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GEOLOGICAL REPORT
ON THE FEAGAN LAKE WEST GRAPHITE PROSPECT,
NORTH-WESTERN ONTARIO, CANADA

Thunder Bay Mining Division

Porcupine Township
(42K02)

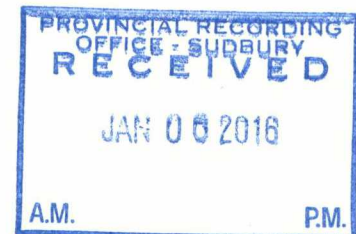
2-56467

NTS UTM Zone 16 (NAD83)
674860E and 5542710N

50° 00'39.7" N Latitude, 084° 33'33.9" W Longitude

Prepared for

Xyquest Exploration Corp.
and
Bluenose Gold Corp.
702-889 West Pender Street
Vancouver, B.C., V6C 3B2
Canada



by

Bohumil B. Molak, PhD., P.Geo (BC)

Date: December 10, 2015

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SUMMARY

The Feagan Lake West Graphite Prospect ("FLWGP") is situated approximately 75 km in a straight line west-northwest of Hearst, within the Porcupine Mining Division of the North-western Ontario. The FLWGP claims were staked in 2013 on behalf of Xyquest Exploration Corp. ("Xyquest") over a magnetic low, one of a series detected by the historical geophysical survey. A helicopter-supported reconnaissance visit to the FLWGP was made in November 2015, during which outcrop mapping and a two-line grid was completed and the results are described in this report.

1. INTRODUCTION

Xyquest retained the writer in October 2015 to visit the FLWGP, to conduct a reconnaissance outcrop mapping and to prepare a report with recommendations for further work. Xyquest chartered a helicopter from Expedition Helicopters Inc. of Cochrane to access the property. The trip was shared by a crew of stakers whom Xyquest hired for staking additional claims on behalf of the Company. The flight was done on November 3, 2015 from the Hearst Airport.

Xyquest entered into a property purchase agreement with Bluenose Gold Corp. ("Bluenose") on August 1, 2013, whereby Bluenose would acquire a 100% interest in the FLWGP, subject to a 1% NSR in favour of the vendor. The FLWGP is comprised of 16 claim units and covers an area of approximately 2.56 square kilometers (256 hectares). Total consideration consists of the payment of \$20,000 cash and the issuance of 1,500,000 common shares at a deemed price of \$0.05 per share. Upon TSX approval on October 3, 2013, Bluenose issued the 1,500,000 common shares and is currently negotiating an extension with respect to the \$20,000 cash payment.

The writer of this report is a consulting geologist and a Professional Geoscientist (BC) with more than forty years of experience in mineral exploration. For most parts of this report the writer relied on work of other experts, on the assessment reports and technical reports and on information available from the Ministry of Northern Development and Mines, Ontario ("MNDM") website. The information by other experts, who are not qualified persons for this project, is generally presented without comments and is to the best of writers' knowledge and experience correct and suitable for inclusion in this report. The sources of all information not based on personal examination are quoted in the References item. The claims description provided herein has been excerpted from the MNDM electronic application and relates to the status as of November 20, 2015.

1.1. Location and Access

The FLWGP is located on the topographic map 42K02, Feagan Lake (1:50,000), North-western Ontario, within the Thunder Bay Mining Division (Figs. 1, 2). The claim block lies 75 km in a straight line west-northwest of Hearst and 27 km on a straight line north of the HW 11 intersection with the Nagagami River and about 2 km southwest of the Feagan Lake. The NTS coordinates are 50° 00'39.7" N Latitude, 084° 33'33.9" W Longitude and the UTM coordinate of the centre of the claim block is 674860E and 5542710N, Zone 16 (NAD83).

No motorable roads or trails are known to exist to the FLWGP, thus access is best by helicopter. In winter, the access is possible by a road branching off the HW 11 near the intersection with Nagagami River, and then northwards to a network of old forestry logging roads and/or ATV trails.



Fig. 1: Location of Feagan Lake West Graphite Prospect.

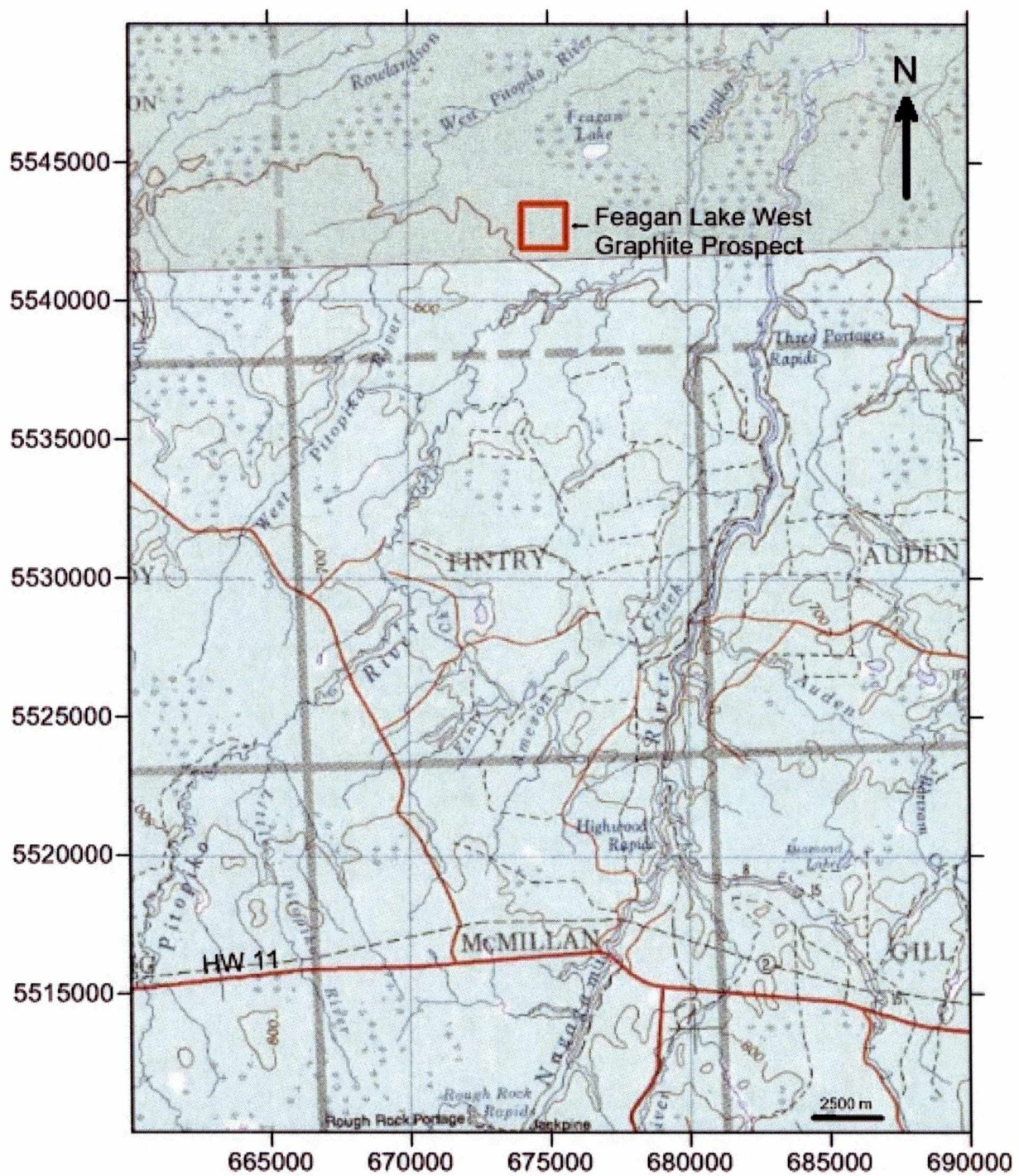


Fig. 2: Feagan Lake West Graphite Prospect, location map.

1.2. The Claims

The FLWGP is situated in a previously under-explored area. The prospect is comprised of 16 claim units covering approximately 256 hectares (Figs. 2, 3). The claim status as of November 10, 2015, based on the MNDM web site is below:

Claim Number	Township	Units	Due date	Recorded holder
4275912	Porcupine	16	2016-01-13	Xyquest Exploration Corp.

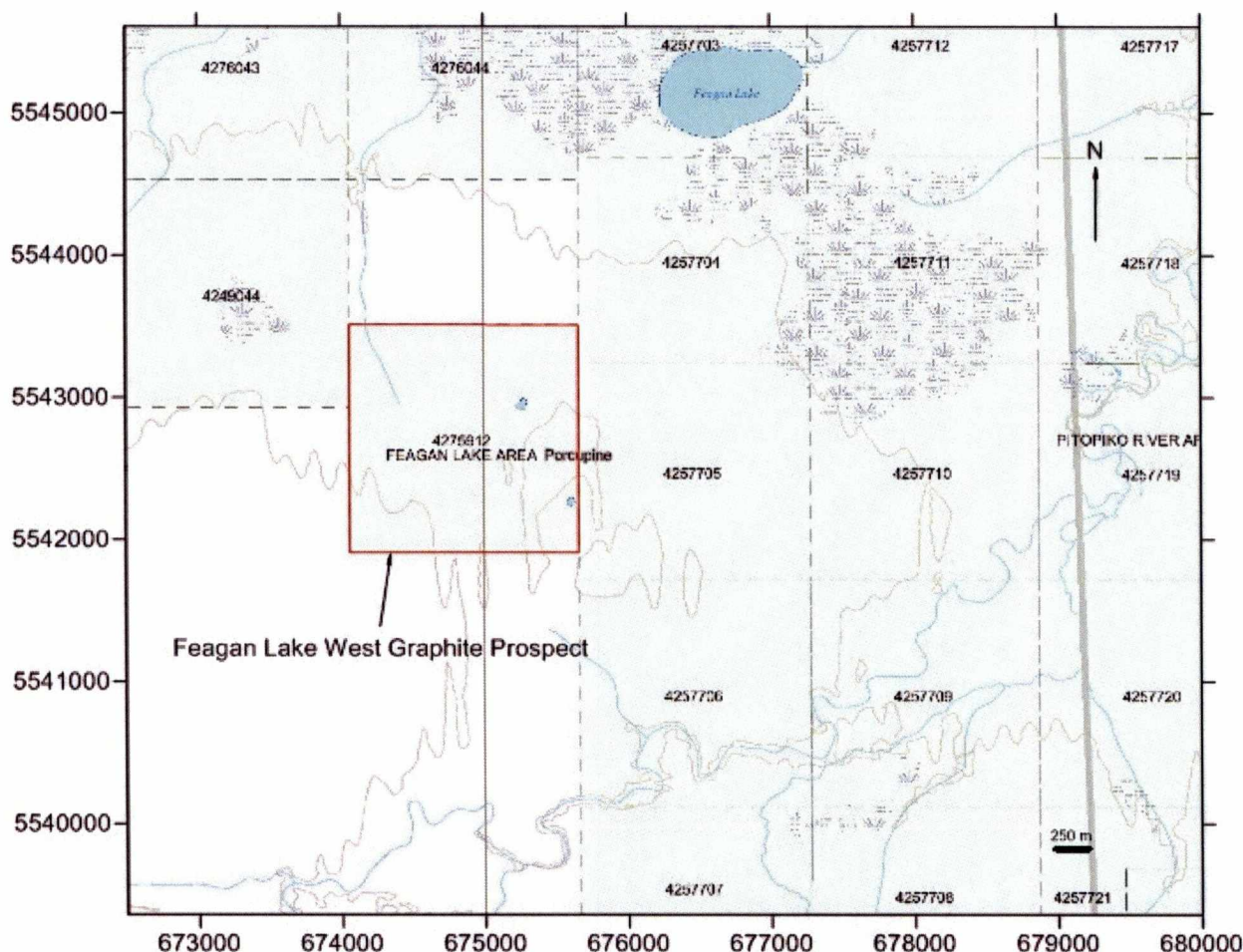


Fig. 3: Location of the claim 4275912.

1.3. Topography, Vegetation, Climate and Local Resources

The FLWGP is located within the Hudson Bay – James Bay Lowlands, a large, nearly flat area made up of bogs and fens. The claim altitudes range from about 140 to 150 m above sea level. The area is forested with mature stands of spruce and cedar and the ground is covered by nearly continuous moss with labrador tooth, and cedar and alder underbrush. The climate in the area is continental and typical of the north-western Ontario, with hot summers when the temperatures may rise to 25 – 35 °C and cold winters with temperatures dropping down to - 30 °C or lower. The annual precipitation ranges from 600 to 900 centimeters.

Railway, power and gas are located from thirty kilometers to seventy km from the claim boundary. The town of Hearst is the closest industrial centre that provides most services required to conduct mineral exploration.

2. HISTORY

The Nagagami River and Pitopiko Township and the Feagan Lake areas have been known for their potential to host nickel, copper, platinum group and rare earths mineralization associated with the intrusive rocks. Such intrusive rocks were detected in the area by the historical magnetic surveys and the historical drilling programs confirmed the presence of alkalic, mafic and carbonatite intrusions. More recent drillings intersected yet another, non-traditional mineralization associated with these intrusions – “hydrothermal” graphite. Below we present a brief history of the geophysical surveys and exploration.

1959: Koulomzine and Brossard Ltd. conducted a ground magnetic and EM survey for Nagagami River Prospecting Syndicate in the area north of Fintry/Auden Townships. Three magnetic anomalies were detected and interpreted as the sulphide lenses and/or disseminated mineralization that could contain base metals. Drilling was recommended to test the EM anomalies (Koulomzine, 1959).

1961 - 1963: Algoma Ore Properties Limited contracted Hunting Survey Corp. to conduct airborne aeromagnetic surveys in the Nagagami River and Pitopiko Townships areas. The survey outlined a horseshoe-shaped anomaly made up of two low intensity anomalies, both covered by Paleozoic limestone. The anomalies were interpreted to be syenitic, gabbroic and/or carbonatite intrusions containing magnetite, sulphides, niobium and possibly columbium and other rare earth elements. A follow-up detailed ground magnetometer survey and diamond drilling were recommended.

1964 - 1967: Algoma Ore Properties Limited continued to explore the Nagagami River using a ground magnetometer survey. Based on the results, nine widely spaced holes (total 1484 m) were drilled and the core was sampled and tested for radioactivity. A petrographic study was also made and the assays returned 0.02 to 0.04 % Cb_2O_5 . The host rocks were classified as syenite, anorthosite and syeno-diorite with as much as 10-12% disseminated magnetite.

1968: Satellite Metal Mines Limited conducted a vertical force magnetometer survey in the Wataiabei River East Township about 15 kilometers east of the Kenogami River. One magnetic anomaly was detected but no further work was done.

1969: Keevil Mining Company surveyed the Hudson Bay Lowlands area (Squirrel River, Mamamattawa, English, Kingfisher and Drowning Rivers and Albany Forks) using a ground magnetometer. The survey was followed by diamond drilling, which intersected carbonatite and anorthosite intrusives with scarce calcite, quartz, pyrite and chalcopyrite mineralization. All other drill holes intersected mostly non-mineralized limestones and sandstones.

1974: Cedom Ltd. contracted Scintrex Surveys Limited to conduct an airborne magnetic survey to help interpret the geology of the claim area. A kidney shaped anomaly was detected and interpreted to be caused by the basic intrusives, metasediments and metavolcanics with small concentrations of magnetite (Klein, 1974).

1978: Shell Canada Explorations Ltd. drilled a single hole within the Burrell Township. The core was made mostly of metasediments and some tuffs with minor pyrite and pyrrhotite and an interval of graphitic syenite breccia was found. No sampling and chemical analysis were reported.

1999: The Ontario Geological Survey (OGS) released aeromagnetic geophysical maps for the Hudson Bay and James Bay Lowlands areas (Geophysical Data Set 1036).

2000: North Atlantic Nickel Corp. and Dumont Nickel Inc. drilled three diamond drill holes into magnetic anomalies detected on their Albany Project in the James Bay Lowlands area. One hole intersected anorthosite with pegmatoidal phases and minor disseminated pyrrhotite and chalcopyrite. However, no assay results were reported.

2001: East-West Resource Corp. explored for platinum group element (PGE) mineralization in the Township of McCoig area. The work included line cutting, magnetic, IP, and HLEM surveys (Daigle, 2001). Two intrusives believed to be magnetite alteration and a magnetic high with an uncertain source were detected and a drill program including four drill holes (total 641 meters) was conducted. A gabbro/norite body with 2% pyrrhotite, pyrite and traces of chalcopyrite were intersected, but no values of interest were reported.

2002 - 2003: Gowest Amalgamated Resources Ltd flew a helicopter borne magnetic and electro-magnetic survey over one claim group located in the North of Feagan Lake and North of Rowlandson Townships. Nine magnetic anomalies were detected and interpreted to be caused by an intrusive root system. Gowest followed up by drilling of two drill holes (total 541 m), which intersected an iron formation and a layered magnetite-amphibolite-quartz gneiss. No core assay results were reported.

2008: OGS released the Precambrian Geology Map p. 3599 based on Aeromagnetic data (Stott, 2007-2008).

2010: Zenyatta Ventures Ltd. ("Zenyatta") contracted Geotech Ltd. to conduct airborne geophysical magnetic/electromagnetic VTEM survey, targeting the nickel, copper and platinum metal mineralization. and to prepare a 43-101 compliant Technical Report on the Albany Project (Legault, 2010). The anomalies were drilled and the drill holes intersected two adjacent breccia pipes associated with graphite mineralization.

In 2013, Zenyatta contracted Crone Geophysics and Exploration Ltd. to conduct a surface time-domain EM (TDEM) survey on the Albany claims, targeting the drill-confirmed East and West graphitic breccia pipes. The TDEM ground survey had outlined the lateral extent of the two

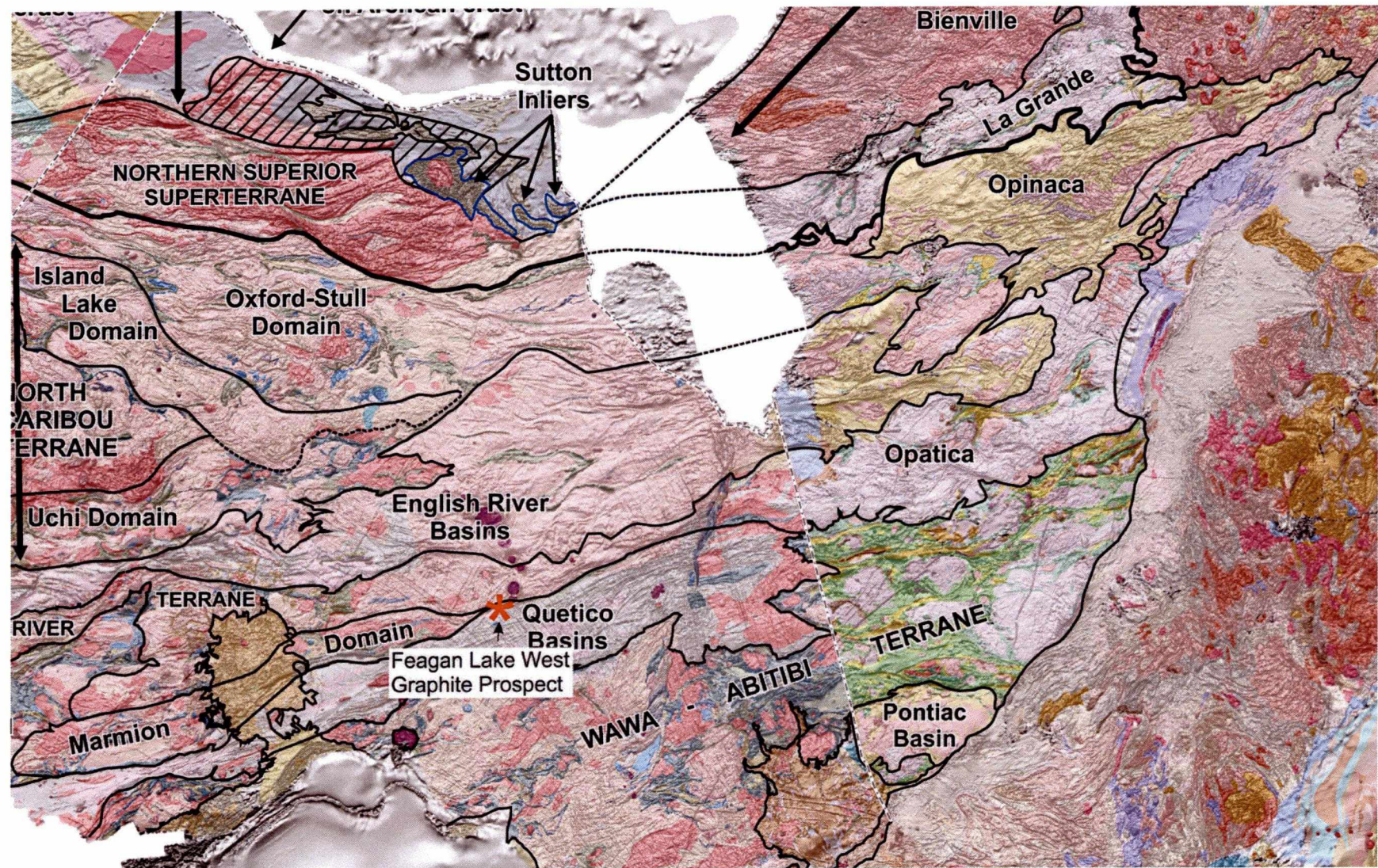


Fig. 4: A revised terrane map for the Superior Province (interpreted from aeromagnetic data, Stott, GM, Corkery, T, Leclair, A, Boily, M, & Percival, J., 2007.

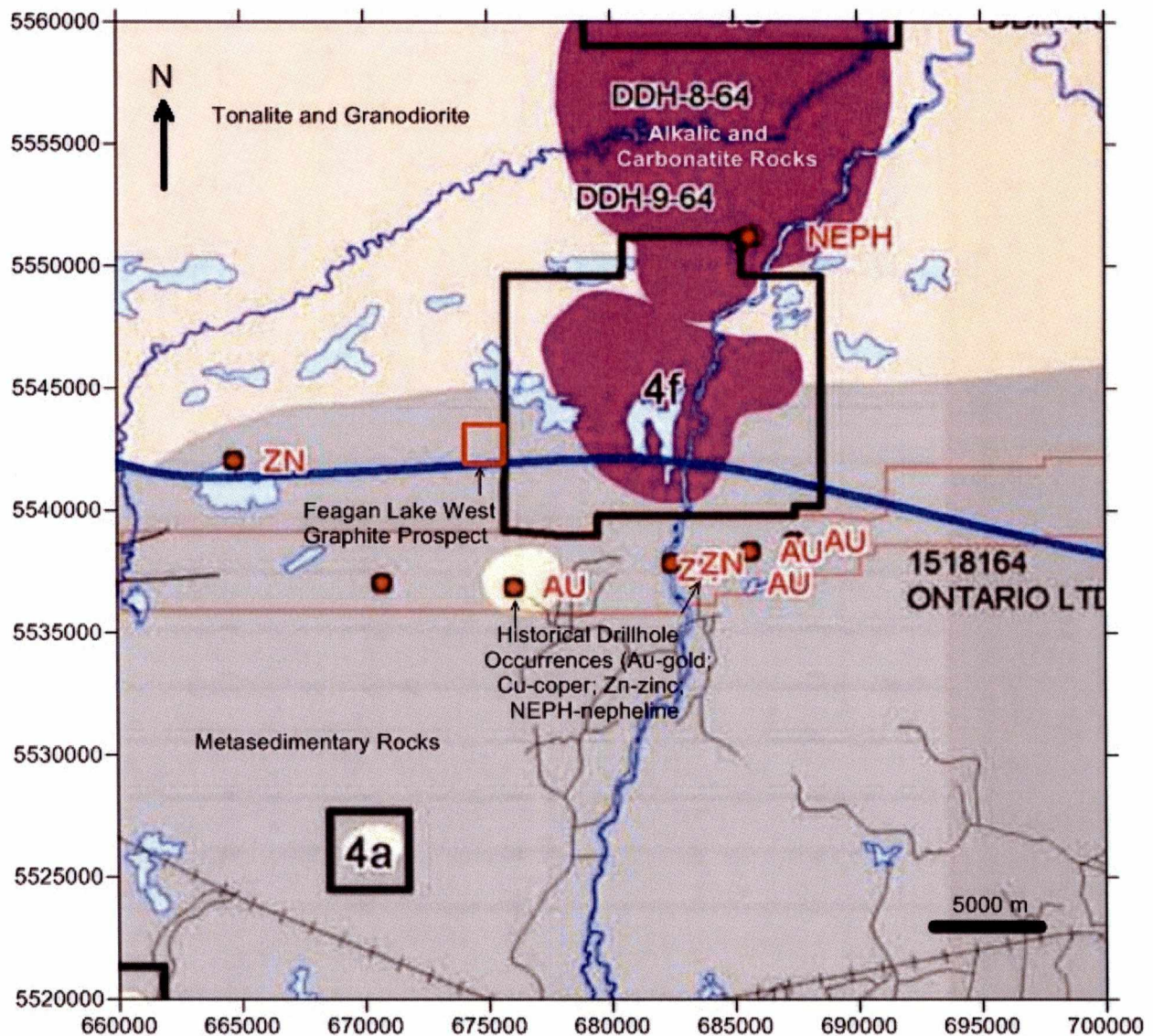


Fig. 5: Geological map showing location of FLWGP and NRAC (adopted from Legault, 2010).

graphite breccia pipes. Subsequently Zenyatta drilled 63 holes totalling 26,011 m in the deposit area, of which 60 were used to estimate resources (Cox et al., 2015).

2015: Zenyatta contracted Rock Solid Resources Proven Advice to prepare a Technical Report on the preliminary economic assessment of the Albany Graphite Project, (Cox et al., 2015).

3. GEOLOGY

The FLWGP lies within the Hudson Bay and James Bay Lowlands Region. Geologically, it falls within the Quetico Terrane of the Superior Province *sensu* Stott (2008). The property is situated south of the Gravel River fault, which separates it from the Marmion terrane (Figs. 4, 5) and close to the southern margin of the Nagagami River Alkalic Rock complex ("NRAC"),

which was interpreted on the basis of aeromagnetic data (Sage, 1988). The Quetico Basin is made up of Paleozoic metasedimentary rocks. The NRAC and the Albany Alkalic Complex (“AAC”) are the most southern in a series of intrusions that define a north-northwest trending, arcuate band of inferred alkalic magmatism (Figs. 5, 6).

The NRAC appears to be composed of two ring-shaped sub-complexes with more mafic rims and more leucocratic cores (Fig. 5). The lithologic phases range from biotite granite to melanocratic syenite. Drill logs of Algoma Ore Properties Division of Algoma Steel Corp., described lithologies ranging from diorite to syenite (Assessment Files Research Office, Ontario Geological Survey, Toronto). Zenyatta described the AAC as a possible part of the NRAC (Cox et al., 2015).

The north structure is approximately 13 km in diameter and the south sub-complex is approximately 5 km in diameter. These anomalies have surface areas of approximately 130 km² and 20 km², respectively.

The NRAC is composed of biotite granite and various facies of syenite and is cross-cut by younger dykes, ranging from felsic to mafic in composition. The age of NRAC was reported to be Late Precambrian. Limestone, limey sandstone, mudstone, quartz sandstone and siltstone of Paleozoic age unconformably overlie the NRAC and these are, in turn, overlain by glacial deposits of Pleistocene age, locally up to 55 meters thick. The top layer is made up of recent swamp and stream deposits.

The NRAC is cut by north to northwesterly trending Paleoproterozoic Matachewan dike swarms (ca. 2454 Ma; Heaman, 1988; Phinney and Morrison, 1988) and the east-northeasterly Kapuskasing dike swarm (ca. 2124-2170; Stott, 2008). Temporal relationships between dikes and the AAC are complicated, as dikes cut the complex and vice versa.

Preliminary petrography indicates that the graphite-hosting breccias range in composition from diorite to granite, and are generally described as “syenite”. Graphite occurs both in the matrix, as disseminated crystals, clotted to radiating crystal aggregates and veins and along crystal boundaries, and as small veins within the breccia fragments. In addition to graphite, the matrix consists primarily of quartz, alkali feldspar, and plagioclase feldspar with minor phlogopite and amphibole and trace amounts of pyrite-pyrrhotite and magnetite.

Zenyatta commenced exploration on the Albany Project in 2010 and their original target was nickel, copper and/or platinum mineralization. A helicopter-borne versatile time domain electromagnetic (VTEM) and aeromagnetic (cesium magnetometer) surveys were flown and 22 EM and magnetic targets were identified. Two targets coined Victor and Uniform were drilled and the drilling on the latter led to the discovery of the Albany graphite deposit (Legault, 2010).

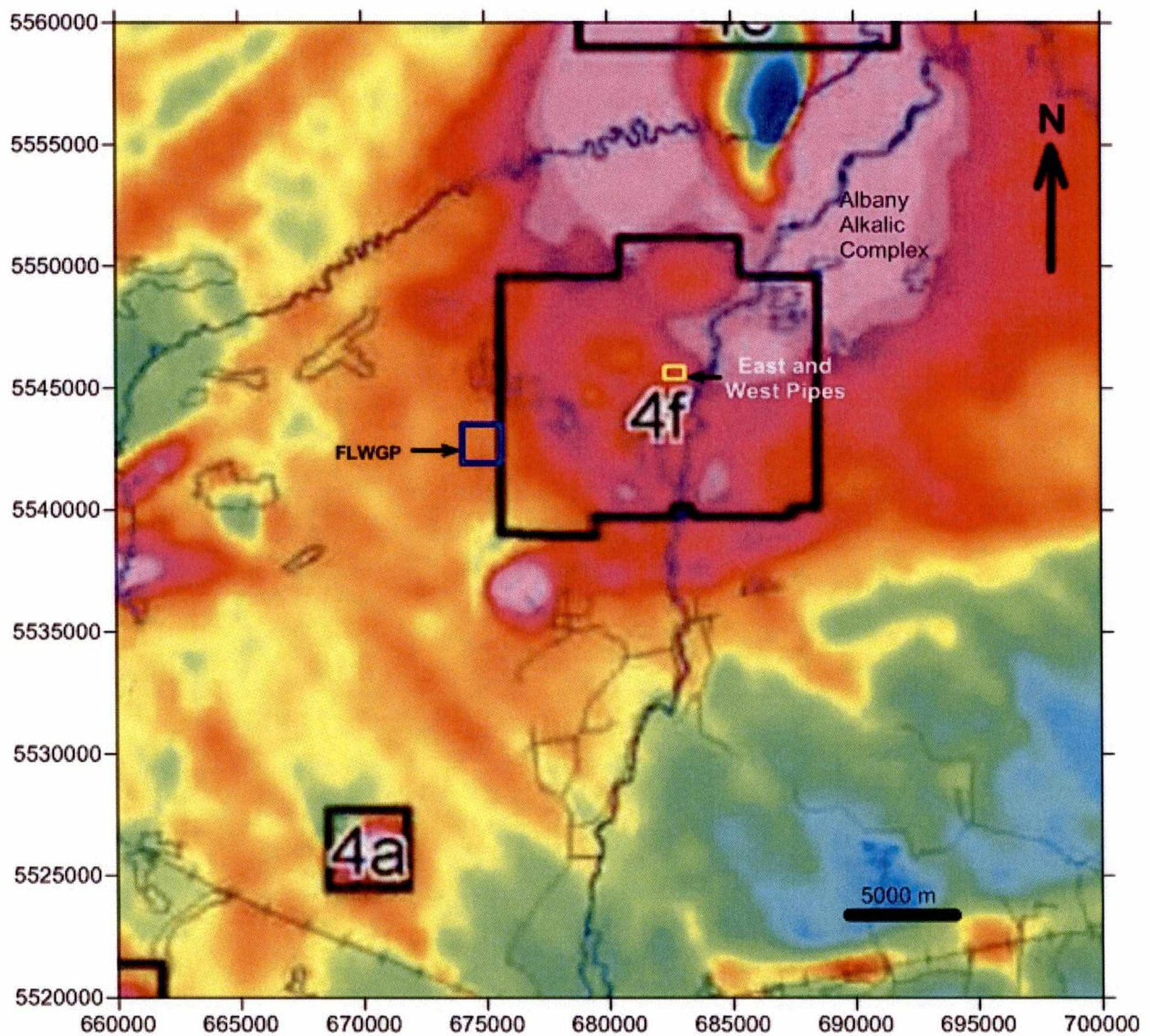


Fig. 6: Aeromagnetic map with location of AAC, FLWGP and East & West pipes (based on ODS Geophysical Dataset 1036).

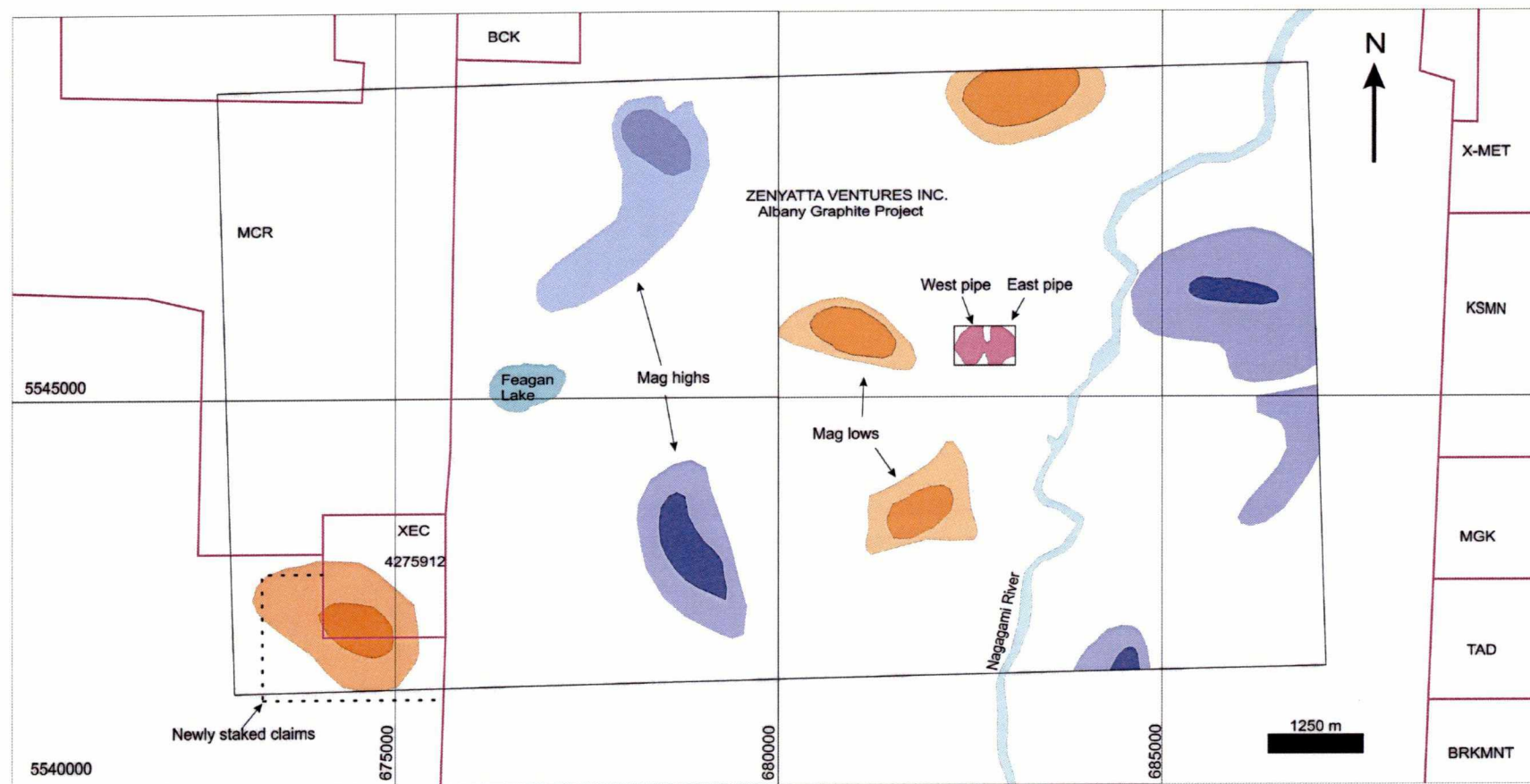


Fig. 7: Location of mag anomalies in area of claim 4275912; (based on OGS Aeromagnetic map 3890G, Constance Lake);

XEC- Xyquest Exploration Corp.; MCR – Metal Creek Resources; BRKMNT - Brookmont Capital Management; KSMN – Kiesman; X-MET – X-Met Inc.; TAD – Tad Mineral Exploration Inc.

3.1. Local Geology and Mineralization

To the best of writer's knowledge, there are no rock outcrops within the FLWGP and no drilling was ever performed on the property. Therefore, local geology can only be inferred from the available geological, geophysical and terrane information, from maps and from analogy with the neighboring areas. Based on this information, the FLWGP is underlain by Paleozoic metasedimentary rocks that are part of the Quetico Basin and probably by Proterozoic intrusive rocks belonging to NRAC and AAC. The intrusive rocks have distinct magnetic response as shown on Figs. 5 and 6. FLWGP is situated close to the NRAC/AAC margin and on a historical magnetic low (Fig. 7), which probably indicates magnetite and/or pyrrhotite-deficient rocks.

The Zenyatta's East and West Pipes also occur near the NRAC/AAC margins and between historical magnetic lows and highs (Fig. 7).

The NRAC and AAC and other intrusions in the area are characterized by magnetic highs, which locally contain "pockets" of magnetic lows. Such setting may potentially indicate the occurrence of 'high purity' (hydrothermal) graphite. The known mineralization in the area has been described as occurring in the breccia pipes similar to kimberlite pipes (diatremes), having dimensions in the order of 200 m by 400 m. These pipes occur in clusters along structural corridors. The area has been largely ignored in the past as a result of poor outcrop exposure and younger Phanerozoic (460-360 Ma) cover rocks.

Adjacent to FLWGP is the Metal Creek Resources' Blackflake West Graphite Project, where a VTEM plus time domain airborne survey has been recently completed over the previously identified magnetic lows. The survey discovered a strong, highly conductive EM anomaly at least 1.6 kilometers long, associated with a mag low. The EM is located 7 kilometers west of the Zenyatta's East and West Pipes.

Zenyatta conducted the VTEM airborne geophysical surveys on the NRAC/AAC in 2010 and their original target was the nickel, copper and platinum metal mineralization. The anomalies were drilled and the drill holes intersected two adjacent breccia pipes associated with the graphite mineralization, which was found to have extraordinary properties. This is how the Albany graphite deposit was discovered. Subsequent ground geophysical surveys (large loop TDEM) in 2013 provided improved resolution of the two breccia pipes (Legault et al., 2015).

Zenyatta's "hydrothermal" graphite was compared to the graphite mined in Sri Lanka, which was interpreted to be the "vein-type" graphite of unusually high purity and unique physical properties. Graphite veins are quite rare and in many industrial applications offer superior performance due to higher thermal and electrical conductivity. The Zenyatta deposit is near surface, underneath glacial till overburden and a thin veneer of Paleozoic sedimentary cover rocks.

The graphite-hosting rocks of the Albany complex vary from quartz syenite to diorite to nepheline syenite, with quartz-monzonite predominating. In contrast, the NRAC consists of

fine- to coarse-grained amphibole-pyroxene syenite and lesser coarse-grained nepheline-bearing syenite and pegmatitic syenite, and minor granite (Sage, 1988).

The East and West (Fig. 7) pipes consist of angular to sub-rounded, millimetre- to metre-scale clasts. The clasts are mainly from the Albany complex, but fragments of amphibole-biotite schist, tourmaline-bearing granite, granite and gneiss, similar to rocks in the Marmion terrane and Quectico subprovince are common. Although sparse, brecciated fragments of semi-massive to massive graphite + silicate minerals occur in both pipes.

The matrix consists of fine-grained (<0.5 mm) silicate minerals, which typically occur as discrete crystals and small monomineralic to polycrystalline aggregates intermixed with graphite. Matrix silicates tend to be angular to subangular and consist mainly of albite (30-60 modal%), perthitic feldspar (<40 modal%) and quartz (<25 modal%). Quartz crystals commonly display a polygonal fracture pattern. Finely disseminated solitary crystals and crystal aggregates of pyrite-pyrrhotite and magnetite are also observed in the matrix and less commonly in fragments. The sulphide-oxide assemblage comprises less than 3 modal% of the rock, and typically <1 modal%. Discrete crystals of phlogopite and amphibole are rare in the matrix and local in lithic fragments. Hydrous silicate phases comprise <20 modal% of the rock.

Conly and Moore (2015) interpreted the rock as a hypabyssal, subvolcanic phase based on the occurrence of: 1) aphanitic groundmass consisting of albite, pargasite and minor nepheline; 2) embayed and sericitized albite xenocrysts with discontinuous, epitaxial overgrowths of sanidine; and 3) corona textured magmaclasts (consisting of a core of variably altered groundmass, an intermediate zone of subhedral to euhedral phlogopite and rimmed by anhedral to subhedral, radiating hastingsite \pm phlogopite). The hypabyssal phase is mainly distributed along the margins of the West pipe, but also occurs at depth (~400 m) along the outer margin of the East pipe, where it is cut by augite-aegirine syenite.

RPA estimated Mineral Resources for the Albany graphite deposit using drill hole data available as of November 15, 2013 (Cox et al., 2015). The estimate is based on a potential open pit mining scenario. The estimated Indicated Mineral Resources total 25.1 Mt at an average grade of 3.89% Cg, containing 977,000 tonnes of Cg. In addition, Inferred Mineral Resources was estimated to total 20.1 Mt at an average grade of 2.20% Cg, containing 441,000 tonnes of Cg. Mineral Resources are reported at a cut-off grade of 0.6% Cg. Mineral Resources are constrained within a preliminary optimized pit shell in Whittle software (Cox et al., 2015).

4. EXPLORATION

The FLWGP area is swampy, forested and the ground is overgrown with dwarf cedar and alder underbrush. There are no roads and/or ATV trails to access it and the access is best by helicopter. Two helicopter pads exist on the property, one is located in the eastern portion and another in the central – northern portion of the claim block. Both pads were used during the present survey.

Xyquest chartered a helicopter from Expedition Helicopters Inc. of Cochrane and the landing point was set at the Hearst airport. The flight was conducted on November 3, 2015 and it was

shared by a crew whom Xyquest had hired to stake two claims adjacent to the existing claim 4275912.

4.1. Itinerary

November 2, 2015: the writer (BM) with assistant Andrej Molak (AM) travel to Hearst from Jellicoe; accommodation at Queens Hotel in Hearst.

November 3, 2015: BM and AM meet with the staking crew at the Hearst Airport, embark on the helicopter and fly to the FLWGP. The first landing is on a pad in the central-northern part of the claim, to drop one of the stakers. Flight then continues to another pad on the eastern edge of

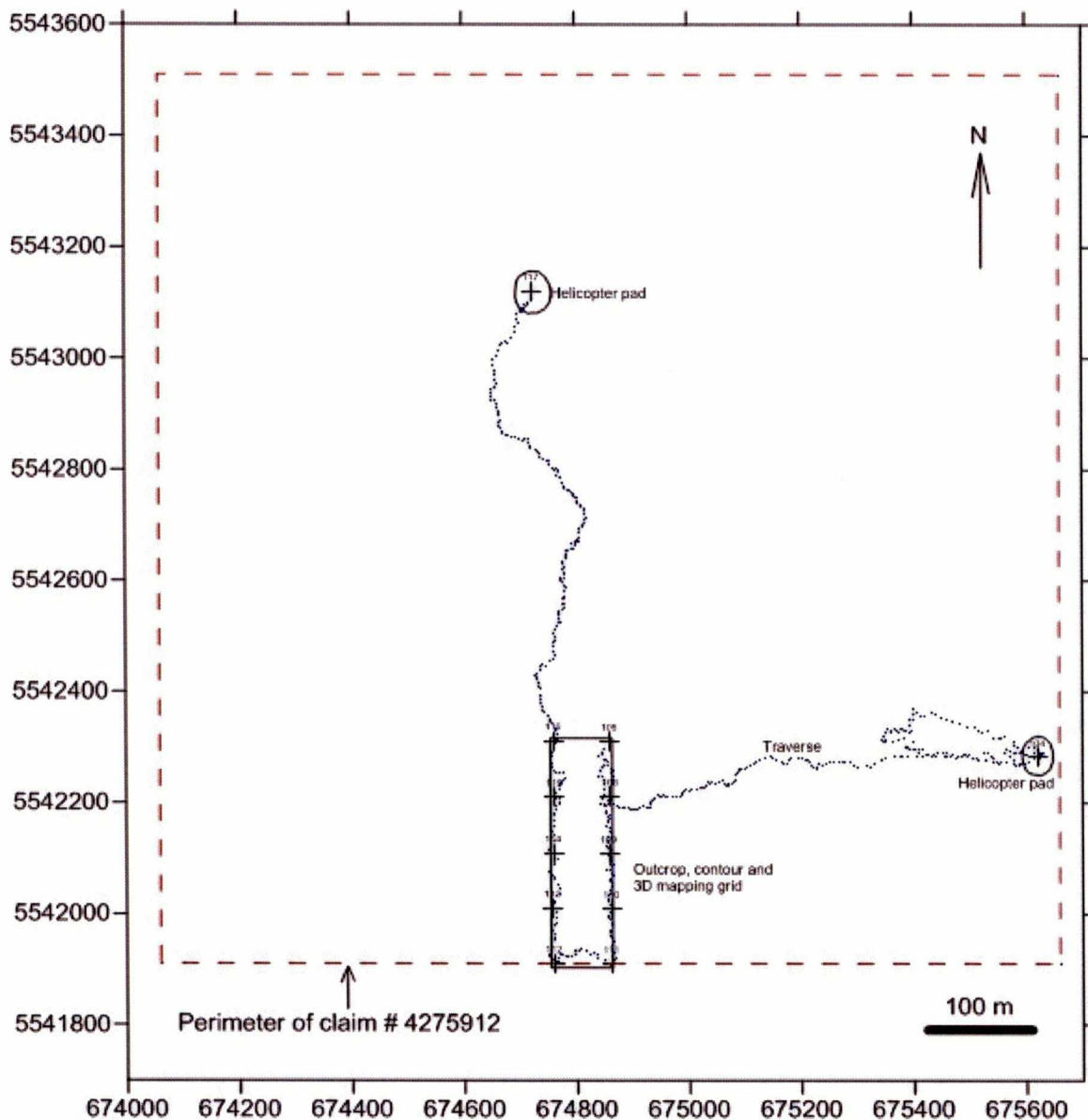


Fig. 8: Outcrop mapping traverse and grid on the 427912 claim block.

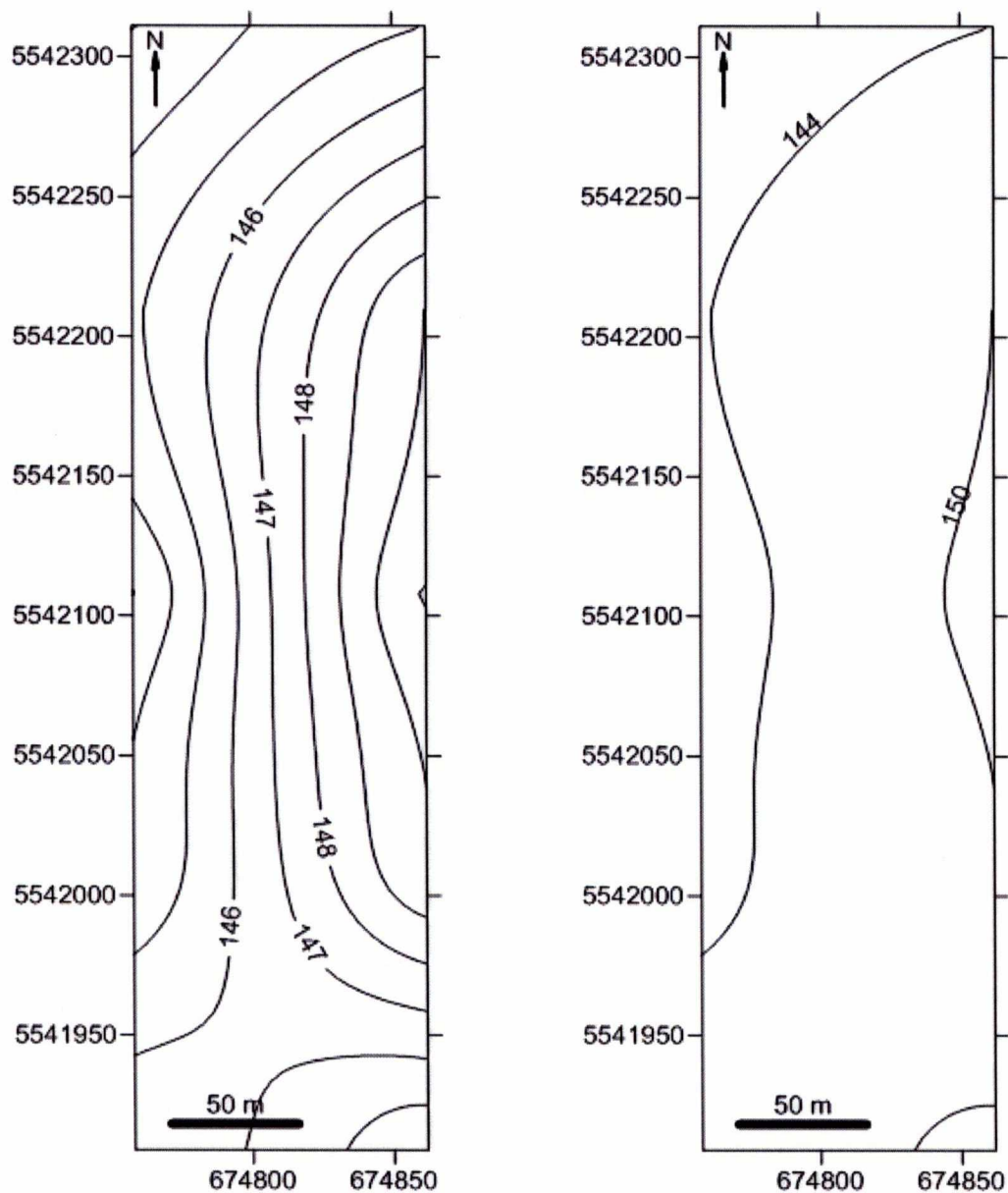


Fig. 9: Outcrop mapping grid, contour maps; (altitudes in meters).

the claim to drop off BM, AM and another staker (Fig. 8).

BM and AM then walk to the central-southern portion of the claim block where the historical magnetic anomaly was delineated. Two north – south trending grid lines spaced 100 meters and with stations 50 meters apart are walked as shown on Fig. 8. The search for outcrop was conducted along the traverse and on the grid. Traverse then continued from the northern tip of the grid northwards to the helicopter pad in the central-northern portion of the claim block (Fig. 8). After the completion of the traverse, BM and AM unite with the claim-staking crew and fly back to the Hearst Airport. From there BM and AM travel to Pagwa Wilderness Retreat where the accommodation is provided.

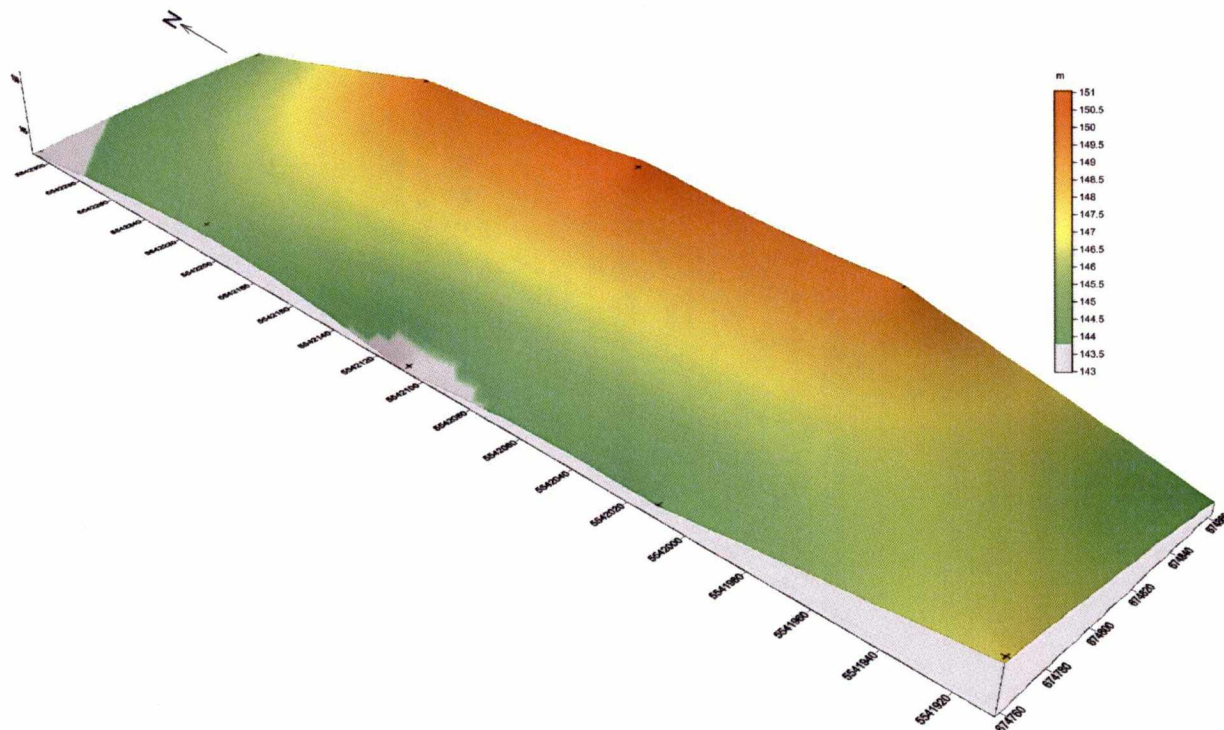


Fig. 10: 3D topography of the grid area; approximate scale 1:2000.

November 4, 2015: coordinate and altitude data are transferred from the GPS unit onto a computer and processed using a Surfer program. A contour map and 3D topographic images are prepared (Figs. 9, 10). Travel from Pagwa Wilderness Retreat to Jellicoe.

5. CONCLUSIONS AND RECOMMENDATIONS

The 2015 exploration program consisted of helicopter-supported visit to the 4273912 claim block. A traverse across the southern and central portions of the claim and a mapping grid with the search for outcrops were made (Figs. 8 to 10). Most of the traversed area is swampy, forested and covered by moss and thick underbrush. No rock outcrops were encountered along the traverse and within the grid, hence no rock samples were collected. The area is flat to gently rolling and smoothly tilted from east to west with altitudes ranging from 139 to 151 meters above sea level (Figs. 8 to 10).

To-date historical work on the Nagagami and Pitopiko Township and Feagan Lake area including geological mapping, geophysical surveys and the results achieved by Zenyatta and Metal Creek Resources on the nearby Albany Graphite Project and Blackflake West Graphite Project indicate that the area is underlain by metasedimentary rocks and intrusive rocks of the NRAC and AAC complexes, both overlain by a limestone horizon. Historical core drilling into the geophysical anomalies indicated intrusive rocks of syenite and carbonatite composition with a potential to host copper, nickel, platinum, and rare earth mineralization. However, a more recent drilling into these intrusions discovered yet another mineralization, the graphite hosted

by breccia pipe structures. These became targets for renewed exploration and several other companies including Xyquest have staked claims surrounding the Zenyatta's block.

Further work on the FLWGP is warranted and should include the airborne VTEM geophysical surveys, with an objective to delineate anomalies and identify drilling targets.

6. 2015 EXPLORATION EXPENSES

IN ACCOUNT WITH

XYQUEST MINING CORP.

Suite 702 ▪ 889 West Pender Street ▪ Vancouver BC ▪ V6C 3B2 ▪ Tel. 604.683.3288

Bluenose Gold Corp
702-889 West Pender Street
Vancouver, BC V6C 3B2

09-Dec-15
Account #2015-035
GST#896269297

Re: West Graphite Property Exploration

	Days	Fees per Day	Amount
Senior Geologist, Dr. Bohumil B. Molak, PGeo			
		\$	
Field work	2	900.00	\$ 1 800.00
		\$	
Logistics, preparation, travel, mobilization and demobilization	2	900.00	\$ 1 800.00
		\$	
Extensive research on area, investigate Zenyatta Deposit and technical disclosures, general research on graphite, report preparation	12	800.00	\$ 9 600.00
			\$ 13 200.00
Geological Assistant, Andrej Molak			
		\$	
Field work	2	350.00	\$ 700.00
		\$	
Logistics, preparation, travel, mobilization and demobilization	2	350.00	\$ 700.00
			\$ 1 400.00
Expenses:			
Airfare			324.77
Accommodation			198.94
Helicopter Rental			5 543.20
Car Rental (2days , 800km @ \$0.35/Km)			407.69

Geological Report on the Feagan Lake West Graphite Prospect

Food (Meals, Groceries, etc)	107.48
Fuel/ Transportation charges	38.01
Expense Administration Fee and Office Charge	1 191.62
Total Expenses	\$ 7 811.71
Subtotal	\$ 22 411.71
GST 5%	\$ 1 120.59
Total	\$ 23 532.30

This is our account herein

XYQUEST MINING CORP.

per:

ANTHONY J. BERUSCHI

▪ INTEREST OF 2% PER MONTH, COMPOUNDED MONTHLY,
OR 26.8% PER ANNUM CHARGED ON OVERDUE ACCOUNTS

6.1. Proposed budget for the recommended work

Airborne geophysical survey (VTEM)	25,000.00
Accommodation and meals (2 days @ \$ 100/day)	200.00
Gas	150.00
Mob, demob (ON only)	400.00
Report (10 %)	2,575.00
Total	28,325.00

7. REFERENCES

Algoma Steel Corp., 1963-1966: MNDM Assessment Report File T-4267, Nagagami River File – Alkaline Ring Complexes, Hearst Area.

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8. STATEMENT OF QUALIFICATIONS

I, Bohumil (Boris) Molak, Ph.D., P.Geo., do hereby certify that:

1. I am a self-employed Geoscientist residing at 204 458-E44th Avenue, Vancouver, BC., V5W 3W1, Canada.
2. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia (License No. 28600) in good standing.
3. I graduated from the Comenius University of Czechoslovakia with a Bachelor of Science (Mgr.) in Economic Geology in 1970. From the same university I obtained in 1980 the degree Master of Science in Economic Geology (RNDr.) and in 1990 the degree Doctor of Philosophy (CSc.). I have practiced my profession continuously since 1970.
4. My geological practice includes research, prospecting, and exploration for precious, base, ferrous and other metals in Slovakia, Zambia, Cuba, Guinea, Canada, Chile and Argentina.
5. Since July 2003 until present I am a self-employed, consulting geoscientist.
6. I conducted the field work on the Feagan Lake West Graphite Prospect on November 3, 2015.
7. I am the Qualified Person for the purposes of this report. I am responsible for all items in this report except the item 6. 2015 Exploration Expenses, which was prepared by Xyquest Mining Corp.
8. The sources of all information not based on personal examination are quoted in Chapter 5. As of the date of this Statement I am not aware of any material fact or material change with respect to the subject matter of this report that is not reflected in this report, the omission of which would make the report misleading.
9. I am independent of Xyquest Resources Corp., and Bluenose Gold Corp.

B. Molak
December 10, 2015

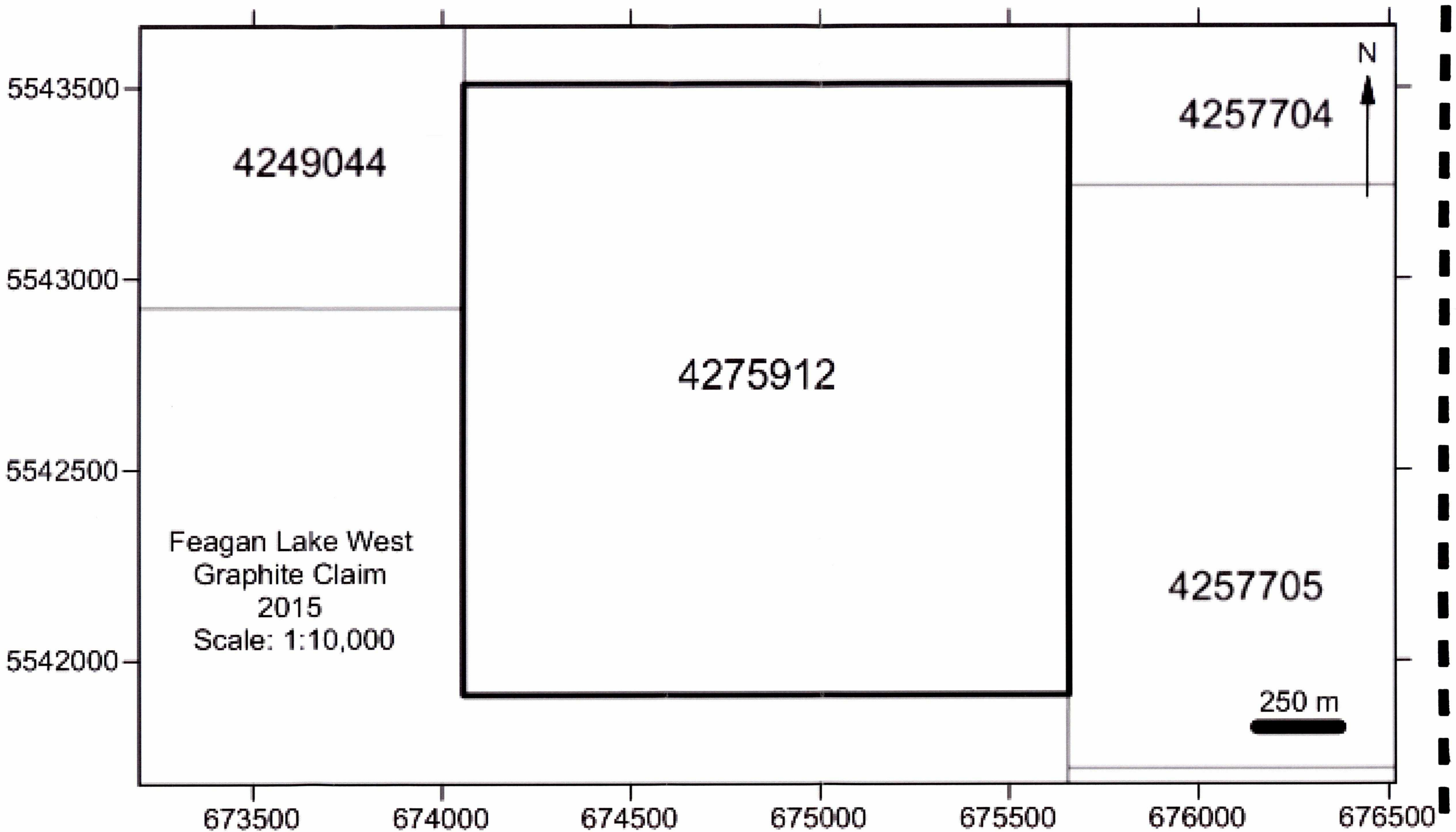
A red circular seal for the Association of Professional Engineers and Geoscientists of British Columbia. The seal contains the text: "PROFESSIONAL", "PROVINCE OF", "Dr. B. B. MOLAK", "#28600", "BRITISH COLUMBIA", and "GEO SCIENTIST".

Dated at Vancouver, BC, Canada, this 10th day of December, 2015.

December 10, 2015

APPENDIX I

Feagan Lake West Graphite Claim Prospect, Map at 1:10,000 scale



APPENDIX II

Expedition Helicopters, Invoice

Information withheld for client confidentiality.