Technical Report for Prospecting and Channel Sampling on the Kenora Gold Project

> Haycock Township, Kenora Mining Division Ontario, Canada

Work Performed on Mining Claim 4262699

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March 23rd, 2016

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1.0 Introduction

1.1 - Purpose

This report has been produced to meet the requirements for filing Assessment Work under the Ontario Mining Act. This report covers the prospecting work performed on the property in August and channel sampling in October 2015. The report includes the results of a prospecting and channel sampling program on the Kenora Gold Project by Pleson Geoscience on behalf of Canstar Resources Inc. in the Kenora Mining District, Ontario.

1.2 - Prospecting Overview

The prospecting program was designed to confirm historic showings outlined in the OGS Mineral Deposits Inventory and find new prospective gold showings. The program was also designed to evaluate historic gold showings related to the identified SGH (Soil Sampling performed in August 2014) anomalies. The author was on the property through the duration of the sampling program. The work, inclusive of the report, was performed between the dates of August 14th 2015 to January 27th 2016 (amended March 23rd 2016).

2.0 Accessibility, Geography and Climate

2.1 - Accessibility

The Kenora Gold Project covers 3 separate blocks totaling 397 units. The project is located from the eastern city limits of Kenora to Black Sturgeon Lake in the northeast and Haycock Lake in the east (Figure 1). The TransCanada Highway's #17A and #17B cut through the property and provide the bulk of the access. Highway 671 to Grassy Narrows I.R. provides access to the northern property boundary.

An intense network of snowmobile and quad trails allows easy access to 90% of the claims while some surveys areas are best accessed by canoe on Black Sturgeon Lake and Island Lake. The CP mainline railway transects through the central portion of the property as well as both natural gas and hydro transmission lines.

2.2 - Climate and Geography

The climate on the Kenora Gold Project mirrors that of Kenora. A portion of the property surrounds the city airport where Environment Canada monitors the weather conditions. The 30 year temperature range is -56.7°C to 35.8°C. The average annual precipitation for Kenora is 662cm, with a higher density of precipitation in the spring.

The Kenora Gold Project is typical of the Canadian Shield, with large competent outcrops surrounded by lakes and swamps. Modest topographic relief is exhibited throughout the property due to the density of intrusive bodies. Mature coniferous forests cover the majority of the property, with sporadic young regeneration of deciduous due to past logging operations.



Figure 1 - Kenora Gold Project Location

3.0 PROPERTY DESCRIPTION

The Kenora Gold Project is currently made up of 41 mining claims comprised of 397 units. This consists of a 5955-hectare area. The current claims exist in the Haycock, Jaffray and Kirkup Townships of the Kenora Mining District. Table 1 summarizes the claims and those involved in the current prospecting program. Figure 2 outlines the current project area along with the outlined prospecting areas. Appendix I outlines the present option agreement between the current claim owners and Canstar Resources, including the full names and addresses of all proponents.

Claims	Due Date	Units	Work Required (\$)	Record Holder	Client #
				Brian Fowler,	
				Terrance	
				Reimer and	
К				Anthony	133247, 411175,
4262699	Feb-01-2015	10	4000	Worona	411244

Table 1 – Summary of the Kenora Gold Project Claim Ownership

Prospecting occurred on the unpatented mining claim shaded yellow in Table 1.



Figure 2 – Property Map and Claim Location

4.0 GEOLOGICAL SETTING

4.1 - Regional Geology

The Kenora Gold Project is situated in the Wabigoon Subprovince of the Superior Province. This subprovince consists mainly of Archean metavolcanic and metasedimentary rock sequences intruded by larger granitoid plutons, mainly granodiorite to granite in composition. Mafic volcanic rocks form ~90% of the sequence in the Kenora area, typically tholeiitic mafic flows. Felsic-metavolcanic and metasedimentary units comprise the remainder of the volcanic-sedimentary lithologies. These units typically exhibit evidence of at least greenschist facies of metamorphism. Regional deformation tends to trend in the east/northeast direction. Major structures in the area also exhibit similar orientations. (Breaks et al., 1978).

This portion of the east trending Wabigoon Subprovince is typically referred to as the Western Wabigoon Terrane (WWT) and lies to the south of the Winnipeg River Terrane (WRT) and to the north of the Quetico Terrane (QT). The WRT and QT are typically high-grade metamorphic terranes consisting of plutonic and metasedimentary assemblages. (Percival and Easton, 2007). The general geology of the project area can be seen in Figure 2.

4.2 – Local Geology

The property is dominated by a large quartz diorite intrusion that extends past the eastern boundary of the mining claims on contact to a tonalite pluton. The western contact of the quartz diorite consists of interlayered mafic and felsic metavolcanic rocks. Minor quartz monzonite intrusions bound the metavolcanic rocks in the north. Intrusive mafic-intermediate rocks (diorite to gabbro) are also mapped along a northeast trending contact to the felsic and mafic metavolcanic rocks. Gold mineralization is typically observed at or near the contacts of the metavolcanic units and the quartz diorite. (Breaks et al., 1978).

Large regional faults and mineral foliations are mapped by *King 1983* and typically have northeast strikes. The shearzones on the property exhibit the same overall trend. Gold mineralization is typically associated near the boundaries of the major shearzones that have been previously mapped on the property (Canstar Internal Report, 2014).



Figure 3 – Regional Geology

5.0 PREVIOUS EXPLORATION

5.1 – Historic Work

Gold mineralization was observed in the project area as early as 1894. Previous gold and silver production occurred at the Scramble Mine located ~200 meters east of claim 4253187 although no production data is available. Various other shafts are located throughout the property with no verified production data. The area lay dormant until 1984 when various exploration companies picked up surrounding properties and commenced work. Notable exploration activities include prospecting, drilling and trenching near the eastern shores of Breakneck Lake and the southern shores of Black Sturgeon Lake. These activities developed small potential showings and provided further development of the Sweden occurrence (UTM 15N 405385 E 5516597 N), the Roseman occurrence (UTM 15N 402401 5511464), Westin occurrence (UTM 15N 403265 5511444), the Norway occurrence (UTM 15N 404624 E 5513774 N), the Princess occurrence (UTM 15N 403541 E 5518122 N), Triumph (15N 404170 5511566), Rajah (15N 400601 5516928) and the Black Sturgeon occurrence (UTM 15N 404762 E 5518278N). These occurrences represent high-grade gold showings, which were explored and mined near the start of the 20th century.

5.2 – Canstar Resources Inc. Exploration Activities

In the summer of 2014 Canstar conducted a small reconnaissance mapping program including sampling. The project was developed to locate various structures that have the potential for gold mineralization. The project also intended to re-examine historic occurrences and evaluate their economic potential. Of approximately 108 samples, 25 samples yielded high-grade gold mineralization near or in shearzones. This prompted the design of a SGH soil survey to test the continuity of the gold bearing structures across the property. Canstar also completed a SGH soil-sampling program in August-September 2014. A subsequent prospecting campaign in April and May 2015 was completed to evaluate these findings and lead to the discovery of new showings near the history Rajah, Roseman, Westin and Triumph occurrences. This program was extremely successful in locating new showings and confirming the potential of the historic showings. The highlight of the campaign was discovering a **68 g/t** sample in a near mineralized shearzone east of the Triumph and Treasure Showing and a **9.8 g/t** sample from a shearzone at the Westin occurrence which originally was thought to only consist of high-grade Au in quartz veins.

6.0 KENORA GOLD PROJECT PROSPECTING PROGRAM

6.1 – Prospecting Program Goals

The main gold of the August Prospecting Program was to evaluate the various outcrops exposed from blasting along Hwy 17 and delineate any prospective structures/mineralization to the East of the Treasure occurrence and the 68.1 g/t sample collected at the Treasure showing in April 2015 by Pleson Geoscience. This was to be accomplished by clearing any prospective showing (mining location), grab sampling any interesting areas and channel sampling any anomalous values (denoted "October Channeling").

6.2 – Prospecting Program Overview

Pleson Geoscience of Nipigon, ON was contracted to carry out the prospecting. Alex Pleson (Nipigon, ON), Mike Goodman, Phil Houghton and Rick Evans (Beardmore, ON) carried out the prospecting on August 17th and 19th 2015. Alex Pleson (Nipigon, ON), Mike Goodman, Ted Cox and Phil Houghton (Beardmore, ON) carried out the channel sampling on October 29th 2015. A total of **25** grab samples and **3** channel samples were collected in the focus areas during this time. A small portion of overburden was removed to study the structure in which Rick Evans sampled 1.92 g/t and lead to the October channel sampling of this area (15N 404679 5511257). The majority of the time spent exploring focused on traversing N-S close to the highway. The terrane was fairly hilly, however this provide ample exposures to prospect for gold mineralization.

7.0 PROSPECTING LOCATIONS AND ACTIVITIES

7.1 - Locations

The focus claim was divided into 2 areas for exploration (Figure 4), these were chosen based on the alteration and gossaned areas seen on the "rock-cuts" along Highway 17 which also are very close to the eastern claim boundary of 4262699. The majority of the time was spent in Area 2 as the mineralization and alteration of the mafic volcanic rocks on contact to the mafic instructive rocks shows the most economic potential and is similar in composition and structure to the Treasure Occurrence (15 U 404085 5511515).



Figure 4 – Prospecting Areas

7.2 – Area 1

Prospecting in Area 1 consisted mainly of traversing the outcrops close to Highway 17 as large "rusty" or "gossaned" zones can be identified along the highway. Through prospecting these outcrops, it was determined that the mineralization is typical of mafic volcanic and intrusive rocks consisting mainly of dark minerals with minor pyrite and magnetite. The majority of the rusty zones consists of weathered pyrite and without the presence of other sulphide minerals or oxides, these outcrops do not show any immediate potential for gold mineralization. This is confirmed as the highest sample value for Au via fire-assay analysis only returned 0.118 g/t Au. The sampling can be seen outlined in Figure 5 (note sample 258123 is not include in this report as it lines just east of the 4262699 claim boundary, which is represented by the middle of Highway 17). A detailed summary of the prospecting can be found in Appendix IV.



Figure 5a – Area 1 South Sampling Locations (Sample 258048 is located at the same coordinate as 258049 and 258050)



Figure 5b – Area 1 North Sampling Locations

7.3 – Area 2

The potential of Area 2 for gold mineralization is far greater than seen in Area 1. The structure in this area also coincides with the strike of the mafic intrusive and mafic volcanic rock contact and has historic workings along this trend. Also, in the April/May 2015 prospecting a 68.1 g/t Au grab sample was collected along this trend at the Treasure Occurrence. A stock-work of quartz-carbonate veins were intersected by prospectors Mike Goodman and Rick Evans and sampled. This lead to the discovery of a larger 3 meter wide alteration zone within the mafic volcanic rocks. This area is represented by the cluster of the 5 samples in the north area of Area 2 (Figure 6). This is also the area were the October 29th channel sampling was performed (Figure 7). A detailed summary of the prospecting and channeling program can be found in Appendix IV and pictures of the channeling in Appendix III.







Figure 7 – Area 2 Channel Sampling Location

8.0 PROPSECTING FINDINGS AND RECOMMENDATIONS

In Area 1, there were no significant gold assays recovered with the highest gold value being 0.118 g/t Au (Figure 8a, 8b, and 8c). There is not enough evidence to warrant any further exploration along this traverse.

In Area 2, the August prospecting campaign found intriguing gold values at/near the contact of the mafic volcanic rocks and mafic intrusive rocks. This is very interesting as it represents an easterly trending structural zone "shear zone" in which the western extent produce a 68.1 g/t Au grab sample in April 2015. During this campaign, an outcrop was examined ~800 meters East in Area 2. This produced two grab samples with gold values of 1.92 and 1.399 g/t (sample 258154 and 258126 respectively seen in Figure 6). Once these assays were received, the prospectors then exposed more bedrock at this location in Area 2 and sampled 1.9m across the quartz-stock work within the larger shear zone. This produced a favourable assay of 1.72 g/t over 0.7 meters. The results can be seen in Figure 8a and 8d.

The findings from this campaign are encouraging as it represents a possibility to delineate a gold-bearing structure over ~750m in strike length with gold values of up to 68.1 g/t. A significant amount of prospecting work would need to be performed to economically consider this zone for further exploration such as trenching, an IP survey or drilling. Work is currently planned to conduct another prospecting campaign along this trend in the 2016 field season.



Figure 8a - Gold Values (g/t Au Fire Assay)



Figure 8b – Area 1 North Gold Values (g/t Au Fire Assay)



Figure 8c – Area 1 South Gold Values (g/t Au Fire Assay)



Figure 8d – Area 2 Gold Values (g/t Au Fire Assay)

REFERENCES

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Raoul, A, 1996, OPAP Report, HAYCOCK GOLD PROPERTY, Kenora, Ontario OP 96-285

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Statement of Qualifications

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I, Alex Pleson, do hereby certify that:

1: I am a licensed Ontario Prospector

2: I have been working in the mineral exploration field since 2008

3: I received my H.BSc in geology from Lakehead University

4: I am responsible for the preparation of this assessment report

5: I hold no interest in the company or property this reports refers to

6: I have been involved with the Kenora Gold Project since August 13th 2014

Dated the 23rd day of March 2016

Alex Pleson, Exploration Consultant Pleson Geoscience Appendices

Appendix I – Option Agreement and Agent Letter

See attachment

 $\label{eq:appendix II-Assay Certificate and Sample Coordinates$

See attached Certificate See attached Prospecting Sample Description and Location Page

Appendix III – Prospecting Pictures



Phil Houghton channel sawing the quartz-stockwork zone while Ted Cox applied water (Area 2 – sample 294451)



Phil Houghton, Ted Cox and Mike Goodman at the Area 2 outcrop where Rick Evans sampled 1.9 g/t in August (Above). Mike Goodman, Phil Houghton and Gunner carrying water and supplied to top of hill to sample Area 2 (below)



Appendix IV – Prospecting Logs

Date	Claim	Area	Log
August 17 2015	4262699	1,2	Dropped Mike and Rick off near #1 post of 4262699, they prospected down the highway along the west side (within 4262699) and locate a few samples, although nothing of significance to report. Phil and I started at the hyroline and zig-zagged around the hills ~60 meters west of the by-pass highway, I examined numerous outcrops as Phil located quartz-veins. most only consisted of pyrite if any sulphides were present.
August 19 2015	4262699	2	Parked near Hydroline, very hard to access west side of property due to 10- 25 meter rock-cliffs, Mike and Rick climbed up hydroline and tried to locate contact between Mafc Vols and Gabbro. Phil and I walked highway to the south where the cliff ends and made our way west (which is now donoted Area 2) we examined outcrops which were all MMvol, nothing significant, found samples taken by Ted Cox in April 2015 which had no significant results. Proceeded towards Mike and Rick and meet at which appears to be similar mineralization and structure as the treasure occurence in the northern portion of (now Area 2).
October 29 2015	4262699	2	Based on Mike and Ricks grab sample in the northern portion of Area 2, Mike, Phil, Alex and Ted Cox returend to 4262699 on Oct 29th 2015 during the Canstar Channel Sampling campaign to re-analyze the outcrop of the just under 2g/t Au samples. We began by clearing the area to examine the outcrop, which is in the mafic metavolcanic rocks similar to the Treasure Occurence. I (Alex) then selected a locations to be channel sampled. Water had to be hauled from creek across highway as we were pretty much on the height of land for the entire project, The elevation difference is almosts ~90 meters, we then extracted the samples and tried to remove a few more stumps to find other veins but the sun set before we were able to finish