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ROOSTER CANYON PROPERTY

Lloyd Lundstrom

Don Skalesky

Rooster Canyon Property

Present Owners

Lloyd Lundstrom 205 Third Street NW, Box 451 Red Cliff, AB TOJ 2P0 Email: <u>father lloyd@msn.com</u>

Don Skalesky 732 Ernestine Avenue Thunder Bay, ON P7E 1W8 Email: <u>skalesky@hotmail.com</u>

Location/Access

- 203 km east of Thunder Bay along the north shore of Lake Superior (Worthington Bay)
- Priske Township (Claim Map G-631) 5 km south of Schreiber, Ontario
- Located north of the North Shore Mine Property (Mining claim BJ 122) currently being explored by Balmoral Resources
- From Hwy #17 (Trans Canada) 3 km east of Schreiber, travel along secondary road to Worthington Bay (approx. 3.2 km). Proceed along ATV trail to North Shore adit (East adit), turn left and go approximately 15 m, turn right and continue on trail (west) to old shaft (orange snow fence) on right hand side. Follow the trail north to the Rooster Canyon property.
- Travel south along secondary road (Worthington Bay Road) to new ATV trail approximately 1.75 km to the entrance on claim TB909275 and follow this trail to the stripped quartz porphyry and volcanic zones to the north for approximately 900 m.

History of Development

It consists of an adit, open cut, shaft and numerous trenches which were developed along a strike length of approximately 700 feet (see report on activities 1990 resident geologists).

Old Newspaper Clipping Highlights (late 1920's - 1935)

- Promising gold claim discovered.
- Samples taken from this mine have assayed amounts varying from \$27.00 to \$1,800 per ton, according to Mr. Longworth.
- 8" 12" vein worked and uncovered for 700 feet. The vein was traced to a mine vein about 6 feet wide but owing to difficulties in mining, the concentration was on the smaller vein.
- A new vein was uncovered at entrance to mine tunnel.

- Commercial values in gold ranging from \$2.80 \$62.00 have been obtained in assays of samples taken.
- In addition to high values in gold, there were also promising values in silver.
- A sensational pocket of native silver running into high values was discovered 200' from the north end of the vein which had been carrying good gold/silver values. Several pails of rich ore were taken out.
- Gold values discovered on these claims ran up to \$79.00.

Geology

The property is located at the western end of the Schreiber-Hemlo Greenstone Belt. The host rocks consist of intermediate to felsic metavolcanics rocks which have been intruded by high-level felsic intrusive rocks including quartz porphyry, quartz-feldspar porphyry and syenite. Lamprophyre and diabase dikes also intrude the area.

The property has been explored since the early 1900's with the discovery of high grade narrow gold and silver veins. The veins uncovered to date are not only east-west trending but north-south trending as well and located within fracture zones or broad weak shear structures.

The Rooster Canyon showing consists of a series of white quartz veins with minor chlorite and carbonate mineralized with 1-2% pyrite, minor tellurides and visible gold. The wall rock consists of carbonate and silica altered mafic and felsic volcanic. The veins range in size from less than a centimetre to reportedly 6' wide. The previous exploration included an adit and open cut on one vein set. The 30 m open cut is located approximately 9 m uphill from the adit.

The Longworth silver occurrence is a 0.6 m wide vein reported to have a strike length of one kilometre. The mineralization consists of galena, silver, pyrite, argentite, gold, and chalcopyrite. The host rock is dominated by silicified and carbonate altered mafic volcanic. The structure has been exposed by a series of pits up to 25 m long, 1 m deep and 2 m wide.

The new ATV trail (2011) uncovered the quartz porphyry zone showed that it intruded the intermediate to felsic volcanic host rocks zone. With the uncovering of the quartz porphyry a number of altered iron formations running north and south were discovered containing narrow quartz veining with fine base sulphites. The intermediate to felsic volcanic zone uncovered at the end of the trail on the west side leads to more altered iron formations with narrow quartz veining and fine grain sulphites, however these formations are running east-west.

Topography and Vegetation

The property is marked by extreme elevation changes with variation of up to 250 metres. Ridges and faults are common and cause travel to be impeded in some directions. The vegetation varies with such trees as birch, jack pine, spruce, balsam, poplar, moose maple, mountain ash and alder. Swampy conditions are rare and only usually located around beaver ponds. Decayed vegetation is also a common occurrence in this area and makes it difficult to strip off the bedrock without a machine especially in places where the depth of the overburden is 1-1/2 metres.

Claims

The property consists of 10 claim units recorded in good standing in the Thunder Bay mining division. The claims are located in Priske Township in Schreiber, Ontario and are:

677428	677429	768802	768805	909274
909275	939529	939530	1215964 (formerly 963880 and 963881	

Previous Exploration

The Rooster Canyon and Longworth Silver Occurrence were first discovered and explored when the Northshore Mine was being explored and developed in the early 1900's.

The exploration history of the Rooster Canyon property is:

- 1898: Development of North Shore Property
- 1982: No record of exploration to this date. Paul Skalesky is recorded holder of land. Personal communication with Mr. Skalesky indicates his partner, Mr. Greer, worked the area as a high grade operation back in the 1930's. The property was reported by Patterson (MNDM).
- 1982 to present: D. Skalesky and L. Lundstrom have kept the claims in good standing by completing exploration on the property. Sampling of the veins have verified the high grade nature of the veins. The property has been visited and documented by the Resident Geologist (MNDM).
- 1991: Noranda Exploration Co. Ltd. optioned the property and completed prospecting, mapping and humus sampling.

Longworth Silver Occurrence:

- 1924: W. Longworth discovered a silver bearing vein. The vein was traced to the shore of Lake Superior. Various pits and trenches up to 4.6 metres deep were completed.
- 1941: Bulk samples and examinations were completed by Noranda Mines Limited, Elora Gold Mines and the Department of Mines.
- 1963: Denison Mines Ltd. sampled the veins and completed three diamond drill holes.
- 1980: Pamour Porcupine Mines completed a 60 kg. Sample.
- 1982: The property was staked and Continental Energy and Livingston Energy Corp. completed an airborne geophysics survey.
- 1983: P. Skalesky staked the ground and completed exploration to keep the claims in good standing.
- 1991: Noranda Exploration Co. Ltd. optioned the property and completed prospecting, mapping and humus sampling.
- 1992: P. Skalesky (deceased), D. Skalesky and L. Lundstrom have kept the claims in good standing.
- 1996: D. Skalesky and L. Lundstrom completed an Ontario Prospectors Assistance Program funded exploration program on the Rooster Canyon and Longworth Silver Occurrences. D. Skalesky contracted Clark-Eveleigh Consulting to assist in the prospecting program. The program consisted of

sampling and hand stripping of the two occurrences and humus sampling of the Longworth Silver area.

- D. Skalesky and L. Lundstrom completed 10 days of prospecting from August 2 to 5 and September 28 to October 3, 1996 on the Rooster Canyon area. This work included clearing old trenches, drilling and blasting, establishing access to the area and sampling around the adit (9 samples). The best assays were obtained from the main vein in the adit. The prospecting indicated the need for further exploration.
- Mike Grieve and Mike Veltri, prospectors employed by Clark-Eveleigh Consulting, completed six days of detailed prospecting and humus sampling of the Longworth Silver and Rooster Canyon Occurrences. The program was completed from October 29 to November 4.
- In 1997 D. Skalesky and L. Lundstrom completed an OPAP program in which the work was focused on the Rooster Canyon area claims TB768805 and TB939529. The work done in the period of August 2 to 8 included prospecting, trench layout, sampling and 52 hours of backhoe trenching done by Steve Hamer of Belham Limited, Kaministiquia, Ontario. A number of high grade samples were discovered.
- In 1998 D. Skalesky and L. Lundstrom completed an OPAP program in which the work focused on the Rooster Canyon property as well, however this time the focal point of their work was an area further to the north with two new zones uncovered. The zone to the east on claim TB939529 proved to be the most significant find as it produced high grade samples.
- In 2011 from May 24 to June 10 D. Skalesky and L. Lundstrom contracted Richards Exploration, Terrace Bay, Ontario to perform power stripping of the quartz porphyry zone as well as the intermediate to felsic volcanic zone. Besides the power stripping, prospecting, manual stripping, channel sampling, sampling and trenching was performed as well.
- In 2011 from October 17 25 D. Skalesky and L. Lundstrom prospected , sampled and manually stripped various areas of some of the claims

Conclusions/Recommendations (Clark-Eveleigh Consulting 1998)

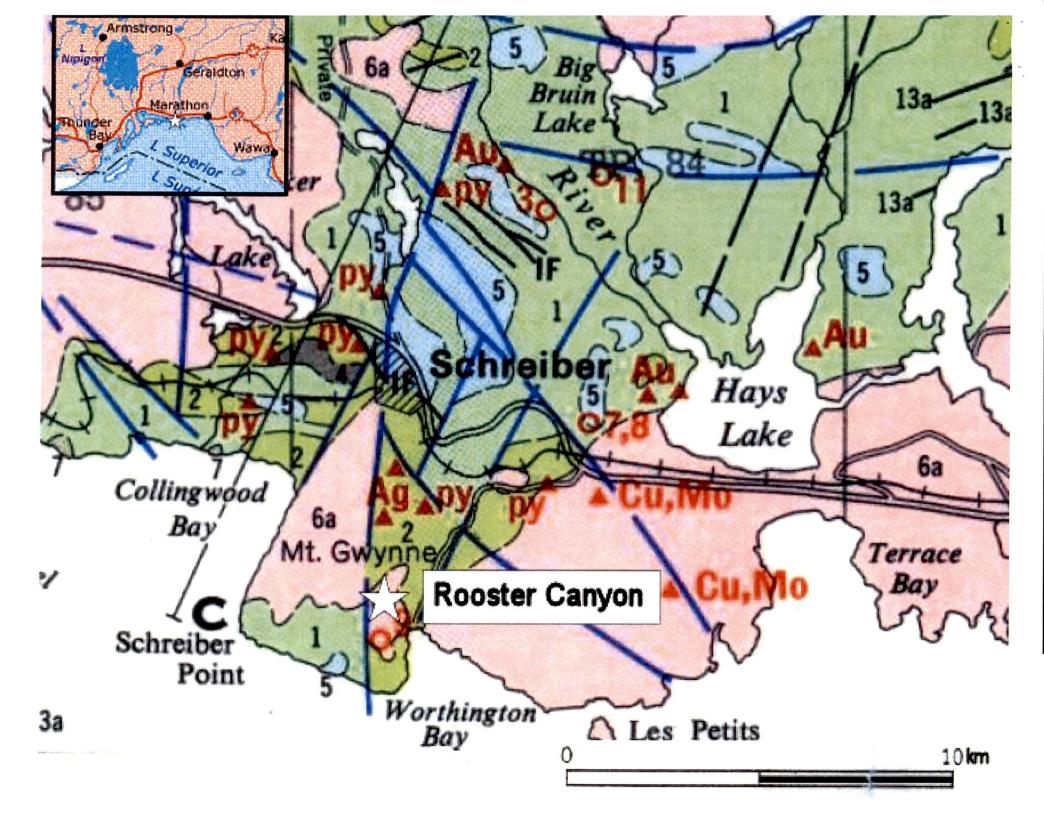
- 1998 OPAP Program was extremely successful in facilitating the addition of new gold showings to the Rooster Canyon area.
- The sampling of the adit area extension continues to locate significant gold mineralization within quartz veins (0.301 oz/ton west of the adit).
- The sampling north of the North Shaft has located previously unsampled gold bearing quartz veins (gold values of up to 0872 oz/ton).
- The area north of the North Shaft is an area that requires further exploration.
- Further prospecting, geological mapping, trenching and sampling are required to fully evaluate the gold mineralization in the Rooster Canyon area.
- Continued work should be completed to locate new gold bearing quartz veins and to extend the known veins.
- A geological map should be completed to try to tie in the strike/dip of the various veins. The map would assist in tracing the veins and planning additional trenching.

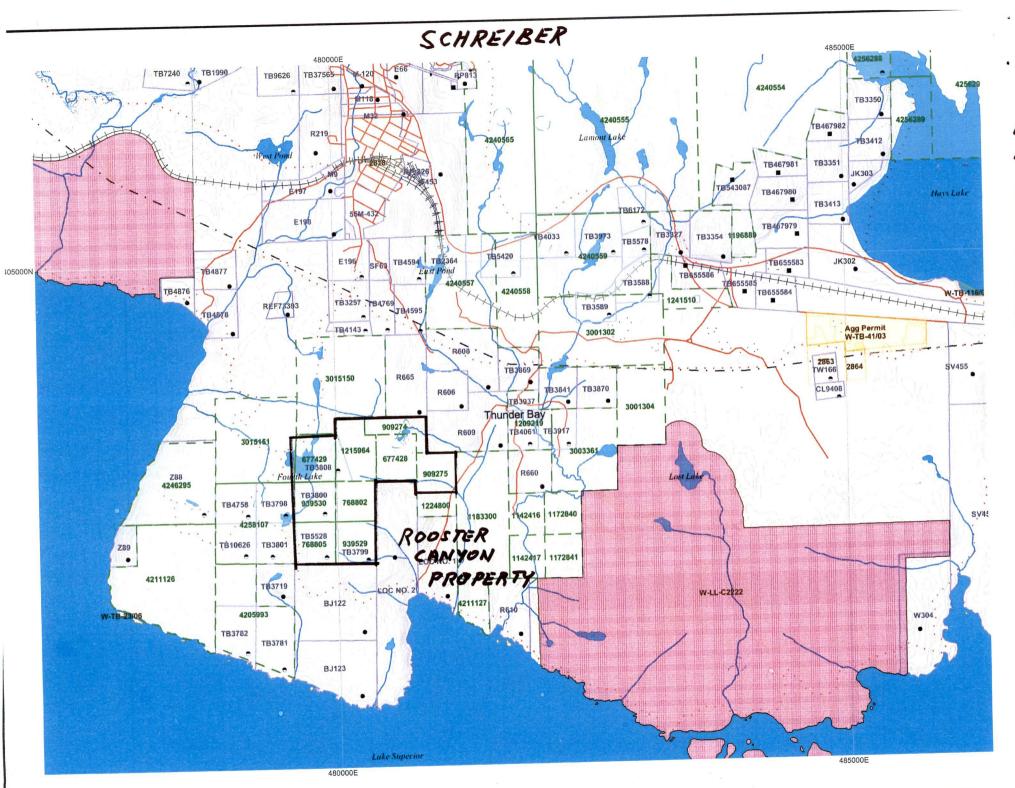
Daily Log (Access and Observations)

We prospected, stripped and sampled on claims TB768805, TB939529, TB909274, TB909275 and TB677428. We travelled to and up the new ATV-Backhoe trail (May-June 2011) and past there to the south and up the ridge on TB677428. We travelled to the trail heading north to Rooster Canyon adit off Worthington Bay Road and continued north past trench #1 and trench #2 to zone #2 in the north east corner of TB768805 and zone #3 to the east on claim TB939529. We also worked the trail heading west off the (OPAP 97) ATV-Backhoe trail to the old pit and trench we discovered

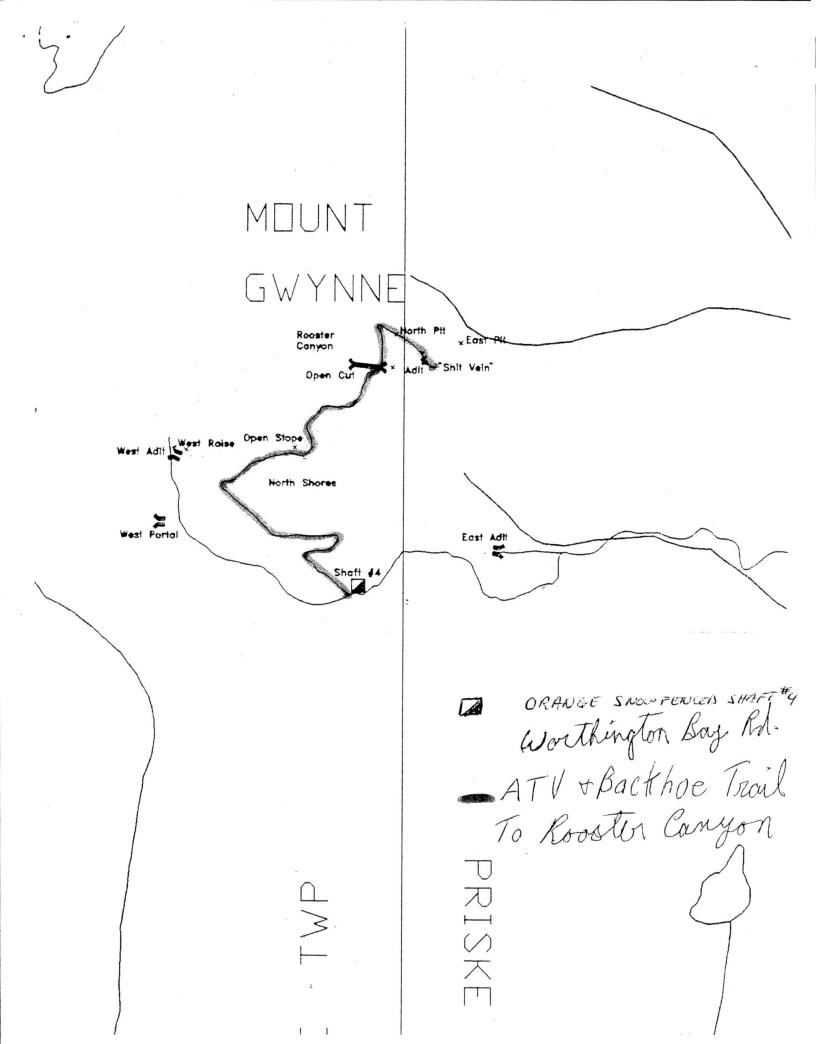
The work was performed to continue to not only keep the property in good standing but also to try and hopefully find something that could further enhance our property even more.

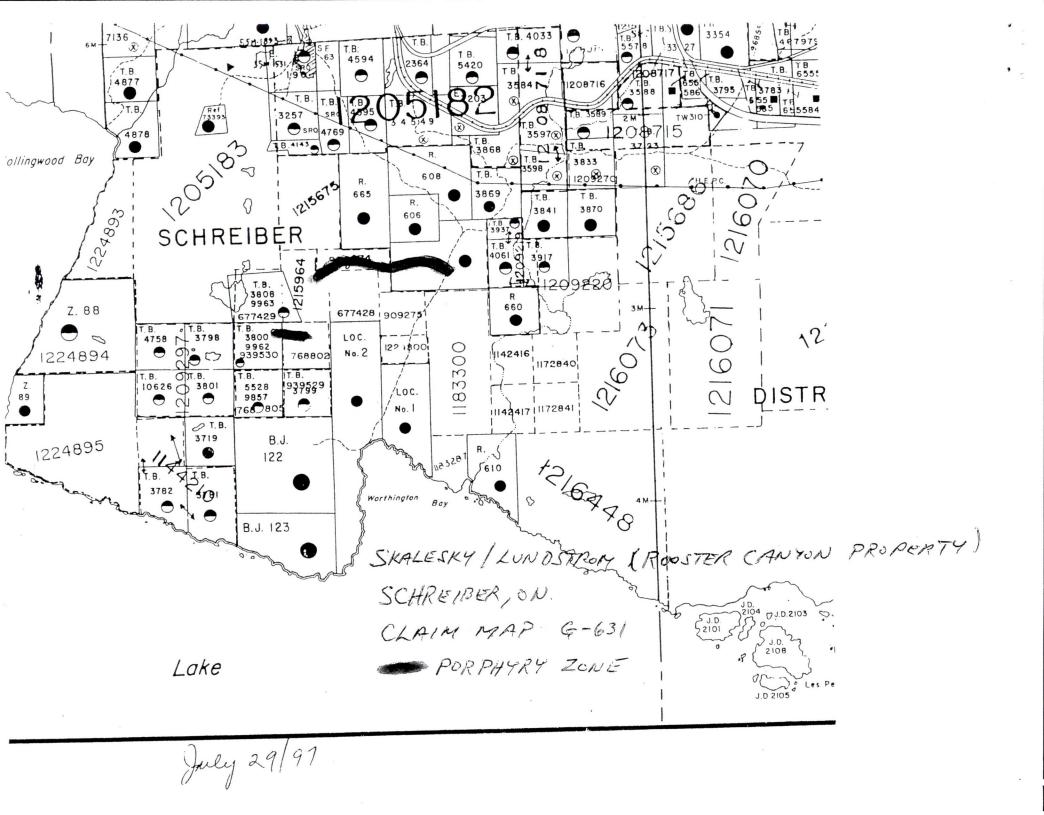
During our work it was noted that we continue to find numerous quartz stringers albeit narrow but with mineralization as well as more iron formations and we continue to get some results.





11TH 7000 16







Thursday, December 8, 2011

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Tel: (807) 626-1630 Fax: (807) 622-7571 www.accurassay.com assay@accurassay.com

Certificate of Analysis

Date Received: 11/22/2011 Date Completed: 12/08/2011 Job #: 201144305 Reference: Sample #: 12

Acc #	Client ID	Au ppb	Au oz/t	Au g/t (ppm)	
295404	SL1	544	0.016	0.544	
295405	SL2	72	0.002	0.072	
295406	SL3	16	<0.001	0.016	
295407	SL4	4387	0.128	4.387	
295408	SL5	476	0.014	0.476	
295409	SL6	366	0.011	0.366	
295410	SL7	375	0.011	0.375	
295411	SL8	29	<0.001	0.029	
295412	SL9	21	<0.001	0.021	
295413	SL10	<5	<0.001	<0.005	
295414 Dup	p SL10	<5	<0.001	<0.005	
295415	SL11	12	<0.001	0.012	
295416	SL12	27	<0.001	0.027	

PROCEDURE CODES: ALP1, ALFA1

Certified By: Derek Demanuk H Buc Laboratory Manager

The results included on this report relate only to the items tested The Certificate of Analysis should not be reproduced except in full, without the written approval of the laboratory



ROOSTER CANYON PROPERTY

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October 17 – 25, 2011



DAILY LOG

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D. SKALESKY/L. LUNDSTROM

October 17 – 25, 2011

Daily Log: October 17 – 25, 2011

Monday, October 17, 2011 (Day 1)

Lloyd and I arrived at the property and decided to locate the #3 post for TB768805 which we could not find on two previous trips. We picked up some old blazes running east to west which led us to two old posts and one location post, none of which were ours. We decided that we were just wasting time and would put forth our efforts to prospect/strip and sample.

Back in June of 2011 Lloyd had stumbled across some veins while we were looking for the post. He thought that we needed to get back there this fall and locate and strip the overburden further back to see what might be there. We headed north along the fault and prospected on the east side at the base of the 25 m high ridge. After about 15 minutes we crossed over to the west side and prospected along the Casque de Isles hiking trail continuing north for about 10 more minutes until we came upon the information check point for the trail which was approximately a 25 minute walk past the west adit of the Northshore Mine. We had no success in finding any of those veins as Lloyd could not remember where they were. We prospected across the fault, switching back from east to west and stripping along the way to find something worth sampling. The fault was 25 m wide. We found some floats but not worth sampling.

Tuesday October 18, 2011 (Day 2)

We climbed the ridge near the west adit onto our property inside our south boundary. As we walked a short distance of about 20 m we came across an old trench. We followed the trench to the east which measured 50 m in length, 2 m wide, and 2 m deep. We prospected and stripped a short distance and took sample SL#1 from the west end of the trench. We continued east and came across a pit which measured 5 m x 4 m x 3 m and proceeded on stripping and prospecting as we eventually hooked up with our (OPAP 97) ATV and backhoe trail until we came across the open stope which is 39 m east of the intersection OPAP97 trail and trail west to the old trench and pit. We prospected there and took sample SL#2 from the open stope. We took it from a quartz vein with sulphides in a host rock volcanic.

Wednesday, October 19, 2011 (Day 3)

We continued along on (OPAP97) ATV and backhoe trail from where we left off at the open stope until we came to the sugar quartz vein (OPAP97) 32 m east of the open stope. We proceeded on to the open cut which is 96 m east of the sugar quartz vein. We prospected and stripped these areas but did not sample any of the areas.

Thursday, October 20, 2011 (Day 4)

We prospected and sampled the Rooster Canyon adit and the zone east of the adit which was power stripped (OPAP97). We discovered this vein in 97 but did not sample at that time. The quartz vein with massive sulphides is located in the host rock, horneblende syenite to intermediate felsic volcanics. We prospected and sampled SL#3 which was from a quartz vein with massive globs of sulphides. We headed further east where my late father had first located a water-filled shaft back in the early 1980's. At the same time we followed the sit-down vein (OPAP97 discovered by Lloyd) and is close to being in line with the shaft. We prospected up to this shaft and then headed west on the historic trench that runs east and west from the shaft to the bull quartz vein and pit which we uncovered (OPAP97) at the west end of the trench. Part of the vein is above the water line and measures 1 m across. The rest of it is submerged in water. We sampled it in 1997. We sampled SL#4 at the entrance of the adit, a quartz vein with massive sulphides.

Friday, October 21, 2011 (Day 5)

Travelled back to Rooster Canyon adit and headed north past trench #1 (OPAP98). Prospected and stripped more at the trench and around the immediate area. Worked our way along the backhoe trail prospecting and some stripping in various locations. We proceeded on foot to trench #2 as it is not ATV accessible and looked for areas that might warrant some stripping and sampling. We walked over to zone #2 (OPAP98) which is in the NE corner of the claim TB768805. We prospected and stripped some in this area as well and headed across to the east and prospected zone #3 (OPAP98) and along a portion of the fault as well.

Saturday, October 22, 2011 (Day 6)

Went back to the trench we located on October 18 and started stripping more from where we got SL#1. Working our way east along the trench prospecting and stripping we uncovered a quartz vein with massive sulphides in host rock volcanic. There we sampled SL#5 which is located 6 m east of SL#1. As we continued we sampled SL#6 just 4 m east of SL#5 and SL#7 5 m east of SL#6. From this point we followed the trail to the sugar quartz vein; we uncovered an iron formation with quartz stringers and fine grain sulphides 7 m east of the sugar quartz vein and sampled SL#8.

Sunday October 23, 2011 (Day 7)

We travelled to the ATV-Backhoe trail (May-June 2011) heading north to claims TB909275 and TB909274. We started at the old silver shaft and worked to the south and west prospecting and stripping, uncovering some iron formations containing quartz stringers as well. From this area we sampled SL#9 which is 30 m south of the shaft. We headed back down the trail to TB909275 and prospected on the north side of the ridge and also concentrated on the trench the machine dug (May-June 2011) as well as the immediate area.

Monday, October **3**4, 2011 (Day 8)

We travelled north to the west end of the (May-June 2011) ATV-Backhoe trail on claim TB909274. From the end of the trail we headed west on foot approximately 50 m down to the southern tip of the lake. We tried to pick up the quartz vein which shows on the geological map running from east to west , dips under the lake and continues on the west side of the lake. We were unable to locate it due to many layers of overburden. We did find some loose quartz but not worth sampling. We started prospecting at the base of the ridge just south of the lake. As we climbed the ridge we prospected along the way and took some samples here. We sampled SL#10 and SL#11 on the face of the ridge (refer to co-ordinates for SL#10), SL#11 is 42 m to the west of SL#10 on the face of the ridge. We took these samples from TB677428.

Tuesday, October 25, 2011 (Day 9)

We headed back to the property in the morning to pick up the ATV and samples from the past two days. We had to go back to claim TB768805 as I had forgotten my axe when we were last up there at the old trench. While I went to retrieve my axe, Lloyd was banging rocks on the Casque De Isles hiking trail which runs north parallel to the fault past the west adit (Northshore Mine). We hooked up and since it was around noon, we decided to prospect for awhile. We came across some quartz stringers and sampled SL#12 (refer to co-ordinates). It was time to leave and head for home as it was after 3:00 pm. The sample SL#12 was taken from TB768805.

Samples (Co-ordinates and Distance)

SL#1 – 0479715 – ME 5401969 MN

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SL#2 – 0479823 ME 5401954 MN

SL#3 – 0480030 ME 5402084 MN

SL#4 – 0480017 ME 5402806 MN

SL#5 – 0479659 ME 5401953 MN

SL#6 - 0479655 ME 5401949 MN

SL#7 – 0479663 ME 5401954 MN

SL#8 – 0479868 ME 5402016 MN

SL#9 – 30 m south of silver shaft

SL#10 – 0480564 ME 5403203 MN SL#11 – 0480522 ME 5403230 MN

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SL#12 – 0479607 ME 5402017 MN

Mining Landmarks, Roads and Trails, Co-ordinates and Distances

Transcanada/Worthington Bay Road Intersection

- 0483737 ME
- 5404540 MN
- Pit 0479754 ME
 - 5401999 MN

OPAP 1997 Trail and Trail Heading West to Trench - 0479784 ME

- 5401950 MN

- Open stope 0479823 ME - 5401954 MN
- Sugar quartz vein 0479855 ME - 5402015 MN
- Open Cut 0479951 ME
 - 5402078 MN
- Adit vein above Rooster Canyon adit 0480004 ME
 - 5402072 MN

Rooster Canon adit - 0480017 ME - 5402086 MN

Intersection of the trail heading north to Rooster Canyon property and the road heading to the west adit of the Northshore Property - 0479909 ME - 5401737 MN

West adit of Northshore Mine (BJ122) - 0479599 ME - 5401953 MN #2 Post TB909274 – 0480999 ME - 5403108 MN Silver Shaft - 0480899 ME

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- 5403010 MN

