NI 43-101 Technical Report

The Lac Lamêlée South Property

Labrador Through, Northeastern Québec, Canada

Disclosure of Mineral Resources on behalf of Gimus Resources Inc.

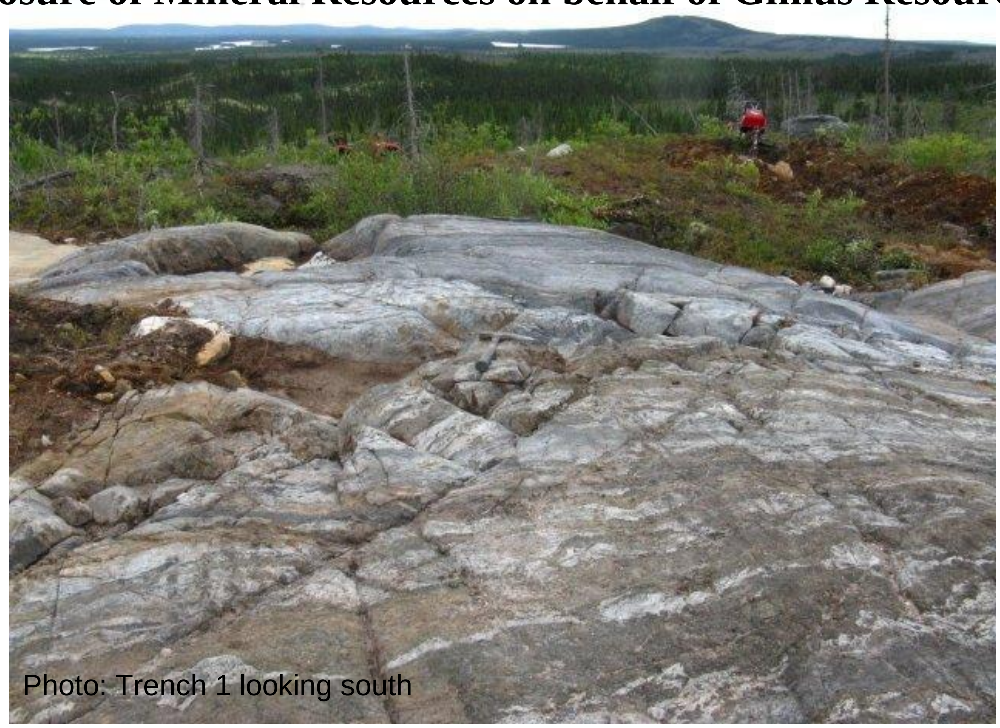

Photo: Trench 1 looking south

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Effective date: 1 October 2013

DATE AND SIGNATURE PAGE

October 1th, 2013

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October 1th, 2013

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1.0 SUMMARY

In September 2013, GIMUS RESOURCES Inc. retained the services of P.J. Lafleur Géo-Conseil Inc. ("PJLGC") to publish a Technical Report (TR) in compliance with NI 43-101 to support additional Exploration works (Geophysics, Definition Drilling and Trenching) on the Lac Lamêlée South Property, located in northeastern Quebec near the border with Labrador. This report represents the first time disclosure of a resource estimate for the Issuer (**Gimus Resources Inc)**, the principle review of the report for NI 43-101 compliance is the responsibility of the relevant Securities Commission (AMF).The Exchange has reviewed the above report for compliance with Exchange Mining Standards Guidelines, which incorporate National Instrument 43-101 ("NI 43-101") and for Initial Listing requirements as per Policy 2.1

This property which up to recently belonged to Fancamp Exploration Ltd, has been purchased by Gimus Resources Inc., following the signing of an agreement (section 4.2.1 and appendix 1) on September 16, 2013, to develop the Lac Lamêlée South Property. The contemplated transaction is expected to close on/or before December 31, 2013, subject to final regulatory approval of the TSX Venture Exchange (the "TSX-V".)

This property has been the subject of a 43-101 TR of its Mineral Resources, published in May 2013, and available on SEDAR (www.sedar.com) with the following references:

NI 43-101 Technical Report to present the Mineral Resources of the Lac Lamêlée South Project of Fancamp Exploration Ltd.
(by Pierre Jean Lafleur, P. Eng. and Ali Ben Ayad, P. Geo.)
Dated May 2013

The authors of these two technical reports are Pierre-Jean Lafleur, Eng., and Ali Ben Ayad, P.Geo. (associate geologist of PJLGCI), two independent consultants and Qualified Person (QP) for the purpose of Regulation 43-101.

The Lac Lamêlée South Property consists of 29 map-designated claims covering an area of 1524 hectares. The property is located in northeastern Quebec near the border with Labrador, approximately 50 km southwest of the city of Fermont and approximately 500 km north of the city of Baie-Comeau. Its lies on the east side of NTS sheet 23B/05 and west side of NTS sheet 23B/06. Its center is located at Mercator coordinates: 52°24'50'' N and 67°29'15'' W, i.e. approximately 11 km NW of the Fire Lake Arcelor Mittal iron mine.

The property is located in the southern extention of the Labrador Trough, which comprises early Proterozoic sedimentary and volcanic rocks highlighted by banded iron formations that have been mined since 1954. The iron formation and associated metamorphosed sedimentary rocks extend south-westerly into the Grenville Orogenic belt (Central Quebec, Gagnon Terranes) where they are exposed in a series of isolated complex highly metamorphosed and deformed (folded) structures in the Wabush Lake, Mount Wright, Fire Lake, Gagnon, Mount Reed, and Lac Jeannine areas.

The high grade metamorphism in the Gagnon Terranes is significant in that it is responsible for the recrystallization of both iron oxides and silica in the Sokoman Formation producing coarse-grained quartz, magnetite, specularite schists that are of improved quality for concentrating and processing.

The Lac Lamêlée South Property is located in this sequence of the Grenville Province (Gagnon Terranes). In this southern domain, all the economic iron concentrations are located in the same lithostratigraphic unit of the Wabush Formation of the Gagnon Terranes, equivalent to the Sokoman Formation of the Knob Lake Group in the central and northern domains of the Labrador Trough.

The Wabush Formation containing the highly metamorphosed, mineralized mega-syncline, has been known since the 1950's, and has been identified on the Lac Lamêlée South property by different airborne geophysical surveys (magnetics and gravity) made by different exploration companies, including Fancamp. Fancamp recently conducted a ground Magnetic survey and geological mapping at the scale of the property. As well as these geophysical and geological exploration works, two diamond drilling campaigns were executed in 2011 and 2012.

Geological mapping and prospecting on the Lac Lamêlée South Property resulted in the definition of a mega-syncline where the Gagnon terrane is represented by its different units including the Wabush Formation, host of the banded iron formation. This structure shows a curvilinear geometry to its sub-vertical axial plane, and extends east-west for about 2 km over a width of about 700 m. This megastructure, host of the iron mineralization, has been divided from northeast to southwest into three 'distinct' zones: "The Mountain Pond Zone" to the northeast, the centrally located "91-92" Zone, and the "Tanguay Zone" in the southwest, lying west of a regional strike slip sinistral fault.

In 2011, the preliminary 5,613-meter reconnaissance drilling campaign in 17 drill holes explored to a depth of about 250 meters. This campaign confirmed the presence of the important iron oxide bearing horizon (Banded iron Formation (BIF), average 43% Fe_2O_3,) and Quartz-Pyroxene-magnetite formation (Q-Py-M), average 37% Fe_2O_3), which occurs continuously across the property, folded and affected by late stage sub vertical faults with minor lateral displacements. These two facies have a total thickness of 100m to 250m. This campaign confirmed also the geometry of the tight mega syncline and showed important lateral facies variations and iron mineral variation and content.

In 2012, 12,607 meters of reconnaissance drilling in 40 drill holes and a ground geophysical survey allowed to identify new mineralized zones and to refine the geological model. This campaign was completed mainly on a grid spacing of 100 by 100 meters to a drill depth of about 450 meters. Two holes reached 650 meters in total length. The deeper holes demonstrated that the Fe mineralized facies persists uninterrupted at depth; however, the resource model is herein reported to a depth of 450m.

These two drilling campaigns aimed to establish a three dimensional (3D) model of mineralization using Gems software (3DS Geovia, formerly Gemcom), to provide a preliminary iron (Fe) grade estimate, to provide samples for future metallurgical test work, and ultimately to evaluate the iron resources of the Property.

Regarding the QA/QC of the drilling data, all drill core logging and sample preparation were conducted by qualified Company personnel under NI 43-101 guidelines at the Company's core logging facilities at the project camp site. Assays were carried out at ALS-Chemex Laboratories in Val d'Or, Quebec, and at Activation Laboratories in Ancaster, Ontario. Certified reference standards and blank samples were inserted regularly for Quality Assurance and Quality Control purposes. As part of the independent verification program, PJLGC validated the exploration methodology which includes core logging, sampling, analytical procedures, and quality analysis following the quality control protocol implemented by Fancamp.

Based on these new drilling results and the geological interpretation, a resource estimate was prepared, using Gems software, by Pierre-Jean Lafleur, Eng., Gems expert of PJLGCI. This mineral resource was estimate and published in Fancamp 43-101 TR in May 2013. The same data and method was used by the same QP for this mineral resource estimate published for Gimus Resources Inc in October 2013 in the present report. The interpretation was the basis for the geological model, using Gems software to measure the volume and define a grade model of the iron formation. The model volume was calculated using the polygonal method on vertical sections, and Kriging was used for the grade, in the 3D block model.

The resource model is reported to a depth of about 540 meters. The drilling program demonstrated that the iron rich mineralized facies outcropping at surface persists to a depth of about 600 meters from surface. The typical thickness of the iron formation is about 100 meters but it can reach a thickness of 200 meters. Mining selectivity is expected to occur at the decameter level (10-meter thick beds of meta-sediments) for grade control.

The volume is constrained by a geological model drawn as polygons on sections. Given the strong folding, faulting and facies changes of the iron formation and the irregular drill spacing, the polygon method was deemed optimal to estimate the mineral resource volume, in combination with a block model (10 x 10 x 10) at this level of study of the project. The grade of Fe_2O_3 was interpolated only in the known mineralized rocks, i.e., the iron bearing formations. Five domains were used to create the grade model, following the folded and faulted lithologies as much as possible, using an oriented search ellipse 150m by 150m by 50m. While the geological continuity is comprehensive and the grades in the drill holes comply with the lithologies, all the mineral resources are classified as inferred.

At a 22% Fe_2O_3 cut-off grade, there are 520 million tonnes grading 39.5% Fe_2O_3 (or 27.6% FeT) in the Inferred Mineral Resources* category. The 22% Fe_2O_3 cut-off grade used is a *natural cut-off grade* defining the iron bands in the BIF and the tonnage drops quickly below that grade.

The following table outlines incremental and cumulative tonnages and iron grades at various cut-off grades:

Mineral Resources[1] (Rounded to million tonnes)

	Incremental			Cumulative		
FE_2O_3 Cut-Off Grade	**Tonnes**	**Fe2O3%**	**FeT%**	**Tonnes**	**Fe_2O_3%**	**FeT%**
10	1,000,000	12.9	9.0	524,000,000	39.4	27.5
15	1,000,000	18.2	12.8	523,000,000	39.5	27.6
20	1,000,000	21.0	14.7	522,000,000	39.5	27.6
22	10,000,000	23.6	16.5	**520,000,000**	**39.6**	**27.7**
25	45,000,000	27.9	19.5	510,000,000	39.9	27.9
30	465,000,000	41.0	28.7	465,000,000	41.0	28.7

1 - Inside Pit Shell (Inferred)

* The quantity and grade of the reported Mineral Resources at Lac Lamêlée South Property are categorized as Inferred Mineral Resources. Inferred Mineral Resources are that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from drill holes and outcrops. There has been insufficient exploration to define any of the resources as Indicated or Measured Mineral Resources and there is no guarantee that further exploration will upgrade the Inferred Mineral Resources to Indicated or Measured Mineral Resources. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimated Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

No mineral reserves estimate was done on the project as yet. No mine plan was drawn for the iron ore formation other than the conceptual open pit outline using the Whittle software mentioned above to create a mineral resources outline. No metallurgical test work has been done on the project yet.

There is no specific project infrastructure for the Lac Lamêlée South Property at present. However, it is well located near the main access road and rail network that serves existing iron ore mine in the region with two important proximal mining towns: Fermont (QC) and Labrador City (NFL). There has been no market study for the Lac Lamêlée South Property to produce a preliminary economic assessment or scoping study.

As a conclusion of this technical reporte, more drilling is needed to complete the reconnaissance at the scale of the property, including the reconnaissance of the supposed “barren zones” (non-magnetic) on the northwest limb. Further detailed drilling will be required to define mineral resources in the categories of Measured and Indicated.

Following the recommendations mentioned above, the authors recommend first phase trenching and sampling campaign, and a ground geophysical gravity survey (2400 stations / 25m on a grid 100m x 1km) in the northwest limb of the syncline, followed by a second phase diamond drilling for a total budget of **1,950,000$.**

All the exploration works, trenching, geophysics and drilling, will be organized in two budget phases (Table below):

- Phase 1: For a budget of 350,000$,
- Phase 2: For a budget of 1,600,000$.

Work phases	Description of proposed work	Unit quantity (m)	Unit cost ($)	Row coast ($)
Phase 1	Trenching	1000	$100	$100,000
	Geophysics survey (Gravimetry)	2400 stat./25m	75$/stat	$180,000
			Contingency 25%	$70,000
			Total Phase 1	**$350,000**
Phase 2	Drilling (DDH)	7,500	$200	$1,500,000
			Contingency 7.5%	$100,000
			Total Phase 1	**$1,600,000**
			Total Phase1 + phase2	**$1,950,000**

* Drilling and Trenching coasts including cost of geologist, technicien & assays

These drill holes will help to confirm the down dip extension of the mineralization down to the level –450m and help to reclassify locally the mineral resources, from inferred to indicated and perhaps some measured.

2.0 INTRODUCTION

2.1 Scope of Work and Terms of Reference

In September 2013, GIMUS RESOURCES Inc. retained the services of P.J. Lafleur Géo-Conseil Inc. ("PJLGC") to publish a Technical Report in compliance with NI43-101 for additional Exploration-Definition Drilling and Trenching works of the Lac Lamêlée South Property, located in northeastern Québec near the border with Labrador.

Lac Lamêlée South Iron Property, up until recently belong to Fancamp Exploration Ltd. whom published in May 2013 a Technical Report in compliance with NI43-101 for its mineral resources.

An agreement to purchase Fancamp Claims of the Lac Lamêlée South Property has recently been signed on **16 September 2013** (Appendix 1) between Fancamp Exploration Ltd., Gimus Resources Inc., and Champion Iron Mines Ltd., to develop the Lac Lamêlée South Property. The contemplated transaction is expected to close on or before December 31, 2013, subject to final regulatory approval of the TSX Venture Exchange (the "TSX-V".)

This agreement is resumed in subsection 4.2.1. and is fully presented in appendix 1.

The authors of this report M. Ali Ben Ayad, Geo, and associate geologist of PJLGC, and Pierre-Jean Lafleur, P.Eng of PJLGC, are both independent consultants and qualified persons (QPs) for the purpose of Regulation 43-101. It is important to notice that the same authors of the Fancamp 43-101 TR published in May 2013, were retained to produce the actual 43-101 TR for Gimus Resources Inc., on the same property thus the Lac Lamêlée South Property.

2.2 Other Sources of Information

This Report is based in part on Fancamp's internal technical reports, maps, published government reports and public information, as listed in Section 27 "References" of this Report. Sections from these reports and documents may have been directly quoted or summarized in this Report, and are so indicated, where appropriate.

The information, conclusions and opinions contained herein are also based on:

- The past assessment files (GM) existing on the E- Sigeom EXAMIN engine research at the "Ministère des Ressources naturelles et de la Faune" (MRNF. Web site:www.mrn.gouv.qc.ca).
- The internal documents provided by Fancamp Exploration Ltd. and oral communications of the principal senior geologist (Mike Flanagan, M. Sc. A, P. Geo. of Glenmere Geoservices) for Fancamp.
- Personal observations from site visit realized for Fancamp in August 2012.

2.3 Field Validation Work and visit

A field visit was conducted to review the ongoing exploration program of Fancamp by the QP, Ali Ben Ayad, P. Geo., from August 21 to 24, 2012. This exploration program ended in December 2012. This visit allowed a:

- Control on the geology of all outcrops availables at that time, including more than 4 outcrop stripping areas with two blasted areas,
- Visit to the coreshack and review of the available core to confirm the procedures of logging, sampling, etc.
- Verification of the assaying program by a random sampling of the mineralized drillcores.

No additional fieldwork has been done on the property after the Fancamp exploration program ended in December 2012.

2.4 Units of measurement

Quantities are generally stated in SI units, the Canadian and international practice, including metric tons (tonnes, t), kilograms (kg) and grams (g) for weight, kilometers (km) or meters (m) for distance, hectares (ha) for area, weight percent (%) for base metal grades and grams per metric tonne (g/t).

Grid coordinates are given in the UTM NAD 83 (Zone 19) and latitude / longitude system; maps are either UTM coordinates, or latitude / longitude system.

3. RELIANCE ON OTHER EXPERTS

The authors prepared this technical report using reports and documents, as noted in Section 27 of this Report.

The authors are not aware of the existence of any claims on the property due to financial grievances such as bankruptcy, mortgage, debts, and liabilities or other. The authors rely on the independent legal document of the agreement to purchase Fancamp Claims of the Lac Lamêlée South Property has recently been signed on **16 September 2013** (section 4.2.1 and Appendix 1) between Gimus Resources Inc. (the Issuer) and Fancamp Exploration Ltd the Vendor).

4.0 PROPERTY DESCRIPTION AND MINING TITLES STATUS

4.1 Property Description and location

The Property consists of 29 map-designated claims covering an area of 1524 hectares. The Lac Lamêlée South Property is located in northeastern Quebec near the border with Labrador, approximately 50 km southwest of the city of Fermont (Figure **1**) and approximately 500 km north of the city of Baie-Comeau. Its lies on the east side of NTS sheet 23B/05 and west side of NTS sheet 23B/06. Its center is located at Mercator coordinates: 52°24’50’’ N and 67°29’15’’ W, i.e. approximately 11 km NW of the Arcelor Mittal -Fire Lake iron mine.

Figure 1 **Lac Lamêlée South Property location**

4.2 Mining titles status

The Lac Lamêlée South Property is comprised of 29 “CDC” mineral claims each of an area of approximately 52.5 ha, totaling 1524 hectares (Figure 2). The modern procedure of acquisition of mineral claims by map designation (CDC) is now the principal method for acquiring a mineral license in Quebec (Mining laws of 2000 and 2003).

4.2.1 The Québec Mining Act and Claims

The Québec Mining Act (Chapter M-13.1, r. 2) deals with the management of mineral resources and the granting of exploration rights for mineral substances during the exploration phase. It also deals with the granting of rights pertaining to the use of these substances during the mining phase. The act also establishes the rights and obligations of the holders of mining rights to ensure maximum development of Québec's mineral resources. The claim is the only valid exploration right in Québec. The claim gives the holder an exclusive right to search for mineral substances in the public domain, with the exception of sand, gravel, clay and other loose deposits, on the land subjected to the claim.

Since November 2000, exploration titles are obtained by map designation over predetermined parcels of land. This approach is quicker and simpler, rendering claims indisputable and protecting the investments made on a claim.

The term of a claim is two years, from the day the claim is registered and it can be renewed indefinitely providing the holder meets all the conditions set out in the Mining Act, including the obligation to invest a minimum annual amount required in exploration work determined by regulation. The Act includes provisions to allow any amount disbursed to perform work in excess of the prescribed requirements to be applied to subsequent terms of the claim.

To satisfy government assessment requirements and thus maintain the claim(s) in good standing, minimum exploration expenditures must be incurred and filed 60 days prior to the anniversary date(s) of the claim(s). The report of work is due prior to 60 days of the anniversary date.

In Québec ("Article 72 de la loi"), the amount of expenditure per claim varies according to the surface area of the claim, location (either north or south of 52° latitude) and the number of terms since its issuance, which escalates according to the following schedules:

South of the 52° of latitude

Term	Surface area of claim		
	< 25 ha	25 - 100 ha	> 100 ha
1 to 3	$500	$1,200	$1,800
4 to 6	$750	$1,800	$2,700
7 or more	$1,000	$2,500	$3,600

North of the 52° of latitude

Term	Surface area of claim		
	< 25 ha	25 - 100 ha	> 100 ha
1	$48	$120	$135
2	$160	$400	$450
3	$320	$800	$900
4	$480	$1,200	$1,350
5	$640	$1,600	$1,800
6	$750	$1,800	$1,800
7 or more	$1,000	$2,500	$2,500

(D. 1042-2000, a. 15; D. 1336-2000, a. 6; Erratum, 2004 G.O. 2, 1353).

Assessment work credits from another claim may be applied to the claim to be renewed, providing the renewed claim lies within a radius of 4.5 km from the centre of the claim with the excess work credits. The claim holder may apply amounts spent on work carried out on a mining lease or concession towards the renewal of a claim, provided that the work was performed during the term of the claim and that the amount does not exceed one quarter of the required amount for renewal. If the required work was not performed or was insufficient to cover the renewal of the claim, then the claim holder may pay a sum equivalent to the minimum cost of the work that should have been performed.

The cost of renewal of a claim depends on the surface area of the claim, its location, and the date the application is received. If the application for renewal and fees are received prior to 60 days before the anniversary of the claims(s) the following renewal fees apply for claims north of 52° latitude: less than 25 ha = $26; 25 to 45 ha = $96; 45 to 50 ha = $107; over 50 ha = $120. For claims south of 52°latitude the following renewal fees apply: less than 25 ha = $26; 25 to 100 ha = $52; over 100 ha = $78. These renewal fees double if the application is received within 60 days or less of the anniversary date of the claim(s).

4.2.2 Lac Lamêlée South Property Mining Titles

The table below (Table 1) provides the details of the mining titles for the property and gives the details concerning each claim (location, surface area, owner, etc.) and encumbrances for each claim.

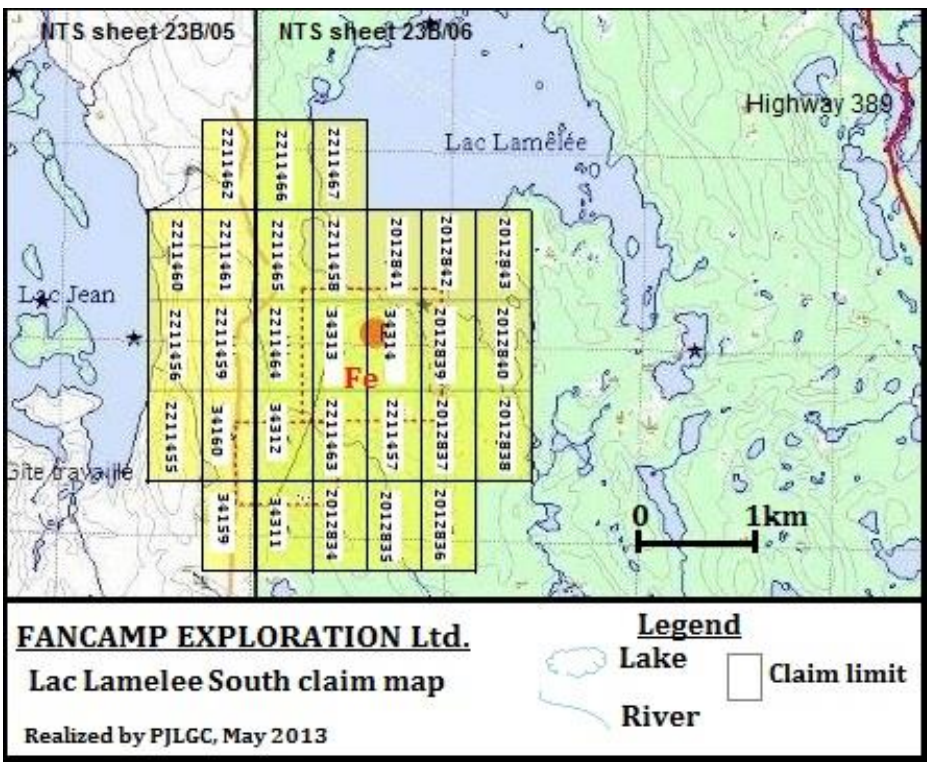


Figure 2 Claim map of the Lac Lamêlée South property

Table 1 Mining titles status and encumbrances

MAP SHEET	ROW	COLUMN	AREA (ha)	TYPE	CLAIM # CDC	STATUS	EXPIRY DATE	Required work ($)	Owner
23 B/05	18	60	52.57	CDC	34159	active	31-Aug-14	1,800.00	Fancamp 100%
23 B/06	18	1	52.57	CDC	34311	active	1-Sep-14	1,800.00	Fancamp 100%
23 B/06	18	2	52.57	CDC	2012834	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/06	18	3	52.57	CDC	2012835	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/06	18	4	52.57	CDC	2012836	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/05	19	59	52.56	CDC	2211455	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/05	19	60	52.56	CDC	34160	active	31-Aug-14	1,800.00	*Fancamp 100%*
23 B/06	19	1	52.56	CDC	34312	active	1-Sep-14	1,800.00	*Fancamp 100%*
23 B/06	19	2	52.56	CDC	2211463	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	19	3	52.56	CDC	2211457	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	19	4	52.56	CDC	2012837	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/06	19	5	52.56	CDC	2012838	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/05	20	59	52.55	CDC	2211456	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/05	20	60	52.55	CDC	2211459	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	20	1	52.55	CDC	2211464	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	20	2	52.55	CDC	34313	active	1-Sep-14	1,800.00	*Fancamp 100%*
23 B/06	20	3	52.55	CDC	34314	active	1-Sep-14	1,800.00	*Fancamp 100%*
23 B/06	20	4	52.55	CDC	2112839	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/06	20	5	52.55	CDC	2012840	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/05	21	59	52.54	CDC	2211460	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/05	21	60	52.54	CDC	2211461	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	21	1	52.54	CDC	2211465	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	21	2	52.54	CDC	2211458	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	21	3	52.54	CDC	2012841	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/06	21	4	52.54	CDC	2012842	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/06	21	5	52.54	CDC	2012843	active	24-May-14	1,350.00	*Fancamp 100%*
23 B/05	22	60	52.53	CDC	2211462	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	22	1	52.53	CDC	2211466	active	28-Mar-14	450.00	*Fancamp 100%*
23 B/06	22	2	52.53	CDC	2211467	active	28-Mar-14	450.00	*Fancamp 100%*
29 claims	for a total of		**1523.99**	**ha**	with renewal expenditures of			**$30,150**	

NB: Fancamp Claims of the Lac Lamelee South Property will soon be transferred to Gimus Resources Inc. (section 4.2.1 and Appendix 1)

4.2.3 Location of the mineralized zones

Figure 3 shows the mineralized worked area (Fe) where the detailled exploration works will be presented in the following items (exploration and Drilling).

It is important to notice that considering the scale of explorationn works (Geophysics survey, drilling and trenching), the limit of the property can not be displayed on the exploration maps.

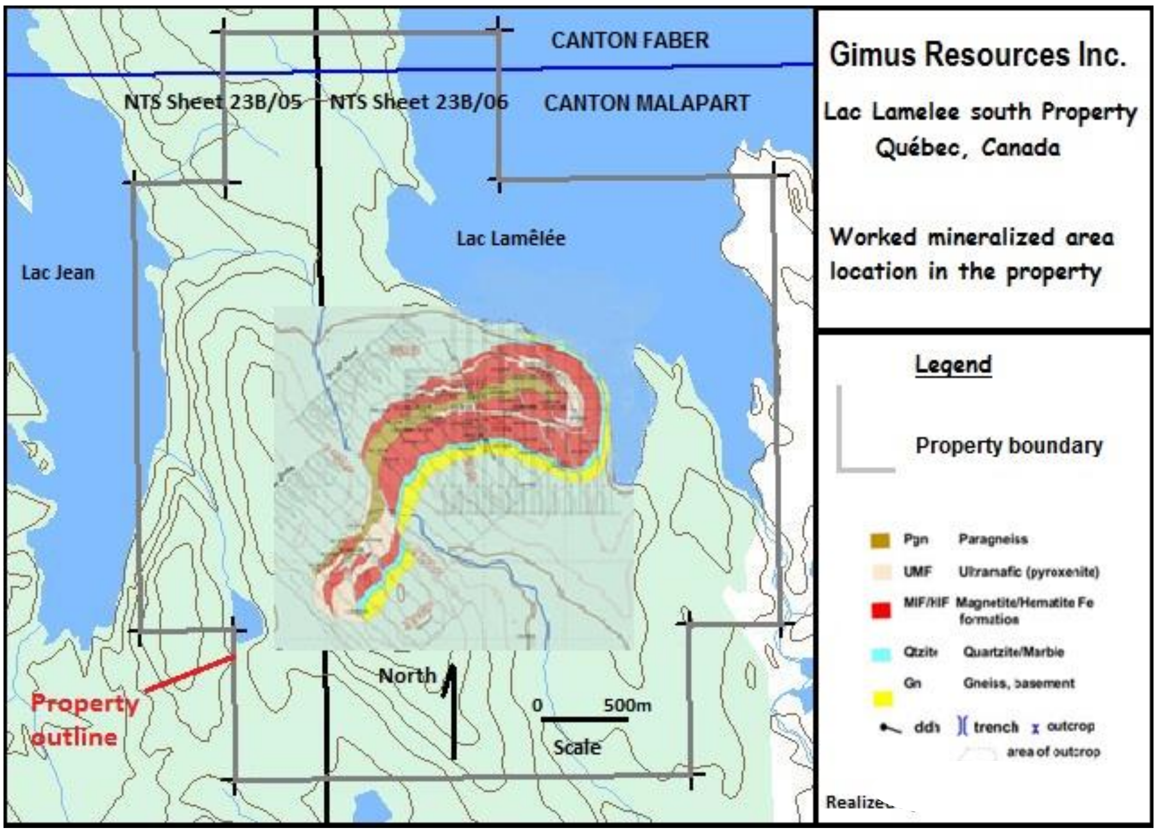


Figure 3 Localization of the mineralized worked area on the claim map.

4.2.4 Ownership

An agreement to purchase Fancamp Claims of the Lac Lamêlée South Property has recently been signed on 16 September 2013 (Appendix 1) between Fancamp Exploration Ltd., Gimus Resources Inc., and Champion Iron Mines Ltd. Under the proposed transaction, Fancamp would transfer its 100% interest in the Lac Lamêlée South Property in consideration for the issuance by Gimus of 43,000,000 common shares to Fancamp at a deemed price of $0.10 per share.

Fancamp would retain a 1.5% Net Sales Royalty, of which 0.5% may be bought back for $1,500,000. Gimus would assume, as of the closing of the contemplated transaction, an existing 1.5% NSR Royalty on the Lac Lamêlée South Property, which is payable to The Sheridan Platinum Group Ltd., of which 0.5% may be bought back for $1,500,000.

As consideration for Champion's covenant not to exercise and extinguish its right of first refusal to purchase the Lac Lamêlée South Property from Fancamp, Fancamp will issue to Champion 4,000,000 common shares of Fancamp at a deemed price of $0.05 per share and Gimus will issue to Champion 2,000,000 common shares of Gimus at a deemed price of $0.10 per share.

Champion shall subscribe, by way of private placement, to 2,000,000 fully paid and non-assessable common shares of Gimus (or units comprised of common shares and common share purchase warrants as determined by Gimus), at a deemed price of $0.10 per share or per unit, as the case may be, or such lesser price per share or per unit set by Gimus.

The Fancamp, Champion and the Champion right of first refusal shares to be issued will be issued under a private placement exemption and subject to a four-month restricted period stipulated in a legend, before becoming freely tradable, the issuance of which shall be subject to prior acceptance for listing by the TSX-V, and the Champion right of first refusal shares will be subject to specific restrictions pursuant to a reciprocal rights agreement entered into by Champion and Fancamp as of May 17, 2012, governing certain investor rights and obligations.

The purchase of the the Lac Lamêlée South Property by Gimus will be subject to a number of conditions, which may be waived by Gimus or Fancamp, including: (1) Fancamp shall arrange to provide Gimus to such information and records, which Gimus may reasonably request in order to obtain the information necessary to evaluate the the Lac Lamêlée South Property and to prepare the documentation necessary to obtain the required regulatory approvals; (2) all regulatory approvals, authorizations and other consents with respect to the purchase of the the Lac Lamêlée South Property which may be required by law shall have been obtained, including, approval from the TSX-V for each of Fancamp and Gimus and the approval of the shareholders of Gimus; (3) prior to the closing date of the contemplated transaction, Gimus shall have proposed to Fancamp a new composition of the board of directors of Gimus (which board of directors shall include Paul Ankcorn as a nominee of Champion) and of management of Gimus, which shall be satisfactory to Fancamp, and (4) at the latest on the closing date of the contemplated transaction, and as agreed upon between Gimus and Fancamp, Gimus shall have raised capital through the completion of private placements of its securities for the minimal amount required to satisfy the requirements of the TSX-V on such terms and conditions as may be determined by Fancamp, Gimus and Champion.

The portion of the contemplated transaction between Gimus and Fancamp is an arm's length transaction within the meaning of the policies of the TSX-V. In addition, Jean Lafleur, President and Chief Executive Officer and director of Fancamp, is also a director of Gimus. Guy Girard, President and Chief Executive Officer and director of Gimus, is also the Executive Vice President and Project Logistics Manager of Fancamp. Accordingly, the votes attached to the securities of Gimus held by each of Jean Lafleur and Guy Girard will be excluded from Gimus shareholder's approval.

Based on the fact that Champion is an insider of Fancamp, the portion of the contemplated transaction between Champion and Fancamp involves non-arm's length parties and constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The portion of the contemplated transaction between Champion and Fancamp is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 based on that neither the fair market value of the subject matter of, nor the fair market value of the consideration to be paid to Champion pursuant to the contemplated transaction exceeds 25 % of Fancamp's market capitalization.

The contemplated transaction is expected to close on/or before December 31, 2013, subject to final regulatory approvals.

The authors are not aware of the existence of any claims on the property due to financial grievances such as bankruptcy, mortgage, debts, and liabilities or other.

4.2.5 Surface rights and permits:

The Mining Act states ((chapter M-13.1, a. 304) that a claim holder cannot erect or maintain any construction on lands in the public domain without obtaining, in advance, the permission of the MRNFQ unless such a construction is specifically allowed for by ministerial order. An application is not necessary for temporary shelters that are made of pliable material over rigid supports that can be dismantled and transported.

A temporary exploration camp was constructed on the Gimus Resources claims during the summer of 2011 and is currently conserved for future works. The camp is constructed of pliable material over rigid supports that can be dismantled and transported.

At the time of this Report, PJLGC Inc. were not aware of any back-in rights, payments or other agreements or encumbrances to which the Lac Lamêlée South Property could be subject.

4.2.6 Environmental considerations:

Fancamp Exploration Ltd. has advised Gimus Resources Inc. that there are no known environmental issues or liabilities on the Lac Lamêlée South Property and that all the proper permits required to conduct exploration activities on the property were obtained (reference:Permis d'intervention 3012231 exercice 2012-2013).

PJLGC has not investigated any environmental liabilities that may have arisen from previous work, and is not aware of any present environmental related issues affecting the Lac Lamelee South Property.

To the knowledge of PJLGC, at the time of writing this report, there are also no existing significant factors and risks that may affect access, title, or the right or ability to perform work on the Lac Lamêlée South Property.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The Lac Lamêlée South Property is located in northeastern Quebec approximately 50 km south of the city of Fermont which is at 28 km from Labrador City and Wabush in the Province of Newfoundland and Labrador (Figure **1** and Figure 4).

The property is adjacent to the Trans-Quebec Labrador Road (Highway 389 in Quebec and Highway 500 in Newfoundland and Labrador), which runs through Quebec from Baie-Comeau (north shore of the St. Lawrence River) to Fermont, continuing into Labrador-City and Wabush in Newfoundland. A gravel road (Consolidated Thompson Lundmark road) entirely crosses the property from the south to the north between Lac Jean and Lac Lamêlée. This road is 9km from the campsite of the Lac Lamêlée South Property to highway 389 and is only usable with an all-terrain vehicle, or given ideal conditions, by four-wheel drive vehicle.

The airport at Wabush is the main airport servicing the region and offers daily flights to Montréal, Quebec City and Sept-Iles in Quebec and Goose Bay and St. Johns in Newfoundland and Labrador via Air Canada and Provincial Airlines. Local air service is also available from the Wabush Water Aerodrome with flights offered from June until October.

The Lac Lamêlée South property is also adjacent to a railway used solely for iron-ore and freight transport known as the Cartier Railway (Figure 4). It is a privately owned railway that operates 416 km of track connecting the iron ore mine at Mont Wright, just west of Fermont with an iron ore processing plant and port at Port-Cartier, on the north shore of the St. Lawrence River.

5.2 Climate and Physiography

The property has a harsh sub-arctic climate with long, severe winters and short mild summers. Lakes and streams are frozen for a period from 6 to 8 months. Annual precipitation is of the order of 600 mm to 900 mm, of which 60 % is in the form of snow. In January and February, temperatures can drop as low as -40°C. During the short summer season (in July and August), the temperature frequently reaches 25°C. Nevertheless, there is no impediment to conducting work throughout the entire year.

Moderate relief and undulating terrain with elevations up to 690 m above mean sea level characterize the Lac Lamêlée South property. The property is bordered to the west by Lac Jean at altitude 555 m and to the east by Lac Lamêlée at altitude 585 m. Topographic highs consist generally of elongated and rolling hills oriented along a NNW-SSE direction where outcrops are presents. An open and dense tree canopy, underlain by an undergrowth of lichens and shrubs, characterizes the area. The region is predominantly covered by spruce/lichen forest, with minor muskeg bogs and marshes in low-lying areas.

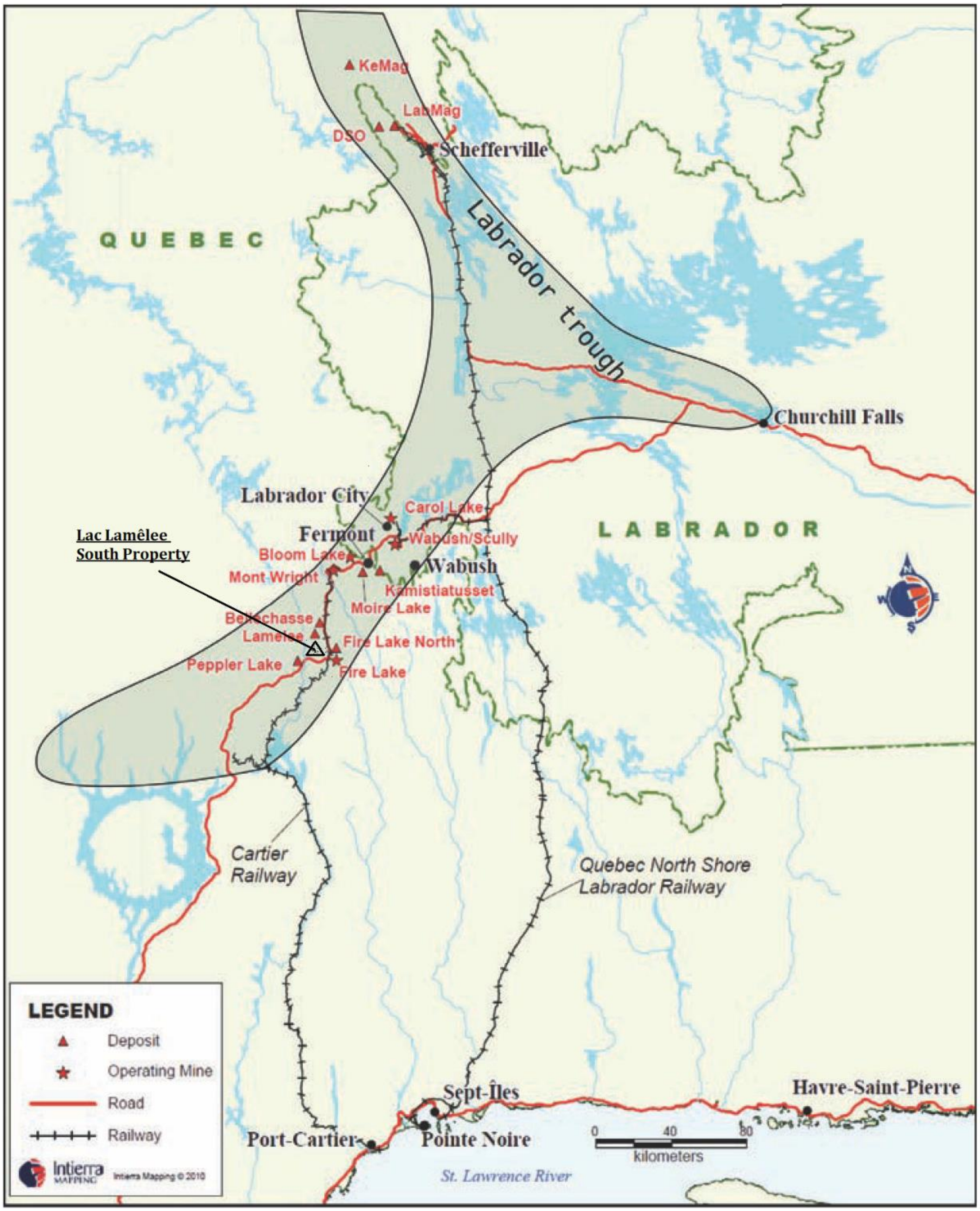


Figure 4 Lac Lamêlée South property location and access

5.3 Local Resources and Infrastructure

Fermont was built by QCM in the early 1970's specifically to replace another mining town, Gagnon near Lac Jeannine, and to relocate its employees to the newly discovered mine "Mount Wright" that is about 25 kilometres (16 mi) to the west of Fermont. At present, the city of Fermont has a population of approximately 3,000 and is the residential city for employees of ArcelorMittal Mines Canada ("ArcelorMittal") (formerly Quebec Cartier Mining Company ("QCM")) who work at the Mont Wright iron operation.

Fermont and Labrador City offer numerous services to exploration companies including notably hostelry, restaurant, business and shopping centers, municipal and recreational facilities, grocery store, gas stations, car renting, etc. Hydro-Quebec operates the 50MW Hart-Jaune hydroelectric power plant some 65 km southwest of the property. A hydroelectric power line is, at the closest, 11 km away from the property.

The area, with the proximity of Wabush and Labrador City, and established around iron ore mining operations, constitutes a mining center able to provide experienced personnel, contracting and engineering companies carrying out activities in the region, as well as equipment and supplies.

The project is at the stage of exploration. The authors did not investigate the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant sites. Future studies will address these issues.

6.0 HISTORY

6.1 Historic exploration works

The first exploration work on the Property was conducted by Quebec Cartier Mining (QCM) who realized a dip needle, a geological prospecting and a topographic survey between 1950 and 1955 following the presence of magnetic anomalies. (Assessment report GM 04309A-B)

Oliver Iron mining (a division of US Steel) and QCM conducted a small ground magnetic survey, a geological reconnaissance and mapping program in the summer of 1954. (Assessment report GM 03319 A to E)

In 1958, QCM's geologist R.J. Stirling conducted a ground magnetic survey and a detailed geological mapping at a scale of 1 inch for 200 feet. (Assessment report GM 07983)

In 1998, Falconbridge carried out an EM airborne survey covering almost entirely the Lamêlée-South property searching for Cu-Ni-PGM mineralization followed by a reconnaissance and prospecting program. (Assessment report GM 58330)

In 2000, Quebec Cartier Mining mandated SIAL Geoscience to conduct regional airborne magnetometric and electromagnetic surveys covering all the iron formations and deposits surrounding its Fire Lake iron mine. (Assessment report GM 58496)

6.2 Fancamp Exploration work:

6.2.1 Regional exploration works

In 2006, Fancamp Exploration with joint venture partner Sheridan Platinum Group carried out a high resolution, helicopter airborne magnetic and radiometric survey (Voisey Bay Geophysics ltd.) over the Fancamp property of Lac Lamêlée South. Over sixteen magnetic anomalies were identified. (Assessment report GM 63135).

In June 2009, Fancamp Exploration Ltd, in joint venture with Sheridan Platinum Group ltd retained Geoforbes Services Inc. of Sept-Iles, Quebec to carry out a reconnaissance and sampling program on the Lac Lamêlée South Property. Numerous outcrops were located and mapped and 22 grab samples returned analyses of total Fe grading between 8.8 and 45.0%. Calculated and estimated iron from the oxides ranged from 5.4 to 45.0%.

In the early summer 2011, an airborne magnetic and gravity geophysical survey was conducted over the property by Fugro Airborne Surveys of Ottawa, ON. Results of the magnetometer survey were comparable to the results of a magnetometer survey conducted by Quebec Cartier Mining in 2000, and revealed a significant mass of dense magnetic signature over a strike length of about 2.5 km. (Internal report).

6.2.2 Property exploration works

Following the regional geophysical exploration campaigns, a first diamond drill hole campaign was realized by Fancamp in 2011 which was followed by a magnetometer ground survey in 2012.

In addition to the drilling, a surface mapping program and prospecting was carried out over the Property. All the exploration and geological works (prospecting, geological mapping, sampling, etc.) were carried out on behalf of Fancamp Exploration Ltd under the supervision of Mr. Mike Flanagan, P.Geo., and senior exploration geologist of Glenmere Geological Services under contract with Fancamp Exploration.

6.2.3 Drilling campaigns

Two grids were established across three zones of the property to support exploration works (mapping, ground geophysics survey and drilling).
In 2011, drilling comprised 17 drill holes with a total length of 5,614 meters (Table 2).
In 2012, drilling comprised 40 drill holes with a total length of 12,607 meters (Table 2).

Table 2 Summary of Field Work (Drilling)

Work	Number of DH/Trench	Total LENGTH
2011	**17**	**5,614**
DH	**17**	**5,614**
Mountain Pond zone	12	4,387
91-92 Zone	1	150
Tanguay Zone	4	1,077
2012	**40**	**12,607**
DH	**40**	**12,607**
Mountain Pond zone	24	8,507
91-92 Zone	13	3,178
Tanguay Zone	3	921
2012	**2**	**84**
Trenches sampled	**2**	**84**
Mountain Pond zone	2	84
Grand Total	**59**	**18,304**

All these exploration works and drilling campaigns are presented in detail in the following items 9-10 and 11.

6.2.4 Lac Lamêlée South Property Resource Estimate

6.2.4.1 Introduction

The Mineral Resources Estimated (MRE) of the Lac Lamêlée South Property has been realized by PJLGC Inc.at the end of year 2012 for Fancamp Exploration Ltd. The MRE form part of the National Instrument ("NI") 43-101 Technical Report available on SEDAR at www.sedar.com, with the following references:

NI 43-101 Technical Report to present the Mineral Resources of the Lac Lamêlée South Project of Fancamp Exploration Ltd. Dated May 2013 by Pierre Jean Lafleur, P. Eng. and Ali Ben Ayad, P. Geo.

The MRE were estimated by Ali Ben Ayad, Geo., and Pierre-Jean Lafleur, P. Eng., both of PJLGC and independent Qualified Persons under NI 43-101 standards.

6.2.4.2 Summary of the Resource Estimate

The data accumulated at the end of December 2012, used to model and evaluate the mineral resources of the Lac Lamêlée South Property, are consistent within reasonable limits and comply with standard practice and guidelines of the mining industry (Items 10-11 & 12).

The 2011 and 2012 drill program conducted by Fancamp at Lac Lamêlée South aimed to establish the three dimensional shape of the iron mineralization, provide a preliminary mineral resources iron grade estimate and some samples for David Tube test work to measure the density and weight recovery of potential iron minerals. The two drill campaigns were completed on 100m spacing vertical sections to a programmed drill depths of about 450 meters. Only two holes exceeded 600 meters in total length. The resource model is reported to a depth of about 540 meters. The drilling program demonstrates that the iron rich mineralized facies outcropping at surface persists uninterrupted at depth. The main areas of interest have been drilled but some area of interest remained opened (not drilled). The iron grade is relatively predictable and uniform when compared to the thickness of the iron formation bedding which varies significantly laterally as well as because of secondary folding and faulting probably.

The typical thickness of the iron formation limb is about 100 meters but it can reach a thickness of 200 meters. Mining selectivity is expected to occur at the decameter level (10 meters thickness beds of metasediments) for grade control. The drilling pattern at 100 meter spacing is insufficient to outline such detail in a full 3D model at the moment. The volume is constrained by a geological model drawn as polygons on sections. The polygons are extruded to estimate the volume using Gems software from GEOVIA (former Gemcom Software International Inc).

For the estimation of the iron formation mineral resources, 1,954 five-meters length composites were created for the iron formation rock only from 5,202 original assay data from all rock types samples with variable length but mostly 2 meter length samples (75% of the time).

Some density measurements were made on samples. Density in iron ore is proportional to iron content. It is very important in iron ore. It can be tested and measured for each sample or modeled with some data for validation. In this case, the density was modeled as a function of Fe grade in % and calculated using the following formula in the block model:

Density = 2.6 + 1.9 x Fe_2O_3%

At a 22% Fe_2O_3 cut-off grade, the MRE was estimated at 520 million tonnes grading 39.5% Fe_2O_3 (or 27.6% FeT) in the Inferred Mineral Resources* category in May 2013. The 22% Fe_2O_3 cut-off grade used was deemed a *natural cut-off grade*.

The following Table 3 and Table 4 outlines incremental tonnages and Iron grades at various cut-off grades:

Table 3 Incremental tonnages and iron grades at various cut-off gradesFe_2O_3

CUT-OFF GRADES	TONNES	GRADES	
		Fe_2O_3	FeT
10%	524,000,000	39.4	27.6
15%	523,000,000	39.4	27.6
20%	522,000,000	39.5	27.6
22%	520,000,000	39.5	27.6
25%	510,000,000	39.9	27.9
30%	465,000,000	41.0	28.7

The quantity and grade of the reported Mineral Resources at Lac Lamêlée South property were categorized as Inferred Mineral Resources. Inferred Mineral Resources are that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from drill holes and outcrops. There has been insufficient exploration to define any of the resources as Indicated or Measured Mineral Resources and there is no guarantee that further exploration will upgrade the Inferred Mineral Resources to Indicated or Measured Mineral Resources. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Table 4 Incremental Mineral Resources by Zone in May 2013

CUT-OFF FE_2O_3 GRADES	Tonnes	Fe2O3%	FeT%
Mountain Pond			
10	1,000,000	12.9	8.9
15	1,000,000	18.2	12.6
20	11,000,000	23.3	16.1
25	40,000,000	27.8	19.2
30	352,000,000	40.6	28.0
MP Total	406,000,000	38.7	26.7
91-92			
25	2,000,000	27.8	19.2
30	71,000,000	42.6	29.4
91-92 Total	73,000,000	42.2	29.1
Tanguay			
25	3,000,000	28.6	19.7
30	42,000,000	42.0	29.0
Tanguay Total	45,000,000	40.9	28.2

Key parameters of the MRE in May 2013

- A total of 57 drill holes and 2 surface trenches totalling 18,305 meters were used for the MRE in May 2013
- The volume was constrained by a geological model drawn as polygons on sections
- The Gems and Whittle software applications from 3DS GEOVIA (former GEMCOM^{TM}) were used for database management, modeling the geology, analyzing the data, performing the grade interpolations, creating and managing the block model, and creating a conceptual pit shell as well as report the mineral resources
- A total of 1,954 five-meter length composites were created for the iron formation unit only from 5,202 original assay data from all rock types samples with variable length but mostly two-meter sample lengths
- The MRE were modeled using a ten-meter cubic model and grades were estimated using Ordinary Kriging within modelled mineralization domains defined by structural geology
- The MRE were evaluated from historic and current drill hole assay results
- A search ellipse 150 meters by 150 meters by 50 meters was used to find (five-meter) composites for each block in the interpolation process. The search ellipse was oriented along the various stike and dip of the iron formation according to structural geology (folding).
- No top grade capping value was used before or after compositing

- The MRE for Lac Lamêlée South Property were estimated in May 2013 for Fancamp Exploration Ltd using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005

The estimate of Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

Fancamp reconnaissance drilling of 2011 and 2012 and mapping, demonstrated the presence of an important iron resource with a potential to develop to a producing operation. Nevertheless, based on limited drilling in the iron formation (57 drill holes and 2 trenches), in the complex geological environment of the property (multiple folding stages, shearing and faulting, facies lateral variations, high grade of metamorphism) further detailed drilling will be required to define mineral resources into the Measured and Indicated categories.

It should be understood that the mineral resources presented in this study in item 6.2.4 were estimates for another issuer (Fancamp Exploration Ltd) based on the size and grade of the deposits relying on consistent drillhole samples (item 10, 11 and 12), and on economic assumptions and parameters available in May 2013. The level of confidence in the estimates depends upon a number of uncertainties. These uncertainties include, but are not limited to, future changes in metal prices and/or production costs, differences in size, grade and recovery rates from those expected, and changes in project parameters such as permits for land use, right of access to the property, having a reliable source of energy, permit to use water and land for mine rejects (waste and tails), new mining taxes, etc. In addition, there is no assurance that the Project implementation will be realized.

The basis of the mineral resources estimate presented in item 14 of the present report for a new issuer (Gimus Resources Inc) is based on the same data and the same methodology used as of October 2013 by the same qualified persons (QP). The data accumulated at the end of December 2012 on the property has not changed as of October 2013, date of publication of this technical report.

6.3 Fancamp Exploration expenditures at Lac Lamêlée South Property

The exploration expenditures on the Lac Lamêlée South Property presented in the table below (Table 5) are part of the schedule of carve-out assets as April 30, 2013, 2012 and 2011, audited (October, 2013) by MNP, an accounting consultant firm (Ref.). Such schedule of carve-out assets have been prepared for the purposes of selling the mineral property. The transaction mentioned above (section 4.2.3 and appendix 1) will constitute a Reverse Take-over (RTO) of Gimus by Fancamp within the meaning of the policies of the TSX-V.

In the Opinion of the MNP accounting consultants, the schedule of carve-out assets present fairly, in all material respects, the financial position of Fancamp Exploration Ltd. for the Lac Lamêlée South Property as at April 30, 2013, 2012 and 2011 in accordance with International Financial Reporting Standards.

Table 5 Fancamp Exploration ltd.- Schedule of carve-out assets (expressed in Cnd $)

	2013	2013/2012	2012/2011	2011/2010
	(Unaudited)			
Lac Lamelee Property				
Acquisition Costs	$ 1,059,976	$ 1,059,976	$ 1,059,976	$ 1,059,976
Exploration Expenditures:				
Camp, Drilling, Assays	3,774,442	3,774,442	920,638	802
Engineering, Consulting, Sundry	484,581	431,947	202,871	29,771
Prospecting, Ground/Air Surveys	73,205	73,205	61,937	11,428
	$ 5,392,204	$ 5,339,570	$ 2,245,422	$ 1,101,977

***The accompanying schedule of carve-out assets as the years ended **April 30**, 2013, 2012 and 2011

7.0 GEOLOGICAL SETTING AND MINERALIZATION

The Labrador Trough ("Trough") corresponds to the western part and the foreland of the Paleoproterozoic New Quebec orogen and lies in western Labrador and northeastern Quebec. The Trough is host to world-class deposits of Proterozoic iron ore that have been mined for more than half a century. The iron formations and associated metamorphosed sedimentary rocks extend to the southwest into the Grenville Orogenic Belt (Central Quebec, Gagnon Terranes).

This regional geological structure is approximately 1600 km long and 120 km wide extending south-southeast from Ungava Bay in the north through Quebec and Labrador and southwestward into central Quebec (Figure 5). The Trough comprises early Proterozoic sedimentary and volcanic rocks highlighted by banded iron formations that have been mined since 1954. Within the Gagnon Terranes the iron formations and associated metamorphosed sedimentary rocks are exposed in a series of isolated, complex, highly metamorphosed and deformed fold structures in the Wabush Lake, Mount Wright, Fire Lake, Gagnon, Mount Reed, and Lac Jeannine areas (Gross, 2009).

Today, the mining activities are centered around the regions consisting of the cities of Wabush and Labrador City in Labrador, and Fermont, in Quebec, 14 km to the west of Labrador City.

7.1 Regional geological setting

The Lac Lamêlée South Property (LLSP) is located in the highly metamorphosed and deformed Paleoproterozoic metasedimentary sequence within the Grenville Province, known as the Gagnon Terranes, an extension of the Labrador Trough.

The Trough, or “The Paleoproterozoic New Quebec Orogen” (Hoffman, 1988), extends from the Grenville Front in the south, as far as Ungava Bay in the north. The orogen is located (Figure 4) east of the Archean Superior Province and corresponds to part of the Archean Proterozoic Southeastern Churchill Province (Stockwell, 1961; Hoffman, 1988, 1990a), or as part of the thinned Ungava (Superior) craton edge (Skulski, et al, 1993).

The supracrustal rocks of the Labrador Trough constitute the foreland of the New Quebec Orogen. These rocks form a thrust and fold belt on the margin of the Superior Province (Figure 4).

The Labrador Trough, north of the Grenville front, is conventionally divided into three major zones or lithotectonic domains, which run parallel to its long dimension (Dimroth, 1972, 1978). The western most zone consists of a series of autochthonous to para-autochthonous sediments and minor volcanic rocks resting unconformably on the Archean gneisses of the Superior Province. This zone is followed to the east by a typical foreland fold-and-thrust belt consisting of thrust slices of sedimentary and basaltic volcanic rocks. These two zones make up the Labrador Trough (Clark, 2005). The sedimentary and volcanic rocks of the Trough belong to the Kaniapiskau Supergroup while gabbroic and ultramafic intrusives make up the Montagnais Group (Frarey and Duffell, 1964).

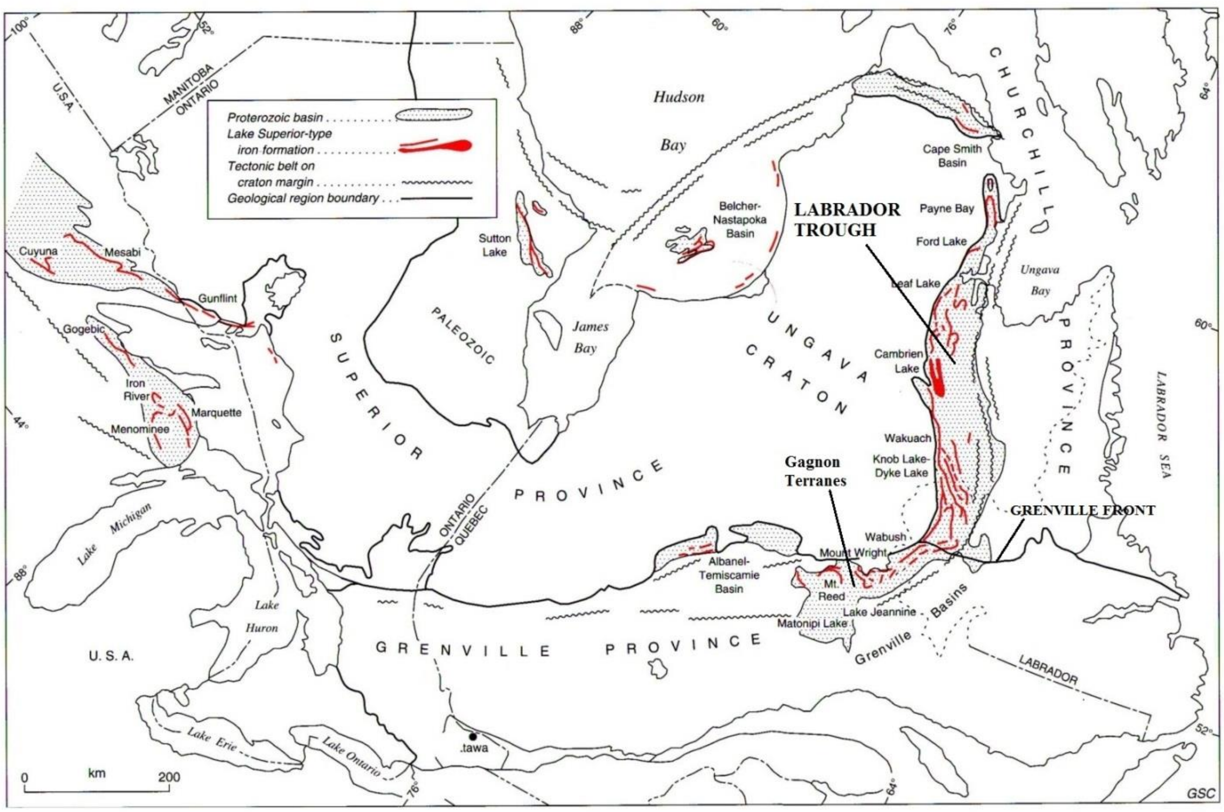


Figure 5 **Distribution of lake superior-type iron formation in sedimentary-tectonic basins marginal to the Ungava-Superior craton (After Gross, 1996a, modified).**

The third or "Hinterland" zone contains sequences of volcanic and sedimentary rocks, which were highly metamorphosed and deformed during the Hudsonian Orogeny. Metamorphic grade increases from west to east in the foreland of the Orogen, passing from sub-greenschist facies to upper green-schist facies (Dimroth and Dressler, 1978; Wares *et al.,* 1988; Perreault and Hynes, 1990). Rocks in the hinterland were metamorphosed to the upper greenschist facies (near the western limit of the hinterland), the amphibolite facies, or the granulite facies (Dimroth and Dressler, 1978; Perreault and Hynes, 1990; Girard, 1995).

7.1.1 Regional Stratigraphy and Lithologies

The Lower Proterozoic (Aphebian) platformal sedimentary and related rocks of the Labrador Trough are named the Knob Lake Group. Previously known as the Gagnon Group in the Grenville Province portion of the Labrador Trough (Table 6), the Knob Lake Group was redefined to include the stratigraphic sections on both sides of the Grenville Front. These Lower Proterozoic sedimentary rocks overlie the granitoid gneisses of the craton.

Table 6 Regional stratigraphic columns of the Central and South domain of the Labrador Trough (after Gross, 1996, modified)

<table>
<tr><td colspan="2" rowspan="3"></td><td colspan="4">MESOPROTEROZOIC
Helkian
Shabogamo Group (Gabbro, amphibolite, gneiss)
--------------------------- Intrusive Contact ---------------------------</td></tr>
<tr><td colspan="4">PROTEROZOIC
Aphebian
Kaniapiskau Supergroup</td></tr>
<tr><td>**Churchill (Rae) Province**</td><td rowspan="8"></td><td colspan="2">**Grenville Province**</td></tr>
<tr><td colspan="2">*Stratigraphic changes*
New Previous</td><td>*Central and Northern domain (Low-Grade Metamorphism)*</td><td></td><td>*Southern domain*
(High-Grade Metamorphism)</td></tr>
<tr><td>**Menihek Fm**</td><td rowspan="5">KNOB LAKE GROUP</td><td>**Menihek Formation**
Black shale, siltstone</td><td rowspan="5">*GAGNON TERRANES*</td><td>**Nault Formation**
Graphite, chloritic and micaceous schist</td></tr>
<tr><td rowspan="3">FERRIMAN GROUP</td><td>**Sokoman Formation**
Cherty iron formation</td><td>**Wabush Formation**
Quartz magnetite-Hematite-specularite- carbonate / ***Iron formation***</td></tr>
<tr><td>**Wishart Formation**
Quartzite, siltstone</td><td>**Carol Formation**
Quartzite, quartz-muscovite-garnet-kyanite schist</td></tr>
<tr><td>**Denault Formation**
Dolomite, calcareous siltstone</td><td>**Duley Formation**
Dolomite, Calcite ± Quartz with minor calc-silicate phases</td></tr>
<tr><td>ATTIKAMAGEN GROUP</td><td>**Attikamagen Formation**
Gray shale, siltstone</td><td>**Katsao Formation**
Quartz-biotite-feldspar and gneiss</td></tr>
<tr><td colspan="6">--------------------------- unconformity Contact ---------------------------
Archean
Ashuanipi Archean Complex
(Mafic, intermediate and felsic migmatitic ortho and paragneiss)</td></tr>
</table>

7.1.1.1 The Ashuanipi metamorphic complex:

This Neoarchean granulite-facies unit (Van Gool & al, 2009), which out-crops widely in the adjacent Superior Province north of the Grenville Front, consists of a complex of coarsely layered, mafic, intermediate and felsic, migmatitic orthogneiss and paragneiss that has yielded crystallization and metamorphic ages ranging from 2700 to 2650 Ma (James, 1997).

It is overlain by the Knob Lake Group, a mid-Paleoproterozoic cover sequence, and both the Archean and Paleoproterozoic rocks are intruded by dykes and sills of the Mesoproterozoic Shabogamo Gabbro.

7.1.1.2 The Knob lake group:

The classical stratigraphic organisation of the Knob lake group (Table 6) in the central domain of the Labrador Trough and in the Gagnon Terranes, as described by various authors (Fahrig (1967), Gross (1968), Dimroth (1970) and Muwais (1974), Clark and Wares (2005) and Van Gool & al (2009)), is organized as follows, from oldest to youngest:

The **Attikamagen Fm.** is the oldest stratigraphic metasedimentary rock sequence within the Knob Lake Group, unconformably overlying the Archean Ashuanipi Metamorphic Complex. The formation can reach up to 300m in thickness and consists predominantly of brownish to creamy coloured banded, medium to coarse-grained quartz-feldspar-biotite muscovite schists and lesser gneisses. Accessory minerals include chlorite, garnet, kyanite and calcite (Gross, 1968). This thick unit of quartzofeldspathic gneiss and metapelitic schist is interpreted to have formed from deep shelf and slope clastics. In certain locations of the northern New Quebec orogen and in southeastern portions of the Gagnon Terranes, deeper water basins contain metavolcanic rocks of mafic affinity (Hellancourt formation?, Mackay River formation (see below)), corresponding to sub marine volcanic activity interpreted as a rifting episode along the continental margin (Wardle & bailey, 1981). In the southeast, the unit has undergone partial melting and migmatitic leucosomes are widespread (Van Gool & al, 2009).

The **Denault Fm.** is composed of coarsely recrystallized dolomitic marble up to 75 m thick, commonly with dolomite, calcite ± quartz with minor calc-silicate phases (tremolite, diopside, talc). Rare fluorite- and phlogopite-rich layers have been reported (Connelly et al., 1996) and relict stromatolites are present near the Grenville Front north of Sawbill Lake (Brown et al.1992). The Denault Formation, which conformably overlies the Attikamagen Formation, is interpreted as a reef deposit that formed on the edge of the continental shelf (in Van Gool & al, 2009).

The **Mackay River Fm.** is an informal name for thin lenses (<100 m) of layered mafic supracrustal rocks that occur at various stratigraphic levels. North of Shabogamo Lake (Northeast of Labrador City), it consists of chlorite, actinolite, albite ± calcite greenschist, whereas in the higher thrust sheets it is a layered amphibolite with the assemblage hornblende_ plagioclase, garnet ± pyroxene. The unit is inferred to have a tuffaceous protolith (Van Gool & al, 2009) and is not present in the Fermont area.

The **Wishart Fm**. comformably overlies the Denault Formation and locally unconformably overlies the Attikamagen Formation. This unit is a coarse-grained quartzite with thin pelitic (quartz _ muscovite ± kyanite) horizons near the base of the formation and thin quartz pebble conglomerate layers near the top. It consists of a 60 to 90 m thick sequence of white, massive to foliated quartzite that is typically resistant to weathering and erosion forming prominent hills in the Wabush Lake region. It shows considerable lateral variations in thickness and has been interpreted as a littoral deposit (Wardle and Bailey, 1981).

The Wishart Formation can be subdivided into the Lower, Middle and the Upper Members based on variation in composition and texture.

- The ***Lower Member*** consists of white to reddish brown coloured quartz-muscovite schists with varying percentage of garnet and kyanite.
- The ***Middle Member*** is a coarsely crystalline quartzite, often an orthoquartzite, which is generally massive to banded. Accessory minerals include carbonates, amphiboles (varying from tremolite and/or anthophyllite to grunerite and/or cummingtonite), garnets, micas (muscovite, sericite and biotite) and chlorite. Intervals of iron-rich carbonates or their weathered products, limonite and goethite may also occur.
- The ***Upper Member*** exhibits a gradational contact with the overlying Sokoman Fm, and generally consists of bands of carbonate alternating with bands of quartzite. The presence of thin layers of muscovite and biotite schist (pelitic layers) is common. Accessory minerals include grunerite, garnets, kyanite and staurolite.

The **Sokoman Fm.**, also known as the Wabush Fm. consists of banded iron formation and is the ore-bearing formation in the Wabush Lake - Mount Wright area. This unit is subdivided into Lower, Middle and Upper Members. It is composed of lower (0 to 50 m thick) and upper Fe carbonate, quartzite-Fe silicate members (45 to 75m thick) separated by a middle (45 to 110m thick), cherty, Fe oxide member that is locally thinly laminated, but forms thick, economically mineable layers in the higher thrust sheets.

- The Fe-carbonate–Fe silicate members (Lower and upper members) are typically composed of quartz ± siderite ± ankerite ± grunerite ± ferrosilite (opx) in variable proportions. It consists of coarse-grained, banded quartz carbonate (i.e., siderite, ankerite and ferro-dolomite), combining quartz carbonate with magnetite, and silicates (i.e., grunerite, cummingtonite, actinolite, garnet), and/or quartz carbonate silicate magnetite, and/or quartz magnetite specularite sequences. This member generally contains an oxide band up to 10 m thick near the upper part.

- The Fe oxide member (middle member) consists of quartz, hematite ±magnetite (Klein, 1966) and traces of manganese (rhodochrosite and pyrolusite). It is generally a thick sequence combining quartz magnetite, and/or quartz specularite magnetite, and/or quartz specularite magnetite, carbonate, and/or quartz, specularite, magnetite anthophyllite, gneiss and schist sequences. Actinolite and grunerite-rich bands may be present in this member. The upper part of the middle member is predominantly comprised of coarser grained quartz specular hematite iron formations. Supergene alteration is locally underlined by the presence of martite, limonite and goethite.

Regionally, the Sokoman Formation conformably overlies the Wishart Formation, but also locally shares its basal contact with the Denault, Mackay Lake, and Attikamagen Formations, and the Ashuanipi Metamorphic Complex.

The Sokoman Formation is a platformal deposit that, prior to Grenvillian deformation was bounded to the northwest by the Archean basement and to the southeast by the carbonate reef of the Denault Formation (Van Gool & al, 2009).

Menihek Formation. This unit forms the top of the Knob Lake sequence, and is a semi-pelitic to pelitic schist, commonly rich in graphite and biotite and dark-grey to black in color at low metamorphic grade. At high grade, it is migmatitic and the quartz, plagioclases _ K-feldspars _ garnet _ kyanite_ leucosome mineralogy is similar to that of the Attikamagen Formation rendering the two units difficult to distinguish in hand specimen.

From its appearance at lower grade metamorphism in the New Quebec Orogen, Wardle and Bailey (1981) inferred that the Menihek Formation was deposited in deep water, and it has been variably interpreted as a foredeep deposit (Hoffman, 1987), as the fill in a transtensional volcanic basin over a subduction zone (Hoffman, 1990) or, on the basis of the geochemistry of associated basalts, as the fill in a dextral transtensional basin on the continental margin (Skulski et al., 1993).

The Knob Lake sequence was deposited unconformably on the Archean basement. In a few outcrops in the foreland to the New Quebec orogen, the original undisturbed contact between the basement and overlying Sokoman Formation is preserved. However, within the Grenville Province the basement-cover interface is commonly the site of strain localization and original contact relationships are generally obscured.

Shabogamo Gabbro. Intrusions of the Mesoproterozoic Shabogamo Gabbro (1452 +15/_13 Ma) (Connelly and Heaman, 1993) occur in both the Archean basement and its Paleoproterozoic cover within the Gagnon Terranes and also in the structurally overlying Molson Lake terrain. Within the Gagnon Terranes, they typically consist of medium to coarse-grained, coronitic, olivine gabbro [Gower et al., 1990] variably overprinted by amphibolite-facies mineral assemblages. Field relations suggest that the intrusions are sills within the supracrustal Knob Lake Group, but their size and number increase toward the southeast of the area and they occur as large dykes and small plutons in the Molson Lake terrain.

A revised nomenclature for the Kaniapiskau Supergroup, north of the Grenville front, was proposed by Clark and Wares (2005) considering:

- The chrono-stratigraphical equivalences between different formations at a regional scale,
- The reclassification of sub-group into group according to The North American Stratigraphic Nomenclature (1983).

It was proposed that the name "Knob Lake Group" be abandoned and that the Ferriman Group be redefined as the autochthonous-parautochthonous sequence of the second cycle. Table 7 shows the nomenclature changes that's could be useful at a regional scale. For the purposes of this report, PJLGC Inc. conserves the older nomenclature used by Fancamp exploration Ltd in their geological work, to facilitate the use of their data.

7.1.2 Paleogeographical setting:

The Knob lake group in the New Quebec Orogen is part of the Kaniapiskau Supergroup where three cycles (Table 7) of sedimentation and volcanism have been identified (Frarey and Duffell, 1964). The cycles thicken eastwards and are separated from each other by erosional unconformities (Dimroth *et al.,* 1970a; Wardle and Bailey, 1981; Le Gallais and Lavoie. 1982; Hoffman, 1987; Clark, 1988; Clark and Thorpe, 1990; Clark, 1994).

The first cycle is composed of an intracratonic rift basin sequence overlain by a passive margin sequence. They lie discordantly on the Superior craton and begin with an immature, continental rift sequence (Seward Group sandstones and conglomerates). Mafic, weakly alkalic volcanic activity was contemporaneous with sedimentation. This sequence was deposited about 2.2 Ga ago as a result of rifting of the Archean continent along the northeastern margin of the Superior Province (e.g., Hoffman, 1988; Wardle *et al,* 2002).

Following deposition of immature sediments and volcanic rocks in the NW-SE rift in the foreland of the orogen, sandstones and dolomites (Pistolet Group) were deposited on a passive margin platform. The sequence is overlain by the shallow-water rocks of a dolomitic reef complex (dolomites of the Denault Formation), indicating the establishment of a platform and a marine regression at the end of the first cycle (Hoffman and Grotzinger, 1989).

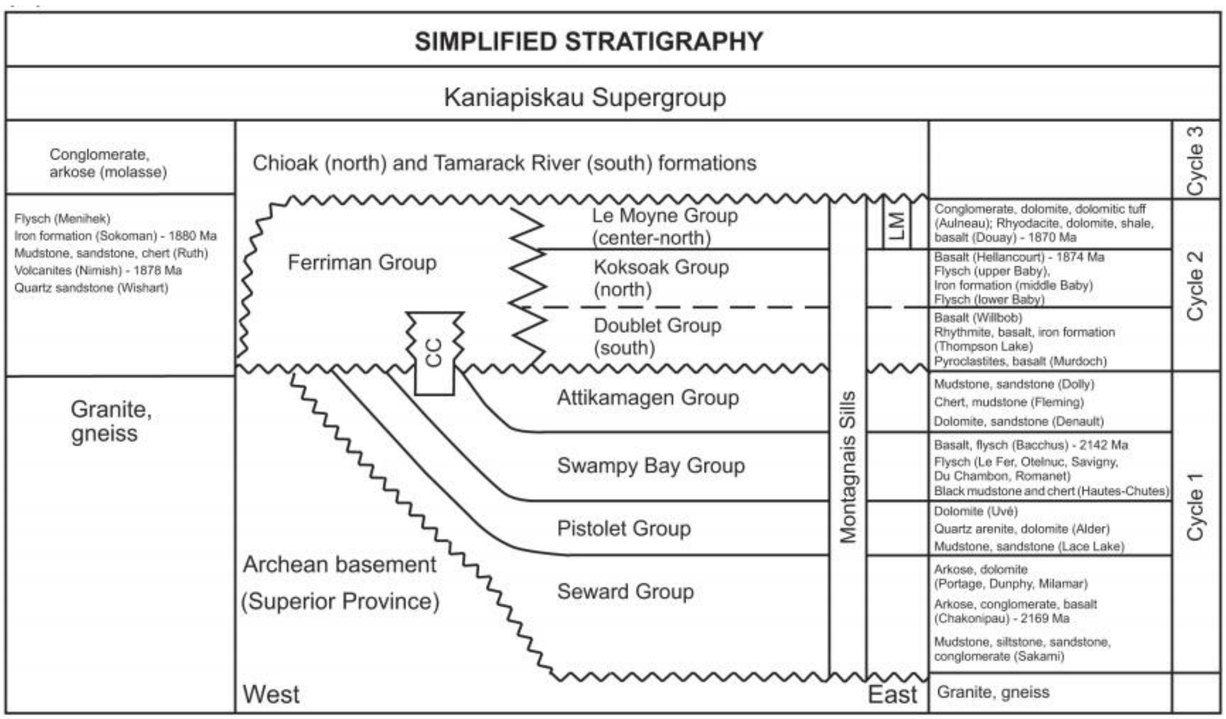
The second cycle, whose age is 1.88-1.87 Ga, includes a transgressive sequence composed of platform sediments (Wishart Formation “sandstone” and Sokoman Formation “iron formation”) and turbidites (Menihek Formation “sandstone and mudstone”). These rocks unconformably overlie the Superior craton and first cycle rocks (Dimroth, 1978).

The second-cycle platform sequence is unconformably overlain, in the north of the Trough, by the Chioak Formation and, in the south, by the Tamarack River Formation. These formations are composed of synorogenic molasse (foredeep sediments), and are now assigned to a **third sedimentary cycle** (Hoffman, 1987. 1988).

These formations in the central part of the Trough (cycles 1 and 2) are intruded by numerous tholeiitic, mafic-ultramafic sills classified under the general name of "Montagnais Sills" (termed "Montagnais Group" by Baragar, 1967, and Dimroth, 1978). These sills are contemporaneous and comagmatic with associated volcanic rocks (St. Seymour *et al.,* 1991; Rohon *et al.,* 1993; Skulski *et al.,* 1993; Findlay *et al..* 1995). In addition, a large carbonatite intrusion (the Le Moyne Intrusion; Birkett and Clark, 1991) was emplaced near the end of the second cycle, in the upper part of the sequence.

The tectonostratigraphic environment of the Knob Lake group indicates the presence of an initial rifting of the Archean nucleus which was locally accompanied by the emplacement of ultramafic layered sills, the accumulation of komatiitic and alkalic basalts and the deposition of banded iron formations.

Table 7 Simplified stratigraphy of the foreland of the new Quebec orogen, subdivided in three cycles considering the new lithological group changes . (After Clark & al, 2005).



7.1.3 Regional Structural geology

As described in a recent synthesis of the evolution of the northeastern part of the Canadian Shield (Wardle & al., 2002), the southeastern Churchill province was formed as a result of the oblique collision of an Archean core zone between the Archean Superior and Nain provinces., where the New Quebec and Torngat orogens mark the collision zones.

Thus, the New Quebec orogen (Labrador Trough) resulted from the collision, 1.82 to 1.77 billion years ago (Hudsonian Orogeny), of the superior craton and its marginal cover of Paleoproterozoic strata with the core zone, creating a foreland fold and thrust belt marked by a series of imbricate thrusts. Based on stratigraphic juxtapositions, these thrust faults may have stratigraphic throws of several thousand meters.

According to the geological synthesis by Clark and Wares, (2006) of the volcano-sedimentary Hudsonian fold and thrust belt, an overview of the structural style defined numerous lithotectonic zones in the Trough, separated from each other by major thrust faults, composed of either autochthonous/para-autochthonous or allochthonous assemblages.

Most of the structures in the fold belt are attributed to oblique-dextral collision between the Archean core zone of the orogen, to the east, and the Superior Province, to the west (Hoffman, 1989, 1990b; Wardle *et al.,* 1990b, 2002). The tectonic fabric in the fold belt is oriented NNW-SSE, and folds plunge generally towards the SSE at an average angle of about 15°. Structures related to the collision include map-scale folds and various generations of thrust faults.

The Grenville orogeny (1.16 – 1.13 Ga (Emslie and Hunt, 1989)) compressed the southwestern part of the Labrador Trough into the Gagnon Terranes in the Grenville Province**.** The degree of metamorphism in this succession of rocks increases to the southwest to amphibolite facies, and to granulite facies in some areas close to the marginal belt.

A second order of folding and deformation related to the Grenville orogeny (1.0 - 0.8 Ga) has been superimposed over the isoclinal fold and imbricate structures of the successions of Early Proterozoic formations and associated rocks that are traced southward into the Grenville tectonic belt (Gross, 2009). This deformation resulted in medium to high metamorphic facies on the older deformed and metamorphosed Labrador Trough geology. In many places the structural style reflects interference between several generations of folds. Dome and basin structures are fairly common.

Recent studies in the Gagnon Terranes (Van Gool & al , 2009) outline the evolution of this metamorphic, parauthochthonous imbricated fold-thrust belt involving under-thrusting beneath a crustal-scale orogenic wedge during the terminal stages of the Grenvillian Orogeny.

Based on structural and metamorphic data Van Gool & al, (2009), indicated that D_1 structures formed at peak pressures during basal accretion to the overriding orogenic wedge, whereas D_2 structures developed within the wedge during its displacement toward the foreland in a sinistral transpressive setting. The fold-thrust belt developed sequentially on two levels: a thin-skinned, cover-dominated thrust system preceded and overlies a thick-skinned, basement-dominated system. The D3 cross-folds postdated normal faulting at the top of the wedge and formed during gravitational collapse.

7.1.4 Local geology

As mentioned above, the Labrador Trough can also be divided into three geological domains, thus Northern, Central and Southern Domains. The Southern terrain is considered equivalent to the Gagnon Terranes

The regional geological map of Figure 6 (Map # M-389 of DV 84-01, MRNFQ) is broadly representative of the southern domain of the Labrador Trough (the Gagnon Terranes) which includes the Lac Lamêlée South Property. This southern domain is defined by the northern limit of the Grenville Orogenic Belt, regionally marked by the biotite metamorphic isograd, which represents the northernmost expression of the Grenville Orogenic Belt (along the Grenville Front).

7.1.4.1 Stratigraphy

Immediately south of the front the Knob Lake rocks swing southwesterly, forming a broad belt parallel to the front direction. These rocks are part of the Gagnon Terranes and are considered to constitute part of the Para-autochthonous Belt of the Grenville Orogen. Two lithostratigraphic assemblages with distinct ages (Hocq, 1994) constitute this Terranes: migmatitic paragneiss and mixed-lithology metasedimentary rocks. The Archean Ashuanipi migmatitic paragneiss forms the boundary of the Grenville Front in the Gagnon Terranes, and lies unconformably below the Knob Lake Group.

The sequence is best exposed in the region west of Wabush Lake, extending southwest into the Province of Quebec, and northeast beyond the north end of Shabogamo Lake. The metamorphosed Knob Lake Group extends from the Grenville Front to southwest of the Manicouagan Reservoir, a distance of approximately 350 kilometres. The equivalent rock successions of the Southern and Central domains are shown in the comparative list of Formations in Table 8.

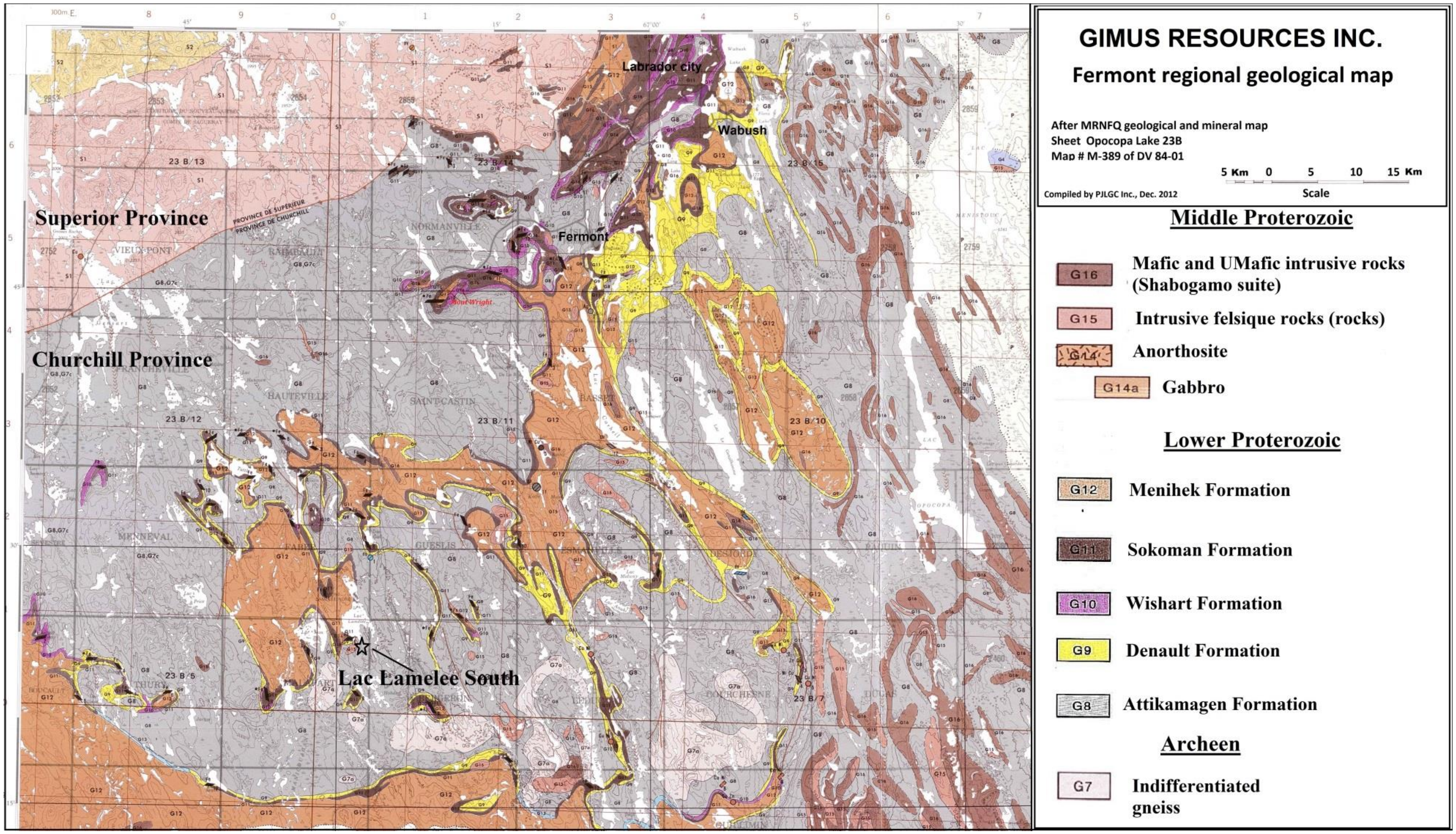


Figure 6 Fermont regional geological map (MRNFQ, 1984)

7.1.4.2 Structural geology and metamorphism

The Knob lake group north of the Grenville Front (Central Domain) has recorded one episode of folding and metamorphism during the Hudsonian Orogeny, resulting in the linear northwest trend of the Labrador Trough. South of the front the Knob Lake group has undergone more complex tectonism in a fold and thrust belt developed during the younger Grenvillian Orogeny (Rivers, 1983a).

The Grenville Orogeny produced three phases of deformation throughout the Gagnon Terranes (Rivers 1983a; Connelly et al., 1996; van Gool, Rivers and Calon, 2008):

- D_1 event, within the Gagnon Terranes, is characterized by a regionally penetrative, shallowly southeast dipping S1 foliation and southeast plunging stretching lineation (L) indicating a northwest directed movement (van Gool, 1992). Developments of penetrative metamorphic fabric(s), tight to open folds, and thrust faults are a result of northwest directed contraction during the Grenville Orogeny, (Rivers, 1983a; Rivers, 1983b; van Gool, Rivers and Calon, 2008).

- D2 structures comprise northwest-verging thrusts and folds that dominate the structural grain of the map area. The D_2 fold and thrusts transpose the D_1 folds, thrusts, and S_1 foliation (van Gool, 1992; Lee, 2001; van Gool, Rivers and Calon, 2008).

- D3 structures recognized in the south and southeastern parts of the Gagnon Terranes and into the overlying Molson Lake Terrain correspond to widely spaced folds, where they give the belt a west to northwest trending structural grain (van Gool, 1992). The D_3 cross-folds postdate normal faulting at the top of the orogenic wedge and formed during gravitational collapse (van Gool, Rivers and Calon, 2008).

The metamorphic gradient within the Gagnon Terranes ranges from greenschist facies in the northwest, to upper amphibolite facies to the southeast. Rivers (1983b) described metamorphism in the area in terms of a single prograde event followed by minor retrogression. Later work (van Gool, 1992) in the Labrador City region, based on garnet-bearing semipelitic mineral assemblages, indicated that the depth of burial increases from northwest to southeast across the Gagnon Terranes thrust belt. It was shown that isograds defining six metamorphic zones did not coincide with the five major thrust-bounded lithotectonic domain boundaries, and suggested that the metamorphic zones were not necessarily structurally controlled (van Gool, Rivers and Calon, 2008). Van Gool, et al, (2008) also implied that the metamorphic grade increased from northeast to southwest within the lower thrust sheets of the Gagnon Terranes, indicating that peak metamorphism in these thrust sheets postdated thrusting. This work supported earlier work by Klein, (1978) and others who showed that rocks within the southwestern areas of the Gagnon Terranes, in the vicinities of Mt. Reed and Gagnon were metamorphosed to upper amphibolite to granulite facies conditions.

The high-grade metamorphism in the Gagnon Terranes is significant in that it is responsible for recrystallization of both iron oxides and silica in the Sokoman Formation producing coarse-grained quartz, magnetite, specularite schists that are of improved quality for concentrating and processing.

The metamorphism of the Sokoman Iron Formation throughout southwestern Labrador and eastern Quebec has been the subject of several studies (Mueller, 1960; Chakraborty,1966; Klein, 1966, 1973, 1978; Butler, 1969; Dimroth and Chauvel, 1973). Some of these works show that quartz-magnetite, quartz-hematite and quartz-hematite-magnetite assemblages undergo high-grade metamorphism without undergoing mineralogical reactions (Klein, 1973). The same is true for the oxide members of the Sokoman Formation, which consist predominantly of quartz, hematite and magnetite and have undergone only minor mineralogical change (Klein, 1966).

7.2 Property geology

Most of the stratigraphic units of the Gagnon Group occur on the Lac Lamêlée South property, primarily at a relatively high metamorphic grade. The property geology is shown in Table 8. The majority of the data used below are extracted and/or compiled from Fancamp internal geological reports (Mike Flanagan, 2012, 2013). The different interpretations and hypotheses are discussed below.

Table 8 Equivalent rock successions of the Central domain (Knob lake Group of Churchill Province) and Southern domain (Gagnon Terranes of Grenville Province)

<table>
<tr><td colspan="4">MESOPROTEROZOIC
Helkian
Shabogamo Group (Gabbro, amphibolite, gneiss)
--------------------------- Intrusive Contact ---------------------------</td></tr>
<tr><td colspan="4">PROTEROZOIC
Aphebian
Kaniapiskau</td></tr>
<tr><td>**Churchill Province**</td><td></td><td colspan="2">**Grenville Province**</td></tr>
<tr><td>*Central and Northern domain
(Low-Grade Metamorphism)*</td><td></td><td></td><td>*Southern domain
(High-Grade Metamorphism)*</td></tr>
<tr><td>**Menihek Formation**
Black shale, siltstone</td><td></td><td rowspan="5">***GAGNON TERRANES***</td><td>**Nault Formation**
Graphite, chloritic and micaceous schist</td></tr>
<tr><td>**Sokoman Formation**
Cherty iron formation</td><td></td><td>**Wabush Formation**
Quartz magnetite-Hematite-specularite-carbonate / ***Iron formation***</td></tr>
<tr><td>**Wishart Formation**
Quartzite, siltstone</td><td></td><td>**Carol Formation**
Quartzite, quartz-muscovite-garnet-kyanite schist</td></tr>
<tr><td>**Denault Formation**
Dolomite, calcareous siltstone</td><td></td><td>**Duley Formation**
Dolomite, Calcite ± Quartz with minor calc-silicate phases</td></tr>
<tr><td>**Attikamagen Formation**
Gray shale, siltstone</td><td></td><td>**Katsao Formation**
Quartz-biotite-feldspar and gneiss</td></tr>
<tr><td colspan="4">--------------------------- unconformity Contact ---------------------------
Archean
Ashuanipi Archean Complex
(Mafic, intermediate and felsic migmatitic ortho and paragneiss)</td></tr>
</table>

7.2.1 Lithostratigraphy

Table 8 below shows the equivalent rock successions of the Central domain (Knob lake Group of Churchill Province) and Southern domain (Gagnon Terranes of Grenville Province)

Katsao (Attikamagen) Formation:

The oldest rocks on the property consist of the oldest formation in the Gagnon group , the Katsao formation (Attikamagen) and correspond to quartzofeldspathic gneiss with variable amphibole and biotite content.

The most significant feature of this formation is that it is nearly always altered and strongly foliated when intersected in drilling. The alteration is typically a kaolinization of feldspars and amphibolitization of mafic minerals.

These gneisses are overlain mainly by quartzite and/or marble and dolomitic marble of the Carol (Wishart) and Duley (Denault) Formations respectively.

Carol (Wishart) and Duley (Denault) Formations:

These two stratigraphic units are combined as a single intercalated unit within the property, dominated by quartzite with a maximum thickness of about 50 metres. Locally, dolomitic marble was intersected in significant thicknesses.

Wabush (Sokoman) Formation:

As it is known at the regional scale, the iron ore-bearing Wabush formation (Sokoman) constitutes the host horizon for Fe mineralization, showing lateral variations in width, lithologies, and iron minerals (content and nature).

Two major facies of Fe oxide silicate units host the iron mineralization in the Wabush Formation of the Property:

- The Fe oxide + quartzite unit; finely bedded (Photo 1) and referred to as **Banded Iron Formation (BIF).**

The Fe oxide + quartzite + pyroxene unit; finely bedded and referred to as Quartz-Pyroxene-Magnetite (“QPyrxM”). **This unit is similar in texture to the BIF but contains contains greater than 30% pale olive green pyroxene (**

- Photo 2).

The Fe oxide silicate units consist primarily of quartz, with magnetite and/or hematite (specularite) in varying proportions. Chapter 7.3 describes the iron mineralization in more detail.

The Quartz-Pyroxene-Magnetite unit (“QPyrxM”) is generally associated with the Fe oxide silicate members and occurs throughout the formation at various intervals. This unit is characterized by a significant proportion, up to about 50%, of pale olive green coloured pyroxene rich bands intercalated with pale grey coloured quartzite bands and disseminated to banded magnetite and/or hematite intervals. The “QPyrxM” varies considerably in its iron oxide content but on average contains about 15 to 25% magnetite and occasionally may contain hematite. Although visually distinct, the contacts between the two facies are often gradational (Photo 6).

Photo 1 Magnetite banded iron formation

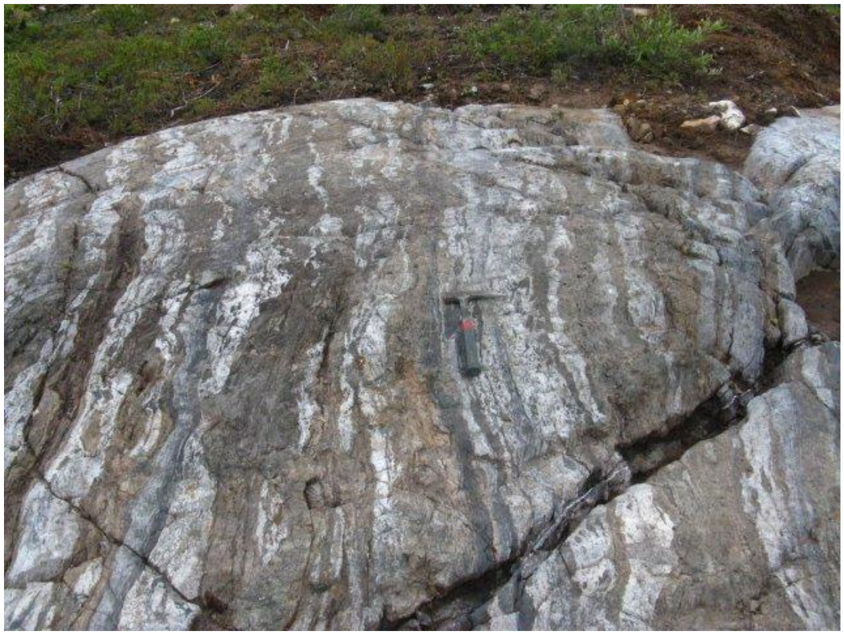


Photo 2 “QPyrxM” (Quartz-Pyroxene-Magnetite), mineralized facies

Apart from these two major facies, we note the presence of a **Carbonate Iron Formation (CIF)** unit. The CIF unit is an infrequent component most often encountered within the “QPyrxM”. It is similar in appearance to the “QPyrxM” but has a pale yellowish-grey colour in bands between the pyroxene rich bands, indicative of iron-magnesium rich carbonate. This unit may contain magnetite in places and most commonly occurs towards the base of the stratigraphy.

At the scale of the property and particularly in the eastern part (Mountain Pond), the Wabush (Sokoman) Formation is informally subdivided into a **Lower Fe oxide-silicate member** (Banded Iron Formation “BIF”) and an **Upper Fe oxide-silicate member** (BIF) locally separated by a geochemically and visually distinctive magnesium-iron pyroxene rich **ultramafic rock (UMF)**, termed “Popcorn rock” (M. Flanagan, 2013) for its characteristic weathering texture. This unit may sometimes contain a few percent of magnetite. Generally located within the Wabush unit, the UMF typically consists of medium to coarse-grained, porphyroblasts of pale pinkish-grey to yellowish-grey coloured orthopyroxene as the predominant mineral. This unit is described in further detail below. Field relations suggest that the intrusions are sills within the Gagnon Terranes.

The structural complexity, combined with the nature of the original depositional basin and the considerable degree of lateral facies change, gives rise to a juxtaposition of the various units described above.

The Wabush formation is overlain by the youngest formation of the group, the Nault (Menihek) Formation.

Nault (Menihek) Formation:

As is it recognized regionally, the Nault Formation is generally a dark coloured schist, termed paragneiss and/or amphibolite, containing variable proportions of quartz-feldspar-pyroxene-hornblende-biotite-muscovite-garnet. This formation consists of a variety of rock types including some intervals of magnetite iron formation, but is primarily characterized by a dark coloured, medium to fine grained well foliated gneiss, rich in biotite, muscovite, garnet, quartz, pyroxene/amphibole and feldspar.

In the transition between the 91-92 and the Mountain Pond zones there occurs a significant volume of tonalitic gneiss within the Nault formation. This unit is described as a well foliated, medium grained, whitish to pale grey coloured rock with substantial proportions of muscovite and biotite and rare patches of garnet.

Dykes, quartz and pegmatite veins are relatively common in the transition between the 91-92 and Mountain Pond zones within the Nault formation. Several drill holes intersected granitic rocks in this area as well (M. Flanagan, 2013).

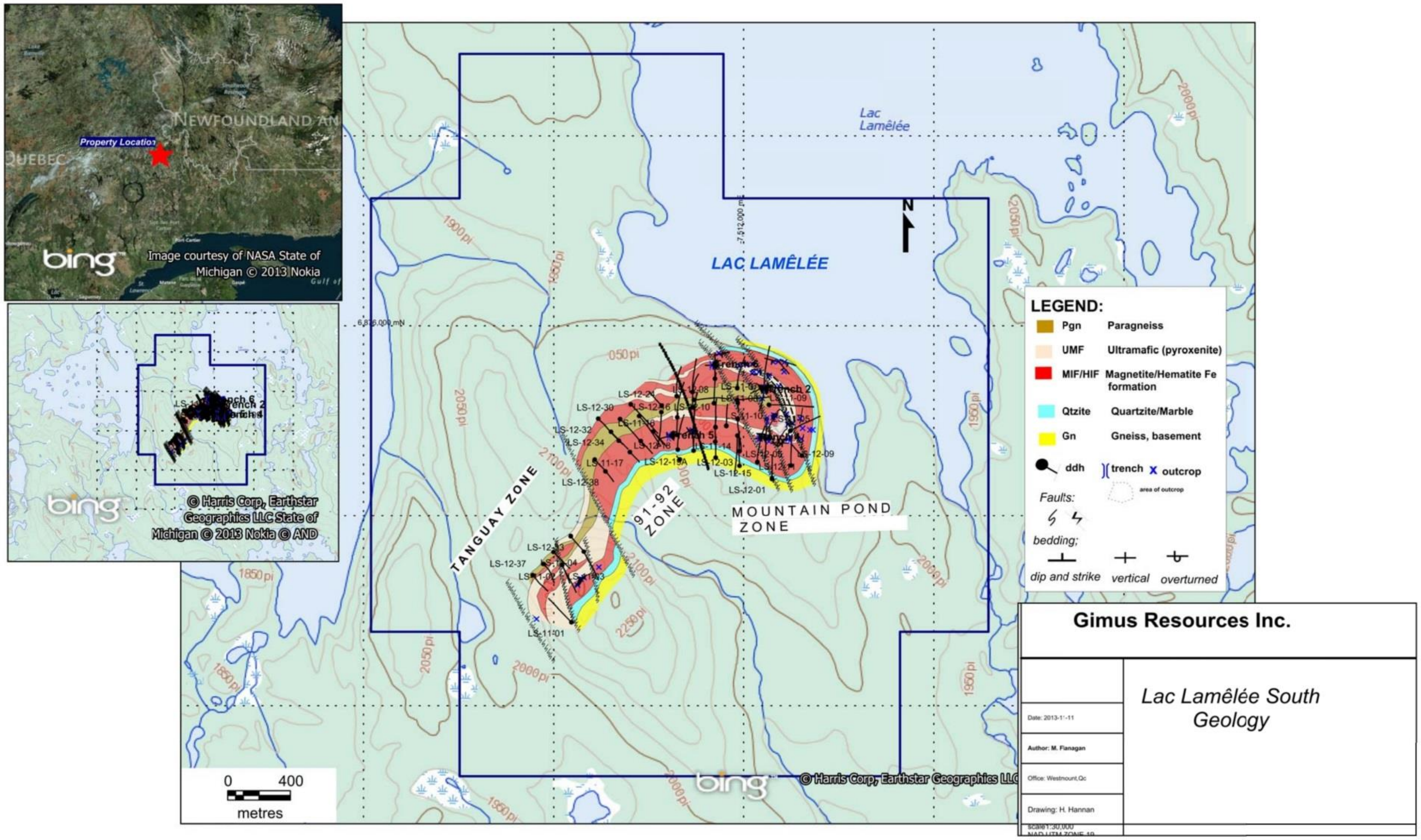


Figure 7 Geological map of the Lac Lamêlée South Property

Pyroxenite Ultramafic unit (Popcorn Rock)

Recognized within the mineralized bearing horizon (Wabush Formation) at surface and in drill holes, this unit occurs interlayered with the different units of the Wabush Formation (BIF and “QPyrxM” units).

At a macroscopic scale, this unit has a very distinct porphyroblastic (glomeroporphyritic) texture, with porphyroblasts forming “rosettes” 0.5 to 2 cm in size and locally up to 10cm in diameter composed of pale pinkish-grey to yellowish-grey coloured orthopyroxene in a finer grained pale olive green coloured matrix. Microscopic study of 6 thin sections shows that this ultramafic unit typically contains orthopyroxene as the predominant mineral with variable amounts of medium grained chondrodrite, olivine, disseminated fine grained magnetite, spinel, and occasional fine grained apatite and rutile (M. Flanagan, 2013).

Field relations (folded in the mega-syncline) suggest that the intrusions seem to be sills within the Gagnon Terranes before the second deformation D2 of Grenvillian orogeny.

7.2.2 Structure

The major structural element of the Lac Lamêlée South Property is a major syncline, recognized regionally by airborne geophysical surveys (airborne mag), and in the field by differents authors, since the 1950’s. Recently mapped in its entirety for the first time by Fancamp geologists (Figure 7), the structure shows a curvilinear geometry to its axial plane and extends northeast-southwest for about 2.5 km with a width of about 700 m. To complement this mapping a ground magnetic survey was also completed to assist in mapping and in targeting drill holes (Figure 8 M and Figure 9).

This structure is host to the iron mineralization and has been divided from northeast to southwest into three distinct zones (M. Flanagan, 2013), referred to as the “Mountain Pond” zone to the northeast, the centrally located “91-92” zone, and the “Tanguay” zone in the southwest, west of the regional strike-slip sinistral fault (Figure 6).

The Mountain Pond zone is comprised of a steeply south dipping, steeply west-northwest plunging, tightly folded to isoclinal syncline with a curvilinear axial plane striking east to southeast and dipping steeply to the south-southwest. The “Mountain Pond Zone” shows the periclinal structural closure, which corresponds to the eastern limit of the large syncline mentioned above (Figure 7).

The parallel “bedding-foliation” (S_0-S_1) on the north and south limbs of this structure dip steeply (70 degrees) to the south. Near the eastern limit of the property, in the major fold hinge zone, the S_0-S_1 fabric shows the development of a crenulated schistosity S_2, (Photo 3) with intersection lineation plunging steeply to the northwest, parallel to the fold hinge axis of the major fold structure. Thus, in the north and south limbs, parallelism exists between, bedding- foliation S_0-S_1 and the S_2 crenulation.

At outcrop scale, the D_2 event is also represented by S_2 crenulations. Boudinage and small scale shearing across the banding of the S_0-S_1 fabric are visible in the limbs. S_1-S_2 interference lineations and D_2 fold axes generally plunge steeply to the west and northwest. D_2 folding is tight to isoclinal, with a crenulation schistosity along the axial plane and the fold axis plunging steeply to the west with the axial plane of the D_2 fold structure generally dipping steeply to the south. (Photo 4)

The 91-92 Zone is distinguished from the Mountain Pond zone by a change in dip of the axial plane. In this zone, the axial plane of the mega structure dips steeply to the northwest with a change in the strike of the stratigraphy and structures toward the southeast. At a small scale, some drill holes of the 91-92 Zone shows the existence of D_2 micro folding with a crenulation schistosity of the axial plane.

Further southwest, the Tanguay zone continues the apparent change in strike of the structures, with a more moderate dip to the northwest (65-70 northwest). This zone is structurally complex and poorly understood. Deformation appears to be more intense and more pervasive and may incorporate some unrecognized Hudsonian folds, thrust and fault structures.

The structural change in the dip of the axial plane of the major D_2 syncline proceeding from northeast to southwest is clearly shown in some Figure 10) of the series of geological cross-sections drawn for the framework of the resource evaluation.

In reference to the regional and local geology (7.1.3 Regional Structural geology) the major syncline on the property is likely of Grenvillian D_{2-1} deformation age (continuum of deformation between Grenvillian D_2 and Grenvillian D_1)

The first stage D_1, expressed on the property by the penetrative schistosity, parallel to stratification (S_{0-1}), may be associated with the New Quebec Orogeny (Hudsonian orogeny), which produced linear belts that trend northwest to NNW. The first and second deformation stage, developed during the Grenville orogeny, reoriented the northwest trending linear belts to the east and northeast.

A third deformation phase recognized on the property was responsible for the open refolding of the axial plane of the major syncline. Thus, from the northeast to the southwest, the strike of the curvilinear axial plane of the major structure migrates from WNW-trending in the east (Mountain Pond zone) to southwest trending (Figure 6) in extreme west (Tanguay zone). The dip of the axial plane migrate from steeply south dipping in the Mountain Pond zone , to vertical and steeply north dipping (Figure 11) in the 91-92 zone, and finally to a steeply north dipping axial plane in the west, in the Tanguay zone (Figure 12).

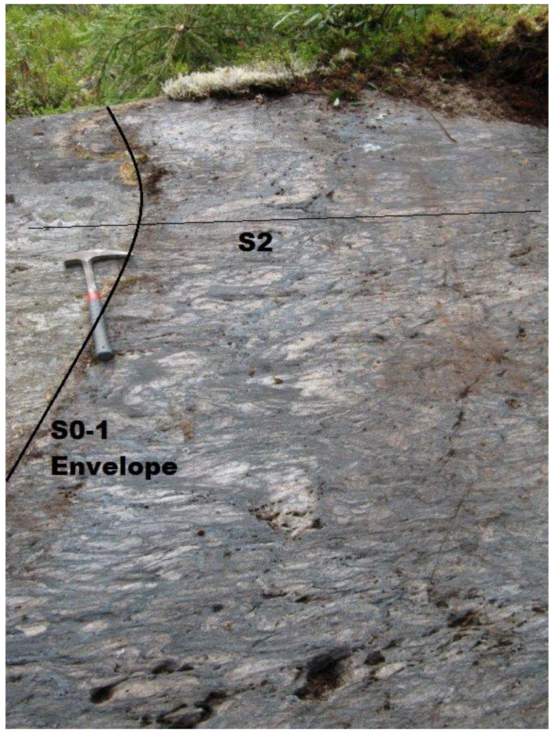


Photo 3 Crenulation schistosity axial plane in the Periclinal structure closure

Photo 4 Crenulation schistosity and D2 folding (Periclinal structure closure)

7.2.3 Metamorphism

The Gagnon Terranes on the property and its surrounding region was deformed and subjected to high-grade metamorphism corresponding to the “limit of upper amphibolite facies-granulite facies within a northwest-verging ductile fold and thrust belt, during the Grenville Orogeny”. The high-grade metamorphism is characterized by the abundance of pyroxene and garnet.

Petrographic work (Mike Flanagan, 2013) on 53 thin sections of a variety of rock types from the property has provided a representative suite of mineral assemblages. The most significant feature of the petrographic work is the nearly pervasive occurrence of orthopyroxene, and to a lesser extent, clinopyroxene in the majority of rock types on the property.

Mineralisation has also been affected by the metamorphism. The iron formation was recrystallized to a quartz specular hematite with varying amounts of magnetite. Hematite mineralization predominates, particularly strongly in the fold hinge zone in the southeastern portion of the Mountain Pond zone (Figure 7 and Figure 8), where the ground magnetic survey shows a lower tenor of magnetism.

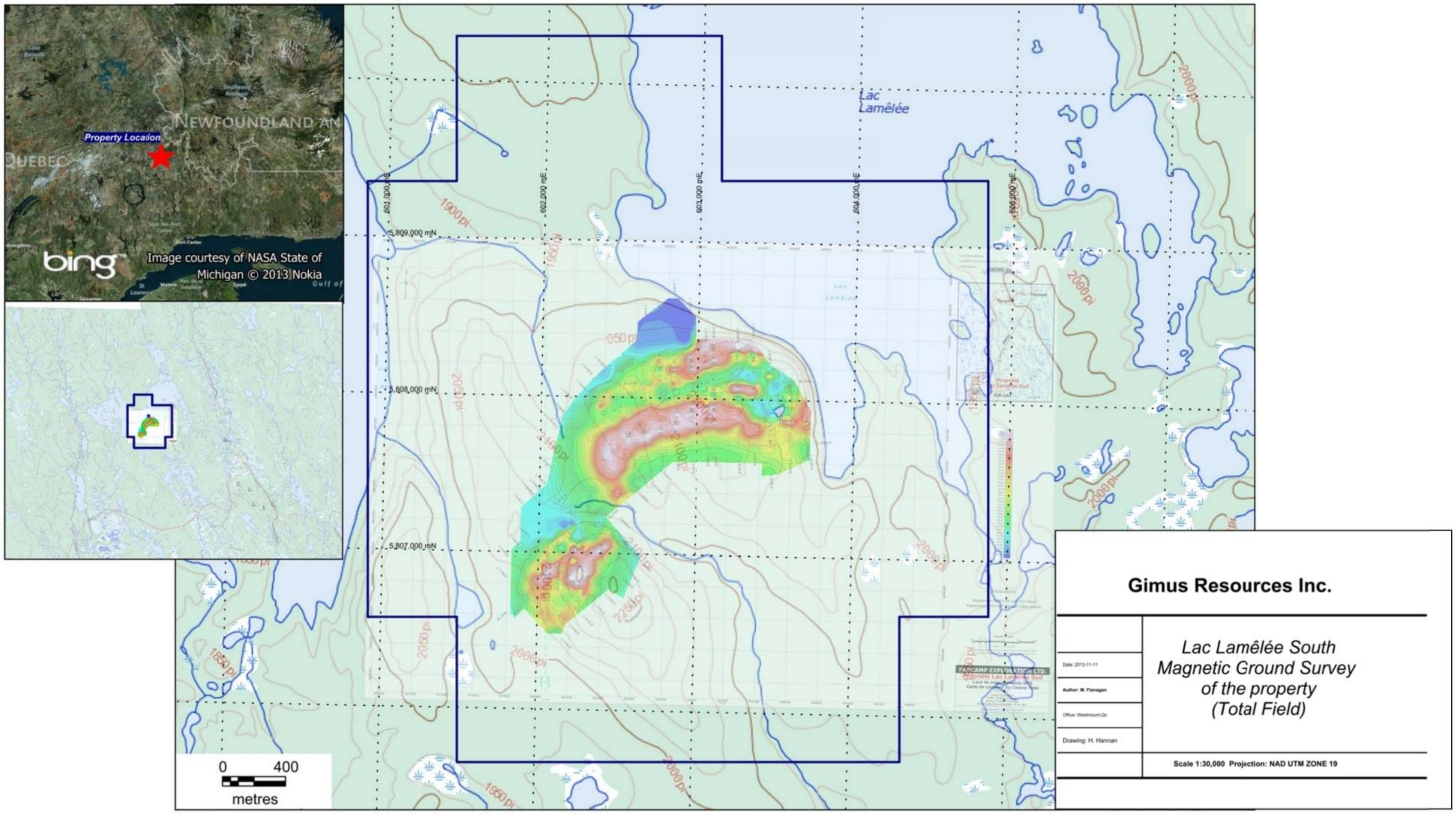


Figure 8 Magnetic ground survey of the property (Total field)

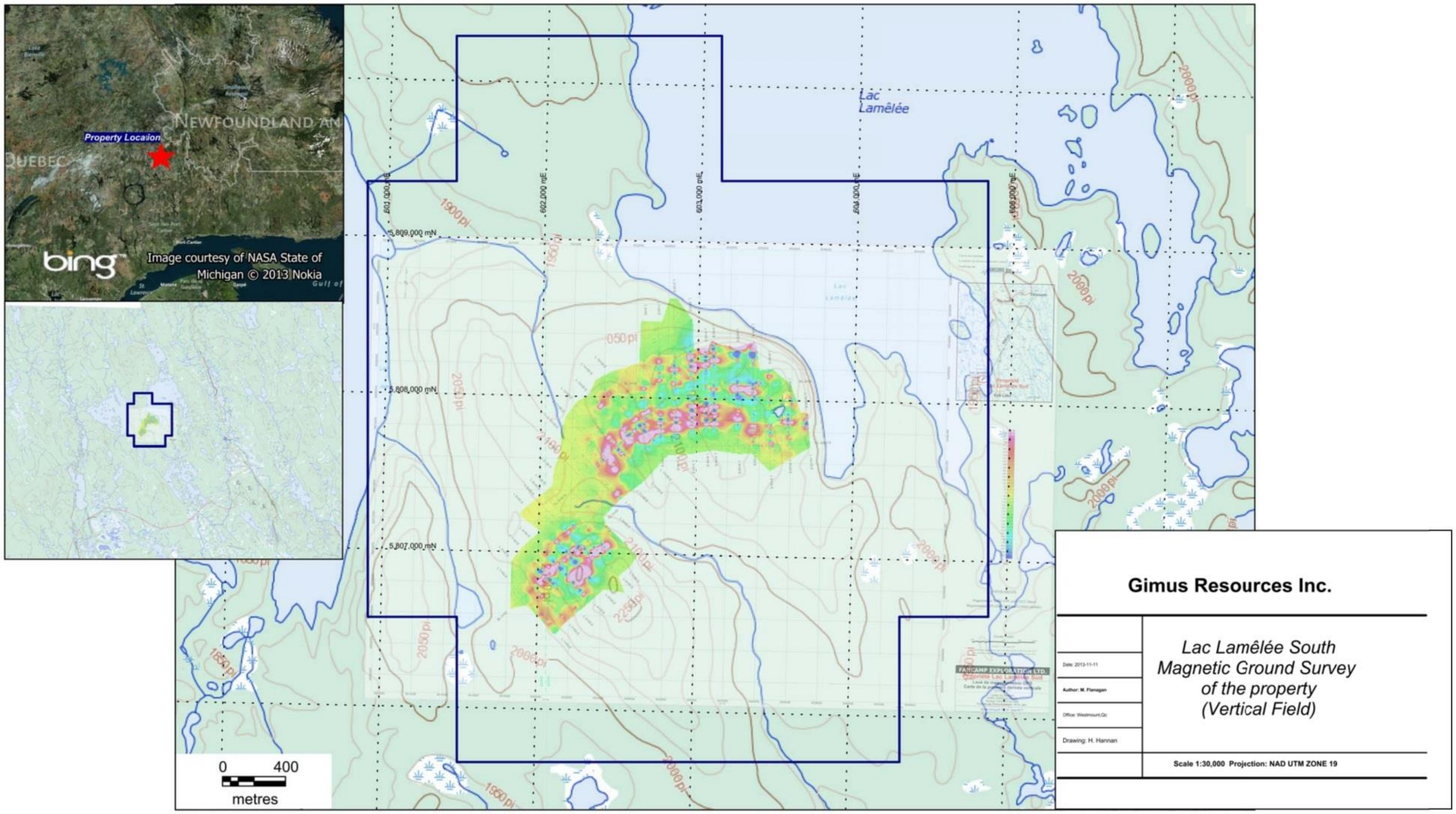


Figure 9 Magnetic ground survey of the property (Vertical Gradient)

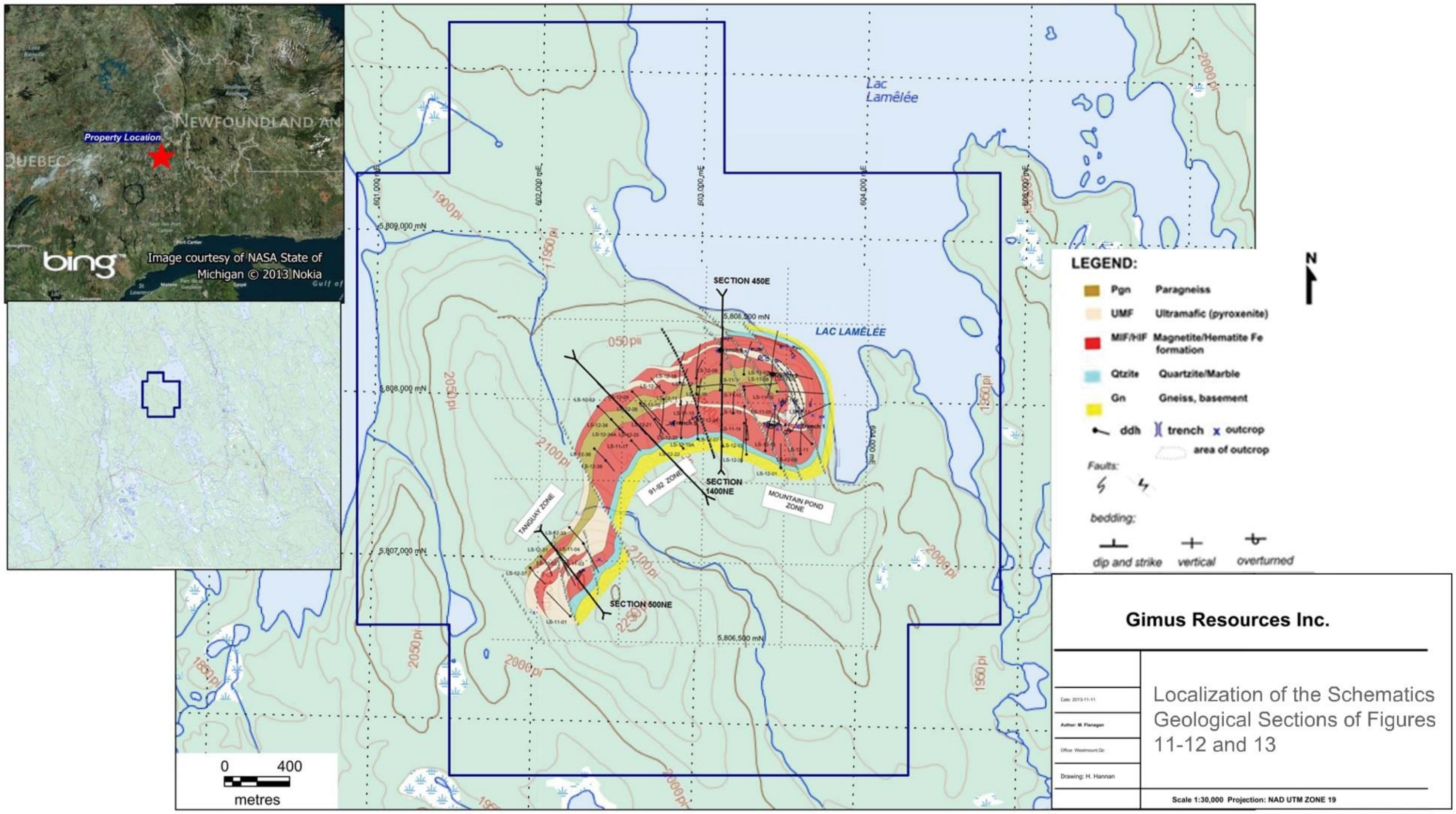


Figure 10 Localization of the schematics geological sections of figures 11-12 and 13

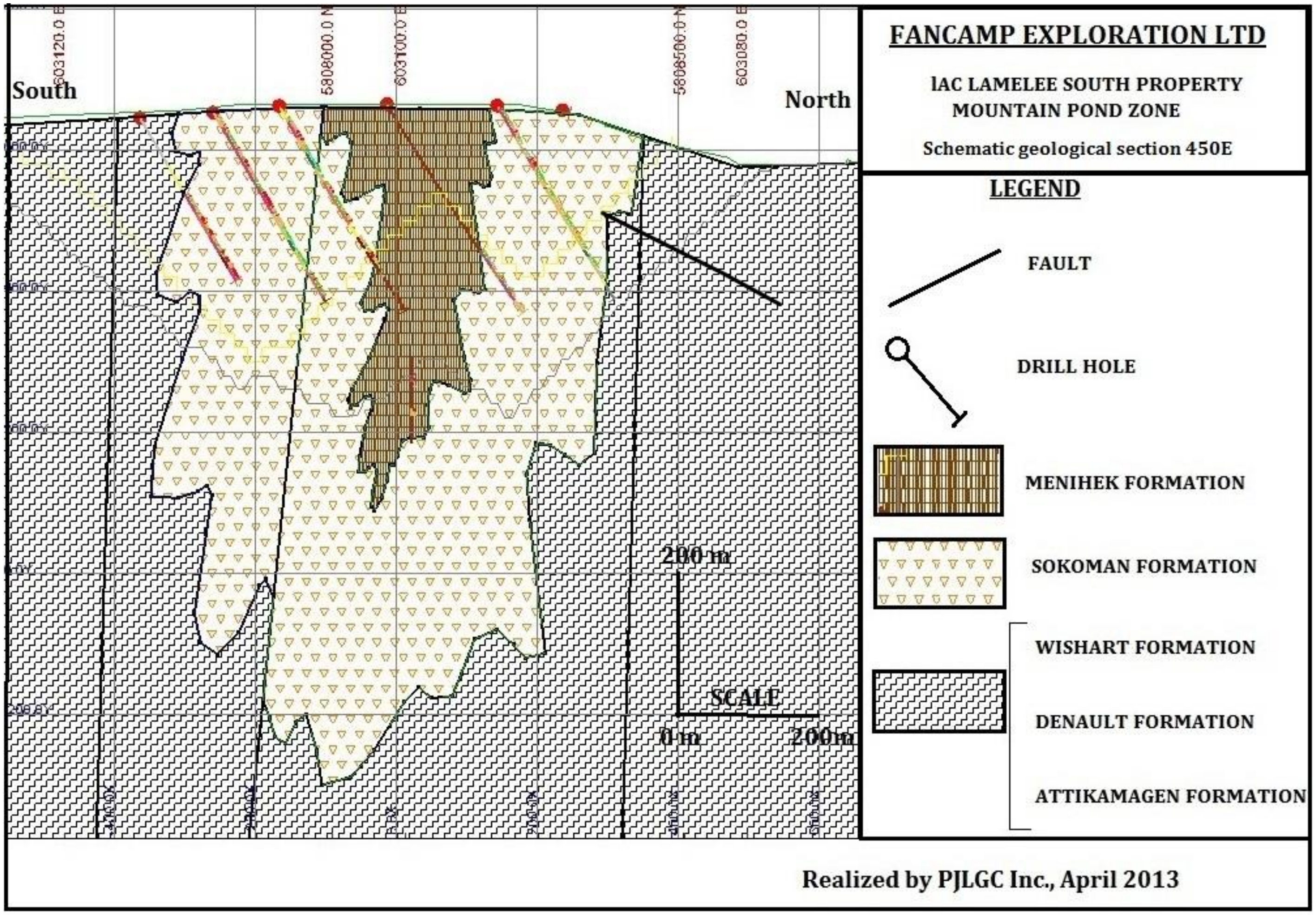


Figure 11 South dip of the structure in the Mountain Pond zone

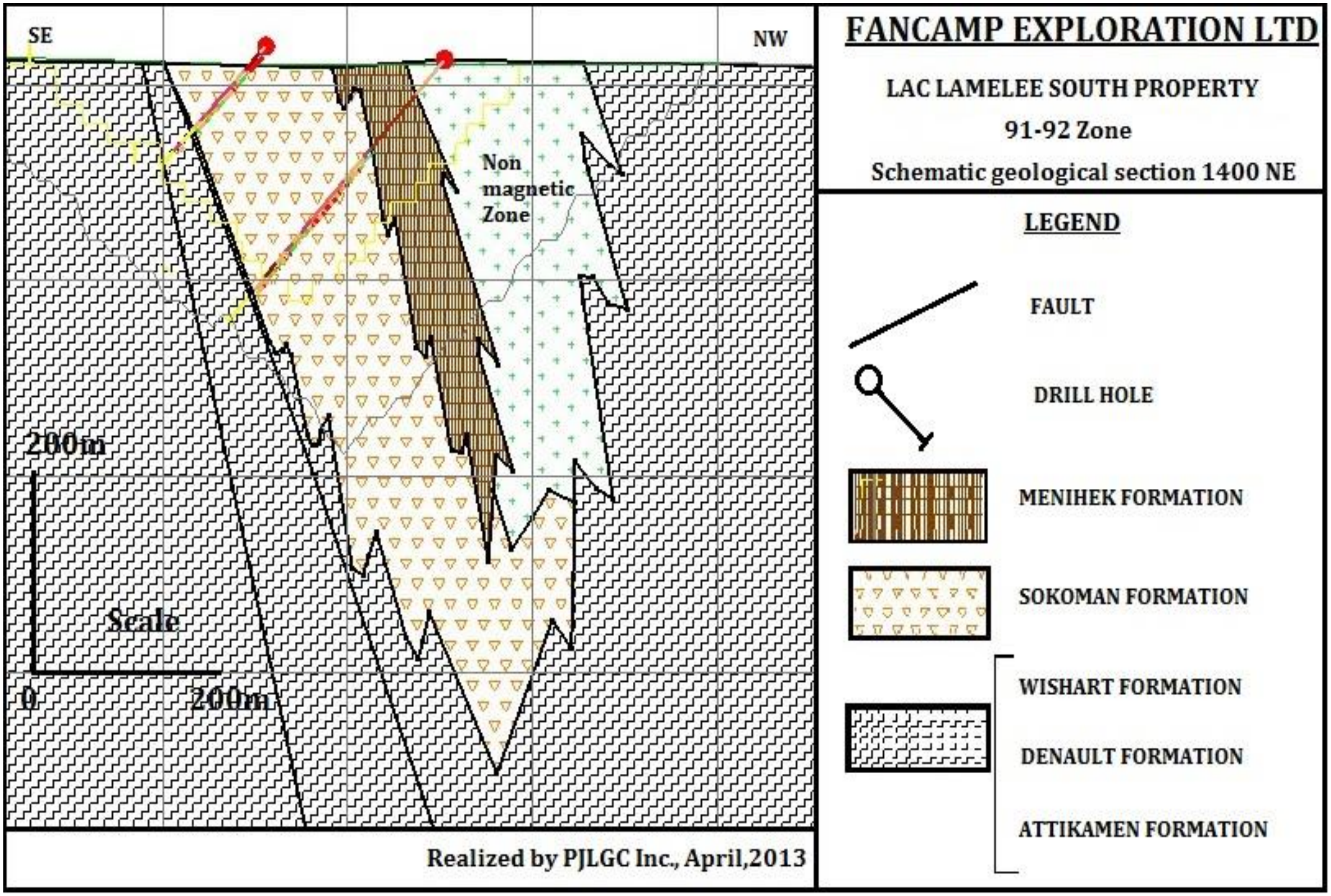


Figure 12 sub-Vertical to north dipping structure in the east of 91-92 zone

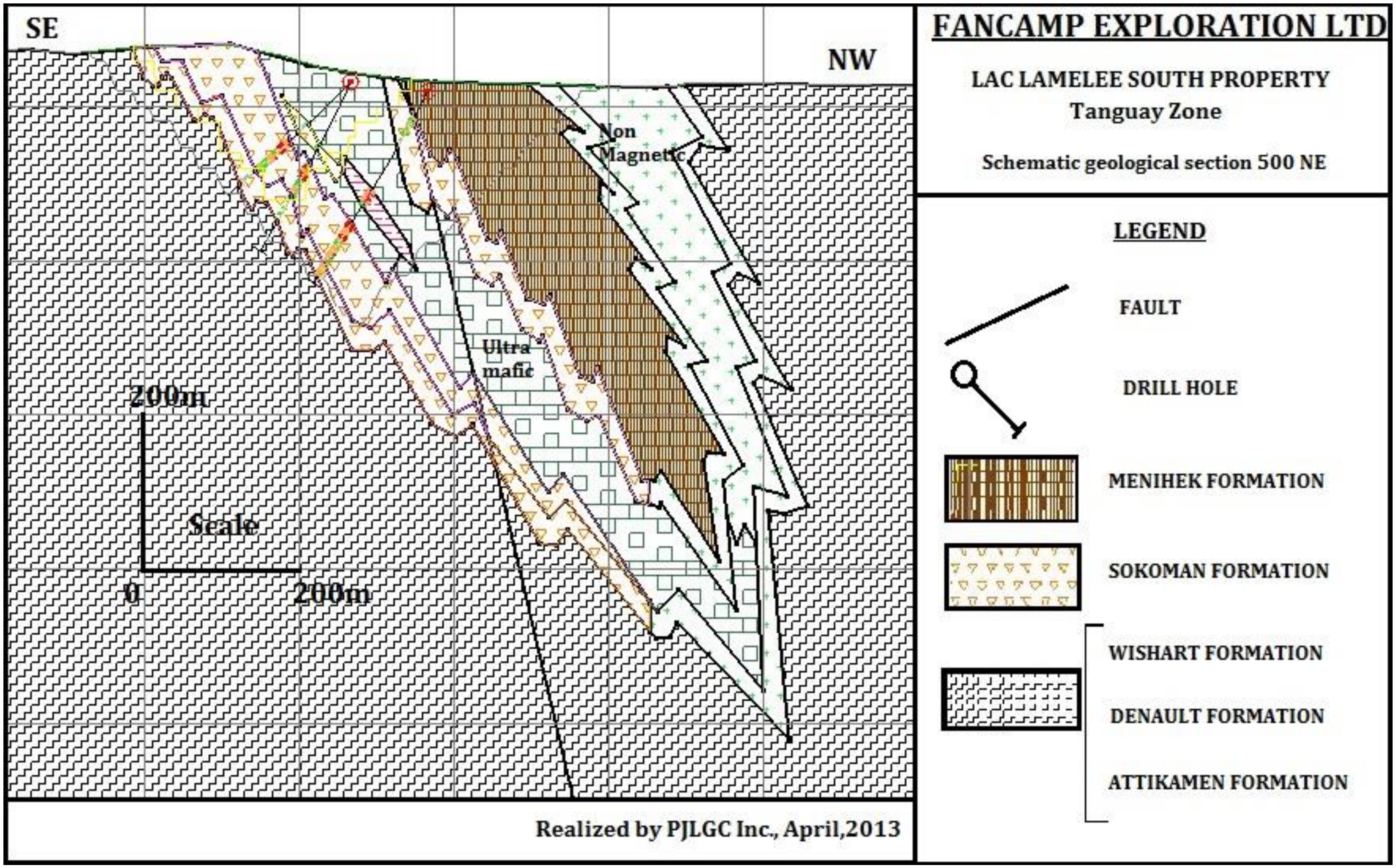


Figure 13 North dipping of the structures in the Tanguay Zone

7.3 Mineralization

7.3.1 Mineralized horizon:

As mentionned above (7.1.4.1 Stratigraphy), the entire iron mineralization of the LLSP is hosted in the Wabush (Sokoman) Formation, where two major facies of Fe oxide silicate units hosting the iron mineralization can be distinguish (M. Flanagan, 2013):

- The finely bedded Fe oxide silicate unit known as the **Banded Iron Formation (BIF),** constituting the higher grade mineralized facies (20% to 40% Fe),
- The finely bedded Fe oxide silicate unit known as the **Quartz-Pyroxene-Magnetite (“QPyrxM”)** constituting the moderate grade mineralized facies (15% to 30% Fe).

The principal Fe oxide silicate-members (BIF) consist of quartz, magnetite ±hematite. It is generally a thick sequence (100m) combining quartz magnetite, and/or quartz specularite and/or magnetite, as follow (Photo 5):

MIF – Magnetite - quartzite Fe formation

HIF – Hematite (specularite) - quartzite Fe formation

MHIF/HMIF – Magnetite – hematite – quartzite Fe formation

The MIF, HIF and MHIF units differ only in their ratios of magnetite to hematite. Otherwise they are geochemically and texturally similar. Core samples are typically described as well banded, with bands of millimeter to centimetre wide magnetite and/or hematite alternating with bands richer in grey to dark grey coloured quartzite but usually containing disseminated magnetite and/or hematite. Grain size is usually fine to medium grained. Some mineralized intervals are occasionally described as less well banded with disseminated magnetite throughout the quartzite. Hematite is typically non-magnetic specularite and readily distinguished from magnetite by its metallic lustre, bluish-grey colour and brownish-red streak.

HIF units generally are slightly higher in iron content and lower in MgO and CaO. This is reflected in the fact that MIF units occasionally contain minor bands of pyroxenes which are observed less frequently in HIF units. In some instances carbonate infiltration results in higher MgO and CaO in these units as well.

Limited petrographic work has been conducted to date on samples of this unit. One thin section shows very thin compositional layering defined by layers rich in fine grained granoblastic quartz grains and layers of Fe-oxide grains. The oxide grains show a good alignment in nearly continuous layers along S_0-S_1. In this thin section there were also long slender, acicular, nematoblastic grains of cummingtonite and minor, lepidoblastic biotite grains defining a strong foliation. These minerals were observed in both the quartz rich and Fe-oxide rich layers.

The second mineralized facies corresponding to the “**Quartz-Pyroxenes-Magnetite” (“QPyrxM”)** unit, spatially associated (Photo 6) with the BIF described above, is characterized by a significant proportion, up to about 50%, of pale olive green coloured pyroxene rich bands intercalated with pale grey coloured quartzite bands and disseminated to banded magnetite and/or hematite intervals.

The “QPyrxM” varies considerably in its iron oxide content but on average contains about 15 to 30% magnetite and occasionally may contain hematite. A portion of the iron within this member is contained within pyroxene; however the ratio of iron in oxides relative to iron in the pyroxenes, (mainly hypersthene), in the “QPyrxM” unit has been reliably determined with magnetic susceptibility tests and Davis tube tests conducted on a wide range of quartzite - mafic mineral ratios in this unit. On average about 85-90% of total iron in the “QPyrxM” occurs in the iron oxides, mainly magnetite, but to a lesser extent hematite (M. Flanagan, 2013).

Within the mineralized zones there appears to be a considerable degree of lateral facies change between these two major units. The **BIF** seems to develop inside a wide envelope of **“QPyrxM”** indicating the possibility of a zoning of the deposit at a relative small scale.

At the scale of the property, the mineralized horizons where determined to have thicknesses varying from 50m to 200m. The limits of these mineralized horizons were shown to span a distance of approximately 2.5 kilometers and to extend to depths in the order of 450m below surface, and locally to about 600m of depth.

7.3.2. Evolution of the iron bearing horizon on the property

Apart from the possibility of a zoning of the deposit at a relatively small scale, there exists a regional zonation at the scale of the major syncline, expressed by relatively continuous mineralization in the south limb of the major syncline and barren zones concentrated in the northwestern part of the north limb of the structure. This area is distinguished by the absence of magnetic anomalies, related to the absence of magnetite in the host rock.

This barren zone may be the result of a paleogeographic feature which limited deposition of chert and magnetite, in favor of a probable relatively weak magnetite free mudstone, in a paleotopographic basin and uplift setting.

Photo 5: Magnetite-Hematite highly foliated with Specularite parallel to S_0-S_1

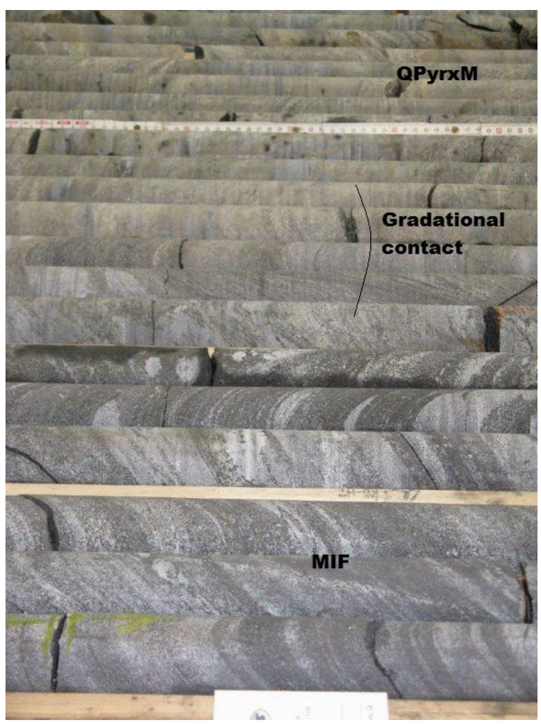


Photo 6 Gradational contact between "QPyrxM" and MIF (Drill hole LS 2011-08)

8.0 DEPOSIT TYPES

8.1 Introduction:

Iron ores may be classified into six groups according to their mode of origin and occurrence:

1. Igneous- Magmatic segregation
2. Contact metamorphic deposits
3. Lode deposits
4. Replacement Deposits
5. Bedded or sedimentary deposits commonly known as **Iron Formation**
6. Residual and superficial deposits, including laterite.

Such iron formations have been the principal sources of iron throughout the world (Gross, 1995). Most iron deposits being mined in the world are stratiform. These are thinly bedded or layered sedimentary rocks of chemical origin.

Iron Formation definition:

"A chemical sedimentary rock, typically thin-bedded and/or finely laminated, containing at least 15% iron of sedimentary origin, and commonly but not necessarily containing layers of chert."

American Geological Institute Glossary of Geology (after James, 1954)

8.2 Iron Formation deposit model

The most supported deposit model for iron formation (Gross, 2009) is one of syngenetic precipitation of iron-rich minerals in a marine setting due to hydrothermal exhalative activity on the ocean floor. The iron is thought to have formed in tectonic-sedimentary environments where silica, iron, ferrous and non-ferrous metals were available in abundance, mainly from hydrothermal sources, and where conditions were favorable for their rapid deposition with minimal clastic sediment input. Deep fractures and crustal dislocations over hot spots and high thermal gradients penetrating the upper mantle, enabled convective circulation, alteration and leaching of metals from the upper crust including possible contributions by magmatic fluids.

Iron formations are not only important hosts of enriched iron and manganese ore but are also markers for massive sulphide deposits. Deposition of the iron was influenced by the pH and Eh of the ambient water and biogenic anaerobic processes may also have played a role (Gross 1996, Gross 2009).

Post depositional events such as weathering, groundwater circulation and hydrothermal circulation can modify the deposits, and the mineralogy is usually recrystallized and coarsened by medium- to high-grade metamorphism. Protracted supergene alteration can be an important economic factor in upgrading the primary iron formation (Gross 1996).

There are two known types of iron formation deposit:

- **Lake Superior**, representing 90% of deposits, characterized by sedimentation on the continental shelf during the Paleoproterozoic (2.3 to 1.9 Ga). The deposits are often huge (1–100 Gt), tabular, and show great lateral continuity. The iron content of the world's richest deposits can reach up to 65%. Table 9 D after Eckstrand, editor (1984) presents the salient characteristics of the Lake Superior-type iron deposit model.
- **Algoma**, associated with a volcano-sedimentary environment particularly during the Archeozoic era (3.4 to 2.6 Ga). Banding occurs on various scales, and beds rich in iron oxide alternate with siliceous, carbonated, and sulfide rich layers. Algoma iron formations exhibit less lateral continuity and are associated with alternating bands of clastic sediments and volcanic rock. The iron content of the deposits is 20 to 40%. The repeated ore layers (especially magnetite) and metamorphism could favor their extraction.

These two types are related to two major different tectonic environments (Figure 14):

- A continental shelf and marginal basins adjacent to deep seated fault and fracture systems and subduction zones along craton borders for the **Lake Superior-type**,
- Along volcanic arcs and rift systems, and other major disruptions of the earth's crust for the **Algoma type.**

The **Lake Superior** iron formations are subdivided into taconite and meta-taconite:

- ***Taconites,*** the fine-grained, weakly metamorphosed iron formations with above average magnetite content and which are also commonly called magnetite iron formation.
- ***Metataconites***, more intensely metamorphosed, coarser-grained iron formations which contain specular hematite and subordinate amounts of magnetite as the dominant iron minerals. Metamorphism improves metallurgical recovery.

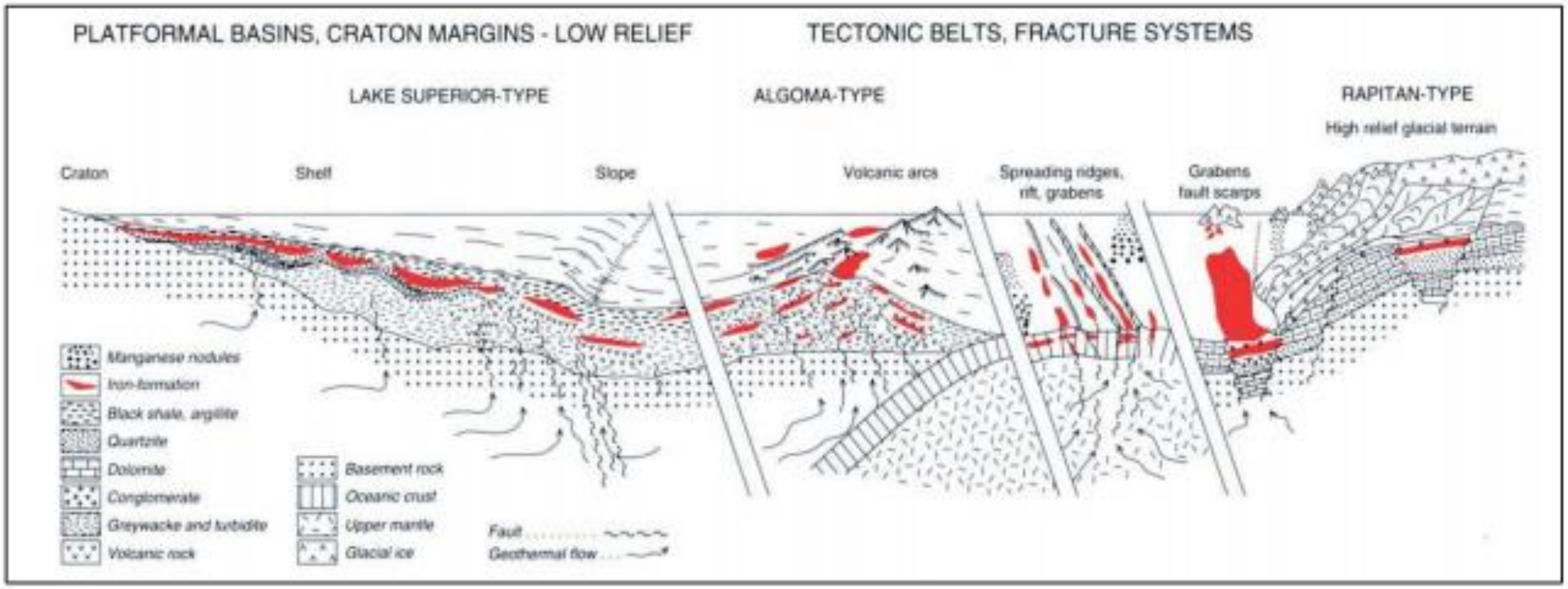


Figure 14 Tectonic Environment for the Deposition of Iron Formation after Gross, 1996.

Table 9 Deposit Model For Lake Superior-Type Iron Formation (After Eckstrand (1984)).

<u>Commodities Fe (Mn)</u>

Examples: Knob Lake, Wabush Lake and Mount Wright areas, Que. and Lab. - Mesabi Range, Minnesota;
Canadian-Foreign: Marquette Range, Michigan; Minas Gerais area, Brazil.

Importance **Canada**: the major source of iron.
World: the major source of iron.

Typical Grade, Tonnage: Up to billions of tonnes, at grades ranging from 15 to 45% Fe, averaging 30% Fe.
Geological Setting Continental shelves and slopes possibly contemporaneous with offshore volcanic ridges.
Principal development in middle Precambrian shelf sequences marginal to Archean cratons.

Host Rocks or Mineralized Rocks:
Iron formations consist mainly of iron- and silica-rich beds; common varieties are taconite, itabirite, banded hematite quartzite, and jaspilite; composed of oxide, silicate and carbonate facies and may also include sulphide facies. Commonly intercalated with other shelf sediments: black carbon-rich shale, red shale, other shale and argillite, tuff, greywacke, quartzite, dolomite.

Associated Rocks:
Bedded chert and chert breccia, dolomite, stromatolitic dolomite and chert, bLack shale, argillite, siltstone, quartzite, conglomerate, red beds, tuff, lava, volcaniclastic rocks; metamorphic equivalents.

Form of Deposit, Distribution of Ore Minerals:
Mineable deposits are sedimentary beds with cumulative thickness typically from 30 to 150 m and strike length of several kilometers. In many deposits, repetition of beds caused by isoclinal folding or thrust faulting has produced widths that are economically mineable. Ore mineral distribution is largely determined by primary sedimentary deposition. Granular and oolitic textures common.

Minerals: Principal Ore: Magnetite, hematite, goethite, pyrolusite, manganite, hollandite.
Minerals: Finely laminated chert, quartz, Fe-silicates, Fe-carbonates and Fe-sulphides; primary ore
***Associated* Minerals**: Metamorphic derivatives

Age, Host Rocks: Precambrian, predominantly early Proterozoic (2.4 to 1.9 Ga).

Age, Ore: Syngenetic, same age as host rocks. In Canada, major deformation during Hudsonian, and in places, Grenvillian orogenies produced mineable thicknesses of iron formation.

Genetic Model: A preferred model invokes chemical, colloidal and possibly biochemical precipitates of iron and silica in euxinic to oxidizing environments, derived from hydrothermal effusive sources related to fracture systems and offshore volcanic activity. Deposition may be distal from effusive centres and hot spring activity. Other models derive silica and iron from deeply weathered land masses, or by leaching from euxinic sediments. Sedimentary reworking of beds is common. The greater development of Lake Superior-type iron formation in early

Proterozoic time has been considered by some to be related to increased atmospheric oxygen content, resulting from biological evolution.

Ore Controls, Guides to Exploration
1. Distribution of iron formation is reasonably well known from aeromagnetic surveys.
2. Oxide facies is the most important, economically, of the iron formation facies.
3. Thick primary sections of iron formation are desirable.
4. Repetition of favourable beds by folding or faulting may be an essential factor in generating widths that are mineable (30 to 150 m). .
5. Metamorphism increases grain size, improves metallurgical recovery.
6. Metamorphic mineral assemblages reflect the mineralogy of primary sedimentary facies.
7. Basin analysis and sedimentation modeling indicate controls for facies development, and help define location and distribution of different iron formation facies.

(Author G.A. Gross)

8.3 Lac Lamêlée South Iron ore deposit:

The Lac Lamêlée South Iron deposit is classified as Lake Superior-type. This type of Iron Formation, characteristic of the Labrador trough Iron ore deposits, consists of banded sedimentary rocks composed principally of bands of iron oxides, magnetite and hematite within quartz (chert)-rich rock, and with variable amounts of silicate, carbonate and rare sulphide lithofacies.

The Lac Lamêlée South deposit is composed of iron formations of the Lake Superior-type of the category of metamorphosed coarse-grained iron formation (meta-taconite). This category is characteristic of the Labrador Trough South domain by the effect of the Grenville orogeny on the New Quebec orogeny.

Deposits such as Mont-Wright, Mont Reed, Fire Lake, Fire Lake North, Bloom Lake and Peppler lake iron deposits, are all examples of the mineralized horizon within the Sokoman (Wabush) formation, hosted in the South domain (Gagnon Terranes) of the Labrador Trough within the Grenville tectonic province.

Considering the widespread glacial drift cover and swamps, exploration tools used correspond essentially to geophysical techniques, notably magnetic and gravity surveys.
Target testing is primarily by diamond drilling, but the rare outcrops on the Property have been the subject of mapping and sampling (channel sampling) with local bulk sampling for mineralogical testing.

9.0 EXPLORATION

As mentionned in section 6 (History), the first exploration works were conducted between 1954 to 2000 principally by Quebec Cartier Mining, interested in iron ores, and Falconbridge, interested in Ni-Cu & PGE. This work was as a result of different campaigns of airborne geophysical surveys which highlighted interesting magnetic and gravimetric anomalies at a regional scale.

9.1 Fancamp Exploration work:

In 2006, Fancamp Exploration with joint venture partner Sheridan Platinum Group carried out a high resolution, helicopter airborne, magnetic and radiometric survey (Voisey Bay Geophysics ltd.) over the Fancamp property of Lac Lamêlée South. Over sixteen magnetic anomalies were identified. (Assessment report GM 63135).

In June 2009, Fancamp Exploration Ltd, in joint venture with Sheridan Platinum Group ltd retained Geoforbes Services Inc. of Sept-Iles, Quebec to carry out a reconnaissance and sampling program on the Lac Lamêlée South Property. Numerous outcrops were located and mapped and 22 grab samples were collected. The grab samples were submitted to ALS Chemex laboratory in Val-d'Or, Quebec and returned analyses of total Fe grading between 8.8 and 45.0%. Calculated and estimated iron from the oxides ranged from 5.4 to 45.0%.

In the early summer 2011, an airborne magnetic and gravity geophysical survey was conducted over the property by Fugro Airborne Surveys of Ottawa, ON. Results of the magnetometer survey were comparable to the results of a magnetometer survey conducted by Quebec Cartier Mining in 2000, and revealed a significant mass of dense magnetic signature over a strike length of about 2.5 km. (Internal report).

Following these geophysical and recognaissance exploration campaigns, Two grids were established across the three zones on the property (Tanguay-91-92 Zone: lines spaced 100m, oriented N135 and Mountain Pond grid: 10 cut lines spaced generally 100-150, oriented North-South).

This grid allows a first geological mapping of the property (Figure 7).

Table 10 below shows a summary of all drilling realized on the property. In 2011, drilling comprised 17 drill holes with a total length of 5,614 meters. In 2012, drilling comprised 40 drill holes with a total length of 12,607 meters. The first diamond drill hole campaign of 2011 was followed by a magnetometer ground survey in 2012. The magnetometer ground survey (Figure 15) allowed better definition of the airborne geophysical anomalies and assisted in planning the second diamond drill hole campaign of 2012. All the exploration and geological work was carried out on behalf of Fancamp Exploration Ltd under the supervision of Mr. Mike Flanagan, P.Geo. and senior exploration geologist of Glenmere Geological Services under contract with Fancamp Exploration.

Six trenches were stripped for mapping and two were blasted for bulk sampling in 2012, mainly in the Mountain Pond zone. Sampling over 84 meters from 2 trenches (4 and 6) were available for the mineral resource estimation.

The Mountain Pond zone hosts the greatest proportion of outcrop exposure on the property, of which the majority is within 300 metres of the shoreline of Lac Lamêlée South. Trenched and blasted areas within the Mountain Pond zone were cleared of vegetation and overburden using a portable backhoe and pressure washing equipment to expose critical areas.

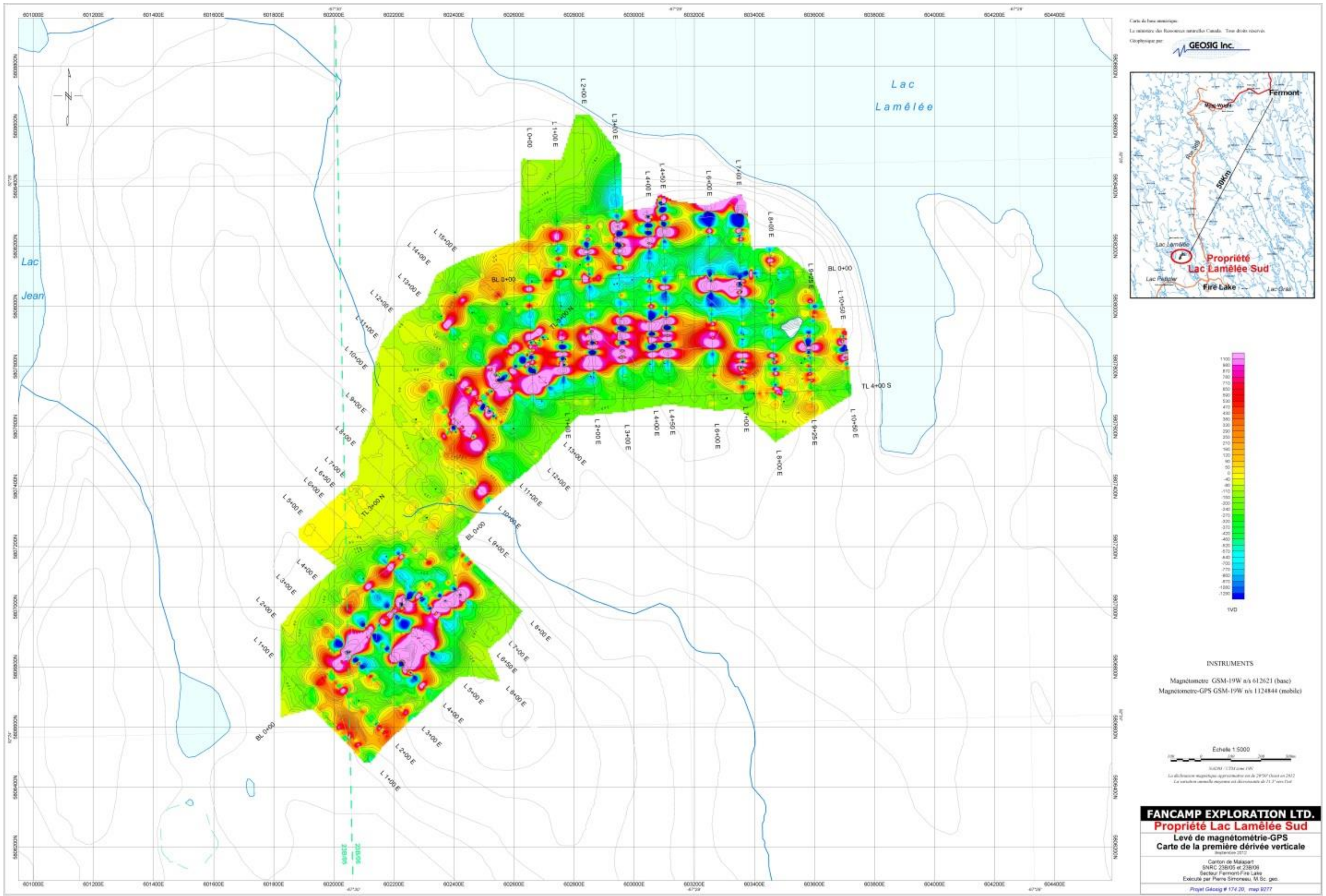


Figure 15 Vertical derivative ground magnetic survey of Lac Lamêlée South property

10.0 DRILLING

Table 10 below shows a summary of the existing drilling of the property. In 2011, drilling comprised 17 drill holes with a total length of 5,614 meters. In 2012, drilling comprised 40 drill holes with a total length of 12,607 meters.

Table 10 Summary of Field Work (Drilling)

Work	Number of DH/Trench	Total LENGTH
2011	**17**	**5,614**
DH	**17**	**5,614**
Mountain Pond zone	12	4,387
91-92 Zone	1	150
Tanguay Zone	4	1,077
2012	**40**	**12,607**
DH	**40**	**12,607**
Mountain Pond zone	24	8,507
91-92 Zone	13	3,178
Tanguay Zone	3	921
2012	**2**	**84**
Trenches sampled	**2**	**84**
Mountain Pond zone	2	84
Grand Total	**59**	**18,304**

10.1 2011 drilling

Fancamp Exploration limited conducted the first drilling campaign on the Lac Lamêlée South property between August 5, 2011 and October 25, 2011. Seventeen drill holes totaling 5,613 meters of NQ drilling were completed during this 2011 program (Table 11 and Figure 16). Drilling was divided into resource area sectors, namely from east to west the Mountain Pond zone, the “91-92” zone and the Tanguay zone (Figure 6).

The drilling company “Forages La Virole” was contracted in early July 2011 to undertake drilling operations with one drill. Drilling commenced on August 8, and continued until the end of October 2011 and was performed with two shifts providing 24 hour continuous drilling. All but two holes were surveyed using the Deviflex borehole survey tool, which is unaffected by magnetism. Holes LS-2011-08 to 17 were also tested with the GDD MPP-EM2S probe for magnetic susceptibility.

Significant mineralization in all three zones of the property was intersected by the 2011 drilling campaign (Table 12).

10.1.2 Magnetic Susceptibility Tests

Magnetic susceptibility measurements were conducted on all cores from drill holes LS-2011-08 to 17 using the MPP-EM2S probe manufactured by Instrumentation GDD in Quebec City. The probe proved to be a very useful tool for estimating the grade potential of the various iron bearing units as well as assisting in the determination of gradational contacts between lithologies. Figure 17provides an example of the magnetic susceptibility, (mag.scpt.) for various lithological units. Unit designations are systematically described in the drill logs. In general, the typical magnetite – quartzite iron formation (MIF) gave measurements greater than 500 mag.scpt. units while the hematite – quartzite iron formation (HIF) gave measurements of less than 50 mag.scpt. units. The quartzite – pyroxene – magnetite unit (“QPyrxM”) showed highly variable magnetic susceptibility. These are the three principal units that offer economic potential.

The 2011 drilling campaign confirmed the presence of three important iron oxide bearing lithologies which occur across the three distinct zones, separated by late stage sub vertical faults with minor lateral displacements. The limits of iron ore bearing horizons were shown a width average varying from 50m to 200m, to span a distance of approximately 2.5 kilometres and to extend to depths in the order of 250m below surface.

This campaign also confirmed the geometry with the presence of a relative tight mineralized synform with axial plane dip changing from southeast to northwest across the property from east to west. Consequently, the deposit was divided into three structurally distinct zones; the Mountain Pond zone to the northeast, the centrally located “91-92” zone, and the Tanguay zone in the southwest.

Table 11 2011 drill holes survey

DDH	UTM - East	UTM - North	Azimuth	Dip	Length m
LS-2011-01	602204	5806653	315	-60	297
LS-2011-02	602137.5	5807016.5	154	-45	258
LS-2011-03	602136.8	5807017.2	154	-64	252
LS-2011-04	602274.4	5807107.3	154	-45	270
LS-2011-05	603434.9	5807982	180	-45	360
LS-2011-06	603434.9	5807982	180	-85	222
LS-2011-07	603413.7	5808188.6	360	-45	336
LS-2011-08	603413.7	5808188.6	90	-50	367.5
LS-2011-09	603411.8	5808181	180	-70	438
LS-2011-10	603445.7	5808073.6	90	-50	402
LS-2011-11	603241.6	5808176.4	360	-70	411
LS-2011-12	603246.5	5808082.7	180	-80	427
LS-2011-13	603248.9	5807978.2	180	-63	396
LS-2011-14	603248.8	5807873.6	180	-46	355
LS-2011-15	602960.1	5807889.9	360	-48	345
LS-2011-16	602752.4	5808012.8	180	-48	327
LS-2011-17	602556.2	5807751.4	135	-55	150

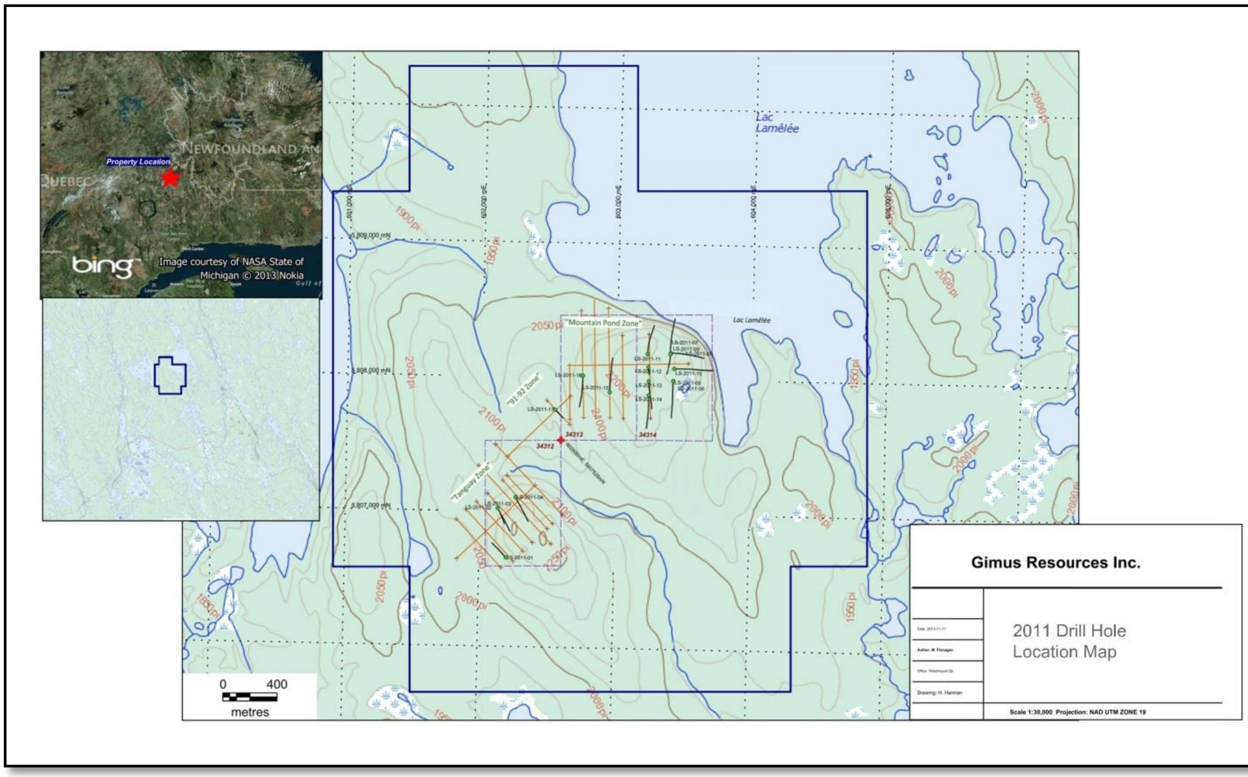


Figure 16 2011 drill Hole location map

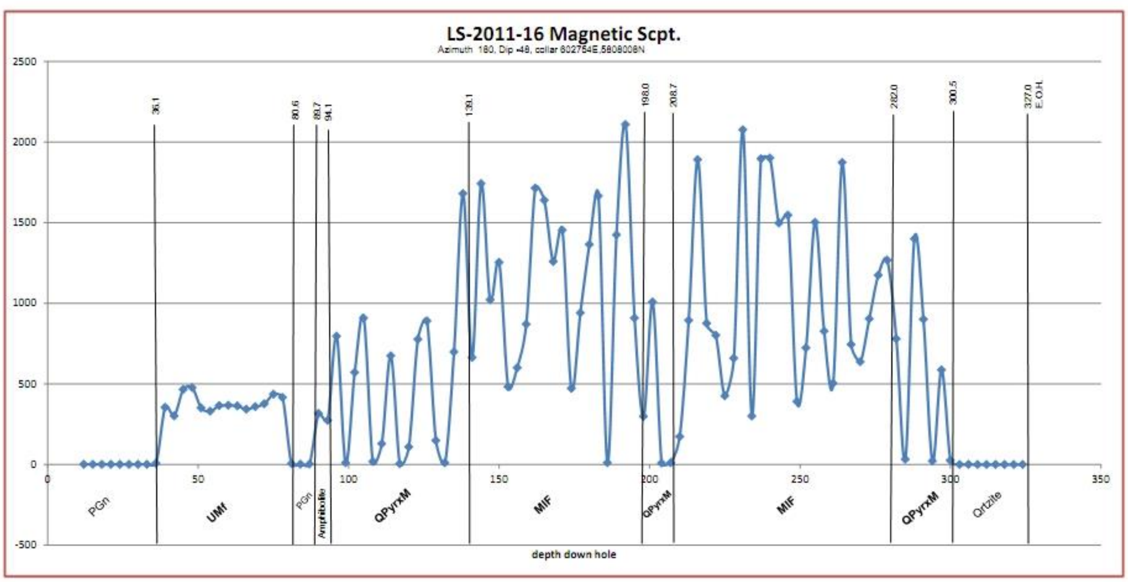


Figure 17 Typical magnetic susceptibility profile registered in different lithologies

Table 12 Significant Mineralization Intersected in 2011 Drilling Campaign

Zones	DDH #	Whidth (M)	From	To	Fe TOT. %	Lithology
Tanguay Zone	**LS-2011-02**	61.4	110.0	171.4	**30.3**	MIF
Tanguay Zone	**LS-2011-03**	53.3	118.3	171.6	**29.4**	MIF
Tanguay Zone	**LS-2011-04**	59.2	85.5	144.7	**31.9**	MIF
Pond Zone Mt	**LS-2011-05**	95.0	4.0	99.0	**26.9**	HIF/MIF
		7.7	159.0	166.7	**44.3**	QPyrxM*
		10.1	211.2	221.3	**27.2**	QPyrxM*
		33.5	326.5	360.0	**36.3**	MIF
Pond Zone Mt	**LS-2011-06**	183.0	6.0	189.0	**27.9**	HIF
Pond Zone Mt	**LS-2011-07**	156.6	124.0	280.6	**23.1**	MIF/QPyrxM
Pond Zone Mt						
	includes	*29.1*	*124.0*	*153.1*	***28.0***	QPyrxM*
	LS-2011-08	52.0	3.0	55.0	**20.3**	MIF / HIF
Pond Zone Mt	**LS-2011-08**	185.9	181.6	367.5	**25.6**	MIF/QPyrxM
	includes	*26.6*	*181.6*	*208.2*	***24.6***	QPyrxM*
		32.3	*208.2*	*240.5*	***38.1***	MIF
		84.5	*240.5*	*325.0*	***21.7***	QPyrxM*
		20.2	*330.6*	*350.8*	***28.9***	MIF
		16.7	*350.8*	*367.5*	***24.2***	QPyrxM*
Pond Zone Mt	**LS-2011-09**	127.0	6.0	133.0	***26.2***	MIF
		50.2	133.0	183.2	***26.6***	HIF
Pond Zone Mt	**LS-2011-10**	58.0	37.0	95.0	**28.1**	HIF
		171.0	171.0	342.0	**29.4**	MIF/QPyrxM/HIF
	includes	*27.0*	*171.0*	*198.0*	***28.4***	QPyrxM*
		57.0	*198.0*	*255.0*	***36.1***	MIF
		68.2	*255.0*	*323.2*	***21.9***	QPyrxM*
		18.8	*323.2*	*342.0*	***33.2***	HIF
	LS-2011-11	60.0	99.0	159.0	**22.2**	MIF
Pond Zone Mt		142.0	237.0	379.0	**25.1**	QPyrxM*
	LS-2011-12	7.0	75.0	82.0	**31.7**	MIF
Pond Zone Mt		15.4	105.0	120.4	**25.7**	MIF
		10.0	222.0	232.0	**32.9**	MIF
		31.0	244.0	274.0	**39.3**	QPyrxM*
		22.0	282.0	304.0	**35.8**	QPyrxM*
		58.0	369.0	427.0	**27.2**	MIF / HIF
Pond Zone Mt	**LS-2011-13**	60.7	3.0	63.7	**24.3**	QPyrxM
		22.0	243.0	265.0	**27.1**	QPyrxM
Pond Zone Mt	**LS-2011-14**	214.0	6.0	220.0	**31.2**	MIF
		14.0	220.0	234.0	**28.5**	HIF
		105.0	250.0	355.0	**29.8**	HIF
Pond Zone Mt	**LS-2011-15**	41.4	4.0	45.4	**38.5**	HIF
		18.6	45.4	64.0	**29.0**	QPyrxM*
		49.5	106.5	156.0	**22.3**	MIF
		49.2	156.0	205.2	**26.2**	HIF
Pond Zone Mt	**LS-2011-16**	199.0	99.0	298.0	**28.4**	MIF/QPyrxM/HIF
	includes	*40.1*	*99.0*	*139.1*	***20.6***	QPyrxM*
		142.9	*139.1*	*282.0*	***30.4***	MIF
		16.0	*282.0*	*298.0*	***30.3***	QPyrxM*
	LS-2011-17	91.0	6.0	97.0	**26.6**	MIF/QPyrxM/CIF
"91-92" Zone	***includes***	*21.4*	*6.0*	*27.4*	***31.5***	MIF
		19.1	*27.4*	*46.5*	***26.7***	QPyrxM*
		11.5	*46.5*	*58.0*	***32.6***	MIF
		28.8	*68.2*	*97.0*	***26.7***	QPyrxM*

The selected composite assay results are not necessarily representative of the average grade or thickness of the mineral zones Intervals are down hole lengths and not true widths of the mineral zones.
Grades are calculated from Fe2O3(T)% sample assays completed by Activation Laboratories using Fusion-XRF (4C) analysis."QPyrxM" - this lithology contains variable amounts of Fe in silicates which may reduce the recoverable Fe grade.*

10.2 2012 drilling

In 2012, 12,607m of reconnaissance diamond drilling were realized from July to September (Table 13).

Beside the recognition of mineralized zones (Table 14), the 2012 drilling (Figure 18), along with the ground geophysical survey, and further magnetic susceptibility testing, allowed some refinement of the geological model. The Mountain Pond zone was determined to be comprised of a steeply south dipping, steeply west-northwest plunging, tightly folded to isoclinal syncline with a curvilinear axial plane striking east to southeast and dipping steeply to the south-southwest. Proceeding to the southwest into the “91-92” zone, the fold becomes isoclinal and the axial plane strikes west-southwest, dipping steeply northwest. At this point, the northern limb of the structure was proven to grade into lean iron formations. The Tanguay zone was determined to be offset from the “91-92” zone by a late-stage sinistral fault with a horizontal displacement of about 300 meters. This zone was determined to be complexly folded as the stratigraphy was repeated in several drill holes.The limits of iron ore bearing horizons were extended to greater depths in the order of 600m below surface.

Detailed lithogeochemical and petrological studies were conducted on most of the lithologies encountered during drilling. This resulted in a better understanding of the controls on mineralization and the grade of metamorphism.

A consultant specializing in geophysical interpretation, (Dubé and Desaulniers Geoscience) was engaged to analyze all the geophysical data and to construct a 3D model based on the interpretation.

Table 13 2012 Drill holes Survey

DDH	UTM - East	UTM - North	Azimuth	Dip	Start	End
LS-12-01	603476.2	5807599.3	360	-50	0	228
LS-12-02	603095	5808076.7	360	-60	0	354
LS-12-03	603262.9	5807770.6	360	-60	0	243
LS-12-04	603107.7	5807924	360	-60	0	341.5
LS-12-05	603266.4	5807679.5	360	-70	0	434
LS-12-06	603108.2	5807830.5	360	-60	0	312
LS-12-07	603113	5807726.6	360	-60	0	267.8
LS-12-08	603097.5	5808233.5	360	-60	0	321
LS-12-09	603595.7	5807688.1	360	-50	0	304.45
LS-12-10	602952.6	5808047.8	360	-60	0	416.35
LS-12-11	603663.9	5807751.7	315	-55	0	177
LS-12-12	602949.2	5808146.4	360	-54	0	364.1
LS-12-13	603587	5807910.9	60	-50	0	327
LS-12-14	602855.2	5807981.7	360	60	0	468
LS-12-15	603380.4	5807704.4	360	-50	0	363
LS-12-16	602848.5	5808117.9	360	-60.77	0	426.75
LS-12-17	603176.9	5807933.8	360	-50	0	216
LS-12-18	602856.4	5807869.6	358	-50	0	288
LS-12-19A	602964.1	5807768.8	360	-60	0	180
LS-12-19B	602964.1	5807768.8	360	-45	0	411
LS-12-20	602862.8	5807773.2	360	-62	0	484.5
LS-12-21	602702.3	5807888.7	135	-45	0	197
LS-12-23	602702.3	5807888.7	135	-65	0	351
LS-12-25	602624.1	5807825.1	135	-50	0	162
LS-12-26	602610.9	5807984.6	135	-50	0	372
LS-12-27	603242	5808101.5	90	-75	0	612
LS-12-28	602555.8	5808058	135	-50	0	378
LS-12-29	602959.4	5808095.3	90	-75	0	678
LS-12-30	602488.9	5807962.8	135	-50	0	355
LS-12-31	602079.6	5807100.6	135	-62	0	289.77
LS-12-32	602348.8	5807962	135	-60	0	408
LS-12-33	602188.4	5807205.6	135	-65	0	294
LS-12-34	602431.9	5807881.2	135	-60	0	282
LS-12-34A	602484	5807824	135	-60	0	25.4
LS-12-35	602018.5	5807021	135	-65	0	309
LS-12-36	602331.7	5807698.1	135	-60	0	231
LS-12-37	601950	5806950	135	-65	0	318
LS-12-38	602402.1	5807625.1	135	-50	0	129

Table 14 Significant Mineralization Intersected in 2012 Drilling Campaign

Zone	DDH	Zone	From	To	Length on core	Est. True thickness	FeT (%)	Fe2O3 (%)
Mountain Pond	LS-12-01	LS12-01 T	81.00	226.50	145.50	123.07	29.64	42.39
Mountain Pond	LS-12-02	LS12-02 T	246.00	354.00	108.00	80.70	21.72	31.07
Mountain Pond	LS-12-03	LS12-03 T	15.00	127.00	112.00	90.83	31.74	45.39
Mountain Pond	LS-12-04	LS12-04 T	25.60	266.10	240.50	176.15	26.13	37.37
	LS-12-04	LS12-04 D	25.60	52.90	27.30	19.51	35.27	50.45
	LS-12-04	LS12-04 E	52.90	76.40	23.50	16.81	30.84	44.11
	LS-12-04	LS12-04 UMF	76.40	102.00	25.60	18.51	19.71	28.19
	LS-12-04	LS12-04 EE	102.00	124.70	22.70	16.43	18.48	26.42
	LS-12-04	LS12-04 CC	124.70	194.90	70.20	51.86	27.64	39.53
	LS-12-04	LS12-04 metased1	194.90	217.00	22.10	16.43	10.83	15.49
	LS-12-04	LS12-04 BB	217.00	236.00	19.00	14.16	29.50	42.19
	LS-12-04	LS12-04 metased2	236.00	241.30	5.30	3.96	22.06	31.54
	LS-12-04	LS12-04 AA	241.30	266.10	24.80	18.62	32.88	47.03
Mountain Pond	LS-12-05	LS12-05 T	91.00	248.50	157.50	113.44	32.08	45.87
	LS-12-05	LS12-05 CC	401.20	434.00	32.80	26.21	22.73	32.5
Mountain Pond	LS-12-06	LS12-06 T	4.50	208.00	203.50	146.66	30.2	43.19
	LS-12-06	LS12-06 UMF	208.00	229.10	21.10	15.34	19.81	28.33
	LS-12-06	LS12-06 T1	229.10	306.60	77.50	56.59	24.52	35.07
Mountain Pond	LS-12-07	LS12-07 T	125.00	267.80	142.80	101.18	32.13	45.95
Mountain Pond	LS-12-08	LS12-08 T	6.00	287.00	281.00	185.83	25.33	36.23
	LS-12-08	LS12-08 AA	6.00	52.00	46.00	29.03	27.6	39.47
	LS-12-08	LS12-08 EE1	52.00	85.00	33.00	21.08	20.01	28.61
	LS-12-08	LS12-08 BB	85.00	92.00	7.00	4.58	30.57	43.71
	LS-12-08	LS12-08 CC	92.00	105.20	13.20	8.67	37.33	53.38
	LS-12-08	LS12-08 EE2	105.20	133.40	28.20	18.62	25.77	36.86
	LS-12-08	LS12-08 PGn	133.40	136.60	3.20	2.11	10.52	15.06
	LS-12-08	LS12-08 EE3	136.60	238.60	102.00	67.58	28.04	40.1
	LS-12-08	LS12-08 UMF	238.60	250.70	12.10	8.04	15.87	22.7
	LS-12-08	LS12-08 E	250.70	287.00	36.30	24.17	18.44	26.37
Mountain Pond	LS-12-09	LS12-09 JL T	12.00	304.45	292.45	168.34	33.91	48.49
	LS-12-09	LS12-09 T	12.00	152.00	140.00	85.00	35.83	51.24
	LS-12-09	LS12-09 Ampb	152.00	165.30	13.30	7.45	30.42	43.51
	LS-12-09	LS12-09 T1	165.30	304.45	139.15	84.37	32.30	46.19
Mountain Pond	LS-12-10	LS12-10 T1	270.50	308.00	37.50	21.96	22.36	31.98
	LS-12-10	LS12-10 UMF	308.00	332.00	24.00	13.48	15.96	22.82
	LS-12-10	LS12-10 T2	332.00	398.50	66.50	34.77	30.30	43.33
	LS-12-10	LS12-10 E	398.50	416.35	17.85	8.74	22.17	31.71
Mountain Pond	LS-12-11	LS12-11 JL T	27.00	177.00	150.00	87.01	35.36	50.56
Mountain Pond	LS-12-12	LS12-12 JL T1	30.00	158.00	128.00	86.71	26.09	37.3
	LS-12-12	LS12-12 UMF	158.00	182.50	24.50	16.65	2.86	4.09
	LS-12-12	LS12-12 JL T2	182.50	364.10	181.60	124.86	25.74	36.81
Mountain Pond	LS-12-13	LS12-13 T	46.00	240.00	194.00	166.79	26.6	38.04
Mountain Pond	LS-12-14	LS12-14 T	375.90	436.50	60.60	12.80	25.69	36.74
Mountain Pond	LS-12-15	LS12-15 JT T	21.00	149.20	128.20	114.98	29.12	41.65
	LS-12-15	LS12-15 CC	304.05	348.90	44.85	39.73	23.85	34.11
Mountain Pond	LS-12-16	LS12-16 T1	152.20	212.00	59.80	11.52	31.06	44.43
	LS-12-16	LS12-16 T2	280.60	426.75	146.15	24.41	24.89	35.59
Mountain Pond	LS-12-17	LS12-17 E	1.50	47.40	45.90	34.74	30.21	43.21
	LS-12-17	LS12-17 JL T1	72.00	141.00	69.00	53.15	26.02	37.21
	LS-12-17	LS12-17 JL T2	164.80	208.40	43.60	35.05	23.39	33.45
Mountain Pond	LS-12-18	LS12-18 JL T	4.55	288.00	283.45	131.46	29.04	41.54

Zone	DDH	Zone	From	To	Length on core	Est. True thickness	FeT (%)	Fe2O3 (%)
Mountain Pond	LS-12-19A	LS12-19A JL T	86.00	180.00	94.00	45.57	27.98	40.02
Mountain Pond	LS-12-19B	LS12-19B JL T1	126.00	245.44	119.44	79.96	28.57	40.86
	LS-12-19B	LS12-19B JL T2	303.00	406.30	103.30	70.84	24.05	34.39
Mountain Pond	LS-12-20	LS12-20 JL T	57.00	329.92	272.92	119.86	26.78	38.3
	LS-12-20	LS12-20 DD	399.50	427.00	27.50	11.42	24.06	34.4
	LS-12-20	LS12-20 AA	461.50	472.10	10.60	4.32	30.01	42.92
91-92	LS-12-21	LS12-21 T	6.78	178.00	171.22	152.91	31.2	44.62
91-92	LS-12-23	LS12-23 T	4.80	337.00	332.20	218.64	29.14	41.67
91-92	LS-12-25	LS12-25 T	10.00	115.00	105.00	90.65	30.18	43.16
	LS-12-25	LS12-25 A	136.00	146.10	10.10	8.84	28.59	40.88
91-92	LS-12-26	LS12-26 T	105.36	367.00	261.64	235.16	26.91	38.49
Mountain Pond	LS-12-27	LS12-27 AA	203.50	285.75	82.25	71.16	22.84	32.66
	LS-12-27	LS12-27 A	560.90	598.85	37.95	33.44	36.05	51.55
91-92	LS-12-28	LS12-28 T	191.60	378.00	186.40	169.49	28.39	40.09
Mountain Pond	LS-12-29	LS12-29 EE	450.83	462.78	11.95	9.93	29.55	42.26
	LS-12-29	LS12-29 T	495.75	678.00	182.25	151.87	24.19	34.59
	LS-12-29	LS12-29 UMF	604.60	614.40	9.80	8.18	20.07	28.70
91-92	LS-12-30	LS12-30 T	124.60	313.00	188.40	162.81	29.8	42.62
Tanguay	LS-12-31	LS12-31 AA	40.70	52.42	11.72	10.48	28.68	41.01
	LS-12-31	LS12-31 T	146.35	278.00	131.65	121.66	26.71	38.2
91-92	LS-12-32	LS12-32 E3	202.20	231.00	28.80	26.50	22.21	31.76
	LS-12-32	LS12-32 T	231.00	399.50	168.50	158.82	32.05	45.84
	LS-12-32	LS12-32 E1	399.50	408.00	8.50	8.10	31.01	44.35
Tanguay	LS-12-33	LS12-33 T	210.00	272.00	62.00	55.10	27.07	38.71
91-92	LS-12-34	LS12-34 E2	100.48	122.13	21.65	19.96	21.71	31.05
	LS-12-34	LS12-34 T	122.13	280.00	157.87	147.41	29.84	42.68
Tanguay	LS-12-35	LS12-35 AA	36.65	60.75	24.10	20.84	21.38	30.57
	LS-12-35	LS12-35 BB	135.65	163.10	27.45	23.90	28.43	40.66
	LS-12-35	LS12-35 T	211.30	298.54	87.24	74.88	29.53	42.23
91-92	LS-12-36	LS12-36 T	74.45	157.85	83.40	75.23	33.53	47.96
	LS-12-36	LS12-36 E	157.85	189.85	32.00	28.68	25.27	36.14
Tanguay	LS-12-37	LS12-37 EE1	51.40	58.50	7.10	6.13	18.35	26.25
	LS-12-37	LS12-37 AA	66.90	76.20	9.30	8.04	26.48	37.87
	LS-12-37	LS12-37 BB1	148.00	153.90	5.90	5.15	34.18	48.88
	LS-12-37	LS12-37 UMF	153.90	162.50	8.60	7.60	0	0
	LS-12-37	LS12-37 T1	162.50	184.50	22.00	19.38	28.58	40.87
	LS-12-37	LS12-37 A	260.40	299.90	39.50	35.11	29.73	42.51
91-92	LS-12-38	LS12-38 T	7.45	102.60	95.15	88.55	30.29	43.31

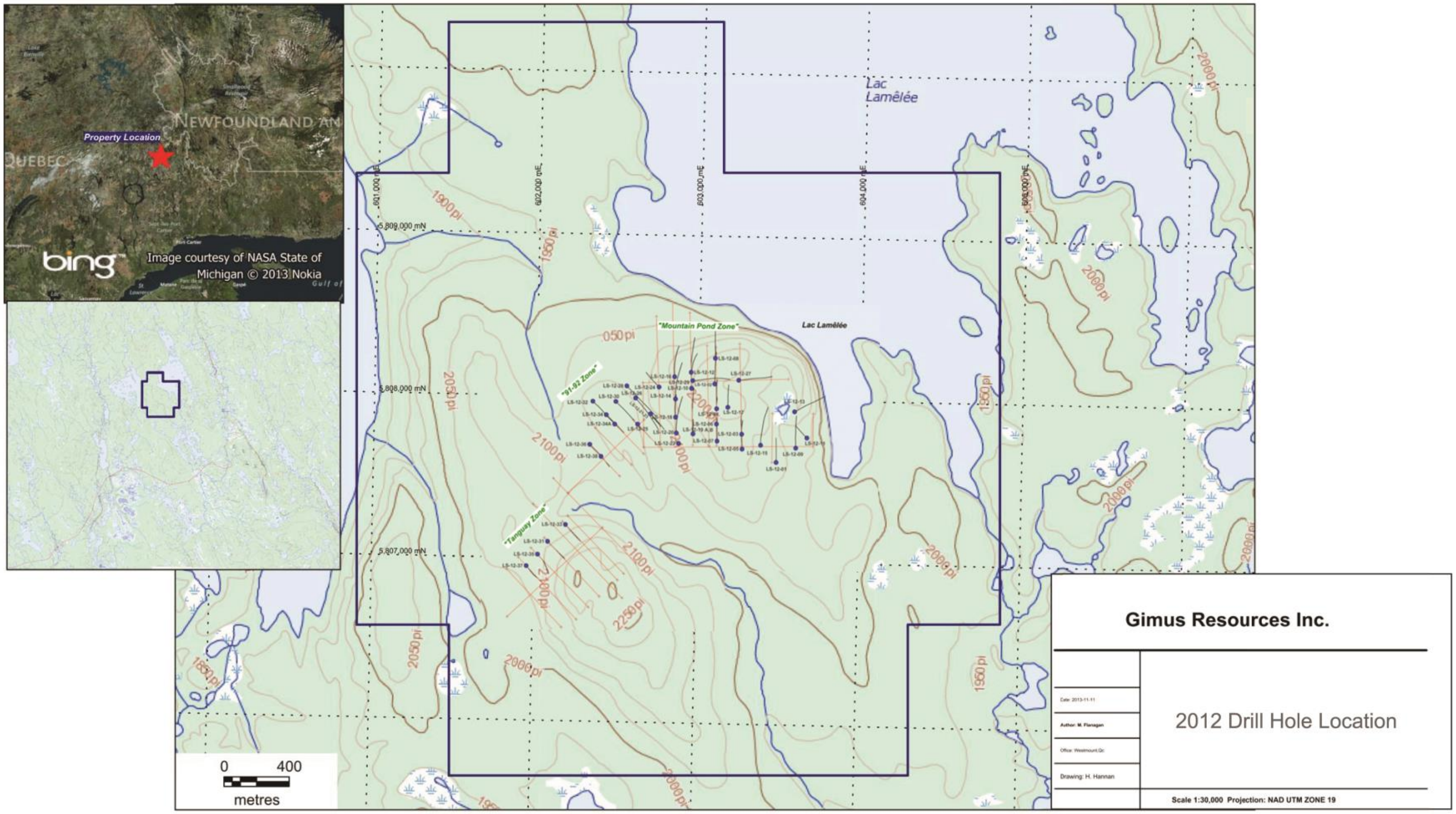


Figure 18 2012 Drill Hole location

11.0 SAMPLE PREPARATION, SECURITY AND ANALYSIS

Core logging and sampling was performed at the company's camp facility. The sample method and related procedures employed by the geologists were based on standard internationally accepted procedures and are described below. 2012 drill core samples collected and prepared by Fancamp were submitted to **ALS Minerals Lab** in Val D'Or, Quebec, which is an accredited and independent laboratory. The 2011 drill core samples collected and prepared by Fancamp were submitted to Activation Labs in Ancaster, Ontario, which is an accredited and independent laboratory.

11.1 Core Logging protocols

Core boxes arrived at the core shack once per day or at the end of each shift and were laid out on benches for preparation. Boxes were opened and depth tags were verified for errors by a geologist technician. Each box was labeled with embossed aluminum tape stapled to box end. Numbers indicated hole number, box number and "from and to" depths.

Geology was describes using 13 lithological units and several sub-lithologies. Other parameters described in the log include core recovery, structure, magnetic susceptibility, rock quality data, and mineralization. Core recovery and rock quality data was measured for all holes. Drill core recovery in most cases was close to 100% with virtually every 3 m run. The RQD was generally higher than 95%.

Mineralization was described as a visual percentage of magnetite and/or hematite and a ratio of magnetite to hematite was generally estimated.

Logging was conducted using GeoticLog and GeoticGraph software. Data was imported into GEMCOM software afterward.

As part of the site visit, PJLGC observed the 2011 and 2012 drilling conditions including set-up, core recovery (generally 100%), core storage and logging. The core was found to be in remarkably good condition. Boxes are stored in racks, all box labels remain legible. Logging procedures and sampling were carried out in a professional manner meeting industry standards of the day.

11.2 Sampling protocols and chain of custody

Sampling for the most part was continuous through mineralized intervals and intermittent in other lithologies. Within the mineralized intervals, samples were generally 2 meters in length, or up to lithological or structural boundaries.
Samples were split using a hydraulic splitter. The hydraulic splitter was cleaned and dusted between each sample. One half of the sample was returned to the core box with the sample tag number stapled at the down-hole end of the sample interval. The other half was packaged in a polyethylene bag accompanied by its sample tag number. The sample number was also written with felt pen on the bag.

11.3 Shipping protocols

Sample bags were secured with staples and/or cable ties. Sample batches were tabulated for shipping control and sample requisitions were included in the first bag of each batch. Batches were separated into two groups corresponding to the two drills working on the project. Core samples from each drill had a corresponding, separate series of sample numbers.

Samples were transported from camp to a shipping depot in Wabush. Batches were placed on pallets and wrapped to secure the bundles. Samples were placed in rice bags for shipping, secured with a cable tie. 2012 samples were shipped by truck to the ALS Minerals lab in Val D'Or, Quebec. 2011 samples were shipped by truck to the Activation lab in Ancaster, Ontario. Shipping waybills were kept for tracking shipments as required.

11.4 Sample preparation, analysis and security

ALS Minerals and Activation Laboratories are internationally recognized minerals testing laboratories operating in many countries around the world .ALS Minerals has an ISO 9001:2001 certification. ActLabs has an ISO 9001:2008 certification. Several laboratories have also been accredited to ISO 17025 standards for specific laboratory procedures by the Standards Council of Canada (“SCC”). ISO 17025 is the main standard used by testing and calibration laboratories. Laboratories use ISO 17025 to implement a quality system aimed at improving their ability to consistently produce valid results. Since the standard is about competence, accreditation is simply formal recognition of a demonstration of that competence.

Split core samples were analyzed for a suite of whole rock elements including: SiO_2, TiO_2, Al_2O_3, Fe_2O_3 and/or Fe, MnO and/or Mn, MgO, CaO, Na_2O, K_2O, P_2O_5, V_2O and/or V, plus several other elements and Loss On Ignition ("LOI"). Analysis was done on lithium metaborate fused pellets by X-ray Fluorescence ("XRF") following sample crushing and pulverization.

Core samples received at the lab were sorted and verified against the list to ensure that all original sample bags were received and there were no discrepancies. The sorted samples were dried in the original sample bags to ensure that any damp fines did not remain upon transfer to drying containers. The samples were entered into the Laboratory Information Management System (LIMS).

The sorted samples were dried at 60° C in a large drying room. Once dry, the samples were then crushed in their entirety to better than 70 - 85%, to <2mm or -10 mesh. The sample was then riffle split and a 250 gram aliquot was pulverized in a ring and puck pulverizer to 85 - 95%, to <75microns or -200 mesh. Samples were analyzed using the fusion XRF whole rock package which provides the analysis of SiO_2, TiO_2, Al_2O_3, Fe_2O_3, MnO, MgO, CaO, Na_2O, K_2O, P_2O_5, V_2O and Loss On Ignition ("LOI") as well as several other elements. Each batch was accompanied by quality control measures provided by the lab as well as those conducted during sampling. These included the analysis of blanks, duplicates and certified standard reference materials. All QC standards are control charted to ensure that the data passes QC prior to release of data.

Upon completion of sample analysis and verification by the analyst, results were entered into the LIMS and approved. Reports were then generated and a final quality control check by an independent person was performed. This person also did the final certification of the data. Data was then transmitted to Fancamp.

In PJLGC's opinion, the core handling and sampling procedures were done to an adequate standard.

11.5 QA/QC protocol

Fancamp Exploration Ltd used Blanks, quarter core Duplicates and certified reference standards to check the laboratory. One standard per hole was included within the sampling of mineralized zones up to 250 meters of hole length. Holes deeper than 250 meters contained a second standard. In parallel, 1 blank per 80 meters of core was included, and 1 duplicate per 80 meters was included in the sampling procedure.

Forty samples of varying mineralized lithologies were quartered and sent to the principal laboratory and a second laboratory for laboratory control (results and comparison).

Two types of blanks where used: 51 blanks of QZTITE (98.5% SiO_2) and 50 carbonate rock plus 2 blanks with no ID for a total of 103 blanks. Eleven (10%) of the blanks were out of a one standard range of deviation but they had very low Fe_2O_3% (average 0.6% and max 2.7%). See Figure 19 below and List of Blanks in the table of appendix 2.

Fancamp used 75 Standards (Magpie) with a high grade of 62.1% Fe_2O_3 and 11% TiO_2. This Magpie Standard has much higher grade than the average 38.7% Fe_2O_3 grade found on the Lac Lamélée South property. Thirteen samples (17%) were out of one standard range of deviation (average +/- one standard deviation) but the coefficient of variation of Fe_2O_3 is very low (0.44%) (Figure 20).

Fancamp used 134 quartered core “duplicate” samples from 6.7% to 60.1% Fe_2O_3. In general, the duplicate test worked very well. The duplicates average at the same grade as the original samples at 39.0% Fe_2O_3. There are a few pairs out of line (Figure 21).

Fancamp monitored the quality of the samples and the laboratories. It adjusted its materials and procedures to get good quality sample preparation and assays. The few check points that are out of line or range are considered not critical. It is normal in any QA/QC to have a few exceptional results.

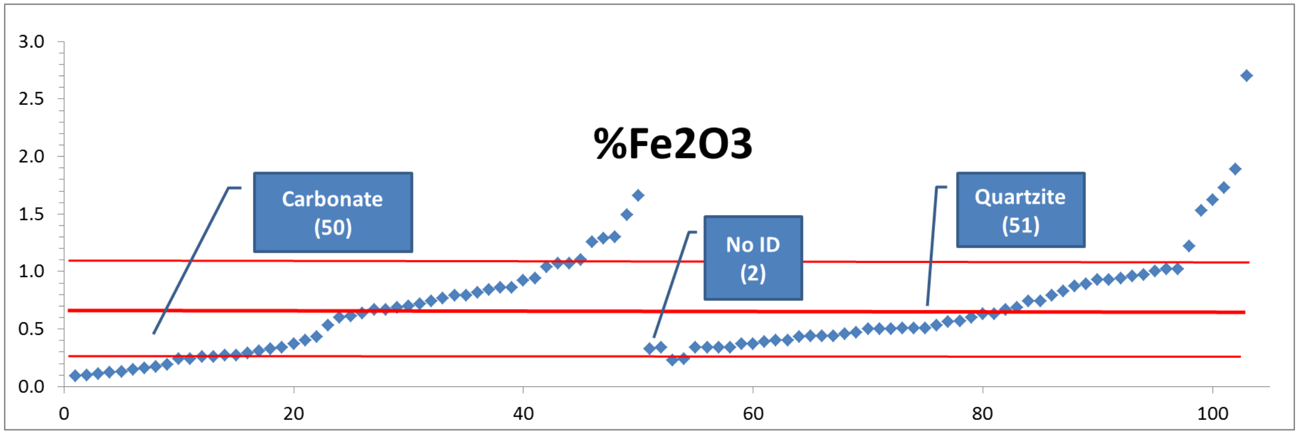


Figure 19 Blanks – Value of Fe_2O_3%

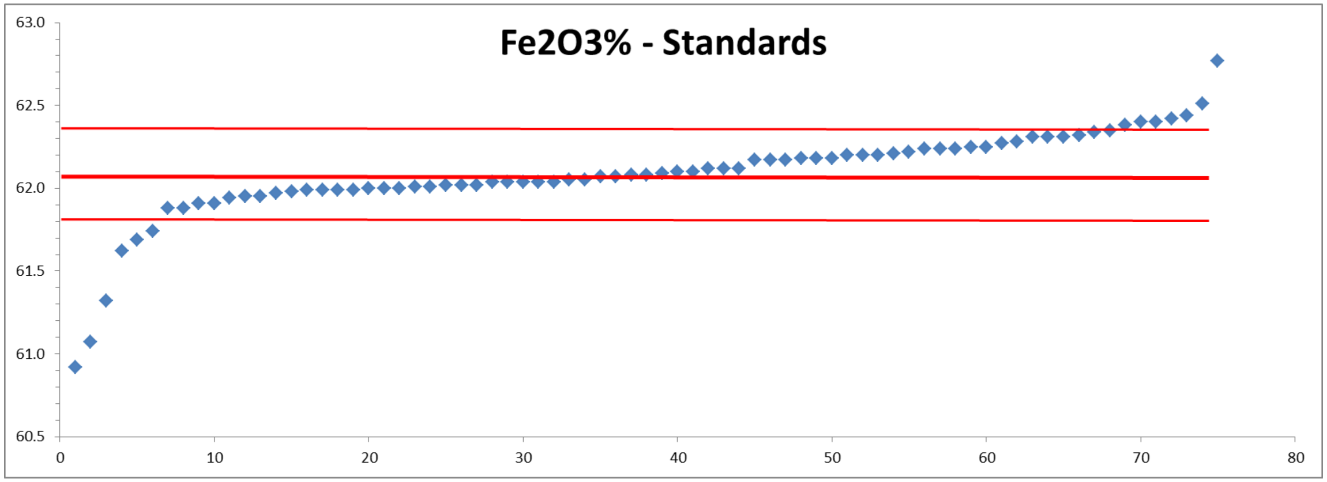


Figure 20 Standards – Value of Fe_2O_3%

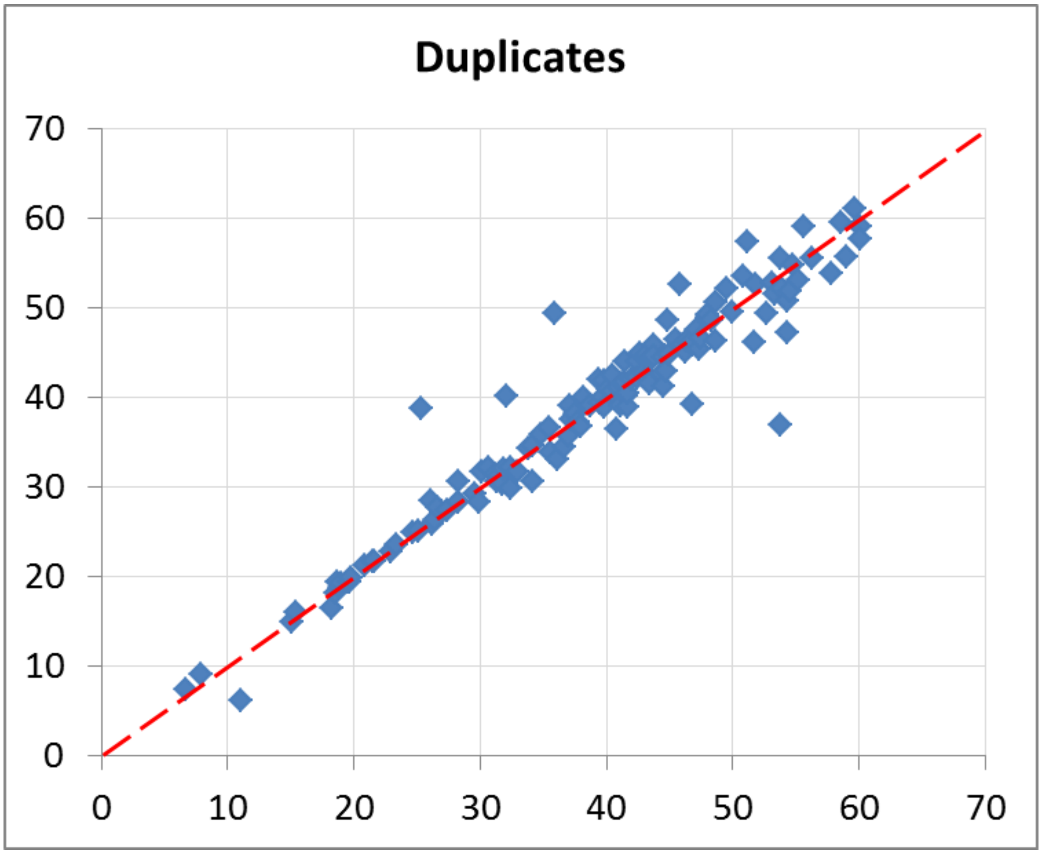


Figure 21 Duplicates – Value of Fe_2O_3%

PJLGC Inc. considers that the standards and duplicates demonstrate reasonable accuracy which make the data to be of good quality and satisfactory for use in a resource estimate..

12.0 DATA VERIFICATION

12.1. Site visit and QP check sampling

A field visit was conducted to review the ongoing exploration program of Fancamp by the QP, Ali Ben Ayad, P. Geo., from August 21 to 24, 2012. This exploration program ended in December 2012 and since no additional fieldwork has been done on the property.

During this visit, the QP was in the company of Mr. Mike Flanagan, senior exploration geologist of "Glenmere Geological Services", who carried out all the exploration works on behalf of Fancamp Exploration Ltd.

Prior to this site visit, the QP reviewed all the publicly available technical data covering historic exploration work on the property. These data were obtained from Quebec Government Assessment Files (GM). In parallel, a regional geological compilation was initiated to help define the property in the regional geological context.

This visit was undertaken to:

- Control the geology of all the outcrops available at that time, i.e., more than 4 stripped areas with two blasted areas. The different mapped litholgies and the general geological structure of the property were confirmed and a chronology of different deformation phases was established.

- Review the coreshack and the available core and the procedures of logging and sampling. The core was found to be in remarkably good condition. Boxes are stored in racks, all box labels remain legible. Logging procedures and sampling were carried out in a professional manner meeting industry standards of the day.

- Realize an independent sampling verification by randomly selecting mineralized drillcores intersections. Forteen samples were taken from the core boxes for the QP check samples. The samples were documented, bagged, and sealed with packing tape, taken to Wabush and sent to the Explologik services in Saint Hyppolyte Quebec. Explologik, responsible for all the camp and field Logistic for Fancamp on the Lac lamelee South property, sent the samples to ALS Minerals in Val d'Or for analysis following the same habitual procedure for this deposit (lithium metaborate fused pellets by X-ray Fluorescence ("XRF") and LOI for XRF, following sample crushing and pulverization).

The 14 check assays taken in this site visit did match well with Fancamp Exploration sample results. Results are shown in Table 15and Figure 22 below.

Table 15 Check Assays results

Drill holes	Interval		Samples control	Fancamp samples #	Check Assay		Original
	From	To	PJLGC Samples #		Fe%	Fe2O3%	Fe2O3%
LS-12-08	50	52	PJG1	P162408	31.18	44.61	44.91
LS-12-08	78	80	PJG2	P162423	20.00	28.61	28.54
LS-12-08	99	101	PJG3	P162436	36.06	51.59	52.81
LS-12-08	161	163	PJG4	P162469	29.39	42.05	43.22
LS-12-08	261	263	PJG5	P162522	25.31	36.21	34.54
LS-12-06	58	60	PJG 6	P162243	33.98	48.61	47.55
LS-12-06	97	99	PJG 7	P162266	30.55	43.71	43.02
LS-12-06	119	121	PJG 8	P162277	21.45	30.69	30.28
LS-12-06	137	139	PJG 9	P162287	36.42	52.10	52.56
LS-12-06	145	147	PJG 10	P162291	40.37	57.75	58.01
LS-12-06	159	161	PJG 11	P162298	30.58	43.75	42.19
LS-12-06	302	303	PJG 12	P162377	28.28	40.46	41.40
LS-12-13	220	222	PJG 13	N156673	28.45	40.70	50.13
LS-12-13	84	86	PJG 14	N156602	35.55	50.86	48.58

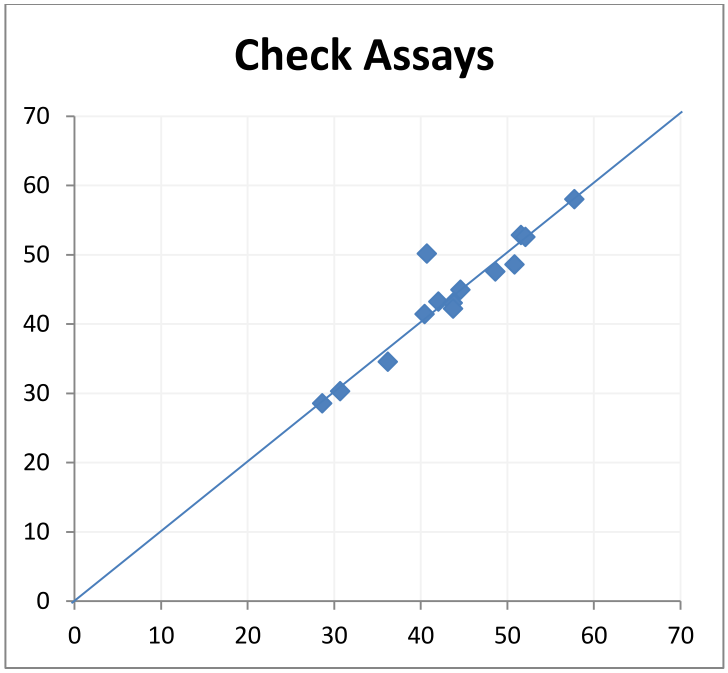


Figure 22 Correlation of Check Assays and Original Assays

12.2 Verification of laboratory certificates

PJLGC conducted a series of routine verifications to ensure the reliability of the electronic data provided by Fancamp Exploration Ltd. This included auditing the electronic data against original records in the form of Adobe PDF assay certificates. Approximately 30 % of the assay data from the samples were audited for accuracy against assay certificates. No major input errors were detected in the Lac Lamêlée South Property data.

12.3 Conclusion regarding data verification

PJLCGI is of the opinion that there are no critical flaws in the data generated by the 2011 and 2012 exploration surface drilling and sampling programs conducted by Fancamp Exploration Ltd.

The authors consider the data to be of good quality and satisfactory for use in a resource estimate.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The project has no processing or metallurgical testing data other than some Davis Tube tests (122 in 2011 with density and 50 in 2012), and 4 Satmagan in 2011, as well as drill core magnetic susceptibility readings (4722). These tests made on drill hole core samples give some information on how to split the iron assay (Fe2O3) between the payable magnetic iron oxides (magnetite and hematite) and the sterile iron rich silicates which have low or no magnetic response and no economic value. The magnetic separation of payable iron from iron captured in waste (silicates) is also know as weight recovery as defined in the Davis Tube test by magnetic separation.

MAG (magnetic susceptibility) readings on core indicate a very poor correlation with Fe_2O_3%. See 10.1.2 Magnetic Susceptibility Tests, Figure 17 and Figure 23. This is a result of the mix of magnetite and hematite ores within the deposit combined with the relative small size of the MAG "sample". As a result, a significant number of samples do not respond to MAG but contain high Fe_2O_3%. A high value reading of MAG indicates the presence of magnetite but only at the MAG spot test point. Conversly, a low MAG result could be just beside a magnetite rich spot. A continuous MAG reading along the entire length of core rather than spot readings would provide a better result for correlation of grade and magnetic susceptibility.

The reading of magnetic susceptibility on the core without sample preparation (crushing and pulverizing) to render the sample homogeneous, makes it difficult to estimate the grade of iron or the fraction of iron between oxides and silicates (pyroxenes). Davis Tube test and Satmagan are both performed after sample preparation. Therefore, they are a better alternative to help estimate the iron grade as well as differentiate the oxides (magnetite, hematite) and the ferro-silicates.

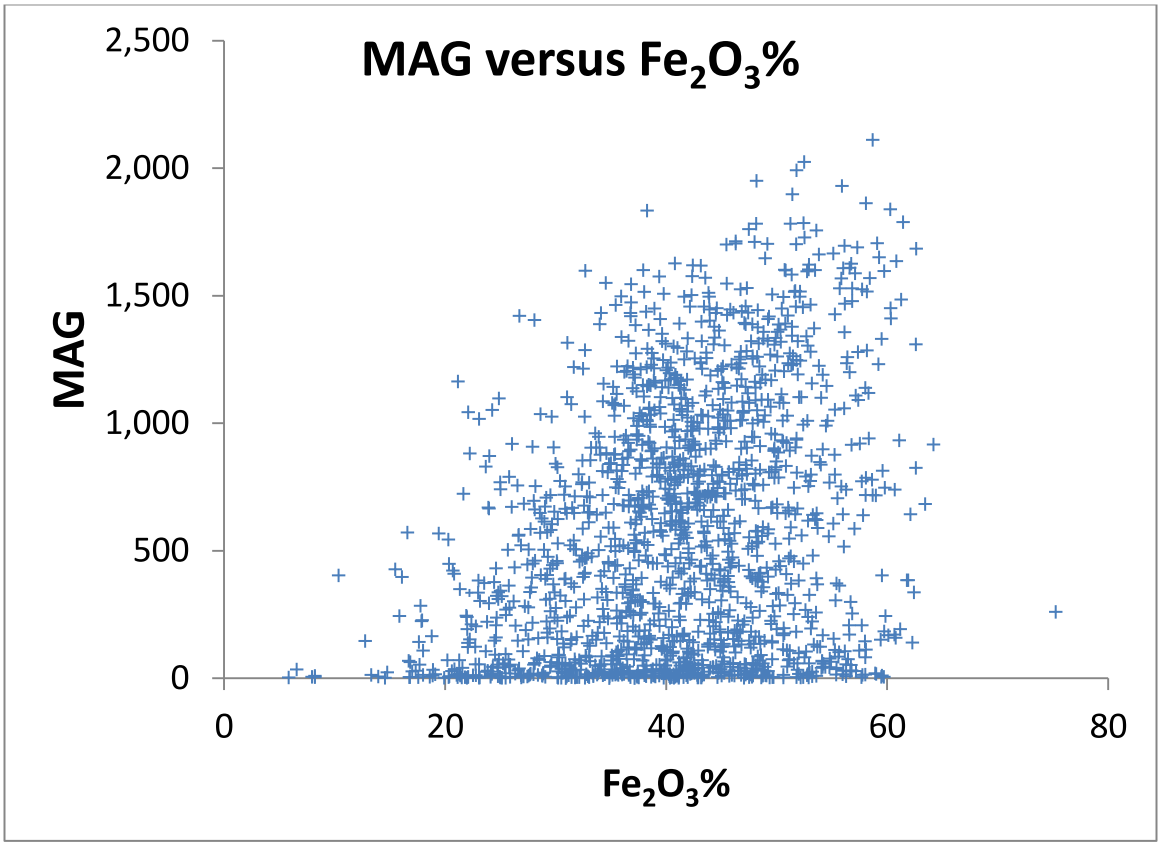


Figure 23 MAG data highlight no correlation with Fe2O3

13.1 Density

Measures of density were made in 2011 on 120 samples split between 3 rock types bearing potential heavy iron oxide minerals: HIF, MIF and QPyrxM. When considered individually, the density measured by rock type as logged in drill holes is very broad and their linear models diverge. See Figure 24. When analyzed together (see Figure 25), the data forms 2 clusters of points and a minor set of data near the theoritical limit of iron mineral density (Hematite is 5.3 and Magnetite is 5.2). A correct linear model would converge toward a density of 2.6 for the host rock with no heavy iron minerals. Hence the equation to calculate the density using Fe_2O_3% would be

$$\textbf{Density} = 2.6 + (1.9 \times Fe_2O_3\%)$$

This formula was used to calculate the density of the iron mineral bearing formation in the block model used to create the mineral resources model. See section 14 of this report. It should be noted that the broad dispersion (high variance) of the measured density when compared to Fe_2O_3% indicate a lack of accuracy in the formula above.

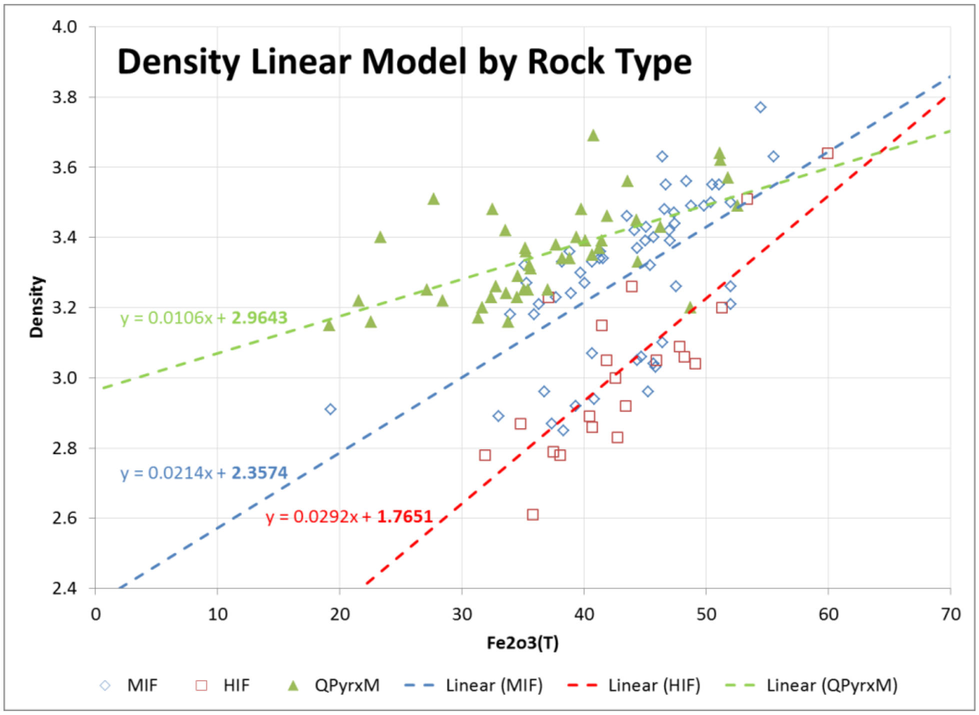


Figure 24 Density measured by 3 divergent Rock Types

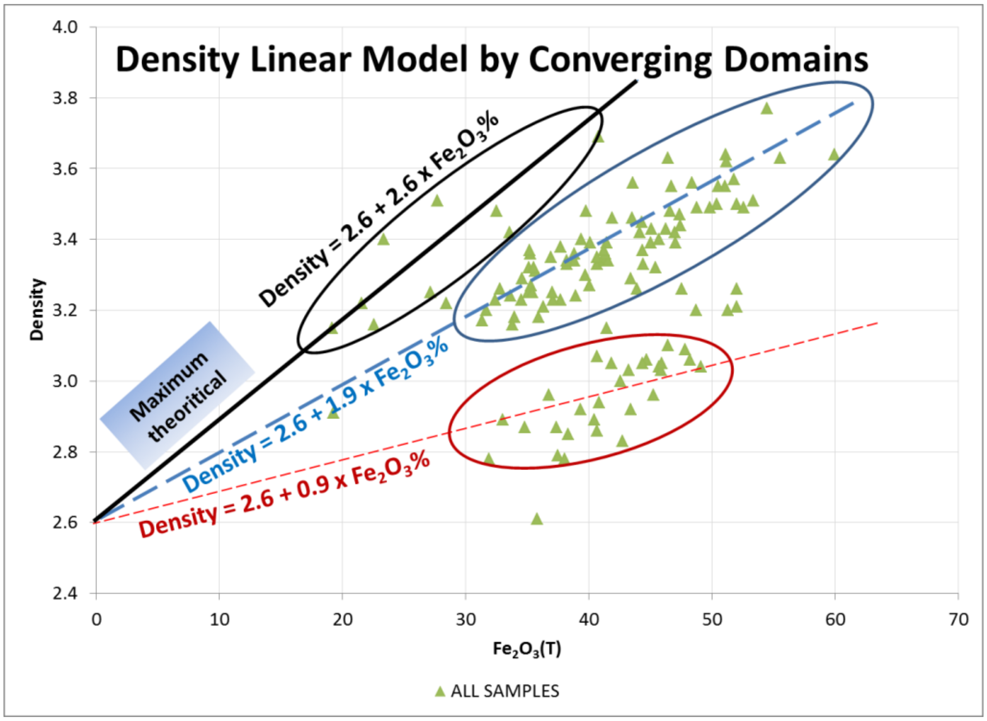


Figure 25 Density data actually converge toward host rock density of 2.6

13.2 Weight Recovery

Weight Recovery is estimated using the Davis Tube (magnetic separation test) as a proxy to more advanced metallurgical testing and full scale iron ore processing. Davis Tube are considered to be somewhat optimistic. They are done on small scale samples in laboratory with little metallurgical control.

The 120 samples of 2011 used to measure the density and weight recovery using Davis Tube are shown in Figure 26. They display a wide range of results as a function of Fe_2O_3%. However, it is apparent that there are 2 clusters or structures in the data points, including one set of data relatively well lined up above a density of 3.2. This data subset represent the potential recoverable and payable heavy iron minerals. It is also most likely representing magnetite where hematite would be found mostly in the lower cluster of data because it is less responsive to magnetic separation. More detailed metallurgical testing will be required to adjust weight recovery for the presence of both magnetite and hematite.

The Davis Tube test of 2012 include 50 samples of QPyrxM divided in 3 categories: weak, moderate and strongly magnetic samples in QPyrxM only as opposed to a split by rock type in 2011. The display of weight recovery distribution as a function of Fe_2O_3% show a similar double cluster pattern as with the data of 2011. See Figure 27 below.

These results are compatible with the expected recovery model based on producing an eventual heavy iron minerals concentrate with 65% Fe, i.e., 93% hematite or 90% magnetite, with an equal efficiency for grinding and spirals of 91% each achieving an overall 82% processing iron recovery for an average mill head feed grade of 39.7% Fe_2O_3.

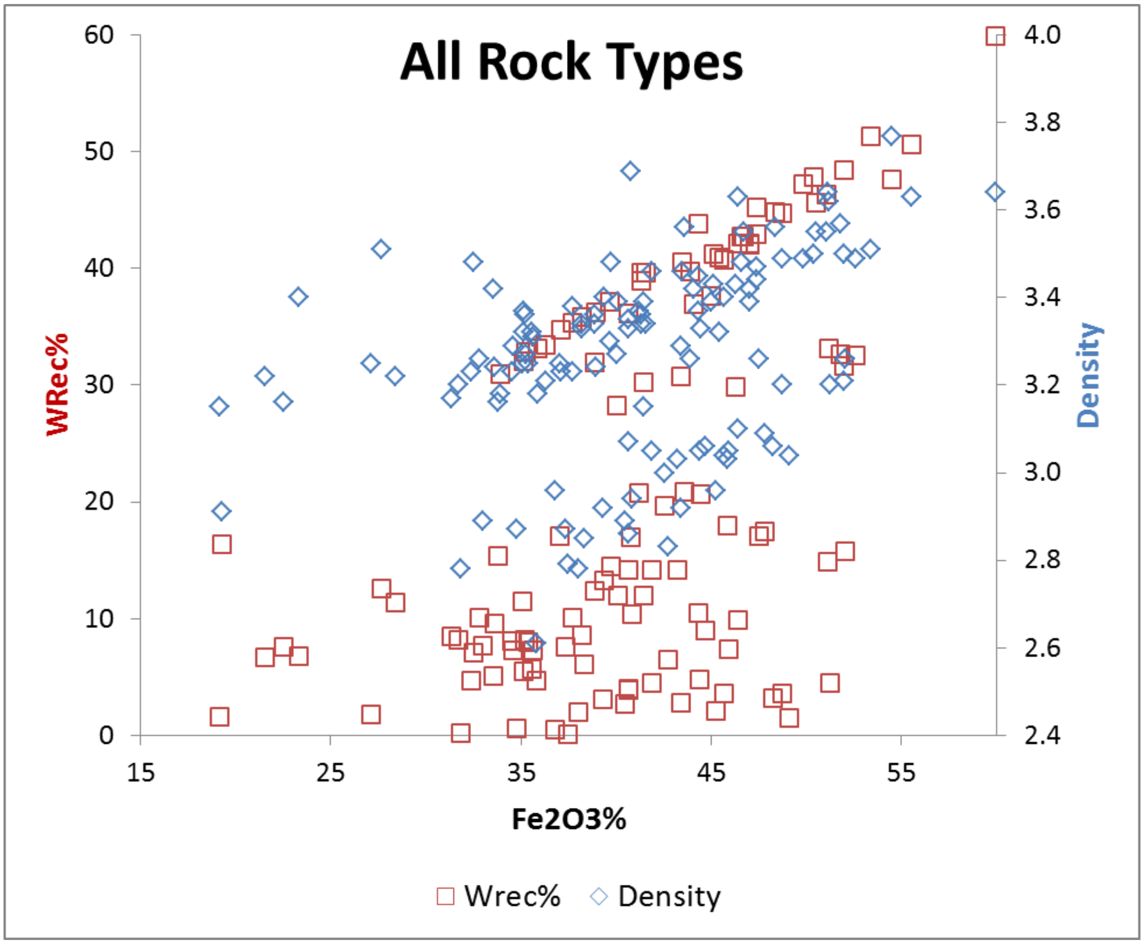


Figure 26 WRec% and density as a function of Rock Type (2011) – 120 samples

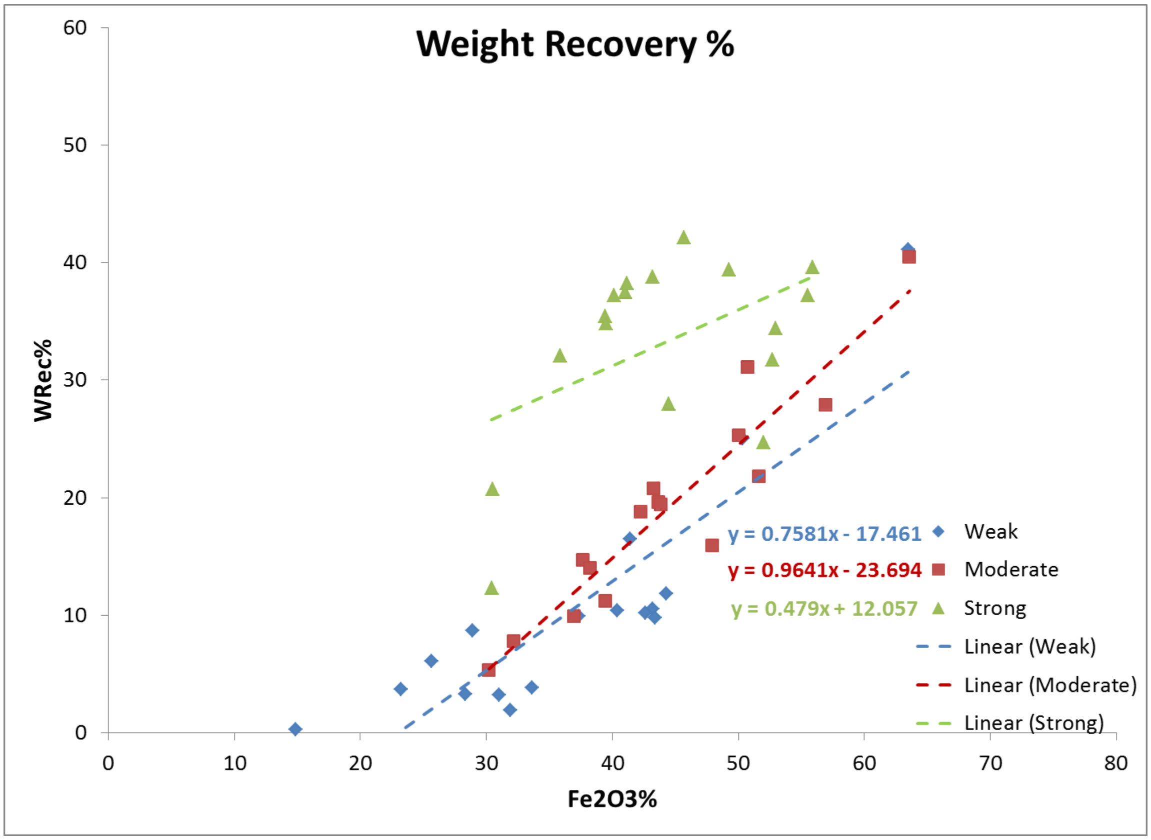


Figure 27 Weight Recovery Curves based on Magnetic Susceptibility in QPyrxM

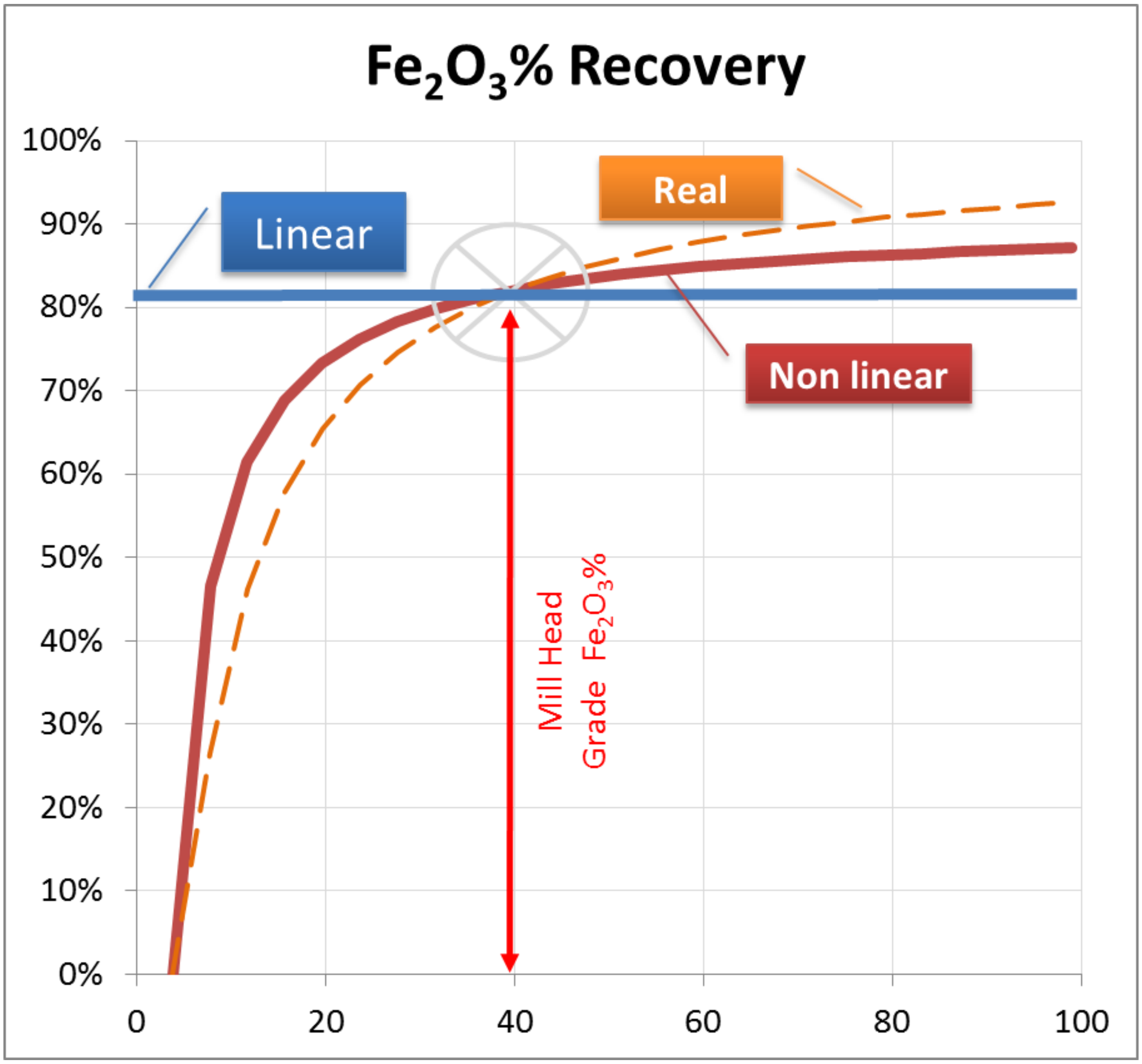


Figure 28 Iron Recovery Model

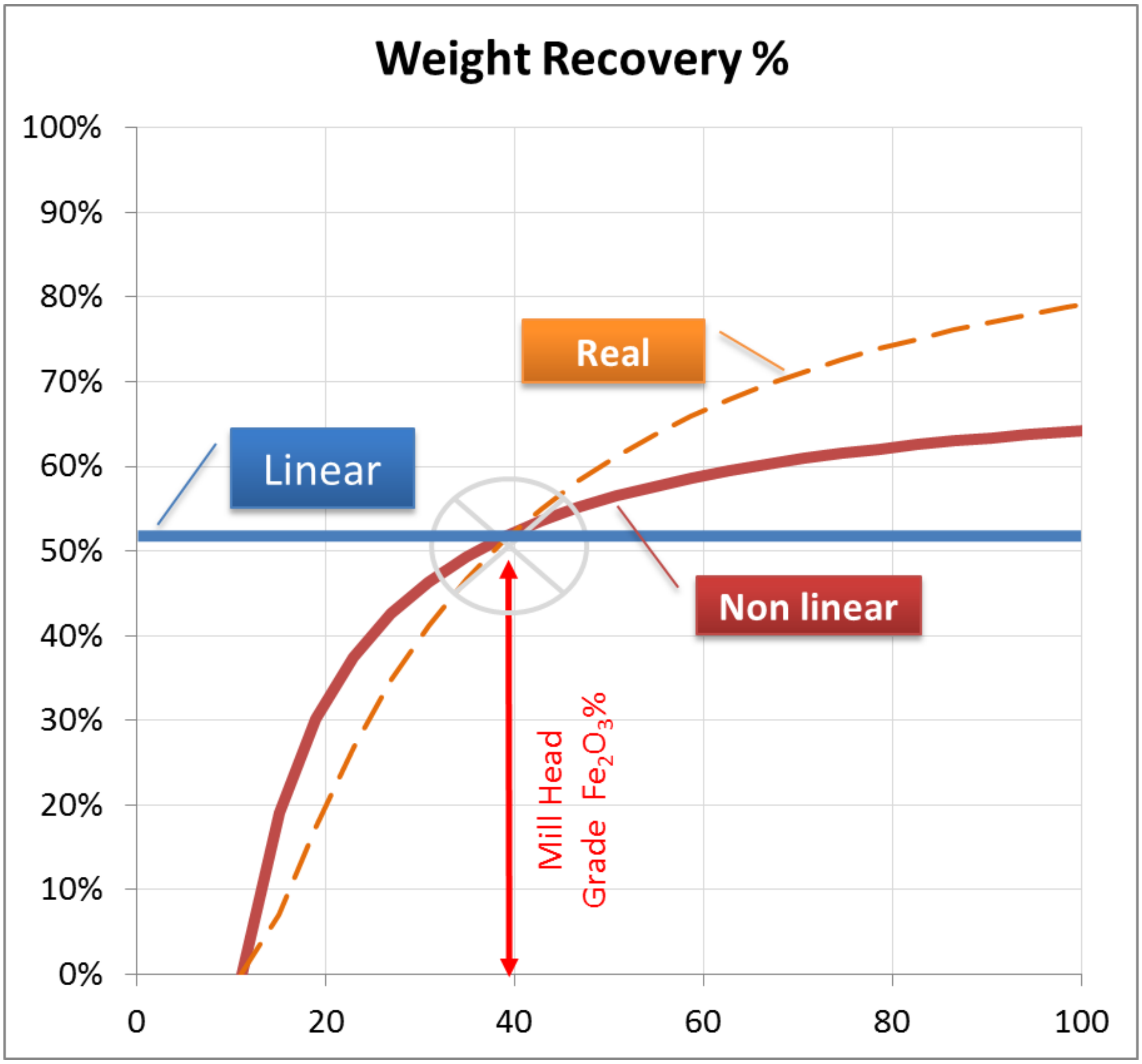


Figure 29 Weight Recovery Model

There are different ways of modeling processing recovery of minerals of interest. For the purpose of this study, 3 model types are applied and compared on Fe_2O_3% grade recovery and weight recovery. See Figure 28 and Figure 29. The model description follows:

1. **Linear model**: this is the most commonly used model in the mining industry. It implies that for an average grade of processing an average mineral recovery will be achieved and that it can be used for the entire mineral resource. The problem with this model is that grade varies widely in the mineral resource and the recovery model should be adjusted accordingly. Low grade material will yield less product per grade unit than high grade material. In the case of iron, there is also a proportional effect due to density. High grade is heavier and more likely to contain minerals of interest (hematite and magnetite) as oppose to low grade material containing ferrosilicates. As a result, a simple linear model for process recovery overvalues low grade material and undervalues high grade material.The average recovery for this model is assumed to be 82% Fe_2O_3%.
2. The **non linear model** is based on a minimum lost of useful mineral during processing (the threshold; i.e., grinding efficiency) and adjusting the recovery factor (%) for the material above that grade. Using this model, high grade material will render more product as should be expected. A threshold of 3.7% Fe_2O_3 with a 90.6% Recovery above the threshold is equivalent to an overall average recovery of 82%.
3. The **real model** is based on the assumption that every step in mining and processing has its own efficiency factor. In this case, a simple two or three stage process was assumed: magnetic separation, grinding and spirals (gravity separation). An average equal efficiency of 93.6% per step would average 82% average process global efficiency expected. This method shows even more value in high grade material and less in low grade material.

For the purpose of this study, all 3 processing recovery models based on Davis Tube data were made to average the same average recovery of 82%. The parameters to determine use of one or the other model are summarized in Table 16 below.

Table 16 Summary of 3 Process Recovery Models

Fe_2O_3% Recovery Model							
Model	**Linear**			**Non Linear**			**Real**
IN/OUT	**Input**	**Output**	**Reject**	**Mag+Grind**	**Gravity**	**Total Avg**	**Mag=Grind=Gravity**
Recovery%	100%	**82.0%**	18.0%	90.6%	**90.6%**	**82.0%**	**82.0%**
Grade	**39.7**	32.6	7.1	**3.7**	**3.4**		
			100%	52%	48%		

The non linear model was retained for the mineral resource estimation in Section 14.

14 MINERAL RESOURCES ESTIMATE

Cautionary Note

This report represents the first time disclosure of a resource estimate for the Issuer (**Gimus Resources Inc)**, the principle review of the report for NI 43-101 compliance is the responsibility of the relevant Securities Commission (AMF).The Exchange has reviewed the above report for compliance with Exchange Mining Standards Guidelines, which incorporate National Instrument 43-101 (“NI 43-101”) and for Initial Listing requirements as per Policy 2.1

It should be understood that the mineral resources presented in this study in item 6.2.4 were estimates for another issuer (Fancamp Exploration Ltd) based on the size and grade of the deposits relying on consistent drillhole samples (item 10, 11 and 12), and on economic assumptions and parameters available in May 2013. The level of confidence in the estimates depends upon a number of uncertainties. These uncertainties include, but are not limited to, future changes in metal prices and/or production costs, differences in size, grade and recovery rates from those expected, and changes in project parameters such as permits for land use, right of access to the property, having a reliable source of energy, permit to use water and land for mine rejects (waste and tails), new mining taxes, etc. In addition, there is no assurance that the Project implementation will be realized.

The basis of the mineral resources estimate presented in item 14 of the present report for a new issuer (Gimus Resources Inc) is based on the same data and the same methodology used as of October 2013 by the same qualified persons (QP). The data accumulated at the end of December 2012 on the property has not changed as of October 2013, date of publication of this technical report for **Gimus Resources Inc**.

14.1 Presentation of the Mineral Resources Estimates

The 2011 and 2012 drill program conducted at Lac Lamêlée South Property aimed to establish the three dimensional shape of the iron mineralization, provide a preliminary mineral resources iron grade estimate and some samples for David Tube test work to measure the density and weight recovery of potential iron minerals. Two 9,000kg bulk samples representative of magnetite ore and hematite ore were also taken in 2012, for future metallurgical testing. In 2011, 17 drill holes with a total length of 5,614 meters were drilled. In 2012, 40 drill holes with a total length of 12,607 meters were drilled. See section 13 for an analysis of the 170 Davis Tube test. The drill campaign was completed mainly on 100m spacing vertical sections to drill depths of about 450 meters. Only two holes exceeded 600 meters in total length. The resource model is reported to a depth of about 540 meters. The nose of the folded iron formation outcrops to the east in the Mountain Pond zone and it plunges steeply to the west. Further deep exploration could extend the resource model below the current projected depth of 540 meters. The drilling programs demonstrated that the iron rich mineralized facies outcropping at surface can be projected to a depth of about 800 meters. The rocks are folded and faulted with a steep dip to the south in the east, to the north in the west and locally sub-vertically, making drilling across the bedding difficult. The iron formation is blocky in places due to faults, and is weakly magnetic in others (western extent of the NW limb of the syncline). The main areas of interest, corresponding to high magnetic anomalies, have been drilled but some areas of interest remain open (not drilled). The iron grade is relatively predictable and uniform when compared to the thickness of the iron formation bedding, which varies significantly laterally on strike and dip, probably due to secondary folding and faulting. The typical thickness of the iron formation limb is about 100 meters but it can reach a thickness of 200 meters. Mining selectivity is expected to occur at the decameter level (10 meter thickness beds of metasediments) for grade control. The current (incomplete) drilling pattern at 100 meter spacing is insufficient to outline such detail in a full 3D model at the moment.

The Mineral Resources estimated on the property of Lac Lamêlée South for Gimus Resources Inc as of October 2013 are presented in Table 17. The volume is constrained by a geological model drawn as polygons on sections. The polygons are extruded to estimate the volume using Gems software from GEOVIA (former Gemcom Software International Inc). This software is designed to adjust the volume calculation where solids (sections) overlap to avoid double counting. Given the irregular drill spacing and the folding and faulting of the iron formation, it was deemed the best method to estimate the mineral resource volume in combination with a block model (10 x 10 x 10) for grades at this phase of study of the project. The polygons/solids were used to mark the rock code in the block model to estimate the grade using Ordinary Kriging. The grade of Fe_2O_3 was interpolated only in the known mineralized rocks, i.e., the iron bearing formation. Five domains were used to create the grade model following the folded and faulted lithology as much as possible using an oriented search ellipse 150m by 150m by 50m. Attempts to break down the iron bearing formation into more detailed facies for grade modeling met limited success. While the geological continuity is comprehensive and the grade in the drill holes complies with the lithology, all the mineral resources are classified as inferred.

To further break down the mineral resources, a conceptual pit outline was drawn with some economic factors based on the nearby Fire Lake 43-101 study published in November 2011. These economic parameters are comparable to similar projects in the region and elsewhere in the world. The iron ore price of reference was adjusted to $120 per tonne of Fe (Figure 30). This study resulted in outlining 2 pit shells to help classify the mineral resources and identify drilling targets for recommendations in item 26 only. No preliminary economic assessment of the Lac Lamêlée South Property has been done yet but the author of this report is of the opinion that it is reasonable to use these economic factors of reference to design the exploration program for Gimus. A smaller pit shell (Phase 1) with a stripping ratio of 0.67 could extract 315 million tonnes of potential iron ore at a grade of 41.2% Fe_2O_3. A pit expansion was considered (Phase 2) by extracting a total of 520 million tonnes of potential iron ore at a grade of 39.5% Fe_2O_3. The stripping ratio of the larger pit increases from 0.67 to 1.2. The expansion material has a marginal stripping ratio of 2.02. The relatively high stripping ratio of the expansion (Phase 2) explains why the smaller pit is deemed more robust, among other factors. The small pit (Figure 37 and Table 17) is the main target of Gimus exploration program described at item 26. No mining dilution or mining recovery was used in this Whittle pit shell study. A variable cut-off grade (COG) was used for the study and a final COG of 22% Fe_2O_3 was used in the final reported mineral resources estimates.

Table 18 presents the classified mineral resources inside the 2 pit shells by zone: Mountain Pond, 91-92 and Tanguay. See Figure 37 for Zone Limits. Table 19 presents the classified mineral resources constrained by the large pit shell alone. Figure 30 show the iron ore price curve for the last 5 years.

Table 17 Mineral Resources of Lac Lamêlée South Property by COG and Pit Shell

In Pit Resources

CUT-OFF FE_2O_3 GRADES	Tonnes	Fe2O3%	FeT	Stripping Ratio
Phase 1 – 400m depth				
Input				
20	2,000,000	23.7	16.4	
25	13,000,000	27.9	19.3	
30	300,000,000	41.8	28.9	
Input Total	**315,000,000**	**41.2**	**28.4**	
Waste	**212,000,000**			**0.67**
Phase 2 – 540m depth				
Input				
20	8,000,000	23.6	16.3	
25	32,000,000	27.9	19.2	
30	165,000,000	39.5	27.3	
Input Total	**205,000,000**	**37.1**	**25.6**	
Waste	**415,000,000**			**2.02**
Final Pit				
Input				
20	10,000,000	23.6	16.3	
25	45,000,000	27.9	19.2	
30	465,000,000	41.0	28.3	
Input Total	**520,000,000**	**39.5**	**27.3**	
Waste	**626,000,000**			**1.20**
Grand Total	**1,147,000,000**			

Table 18 Incremental Mineral Resources by Zone, COG and Pit Shell

CUT-OFF FE_2O_3 GRADES	Tonnes	Fe2O3%	FeT%
Montain Pond			
10	1,000,000	12.9	8.9
15	1,000,000	18.2	12.6
20	11,000,000	23.3	16.1
25	40,000,000	27.8	19.2
30	352,000,000	40.6	28.0
MP Total	**406,000,000**	**38.7**	**26.7**
91-92			
25	2,000,000	27.8	19.2
30	71,000,000	42.6	29.4
91-92 Total	**73,000,000**	**42.2**	**29.1**
Tanguay			
25	3,000,000	28.6	19.7
30	42,000,000	42.0	29.0
Tanguay Total	**45,000,000**	**40.9**	**28.2**

Table 19 Mineral Resources by Cut-Off Grade

Mineral Resources[1] (Rounded to million tonnes)

	Incremental			**Cumulative**		
FE_2O_3 Cut-Off Grade	**Tonnes**	**Fe2O3%**	**FeT%**	**Tonnes**	**Fe_2O_3%**	**FeT%**
10	1,000,000	12.9	9.0	524,000,000	39.4	27.5
15	1,000,000	18.2	12.8	523,000,000	39.5	27.6
20	1,000,000	21.0	14.7	522,000,000	39.5	27.6
22	10,000,000	23.6	16.5	**520,000,000**	**39.6**	**27.7**
25	45,000,000	27.9	19.5	510,000,000	39.9	27.9
30	465,000,000	41.0	28.7	465,000,000	41.0	28.7

1 - Inside Pit Shell (Inferred)

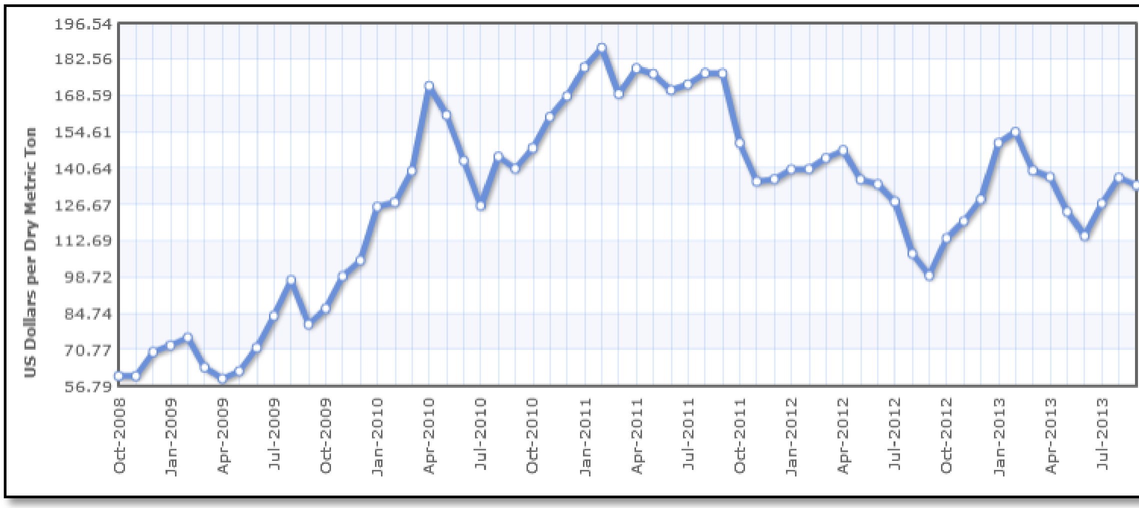


Figure 30 Iron Ore Monthly Price last 5 Years.

14.2 Methodology

14.2.1 Software

The Gems and Whittle software applications from 3DS GEOVIA (former Gemcom) were used for database management, modeling the geology, analyzing the data, to create and manage the block model, to perform the grade interpolations, to create a conceptual pit shell as well as report the mineral resources and its potential. The software was used by Pierre-Jean Lafleur, a QP according to NI 43-101 and a Senior Business Analyst at 3DS Geovia (Gemcom).

14.2.2 Historical Data

The drilling results and other exploration work (MAG) in 2011 and 2012 confirmed the potential mineral resourcds. See item 6 to 10. Every project goes through the same process of discovery and evaluation from sparse data to detailed data. Each activity from exploration through development and production has different goals and method of investigation. The data accumulated to date (October 2013) to model and evaluate the mineral resources of the Lac Lamêlée South property are consistent within reasonable limits and comply with standard practice and guidelines of the mining industry.

The only exception observed by P.J. Lafleur is that some drill core from the 2011 drill program was sampled partially as opposed to the full length split core. For example, a 1-

meter sample was taken every 5 meter systematically in portions of six of the sixteen mineralized drill holes of the 2011 program. Partial sampling was used to speed up sampling due to logistical problems near the end of 2011 drilling program. This happened in the initial exploration program, when it was deemed more important to sample sparsely all core rather than being selective by rock type or not sampling all drill holes. The plan was to sample the unsampled core later but the task remains in the priority list to this day. In 2011, three drill holes (12, 16 and 17) were sampled in iron formation using 1 metre samples separated by 5 metre unsampled intervals. Another 2011 drill hole (10) had a 70m interval of a portion of the iron formation sampled using 1 metre samples separated by 5 metre unsampled intervals, and another hole (11) had a 144m interval of iron formation sampled using 1 metre samples separated by 2 metre unsampled intervals. Exceptionally, the composites of those few drill holes were allowed to fill the gap with the value of the reference partial core sample to make 5 meter composites when intersecting the iron ore formation. See Figure 31 below. The pattern of grade distribution along those partially sampled drill holes correlates well with neighboring drill holes.

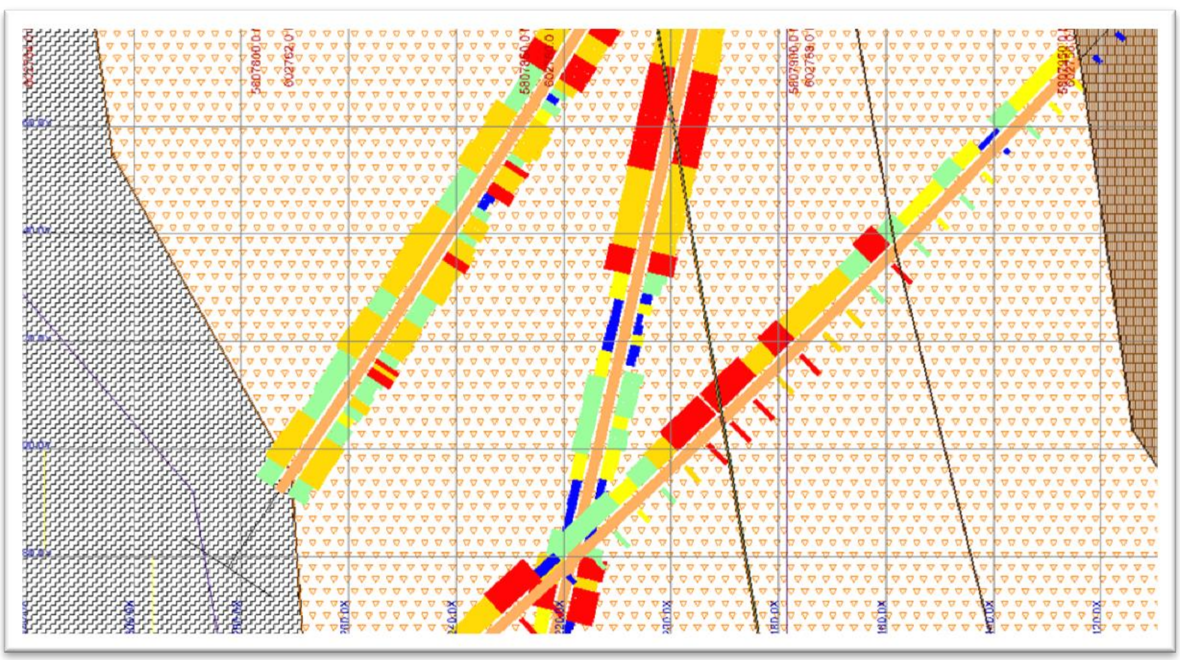


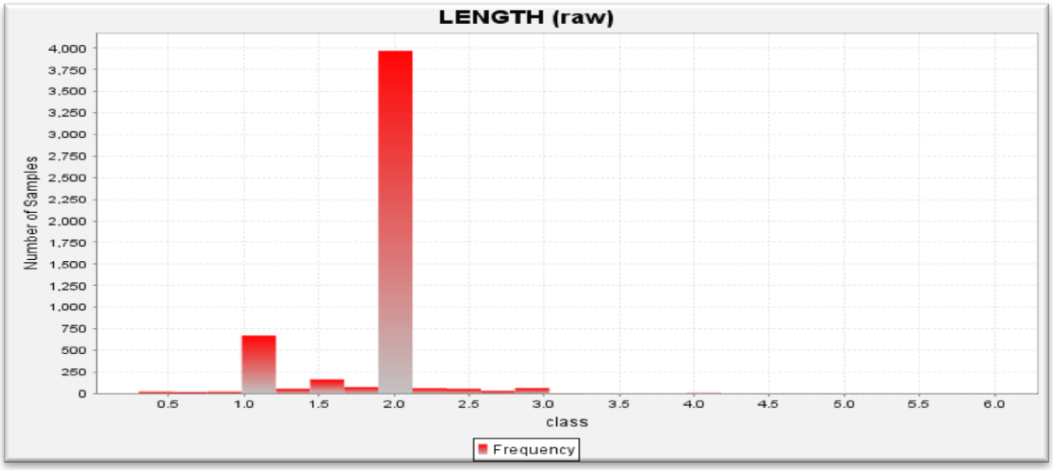
Figure 31 Drill hole LS-2011-16 (right) partial sampling (right) compared to composite (left).

14.2.3 Composites

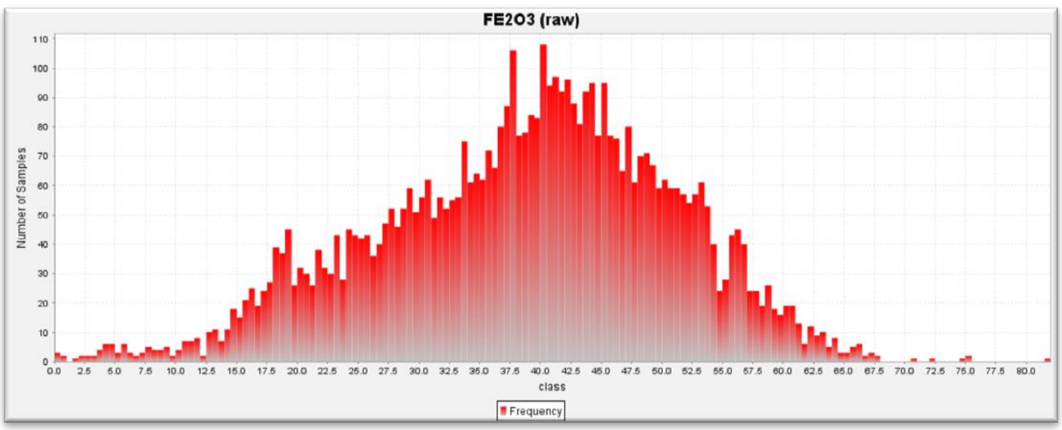
Drilling and sampling is not evenly distributed in 3D space. It is done on widely spaced drill holes compared to sample spacing along drill holes (downhole). It is also a process to discover the shape of the mineral resources in increasing detail as drilling and sampling proceeds. For the interpolation process of grades to assign a "fair" grade to a block in the MRE, blocks and samples should have a matching rock type and even "weigh". Compositing is a set of techniques to split, group and regroup existing samples to make them "even" and ready for the interpolation process on a regular 3D grid, i.e., the block model.

For the estimation of the iron formation mineral resources, 1,954 five-meters length composites were created for the iron formation rock only from 5,202 original assay data from all rock types samples with variable length but mostly 2 meter length samples (75% of the time).

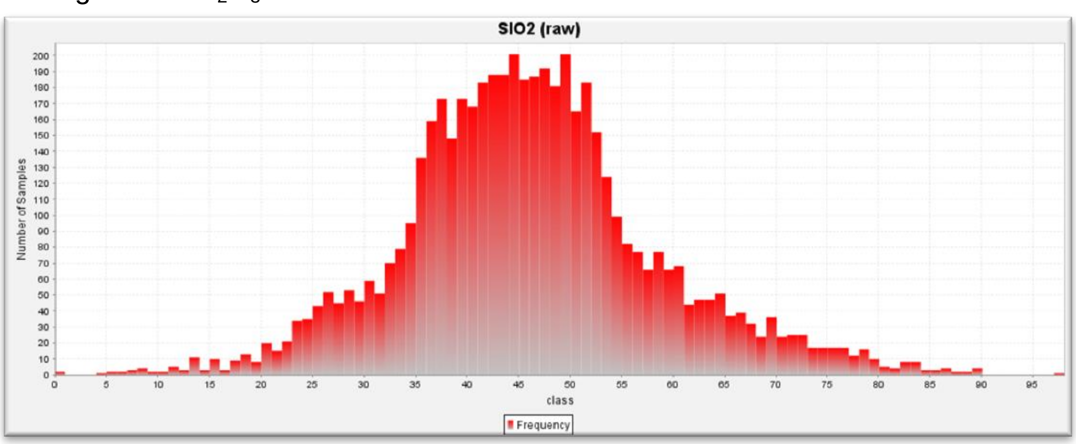
No top grade capping value was used before or after compositing. This can be done dynamically during interpolation in Gems software. All major grade elements have a normal distribution. See Figure 32.



(a) Histogram of Assay Length



(b) Histogram of Fe_2O_3%



(c) Histogram of SiO_2%

Figure 32 Histogram of Assay Length (a), Fe_2O_3% (b) and SiO_2% (c)

14.2.4 Variography

The variography indicates the total cumulative grade variance is about 10% at very short range (1 to 2 meters, i.e., sample length), 40% within 12 meters, and 100% at 100m. The nugget effect is relatively low and the grade continuity has a relatively long range which is typical of iron formation. The variogram appears almost isotropic. The tight folding may be responsible for hiding a longer range of grade continuity while the short range component at 12 meters must be an average bedding thickness across the iron formation. Grade continuity has been assumed to be up to 25 meters across the bedding for Kriging. The principal limiting factor is the availability of data. See Figure 33 below.

The general and final variography equation would look like this:

$$\gamma^2 = C_0 + C_1/R_1 + C_2/R_2 \quad \textit{(Expression)}$$

$$\gamma^2 = 0.1 + 0.3/12m + 0.6/100m/25m$$

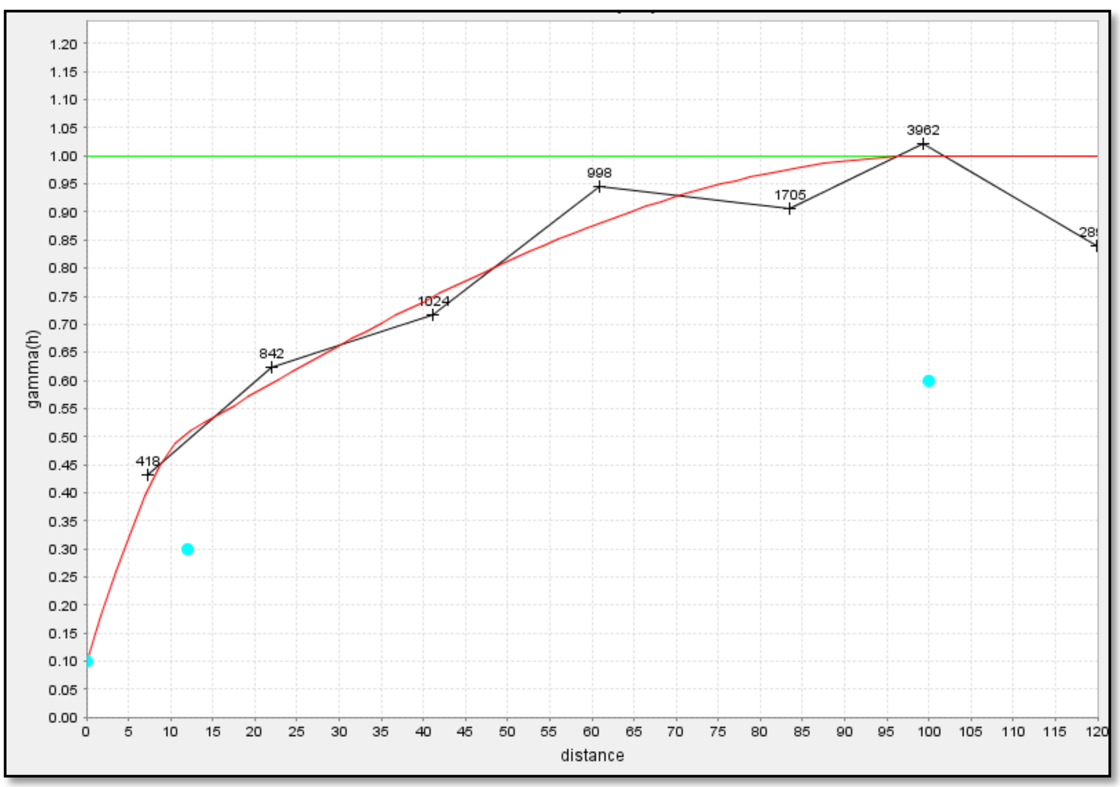


Figure 33 **Variography of Fe_2O_3%**

14.3 Domain and Volume

The iron formation is folded, refolded and faulted. It is possible to unfold the rock unit in Gems to improve the grade interpolation model. However, the level of detail in the data of Lac Lamêlée South property is insufficient to use that method in this complex terrane. Instead, the folded iron formation was divided into 5 domains to follow the mineralization using structural geology:

1. One North-South for the nose of the fold East of Mountain Pond;
2. One Vertical East-West.
3. One for the North dipping fold limb;
4. One for the South dipping fold limb;
5. One NE-SW for the Tanguay zone;

14.4 Specific Gravity (SG)

Some density measurements were made on samples. See item 13 for the full analysis of this data. Density in iron ore is proportional to iron content. It is very important. It can be tested and measured for each sample or modeled with some data for validation. In this case, the density was modeled as a function of Fe_2O_3% and calculated using the following formula in the block model:

$$\textbf{Density} = 2.6 + 1.9 \times Fe_2O_3\%$$

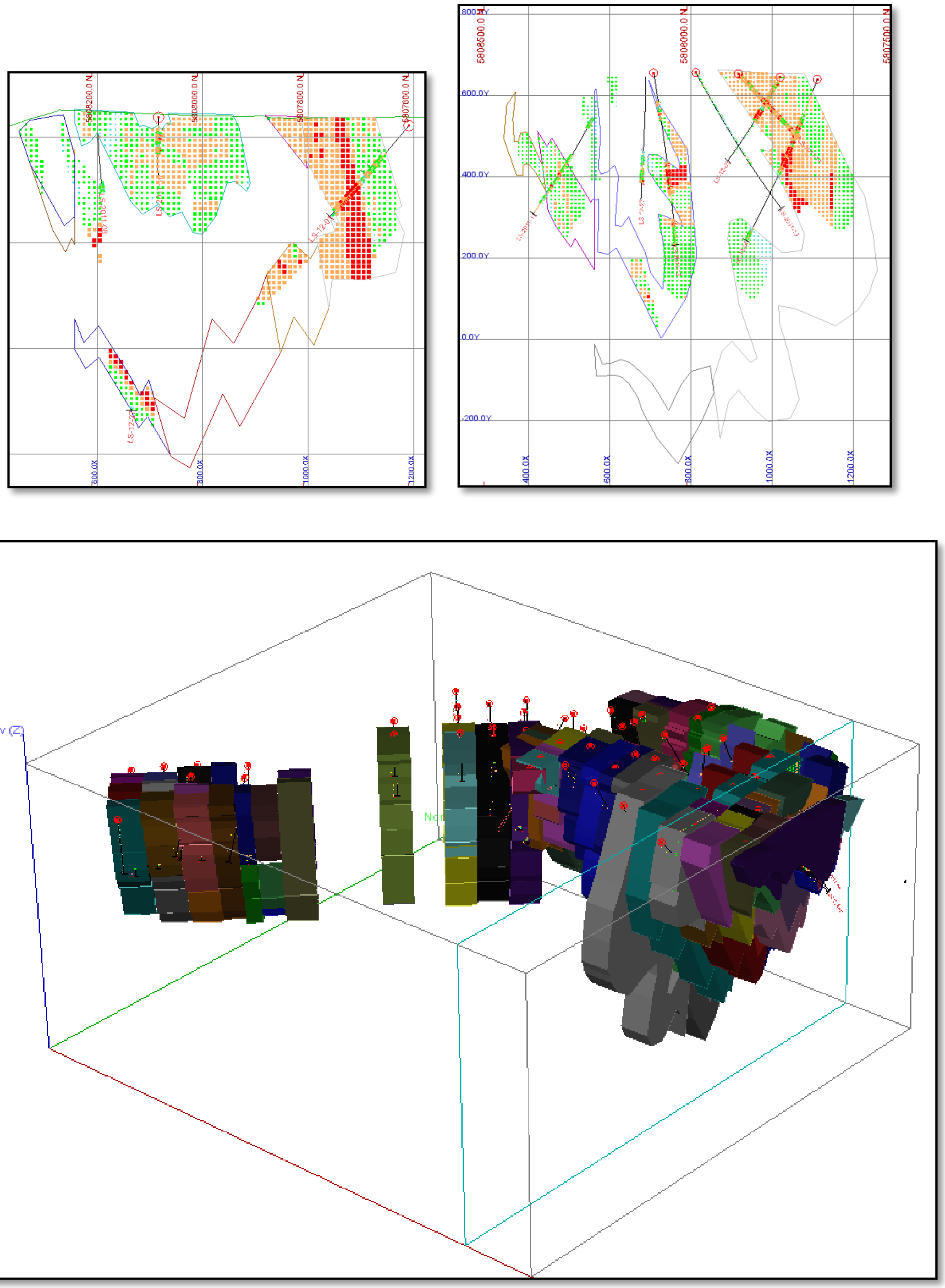


Figure 34 Sections (Top) and 3D Shape (Bottom) of iron formation

14.5 Block Model

The estimated mineral resources have been modeled using a 10-metre cubic block model and grades were estimated using Ordinary Kriging. See Table 20 below for details.

Table 20 Interpolation Rules

Interpolation Rules

Block Model	**Min**	**Max**	**Fe_2O_3%**	**X**	**Y**	**Z**
origin (Gems Mine Grid)				601000	5806000	800
Rotation Angle	0					
block Size				10	10	10
number of blocks				300	280	130
Method of Interpolation						
Ordinary Kriging						
Sample number	2	12				
Block Discretization				3	3	3
Data Source	*5m Composites*					
By rock code (domain)	*Yes*					
Max Samples per DH	3					
Top Cut Value			none			
Search Ellipse						
Rotation Angle						
Range				150	150	50
Cut-Over High Grade Value			none			
Range High Grade						
Octant rule	none	none				
Variography	**Abs**	**Relative**				
C0	0.1	10%				
C1/R1	0.3	30%		12	12	12
C2/R2	0.6	60%		100	100	25
GAMMA	0.45	100%				

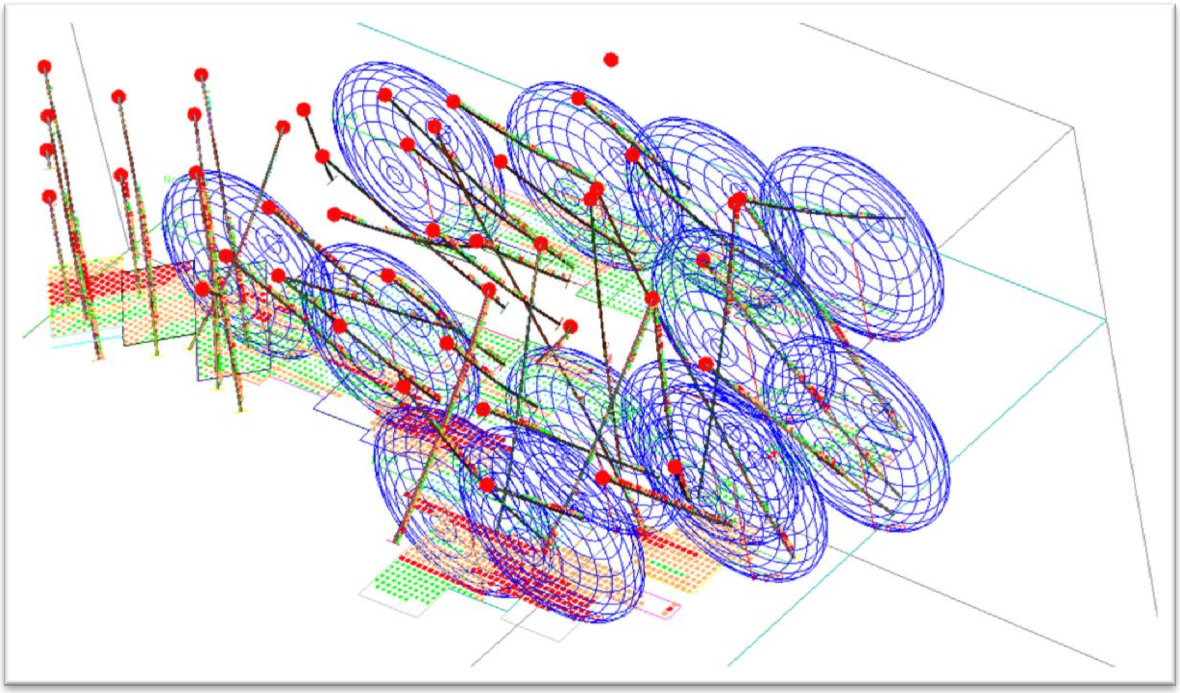


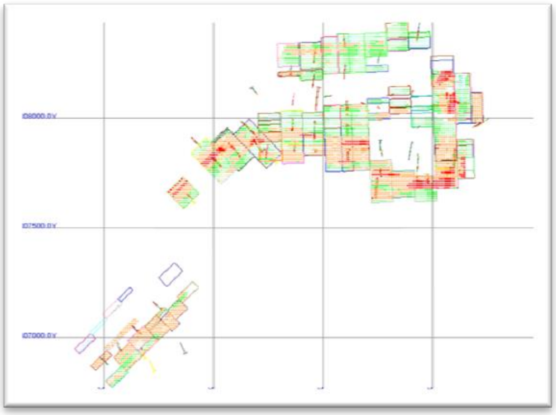
Figure 35 Search Ellipse

14.6 Grade Interpolation

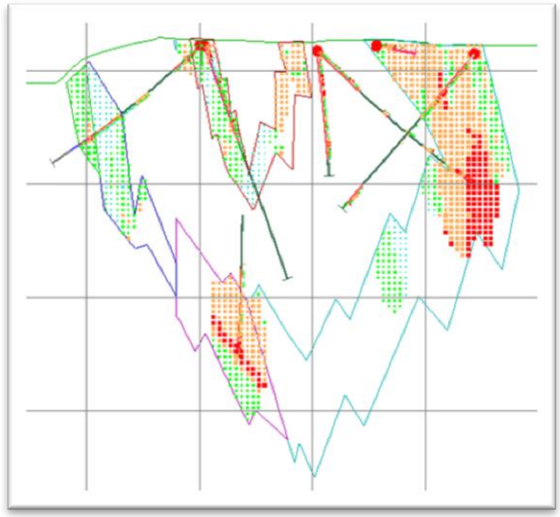
All the blocks were estimated using a minimum of 2 and a maximum of 12 (5m) composites. The interpolation method used Ordinary Kriging only. Kriging was performed with a numerical digitation of the block 3 x 3 x 3.

A single grade model for Fe_2O_3% was created. The block model is ready to carry the other grade elements assayed (SiO_2, MgO, TiO_2, CaO, Al_2O_3, Na_2O, K_2O) but no other elements have an economic weight at the time of writing this report. No magnetic data were modeled due to lack of data (Davis Tube and Satmagan) or calibration (MAG).

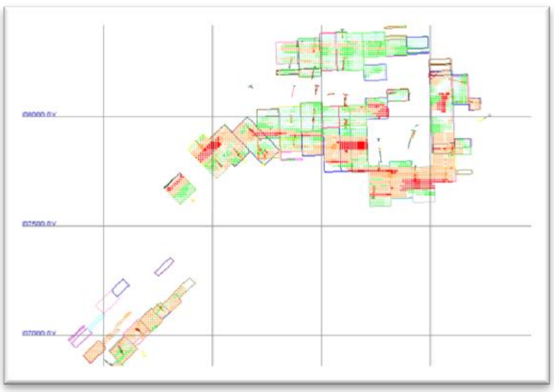
A search ellipse 150m x 150m x 50m was used to find (5m) composites for each block in the interpolation process. The interpolation settings above gave the best results to minimize modeling artifacts such as streaks and lineation in the model. See Figure 36 below.



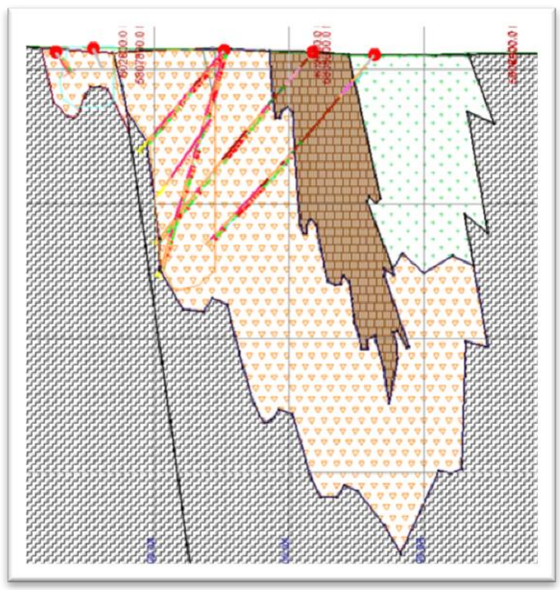
Planview 350 (above)



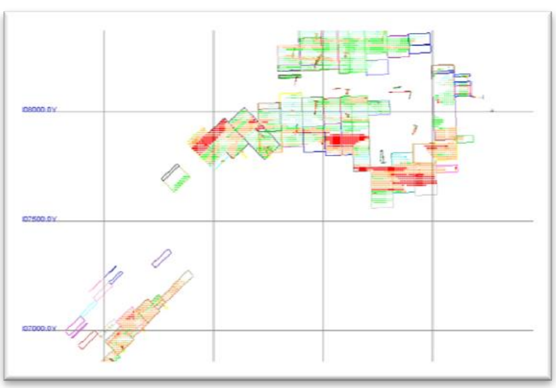
Section Montain Pond (above)



Planview 400 (above)



Section 91-92 Zone (above)



Planview 450 (above)

Figure 36 Some Planviews and sections showing Fe_2O_3% grade model

(High grade +50% red; Intermediate to High grade +40% orange; Intermediate grade +30% green; Low grade +22% bleu).

14.7 Classification

The drilling grid is about 100m square but drill hole spacing is irregular. At that level of detail, the grid outlines the host rock and the iron formation on three sides: North, East and South. The main airborne and ground Mag survey anomalies were drilled.

The current model was sensitive to the modeling parameters. This indicates that the data is "wide spaced". When the mineral resources become more stable in spite of changes of methodology, it indicates that the data "speaks for itself", hence it is deemed more robust and the mineral resource is upgraded from inferred to indicated for example.

The quantity and grade of the reported Mineral Resources within Lac Lamêlée South Property are categorized as Inferred Mineral Resources. Inferred Mineral Resources are that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from drill holes and outcrops. There has been insufficient exploration to define any of the resources as Indicated or Measured Mineral Resources and there is no guarantee that further exploration will upgrade the Inferred Mineral Resources to Indicated or Measured Mineral Resources. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

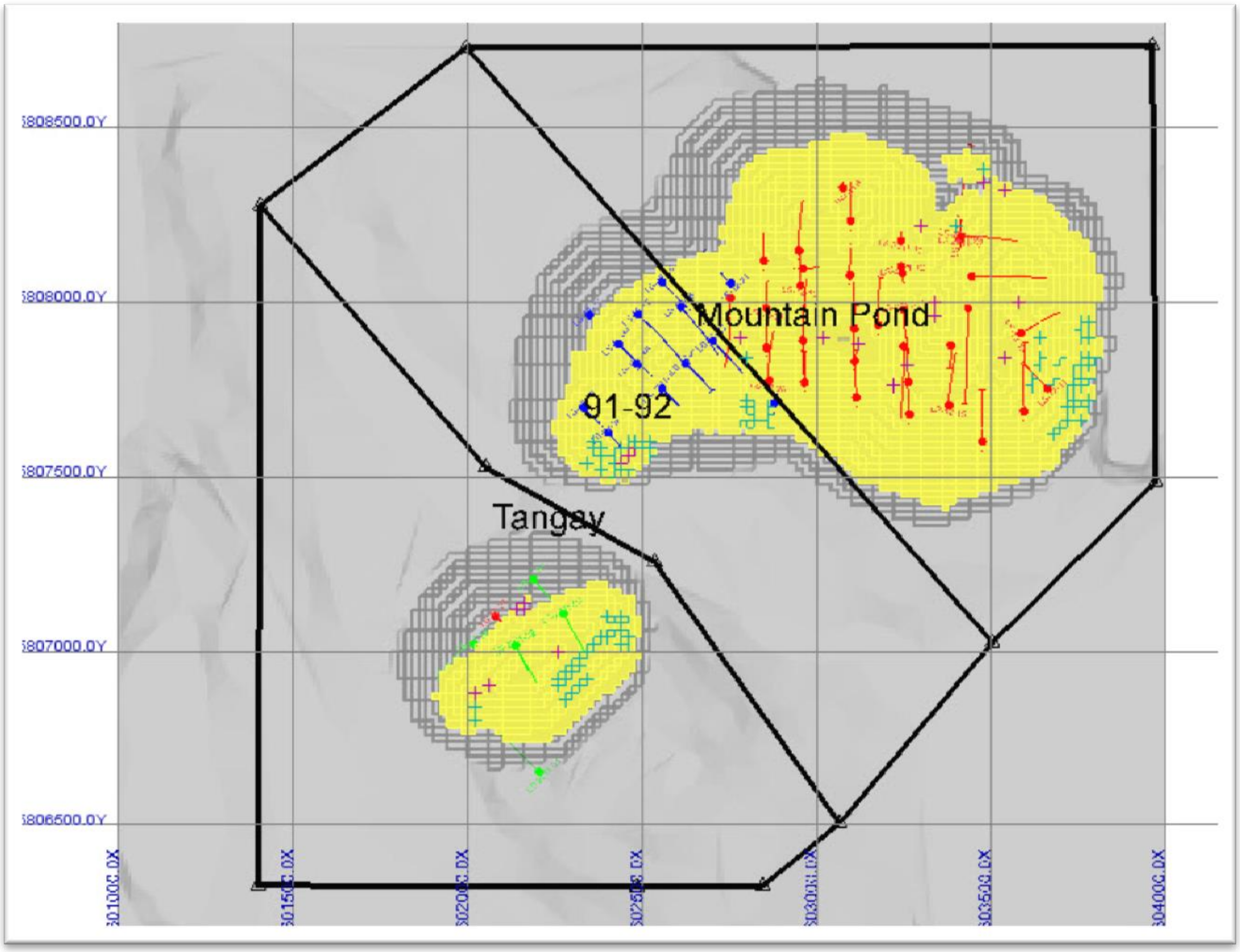


Figure 37 Conceptual Pit Outline and Zones (Small Pit: Yellow; Large Pit: Grey)

Items 15 to 22:

The Lac Lamêlée South Property is at the mineral resources disclosure stage, the items 15 to 22 are not applicable. Item 15 to 22 are required only in the case of “Advanced Property”,

23.0 ADJACENT PROPERTIES

Lac Lamêlée South property is immediately surrounded by economic iron ore concentrations (Figure 38) corresponding to:

- Fire lake Mine (ArcelorMittal) in the south east limit of the Property,
- Fire lake North project (Champion Iron mines Ltd) in the north-east limit, where measured and indicated reserves of 400 Mt at 30.6%Fe and inferred resources of 661 Mt at 27.7%Fe have been estimated (NI 43-101, September 2011),
- Lamêlée Project (Cliff Natural Resources Inc.) in the north boundary of the property, estimated to 642 Mt at 30.3% Fe (Lamêlée-Peppler Iron Property 43-101 Technical Report August 29, 2009)
- Lac Peppler (Cliff Natural Resources Inc.) to the southwest property limit, estimated at 302 Mt at 28.5% Fe.

It is important to note that all these economic iron concentrations are located in the same lithostratigraphic unit of Sokoman (Wabush) Formation. This mineralization-bearing horizon shows important lateral facies variations and iron mineral variation and content. Furthermore, the mineralization-bearing horizon has been folded and refolded which results in a regional dome and basin interference pattern partially responsible for the observed regional discontinuity of the mineralization-bearing horizon. This pattern is also partially responsible for the regionally discontinuous magnetic anomaly pattern, within which the Lac Lamêlée South Property is included.

Besides this geological context, the adjacent properties mentioned above with their respective resource and/or reserve estimations are not necessarily indicative of the mineral resource of the Lac Lamêlée South Property.

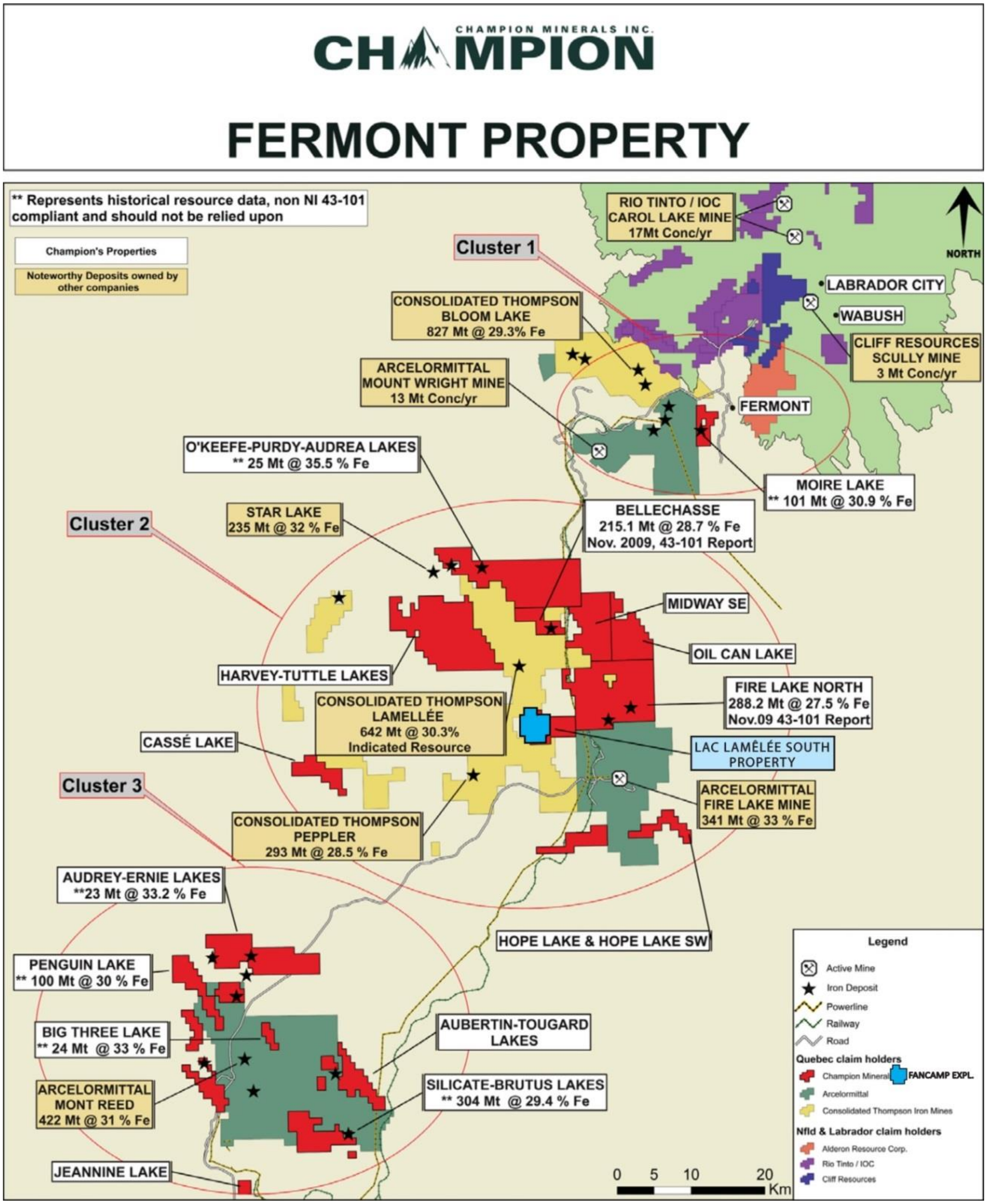


Figure 38 Adjacent properties of the Lac Lamêlée South Property from Champion Minerals, Fire lake PEA, 2011.

24. OTHER RELEVENT DATA AND INFORMATION

There is no further information deemed necessary to make complete this report.

25. INTERPRETATION AND CONCLUSION

25.1 Summary of the geological interpretation of the Property

The actual geological interpretation of the Lac Lamêlée South Property, considering all the geological data from mapping and 2011-2012 drilling campaigns, in parallel with the realization of geological sections across all the property, allows definition of a mega syncline covering the entire property. This mega syncline in the Gagnon Terranes is relatively tight, with the dip of the axial plane migrating from south in the east, to north in the west of the property.

The 2011 and 2012 drilling campaigns confirmed the presence of two important iron oxide bearing lithologies (Banded Iron Formation (BIF) and Quartz-Pyroxene-magnetite (QPyxM)) in this mineralized syncline. These two horizons of the mineralized zone are located in the Wabush (Sokoman) Formation. Within the mineralized zones there appears to be a considerable degree of lateral facies change between these two major iron bearing units.

At the scale of the property, the mineralized horizons where determined to have thicknesses varying from 50m to 200m. The limits of these mineralized horizons were shown to span a distance of approximately 2.5 kilometers and to extend to depths in the order of 450m below surface, and locally to about 600m of depth.

The mineralization consists mainly of magnetite (Fe_3O_4) and hematite (Fe_2O_3)-specularite. Some iron also occurs in silicates and rare carbonates but it has no economic value. Iron oxide bands containing concentrations of magnetite and/or hematite alternate with banded quartzite (chert, metamorphosed). These are the principal economically interesting parts of the iron formation. A second facies, locally mineralized in iron oxides (banded magnetite and/or hematite) is a banded Quartz-Pyroxenes ± Magnetite (“QPyrxM”) which is lower iron grade (average 37 % Fe_2O_3).

The mineralization of the Lac Lamêlée South Property is part of the Gagnon Terranes. The high-grade metamorphism of this terrain is significant in that it is responsible for the recrystallization of both iron oxides and silica in the Wabush Formation producing coarse-grained quartz magnetite-specularite schists that are of better quality for concentrating and processing.

Finally, the 2011-2012 drill campaigns, drill core handling, logging and sampling protocols comply with conventional industry standards and conform to generally accepted best practices.

25.2 Summary of Mineral Resources estimation & classification

The review of the exploration work conducted on the Lac Lamêlée South property since its discovery in 1950's, and recently by Fancamp reconnaissance drilling of 2011 and 2012 and mapping, demonstrated the presence of an important iron resource with a potential to develop into a producing operation (Fancamp's 43-101 TR of May 2013).

Historic work on the property was of a high standard and can be used by Gimus as part of its studies going forward.

Following the resource estimate done by PJLGC Inc. for Fancamp in the 43-101 TR of May 2013 **there are, at a 22% Fe_2O_3 cut-off grade, 520 million tonnes grading 39.5% Fe_2O_3 (or 27.6% FeT) in the Inferred Mineral Resources* category**. The 22% Fe_2O_3 cut-off grade used is a *natural cut-off grade* defining the iron bands in the BIF.

Based on limited drilling of the iron formation (57 drill holes and 2 trenches), in the complex geological environment of the property (multiple folding stages, shearing and faulting, facies lateral variations, high grade of metamorphism), PJLGC Inc. concluded in May 2013 that further detailed drilling will be required to define mineral resources from the Inferred into the Measured and Indicated categories.

It should be understood that the historical mineral resources presented in this study are estimates based on the size and grade of the deposits relying on consistent drillhole samples (item 10, 11 and 12), and on economic assumptions and parameters available in May 2013. The level of confidence in the estimates depends upon a number of uncertainties. These uncertainties include, but are not limited to, future changes in metal prices and/or production costs, differences in size, grade and recovery rates from those expected, and changes in project parameters such as permits for land use, right of access to the property, having a reliable source of energy, permit to use water and land for mine rejects (waste and tails), new mining taxes, etc. In addition, there is no assurance that the Project implementation will be realized

26. RECOMMENDATIONS

These recommendations follow in part the recommendations of the 43-101 TR of Fancamp for the Lac Lamêlée South property, published on May 2013. Following the interpretations and conclusions mentioned in this report, the Lac Lamêlée South property is at the mineral resources disclosure stage with important iron resources with potential to develop a mine.

The recommendations will concern the realization of trenches, drill holes and also a small gravimetric geophysics survey, particularly to explore the northwest limb of the syncline were the magnetic survey did not localize any magnetic anomalies. Indeed, the possible existence of Hematite, a non-magnetic iron mineral, could be located by a gravimetric survey.

26.1 Trenching program

Considering the relative abundance of outcrops, particularly in the east (Mountain Pond) and south central zone (91-92 zone) we propose (

Table 21 & Figure 39) first the realization of 1030 m of trenching as follow:

Table 21 Proposed Trenches coordinates

Trench Name	Zone name	Trench #	Start. UTM		End UTM		Length	Azimuth	Grid ref. start		Grid ref. end	
			(northing)	(easting)	(northing)	(easting)	(m)	degrees	Line	Station	Line	Station
Tanguay 1	**Tanguay**	10	5806865	602195	5806790	602270	115	135	4+00	-85	4+00	-200
Tanguay 2	**Tanguay**	9	5807045	602350	5806985	602400	80	135	6+50	-60	6+50	-140
Trench LS-12-38	**91-92**	8	5807655	602385	5807525	602500	175	135	11+00	355	11+00	180
Line 1300 N limb	**91-92**	7	5807950	602350	5807910	602395.0	60	315	13+00	590	13+00	530
Mountain Pond (S)	**Mountain Pond**	1	5807688	603596	5807911	603587.0	240	360	9+25	-425	9+25	-185
Stephen's Sidehill	**Mountain Pond**	6	5808300	603080	5808215	603080	85	180	4+30	200	4+30	115
Trench 5	**Mountain Pond**	5	5807940	602820	5807750	602820	160	180	1+50	-160	1+50	-320
(alternative)	**Tanguay**	10	5806895	602225	5806820	602295	115	135	4+50	-85	4+50	-200
						Total (m)	1030					

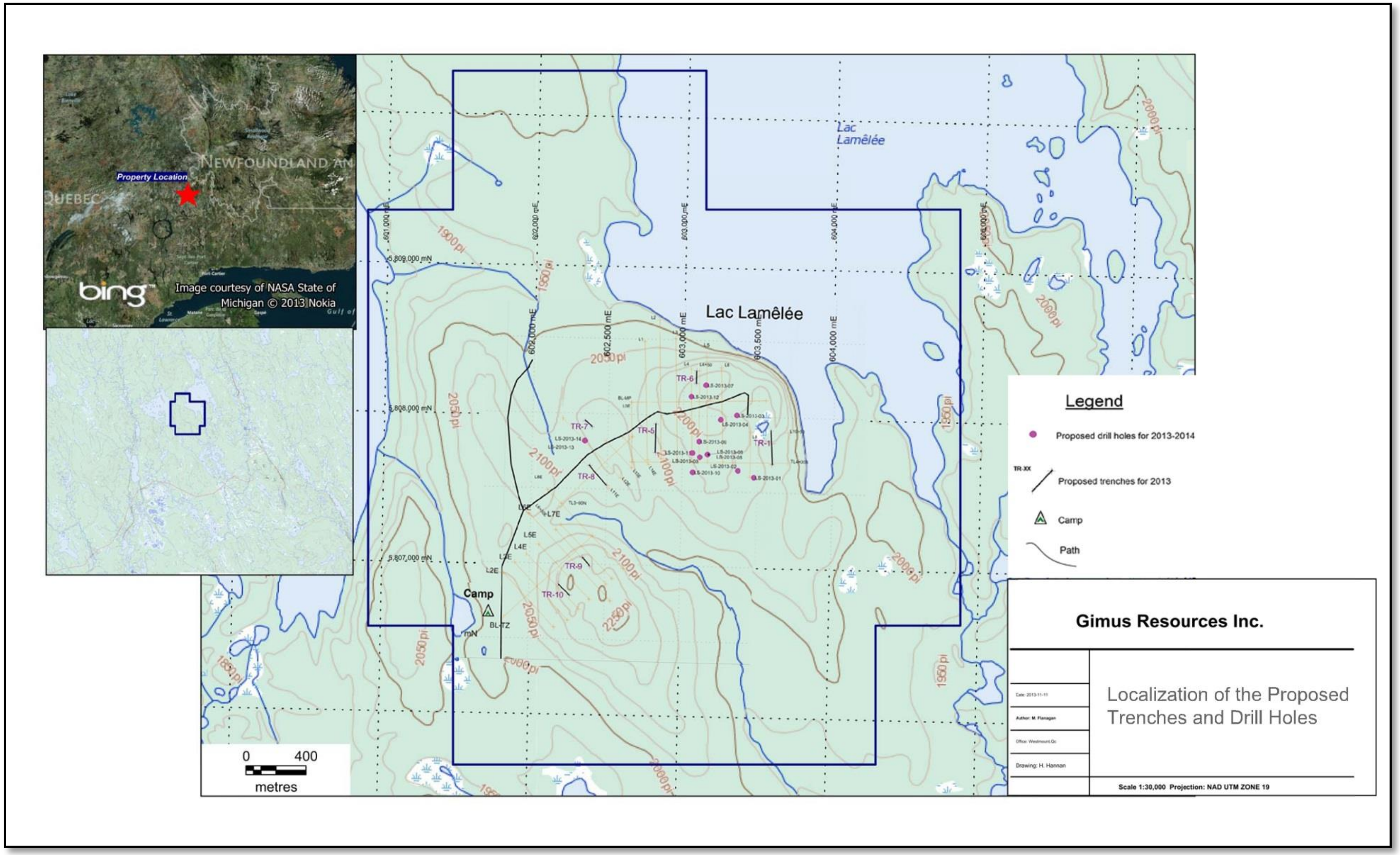


Figure 39 Localization of the proposed trenches and drill holes

26. 2 Drilling Program

At present, drilling in the iron formation is still limited to 57 drill holes and 2 trenches. It should be increased at two levels:

1. At the scale of the property to complete the exploration work (Reconnaissance).
2. At the scale of the deposit (iron bearing horizon) to convert the inferred mineral resources to indicated and locally measured mineral resources.

Following the recommendations of the 43-101 TR of Fancamp for the Lac Lamêlée South property published on May 2013, we propose, at this stage, the realization of 7500m of DDH to complete the reconnaissance of the mineralization (Table 22).

These drill holes (**Figure 40**) will help to confirm the down dip extension of the mineralization to the level -400m and help define locally the quality of the mineral resources to be reclassified from inferred to indicated and perhaps measured.

Some of these drill holes are planned to locally explore the north limb of the megastructure for an eventual extension of the iron deposit in this area. These drill holes will follow the gravimetric survey results.

Table 22 Priority 1 diamond drilling survey proposed on the Lac Lamêlée South Property

		DIAMOND DRILLING SURVEY							
Zone	**Section**	**Hole ID**	**Northing**	**Easting**	**Elevation**	**Azimuth**	**Dip**	**Length**	**Objective**
MP	**800E**	**LS-2013-01**	5,807,599.30	603,476.20	622.40	357	-70	400	RsQ+Rc
MP	**700E**	**LS-2013-02**	5,807,641.54	603,369.31	646.70	357	-73	520	RsQ+Rc
		LS-2013-03	5,808,009.52	603,354.10	652.80	357	-54	530	RsQ+Rc
MP	**600E**	**LS-2013-04**	5,807,978.20	603,248.00	323.27	176	-54	395	RsQ+Rc
MP	**500E**	**LS-2013-05**	5,807,744.75	603,164.87	647.80	357	-72	625	RsQ+Rc
		LS-2013-06	5,807,744.75	603,164.87	647.80	357	-56	580	RsQ+Rc
		LS-2013-07	5,808,205.00	603,145.82	663.41	357	-76	500	RsQ+Rc
MP	**450E**	**LS-2013-08**	5,807,726.70	603,115.00	646.20	357	-66	750	RsQ+Rc
		LS-2013-09	5,807,830.50	603,108.20	393.35	6.77	-57.7	500	RsQ+Rc
MP	**400E**	**LS-2013-10**	5,807,624.85	603,069.74	640.84	358	-57	670	RsQ+Rc
		LS-2013-11	5,807,752.70	603,064.50	647.27	357	-54	490	RsQ+Rc
		LS-2013-12	5,808,127.16	603,048.90	664.32	358	-60	560	RsQ+Rc
91-92	**1200NE**	**LS-2013-13**	5,807,817.90	602,349.81	620.40	136	-48	350	RsQ+Rc
		LS-2013-14	5,807,817.90	602,349.81	620.40	136	-80	630	RsQ+Rc
					Total P1			**7500**	

Legend:

RsQ+Rc: Quality Resources improvement+ Recognition
Expl: Exploration
LS-12-06 Down hole extension of drilling LS-12-06
MP: Mountain pond Zone
P1: Priority 1

22

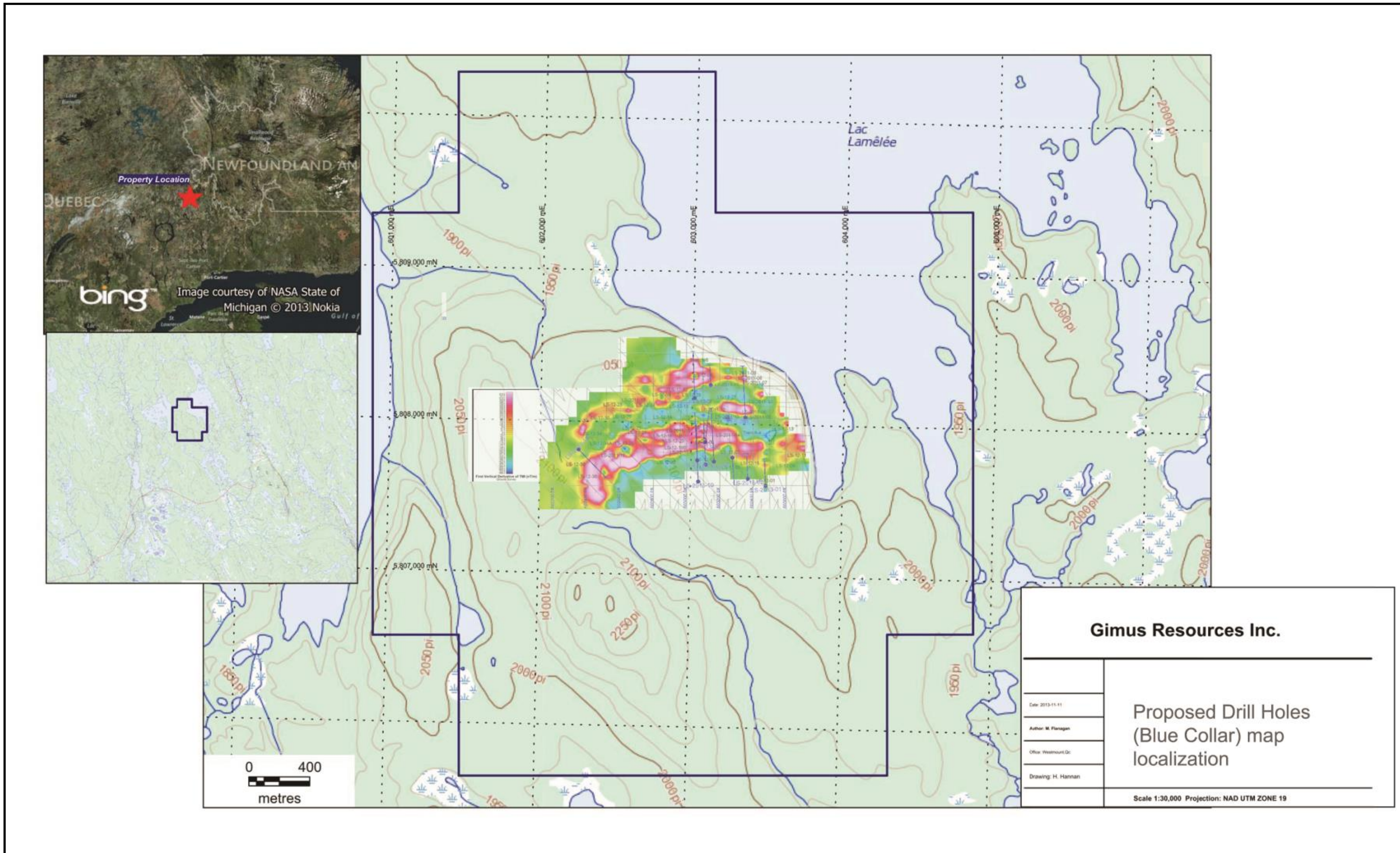


Figure 40 Proposed drill holes (Blue collar) map localization

All these exploration works, Trenching, geophysics and Drilling, will be organized in two budget phases (Table 23):

- Phase 1: For a budget of **350,000.00$,**
- Phase 2: For a budget of **1,600,000$.**

For a total of **1,950,000.00$.**

Table 23 Exploration budget proposed

Work phases	Description of proposed work	Unit quantity (m)	Unit coast ($)	Row coast ($)
Phase 1	Trenching	1000	$100	$100,000
	Geophysics survey (Gravimetry)	2400 stat./25m	75$/stat	$180,000
			Contingency 25%	$70,000
			Total Phase 1	**$350,000**
Phase 2	Drilling (DDH)	7,500	$200	$1,500,000
			Contingency 7.5%	$100,000
			Total Phase 1	**$1,600,000**
			Total Phase1 + phase2	**$1,950,000**

* Drilling and Trenching coasts including cost of geologist, technicien & assays

26.2 General Recommendations

The following are some general recommendations to improve the existing workflow.

- Control and complete the geological mapping with respect to:
    - The evolution of the UMF in the periclinal structure closure (Mountain Pond),
    - Complete the mapping of the north limb.
- Get more structural data when logging core particularly core angles and description of faults and shear zones;
- Measure the density with suficient sakples for each facies to make a detailed density model like the grade models;
- Davis Tube test or Satmagan should be taken on a larger number of samples for each mineralized facies . MAG susceptibility reading of the core may be taken in

continuous mode instead of spot check points to help define an eventual variability of iron oxide (Magnetite) in each facies.

- Complete metallurgical testing with the bulk samples taken by fancamp in 2012;
-

27. REFERENCES

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QUALIFICATIONS CERTIFICATE OF M. A. BEN AYAD

Mohammed Ali Ben Ayad, PhD, MBA, do hereby certify that:

- I am an Associate Geologist of PJ Lafleur Géo-Conseils Inc.. with a business address at 6225, Av. De Repentigny, Montreal, Qc, H1M 2G9;

- This certificate applies to the technical report entitled **NI 43-101 Technical Report: The Lac Lamêlée South Iron deposit, Labrador Through, Northeastern Québec, Canada,** with an effective date of October 1, 2013.
- I, a professional geoscientist with a PhD degree from the University of Toulouse III of France (1987) and an MBA of the University of Sherbrooke, Quebec, Canada (2002), am a consulting geologist since 1997. Since 2006; I am an associate geologist with P.J. Lafleur Géo-Conseil Inc. Since 2007 I"m also an associate geologist with Watts, Griffis & McOuat, and recently the principal consultant of BMA Géo-Conseil
- I have been a member of the APGGQ (Association Professionnel des Géologues et Géophysiciens du Québec) before the recent creation of the OGQ (Ordre des Géologues du Québec) where my membership number is 1273.
- I have more than 25 years of experience in the mining industry, as a mine geologist; senior mine exploration geologist and senior exploration geologist in different geological environments for different precious, semi-precious metals and base metals companies.
- I have been involved in different mineral and mining projects at various stage of development in North Africa since 1987, in Abitibi Greenstone Belt (Quebec, Canada) since 1992; in West Africa since 1996 and recently in the establishment of the 43 101 Technical report for different companies having projects around the world (West Africa; North and South America and Southeast Asia).
- I have read the definition of “Qualified Person” set out in Regulation National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in Regulation 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purpose of Regulation 43-101.
- I am responsible for the preparation of the report titled “NI 43-101 Technical Report of the Lac Lamêlée South Property for section 1 to 12, 23, 25 and 26.
- I have been on the property, for Fancamp Exploration Ltd, between the 21 and the 24 august 2012. No additional fieldwork has been done on the property after the Fancamp exploration program ended in December 2012, **no recent field visit has been realized on the property for Gimus.**
- I never had any prior involvement with the property that is the subject of the Technical Report other than those mentioned such as writing a Technical Report on the Lac Lamêlée South Property to comply with NI 43-101 for Fancamp Exploration Ltd in May 2013 and actualized for Gimus Resources Inc. in October 2013.
- I am independent of the issuer (Gimus Resources Inc.) and from the Vendor (Fancamp Exploration Ltd.)applying all of the tests in Section 1,5 of Regulation 43-101.
- Information relating to permitting, legal, title, action and related issues were verified partially in this mission. I have relied on information provided as of September 2013 on the GESTIM website of the Ministère des Ressources Naturelles et de la Faune (MRNF. Web site: www.mrn.gouv.qc.ca) and the official document presented in appendix 1 (AGREEMENT TO PURCHASE CLAIMS).

- I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclosure which makes the Technical Report misleading.
- I consent to the filling of the technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.
- As of the date of this certificate, to the best of my knowledge, information and belief, the Technical report contains all scientific and technical information that is required to be disclosed to make the technical Report not misleading.

Prepared in Montreal, this October 1th, 2013:

____

Mohammed Ali Ben Ayad, Ph.D, MBA.

(OGQ, No. 1273)
6225, Avenue De Repentigny
Montreal, H1M 2G9, Quebec, Canada
GSM: 514 947 4300
E-mail: alibenayad1@hotmail.com

QUALIFICATIONS CERTIFICATE OF PJ LAFLEUR

I, Pierre Jean Lafleur, Professional Engineer, do certify that:

- I am president of P.J. Lafleur Géo-Conseil Inc. located at 933 Carré Valois, Ste-Thérèse, Quebec, Canada, J7E 4L8 (Tel. 450-979-6488), a Corporation managing my professional services to Gimus Resources Inc, a Canadian corporation having its head office at 1002 Sherbrooke St. West, 28th Floor, Montréal, Québec, Canada, H3A 3L6
- This certificate applies to the technical report entitled **NI 43-101 Technical Report: The Lac Lamêlée South Iron deposit, Labrador Through, Northeastern Québec, Canada,** with an effective date of October 1, 2013.
- I have practice my profession in exploration, geology and mining for more than 35 years, and I have experience in gold, base metals and industrial minerals including iron ore as well. I have worked for Consolidated Goldfields (1980-81), Falconbridge (1981-84), Audrey Resources (1985-1993). I have been a consulting Eng. since 1987. I have worked in Canada and abroad. I have specialised in computer modeling of mineral resources and mine planning. I am also a Senior Business Associate of 3DS Geovia (Gemcom Software International Inc.).
- I am a registered Professional Engineer in the Province of Quebec (OIQ # 39862).
- I am a member of the Canadian Institute of Mines and Metallurgy.
- I am graduated from École Polytechnique of Montreal (B. ENG.) in Geology in 1976.
- I have read the definition of “Qualified Person” set out in Regulation National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in Regulation 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purpose of Regulation 43-101.
- I have not visited the Project site but I am familiar with the geology of Fermont iron ore mines. I have visited other iron ore mine in the area.
- I am responsible in part for section 6, 11 and 13 to 26, of the 43-101 Technical Report for the Mineral Resources at the Lac Lamêlée South Property of Gimus Resources Inc.
- I have not had prior involvement with the property that is the subject of the Technical Report other than those mentioned such as writing a Technical Report to comply with NI 43-101 for Fancamp Exploration Ltd in May 2013.
- I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report or the omission to disclose which makes the Technical Report misleading.

- I am an independent consultant in the sense set out in section 1.5 of NI 43-101.
- I have not received, nor do I expect to receive directly or indirectly any interest in any form for the Lac Lamêlée South property, or any property or project from Gimus Resources Inc.
- As per Exchange Policy requirement (Appendix 3F), I am also independent of the Vendor and the Property.
- As of the date of this certificate, to the best of my knowledge, information and belief, the Technical report contains all scientific and technical information that is required to be disclosed to make the technical Report not misleading.
- I have read NI43-101 and Form43-101F1, and the Technical Report has been prepared in compliance with that instrument and form 43-101F1.

Prepared in Ste-Thérèse, this October 1th, 2013.

Pierre Jean Lafleur, P.Eng.,
P.J. Lafleur Géo-Conseil Inc.
933 Carré Valois
Ste-Thérèse (Quebec)
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Appendix 1 : AGREEMENT

AGREEMENT TO PURCHASE CLAIMS BETWEEN

FANCAMP EXPLORATION LTD.

AND

GIMUS RESOURCES INC.

AND

CHAMPION IRON MINES LIMITED

Lac Lamêlée Property

AGREEMENT TO PURCHASE CLAIMS

THIS AGREEMENT is made and entered into as of the 16th day of September, 2013 to be effective as of the same day (the "**Effective Date**").

BETWEEN: **FANCAMP EXPLORATION LTD.**, a corporation existing under the laws of British Columbia and having a place of business at 7290 Gray Avenue, Burnaby, British Columbia, V5J 3Z2

(hereinafter referred to as "**Fancamp**")

AND: **GIMUS RESOURCES INC.,** a corporation existing under the federal laws of Canada and having a place of business at 1002 Sherbrooke Street West,
28th Floor, Montreal, Quebec, H3A 3L6

(hereinafter referred to as "**Gimus**")

AND: **CHAMPION IRON MINES LIMITED**, a corporation existing under the laws of Ontario and having a place of business at 20 Adelaide Street East, Suite
301, Toronto, Ontario, M5C 2T6

(hereinafter referred to as "**Champion**")

WHEREAS Fancamp is the beneficial and duly registered owner of all (100%) of the rights, title and interests in and to twenty-nine (29) mining claims located in the Fermont District in the Province of Quebec, Canada, known as the Lac Lamêlée Property, as more particularly described in Schedule "A" attached hereto to form part hereof (the "**Claims**");

WHEREAS The Sheridan Platinum Group Ltd. (the "**Sheridan Group**") currently holds a one point five percent (1.5 %) net smelter return royalty (the "**Sheridan NSR Royalty**") affecting the Claims, of which zero point five percent (0.5 %) may be purchased by Fancamp for One Million Five Hundred Thousand Dollars ($1,500,000), the whole pursuant to the terms and conditions of that certain sale agreement entered into between Fancamp and the Sheridan Group as of February 16, 2011 (the "**Sheridan Sale Agreement**") pursuant to which Fancamp acquired the remaining fifty percent (50 %) interest in the Claims;

WHEREAS pursuant to the Sheridan Sale Agreement, an advance royalty of One Hundred Thousand Dollars ($100,000) per annum shall be paid quarterly by Fancamp to the Sheridan Group beginning March 31, 2011 (the "**Advance Royalty**") on account of the Sheridan NSR Royalty;

WHEREAS Champion and Fancamp are parties to that certain right of first refusal agreement (the "**Right of First Refusal Agreement**") entered into as of May 17, 2012 pursuant to which Champion has a right of first refusal on any sale, transfer or other disposition whatsoever of Fancamp's interests in the Claims, whether in whole or in part, at any time or from time to time (the "**Right of First Refusal**");

WHEREAS Gimus has agreed to purchase all of the rights, title and interests of Fancamp in and to the Claims and the related exploration records (the "**Records**") and Fancamp has agreed to sell all of its rights, title and interests in and to such Claims and the Records to Gimus, subject to the terms and conditions set forth in this agreement (the "**Transaction**"); and

WHEREAS Champion has agreed to waive its Right of First Refusal subject to the terms and conditions set forth in this agreement;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that, in consideration of the premises and the mutual covenants and agreements expressed herein, Fancamp, Gimus and Champion (hereinafter collectively referred to as the "**Parties**" and, individually, a "**Party**") hereby agree as follows:

1. <u>Reciprocal Representations and Warranties</u>

1.1 Each Party hereby represents and warrants to each of the other Parties that, as of the date hereof:

(a) it is a body corporate duly incorporated and in good standing under the laws of its jurisdiction of incorporation, and is qualified to do business and is in good standing in those jurisdictions where necessary in order to carry out its purposes;

(b) all corporate and other actions required to authorize it to enter into and perform this agreement, the Transaction and all other transactions contemplated by this agreement have been properly taken, with the exception of the regulatory approvals and filings which are a condition of Closing (as defined in Section 5 hereof) (the "**Regulatory Approvals**");

(c) it has all requisite corporate power to own, lease, and operate its assets and to carry on its business as now conducted;

(d) it has the capacity to enter into this agreement, the Transaction, all other transactions contemplated by this agreement and all other documents contemplated herein;

(e) subject to the Regulatory Approvals, it will not breach any other agreement or arrangement to which it is a party or be in violation of any law to which it is subject, by entering into or performing this agreement, the Transaction, all other transactions contemplated by this agreement and all other documents contemplated herein;

(f) this agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms; and

(g) except as otherwise set forth herein, no consent from a lender or any third party is necessary to authorize it to execute this agreement, to complete the Transaction and all other transactions contemplated by this agreement, and to execute and deliver all related documents.

2. <u>Representations and Warranties of Fancamp</u>

2.1 Fancamp hereby represents and warrants to Gimus that, as of the date hereof:

(a) it is the beneficial and registered owner of a one hundred percent (100 %) interest in the Claims, free and clear of all defects, liens, adverse claims, demands, charges, restrictions, encumbrances, royalties and liabilities of any nature and quality whatsoever, existing or threatened, except for the Sheridan NSR Royalty and for the Right of First Refusal (hereinafter collectively, the "**Liens**"), and Gimus shall acquire good, legal and marketable title to the Claims and the Records and beneficial ownership thereof; and

(b) it is not aware of any material facts or circumstances which have not been disclosed in this agreement and which should be disclosed in order to prevent the representations and warranties in this agreement from being materially misleading.

2.2 With respect to the Claims, Fancamp hereby represents and warrants to Gimus that, as of the date hereof:

(a) it is the exclusive and absolute owner of all mining and proprietary rights attaching to the Claims and proper evidence of such ownership has been duly filed, registered or recorded wherever necessary to perfect and preserve Fancamp's rights, title and interest thereto;

(b) all mining and proprietary rights have been properly staked or otherwise properly constituted, as applicable, and are valid, in good standing and free and clear of all liens, except for Liens and public utilities, which, overall, do not materially reduce the value of all or part thereof, or the use which can be made thereof;

(c) it does not owe any amount in connection with the Sheridan NSR Royalty as of the Effective Date, including pursuant to the Advance Royalty;

(d) it has delivered to Gimus all relevant information concerning title to each Claim;

(e) to the best of Fancamp's knowledge and belief, all activities and operations on any of the Claims, prior to the date hereof, have been performed in a manner consistent with the laws and regulations in effect at the relevant time and all filings required in order to maintain the mining rights in good standing have been properly and timely recorded or filed with the appropriate government agencies;

(f) there is no judgment, decree, injunction, ruling or order of any court, governmental department, commission, agency, instrumentalityor arbitrator and no claim, suit, action, litigation, arbitration or governmental proceeding in progress, pending or threatened against or relating to, or affecting any of the Claims which could prevent Fancamp from entering into this agreementand performing its obligations hereunder and from completing the Transaction;

(g) to the best of Fancamp's knowledge and belief, each Claim is free and clear of any hazardous or toxic material, pollution, or other adverse environmental conditions which may give rise to any environmental liability;

(h) it has full authority to grant, sell, assign, and transfer to Gimus, as applicable, the mining and proprietary rights attaching to each Claim, the Records and its rights under the Sheridan NSR Royalty, as contemplated herein; and

(i) it is not in default or violation of any agreement, lease, license, permit, certificate, instrument, regulation, statute or decree applicable to it, which default or violation could adversely affect its ownership of any of the Claims, its right to conduct mineral exploration thereon or its performance or operations in respect thereof.

2.3 Fancamp represents and warrants to Gimus that each of the representations and warranties set forth in any provision of this Section 2 is true, correct and complete as at the date of this agreement and shall be true and accurate as of the Closing Date (as described in Section 5 hereof) as if given as of such date.

2.4 Fancamp recognizes that the accuracy and completeness of each representation and warranty set forth in any provision of this Section 2 is a condition upon which Gimus is relying and without which Gimus would not have agreed to complete the Transaction.

2.5 No investigation or inquiry made by or on behalf of Gimus shall have the effect of waiving or diminishing any of the representations and warranties set forth in any provision of this Section 2.

2.6 Fancamp shall indemnify Gimus and save it harmless from and against all suits, claims, demands, liabilities, losses and expenses which Gimus may suffer, incur or sustain and which arise in respect of (i) any act or thing done or omitted to be done by Fancamp in relation to the Claims, (ii) any breach or alleged breach of any laws, or (iii) any misrepresentation or breach of a warranty by or of Fancamp contained in this agreement. The foregoing rights of indemnification will survive the Closing of the Transaction and the termination of this agreement.

3. <u>Representations and Warranties of Gimus</u>

3.1 Gimus hereby represents and warrants to Fancamp that, as of the date hereof, it is not aware of any material facts or circumstances which have not been disclosed in this agreement and which should be disclosed in order to prevent its representations and warranties in this agreement from being materially misleading.

3.2 Gimus shall indemnify Fancamp and save it harmless from and against all suits, claims, demands, liabilities, losses and expenses which Fancamp may suffer, incur or sustain and which arise in respect of (i) any breach or alleged breach of any laws, or (ii) any misrepresentation or breach of a warranty by or of Gimus contained in this agreement. The foregoing rights of indemnification will survive the Closing of the Transaction and the termination of this agreement.

4. <u>Consideration</u>

4.1 **<u>Purchase of the Claims</u>**

4.1.1 In order to complete the Transaction and as consideration for the purchase and sale of the Claims and the Records, Gimus agrees to deliver:

(a) to Fancamp on the Closing Date, Four Million Three Hundred Thousand Dollars ($4,300,000) by issuing to Fancamp forty-three million (43,000,000) fully paid and non-assessable common shares of Gimus at a deemed price of $0.10 per issued share (the “**Fancamp Shares**”); and

(b) to Champion on the Closing Date, Two Hundred Thousand Dollars ($200,000) by issuing to Champion two million (2,000,000) fully paid and non-assessable common shares of Gimus at a deemed price of $0.10 per issued share (the “**Champion Shares**”).

4.1.2 The Fancamp Shares and the Champion Shares to be issued pursuant to Section 4.1.1 hereof shall be issued under a private placement exemption and subject to a four-month restricted period stipulated in a legend and any other restrictions under applicable securities laws or TSX Venture Exchange rules (including in the case of the Fancamp Shares, restrictions with respect to sales from a control block), before becoming freely tradable, the issuance of which shall be subject to prior acceptance for listing by the TSX Venture Exchange.

4.2 **Sheridan NSR Royalty**

4.2.1 As additional consideration for the purchase and sale of the Claims and the Records, Fancamp hereby assigns and transfers unto Gimus all of its rights, interests, duties and obligations under the Sheridan Sale Agreement in connection with the Sheridan NSR Royalty and the Advance Royalty, which assignment and transfer will be effective at the Closing Date.

4.2.2 Notwithstanding the purchase of the Claims by Gimus pursuant to the terms hereof and the assignment and transfer contained in Section 4.2.1 hereof, Fancamp hereby covenants and agrees to pay, to the exoneration of Gimus, the yearly Advance Royalty payments for an aggregate amount of Five Hundred Thousand Dollars ($500,000) (the "**Advance Royalty Payments**") on their due date in accordance with the terms and conditions of the Sheridan Sale Agreement.

4.2.3 Gimus hereby accepts the assignment and transfer contained in Section 4.2.1 hereof and covenants and agrees that, from and after the Closing Date, Gimus will observe, perform and fulfil each and every covenant, provision, obligation, term and condition of, or applicable to, Fancamp under the Sheridan Sale Agreement in connection with the Sheridan NSR Royalty and the Advance Royalty that is applicable at any time from and including the date of this agreement, save and except for the Advance Royalty Payments. For greater certainty, the obligations of Gimus in respect of the Advance Royalty pursuant to the Sheridan Sale Agreement shall begin with respect to the Advance Royalty payment due as of March 31, 2016 and the ensuing period thereafter.

4.3 **Iron Ore Royalty Agreement**

4.3.1 As consideration for the purchase and sale of the Claims, at the Closing Date, Gimus shall grant in favour of Fancamp, a one point five percent (1.5 %) royalty on all of the Claims (the "**Fancamp Iron Ore Royalty**") of which a portion representing a zero point five percent (0.5 %) royalty may be purchased by Gimus at any time for the sum of One Million Five Hundred Thousand Dollars ($1,500,000) thereby reducing the Fancamp Iron Ore Royalty to one percent (1 %) which Fancamp Iron Ore Royalty shall be payable in accordance with the terms set out in Schedule "B" attached hereto to form part hereof.

4.3.2 Forthwith at the Closing Date, Gimus shall complete, execute and deliver to Fancamp an iron ore royalty agreement in the form set out in Schedule "B" attached hereto (the "**Fancamp Iron Ore Royalty Agreement**").

4.4 <u>**Right of First Refusal**</u>

4.4.1 Based on the terms and conditions described in this agreement, and on the respective representations and covenants of each of Fancamp and Gimus described herein, Champion hereby elects not to exercise its Right of First Refusal to purchase the Claims from Fancamp pursuant to the Right of First Refusal Agreement in order to permit Fancamp to sell the Claims to Gimus in accordance with the terms of this agreement and the Parties agree that such Right of First Refusal will become extinct on completion of the Transaction on the Closing Date in accordance with the terms of this agreement.

4.4.2 As consideration for Champion's covenant not to exercise its Right of First Refusal to purchase the Claims from Fancamp pursuant to the Right of First Refusal Agreement, Fancamp hereby agrees to issue to Champion on the Closing Date, four million (4,000,000) fully paid and non-assessable common shares of Fancamp at a deemed price of $0.05 per issued share (the "**Champion RFR Shares**").

4.4.3 The Champion RFR Shares to be issued pursuant to Section 4.4.2 hereof shall be issued under a private placement exemption and subject to a four-month restricted period stipulated in a legend, before becoming freely tradable, the issuance of which shall be subject to prior acceptance for listing by the TSX Venture Exchange, and subject to the terms and conditions of that certain reciprocal agreement respecting certain investor rights and obligations entered into between Fancamp and Champion as of May 17, 2012.

4.4.4 Notwithstanding the provisions of Section 2.2 of the Right of First Refusal Agreement, Champion hereby agrees to waive its Right of First Refusal in order to permit Fancamp to sell the Claims to Gimus in accordance with the terms of this agreement provided provided that the Transaction is completed within one year from the date hereof. Such waiver only applies to the Transaction. Should the Transaction not close by the Closing Date determined in accordance with Section 5 hereof or should the consideration payable by Gimus to Fancamp in order to acquire the Claims be materially different from that described in this agreement or should any other terms of the Transaction be materially different than described in this agreement, Champion's Right of First Refusal shall continue unaffected in accordance with the Right of First Refusal Agreement and, in the event of any such difference in the consideration or terms set out in this agreement, Champion shall have a fresh and new right of first refusal in respect thereof pursuant to the Right of First Refusal Agreement.

4.5 **Champion Private Placement**

4.5.1 At the Closing Date, Champion will subscribe, by way of private placement, to two million (2,000,000) fully paid and non-assessable common shares of Gimus (or units comprised of common shares and common share purchase warrants as determined by Gimus for its private placements pursuant to Section 6.6 hereof), at a deemed price of $0.10 per issued share or per issued unit, as the case may be, or such lesser price per share or per unit set by Gimus for its private placements being completed pursuant to Section 6.6 hereof (the "**Champion Private Placement Shares**").

5. Closing Date

Closing of the Transaction (the "**Closing**"), being (i) the completion of the acquisition by Gimus of the Claims and the Records and the issuance of the Fancamp Shares and the Champion Shares in accordance with Section 4.1.1 hereof; (ii) the issuance of the Champion RFR Shares; (iii) the issuance of the Champion Private Placement Shares; and (iv) the completion of all other transactions contemplated by this agreement which are to occur concurrently with the aforesaid acquisition, shall take place on or prior to December 31, 2013 or such other date as may be agreed upon between Fancamp and Gimus (the "**Closing Date**") but not later than one year after the date hereof without Champion's written consent.

6. Conditions of Closing

The Transaction shall be subject to the following conditions set forth in Section 6 hereof, which may be waived by Gimus or Fancamp, where applicable, in whole or in part:

6.1 **Due Diligence.** Forthwith upon execution of this agreement, Fancamp shall arrange to provide Gimus and its authorized representatives and agents, free access, during reasonable business hours, to such information and records, which Gimus may reasonably request in order to obtain the information necessary to evaluate the Claims and to prepare the documentation necessary to obtain the Regulatory Approvals, including the pro forma financial statements which will have to be included in the information circular to be distributed to Gimus shareholders. Fancamp agrees to use reasonable commercial efforts to cause the officers, senior employees and other personnel and consultants of Fancamp to meet and collaborate with Gimus and its representatives in this regard. The Transaction is conditional upon Gimus being satisfied, in its sole and absolute discretion, with the results of such due diligence review.

6.2 **Approvals.** Before the Closing Date, all regulatory approvals, authorizations and other consents with respect to the Closing which may be required by law, together with all such permits, licenses and other authorizations as may be reasonably required in order to close the Transaction shall have been obtained, including, without limiting the generality of the foregoing, approval from the TSX Venture Exchange for each of Fancamp and Gimus and approval of the shareholders of Gimus, failing which this agreement shall terminate and the parties shall have no further obligations thereunder, with the exception of those contained in Sections
2.6, 3.2, 10 and 11 hereof and with the exception of the Right of First Refusal Agreement which shall continue in full force and effect.

6.3 **Consents.** Prior to the Closing Date, Fancamp shall have obtained all consents, permits and approvals from parties to any contracts or other agreements that may be required in connection with the Transaction, without limiting the generality of the foregoing, the consent of Champion and the consent of the Sheridan Group as contemplated in Section 7.4 hereof.

6.4 **Transfer of Documents.** On the Closing Date, all necessary transfer forms, agreements, instruments, conveyances, assignments, releases and other document required or useful in the opinion of Gimus' legal advisors to properly convey the Claims and the Records to Gimus shall have been executed.

6.5 **Board of Directors.** Prior to the Closing Date, Gimus shall have proposed to Fancamp a new composition of the board of directors of Gimus (which board of directors shall include Paul Ankcorn as a nominee of Champion) and of management of Gimus, which shall be satisfactory to Fancamp acting reasonably.

6.6 **Financing.** At the latest on the Closing Date, and as agreed upon between Gimus and Fancamp, Gimus shall have raised capital through the completion of private placements of its securities for the minimal amount required to satisfy the requirements of the TSX Venture Exchange on such terms and conditions as may be determined by the Parties (the "**Private Placement**"), it being understood that Gimus shall use reasonable commercial efforts to complete the Private Placement but shall not be in default under this agreement in the event the Private Placement is not completed.

7. Delivery of Documents

The transactions contemplated herein and the purchase of the Claims and the Records by Gimus hereunder shall be conditional upon the delivery of the following documents at or before the Closing Date:

7.1 Gimus shall deliver or cause to be delivered to Fancamp a common share certificate representing the Fancamp Shares pursuant to Section 4.1.1(a) hereof.

7.2 Gimus shall deliver or cause to be delivered to Champion a common share certificate representing the Champion Shares pursuant to Section 4.1.1(b) hereof.

7.3 Following the performance by Gimus of its obligations pursuant to Section 4.1.1 hereof, Fancamp shall execute, acknowledge and deliver to Gimus a *Transfer of Mining Rights* prepared by Gimus and satisfactory to Fancamp in proper form for registration in the *Public Register of Real and Immovable Mining Rights* maintained at the *ministère des Ressources naturelles* (Québec) in favour of Gimus pursuant to which Fancamp transfers to Gimus all its right, title and interest in the Claims, with registration fees in connection with this transfer to be paid by Gimus.

7.4 Gimus shall deliver or cause to be delivered to Fancamp an Assignment, Assumption and Release Agreement amongst the Sheridan Group, Fancamp and Gimus pursuant to which (i) Fancamp assigns to Gimus all its rights, interests, duties and obligations under the Sheridan Sale Agreement in connection with the Sheridan NSR Royalty and the Advance Royalty, except for those related to the Advance Royalty Payments as stipulated in Section 4.2.2 hereof, and (ii) Gimus agrees to observe and be bound by all of the other provisions of the Sheridan Sale Agreement with respect to the rights, interests and obligations assigned to or assumed by Gimus in the place and stead of Fancamp in connection with the Sheridan NSR Royalty and the Advance Royalty.

7.5 Gimus shall complete, execute and deliver to Fancamp the Fancamp Iron Ore Royalty Agreement as provided in Section 4.3.2 hereof.

7.6 Fancamp shall deliver or cause to be delivered to Champion a common share certificate representing the Champion RFR Shares pursuant to Section 4.4.2 hereof.

7.7 Gimus shall deliver or cause to be delivered to Champion a common share certificate or certificates representing the Champion Private Placement Shares pursuant to Section 4.5.1 hereof upon receipt of the payment of the subscription price of Two Hundred Thousand Dollars ($200,000) from Champion.

7.8 The Parties shall have received evidence that all requisite approvals, consents and acceptances of the appropriate regulatory authorities and the TSX Venture Exchange required to be made or obtained by either one of the Parties in order to complete the Closing have been made or obtained on terms satisfactory to each of the Parties, acting reasonably.

7.9 Gimus shall deliver or cause to be delivered to Fancamp evidence satisfactory to Fancamp that the shareholders of Gimus have approved the Transaction, if such approval is required by the TSX Venture Exchange or by securities regulations.

7.10 Gimus shall enter into an agreement with Champion providing for Champion to have the right to nominate one person for election to the board of directors of Gimus for a period of three years from the Closing Date and for Gimus to cause such nominee to be included on the slate of directors recommended to its shareholders for election as directors and to solicit proxies in support thereof.

7.11 Gimus shall deliver or cause to be delivered to Fancamp evidence satisfactory to Fancamp that the Private Placement has been completed.

8. Conduct of Business

Up to the Closing Date, there shall have been no material adverse changes on the Claims, nor shall there be any change in the operations of Fancamp which would materially adversely affect the Claims and on or before the Closing Date, each of the conditions and undertakings contained in this agreement, shall have been entirely respected.

9. Registration of Agreement

Fancamp may register or record against title to the Claims such form of notice, caution or other document(s) including this agreement or other security instruments as it considers appropriate to protect Fancamp's right to receive the Fancamp Iron Ore Royalty. Gimus hereby consents to such registering or recording and agrees to cooperate with Fancamp to accomplish the same. Registration fees in connection therewith shall be paid by Fancamp.

10. Expenses

Fancamp shall bear all fees, costs and other expenses that may be incurred in connection with (i) the preparation, negotiation, execution and delivery of this agreement and any other agreements or documents required to consummate the Transaction and (ii) the preparation, completion, delivery or execution of all documents and regulatory filings related thereto, subject to a maximum of Seventy-Five Thousand Dollars ($75,000) for all such fees, costs and other expenses.

11. Confidentiality

All information, records and documents obtained by Gimus and its authorized representatives and agents in connection with the Transaction and relating to this agreement shall be deemed to be of a confidential nature and shall be treated as such by Gimus until the Closing Date or for a period of one year after the date hereof in the event there is no Closing. Gimus hereby undertakes to keep confidential such documents, information and records, both during negotiations and thereafter, until the Closing Date, except for such documents, records or information which were already in the public domain or which are subsequently obtained by third parties through no fault or without the intervention (directly or indirectly) of Gimus.

12. Exclusivity

Fancamp agrees that it will not offer to, or solicit offers from, or enter into any negotiations with, any third party for the sale of the Claims, or any part thereof until the expiration of the date provided for the Closing Date as set forth above.

13. General Provisions

13.1 **Assignment.** This agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Neither Party shall assign its rights or delegate its obligations hereunder voluntarily or by operation of law, without the prior written consent of the other Party.

13.2 **Waiver of Rights.** The failure of a Party to insist on the strict performance of any provision of this agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

13.3 **Amendments.** No modification or amendment to this agreement shall be valid unless made in writing and duly executed by the Parties.

13.4 **Entire Agreement.** This agreement, contains the entire understanding of the Parties and cancels and replaces all prior understandings between the Parties relating to the subject matter hereof, and all prior agreements.

13.5 **Arbitration.** Any dispute or conflict between the parties concerning this Agreement which cannot be settled by them shall be submitted firstly to a mutually agreeable mediator who will have no authority to bind the parties and, in the event that mediation efforts are unsuccessful, to a single arbitrator pursuant to the provisions of the *Code of Civil Procedure* (Québec), or, if the parties cannot agree upon a single arbitrator, to three arbitrators, one appointed by Fancamp, one appointed by Gimus and a third appointed by the arbitrators appointed by Fancamp and Gimus. The arbitrator or arbitrators, as the case may be, may order any party to produce documents prior to the arbitration or to submit a witness to discovery. Arbitration proceedings shall take place in Montreal (Quebec) at such place as the arbitrator or arbitrators shall determine.

13.6 **Severability.** If any term, part or provision of this agreement is declared unenforceable, illegal, or in conflict with any laws to which this agreement is subject, such term, part or provision shall be considered severed from this agreement, the remaining portions thereof shall not be affected and this agreement shall be construed and enforced as if it did not contain that term, part or provision.

13.7 **Time.** Time is of the essence of this agreement and all related documents.

13.8 **Further Assurances.** Each of the Parties hereby undertakes to refrain from performing any act or entering into any transaction or negotiation which would interfere or be inconsistent with the terms of this agreement and the due completion of the Transaction.

13.9 **Currency.** All monetary amounts expressed in dollars in this agreement shall be determined and payable in Canadian currency, unless otherwise expressly provided.

13.10 **Public Announcements**. A Party desiring to make a disclosure, statement or press release concerning this agreement shall first consult with the other Party prior to making such disclosure, statement or press release, and the Parties shall use all reasonable efforts, acting expediently and in good faith, to agree upon a text for such statement or press release which is satisfactory to the Parties.

13.11 **Notice.** Any notice or other required communications hereunder shall be given in writing and delivered by hand, registered air mail, telefax, or by overnight courier. Any such notice shall be given to each of the Parties at their following addresses:

TO FANCAMP: **FANCAMP EXPLORATION LTD.**
7290 Gray Avenue
Burnaby, British Columbia V5J 3Z2
Fax: 604 434-8823
Attention: Peter H. Smith, Chairman of the Board of Directors

TO GIMUS: **GIMUS RESOURCES INC.**
1002 Sherbrooke Street West
28th Floor
Montreal, Quebec H3A 3L6
Fax: 514 787-1457
Attention: Pierre Barnard, Chairman of the Board of Directors

TO CHAMPION: **CHAMPION IRON MINES LIMITED**
20 Adelaide Street East
Suite 301
Toronto, Ontario M5C 2T6
Fax: 416 361-1333
Attention: Thomas G. Larsen, President and Chief Executive Officer

or to any other addresses that any Party may at any time designate by written notice to the other Party.

All notices shall be effective and shall be deemed delivered (i) if by hand, or by overnight courier, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery, (ii) if by electronic communication, on the next business day following receipt of the electronic communication, and (iii) if by mail, on the next business day after actual receipt.

13.12 **Counterparts.** This agreement may be executed in any number of counterparts, and it shall not be necessary that the signatures of all Parties be contained on any counterpart. Each counterpart shall be deemed an original, but all counterparts together shall constitute one and the same instrument.

13.13 **Independent Legal Advice.** The Parties expressly declare that they have been given sufficient time to seek such independent legal or other advice as they deem appropriate with respect to this matter and the terms of this agreement and the Parties voluntarily accept the said terms.

13.14 **Governing Law.** This agreement is made under and shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

13.15 **Languages.** The Parties expressly declare that it is their express wish that this agreement and all notices and other documents relating hereto be drawn up in the English language. *Les parties aux présentes déclarent que c'est leur volonté expresse que ce contrat et tout avis et autres documents s'y rattachant soient rédigés en langue anglaise*.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this agreement as of the date first above written.

FANCAMP EXPLORATION LTD.

By: ______________________
Name: Peter H. Smith
Title: Chairman of the Board of Directors

GIMUS RESOURCES INC.

By: pp ______________________
Name: Pierre Barnard
Title: Chairman of the Board of Directors

CHAMPION IRON MINES LIMITED

By: ______________________
Name: Thomas G. Larsen
Title: President and CEO

IN WITNESS WHEREOF, the Parties have duly executed this agreement as of the date first above written.

FANCAMP EXPLORATION LTD.

By: ______________________
Name: Peter H. Smith
Title: Chairman of the Board of Directors

GIMUS RESOURCES INC.

By: ______________________
Name: Pierre Barnard
Title: Chairman of the Board of Directors

CHAMPION IRON MINES LIMITED

By: ______________________
Name: Thomas G. Larsen
Title: President and CEO

[Signature Page - Agreement to Purchase Claims]

SCHEDULE "A"

Description of the Lac Lamêlée Property

	Sheet	Type of Title	Title No.	Owner	Status of Title
1	23B05	CDC	34159	Fancamp (100%)	Active
2	23B05	CDC	34160	Fancamp (100%)	Active
3	23B06	CDC	34311	Fancamp (100%)	Active
4	23B06	CDC	34312	Fancamp (100%)	Active
5	23B06	CDC	34313	Fancamp (100%)	Active
6	23B06	CDC	34314	Fancamp (100%)	Active
7	23B05	CDC	2211455	Fancamp (100%)	Active
8	23B05	CDC	2211456	Fancamp (100%)	Active
9	23B05	CDC	2211459	Fancamp (100%)	Active
10	23B05	CDC	2211460	Fancamp (100%)	Active
11	23B05	CDC	2211461	Fancamp (100%)	Active
12	23B05	CDC	2211462	Fancamp (100%)	Active
13	23B06	CDC	2211463	Fancamp (100%)	Active
14	23B06	CDC	2211457	Fancamp (100%)	Active
15	23B06	CDC	2211464	Fancamp (100%)	Active
16	23B06	CDC	2211465	Fancamp (100%)	Active
17	23B06	CDC	2211458	Fancamp (100%)	Active
18	23B06	CDC	2211466	Fancamp (100%)	Active
19	23B06	CDC	2211467	Fancamp (100%)	Active
20	23B06	CDC	2012834	Fancamp (100%)	Active
21	23B06	CDC	2012835	Fancamp (100%)	Active
22	23B06	CDC	2012836	Fancamp (100%)	Active
23	23B06	CDC	2012837	Fancamp (100%)	Active
24	23B06	CDC	2012838	Fancamp (100%)	Active
25	23B06	CDC	2012839	Fancamp (100%)	Active
26	23B06	CDC	2012840	Fancamp (100%)	Active
27	23B06	CDC	2012841	Fancamp (100%)	Active
28	23B06	CDC	2012842	Fancamp (100%)	Active
29	23B06	CDC	2012843	Fancamp (100%)	Active

SCHEDULE “B”

IRON ORE ROYALTY AGREEMENT (see attached)

IRON ORE ROYALTY AGREEMENT THIS AGREEMENT made the ___th

day of ________________________201__,

BETWEEN: **GIMUS RESOURCES INC.,** a corporation existing under the federal laws of Canada and having a place of business at 1002 Sherbrooke Street West,
28th Floor, Montreal, Quebec, H3A 3L6

(hereinafter referred to as the "**Payor**")

AND: **FANCAMP EXPLORATION LTD.**, a corporation existing under the laws of British Columbia and having a place of business at 7290 Gray Avenue, Burnaby, British Columbia, V5J 3Z2

(hereinafter referred to as the"**Payee**")

WITNESSES THAT for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Payor and the Payee (hereinafter collectively referred to as the "**Parties**" and, individually, a "**Party**") hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

Where used in this Agreement, the following terms have the meanings ascribed to them as follows:

(a) "**Agreement**" means this iron ore royalty agreement;

(b) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in the Province of Québec;

(c) "**Encumbrances**" means any mortgage, charge, pledge, lien, licence, privilege, security interest, royalty or other encumbrance;

(d) "**Minerals**" shall mean any and all saleable products, whether in the form of ore, pellets, briquettes, pig iron, concentrates, metals or other minerals mined from the Property, or any future product developed by any innovative process, and/or direct shipping iron ore derived from the Property;

(e) "**Royalty**" has the meaning assigned to it in Section 2.1 hereof; and

(f) "**Property**" means the mining claims, licences, leases or other forms of tenure located in the Fermont District in the Province of Québec, forming part of the Lac Lamêlée Property, more particularly described in Exhibit "A" attached hereto and any renewals, extensions or replacements thereof from time to time in whole or in part or other mineral tenures that the Payor may from time to time hold over such property or in respect thereof.

2. GRANT OF ROYALTY

2.1 The Payee hereby reserves to itself and the Payor hereby grants and agrees to pay to the Payee an aggregate royalty (the "**Royalty**") calculated at the rate of one point five percent (1.5 %) of the sale price actually received of any and all Minerals mined and processed from the Property, which sale price shall be equal to the invoice price at the point of sale less all concentration, transportation, loading, stockpiling, penalties, selling expenses and shipping charges or other costs from the time the Minerals leave the Property to the completion of the sale.

2.2 For the purposes hereof, any and all mining or mineral exploration claims which are acquired by staking or otherwise by or on behalf of the Payor and which are contiguous to or within ten (10) kilometers of the external perimeter of the Property (as same currently exists or as may be expanded from time to time in accordance with terms hereof) shall be included in and form part of the Property hereof and, accordingly, shall be subject to the Royalty provided for in Section 2.1 hereof.

2.3 Zero point five percent (0.5 %) of the Royalty may be purchased at any time by the Payor for One Million Five Hundred Thousand Dollars ($1,500,000) thereby reducing the Royalty to be calculated at the rate of one percent (1 %) thereafter.

2.4 The Payor shall have a right of first refusal on any sale, transfer, mortgage or grant of security interest or any other disposition or encumbrance whatsoever in the Royalty, in whole or in part, by the Payee, at any time or from time to time. The Payee(s) shall give notice of such proposed transaction (including a copy of the agreement in respect thereof) to the Payor and the Payor shall have the right at any time for a period of thirty (30) days from delivery of such notice of a proposed sale, transfer, mortgage, grant of security interest, disposition or encumbrance (which notice, to be effective, must include a copy of the agreement in respect thereof setting out all material terms) to elect to exercise its right and, if so exercised, a period of thirty (30) days after the date of the Payor's notice making its election, to complete such transaction. In the event that the Payor does not exercise such right or exercises the right but does not complete the transaction within the prescribed periods set out herein, the Payee shall have the right to complete the subject transaction with a third party at any time within a period of ninety (90) days thereafter; provided, however, that in the event that the Payee do not complete such transaction within said 90-day period, the Payor shall have a fresh and new right of first refusal in respect thereof; and provided further that on any such sale, transfer or disposition (whether by the Payee or any mortgagee, encumbrance or holder of a security interest) the purchaser or transferee must, as a condition of the right to complete such sale, transfer or disposition, sign and deliver to the Payor an agreement to be bound by the terms of this Agreement including the right of first refusal on any further sale, transfer, mortgage, grant of security interest, or other disposition or encumbrance.

3. PAYMENT OF ROYALTY

3.1 The Royalty shall be calculated and paid by cheque, cash, bank draft or wire transfer of immediately available funds, mailed or delivered to the Payee within 5 days after the last day of each quarter in which sale proceeds are received in respect of Minerals shipped from the Property.

3.2 In the event that final amounts required for the calculation of the Royalty are not available within the time period referred to in Section 3.1 hereof, then estimated amounts shall be established, the Royalty shall be paid on the basis of such estimated amounts and positive or negative adjustments shall be made to the payment in the succeeding quarter, as necessary.

3.3 All Royalty payments will be made subject to withholding or deduction in respect of, for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied on such Royalty payment by or on behalf of any governmental authority having power and jurisdiction to tax and for which the Payor is obligated in law to withhold or deduct and remit to such governmental authority.

3.4 All profits and losses resulting from the Payor engaging in any commodity futures trading, option trading, metals trading, loans or any combination thereof, and any other hedging transactions (collectively "**Hedging Transactions**") are specifically excluded from calculations of Royalty payments pursuant to this agreement. All Hedging Transactions by the Payor and all profits or losses associated therewith, if any, shall be solely for the Payor's account.

4. SALES OF MINERALS

4.1 The Payor may, but is not obligated to, undertake crushing, separating, milling or reduction or otherwise process and upgrade or concentrate Minerals at the Property prior to shipping or sale, transfer or conveyance to a purchaser. The Payor shall not be liable for mineral values lost in such processing under sound mining, milling, metallurgical and processing practices at the Property.

4.2 The Payor shall not dispose of Minerals except by way of sale to an arm's length third party for cash proceeds equal to the fair market value thereof at the time of sale.

4.3 All Minerals for which a Royalty is payable shall be weighed or measured, sampled and analyzed in accordance with sound mining, milling, metallurgical and processing practices. After such measurement, the Payor or the purchaser may mix or commingle such ores, materials or products with ores, materials or products from other properties or sources.

5. BOOKS; RECORDS; INSPECTIONS

5.1 The Payor will keep true and accurate books and records of all of its operations and activities with respect to the Property and the Minerals thereof, prepared on an accrual basis in accordance with Canadian generally accepted accounting principles, consistently applied. The Payee may, from time to time, during normal business hours, following a 30 day advance written notice, perform audits or other examinations of all of the books and records of the Payor related thereto to confirm the calculation of the Royalty and compliance with the terms of this Agreement. The reasonable expenses of any audit or other examination permitted hereunder shall be paid by the Payee, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of the Royalty payments paid to the Payee hereunder greater than five percent (5 %) for any calendar year, in which event the costs of such audit or other examination shall be paid by the Payor.

5.2 Without limiting Section 5.1 hereof, subject at all times to the workplace rules and supervision of the Payor, and provided the exercise of such right of access does not interfere with any exploration, development, mining or processing work conducted on the Property or at any facility at which Minerals from the Property may be processed, upon not less than five Business Days' notice to the Payor, the Payee or its authorized agents or representatives may, at its sole risk and expense, under the direction and control of the Payor, from time to time, during normal business hours, enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and all production records and data pertaining to all production activities and operations on or with respect to the Property, including, without limitation, records and data that are electronically maintained.

5.3 Within 90 days following the end of each calendar year, the Payor will provide the Payee with an annual report of Minerals mined and processed from the Property and shipped from the Property during such calendar year.

6. STOCKPILING AND COMMINGLING

6.1 The Payor may stockpile and commingle Minerals mined and processed from the Property with other Minerals, ores, concentrates or other products not mined and processed from the Property. The Payor shall, prior to such stockpiling or commingling, measure, weigh and analyze samples of such commingled materials in accordance with sound mining, milling, metallurgical and processing practices and the Payor shall keep accurate records as a basis for computing any Royalty payments. In determining which commingled materials are sold from a commingled stockpile, a first-in, first-out system shall be used.

7. TAILINGS, WASTE AND OTHER MINERALS

7.1 All tailings or waste material shall be the property of the Payor and the Payor shall have no obligation to process or extract substances therefrom. If the Payor elects to extract from such tailings or waste material any type of Minerals and utilizes or sells the same, the Payee shall receive the Royalty from commercial production of such Minerals.

8. CONDUCT OF OPERATIONS

8.1 All decisions concerning methods, the extent, times, procedures and techniques of any exploration, development, mining, leaching, milling, processing, extraction treatment, if any, and the materials to be introduced into the Property or produced therefrom, and all decisions concerning the sale or other disposition of Minerals (including, without limitation, decisions as to buyers, times of sale, whether to store or stockpile Minerals for a reasonable length of time without selling the same and whether to sell futures or otherwise engage in forward hedging transactions) shall be made by the Payor, acting reasonably and in accordance with good mining, engineering and financial practices in the circumstances.

9. MAINTENANCE OF PROPERTY

9.1 The Payor shall do all things and make all payments necessary or appropriate to maintain the right, title and interest of the Payor in the Property and the Minerals and to maintain the Property in good standing. The Payor shall be entitled, from time to time, to abandon or surrender or allow to lapse or expire any part or parts of any mineral claims or mining leases relating to or comprising the Property if the Payor determines, acting reasonably, that such part or parts are not economically viable or otherwise have insufficient value to warrant continued maintenance.

9.2 Notwithstanding Section 9.1 hereof, the Payor shall not knowingly abandon or surrender, or allow to lapse or expire, any mining claims or leases relating to or comprising the Property for the purpose of permitting any third party to restake such claim and avoid the Royalty; and if the Payor, or any person with which the Payor does not deal at arm's length or any joint venturer, restakes any expired claims or leases relating to or comprising the Property, this Agreement shall include any such new claims.

9.3 The Payor will not sell, assign or transfer the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part, to any person, firm or corporation, or agree to do so or grant any person, firm or corporation an option or right to acquire the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part, unless the intended transferee assumes the obligations of this Agreement and the obligations of the Payor hereunder as if a named party in the first instance.

9.4 Notwithstanding the provisions of this Section 9, the Payee acknowledges that the Payor shall not be entitled to grant a mortgage, charge or encumbrance over the Property and related assets relating to any debt financing for the purposes of developing all or a part of the Property until such financing is repaid without obtaining the prior written consent of the Payee, such consent not to be unreasonably withheld.

10. TERM

10.1 This Agreement shall continue for so long as there are Minerals on the Property which are or, in the future may, in the opinion of the Payor, be of economic value. If any right, power or interest of either party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

11. REPRESENTATIONS AND WARRANTIES

11.1 The Payor represents and warrants to the Payee as follows:

(a) The Payor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation;

(b) The Payor has all necessary corporate power and authority to enter into and perform its obligations under this Agreement and to own the Property and to carry on its business as now conducted;

(c) Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated herein nor compliance with the terms, conditions and provisions of this Agreement will conflict with or result in a breach of any terms, conditions or provisions of its charter documents or by- laws, any law, rule or regulation having the force of law, any contractual restrictions that are binding upon it or the Property, or any writ, judgment, injunction, determination or award that is binding upon it;

(d) The execution and delivery of this Agreement and the consummation by it of the transactions contemplated herein have been duly authorized by all necessary corporate action, and all necessary third party consents have been obtained; and

(e) This Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation, enforceable against it by the Payee in accordance with its terms.

11.2 The Payee represents and warrants to the Payor that:

(a) The Payee is a corporation duly incorporated, organized, validly existing and in good standing under the laws of its jurisdiction of incorporation;

(b) The execution and delivery of this Agreement and the consummation by each Payee of the transactions contemplated herein have been duly authorized by all necessary corporate action on the part of such Payee; and

(c) This Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation, enforceable against it by the Payor in accordance with its terms.

12. GENERAL PROVISIONS

12.1 **Registration of Interest.** The Payee shall have the right from time to time to register or record notice of this Agreement and the Royalty, any other documents relating to or contemplated by the foregoing and any caution or other title document, against title to the Property or elsewhere, and the Payor shall cooperate with all such registrations and recordings and provide its written consent or signature to any documents and do such other things from time to time as are necessary or desirable to effect all such registrations or recordings or otherwise to protect the interests of the Payee hereunder.

12.2 **Assignment.** This agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Neither Party shall assign its rights or delegate its obligations hereunder voluntarily or by operation of law, without the prior written consent of the other Party.

12.3 **Waiver of Rights.** The failure of a Party to insist on the strict performance of any provision of this agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

12.4 **Amendments.** No modification or amendment to this agreement shall be valid unless made in writing and duly executed by the Parties.

12.5 **Entire Agreement.** This agreement, contains the entire understanding of the Parties and cancels and replaces all prior understandings between the Parties relating to the subject matter hereof, and all prior agreements.

12.6 **Arbitration.** Any dispute or conflict between the parties concerning this Agreement which cannot be settled by them shall be submitted firstly to a mutually agreeable mediator who will have no authority to bind the parties and, in the event that mediation efforts are unsuccessful, to a single arbitrator pursuant to the provisions of the *Code of Civil Procedure* (Québec), or, if the parties cannot agree upon a single arbitrator, to three arbitrators, one appointed by Fancamp, one appointed by Gimus and a third appointed by the arbitrators appointed by Fancamp and Gimus. The arbitrator or arbitrators, as the case may be, may order any party to produce documents prior to the arbitration or to submit a witness to discovery. Arbitration proceedings shall take place in Montreal (Quebec) at such place as the arbitrator or arbitrators shall determine.

12.7 **Severability.** If any term, part or provision of this agreement is declared unenforceable, illegal, or in conflict with any laws to which this agreement is subject, such term, part or provision shall be considered severed from this agreement, the remaining portions thereof shall not be affected and this agreement shall be construed and enforced as if it did not contain that term, part or provision.

12.8 **Time.** Time is of the essence of this agreement and all related documents.

12.9 **Currency.** All monetary amounts expressed in dollars in this agreement shall be determined and payable in Canadian currency, unless otherwise expressly provided.

12.10 **Public Announcements**. A Party desiring to make a disclosure, statement or press release concerning this agreement shall first consult with the other Party prior to making such disclosure, statement or press release, and the Parties shall use all reasonable efforts, acting expediently and in good faith, to agree upon a text for such statement or press release which is satisfactory to the Parties.

12.11 **Notice.** Any notice or other required communications hereunder shall be given in writing and delivered by hand, registered air mail, telefax, or by overnight courier. Any such notice shall be given to each of the Parties at their following addresses:

TO THE PAYEE: **FANCAMP EXPLORATION LTD.**
7290 Gray Avenue
Burnaby, British Columbia V5J 3Z2
Fax: 604 434-8823
Attention: Peter H. Smith, Chairman of the Board of Directors

TO THE PAYOR: **GIMUS RESOURCES INC.**
1002 Sherbrooke Street West
28th Floor
Montreal, Quebec H3A 3L6
Fax: 514 787-1457
Attention: Pierre Barnard, Chairman of the Board of Directors

or to any other addresses that any Party may at any time designate by written notice to the other Party.

All notices shall be effective and shall be deemed delivered (i) if by hand, or by overnight courier, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery, (ii) if by electronic communication, on the next business day following receipt of the electronic communication, and (iii) if by mail, on the next business day after actual receipt.

12.12 **Counterparts.** This agreement may be executed in any number of counterparts, and it shall not be necessary that the signatures of all Parties be contained on any counterpart. Each counterpart shall be deemed an original, but all counterparts together shall constitute one and the same instrument.

12.13 **Governing Law.** This agreement is made under and shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

12.14 **Languages.** The Parties expressly declare that it is their express wish that this agreement and all notices and other documents relating hereto be drawn up in the English language. *Les parties aux présentes déclarent que c'est leur volonté expresse que ce contrat et tout avis et autres documents s'y rattachant soient rédigés en langue anglaise*.

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

GIMUS RESOURCES INC.

By: Name: Title: ________________________________

The foregoing is hereby confirmed, acknowledged, accepted and agreed to as of this ____th day of ______________, 2013.

FANCAMP EXPLORATION LTD.

By: Name: Title: ________________________________

Exhibit "A"

Description of the Lac Lamêlée Property

	Sheet	Type of Title	Title No.	Owner	Status of Title
1	23B05	CDC	34159	Fancamp (100%)	Active
2	23B05	CDC	34160	Fancamp (100%)	Active
3	23B06	CDC	34311	Fancamp (100%)	Active
4	23B06	CDC	34312	Fancamp (100%)	Active
5	23B06	CDC	34313	Fancamp (100%)	Active
6	23B06	CDC	34314	Fancamp (100%)	Active
7	23B05	CDC	2211455	Fancamp (100%)	Active
8	23B05	CDC	2211456	Fancamp (100%)	Active
9	23B05	CDC	2211459	Fancamp (100%)	Active
10	23B05	CDC	2211460	Fancamp (100%)	Active
11	23B05	CDC	2211461	Fancamp (100%)	Active
12	23B05	CDC	2211462	Fancamp (100%)	Active
13	23B06	CDC	2211463	Fancamp (100%)	Active
14	23B06	CDC	2211457	Fancamp (100%)	Active
15	23B06	CDC	2211464	Fancamp (100%)	Active
16	23B06	CDC	2211465	Fancamp (100%)	Active
17	23B06	CDC	2211458	Fancamp (100%)	Active
18	23B06	CDC	2211466	Fancamp (100%)	Active
19	23B06	CDC	2211467	Fancamp (100%)	Active
20	23B06	CDC	2012834	Fancamp (100%)	Active
21	23B06	CDC	2012835	Fancamp (100%)	Active
22	23B06	CDC	2012836	Fancamp (100%)	Active
23	23B06	CDC	2012837	Fancamp (100%)	Active
24	23B06	CDC	2012838	Fancamp (100%)	Active
25	23B06	CDC	2012839	Fancamp (100%)	Active
26	23B06	CDC	2012840	Fancamp (100%)	Active
27	23B06	CDC	2012841	Fancamp (100%)	Active
28	23B06	CDC	2012842	Fancamp (100%)	Active
29	23B06	CDC	2012843	Fancamp (100%)	Active

Appendix 2 : List of Blanks

DDH	From	To	Sample nb	Reference	Fe2O3	SiO2	MgO	CaO	LOI	Mag Index
LS-12-04	194.9	197.0	P162160	deco	0.16	6.58	21.80	29.10	41.02	3234
LS-12-08	72.0	74.0	P162420	deco	0.17	3.84	22.20	29.40	43.62	5536
LS-12-05	95.0	97.0	N156160	deco	0.19	2.47	21.80	30.20	44.19	8195
LS-12-07	131.0	133.0	N156280	deco	0.24	8.73	21.60	28.90	39.39	2408
LS-12-05	242.0	244.0	N156240	deco	0.24	4.08	22.10	29.60	43.08	5116
LS-12-09	27.0	29.0	N156360	deco	0.26	1.27	21.70	30.10	45.14	14183
LS-12-04	84.0	86.0	P162100	deco	0.26	5.87	21.90	29.00	41.71	3573
LS-12-02	275.8	277.0	P162020	deco	0.27	6.48	21.40	28.80	42.24	3170
LS-12-02	349.0	351.0	P162060	deco	0.27	8.04	21.70	29.10	40.00	2611
LS-12-10	267.8	270.5	P162540	deco	0.29	6.23	21.60	29.40	41.79	3313
LS-12-04	266.1	267.0	P162200	deco	0.31	9.55	22.00	28.10	39.33	2231
LS-12-05	167.0	169.0	N156200	deco	0.37	7.21	21.80	28.30	40.89	2876
LS-12-10	350.0	352.0	P162580	deco	0.40	6.85	21.70	29.50	40.51	2993
LS-12-08	219.0	221.0	P162500	deco	0.43	5.58	21.60	29.80	42.40	3594
LS-12-01	154.0	156.0	N156043	deco	0.53	7.57	21.90	28.80	40.44	2704
LS-12-06	161.0	163.0	P162300	deco	0.60	14.05	21.40	28.40	34.55	1461
LS-12-08	143.0	145.0	P162460	deco	0.61	11.50	21.80	27.50	37.26	1800
LS-12-06	34.0	36.0	P162230	deco	0.67	7.81	21.50	28.50	40.09	2535
LS-12-03	125.0	127.0	N156141	deco	0.67	4.49	21.80	29.20	42.46	4225
LS-12-06	88.0	90.0	P162260	deco	0.72	3.74	21.60	29.60	43.25	4843
LS-12-06	305.0	305.5	P162380	deco	0.77	8.00	21.20	29.00	40.34	2417
LS-12-07	207.0	209.0	N156320	deco	1.30	6.78	21.60	28.40	40.63	2673
LS-12-19B	329.0	331.0	N156980	deco2	0.23	99.20	0.01	0.03	0.24	
LS-12-19B	223.0	225.0	N156940	deco2	0.24	99.30	0.01	0.01	0.17	
LS-12-26	174.0	176.0	P163340	deco2	0.34	98.60	0.01	0.02	0.11	
LS-12-19A	128.0	130.0	N156860	deco2	0.37	99.20	0.01	0.02	0.21	
LS-12-19B	146.0	148.0	N156900	deco2	0.39	98.40	0.01	0.02	0.21	
LS-12-11	135.0	137.0	N156560	deco2	0.40	98.90	0.01	0.01	0.07	
LS-12-25	36.7	39.0	N157320	deco2	0.44	99.00	0.01	0.02	0.09	
LS-12-25	135.0	137.0	N157360	deco2	0.47	98.50	0.01	0.02	0.07	
LS-12-21	139.0	141.0	N157100	deco2	0.50	97.80	0.01	0.01	0.09	0
LS-12-09	255.0	257.0	N156480	deco2	0.51	99.10	0.01	0.02	0.06	
LS-12-24	169.0	171.0	P163300	deco2	0.51	99.00	0.01	0.05	0.16	
LS-12-11	55.0	57.0	N156520	deco2	0.53	98.90	0.01	0.01	0.08	
LS-12-23	291.0	293.0	N157280	deco2	0.57	99.00	0.01	0.03	0.05	
LS-12-09	101.0	103.0	N156400	deco2	0.60	98.40	0.01	0.01	0.01	
LS-12-19B	399.0	401.0	N157020	deco2	0.63	98.30	0.01	0.02	0.08	
LS-12-12	360.0	362.0	P162780	deco2	0.67	98.80	0.01	0.10	0.19	

DDH	From	To	Sample nb	Reference	Fe2O3	SiO2	MgO	CaO	LOI	Mag Index
LS-12-34	167.0	169.0	P163820	deco2	0.69	12.00	19.95	28.20	38.33	1572
LS-12-36	64.4	66.0	P163900	deco2	0.70	10.65	20.40	29.00	39.20	1797
LS-12-23	144.0	146.0	N157200	deco2	0.74	99.00	0.01	0.03	0.01	
LS-12-29	616.0	618.0	N157560	deco2	0.74	11.35	19.65	27.70	38.71	1625
LS-12-21	69.0	71.0	N157060	deco2	0.79	98.20	0.01	0.05	0.02	
LS-12-33	171.0	173.0	N157680	deco2	0.79	11.35	19.80	28.20	39.06	1631
LS-12-34	241.0	243.0	P163860	deco2	0.82	8.42	20.20	29.20	40.74	2186
LS-12-35	277.0	279.0	N157760	deco2	0.84	12.05	19.75	28.00	38.57	1532
LS-12-31	49.0	51.0	N157600	deco2	0.86	8.60	19.45	28.50	40.79	2056
LS-12-36	142.0	144.0	P163940	deco2	0.86	11.20	19.90	28.40	39.25	1650
LS-12-12	104.0	106.0	P162660	deco2	0.89	98.40	0.01	0.02	0.12	
LS-12-14	417.0	419.0	P162820	deco2	0.93	98.20	0.01	0.02	0.01	
LS-12-12	276.0	278.0	P162740	deco2	0.93	98.70	0.01	0.07	0.01	
LS-12-23	219.0	221.0	N157240	deco2	0.96	99.10	0.01	0.03	0.01	
LS-12-28	268.0	270.0	P163500	deco2	0.97	98.00	0.01	0.03	0.15	
LS-12-12	30.0	32.0	P162620	deco2	1.00	98.00	0.01	0.06	0.30	0
LS-12-23	72.0	74.0	N157160	deco2	1.02	99.10	0.01	0.04	0.01	
LS-12-32	335.0	337.0	P163740	deco2	1.04	12.75	19.40	27.50	37.96	1407
LS-12-35	163.1	165.0	N157720	deco2	1.07	10.60	19.80	28.40	39.33	1697
LS-12-31	219.0	221.0	N157640	deco2	1.07	9.50	19.95	28.40	39.77	1887
LS-12-29	542.0	544.0	N157520	deco2	1.10	10.80	19.70	28.00	38.89	1655
LS-12-28	194.0	196.0	P163460	deco2	1.22	98.20	0.01	0.04	0.05	
LS-12-37	171.0	171.7	N157800	deco2	1.26	10.45	19.60	28.30	39.48	1674
LS-12-34	21.0	23.5	P163780	deco2	1.29	9.71	19.70	28.00	40.04	1791
LS-12-32	259.0	261.0	P163700	deco2	1.49	10.05	19.85	28.30	39.23	1720
LS-12-12	201.0	203.0	P162700	deco2	1.53	98.10	0.01	0.05	0.01	
LS-12-26	248.0	250.0	P163380	deco2	1.62	96.70	0.08	0.37	0.29	1
LS-12-38	31.0	33.0	P163980	deco2	1.66	9.84	19.60	28.20	39.56	1704
LS-12-09	181.0	183.0	N156440	deco2	1.73	97.40	0.07	0.21	0.31	1
LS-12-26	322.0	324.0	P163421	deco2	1.89	96.40	0.06	0.24	0.15	1
LS-12-28	346.0	347.6	P163540	deco2	2.70	95.50	0.09	0.30	0.26	1
LS-2011-08	366.0	367.5	1079147	QTZITE	0.09	6.04	20.20	27.31	41.28	3295
LS-2011-14	262.0	264.0	539700	QTZITE	0.10	4.99	21.37	29.09	42.84	4198
LS-2011-14	76.0	78.0	539600	QTZITE	0.11	5.86	21.45	28.35	42.77	3593
LS-2011-10	95.0	96.0	1079301	QTZITE	0.12	6.82	21.49	28.93	41.84	3097
LS-2011-16	285.0	286.0	898161	QTZITE	0.13	3.65	21.51	29.65	43.80	5690
LS-2011-11	207.0	208.0	1079421	QTZITE	0.15	6.87	20.92	29.19	42.00	2980
LS-2011-15	186.0	188.0	898100	QTZITE	0.33	5.71	21.59	29.18	41.95	3575
LS-12-18	126.0	128.0	P163020	QTZITE	0.34	98.80	0.01	0.02	0.19	
LS-12-30	311.0	313.0	P163660	QTZITE	0.34	99.20	0.01	0.02	0.14	

DDH	From	To	Sample nb	Reference	Fe2O3	SiO2	MgO	CaO	LOI	Mag Index
LS-12-20	189.0	191.0	P163180	QTZITE	0.34	98.80	0.01	0.18	0.00	
LS-2011-14	354.0	355.0	539750	QTZITE	0.34	9.90	21.49	27.94	39.33	2099
LS-12-20	405.0	407.0	P163260	QTZITE	0.37	99.30	0.01	0.02	0.11	
LS-12-27	591.0	593.0	N157480	QTZITE	0.40	98.60	0.01	0.03	0.05	
LS-12-17	96.0	98.0	N156800	QTZITE	0.43	99.10	0.01	0.01	0.12	
LS-12-13	80.0	82.0	N156600	QTZITE	0.44	99.30	0.01	0.02	0.12	
LS-12-18	272.0	274.0	P163100	QTZITE	0.44	98.70	0.01	0.06	0.03	
LS-12-20	270.0	271.9	P163220	QTZITE	0.46	98.80	0.01	0.03	0.05	
LS-12-16	185.6	187.6	P162860	QTZITE	0.50	99.00	0.01	0.02	0.01	
LS-12-13	156.0	158.0	N156640	QTZITE	0.50	98.80	0.01	0.03	0.17	
LS-12-13	232.0	234.0	N156680	QTZITE	0.51	99.30	0.01	0.01	0.17	
LS-12-18	52.0	54.0	P162980	QTZITE	0.56	98.90	0.01	0.02	0.03	
LS-12-15	333.0	336.0	N156760	QTZITE	0.63	99.10	0.01	0.01	0.01	
LS-2011-12	426.0	427.0	523948	QTZITE	0.64	8.16	20.72	27.73	41.06	2355
LS-12-16	401.0	403.0	P162940	QTZITE	0.69	99.10	0.01	0.02	0.03	
LS-12-20	116.0	118.0	P163140	QTZITE	0.74	98.20	0.01	0.02	0.03	
LS-12-30	235.8	238.0	P163620	QTZITE	0.79	7.90	20.40	29.00	41.14	2348
LS-12-27	461.0	463.0	N157440	QTZITE	0.83	98.50	0.02	0.04	0.04	0
LS-12-18	198.0	200.0	P163060	QTZITE	0.87	98.50	0.01	0.05	0.08	
LS-12-30	163.0	165.0	P163580	QTZITE	0.92	9.30	20.00	28.60	40.37	1957
LS-12-15	100.0	101.0	N156720	QTZITE	0.94	99.20	0.01	0.01	0.07	
LS-12-27	268.0	270.0	N157400	QTZITE	0.94	8.79	20.20	28.40	40.53	2076
LS-12-16	327.0	329.0	P162900	QTZITE	1.02	98.60	0.01	0.05	0.09	