



CANADIAN EXPLORATION SERVICES LTD

PO Box 219, 14579 Government Road, Larder Lake, Ontario, P0K 1L0, Canada
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TELLURITON CORPORATION

Property Report

MELBA MINE PROPERTY Melba Twp., Ontario



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1. SURVEY DETAILS

1.1 PROJECT NAME

This project is known as the **Melba Mine Property**.

1.2 CLIENT

Telluriton Corporation

P.O. Box 282
Kirkland Lake, Ontario
P2N 3H7

1.3 LOCATION

The Melba Mine Property is located in Melba Township approximately 23 km north of Kirkland Lake, Ontario. The property consists of 12 mining claims and 18 mining leases.



Figure 1: Location of the Melba Mine Property

1.4 AREA

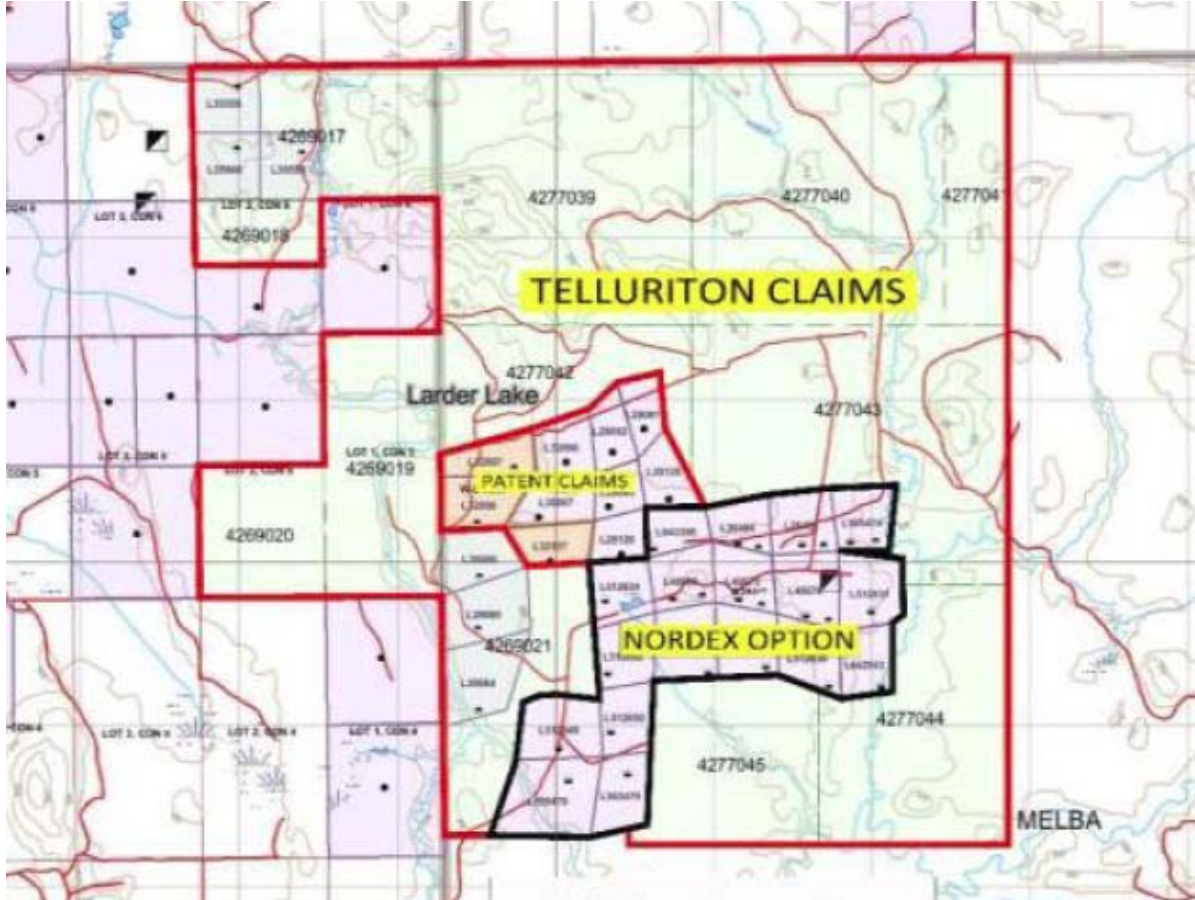


Figure 2: Melba Mine Property Map

1.5 PURPOSE

The purpose of this report is to review and comment on historic assessment work files within the public domain. With the examination of the historic data a geophysical technique was determined to best target the Melba Mine model.

2. SUMMARY OF PREVIOUS WORK

The first of the reviewed files was that of Sylvanite Gold Mines Ltd. under the name Erie Canadian Mines Limited. This represented a compilation of letters of recommendations based on property acquisition visits in 1935 and 1936. In this document it was recommended to take the property under option based on the favorable geology.

From 1936 through 1939, the area was prospected with some diamond drilling and trenching taking place. An inclined shaft was driven to a depth of 225 feet with 900 feet of lateral work being pushed. Shortly after this Teck-Hughes bulk sampled 60 feet of vein material which provided a result of 0.218 ounces per ton over a mining width of four and a half feet.

In 1954-1957 Kittilson and Hurd operated the property under Pitchvein Mines Limited and Melba Gold Mines. At this point nine diamond drill holes were drilled on the property with a series of trenches opened up on surface. From these results, some visible gold was noted but few assays were performed. The drilling results did however indicate multiple untested mineralized sections.

Pitchvein Mines Limited filed a prospectus in 1959 listing the Melba Property as one of its assets. Between this time and 1962 numerous diamond drill holes were drilled from both underground and surface. From the drilling and underground inspections it was determined that the gold bearing vein system lies within both the sediments and diorite. These strike north-west and dip at 45-60 degrees to the northeast. The limited assays and sampling indicate this is a coarse gold system and that a true resource calculation may be difficult.

This report included underground mine, assay and drilling plans. Upon inspection of the mine plans it is noted that a parallel vein occurs approximately 100 feet to the northeast. From the two intersections noted this vein may be strengthening both in width and grade with depth.

The first recorded geophysics performed on a portion of the property was by Noranda Exploration Co Ltd. During the summer of 1972 Noranda cut numerous survey grids throughout the region. Falling on the property were the two survey grids Benoit 3-71 and Benoit 4-71. From these, they performed both a fluxgate magnetometer and VLF survey.

Benoit 3-71 provided no real strong magnetic anomalies with the range of the instrument measuring only slight fluctuations in the field. The VLF, however provided two strong axis. The first being a weak axis indicating a near surface response with a south dip. The second was a strong response. This response was drilled by Noranda and found to be a graphitic horizon with pyrite, pyrrhotite and sphalerite. Sampling of this indicated low results.

Benoit 4-71 indicated no real anomalies and was deemed “uninteresting” by Noranda.

Additional geophysics was performed by Rio Tinto Exploration Limited in 1978. These surveys covered the mine site and ground to the north, east and west. Again a fluxgate magnetometer survey was performed with similar results as before; only weak responses that are attributed to structural and lithological changes were noted.

The magnetometer survey was performed alongside a Max Min Survey. This survey encompassed frequencies 444Hz and 1777Hz with both a 150m and 200m cable. From this, no strong results were obtained and the fluctuations noted, were attributed to mostly topographic sources with some possible weakly mineralized shears. From these results, it was recommended that an IP survey be performed.

Noted was a follow up drill hole on a coincidental IP-EM response. This anomaly was explained by a graphitic zone containing 2-3% pyrite along with a banded chert. Parts of this intersection were sample for gold with some multi-element assays, however no significant results were returned. The IP survey report could not be located.

In 1980 the Melba Property was listed as an asset for Silver Pack Resources Limited in its prospectus.

An extensive exploration program was undertaken by St. Joe Canada Inc. between the years 1983-1987. Two survey areas were targeted with the Gleeson-Rampton Area falling within the property boundary.

The bulk of the work performed by St. Joe was overburden drilling. The Gleeson-Rampton Area exhibited some deep overburden and a RC drill was required. The average overburden depth was found to be 30 meters through this area. During the course of this program a strong overburden gold anomaly was found. Analysis of the gold grains indicated a source that was most likely related to ultramafic geology.

Along with the soil sampling survey, a grid was cut with magnetometer and IP performed. The IP survey specifications were a dipole-dipole survey with an A spacing of 75 meters to depth of N=10. With this configuration a theoretical depth of 130 meters would have been achieved. The survey was performed using a 2kW transmitter, which in this circumstance appeared to be underpowered for the deep conductive overburden. With the 75 meter dipoles adequate depth penetration would theoretically be achieved, however resolution would be lost as the anomaly may occur within a 75 meter window.

From these initial results 4 diamond drill holes were drilled. Drill hole GR-83-03 intersected a narrow syenite dike and mineralized quartz veins. The targeting of this hole was based off of highly anomalous till samples. The till samples were not explained by this drill hole. This is a similar model to the Melba Mine.

GR-83-04 targeted a high chargeability and low resistivity geophysical anomaly at 617E and 320N. The only explanation within the core was a mud seam located at 140. Upon reviewing the information available within the public domain this area may not have been covered by the IP survey. Reviewing the pseudosection, a favorable target appears at 600E and 350S, which appears as a resistivity and chargeability high, indicating a potential mineralized porphyry dike.

In 1986 Lac Minerals Ltd. performed a magnetometer survey over the north-west portion of the property. No strong anomalies were detected; however a series of east-west weak magnetic trends were detected. These trends may prove important as they may represent mineralized horizons.

The first airborne survey was reported by Gleeson-Rampton Explorations in 1987. The contracted Aerodat Limited to fly a Helicopter Borne Magnetic and VLF survey.

The VLF portion of this survey appears to only highlight probable structural features and not any strong conductive axis. The magnetic survey however, indicates several features. The most prominent of these is a strong 340 degree trending magnetic high. This most likely represents a regional dike with three apparent east-west offsets. Several bulls eye anomalies are also apparent within this survey area. These should be further examined for mineral potential as they may represent a similar gabbroic system as the Melba Mine. The most interesting aspect is the magnetically elevated region across the entire north end of the survey area. This may indicate an ultramafic geological unit which may be responsible for the gold grains in the till sampling.

A year later Nordex Explosives Ltd contracted Terraquest to fly an airborne Magnetic and VLF-EM survey over the Melba Mine area. This acquired the signature for the Melba Mine. The magnetic signature to the mine area is a magnetic bulls eye type anomaly. This may be represent the gabbro or porphyry associated with the mine. This result indicates the bulls eye anomalies from the Gleeson-Rampton survey as targets for future exploration programs.

A second airborne was flown by Nordex Explosives over the Melba Mine and surrounding ground. This coverage indicated some VLF EM axis along with similar results to the previous magnetometer survey. Again the Melba Mine was highlighted as a magnetic bulls eye. A similar signature occurs slightly subparallel to the strike of the Melba Mine bulls eye.

A till sampling program occurred in the region of the airborne VLF EM axis. This till sampling program returned no anomalous results and the anomaly was not explained.

Gleeson-Rampton Explorations continued to work between 1992 and 1998 with two diamond drill holes and some prospecting and sampling. The two holes were drilled in 1992 and 1998 and targeted the strong gold anomaly in the till that was identified

by St. Joe. Minor anomalous gold was detected by the drilling, however the source is still undetermined. The prevailing theory by Gleeson-Rampton is that the source falls within the Barnet Fault Zone.

During the prospecting phase of the program, airborne anomalies were followed up with a traverse to help to determine the source. It was found that the ground checked VLF EM axis were most likely due to topographic features. The magnetic high bulls eye investigated appeared to sit in a topographic depression. This may represent a kimberlite and should be investigated as such.

3. RECOMMENDATIONS

Upon reviewing the available files, the Melba Mine is a prime target for exploration. The literature indicates this is a high grade coarse gold vein system. This is associated with quartz with either sulfides in it or structural traps. From the historic work, the key focus outside of the mine site appears to be predominantly for base metals.

Without further investigation, it can be assumed that the gold grains in the till sampling may be concentrated from an ancient stream bed following the Barnet Fault. This would place the gold source upstream. When analyzed, these grains did not conform to those from the Larder Lake or Destor Porcupine Breaks which indicates another unique source. The association with ultramafic geology should act as a pathfinder to find this source.

An airborne anomaly south of McGarry Lake was drilled in 1992 by Sudbury Contact Mines. They report the anomaly is explained by the presence of ultramafic geology. A similar airborne anomaly occurs on strike next to Barnet Creek, north of the gold in till anomaly. This anomaly on claim 4277041 should be a focus of an exploration program.

Some of the anomalies located from the airborne survey data appear similar to be those expected for kimberlite. Elevated zinc and copper have also been seen in historic drilling and sampling through the region. Even though gold is the prime focus, the potential for other minerals is apparent on the property.

- 1) Modeling - Based on the underground plans and drilling, I would digitize the results and create a 3D computer model of the system. This would allow for a better understanding of the geology and vein system. This will also help in correlating geological terms used between operators.
- 2) A grid being cut over the property with a detail 50m line spaced grid over the Melba Mine itself.
- 3) Review Nordex Explosives Ltd and Gleeson-Rampton airborne surveys for similar signatures to the Melba Mine and investigate these areas.
- 4) Walking magnetometer survey over the entire grid. This would be able to isolate the porphyry and gabbro systems. With the theory of the till gold being from an ultramafic source, the magnetometer would also highlight any potential ultramafic geology.
- 5) Induced Polarization survey. The model of the Melba Mine is a structural trap with 5%-15% disseminated sulphides. This is a prime IP target. Due to the weak results of the historic IP survey, I would recommend a Pole-Dipole survey with a 5kW transmitter. With a normal PDp survey to N=10 at 25 meter dipoles a theoretical depth penetration of 100 meters should be reached.

A combination array should provide a depth penetration to 160 meters while maintaining the surface resolution.

APPENDIX A

STATEMENT OF QUALIFICATIONS

I, C. Jason Ploeger, hereby declare that:

1. I am a professional geophysicist with residence in Larder Lake, Ontario and am presently employed as a Geophysicist and Geophysical Manager of Canadian Exploration Services Ltd. of Larder Lake, Ontario.
2. I am a Practising Member of the Association of Professional Geoscientists, with membership number 2172.
3. I graduated with a Bachelor of Science degree in geophysics from the University of Western Ontario, in London Ontario, in 1999.
4. I have practiced my profession continuously since graduation in Africa, Bulgaria, Canada, Mexico and Mongolia.
5. I am a member of the Ontario Prospectors Association, a Director of the Northern Prospectors Association and a member of the Society of Exploration Geophysicists.
6. I do not have nor expect an interest in the properties and securities of **Telluriton Corporation**.
7. The statements made in this report represent my professional opinion based on my consideration of the information available to me at the time of writing this report.



C. Jason Ploeger, P.Geo., B.Sc.
Geophysical Manager
Canadian Exploration Services Ltd.

Larder Lake, ON
May 20th, 2015



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APPENDIX B

REFERENCES

1935-1936, Miscellaneous Property Files – Several Townships, Sylvanite Gold Mines Ltd.

1961, Melba Tp. Kittilson and Hurd

1959-1962, Melba Tp, Melba Gold Mines Ltd./Pitchvein Mines Limited

1972, Cook 1-71; 2-72; 4-72; Benoit 1-66; 1-71 to 4-71; 1-72; Johnston opt, Noranda Exploration Co Ltd.

1978, Melba Tp., Rio Tinto Canadian Exploration Ltd.

1980, Benoit and Melba Tp., Silver Pack Resources Ltd.

1983-1987, Barnet and Melba Tps., St Joe Canada Inc.

1986, Grid ME 27, Lac Minerals Ltd.

1987, Melba Group, Gleeson-Rampton Explorations

1988, Benoit and Melba Twps, Nordex Explosives Ltd.

1988, Canroes Option, Nordex Explosives Ltd.

1992, Melba Claim Group, Gleeson-Rampton Explorations

1992, Melba Tp., CF Gleeson

1998, Melba Claim Group, Gleeson-Rampton Explorations