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PROSPECTING REPORT

on the

MORAY LAKE PROPERTY

ZAVITZ AND HINCKS TOWNSHIPS

**LARDER LAKE AND PORCUPINE
MINING DIVISIONS**

Randall Salo, P.Geol

December 17, 2015

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Prospecting Traverse Map July 2-3, 2015

Prospecting Traverse Map July 2-3, 2015 – Geophysical Map Reference

Assay Certificate

SUMMARY

The present prospecting program was carried out to investigate the northeastern part of the property and to investigate induced polarization anomalies identified during the 2012 geophysical survey.

Results from prospecting uncovered mafic volcanic and porphyritic/dioritic rocks in the northeast. Results of the IP chargeability anomalies did not source any bedrock or subcrop to shed light on the source character of the geophysical anomalies.

Recommendations include trenching of the IP anomaly areas and continued prospecting in the northeast part of the property.

LOCATION AND ACCESS

The Moray Lake Property is located approximately 50 kilometres south-southeast of Timmins, Ontario (Fig. 1). Access to the property is afforded by southerly vehicle travel for 80 kilometres along a series of all-weather gravel roads stemming from Timmins or South Porcupine.

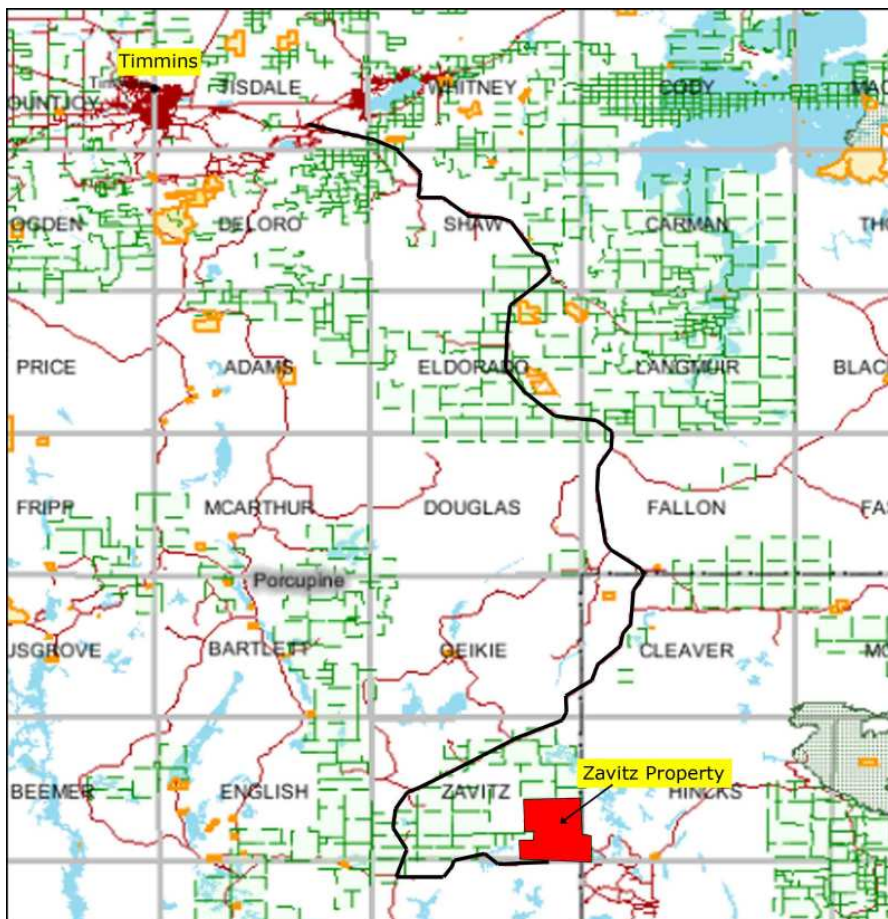


Figure 1: Property Location Map

PROPERTY DESCRIPTION

The Moray Lake Property consists of 7 unpatented mining claims comprising 69 claim units; 2,760 acres or 1,104 hectares, located in Zavitz Township (M-1189) of the Porcupine Mining Division, and Hincks Township (G-3649) of the Larder Lake Mining Division. Details pertaining to mining claim tenure are listed in Table 1.

Claim No.	Claim Units	Recorded Date	Due Date
4274021	8	October 29, 2014	October 29, 2016
4268778	14	December 22, 2011	December 22, 2015
4251918	14	April 7, 2010	April 7, 2016
4251919	15	April 8, 2010	April 8, 2016
4250036	5	April 7, 2010	April 7, 2016
4255206	12	April 7, 2010	April 7, 2016
4278340	1	November 16, 2015	November 16, 2017

Table 1: Claim Descriptions

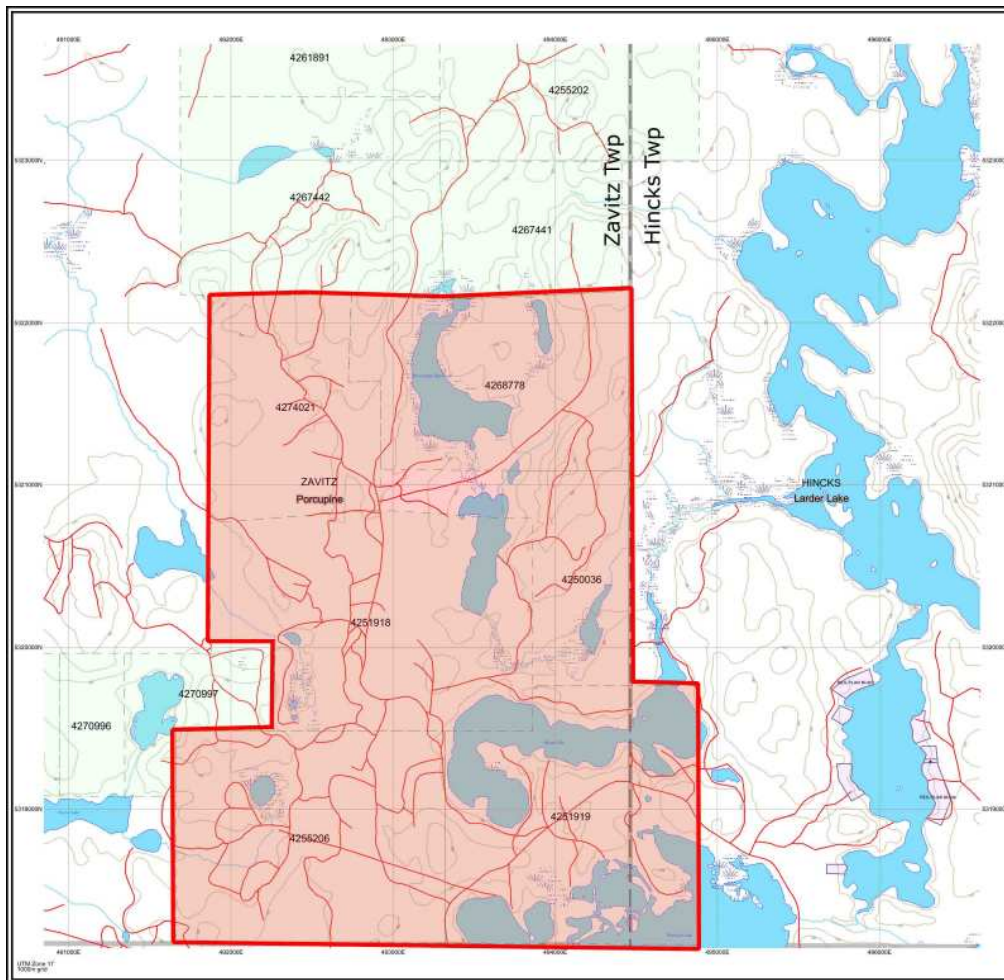


Figure 2: Property Claim Map

GEOLOGY

Detailed regional and property-scale geological descriptions are presented in a private technical report by Kretchmar, 2013. Figure 3 outlines property geology as defined to date (Kretchmar, 2013).

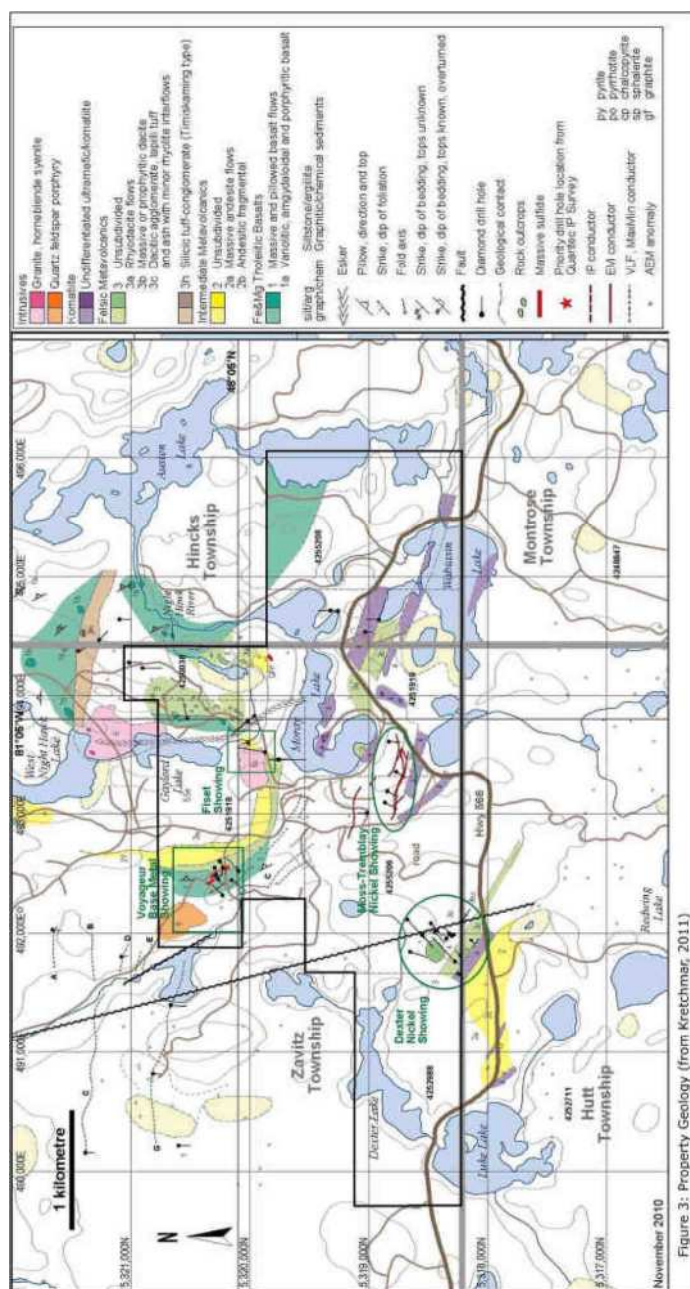


Figure 3: Property Geology Map (after Kretchmar, 2013)

PROSPECTING PROGRAM

Prospecting occurred on June 30, 2015 by Jacques Robert, Randall Salo and Shelly Moretti to investigate the northeast part of the property. Approximately 2.5 km of traversing was completed with 8 grab samples taken and sent to Bureau Veritas Laboratories in Timmins for analysis of their gold content by fire assay method.

On July 2nd and July 3rd, 2015, Jacques Robert and Charlie Peever ventured to the property in an effort to investigate geophysical induced polarization chargeability anomalies/trends in the central part of the property. Geotul's were used to dig into the overburden and a steel rod was further utilized to penetrate down to a maximum of 3 feet in search of subcrop. In total 20 locations were inspected along the 1.4 km traverse (see appended maps for locations) over the 2 day period.

PROSPECTING PROGRAM RESULTS

Results of the prospecting discovered a quartz carbonate float rock in the northeastern part of the property that assayed 1.527 g/t gold. Results of the geophysical anomaly inspection did not uncover any outcrop or subcrop to aid in the determination of the source rock character underlying the IP anomalies.

RECOMMENDATIONS

Continued prospecting up glacial direction of the gold-bearing quartz-carbonate float rock is recommended. Trenching of the geophysical anomalies/trends is additionally recommended to determine the source of the chargeability anomalies providing overburden depths are relatively shallow.

Sincerely,

A handwritten signature in black ink that reads "Randall Salo". The signature is written in a cursive, flowing style.

Randall Salo, P. Geo

December 17, 2015

APPENDIX

Statement of Qualifications

I, Randall W. Salo of 800 Gervais Street North, Porcupine, Ontario do hereby certify that I:

- am a graduate of Lakehead University with an Honours Bachelor degree in Geology/Physics (1998).
- have been involved and working in mining exploration for more than 30 years in Canada, Mexico and Asia.
- am a member of the Association of Professional Geoscientists of Ontario with member number 1265.
- have included in this report all relevant data derived from both private and public sources.
- have been physically on the property and have expressed personal opinions in this report.
- I hold a 33.3% interest in the Moray Lake Property.

Sincerely disclosed,

A handwritten signature in black ink that reads "Randall W. Salo". The signature is written in a cursive style with a large initial 'R' and a distinct 'S'.

Randall W. Salo, P.Ge

December 17, 2015

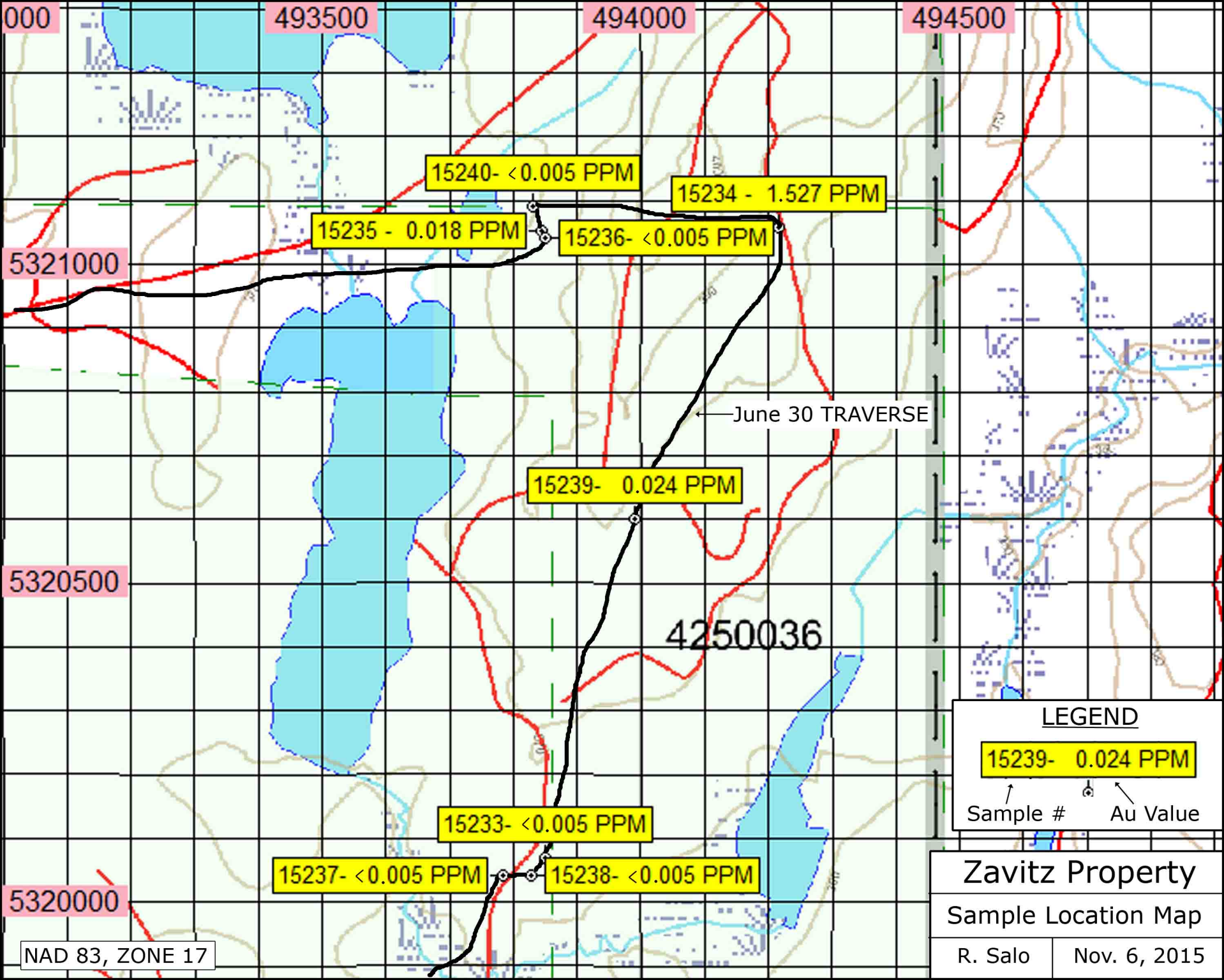
References

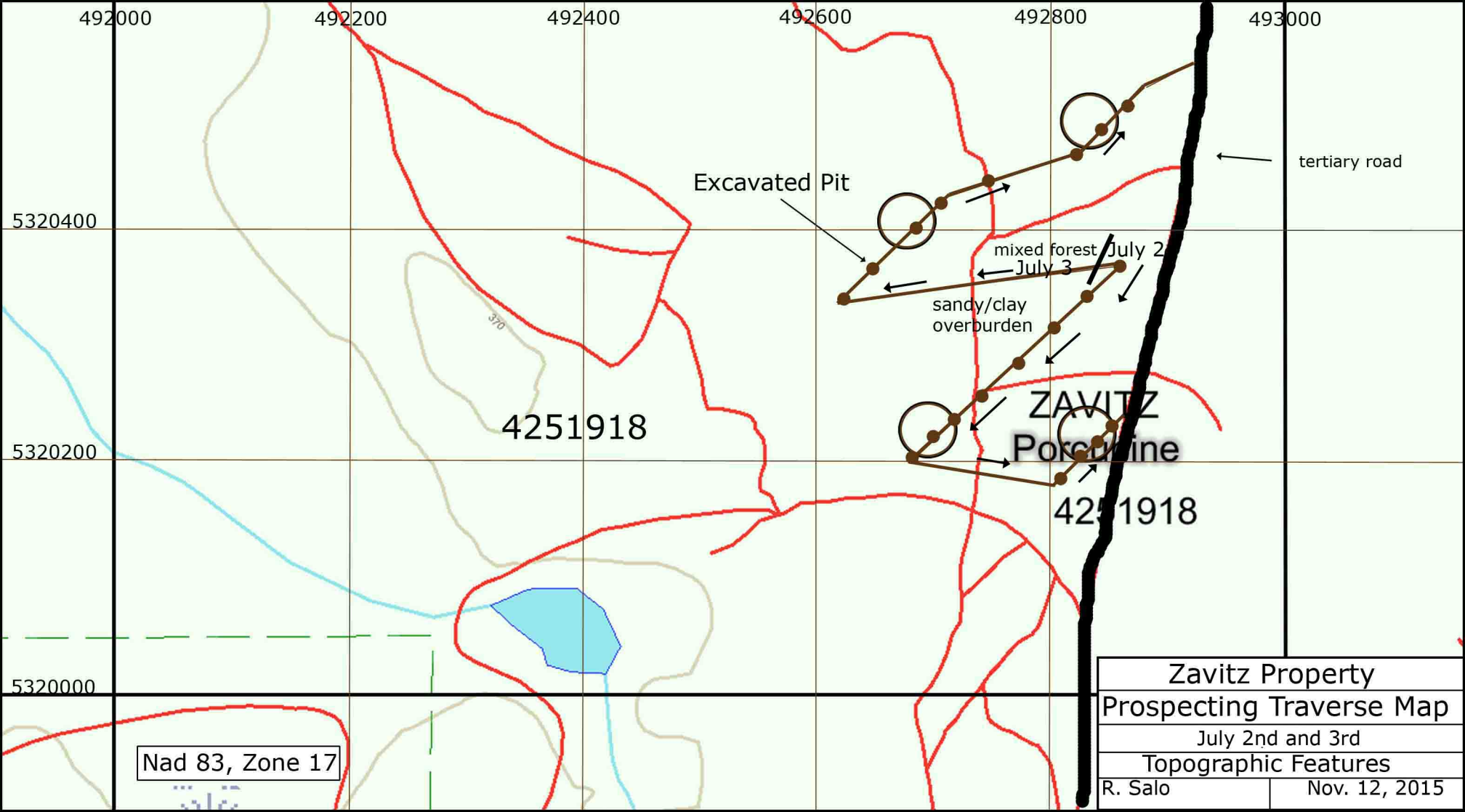
Kretchmar, U.: Technical (Geological) Report on the Zavitz Property Prepared for District Canada Inc.; August, 2013

Moray Lake Property Sample Descriptions

Sample No.	UTM Easting	UTM Northing	Au (ppm)	Description
15233	493850	5320067	<0.005	feldspar porphyry, trace dissemin py
15234	494216	5321058	1.527	float on side of old logging road, 10 cm rounded piece of quartz-carbonate veining, 0.5% fg dissemin py
15235	493845	5321054	0.018	sheared mafic volcanic, 2% narrow stringer pyrite
15236	493850	5321041	<0.005	sheared mafic volcanic, 2% narrow stringer pyrite
15237	493784	5320044	<0.005	iron formation, sugary quartz
15238	493826	5320040	<0.005	mafic volcanic, silicified, weak hematite alteration overprint
15239	493990	5320600	0.024	weakly sheared mafic volcanic, trace fg disseminated pyrite
15240	493830	5321090	<0.005	monzodiorite, trace fg dissemin pyrite

Nad 83, Zone 17





Excavated Pit

tertiary road

mixed forest July 2
July 3

sandy/clay
overburden

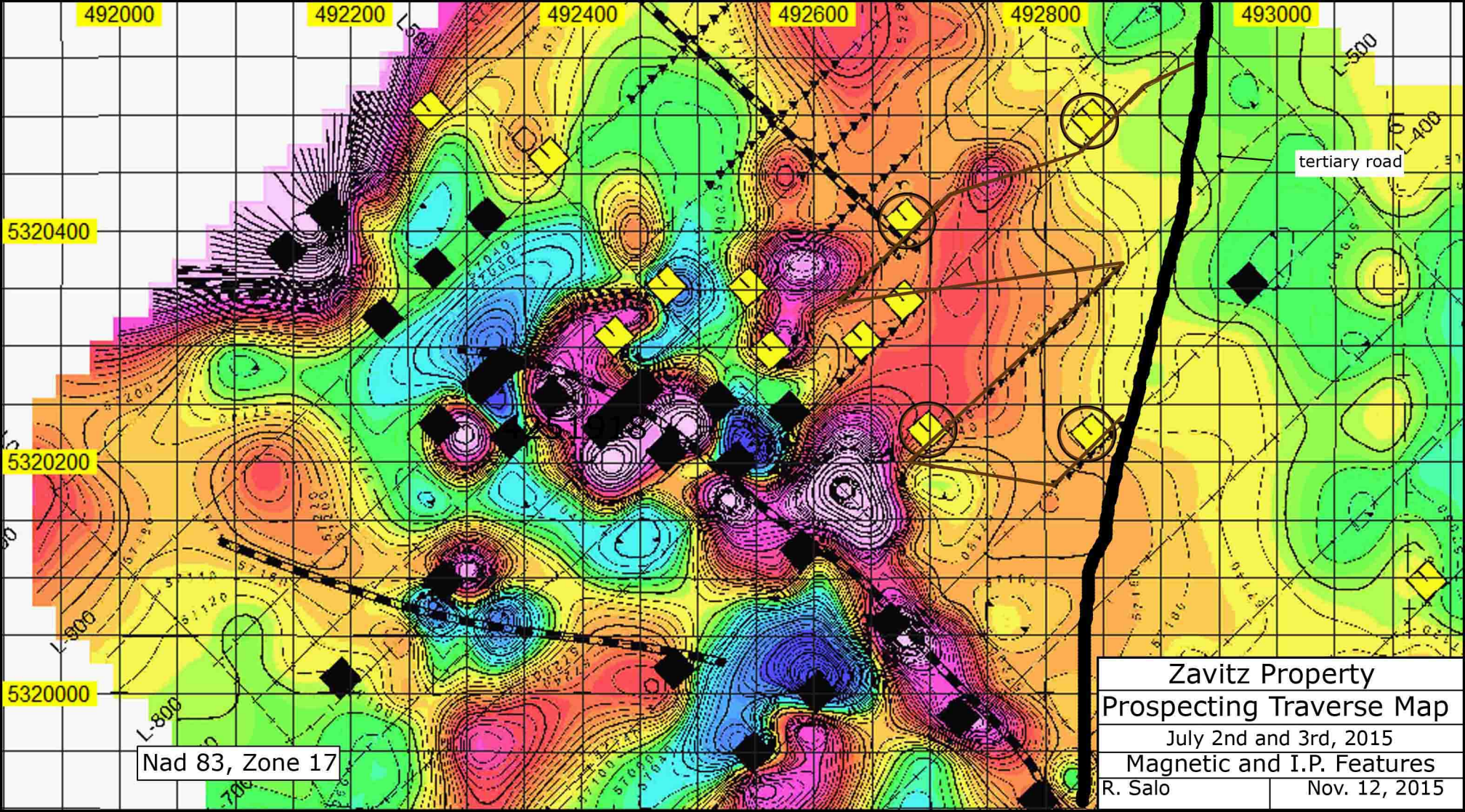
4251918

ZAVITZ
Porcine

4251918

Nad 83, Zone 17

Zavitz Property	
Prospecting Traverse Map	
July 2nd and 3rd	
Topographic Features	
R. Salo	Nov. 12, 2015



492000

492200

492400

492600

492800

493000

5320400

5320200

5320000

Nad 83, Zone 17

tertiary road

Zavitz Property
Prospecting Traverse Map
July 2nd and 3rd, 2015
Magnetic and I.P. Features
R. Salo
Nov. 12, 2015



BUREAU VERITAS MINERAL LABORATORIES
Canada

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Bureau Veritas Commodities Canada Ltd.
9050 Shaughnessy St Vancouver BC V6P 6E5 CANADA
PHONE (604) 253-3158

Client: **Randall Salo**
800 Gervais Street North
Box 1983
Porcupine ON P0N 1C0 CANADA

Submitted By: Randall Salo
Receiving Lab: Canada-Timmins
Received: September 22, 2015
Report Date: October 06, 2015
Page: 1 of 4

CERTIFICATE OF ANALYSIS

TIM15000042.1

CLIENT JOB INFORMATION

Project: Salo
Shipment ID:
P.O. Number
Number of Samples: 61

SAMPLE DISPOSAL

RTRN-PLP Return
RTRN-RJT Return

Bureau Veritas does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

Invoice To: Randall Salo
800 Gervais Street North
Box 1983
Porcupine ON P0N 1C0
CANADA

CC:

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Procedure Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
PRP70-250	61	Crush, split and pulverize 250 g rock to 200 mesh			TIM
FA430	60	Lead Collection Fire - Assay Fusion - AAS Finish	30	Completed	TIM
FA330	1	Fire assay fusion Au Pt Pd by ICP-ES	30	Completed	VAN

ADDITIONAL COMMENTS



This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only. All results are considered the confidential property of the client. Bureau Veritas assumes the liabilities for actual cost of analysis only. Results apply to samples as submitted.
*** asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.



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800 Gervais Street North
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Project: Salo
Report Date: October 06, 2015

Page: 2 of 4

Part: 1 of 1

CERTIFICATE OF ANALYSIS

TIM15000042.1

Method	WGHT	FA430	FA330	FA330	FA330
Analyte	Wgt	Au	Au	Pt	Pd
Unit	kg	ppm	ppb	ppb	ppb
MDL	0.01	0.005	2	3	2
15201	Rock	0.89	0.010		
15203	Rock	0.67	<0.005		
15204	Rock	0.85	<0.005		
15205	Rock	0.45	<0.005		
15206	Rock	0.64	<0.005		
15207	Rock	0.41	<0.005		
15208	Rock	0.37	<0.005		
15209	Rock	0.68	<0.005		
15210	Rock	0.57	<0.005		
15211	Rock	0.68	<0.005		
15212	Rock	0.46	0.014		
15213	Rock	0.53	0.024		
15214	Rock	0.44	0.055		
15215	Rock	0.90	0.035		
15216	Rock	0.46	0.047		
15217	Rock	0.27	<0.005		
15218	Rock	0.52	<0.005		
15219	Rock	0.60	<0.005		
15220	Rock	0.68	<0.005		
15221	Rock	0.58	<0.005		
15222	Rock	0.99	<0.005		
15223	Rock	0.52	0.011		
15224	Rock	1.37	<0.005		
15225	Rock	1.38	<0.005		
15226	Rock	0.67	<0.005		
15227	Rock	0.72	0.043		
15228	Rock	0.71	0.464		
15229	Rock	0.63	0.008		
15230	Rock	0.76	0.038		
15231	Rock	0.81	<0.005		



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Report Date: October 06, 2015

Page: 3 of 4

Part: 1 of 1

CERTIFICATE OF ANALYSIS

TIM15000042.1

Method	WGHT	FA430	FA330	FA330	FA330
Analyte	Wgt	Au	Au	Pt	Pd
Unit	kg	ppm	ppb	ppb	ppb
MDL	0.01	0.005	2	3	2
15232	Rock	1.30	<0.005		
15233	Rock	0.29	<0.005		
15234	Rock	0.70	1.527		
15235	Rock	0.43	0.018		
15236	Rock	0.80	<0.005		
15237	Rock	0.69	<0.005		
15238	Rock	0.32	<0.005		
15239	Rock	0.90	0.024		
15240	Rock	0.31	<0.005		
15241	Rock	1.18	<0.005		
15242	Rock	1.14	<0.005		
15243	Rock	0.93	<0.005		
4433	Rock	1.23	<0.005		
4434	Rock	0.99	<0.005		
4435	Rock	0.95	<0.005		
4436	Rock	0.76	0.005		
4437	Rock	0.84	<0.005		
4438	Rock	0.69	<0.005		
4439	Rock	1.61	0.582		
4440	Rock	0.82	<0.005		
4441	Rock	0.65	<0.005		
4442	Rock	0.91	0.011		
4443	Rock	0.42	0.005		
4444	Rock	0.83	<0.005		
4445	Rock	0.77	0.008		
4446	Rock	1.55	0.322		
4447	Rock	1.68	0.021		
4448	Rock	0.64	0.008		
4449	Rock	0.56	0.007		
4450	Rock	1.58	0.035		



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Page: 4 of 4

Part: 1 of 1

CERTIFICATE OF ANALYSIS

TIM15000042.1

Method	WGHT	FA430	FA330	FA330	FA330
Analyte	Wgt	Au	Au	Pt	Pd
Unit	kg	ppm	ppb	ppb	ppb
MDL	0.01	0.005	2	3	2
15244	Rock	0.75	6	<3	8



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Part: 1 of 1

QUALITY CONTROL REPORT

TIM15000042.1

Method	WGHT	FA430	FA330	FA330	FA330
Analyte	Wgt	Au	Au	Pt	Pd
Unit	kg	ppm	ppb	ppb	ppb
MDL	0.01	0.005	2	3	2
Pulp Duplicates					
REP 15218	QC	<0.005			
15237	Rock	0.69	<0.005		
REP 15237	QC	0.007			
15244	Rock	0.75	6	<3	8
REP 15244	QC		6	<3	9
Core Reject Duplicates					
15218	Rock	0.52	<0.005		
DUP 15218	QC	<0.005			
4441	Rock	0.65	<0.005		
DUP 4441	QC	<0.005			
Reference Materials					
STD CDN-PGMS-19	Standard		249	115	501
STD OXD108	Standard	0.422			
STD OXD108	Standard	0.413			
STD OXD108	Standard	0.432			
STD OXD108	Standard	0.429			
STD OXD108	Standard	0.424			
STD OXI121	Standard	1.842			
STD OXI121	Standard	1.886			
STD OXI121	Standard	1.847			
STD OXN117	Standard	7.625			
STD OXN117	Standard	7.638			
STD OXN117 Expected		7.679			
STD OXD108 Expected		0.414			
STD OXI121 Expected		1.834			
STD CDN-PGMS-19			230	108	476
BLK	Blank	<0.005			
BLK	Blank	<0.005			



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QUALITY CONTROL REPORT

TIM15000042.1

		WGHT	FA430	FA330	FA330	FA330	
		Wgt	Au	Au	Pt	Pd	
		kg	ppm	ppb	ppb	ppb	
		0.01	0.005	2	3	2	
BLK	Blank	<0.005					
BLK	Blank	<0.005					
BLK	Blank	<0.005					
BLK	Blank				3	<3	<2
Prep Wash							
G1-TIM	Prep Blank	<0.005					
G1-TIM	Prep Blank	<0.005					