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**ASSESSMENT REPORT ON THE
2016 PROSPECTING AND SAMPLING PROGRAM
MARGON PROPERTY
SYINE TOWNSHIP
THUNDER BAY MINING DIVISION, ONTARIO, CANADA
NTS: 42D/14SE**

**FOR
OREN KRAVCHIK
CLIENT NUMBER 403633**

Philip Escher
October 15, 2016

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Introduction and Summary

This assessment documents the prospecting and sampling carried out on the Margon property in Syine township, Thunder Bay Mining Division. The report covers the field work that was conducted by the author between August 20 to 23, 2016 and from September 23 to 24, 2016.

The Margon property is located 180 kilometers northeast of the city of Thunder Bay, Ontario near the town of Terrace Bay. The property is accessible via a trail that departs the Trans-Canada Highway 17 9.8 kilometers east of the town of Terrace Bay and extends north to the southern boundary of the property. The property is comprised of 4 staked mining claims that cover 224 ha. The property is 100% owned by Oren Kravchik of Toronto, Ontario.

The Margon property is underlain by predominantly Archean rocks of the Schreiber-Hemlo greenstone belt and covers the Mocan and Danwahl showings.

A total of 31 grab samples were taken during the course of the program and assayed for their gold content by fire assay. In addition to gold, 3 samples were analysed for copper using a multi-acid digestion procedure and inductively coupled plasma-optical emission spectrometry.

During the course of the program the access trail was cleared from deadfall and brush to permit the use of an ATV to access the property.

Significant gold and copper values were obtained from the Mocan showing including sample K006874 which assayed 1.56 g/t Au. Only weakly anomalous gold values were obtained at locations other than the Mocan showing. Samples from the Danwahl showing are pending but previous workers reported grab samples of up to 8.8 g/t Au from the showing.

Gold mineralization at both the Mocan showing and Danwahl showing is associated with foliated metavolcanic rocks, quartz veining and sulfide mineralization. Alteration styles on the property include iron-carbonate silicification.

It is the opinion of the author that the Danwahl showing has the potential to host significant shear hosted gold mineralization. A review of assessment files available digitally through Geology Ontario does not indicate any mapping, drilling or channel sampling at the Danwahl zone.

To better define the extent of mineralization at the Danwahl showing it is recommended that the next phase of exploration be:

- Aboriginal consultation followed by applications for exploration plans and permits. Plans should cover linecutting while permits should include stripping, trenching as well as diamond drilling.
- A program lithological and structural mapping of the shear and channel sampling of the existing showing.

Property, Location, Access and Physiography

The Margon Property is located in northwestern Ontario, near the northern shore of Lake Superior, approximately 180 kilometers northeast of the city of Thunder Bay and 10 kilometers northeast of the town of Terrace Bay (Figure 1). The property consists of 4 contiguous unpatented mining claims covering 14 claim units. The property is 100% owned by Mr. Oren Kravchik of Toronto, Ontario.

The property is centered on 499180E 5412569N (UTM Nad83; Zone 16) and lies in the northwestern corner of Syine township, Thunder Bay mining division. The claims comprising the Margon property are shown in Figure 2 and summarized in Table 1.

The property can be accessed via an ATV trail that departs the Trans-Canada Highway 17 approximately 9.8 kilometers northeast of Terrace Bay. The ATV trail extends north for approximately 1 kilometer to the southern claim boundary of mining claim 4222590, where it turns into a walking trail.

The topography is characterized by high local relief and steep sides hills and ridges. Elevations range from 200 meters to >400 meters. The area is vegetated by mixed forest consisting of deciduous, broadleaf trees and evergreen that form a closed canopy. Shrubs and mosses dominate the understory vegetation.

Table 1: Claim Status

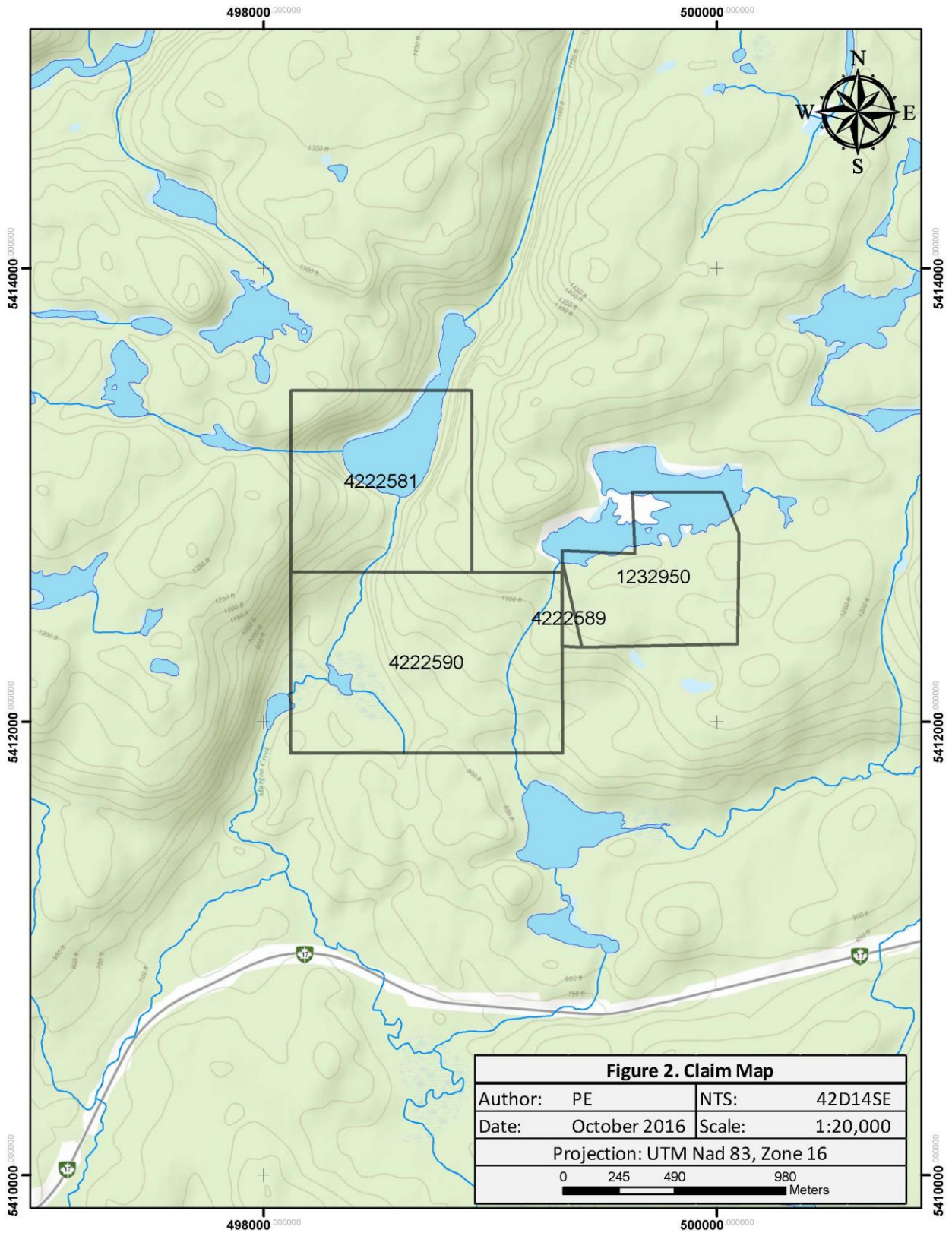
Claim Number	Claim Units	Area (hectares)	Recording date	Work due	Expiry Date
4222590	6	96	Apr 15, 2009	\$2,400	Oct 18, 2016
4222589	1	16	Apr 15, 2009	\$400	Oct 18, 2016
4222581	4	64	May 7, 2009	\$1,600	Oct 18, 2016
1232950	3	48	Apr 16, 1999	\$1,200	Oct 18, 2016
	14	224	Totals	\$5,600	

Figure 1
Property Location Map

0 125 250 500
Kilometers



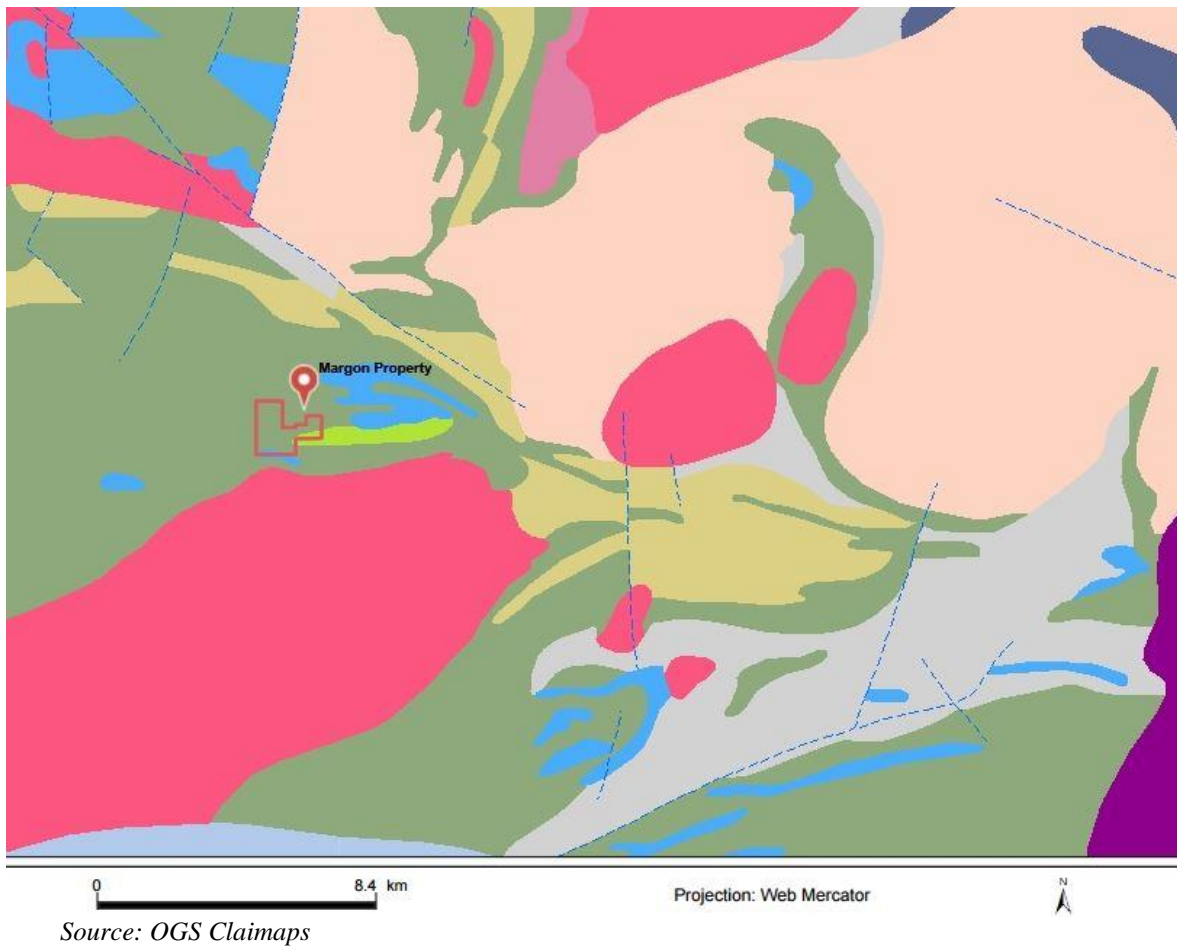
Figure 2. Claim Map



Regional Geology

The Margon property lies within the western portion of the Archean-age Schreiber-Hemlo greenstone belt of the Wawa subprovince of the Canadian Shield. The greenstone belt consists of approximately equal amounts of metavolcanic and metasedimentary rocks that have been intruded by Archean granitoids and Proterozoic diabase dikes. The area was mapped originally by Walker (1967) and is currently being mapped by Walker and Magnus (2015).

Figure 3. Regional Geology



Property Geology

The Margon property is underlain predominantly by intermediate to mafic metavolcanic rocks and lesser felsic and mafic intrusive rocks. Minor metasedimentary rocks are also present on the property.

The metavolcanic rocks are characterized by greenschist to lower amphibolite facies metamorphism.

Gold mineralization on the property is associated with quartz-carbonate veins in sheared mafic metavolcanic rocks and gossan material with pyrite. Historical high-grade gold grab samples value ranging from 0.1 to 0.6 oz/ton Au have been obtained from the Mocan showing where gold is associated with boudinaged quartz-carbonate veins in sheared metavolcanic rock (Hinz, 1984).

2016 Prospecting and Sampling Program

Prospecting on the property was conducted by the author from August 20 to 23, 2016 and from September 23 to 24, 2016. All sample locations were recorded by a hand-held Garmin GPS unit (GPSmap 62s) and later downloaded to a computer. Sample descriptions were recorded in a field notebook and are shown tabulated in Appendix I, along with sample locations. During the course of the program, the access trail was cleared out by chainsaw to permit the use of an ATV. The trail was cleared from deadfall and shrubs, starting at the highway to the southern claim line of mining claim 4222590, for a total distance of 1.2 kilometers.

Sample preparation and analysis was done at Actlabs in Thunder Bay, Ontario. A total of 31 rock grab samples were submitted for assay. All samples were crushed, split and pulverized using Actlabs RX1 preparation package. The samples were then assayed for gold by fire assay and an atomic absorption finish using the labs 1A2 code. 3 samples were analysed for copper using a multi-acid digestion procedure and inductively coupled plasma-optical emission spectrometry (code 8-AR). Sample locations are provided on Map 1. Assay certificates are attached as appendix II.

Of the 31 samples submitted, results for 25 samples have been received to date. The remaining 6 samples are currently pending.

Assay results received to date returned values ranging from <5ppb to 1560ppb Au. Significant assays were obtained from the Mocan showing, including grab sample K006874 which returned 1.56 g/t gold.

Sample results from locations other than the Mocan showing produced only weakly anomalous gold values. These include 0.069 g/t Au and 0.019 g/t Au from 1.5 to 2 meter-wide quartz vein in intermediate metavolcanic rocks in the south-central portion of claim 422590.

Assay results from samples from the Danwahl showing are pending. The metavolcanic rocks at the Danwahl are characterized by a strong penetrative foliation. Foliations strike east-west to east-northeast with near vertical dips.

Conclusions and Recommendations

The prospecting program confirmed significant gold values at the Mocan showing that are associated with quartz-carbonate veins in sheared metavolcanic rocks. The gold mineralization at this zone is associated with copper mineralization.

Sampling at locations other than the Mocan showing produced only weakly anomalous gold values.

Sample results from the Danwahl zone are pending but previous work on this zone returned significant high-grade gold assays of up to 8.8 g/ton Au (Wahl, 2000).

Mineralization at the Danwahl showing appears to be associated with ductile deformation and quartz-carbonate veining. Foliations in metavolcanic rocks south of Lunch lake near the Danwahl showing strike east-west to east-northeast with near vertical dips. Similar to the Mocan showing, mineralization at the Danwahl zone is associated with quartz-carbonate veins and sulfide mineralization.

It is the opinion of the author that the Danwahl showing has the potential to host significant shear-hosted gold mineralization. A review of assessment files available digitally through Geology Ontario does not indicate any mapping, drilling or channel sampling at the Danwahl zone.

To better define the extent of mineralization at the Danwahl showing it is recommended that the next phase of exploration be:

- Aboriginal consultation followed by applications for exploration plans and permits. Plans should cover linecutting while permits should include stripping, trenching as well as diamond drilling.
- A program lithological and structural mapping of the shear and channel sampling of the existing showing.

References

Hinz, P., Geological Report, NO. 64 Grid, Mocan valley Grid. Flagged Grid and the North Siville Showing, Micham Exploration inc.. Terrace Bay Claims, Syine Township and Santoy Lake Area, District of Thunder Bay, Assessment Report 42D15SW0114, August 15, 1984.

Whal, R., Prospecting; Report of Work; Margon Lake & Little Davidson Lake Property, Assessment Report 42D15NW2003, January 15, 2000.

Walker, J.W.R., Geology of the Jackfish-Middleton Area, Ontario Geological Survey, Geological Report 50, 1967.

Magnus, S.J. and Walker, J. 2015. Geology and mineral potential of Walsh, Tuuri and Syine Townships, Schreiber-Hemlo greenstone belt; in Summary of Field Work and Other Activities 2015, Ontario Geological Survey, Open File Report 6313, p.14-1 to 14-12.

Appendix 1

Sample ID	UTM (Nad 83, Z16)		Description	Au_ppb	Cu_%
	East	North			
K006851	498907	5412563	Mafic volcanic, massive. Aphanitic. green color. 2-3% fine grained sulfides disseminated.	< 5	
K006852	498906	5412554	Same as previous. 1-2% fg sulfides disseminated. 3-5% subhedral to anhedral sulfides in clusters (mainly fracture controlled)	< 5	
K006853	498912	5412526	Mafic volcanic. Massive. Locally siliceous. 3 to locally up to 10% fine grained to subhedral sulfides	12	
K006854	498904	5412485	Mafic volcanic. Slightly siliceous. Weakly to moderately sheared. 0.5% sulfides disseminated	< 5	
K006855	498764	5412546	Mafic volcanic. Massive. Aphanitic. 0.5 to 1% sulfides disseminated. Wk to moderate carb	< 5	
K006856	498920	5411964	Mafic volcanic. Massive. Aphanitic. Slightly siliceous. Trace sulfides	< 5	
K006857	498923	5412015	Intermediate volcanic. Plagioclase phyric. Weakly foliated. Moderate to strong carb alteration. Trace	< 5	
K006858	498912	5412098	Intermediate to mafic volcanic. Aphanitic. Mm-scale qtz-feldspar veinlet. Loc minor k-spar	< 5	
K006859	498907	5412313	Mafic volcanic. Aphanitic. Weakly foliated. 0.5% sulfides.	< 5	
K006860	498892	5412384	Mafic volcanic. Weakly foliated. ~5% medium grained subhedral sulfides. Possibly weak epidote alteration.	< 5	
K006861	498726	5412192	Intermediate(?) to mafic volcanic. Massive. Feox on whd surface. Trace sulfides	< 5	
K006862	498676	5412079	Translucent to milky white qv. locally sulfur or iron-oxide stain. Clusters of 2-3% sulfides and 2-3% galena	19	
K006863	498671	5412093	Same as previous. 1% sulfides	< 5	
K006864	498671	5412093	Siliceous intermediate(?) volcanic. Aphanitic. Massive. Trace sulfides	< 5	
K006865	498671	5412093	Same as previous. Trace sulfides	< 5	
K006866	498671	5412098	Qv. Translucent white. Minor iron or sulfur stain. 5-8% medium grained subhedral sulfides	11	
K006867	498671	5412098	60-70% quartz. 30-40% wallrock (intermediate volcanic). Clusters of 3-4% subhedral sulfides.	69	0.073
K006868	498165	5412476	Chert. very fine grained. Banded appearance (alternating cm-scale laminae of white qtz and dark qtz). strongly oxidized whd surface. Locally	32	

Sample ID	UTM (Nad 83, Z16)		Description	Au_ppb	Cu_%
	East	North			
K006869	498370	5412707	Chert. Aphanitic. Dark grey with some white laminae. Locally strongly oxidized. 5-10% semi-massive sulfides. Locally malachite stain	26	0.158
K006870	498635	5412524	Mafic volcanic, dark green. Massive. Aphanitic. Intensely oxidized weathered surface. 5-10% medium grained subhedral sulfides. Weak to moderate carb alteration. Sample from 10-15cm wide sulfide pod.	657	2.02
K006871	498635	5412524	Mafic volcanic. Dark green fine grained. Several mm-scale quartz veinlets. 2-3% sulfides, subhedral	34	
K006872	498449	5412569	Silicified mafic or intermediate volcanic (?). Medium grey. Very fine grained. Some qtz-calcite veinlets. Weakly foliated. Trace subhedral sulfides	591	
K006873	498461	5412544	10-15cm wide white quartz vein. Translucent. Aggregates of 2-3% euhedral to subhedral sulfides.	941	
K006874	498488	5412538	Loose but local quartz vein material. Same as previous but moderate feox on weathered surface and fractures. 5-8% euhedral to subhedral sulfides (occur as aggregates)	1560	
K006875	498808	5411952	Subcrop. Intermediate to mafic volcanic. Dark green, fine grained. Weakly foliated. 3-5%	18	
K006876	499518	5412473	Strongly foliated mafic metavolcanic. Moderately magnetic. Several cm-scale qtz veinlets (@ outcrop scale these quartz veins are boudinaged and discontinuous). Sparsely mineralized with sulfides	Assay Pending	
K006877	499526	5412468	Foliated mafic metavolcanic. Gossanous	Assay Pending	
K006878	499610	5412455	Moderately foliated mafic metavolcanic. 2 to 3% sulfides in stringers. Stingers are parallel foliation.	Assay Pending	
K006879	499669	5412431	Strongly foliated mafic metavolcanic. Up to 5% medium-grained subhedral sulfides in clusters. Moderately gossanous	Assay Pending	
K006880	499672	5412431	Moderately foliated mafic volcanic with cm-scale quartz veining. Strongly carb altered. 2-3% sulphides in clusters, associated with quartz	Assay Pending	
K006881	499732	5412422	Weakly to moderately foliated mafic metavolcanic. 1% sulphides, disseminated. 2-3% sulfides in clusters. Weakly carb altered	Assay Pending	

Appendix II



Date Submitted: 22-Aug-16
Invoice No.: A16-08399
Invoice Date: 02-Sep-16
Your Reference:

Pathfinder Exploration Services
75
Walker Rd, South
Neebing Ontario
Canada

ATTN: Phil Escher

CERTIFICATE OF ANALYSIS

25 Rock samples were submitted for analysis.

The following analytical package(s) were requested:

Code 1A2-Tbay Au - Fire Assay AA (QOP Fire Assay Tbay)

Code 8-AR Tbay Code 8-Assays

REPORT **A16-08399**

This report may be reproduced without our consent. If only selected portions of the report are reproduced, permission must be obtained. If no instructions were given at time of sample submittal regarding excess material, it will be discarded within 90 days of this report. Our liability is limited solely to the analytical cost of these analyses. Test results are representative only of material submitted for analysis.

Notes:

If value exceeds upper limit we recommend reassay by fire assay gravimetric-Code 1A3

CERTIFIED BY:

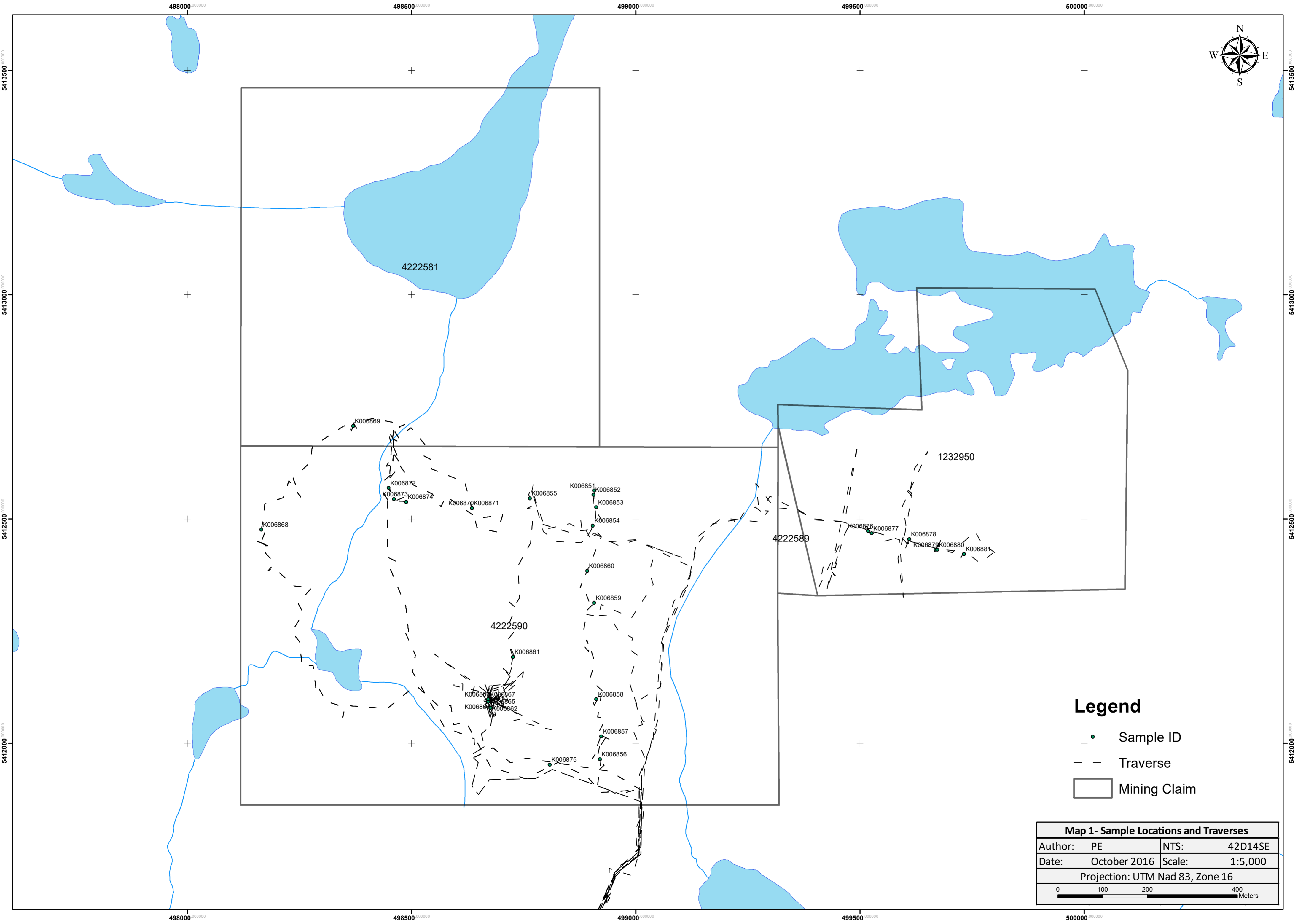
A handwritten signature in black ink, appearing to read "Emmanuel Esemé". The signature is written over a horizontal line.

Emmanuel Esemé , Ph.D.
Quality Control

ACTIVATION LABORATORIES LTD.
1201 Walsh Street West, Thunder Bay, Ontario, Canada, P7E 4X6
TELEPHONE +807 622-6707 or +1.888.228.5227 FAX +1.905.648.9613
E-MAIL Tbay@actlabs.com ACTLABS GROUP WEBSITE www.actlabs.com

Analyte Symbol	Au	Cu
Unit Symbol	ppb	%
Lower Limit	5	0.001
Method Code	FA-AA	ICP-OES
K006851	< 5	
K006852	< 5	
K006853	12	
K006854	< 5	
K006855	< 5	
K006856	< 5	
K006857	< 5	
K006858	< 5	
K006859	< 5	
K006860	< 5	
K006861	< 5	
K006862	19	
K006863	< 5	
K006864	< 5	
K006865	< 5	
K006866	11	
K006867	69	0.073
K006868	32	
K006869	26	0.158
K006870	657	2.02
K006871	34	
K006872	591	
K006873	941	
K006874	1560	
K006875	18	

Analyte Symbol	Au	Cu
Unit Symbol	ppb	%
Lower Limit	5	0.001
Method Code	FA-AA	ICP-OES
CZN-3 Meas		0.680
CZN-3 Cert		0.685
MP-1b Meas		3.05
MP-1b Cert		3.069
CCU-1d Meas		23.9
CCU-1d Cert		23.93
CPB-2 Meas		0.122
CPB-2 Cert		0.1213
OREAS 203 Meas	857	
OREAS 203 Cert	871.000	
PTC-1b Meas		7.93
PTC-1b Cert		7.97
SF85 Meas	860	
SF85 Cert	848	
K006860 Orig	< 5	
K006860 Dup	< 5	
K006873 Orig	984	
K006873 Dup	897	
Method Blank	< 5	
Method Blank	< 5	
Method Blank		< 0.001
Method Blank	< 5	



- Legend**
- Sample ID
 - Traverse
 - Mining Claim

Map 1- Sample Locations and Traverses	
Author: PE	NTS: 42D14SE
Date: October 2016	Scale: 1:5,000
Projection: UTM Nad 83, Zone 16	