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**Assessment Report
for the**

**KIM Stream Sediment
Sampling Program
October 2018**

For

Mineral Disposition
Border Claims 305340, 309807
Formerly SSM 4267200 and SSM 3018118)

1778778 Ontario Inc.

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Wawa, ON
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By:

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February 15, 2019

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1.0 Introduction

This report is being submitted to fulfill the requirements of the Mining Act of Ontario. This is proof of exploration work completed for the purpose of assessment credits. This report, *Assessment Report for the KIM Stream Sediment Sampling Program October 2018* contains the technical results and exploration expenditures within the Wawa area of north-western Ontario, and within NTS 42C. The data herein is being submitted by SGS Canada Inc. of Blainville Québec, on behalf of 1778778 Ontario Inc. of Wawa Ontario, the present sole owner of the disposition concerned.

The expenditures submitted in this report are to be applied to the following border cell mining claims 305340 and 309807 formerly found within Legacy Claim SSM 4267200 and SSM 3018118 (Figure 1).

In essence the work program carried out during October 2018 was a prospecting and stream sediment sampling program in order to assess the diamond potential on the claim.

2.0 Current Claim Status

Table 1 summarizes the current assessment status of the two claim dispositions listed below.

Table 1: Claim Disposition and Status

Legacy Claim Id	Township / Area	Tenure ID	Tenure Type	Anniversary Date	Tenure Status	Tenure Percentage	Work Required	Work Applied	Available Consultation Reserve	Available Exploration Reserve	Total Reserve	Conversion Bank Credit
3018118	CHABANEL	305340	Boundary Cell Mining Claim	2019-11-16	Active	100	200	0	0	0	0	168
4267200	CHABANEL	305340	Boundary Cell Mining Claim	2019-11-16	Active	100	200	0	0	0	0	0
4267200	CHABANEL	309807	Boundary Cell Mining Claim	2019-03-03	Active	100	200	0	0	0	0	0

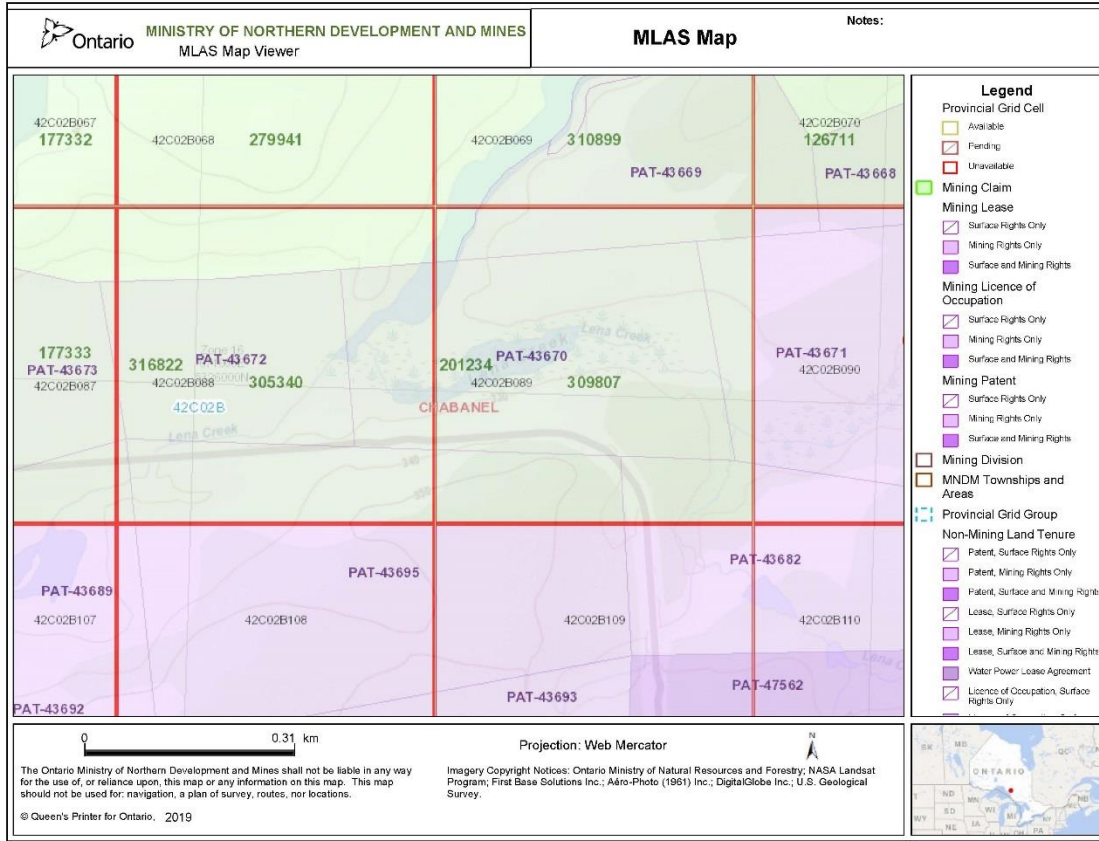


Figure 1. Location Map of Border Claims 305340 and 309807 (Source MNDM website)

3.0 Previous Exploration Activity

3.1 Historical Work

Previous work was carried out on claim SSM 4267200 however, the work was previously filed on under Assessment Report titled "Report of work carried out on Mining claim SSM3018118 for 1778778 Ontario Inc." in July 2010 by P. Brown and Report of work carried out on Mining claim SSM3018118 for 1778778 Ontario Inc." by D. Leroux in October 2012.

Since the claim was staked to cover land under water, a stream sampling program was carried by Brown (2010). A total of four (4) stream sediment samples were collected by Brown (2010) and were shipped to Swastika Labs for multiple element analysis.

In 2012, a total of one stream sediment sample was collected by Leroux (2012) and sent to Overburden Drilling Management for kimberlitic indicator mineral picking.

4.0 2018 KIM Stream Sediment Sampling Work

On October 22, 2018, Mr. Dupéré accompanied by the claim holder, Mr. Joseph Leadbetter carried out a KIM stream sediment sampling program along the eastern side of Mildred Lake which is overlain by border claims 305340 / 309807 respectively to inspect for the presence of outcrop as well as identify a suitable stream sediment sample site for the collection of a kimberlite indicator mineral (“KIM”) stream sediment sample. The stream sediment sampling traverse was carried out from the NE to SW direction for approximately 400m in length (approx. 100m in border claim 309807 and 260m in border claim 305340). Due to the wetlands / swampy nature of this section of Mildred Lake, no visible outcrop along the shoreline nor under water is present along this section of Mildred Lake and within the sections of the border claims overlain by the former Legacy claim ID 3018118, 4267200, 4267200 areas (Figure 2). However small exposures of the S1C Leadbetter conglomerate unit (Verlay et al. 2007) were present outside of the former Legacy claim boundary claim blocks. No rock samples were collected within the border claims.



Figure 2. View looking NE of border claim 305340 towards border claim 309807 viewing the east shore of Mildred Lake. No outcrop was visible along the eastern shoreline (Source MNDM website)

As per the recommendations of Brown (2010) and Leroux (2012), one KIM stream sediment sample at UTM 16 U 671197E / 5326023N was collected from the stream bed along the eastern shore of Mildred Lake and within border claim 305340 in order to determine the presence of KIMs and gold (Figure 3). The KIM stream sediment sample was collected from the stream bed with a shovel and all sand and gravel particles was screened down to -4mm into a 20l plastic pail (Plate 1). A plastic lid was placed onto the plastic pail and three cinch straps were then inserted into the lid for security and chain of custody purposes. The KIM stream sediment sample was then labeled with a sample number (SGS sample number 61912). The KIM stream sediment sample was in the possession of Mr. Dupéré at all times.

The KIM stream sample was then transported to SGS Lakefield of Lakefield Ontario for sample treatment. SGS Lakefield's stream sediment sample treatment process consisted of the following:

- Receipt and drying of the stream sediment sample;
- weighing the dry stream sediment sample totaling 4.666 kg;
- Sizing of the stream sediment sample into various size fractions (+850 μm , -850 + 250 μm , -250 μm);
- Heavy liquid separation specific gravity: 3.10 g/cc for all size fractions for heavy minerals;
- 0.25-2.0 mm non-ferromagnetic heavy mineral fraction was picked for kimberlitic indicator minerals.

Results

Indicator minerals were found in both the coarse and fine size fractions. A total of four (4) clinopyroxene grains, six (6) pyrope garnets and two (2) eclogitic garnets were identified. As well one (1) gold grain was recovered from the sample.

Results of the stream sediment sample are found in Appendix A.

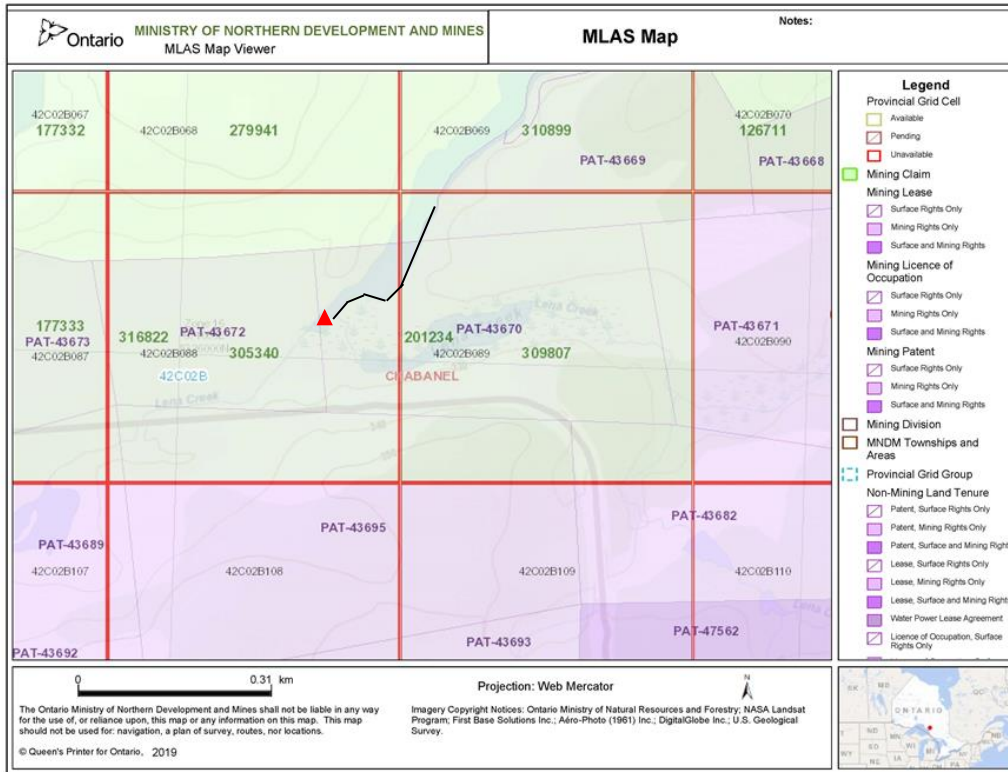


Figure 3. Stream sediment sample traverse along the eastern section of Mildred Lake (black line) and location of Stream Sediment Sample 61912. Red triangle denotes KIM stream sediment sample location. (source MNMD website)



**Plate 1. Stream sediment sample number 61912 collected from the stream bed
by SGS Canada Inc.**

5.0 Conclusions and Recommendations

The results of the KIM stream sediment sampling program indicate that the S1C conglomerate that occurs in adjacent mining claims may be the source of the recovered KIM minerals.

It is recommended that electron microprobe analysis of the selected kimberlite indicator minerals be carried out in order to determine their mineral chemistry and evaluate if the grains could be derived from diamond bearing kimberlites that were eroded, transported and deposited as part of the S1C conglomerate.

Respectfully submitted:

SGS Canada Inc.

“Maxime Dupéré”

Maxime Dupéré, B.Sc., géo
Project Geologist QP

“Daniel Leroux”

Daniel Leroux, M.Sc., P.Geo
Senior Geologist

6.0 Sources of Information

Brown, P. 2010. Report of work carried out on Mining claim SSM3018118 for 1778778 Ontario Inc. 12 pages.

Ministry of Northern Development and Mines website (www.mndn.gov.on.ca)

Leroux, D., 2012. Assessment Report for the Prospecting and KIM Stream Sediment Sampling Program, October 2018, for Mineral Disposition SSM 3018118, 1778778 Ontario Inc., 19 pages.

Verlay, C.G., D'Amours, C and Martel, B-O., 2007. Preliminary Tonnage Estimate for the Diamondiferous Conglomerate of the Leadbetter Diamond Project for Dianor Resources Inc. NI 43-101 Technical Report, 77p.

Appendix A
SGS Canada Inc.

Stream Sediment Sampling Analytical Certificate

An Investigation into
KIMBERLITE INDICATOR MINERAL CONCENTRATION AND SELECTION

prepared for

SGS GEOSTAT

Custom Mineralogy MI5024-NOV18 – Final Report
December 21, 2018

NOTES

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ACCREDITATION: SGS Minerals Services Lakefield is accredited to the requirements of ISO/IEC 17025 for specific tests as listed on our scope of accreditation, including geochemical, mineralogical, and trade mineral tests. To view a list of the accredited methods, please visit the following website and search SGS Lakefield: <http://palcan.scc.ca/SpecsSearch/GLSearchForm.do>.

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Introduction

One till sample, identified as 61912, was submitted for heavy mineral concentration and kimberlite indicator mineral selection. The testwork was completed under LIMS #MI5024-NOV18.

1. Method

The sample was submitted for wet-screening at 850 μm and 250 μm . The +850 μm and approximately 50 g of the -250 μm fractions were dried, weighed, and stored.

The -850 /+250 μm fraction was submitted for heavy liquid separation (using methylene iodide @ 3.1 g/cc). Following heavy liquid separation, the Sink material was dried and weighed. To assist the mineral selection procedure, the ferromagnetic material was removed from the Sink fraction and the non-magnetic material was dry-screened at 425 μm . The heavy liquid Float fraction was dried, weighed, and stored. The sample processing weights are presented in Table 1.

The mineral concentrates of the sample were systematically scanned with a binocular microscope for the selection of kimberlite indicator mineral species. A generalized flowsheet for this procedure is given in Appendix A.

Table 1: Sample Concentrate Weights

Sample ID	Initial Wet wt/g	+850 μm wt/g	-850+250 μm wt/g	-250 μm wt/g	HLS Initial wt/g	Float wt/g	Sink wt/g	HandMag wt/g	-850+425 μm wt/g	-425+250 μm wt/g
61912	4666	3930	79.87	51.00	79.87	76.70	3.12	0.16	1.96	1.00

2. Results

2.1. Mineral Selection

The results of the kimberlite indicator mineral selection are given in Appendix B. Indicator minerals were found in both the coarse and fine size fractions. A total of four clinopyroxene grains, six pyrope garnets, and two eclogitic garnets were identified.

It should be noted that one gold grain was recovered from the sample.

Electron microprobe analysis of the selected kimberlite indicator minerals is recommended to determine their chemistry and evaluate if the kimberlite could be diamond-bearing.



Kim Gibbs, H.B.Sc., P.Geol.
Senior Mineralogist



Stephanie Downing, M.Sc.
Manager, Advanced Mineralogy Facility

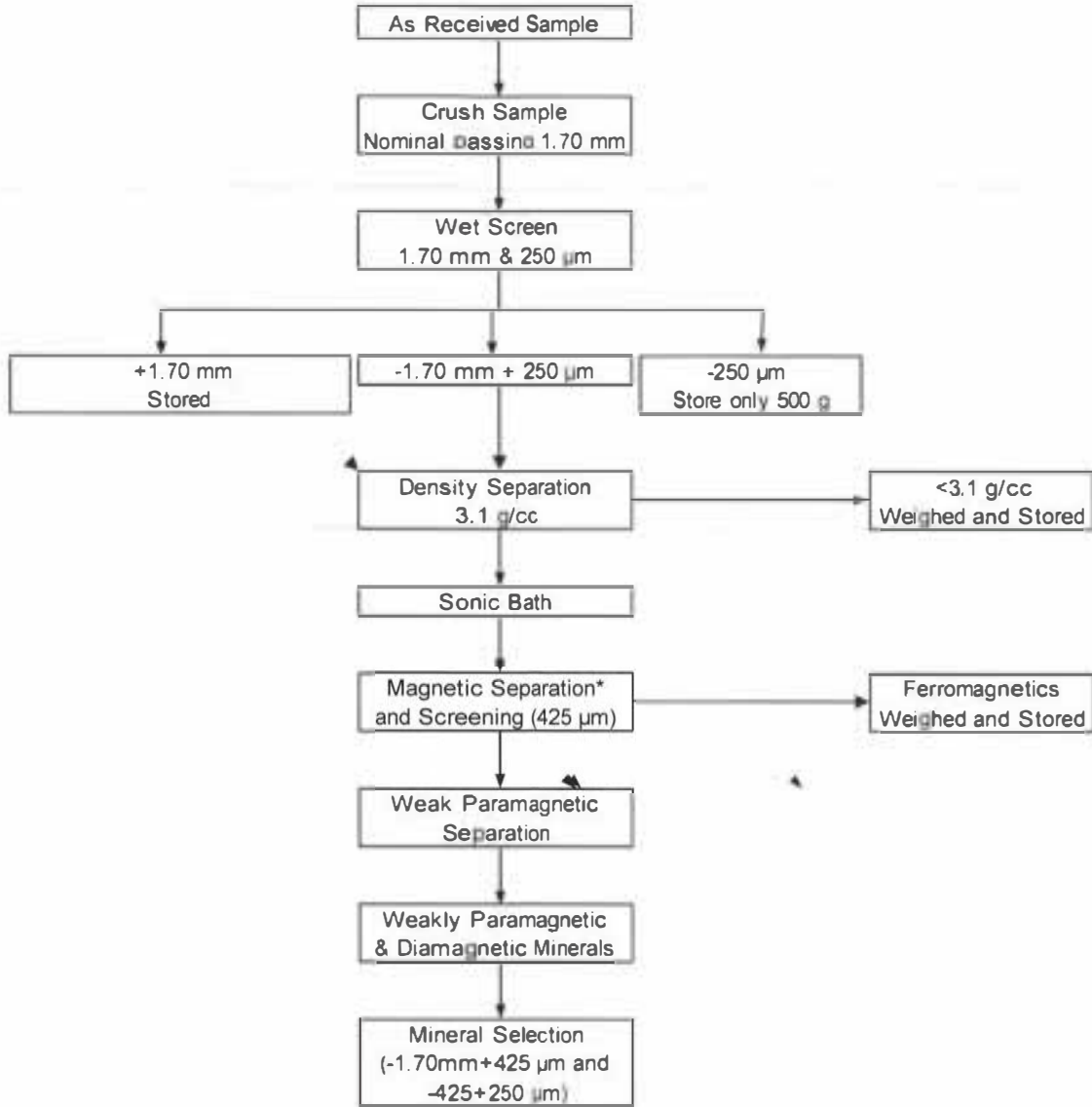
Experimental work by: Rick Wittekoek

Mineral selection by: Maria Mezei

Report preparation by: Kim Gibbs

Report reviewed by: Tassos Grammatikopoulos, Stephanie Downing, and Cheryl Mina

Appendix A – Kimberlite Indicator Mineral Extraction Flowsheet



*NOTE: If sample is >30 g, a 30 g split is riffled from the HLS Sink fraction for final processing and mineral selection.

Figure 1: Kimberlite Indicator Mineral Extraction Flowsheet

Appendix B – Results of Kimberlite Indicator Mineral Selection



CERTIFICATE OF ANALYSIS

SGS Minerals Services
P.O. Box 4300, 185 Concession Street,
Lakefield, Ontario K0L 2H0
Phone: 705-652-2000 Fax: 705-652-6365

Project: Custom Mineralogy

Client: SGS Geostat

Date: December 10, 2018
LIMS No: MI5024-NOV18

Size Fraction			KIMBERLITE INDICATOR MINERALS														INITIALS	
-850 µm +425 µm			PRP		ECL		CPX		ILM		CHR		OPX		OLI		Picker	QC Picker
No.	Sample ID	Sink Weight (g)	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick		
1	61912	1.96	0	-	0	-	1	-	0	-	0	-	0	-	0	-	MM	-

Size Fraction			KIMBERLITE INDICATOR MINERALS														INITIALS	
-425 µm +250 µm			PRP		ECL		CPX		ILM		CHR		OPX		OLI		Picker	QC Picker
No.	Sample ID	Sink Weight (g)	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick	Pick 1	QC Pick		
1	61912	1.00	6	-	2	-	3	-	0	-	0	-	0	-	0	-	MM	-

Note: The selected grains must be chemically analysed to classify the minerals as diamond indicators.

** One gold grain was observed in the sample.

MINERALS

PRP PYROPE GARNET
ECL ECLOGITIC GARNET
CPX CLINOPYROXENE
ILM ILMENITE

CHR CHROMITE
OPX ORTHOPYROXENE
OLI OLIVINE

Kim Gibbs, H.B.Sc., P.Geo.
Senior Mineralogist

Appendix B

Claim Abstract

Full Abstract

Claim No: SSM 4267200
Status: Active

Due Date:	2019-MAR-03	Recorded:	2017-MAR-03
Work Required:	\$ 400	Staked:	2017-FEB-21 15:20

Total Work:	\$ 0	Description of Claim:	CHABANEL (G-2744)
Total Reserve:	\$ 0		
Present Work Assignment:	\$ 0		
Claim Bank:	\$ 0	Claim Units:	1
Total C-I-L Payments:	\$ 0	Multiple Townships:	1
Last C-I-L Payment Date:			

Percentage	Client#	Recorded Holder(s)				
100.00	302098	MOUSSEAU-LEADBETTER, PAULETTE A.				
Type	Date	Applied	Description	Performed	Assigned	Transaction#
STAKER	2017-MAR-03		RECORDED BY LEADBETTER, JOHN JOSEPH (1013297)			R1750.02910
STAKER	2017-MAR-03		LEADBETTER, JOHN JOSEPH (300909) RECORDS 100.0 % IN THE NAME OF MOUSSEAU-LEADBETTER, PAULETTE A. (302098)			R1750.02911
ORDER	2017-MAR-27		APPLICATION TO RECORD ACCEPTED AS "FILED ONLY"			D1750.00534
ORDER	2017-APR-13		RECORDER'S ORDER TO FILE			D1750.00535
ORDER	2018-JAN-16		RECORDER'S ORDER RECORDS FILED ONLY APPLICATION FIRST RECEIVED 2017-MAR-03			D1850.00006
ORDER	2018-JAN-16		ORDER OF MINING RECORDER			D1850.00007
MISC	2018-APR-10		Converted to boundary claim(s) 305340, 309807.			MAM00.21959

- Reservation:**
- 01 400' surface rights reservation around all lakes and rivers
 - 02 Sand and gravel reserve
 - 03 Peat reserved
 - 04 Other reservations under the Mining Act may apply
 - 08 Being land under water

Certified copy of abstract for mining Claim No: SSM 4267200.
 SAULT STE. MARIE MINING DIVISION, 2018-APR-05

Note: Status of Claim is based on information currently on record

(Provincial Mining Recorder)

*** End of Claim ***