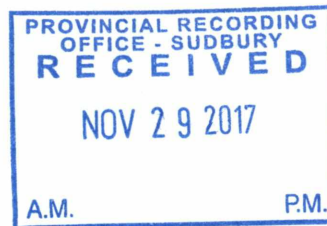


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2.58343

REPORT

On

CHANNEL SAMPLING

CLAIM 1180740

Jacobson Township

Sault Ste. Marie Mining Division

Ontario

For

2548304 Ontario Inc.

Submitted by:

Bruce Edgar (HBSc, P. Geo)

November 22, 2017

SUMMARY

In September, 2017, the author was given the mandate to complete a work program on the "Clement" property, claim 1180740, Jacobson Township, Ontario, by Mr. Richard Wells (President) of 2548304 Ontario Inc.

The property is held 100% by the company and consists of 4 units, and lies approximately 50 kilometers northeast of Wawa, Ontario, within the Goudreau Lake Deformation Zone.

From October 7 through 9 the author and Mr. Brian Edgar (HBSc) travelled to the property and completed channel sampling on the main showing. The program would qualify for assessment work as well as providing impetus for further work on the property perhaps including diamond drilling to test the veining at depth.

Four channels were cut perpendicular to the quartz veining within the fault along the 20 meter exposure. Channels measured 3cm in width by 4-5cm in depth. Channel lengths varied from 100 to 170cm, depending on the exposure area. The portion of the channel samples crossing the quartz veining, were limited to 30 to 40cm, depending on the width of the veining.

Three of the four channel sample sites returned anomalous values for gold, with one returning a weighted average grade of 5.97 gpt Au over 1.2 meters. Visible gold was witnessed as fine specks resting on chalcopyrite grains.

The Maskinonge Lake Fault, within which the auriferous quartz veining resides, is a continuous structure crossing the southwestern corner of the Clement property. The continuity of the veining below surface is unknown, as no diamond drill reports exist in the assessment files.

It is recommended by the author that a program of diamond drilling be completed on the property to trace the structure and potential auriferous veining both along strike and at depth. A program consisting of eight sections on 15 meter centers with two holes per section (20 and 30 meters long) testing vertical depths of 15 and 30 meters below surface is envisioned. A program of 500 meters (with 100 metres reserved for continued testing of positive results) would cost approximately \$75,000 at \$150/meter all-in cost.

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INTRODUCTION

In September, 2017, the author was given the mandate to complete a work program on the "Clement" property, claim 1180740, Jacobson Township, Ontario, by Mr. Richard Wells (President) of 2548304 Ontario Inc.

The property is held 100% by the company and consists of 4 units, and lies approximately 50 kilometers northeast of Wawa, Ontario.

From October 7 through 9 the author and Mr. Brian Edgar (HBS) travelled to the property and completed channel sampling on the main showing. The program would qualify for assessment work as well as providing impetus for further work on the property perhaps including diamond drilling to test the veining at depth.

SAULT STE. MARIE - Division 50 Claim Number: SSM 1180740 Status: ACTIVE

Due Date: 2017-Nov-10 Recorded: 2004-Jun-02

Work Required: \$1,600 Staked: 2004-May-20 12:00

Total Work: \$17,600 Township/Area: JACOBSON (M-1583)

Total Reserve: \$465 Lot Description:

Present Work Assignment: \$0 Claim Units: 4

Claim Bank: \$0

Claim Holders

Recorded Holder(s)	Percentage	Client Number
2548304 ONTARIO INC.	(100.00 %)	413214

LOCATION and ACCESS

The "Clement" property claim 1180740 is located in Jacobson Township (plan M.1583) within the Goudreau Gold District of the Sault Ste. Marie Mining Division.

The property is located 20 kilometers ESE of Dubreuilville, Ontario, and is easily accessed, firstly by gravel roads and then by bush roads. One route to the property is via the Goudreau road south from Dubreuilville, passing the Magino mine site (Prodigy), then east past the Island Gold mine site (Richmont) heading towards Lochalsh. A bush road on the north side of Pine Lake (or Strobus Lake on some maps) provides access to the claim group.

The area was extensively lumbered in the past and a number of bush roads may be found on the property.

HISTORY

Historical reports in the area of the "Clement" property are very limited. Although it is clear that a shaft was sunk on the auriferous quartz veining within the Maskinonge Lake fault approximately 425 meters northwest of the Clement main showing (The "Michael's Shaft"), the extent of the work and nature of the gold grades returned from the work are unknown.

E. S. Moore (1931) describes the Michael's Shaft showing and local/structural geology in detail, mentioning visible gold in a number of places, but no assay results. Tremblay (2009) tells of "local lore", where- by some \$30,000 worth of gold was high-graded from the Michael's shaft by a local prospector in the 1930's. Prospecting by Tremblay in 2009 had one grab sample return 33.8 gpt Au.

On the current Clement property the earliest report of work is from a stripping, trenching and pitting program in the southwest corner of the property by C. C. Clement. There is no report of any sampling associated with the work.

From 2006 through 2012, the author completed a number of work programs consisting of geological mapping and sampling, stripping/overburden removal and chip sampling on the main showing. Each program returned highly significant assays for gold.

In October 2017 the author and Mr. Brian Edgar (HBS), completed channel sampling of the main showing, which is the subject of this report.

GEOLOGICAL SETTING

REGIONAL GEOLOGY

The Regional geology is described by K. B. Heather and Z. G. Arias (1992) as follows:

Archean supracrustal rocks in the immediate Goudreau-Lochalsh area consist of felsic to intermediate, pyroclastic metavolcanics which are capped by pyrite-bearing iron formation. Immediately to the north are pillowed, massive and schistose mafic to intermediate metavolcanic rocks which are interpreted to be younger in age than the iron formation and felsic metavolcanic rocks. Several medium- to coarse-grained quartz dioritic to dioritic sills and/or dikes intrude all of the metavolcanic rocks. Several felsic intrusions ranging in composition from nepheline syenite to tonalite/trondhjemite occur within the study area. The metamorphic grade of the supracrustal rocks is greenschist, except for a narrow band of amphibolite grade rocks adjacent to the external tonalite-granodiorite granitoid rocks to the north. All of the rocks described above are cross-cut by northwest- and northeast-striking diabase dikes.

Two regionally extensive, subparallel zones of deformation, referred to as the Goudreau Lake Deformation Zone (GLDZ) and the Cradle Lakes Deformation Zone (CLDZ), have been defined using the deformation intensity (i.e., strain intensity) of the supracrustal rocks, the deformation style, and the distribution and density of discrete high-strain zones. The majority of the known gold deposits and occurrences are located within the GLDZ, a 4.5 km wide by over 30 km long, east-northeast- to east-striking arcuate zone which is subparallel to the major lithological and foliation trends. The CLDZ is located south of the GLDZ and is at least 5 to 10 km in length and approximately 1 to 2 km in width.

The GLDZ can be subdivided into four structural domains (northern, southern, western and eastern) based on style of deformation, lineation patterns, and the orientation and the sense of apparent shear displacement on sets of high-strain zones. Correspondingly, the style and geometry of the gold mineralized zones is different within each of the structural domains.

Gold mineralization occurs in all rock types (excluding diabase dikes) in the area associated with high-strain zone hosted quartz veins. There is a spatial association of gold mineralization with felsic porphyry dikes and stocks, the contacts of dikes being particularly favourable sites for shearing and gold deposition. The alteration associated with the gold mineralization is of limited areal extent, being confined to the discrete high-strain zones. Mafic metavolcanic and metaintrusive rocks are typically intensely altered to an assemblage of "biotite, Fe-carbonate, pyrite, pyrrhotite, quartz and minor potassium feldspar and, in other places, less intensely altered to an assemblage of chlorite, calcite, and minor pyrrhotite and/or pyrite. Felsic metavolcanic and metaintrusive rocks are typically intensely altered to an assemblage of quartz, sericite, pyrite, Fe-carbonate, albite, hematite, pyrite and/or pyrrhotite and, in other places, less altered to a similar assemblage except that chlorite replaces sericite as the dominant mineral.

The property lies within the Goudreau-Lochalsh area of the Wawa Greenstone Belt, which is comprised of a major succession of supracrustal rocks of Archean age, represented by several cycles of

volcanic activity and a series of sedimentary rocks. The claims are located within the Goudreau Lake Deformation Zone (GLDZ) as defined by the Ontario Geological Survey. The majority of known gold deposits in the area are located within this 30 kilometer long, 4 kilometer wide, east-northeast trending, arcuate zone. Structural controls appear to be the most important factor in the localization of gold-bearing quartz veins in this area, and the GLDZ is comprised of numerous, systematically oriented shear zones.

The geology of the region is known from the works of E. L. Bruce (1940), in Ontario Dept. of Mines, Vol. 49, pt 3, and from various Ontario Geological Survey reports by R. P. Sage, K. B. Heather and Z. G. Arias (1987 through 1993).

PROPERTY GEOLOGY

According to geology maps of the area by E. L. Bruce (1940) and R. P. Sage (1982-1987) the area is underlain predominantly by mafic metavolcanics as massive to locally pillowed flows, generally fine-grained, exhibiting varying amounts of chloritic alteration.

Felsic intrusives in the form of quartz to feldspar porphyries intrude the mafic volcanics in an east-west manner.

The major structural feature appears to be the Maskinonge Lake fault, which strikes NW across the SW corner of the claim block. In places, a diabase dike inhabits the fault, or is located immediately east of the fault.

Auriferous quartz veining inhabits the fault.

In May of 2006, the author completed reconnaissance mapping of the property and observed that the geology conformed to the OGS geology (see "Report on the Geological Reconnaissance Mapping of the Clement Property of Strike Minerals Inc, May 23, 2006").

WORK COMPLETED

From October 7 through 9, 2017, the author and Mr. Brian Edgar (HBSc) travelled to the property and completed channel sampling of the showing, which included cleaning of debris from the outcrop and pit area.

Four channels were cut perpendicular to the quartz veining within the fault along the 20 meter exposure. Channels measured 3cm in width by 4-5cm in depth. Channel lengths varied from 100 to 170cm, depending on the exposure area. The portion of the channel samples crossing the quartz veining, were limited to 30 to 40cm, depending on the width of the veining.

All samples were tagged, bagged and then boxed for shipment by the author, and sent to Swastika Laboratories, of Swastika, Ontario, an accredited laboratory (CALA) meeting the requirements of ISO/IEC 17025:2005. All samples were assayed for gold.

RESULTS

Geology

The host rock in the area of the old pit and surface outcrop is a mafic volcanic. It is of very fine to fine grain size, a dark chloritic green to green –grey, well foliated at approximately 085°, dipping steeply north, and exhibits a generally weak pervasive calcium carbonitization. Disseminated, fine pyrite is found in amounts from trace to less than one percent. Fractures in the rock are filled by calcium carbonate.

On the outcrop area south of the Main pit, the foliation is crenulated, and in some instances close to the area of faulting, fractures cross the foliation in a northwest-southeast direction.

A fault, with rusty weathering and gouge, approximately 30 to 45 centimetres wide is found trending at 340° in the northern portion of the pit. It veers to 300° in the pit's center and continues across the outcrop outside the southeast corner of the pit. To the north-west of the pit the fault trends at 285°, and to the south-east at 310°

The fault appears to dip from 62° to 65° in the northwest portion of the pit and approximately 80° to 85° in the southeast portion.

Auriferous quartz veining occurs within the fault and was the subject of the channel sampling program.

Mineralization

The fault exposed within the pit and on the exposed outcrop to the north-west and south-east contains banded quartz veining which pinches and swells in widths up to 28 centimetres. It may occur as a set of narrow stringers or veinlets.

It is generally a grey-white, but in the center of the pit the quartz is white and quite crystalline. The quartz veining contains 1 to 2% pyrite and chalcopyrite, but may contain up to 10% locally. Malachite staining is visible on weathered surfaces in a number of locations where the copper mineralization has oxidized. The host rock margins are coarsely pyritic in some locations.

On the northwest wall of the pit, discontinuous quartz veinlets and stringers are found as off-shoots from the main veining, but are irregular and limited in length.

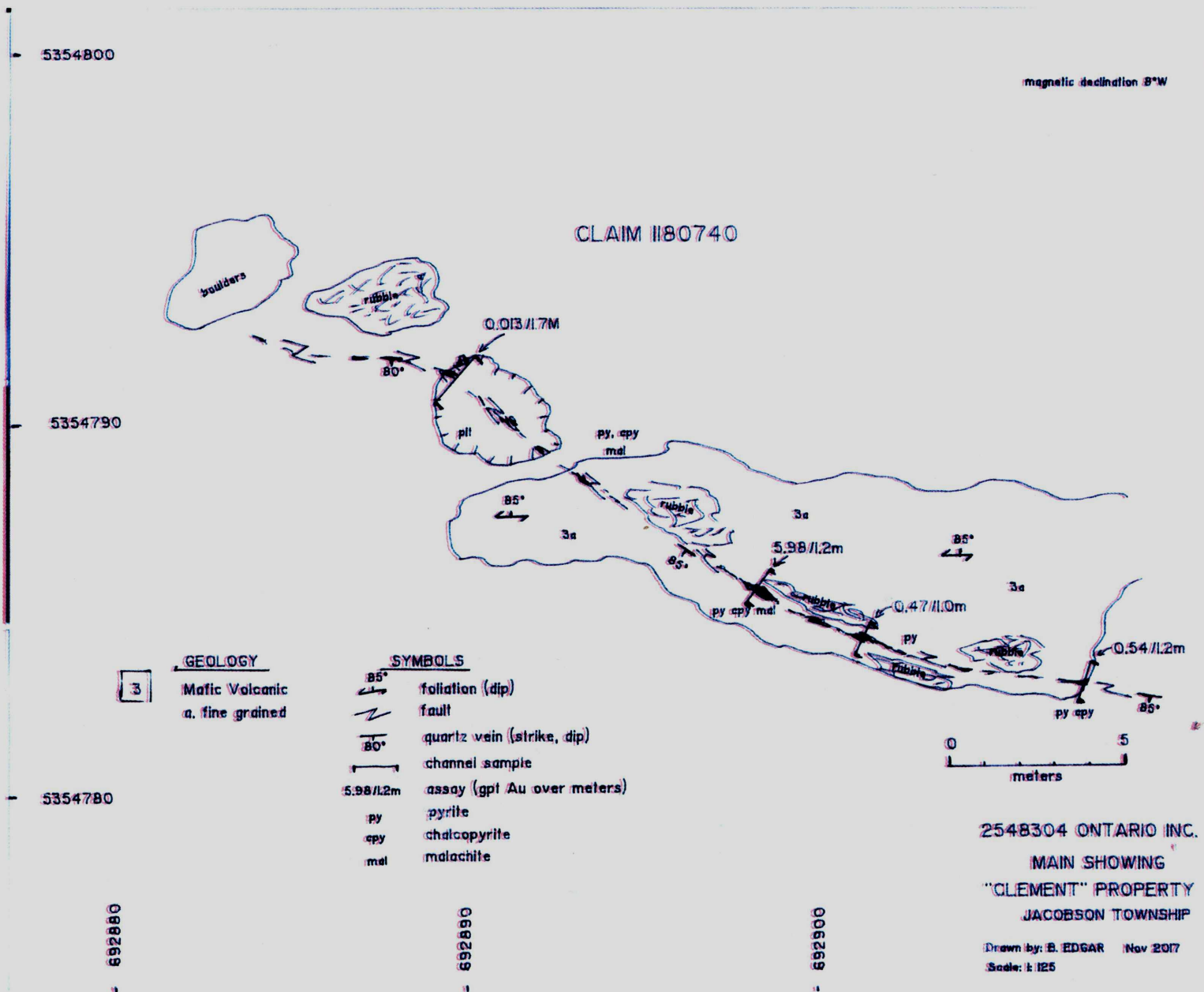
Clement Property Channel Sampling
Claim 1180740

Assay (gpt)	Location	Sample#	Length (cm)	Description
0.01	692888E 5354791N	966	0-60 W	f.gr, chloritic green-grey, MV wkly carb. weakly mag. tr f. py
0.04		967	60-90	12cm qtz vn, minor py, tr. cpy, tr. gal minor malachite stain
0.01		968	90-130	MV as at 966, few qtz stringers

<0.01			969	130-170	MV as at 966, fine (2mm) qtz/carb stringers
0.02	692898E	5354788N	970	0-40 W	MV as at 966, few qtz/carb stringers with tr py
17.33 av.			971	40-80	30cm qtz vn, finely diss py, cpy aggl, abundant malachite stain, tr sph? poss fine specks VG on cpy?
0.58			972	80-120	MV as before,
0.01	692901E	5354786	973	0-60 W	MV as before,
1.15			974	60-100	stringers and veinlets qtz to 2cm, f py tr cpy, tr gal
0.01	692905E	5354785	975	0-30 W	MV as before, tr py, rusty fractures, weakly locally mag
2.12			976	30-60	4 cm qtz vn + stringers, tr py
0.01			977	60-120	Mv as before, rusty fractures, mod to strongly mag

Clement Main Showing Channel Sampling

Figure 2



DISCUSSION

The Clement Property Main Showing features a continuous fault structure (Maskinonge Lake Fault) containing pinch and swell, sometimes discontinuous, auriferous quartz veining up to 30cm in width. Historical grab samples and chip samples taken by the author during past work programs have continuously returned significant values for gold mineralization.

Three of the four channel sample sites returned anomalous values for gold, with one returning a weighted average grade of 5.97 gpt Au over 1.2 meters. Visible gold was witnessed as fine specks resting on chalcopyrite grains.

The Maskinonge Lake Fault is a continuous structural feature which traverses the Goudreau Lake Deformation Zone (GLDZ) running north-northwest from just below Pine Lake in the south, through the Clement property, the historical "Michaels Shaft" and north into the surrounding sediments and granitoids exterior to the GLDZ. The Michaels shaft was sunk on the quartz veining inhabiting the fault which exhibited visible gold.

Though some stripping and pitting has been completed in the past, there are no records of diamond drilling on the veining within the fault on either the "Clement" property or the Michael's shaft property.

In order to properly test the veining along strike and at depth, a program of diamond drilling should be completed to test the continuity of the quartz veining and the gold mineralization within the veining.

CONCLUSIONS and RECOMMENDATIONS

The Clement Property Main Showing has continuously provided significant values for gold during all sampling programs. The recent channel sampling program indicated one section assaying 5.97 gpt Au over 1.2 meters. The lack of continuous exposure of the veining due to overburden cover in the area does not allow for more rigorous testing of the veining on surface.

The Maskinonge Lake Fault, within which the auriferous quartz veining resides, is a continuous structure crossing the southwestern corner of the Clement property. The continuity of the veining below surface is unknown, as no diamond drill reports exist in the assessment files.

It is recommended by the author that a program of diamond drilling be completed on the property to trace the structure and potential auriferous veining both along strike and at depth. A program consisting of eight sections on 15 meter centers with two holes per section (20 and 30 meters long) testing vertical depths of 15 and 30 meters below surface is envisioned. A program of 500 meters (with 100 metres reserved for continued testing of positive results) would cost approximately \$75,000 at \$150/meter all-in cost.

REFERENCES

- Bruce E. L. Geology of the Goudreau-Lochalsh Area, Forty-Ninth Annual Report of the Ontario Department of Mines, Vol XLIX, Part III, 1940
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- Tremblay, M. A. Report of Work on the Michael's Shaft Property, Jacobson Township, Sault Ste. Marie Mining Division, Dec 09, 2009
- Wilson, A. Michael Syndicate Shaft Property Visit, Mineral Deposit Inventory, Ministry of Northern Development and Mines. 15/11/2000

CERTIFICATE OF AUTHOR

I, Bruce Alexander Edgar, Honors BSc., P. Geo, do hereby certify that:
I am currently employed as a Consulting Geologist residing at:
5782 Highland Avenue, Niagara Falls, Ontario, L2G-4X4

I graduated with an Honors Bachelor of Science Degree in Geological Sciences from Brock University in 1981.

I am a practising member of the Association of Professional Geoscientists of Ontario (Registration Number 2018).

I have worked as a geologist for over 30 years since graduation from Brock University. My experience includes conception, planning/budgeting, implementation and completion of numerous surface geological, geophysical, geochemical programs, and underground programs on many properties for numerous Exploration and Mining companies. The work has included the writing of project reports and technical reports.

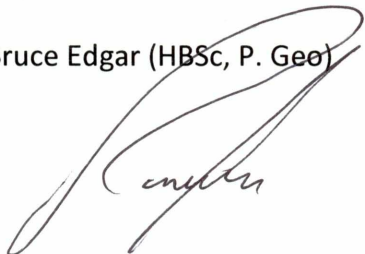
This report is not an NI 43-101 technical report. This Report has been completed for 2548304 Ontario Inc., to provide summary data on the channel sampling program on the "Clement" property, claim 1180740 in Jacobson Township, Ontario, and to act as a tool to plan future exploration activities.

I have had prior involvement with the Goudreau – Lochalsh- Missinabie area having worked as a geologist for a number of companies on claims in the area over the past 30 years.

I have received no compensation for this report other than normal consulting fees.

Dated this 22nd day of November, 2017.

Bruce Edgar (HBSc, P. Geo)

A handwritten signature in black ink, appearing to read 'Bruce Edgar', is written over the printed name. The signature is stylized with a large, sweeping initial 'B'.

APPENDIX 1

Swastika Laboratories Assay Certificate



Established 1928

Swastika Laboratories Ltd

Assaying - Consulting - Representation

Page 1 of 1

Assay Certificate

Certificate Number: 17-2833

Company: **Bruce Edgar**

Project:

Report Date: 16-Nov-17

Attn: **BRUCE EDGAR**

We hereby certify the following Assay of 12 rock/grab samples submitted 24-Oct-17 by BRUCE EDGAR

CLEMENT

Sample Number	Au	Au Chk	Au
	FA-MP g/Mt	FA-MP g/Mt	FA-GRAV g/Mt
966	0.01		
967	0.04		
968	0.01		
969	< 0.01		
970	0.02		
971	15.75		18.90
972	0.58		
973	0.01		
974	1.15		
975	0.01	0.01	
Blank Value	< 0.01		
SG84	1.03		
976	2.12		
977	0.01		

Certified by

Valid Abu Ammar