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Application for Assessment Work Credits

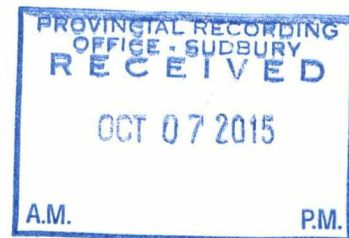
Mining Claim TB 3016678

Watson Quarry

South-East Quarter Section 11 Concession 7, McTavish Township, Shuniah

McTavish Township: G-Plan #G-0675 (Sibley Area)

NTS Location: 52A 10 B

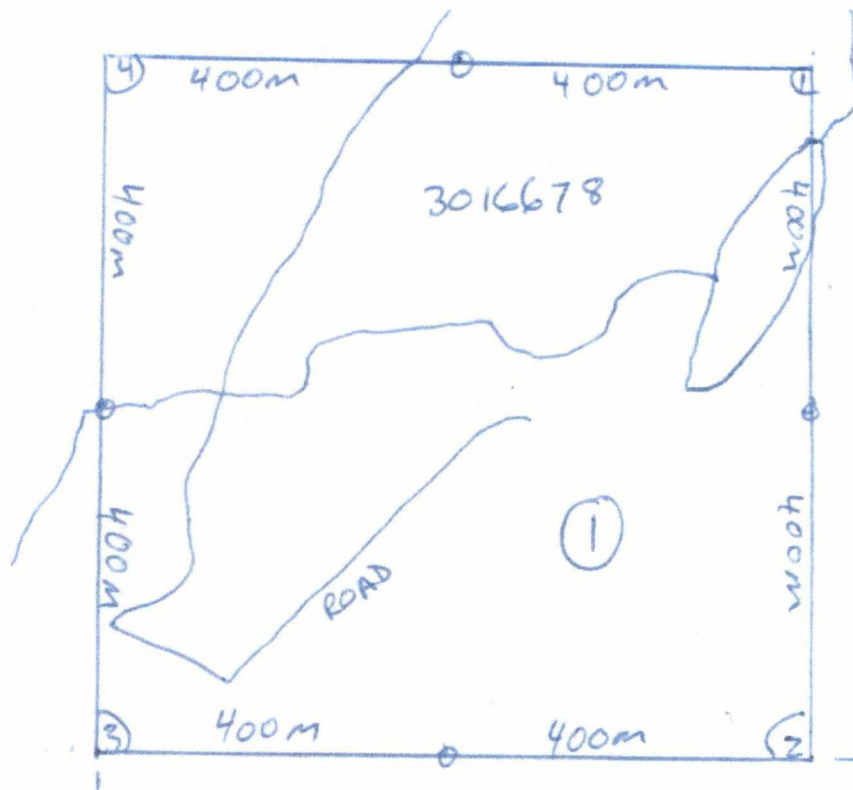


Date of Report: Sept 15th, 2015

Author of Report: Joseph Pintar

Contents

1. Registered Owner Information	Page 3
2. Location and Access	Page 4
3. Claim Status	Page 5
4. Claim History	Page 6
5. General Geology	Page 8
6. Project Goal	Page 9
7. Assessment Work Part 1—Re-cut Claim Lines	Page 10
8. Assessment Work Part 2—Drilling at Location V	Page 12
9. Assessment Work Part 3—Stripping at Location W	Page 13
10. Assessment Work Part 4—Trenching at Location X	Page 15
11. Assessment Work Part 5—Stripping and Trenching at Location Y	Page 17
12. Assessment Work Part 5—Stripping and Trenching at Location Z	Page 21
13. Conclusion	Page 22

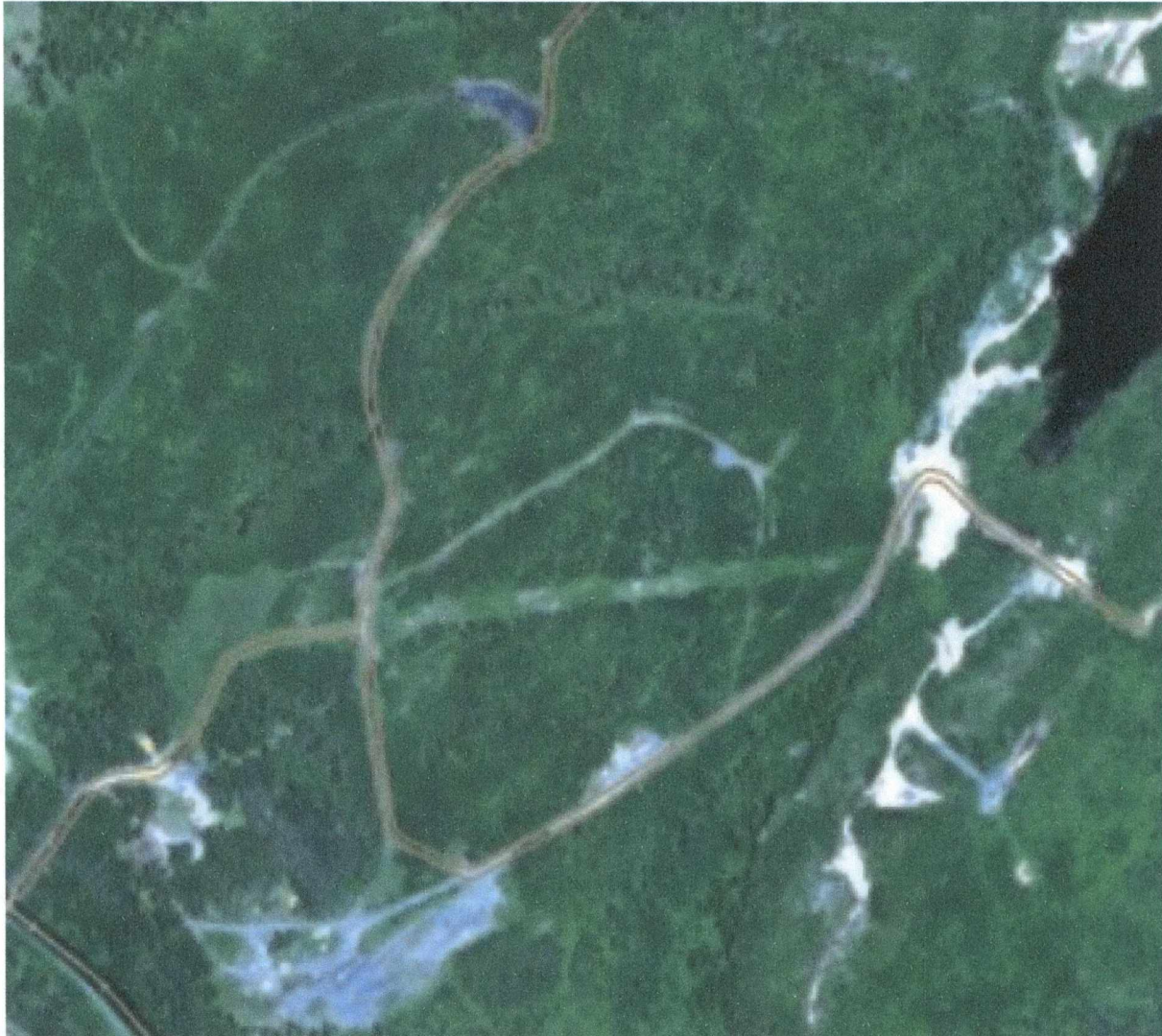


Registered Owner Information

Claim Holder

Recorded Holder(s) Percentage	Client Number
WATSON, LAWRENCE TIMOTHY (100.00 %)	400904

Mining Claim TB #3016678 is located at the South-East quarter of Section 11 Concession 7, McTavish Township, Shuniah and is registered 100% to Timothy Watson of Pass Lake, ON P0T 2M0, who is also the Surface Rights holder. This location is Mr. Watson's principle residence and he can be reached at 807-977-2777.



Location and Access

The Watson Quarry Property, Mining Claim TB 3016678, is located approximately 40 Kilometres North-East of Thunder Bay, ON.

Access is via Highway 11/17 east to Pass Lake Junction and then South on Highway 587 approximately 4 Kilometres. On the left there is a driveway which accesses the old MNR rail crossing that extends to the Mining Claim and Property.

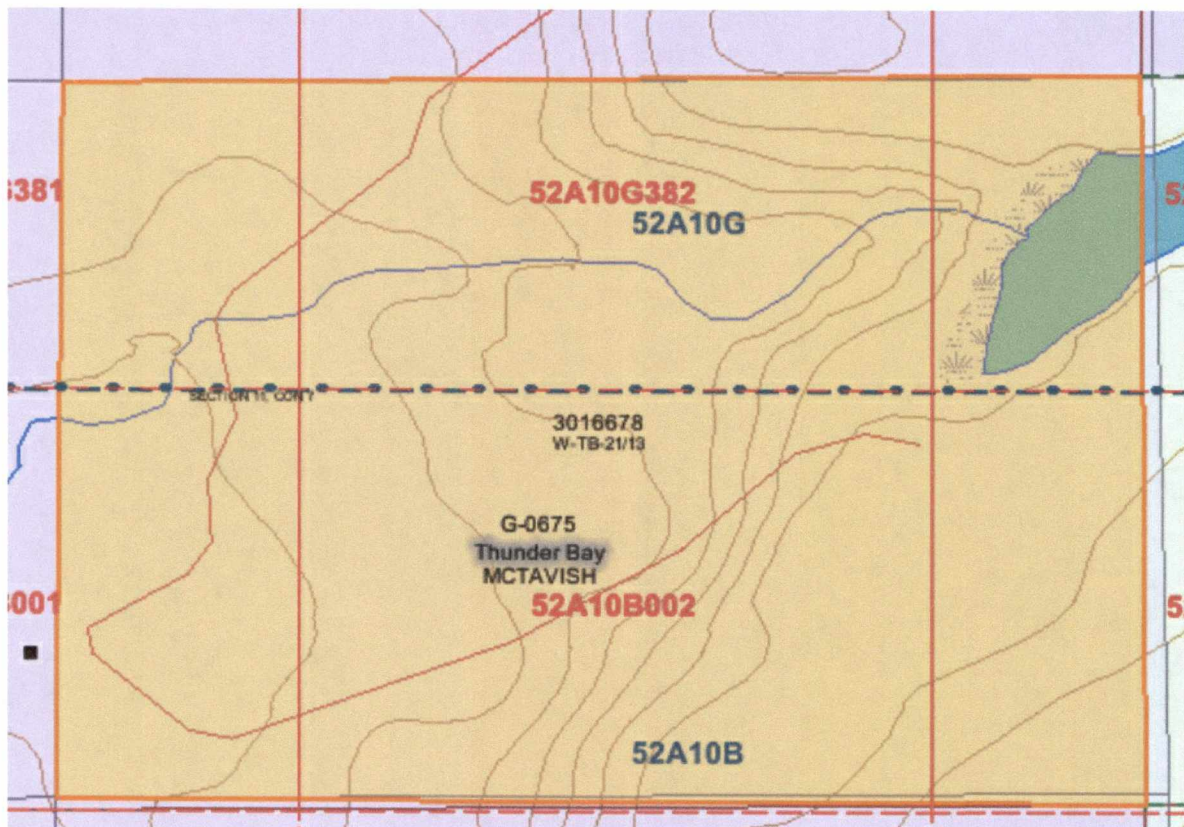


Claim Status

Mining Claim Abstract

| [Main Menu](#) | [Back](#) |

THUNDER BAY - Division 40		Claim No: TB 3016678	Status: ACTIVE
Due Date:	2015-Oct-13	Recorded:	2004-Sep-21
Work Required:	\$ 732	Staked:	2004-Sep-21 13:00
Total Work:	\$ 7,268	Township/Area:	MCTAVISH (G-0675)
Total Reserve:	\$ 0	Lot Description:	SE 1/4 SECTION 11, CONC 7
Present Work Assignment:	\$ 0	Claim Units:	4
Claim Bank:	\$ 0		



Claim History

Type	Date	Applied	Description	Performed Number
STAKER	2004-Sep-21		RECORDED BY HEILMAN, ROBERT JOHN (E33836)	R0440.03938
STAKER	2004-Sep-21		HEILMAN, ROBERT JOHN (300872) RECORDS 100.00 % IN THE NAME OF YOZIPOVIC, TONY ROBERT (211015)	R0440.03940
MISC	2006-Jul-10		THE ASSESSMENT WORK RECORDING DATE WAS CHANGED FROM JULY 10, 2006 TO SEPTEMBER 11, 2006 AS SURFACE RIGHTS CONSENT WAS NOT RECEIVED UNTIL SEPTEMBER 11, 2006	M0640.00205
MISC	2006-Aug-16		CONSENT FOR SURFACE RIGHTS INFORMATION WITH W0640.01338	M0640.00163
MISC	2006-Aug-16		M0640.00163 ENTERED IN ERROR	M0640.00206
OTHER	2006-Sep-11		WORK PERFORMED (INDUS) APPROVED: 2006-OCT-20	\$ 3,843 Q0640.01338
WORK	2006-Sep-11	\$ 3,200	WORK APPLIED (INDUS) APPROVED: 2006-OCT-20	W0640.01338
WORK	2006-Sep-11	\$ 0	CERTIFICATE CONFIRMING NOTICE OF INTENTION TO PERFORM ASSESSMENT WORK	W0640.01784
OTHER	2006-Sep-11		ENTRY - W064001784 ENTERED IN ERROR	U0640.00041
WORK	2006-Sep-11	\$ 0	WRITTEN CONSENT OF SURFACE RIGHTS OWNER PURSUANT TO SEC. 78(3)(C)	W0640.02293
OTHER	2007-Jul-24		PENDING PROCEEDINGS COMMENCED	P0740.00037
ORDER	2007-Sep-13		COMMISSIONER'S ORDER TO FILE DATED 2007-SEP-13	O0740.00185
ORDER	2007-Oct-25		COMMISSIONER EXCLUDES 94 DAYS (SECTION 67) AND SETS NEW ANNIVERSARY DATE 2008-DEC-24	O0740.00207
OTHER	2007-Oct-25		PENDING PROCEEDINGS REMOVED	P0740.00040
OTHER	2008-Aug-05		WORK PERFORMED (PRECUT) APPROVED: 2008-DEC-05 Previously: 2460	\$ 800 Q0840.01704
WORK	2008-Aug-05	\$ 800	WORK APPLIED (PRECUT) APPROVED: 2008-DEC-05 Previously: 6400	W0840.01704
OTHER	2008-Dec-10		PENDING PROCEEDINGS BY COMMISSIONER	P0840.00069
ORDER	2008-Dec-15		COMMISSIONER'S ORDER TO FILE DATED 2008-DEC-12	O0840.00327
CANC	2008-Dec-29		CANCELLED PURSUANT TO SUBSECTION 72(1)(B) OF THE MINING ACT R.S.O. 1990	C0840.06264
CANC	2008-Dec-29		NOTICE OF RE-OPENING (SUBSECTION 72. 1 (2) UNDER THE MINING ACT R. S. O. 1990.) POSTED 2008-DEC-30 - CHECK CLAIM MAP FOR ANY RESTRICTIONS TO STAKING	C0840.06267

CANC	2009-Jan-08		REINSTATED (CANCELLED IN ERROR)	C0940.00126
OTHER	2009-Jan-08		ENTRY - C084006267 ENTERED IN ERROR	U0940.00001
WORK	2009-Jun-10	\$ 2,625	WORK APPLIED (PSTRIP) APPROVED: 2009-OCT-11 Previously: 3200	W0940.01611
WORK	2009-Jun-17	\$ 643	WORK APPLIED	W0940.01610
OTHER	2012-May-11		COMMISSIONER REMOVES PENDING PROCEEDINGS	P1240.00018
ORDER	2012-May-11		COMMISSIONER EXCLUDES 1754 DAYS (SECTION 67) AND SETS NEW ANNIVERSARY DATE 2015-OCT-13	O1240.00188
TRAN	2012-Nov-08		YOZIPOVIC, TONY ROBERT (211015) TRANSFERS 100.00 % TO 1698220 ONTARIO LTD. (409294)	T1240.00526
REPT	2013-Aug-08		INSPECTION REPORT #MIL-11 02/13	I1340.00002
TRAN	2013-Oct-09		1698220 ONTARIO LTD. (409294) TRANSFERS 100.0 % TO WATSON, LAWRENCE TIMOTHY (400904)	T1340.00309
ORDER	2014-Mar-07		RECORDER'S ORDER. NOTICE OF COMPLIANCE DUE ON OR BEFORE 2014-Aug-01	D1440.00106
ORDER	2014-Aug-13		RECORDER EXTENDS DATE FOR COMPLIANCE WITH ORDER D1440.00106 TO 2014-Aug-18	D1440.00425
ORDER	2014-Aug-13		NOTICE OF COMPLIANCE WITH ORDER (D1440.00106) RECEIVED	D1440.00426

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only

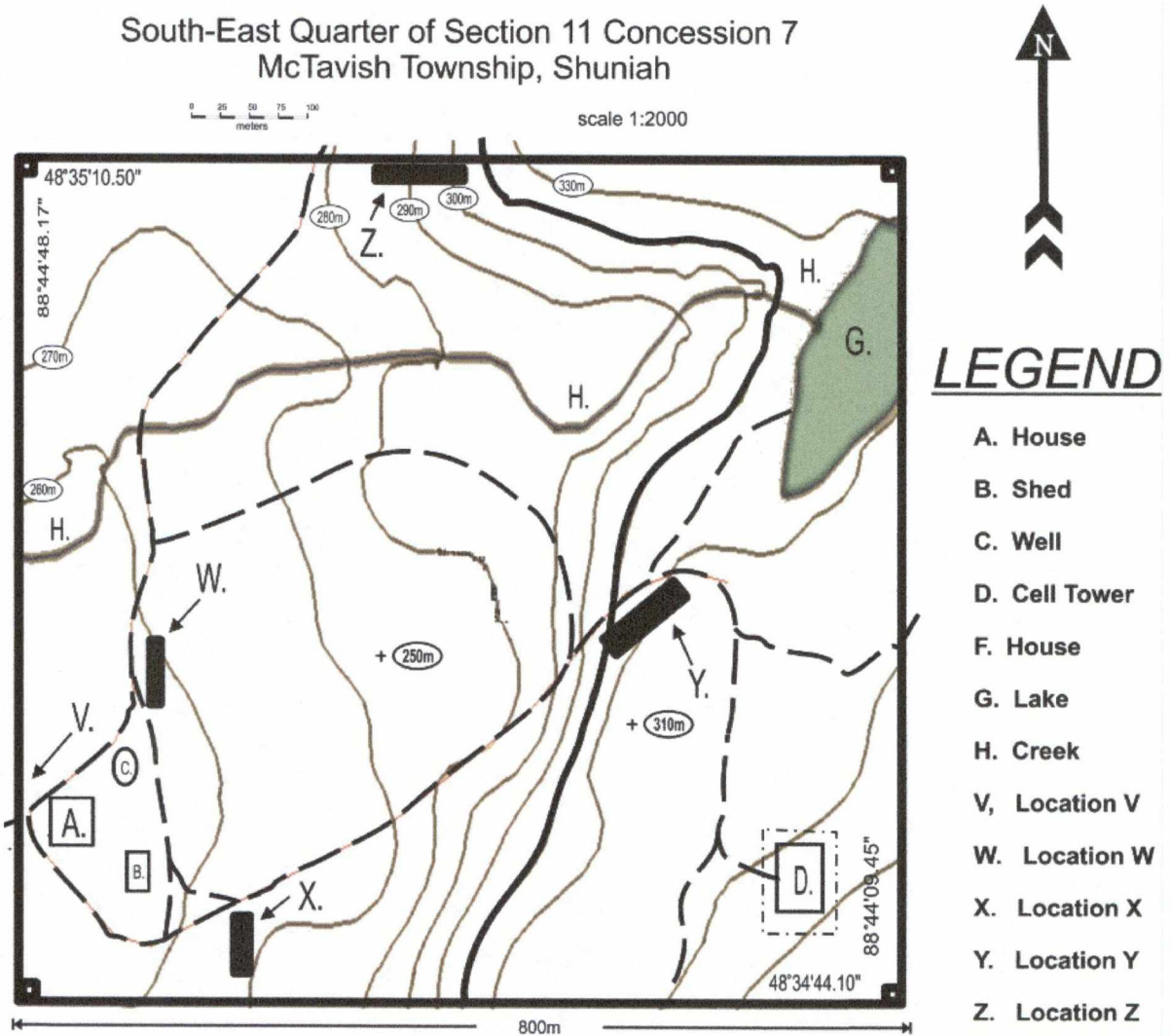
General Geology

Shale is a fine-grained sedimentary rock that forms from the compaction of silt and clay-size mineral particles that we commonly call "mud". This composition places shale in a category of sedimentary rocks known as "mudstones". Shale is distinguished from other mudstones because it is fissile and laminated. "Laminated" means that the rock is made up of many thin layers. "Fissile" means that the rock readily splits into thin pieces along the laminations.



Project Goal

To determine the extent of the shale deposit. The below map shows the work at **Locations V, W, X, Y, Z**. In addition the primary features are shown and the coordinates of posts 2 and 4 are given. The work was performed by Timothy Watson and Joseph Pintar, both of Pass Lake.



Assessment Work Part 1—Re-cut Claim Lines

Purpose:

To re-establish the perimeter of the mining claim TB 3016678.

Description:

As per the included photos, much of the perimeter is dense bush that requires periodic cutting of trees and willows and tagging with flags to establish a clear line delineating the borders of the claim.

Date:

May 21-23, 2015

Location:

3200m perimeter of mining claim TB 3016678.

Costs:

<u>Equipment</u>	<u>Personnel</u>	<u>Time</u>	<u>Cost</u>	<u>Total</u>
Honda 450ES and trailer Johnsereed brush saw Brush axe Tape Safety gear	3 men	16hrs	\$50/hr	\$2400
			\$150/day	\$300
			\$50/day	\$100
Total				\$2800



Assessment Work Part 2—Drilling at Location V

Purpose:

To determine the depth of the shale deposit and to find where the water pockets were.

Description:

A well-drilling truck was used to drill a 6" whole to a depth of 100m. At 40m a small water vein was found. At approximately 100m it appeared that the shale deposit ended and there was a large amount of water in a clay/sand deposit underneath the shale. Afterwards the hole was capped.

Date:

August 30th, 2015

Location:

125m N. of the East-West line between posts #2 and #3.

2m E. of the North-South line between posts #3 and #4.

Costs:

I have not yet been invoiced for this.

Assessment Work Part 3—Stripping at Location W

Purpose:

To determine the depth of the overburden to access the shale beneath.

Description:

A 320 Caterpillar excavator and a 950 Caterpillar front-end loader were used to clear a section of land and strip a section of overburden with a length of 50m and an average width of 12m moving in a southerly direction along the lay of the land. The depth of overburden gradually increased over the distance from 15cm to 1.5m. The Overburden consisted of rock, brush and topsoil.

Date:

April 23th to 26th, 2015

Location:

300m N. of the East-West claim border line between posts #2 and #3.

100m E. of the North-South claim border line between posts #3 and #4.

Costs:

<u>Equipment</u>	<u>Personnel</u>	<u>Time</u>	<u>Cost</u>	<u>Total</u>
320 Caterpillar excavator 950 Caterpillar Front-end loader Dump truck	2 men	30hrs	\$50/hr	\$1500
		30hrs	\$150/hr	\$4500
		20hrs	\$100/hr	\$2000
		15hrs	\$75/hr	\$1075
Total				\$9075

Note: all machine costs include floating, fuel, and maintenance.



Assessment Work Part 4—Trenching at Location X

Purpose:

To determine the quality of shale at the former excavation site.

Description:

Trenched a section of the shale deposit 7m wide by 100m long to a depth of 4m with a 320 Caterpillar excavator. Determined it was 100% consolidated aggregate. As depth increased, so did the density of the deposit. The truck and 950 Caterpillar loader were used to remove former stripping piles.

Date:

July 10th to 15th, 2015

Location:

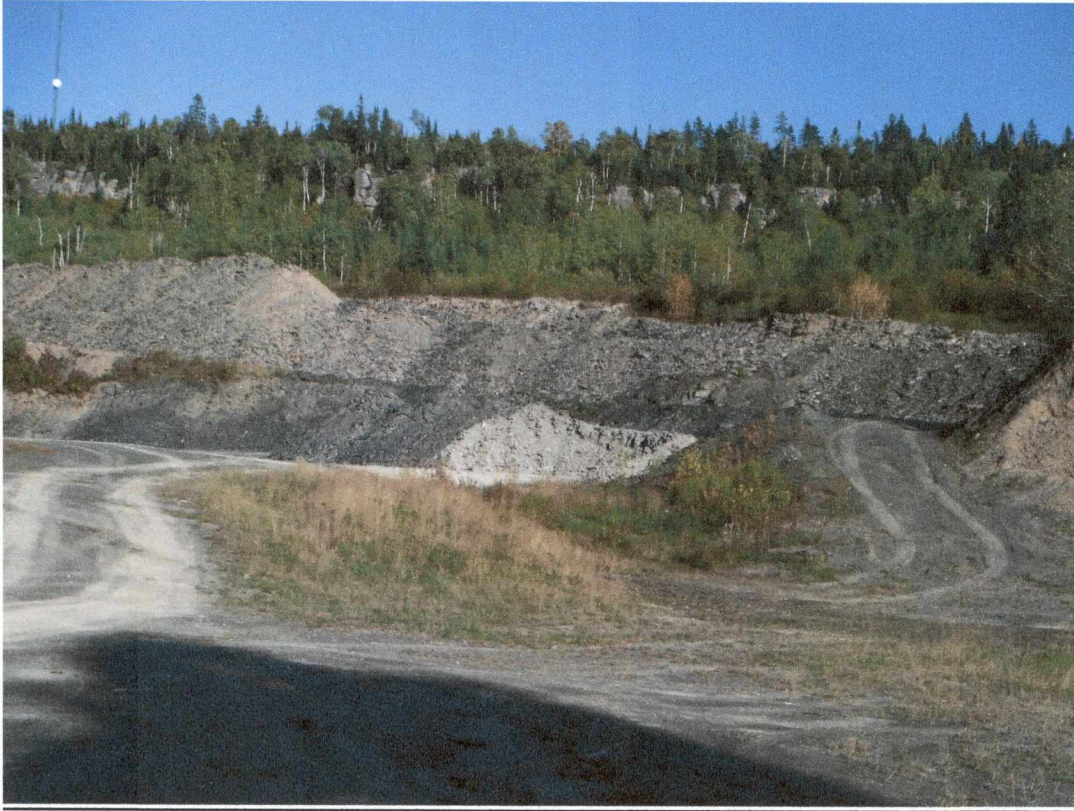
50m N. of the East-West claim border line between posts #2 and #3.

100m E. of the North-South claim border line between posts #3 and #4.

Costs:

<u>Equipment</u>	<u>Personnel</u>	<u>Time</u>	<u>Cost</u>	<u>Total</u>
320 Caterpillar excavator 950 Caterpillar Front-end loader Dump truck	2 men	40hrs	\$50/hr	\$2000
		40hrs	\$150/hr	\$6000
		4hrs	\$100/hr	\$400
		4hrs	\$75/hr	\$300
Total				\$8700

Note: all machine costs include floating, fuel, and maintenance.



Assessment Work Part 5—Stripping and Trenching at Location Y

Purpose:

To expose the face of the sandstone and to remove the overburden to determine the height of the shale deposit.

Description:

A 320 Caterpillar excavator and a 950 Caterpillar front-end loader were used to clear a section of the sandstone on the bluff and strip a section of overburden with a length of 50m and an average width of 12m moving in a southerly direction along the road. The depth of overburden was fairly consistent over the distance at 9m. The Overburden consisted of 4m of sandstone on top followed by 5m of conglomerate. The top of the shale deposit was then accessible. Approximately 300tonnes of sandstone was removed and stock piled.

Date:

August 1st to 5th, 2015

Location:

400m N. of the East-West line between posts #2 and #3.

650m E. of the North-South line between posts #3 and #4.

Costs:

<u>Equipment</u>	<u>Personnel</u>	<u>Time</u>	<u>Cost</u>	<u>Total</u>
320 Caterpillar excavator 950 Caterpillar Front-end loader Dump truck	2 men	40hrs	\$50/hr	\$2000
		40hrs	\$150/hr	\$6000
		40hrs	\$100/hr	\$4000
		6hrs	\$75/hr	\$450
Total				\$12450

Note: all machine costs include floating, fuel, and maintenance.







Assessment Work Part 6—Stripping and Trenching at Location Z

Purpose:

This was the site of a previous excavation. One of the purposes of the stripping and trenching at this location was to determine why this location was chosen for previous work. Additionally this location was chosen as it provided insight on the extent of the shale deposit on the north side of the claim.

Description:

A 320 Caterpillar excavator and a 950 Caterpillar front-end loader were used to clean up a section of this previous shale excavation site. A trench an average of 6m wide and 40m long moving in a westerly direction was dug to a depth of 3m. Previous work had a depth of 1.5m with this work being an additional 1.5m. In this trench 9 large secretions were found in sizes ranging from 20cm to 1.5m.

Date:

April 12th to 15th, 2015

Location:

750m N. of the East-West line between posts #2 and #3.

400m E. of the North-South line between posts #3 and #4.

<u>Equipment</u>	<u>Personnel</u>	<u>Time</u>	<u>Cost</u>	<u>Total</u>
320 Caterpillar excavator 950 Caterpillar Front-end loader Dump truck	2 men	20hrs	\$50/hr	\$1000
		20hrs	\$150/hr	\$3000
		10hrs	\$100/hr	\$2000
		10hrs	\$75/hr	\$750
Total				\$6750

Note: all machine costs include floating, fuel, and maintenance.

Conclusion

Based on the locations chosen and work done a clear picture of the extent of the shale deposit has been gained. It appears that the shale deposit extends over the entire property to a depth of 100m at its lowest point on the west side of the property to a height of about 60m above this point on the East side of the property. In some locations below the bluff there is overburden of as much as 1.5m. On the bluff the overburden is approximately 4m of sandstone and 5m of conglomerate. Based on this information and taking an average depth of the deposit is 135m a rough estimate of the extent of the shale deposit is 86 million cubic meters. This appears to be fairly accurate as shale is found on all sides of the property and to an extensive depth.

The total costs of assessment work done during this period to be applied to mining claim TB3016678 is \$39775.

