ASSESSMENT WORK REPORT

INDUSTRIAL MINERAL REPORT

MINING CLAIMS
(4254089, 4254088, 4254083 and 4254082)

MEDORA Twp.
Southern Ontario Mining Division

David Villard, MSc.
Pebble Beach Aggregate

April 26, 2012
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SUMMARY:

This report has been prepared as a requirement for filing of assessment work on Mining Claims: 4254089, 4254088, 4254083 and 4254082. The claims represent 20 Claim Units and the recorded holder at the time of submission of this report is 1812640 Ontario Inc. (100%). The claims are located approximately 9.5 Km. Southwest of Port Carling. The work was carried out to evaluate the potential of the site for an above water quarry operation to provide:

- High quality coarse aggregate for use in the construction/road building sector.
- Dimensional and architectural stone.
- Railroad ballast

INTRODUCTION:

Pebble Beach Aggregate was contracted by 1812640 Ontario Inc. to prepare a summary report on the evaluation of the aggregate/dimensional stone/rail ballast potential for the southern part of the claim group. The work submitted includes: minor prospecting, brushing for trails, stripping, a Groundwater Table Determination and some analytical work.

The claim is registered to: 1812640 Ontario Inc. (100%).

All of the fieldwork was performed between April 4, 2011 and April 26, 2012.

OBJECTIVE:

The primary objective was to evaluate part of the claim group to determine if quantifiable reserves of a quarried rock, situated above the water table, and suitable for use as a construction aggregate, railroad ballast and/or possible dimensional stone, could be extracted. If sufficient reserves were proven, then 1812640 Ontario Inc. (100%) would submit a Category 11 aggregate permit application to MNR.

LOCATION AND ACCESS:

The claims are located in Medora Twp. The southeast corner of claim 6254089 is located approximately 2.6 Km. due west of Highway 169 and 4.1 Km. southwest of the intersection of Highways 169 and 118.

REGIONAL GEOLOGY:

The rocks in Medora Township are part of the Central Gneiss Belt within the Grenville Province of the Canadian Shield. They have been classified as part of the Moon River Gneiss Association, part of the Moon River Subdomain, and consist mainly of Felsic to Intermediate layered or migmatitic rocks. (Culshaw, N.G., et al. 2004)

LOCAL GEOLOGY:

The rocks in the area examined are a pinkish, medium to coarse grained feldspar-quartz (with minor biotite) gneiss(Picture 1). A quick reconnaissance of the major outcrop areas would indicate that the geology is relatively consistent, with some areas of a light to medium coloured, medium to coarse-grained quartz-feldspar-hornblende-biotite gneisses. The intent was not to map the whole area, but to determine the consistency of the geology and its suitability as a construction aggregate. Fracture patterns would indicate that the rock also has the potential to produce suitable size blocks for dimensional stone use, but additional fieldwork and detailed mapping would be required.

Similar rocks to the pinkish gneiss have been found in the past to produce a very high quality aggregate and it is likely that the grey gneisses will also, depending on the amount of mafic material present in the rock. Generally, once a substantial quarry face is established, a better indication of the geology of the extractable rock would become evident and it might be necessary to tailor the quarry plan to produce the desired product if the geology is variable.
ACCESS:

Initial work consisted of brushing out a trail to allow ATV access into the southern part of the claim group. Work commenced on the road allowance east of the southeast corner of Claim #4254089 and continued along the road allowance until the rail line was encountered. The trail was continued up through Lot 6, Con. 1 and ended in Lot 7 Con. 2 in the planned area of stripping. (04/04/2011 to 02/06/2011). Because of severe storms, the trail had to be brushed out on 21/11/2011. Between 16/04/2012 and 17/04/2012, an excavator was used to widen the trail to allow for another excavator and air trac drill to access the area of the stripping and drilling. On 23/04/2012, an excavator was used to strip the area as shown on the map. The drilling will commence shortly.

STRIPPING:

An area of about 100 by 700 feet was stripped using an excavator with a smooth bucket. Stripping was carried out to determine the consistency of the geology over a larger area than what could be determined by the outcrop exposure. Although much of the area is exposed bedrock, the excavator allowed for additional and a better exposure. Although the stripped area was not washed down, it was determined that the geology was relatively consistent without the need for detailed geological mapping.

FIELD WORK:

Initial prospecting was carried out by Warren Brent several days before the claims were staked and consisted of traversing the immediate area of interest (stripped area) where a quarry face might be initiated, to examine the general geology and determine the rock's suitability to produce aggregate. Overburden on the flat exposures is generally very thin and is mainly organics and/or an organic till mixture. Since the recording of the claims, he has traversed the general area of the 4 claims and determined that the geology throughout is very similar to the stripped area.
HYDROGEOLOGICAL LETTER OF OPINION

The Hydrogeological Letter of Opinion was prepared by Nyle McIlveen of Geo-Logic Inc. The report indicated the location of the water table, to be at least 30 m. below the existing bedrock surface in the area of the proposed aggregate permit – the area outlined in blue on Plate 2. The determination of the water table was important in order to indicate the potential for reserves located greater than 2 metres above the water table.

ANALYTICAL RESULTS:

Based on the examination of the local geology, it would appear that the site would provide a suitable supply of Granular A and B, as well as, Hot Mix aggregate (as per Ministry of Transportation OPSS Material Specification for Asphalt and Granulars).

Results from a sample taken at the location shown on the map are presented below:

<table>
<thead>
<tr>
<th>Material</th>
<th>MDA-CA</th>
<th>MDA-FA</th>
<th>Bulk SG</th>
<th>Absorption</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 mm Stone</td>
<td>7.4</td>
<td>7.3</td>
<td>2.592</td>
<td>0.68</td>
</tr>
<tr>
<td>12.5 mm Stone</td>
<td>7.8</td>
<td>7.4</td>
<td>2.621</td>
<td>0.577</td>
</tr>
<tr>
<td>Fine Agg, (screenings)</td>
<td></td>
<td></td>
<td>2.638</td>
<td>0.263</td>
</tr>
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Additional testing is ongoing to evaluate the rock as a good source for rail ballast and to further evaluate the quality of the rock for construction/road aggregate.

PROBABLE RESERVES:

An estimate of the probable tonnage of extractable aggregate within the area of the proposed permit could be well in excess of 4,000,000 cu. m. These reserves include only material located to a depth of between 10 and 20 m. below surface. Using the Ministry of Transportation Specifications for aggregate, the products that could be produced would include Granular B, Granular A and Hot Mix.

CONCLUSIONS:

Based on an examination of the surface geology and initial analyses, it was determined that the immediate area of the proposed aggregate permit would be able to produce a substantial tonnage of moderate to high quality aggregate. The work to date has indicated a substantial deposit of extractable aggregate with probable reserves in excess of 4,000,000 cubic metres. All of the extraction would be at least 2 metres above the established water table and meet the requirements for a Category 11 Aggregate Permit. Additional work would be required to fully determine the potential for dimensional stone. Proximity to a major rail line provides an attractive opportunity to transport any products to the Southern Ontario market and beyond.

REFERENCES:


David J Villard, MSc.
Pebble Beach Aggregate
APPENDIX “A”

The following people were involved in the production of this assessment report.

1. Preparation of base maps.

   Danny Benson
   Timber Craft Consultations Inc.
   111 King St.,
   Sturgeon Falls, ON P2B 1P9

   Danny has 20 years experience working on the field and office production of maps using GPS technology and ARCGIS software. He has 20 plus years experience in the evaluation of aggregate deposits.

2. Examination of geology maps of area, rock samples and preparation of report.

   David Villard
   Pebble Beach Aggregate
   76 Pebble Beach Drive
   Callander, ON P0H 1H0
   1-705-752-5707

   David has a BSc. in geology and a MSc. in geochemistry with over 37 years experience in the geological field, both in the private and public sectors. For the past 20 years he has been involved in the evaluation of potential aggregate deposits, 16 of those supervising the Ministry of Transportation's aggregate program in their Northern region. Prior to that, he was Resident Geologist with MNDM in Dorset and is quite familiar with the geology of the area.
Legend
- Railway Line
- Utility Lines
- Access Trail
- Rock Sample Area
- Stripped Area
- Lots/Concessions
- Claim Lines

1:20,000 Scale
0 290 580 1,160 Meters
Legend
- Percussion drill holes drilled July 2012
- Claim Lines
- Utility Lines
- Access Trail
- Railway Line
- 5m Contours
- Stripped Area
- Pinkish, medium to coarse grained feldspar-quartz gneiss

Lots/Concessions

Madora Twp. stripped Area Map

Key Map