, with alternating $\frac{1}{2}$ " - 1 $\frac{1}{2}$ " bands of dark grey granite and off-white pegamatite, with an occasional band of pink pegmatite as well. When cut on an oblique angle to the banding (as is always done in a granite fabrication plant) the bands will be cut in such a manner as to form a "swirling" pattern that is used even in monuments as mausoleum blocks and tomb stones, well as buildings.

It is also very unique as an aggregate in that it has a very attractive combination of dark and white pieces that is unique among the landscape stone aggregate that is on the market.

Site Physiography:

The main deposit is slightly domed shaped, but for the most part relatively flat on top, with no relief until the top of the dome starts to slope downward, parallel to the road. The degree of exposure is excellent, since the area had been clear-cut in the past. There is some brush and the odd patch of moss, but the overall exposure would approach 70 - 80%. In the areas where the samples were taken (because the main dome is too solid to remove any stone without drilling and blasting), which is actually across the road from the main outcrop, there is a short slope with some ledge development. The degree of exposure is not as good but would be about 60%. Once the dome is crossed, it disappears into a fen bog.

Structure:

The stone is massive; with almost no visible vertical joints over the entire dome. With gneisses, textural variations are never considered, since they only add to the uniqueness of the stone. With the deposit being so flat it is difficult to determine the sheeting, although to the east there is the aforementioned short slope where the sheeting was over 2 m.

Quarriability and Reserves:

Given the solid, massive nature of the formation, there is no doubt that large, gang saw size block production should be possible (although the sheeting is unknown) and possibly even be capable of producing mausoleum blocks, (which is a rarity). However, the lack of relief will be problematic in that a ramp will have to be constructed into any quarry in order to achieve a working face. Since this ramp is expensive and will not produce any saleable blocks for dimension stone, it would definitely benefit the viability of any dimension stone quarry if the blasted rock from the ramp construction could be converted into an aggregate sold as either crushed rock or ornamental stone rather than disposed of as a waste product.

This deposit is very large, over 1/2 a kilometer long and 60 m wide. With even a minimal depth of quarrying, there would be several million tones of resource available.

Marketing:

There has been no marketing activity of the aggregate sales potential, although now that samples have been collected and prepared, that program can now begin.

Appendix:



Figure 1: Photo of Cut and Polished Sample

Submission Number 2.56001

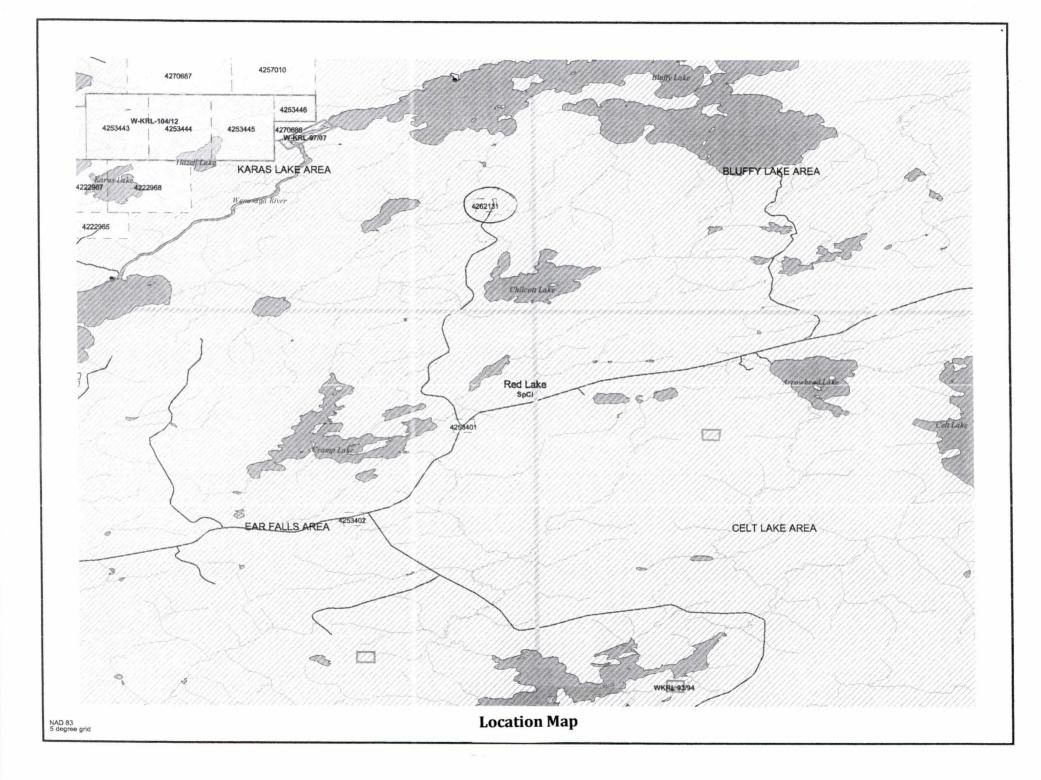
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Transaction Number W1520.01202

<u>Claim # 4262 131</u>

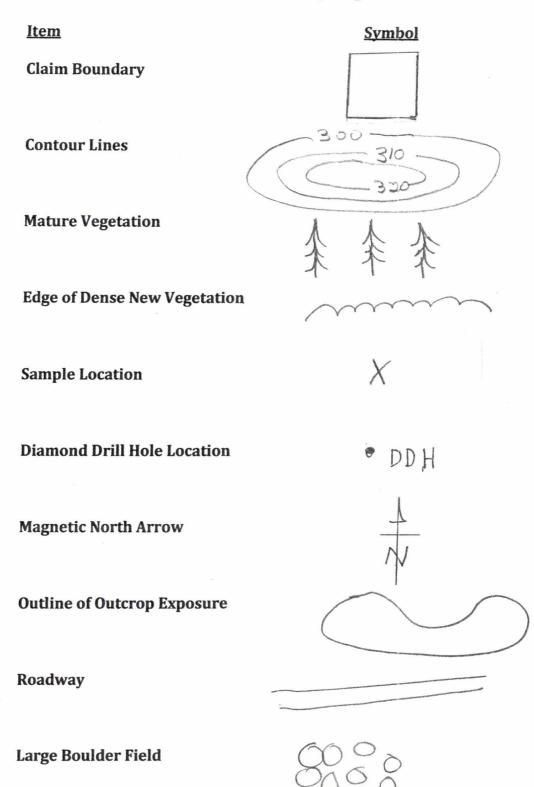
Addendum Information

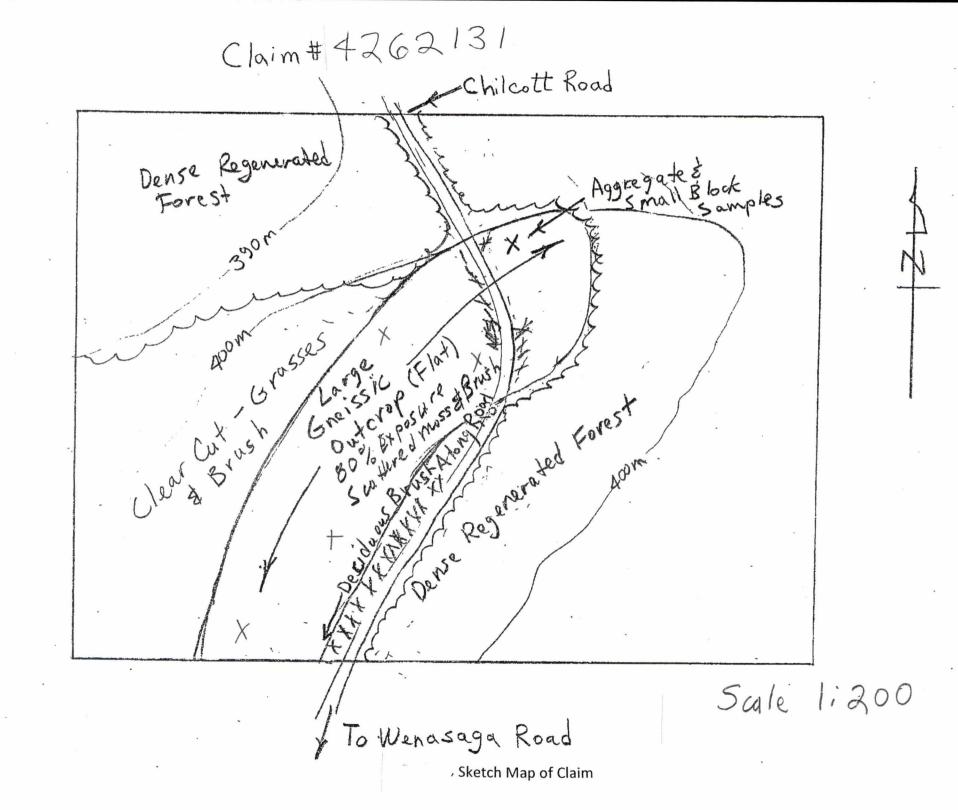
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Claim Map Legend

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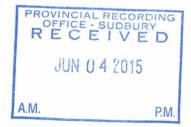
Report of Assessment Work on Claim #4253402

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Scott Schelske, P. Eng., F.E.C.

May 2015



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Location:

The mining claim is bisected by the Wenasaga Road at about 16 km from the start. The granite outcrop is found 25' off of the road on the north side, approximately .2 km from the turn off onto the McKenzie Bay Road. The Wenasaga is a major resource access road that is found via a left turn off the Gold Pines Road which intersects Highway 105 in the town of Ear Falls.

Sampling:

The aggregate sampling program consisted of removing small pieces that could be broken off of bedrock using a sledgehammer and iron bar. These samples weighed approximately 50 - 100 lbs and were reduced to -3" using a sledgehammer and removed from the bush.

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Geology of the deposit:

Stone Description:

The stone is very attractive quartz-feldspar pegmatite with a mottled pale yellow to light greyish to white colour with random dark charcoal grey to black crystals scattered throughout. The crystals a quite large in the 1'' - 2'' range.

The colour and textures are very unique and could be a higher priced dimension stone, and would be generally considered to be an interior stone i.e.: suitable for counter tops, furniture and wall paneling as opposed to exterior cladding.

However, it is doubtful that it would be marketable as a coloured aggregate, in that the pale yellow/off white colour with the odd piece of dark crystal material is not particularly attractive

and would not be competitive with either the white dolomites or white quartz products that are already established in the marketplace.

Site Physiography:

The degree of exposure is perfect in that there is no virtually no moss or soil cover on the outcrop whatsoever. The main outcrop is slightly domed shaped, but for the most part relatively flat on top, but it is ramped at about a 7 - 8 % downhill grade to the East. The remainder of the claim is in a former clear cut area with secondary growth consisting of grasses, brush, small jack pines, there are a few smaller domes but none of them are of any interest.

The site is a domed outcrop, rising steeply about 1 m from the host rock, but relatively fat at the top. It offers a topographic advantage for quarry development, in that the property slopes away from the access road at a 7 -8% grade and will facilitate the easy removal of blocks immediately upon start up.

There is 95% outcrop exposure at the site and the main outcrop covers a cigar shaped, elliptical area approximately 15 m x 60 m, with a secondary, smaller 12 m x 20 m outcrop located only 10m northward from the edge of the larger one. The smaller outcrop drops suddenly to the north and east.

Structure:

The field assessment has identified only a couple of vertical joints running the entire width of the outcrop over the entire length of the deposit. These joints are spaced 8 - 10 m apart and are parallel to one another and are orthogonal to the top and edges of the deposit, so the should not interfere with any quarry operation.

Sheet joints appear to be virtually non existent on the dome which can be problematic with quarry operations although 3 – 5m between sheet joints is ideal.

Quarriability and Reserves:

With the solid, massive nature of the formation gang saw size block production should be possible. With the natural sloped nature of the outcrop the development of a quarry working from the bottom of the slope towards the top provides an excellent way to commence quarrying without stripping or other development. Given the fact that the deposit is immediately adjacent to a major resource access road, there maybe a problem getting permission to relocate the road to the south if it is necessary to do so. However, the presence

of a new secondary access road approximately 100 m north of the smaller outcrop offers an ideal opportunity to load trucks without impeding traffic.

The only major hindrance to development is the small size of the outcrop. The total reserve would only be in the range of 50-60,000 tonnes, which may be too small to afford the capital cost of equipment open a quarry unless there are other stone projects developed in the same proximity. However, it is noteworthy that the same types of formation, being series of pegmatite domes, occur often along the Wenasaga Road allowance.

Appendix:

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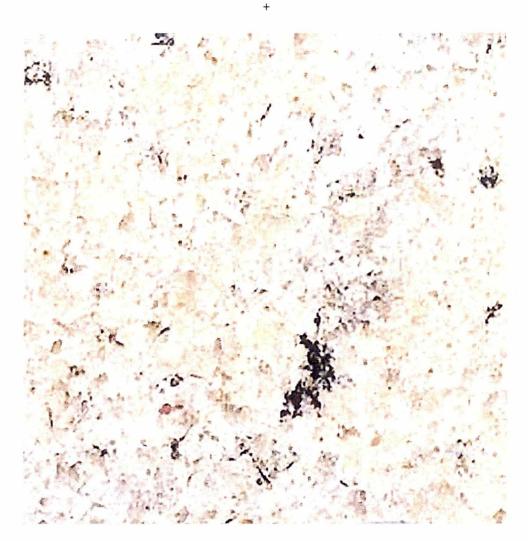
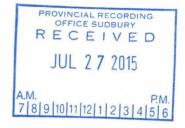


Figure 1: Photo of Cut and Polished Sample



Submission Number 2.56001

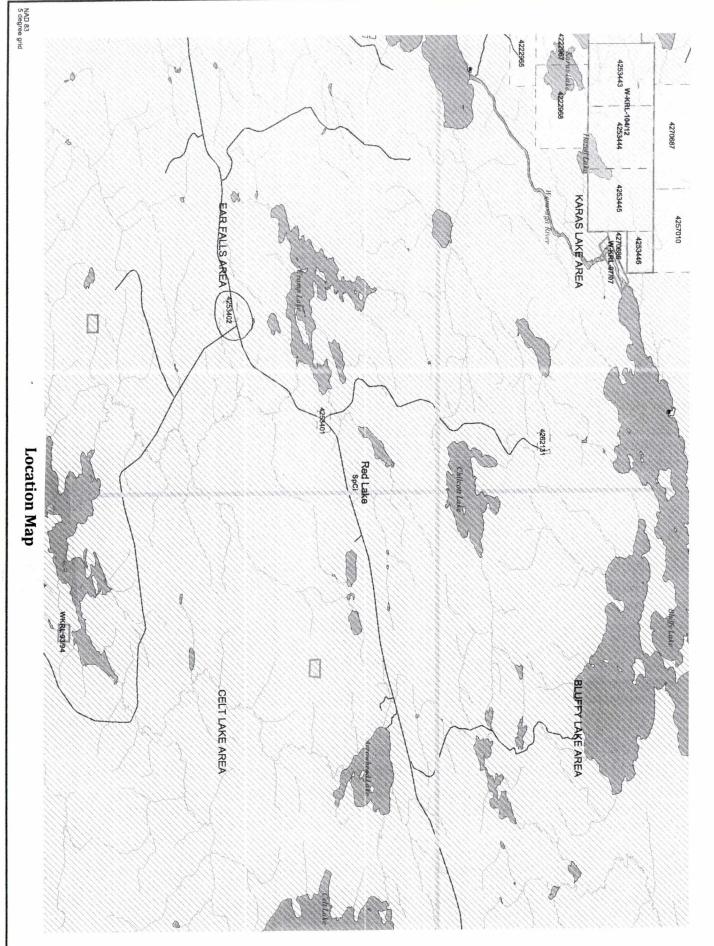
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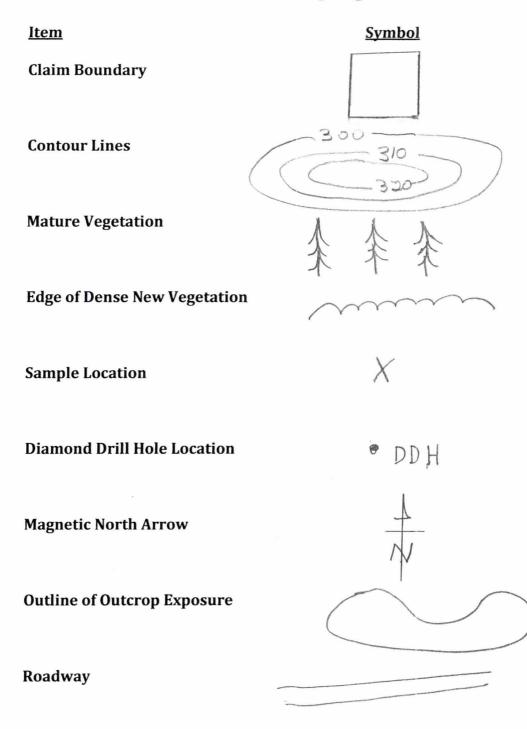
Transaction Number W1520.01202

Claim # 4253402

Addendum Information



Claim Map Legend



Large Boulder Field

Claim # 4262402 • • ¥ Perziary Road Clear Cut with Regenerated Thick. Brush & ** 410m ¥ X White F Exposur K × ills Small Block Wenasaga Road Samples Small Scaffered Outcrops of Pegmatite mixed with Wall Rock 1* * 400m. Clear Cut With Regenerated Thick Brush Scale 1:200 Sketch Map of Claim