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TECHNICAL REPORT AND MINERAL RESOURCE ESTIMATE FOR THE LA LOUTRE PROPERTY (according to National Instrument 43-101 and Form 43-101F1)

Project Location

Latitude 46º00'30'' North and Longitude 75º00'00'' West
Province of Quebec, Canada

Prepared for

Canada Strategic Metals Inc.
1080, Côte du Beaver Hall, Bureau 2101
Montréal, Québec
Canada, -H2Z 1S8

Lomiko Metals Inc.
#439, 7184 120th Street
Surrey, British Columbia
Canada, V3W 0M6

Prepared by:

Bruno Turcotte, P. Geo.
Guilhem Servelle, P. Geo
InnovExplo – Mines – Consultants- Exploration

Oliver Peters, M.Sc., P.Eng., MBA
AGP Mining Inc.

Effective Date: January 15th, 2016
Signature Date: March 24th, 2016

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SIGNATURE PAGE – INNOVEXPLO INC.

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And

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Surrey, British Columbia
Canada, V3W 0M6

(Original signed and sealed)
Bruno Turcotte, P. Geo.
InnovExplo – Consulting Firm
Val-d’Or (Québec)

Signed at Val-d’Or on March 24, 2016

(Original signed and sealed)
Guilhem Servelle, P. Geo
InnovExplo – Consulting Firm
Val-d’Or (Québec)

Signed at Val-d’Or on March 24, 2016

SIGNATURE PAGE – AGP MINING INC.

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(Original signed and sealed)
Oliver Peters, M.Sc., P.Eng., MBA
AGP Mining Inc.

Signed at Peterborough on March 24, 2016

CERTIFICATE OF AUTHOR – BRUNO TURCOTTE

I, Bruno Turcotte, P.Geo. (APGO licence No. 2136, OGQ licence No. 453), do hereby certify that:

1. I am employed as a geologist by and carried out this assignment for InnovExplo Inc. – Consulting Firm in Mines and Exploration, 560, 3e Avenue, Val-d'Or, Québec, Canada, J9P 1S4.
2. I graduated with a Bachelor of Geology degree from Université Laval in the city of Québec in 1995. In addition, I obtained a Master's degree in Earth Sciences from Université Laval in the city of Québec in 1999.
3. I am a member of the Ordre des Géologues du Québec (OGQ licence No. 453) and of the Association of Professional Geoscientists of Ontario (APGO licence No. 2136).
4. I have worked as a geologist for a total of 21 years since graduating from university. I acquired my exploration expertise with Noranda Exploration Inc., Breakwater Resources Ltd, South-Malartic Exploration Inc. and Richmont Mines Inc. I acquired my mining expertise on the Croinor Preproduction Project and at the Beaufor mine. I have been a geological consultant for InnovExplo Inc. since March 2007.
5. I have read the definition of "qualified person" set out in Regulation 43-101 / National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am author and responsible for sections 2 to 11, 15 to 24, 27 and I am co-author of and also shares responsibility for sections 1, 12, 14, 25, and 26 of the technical report entitled "TECHNICAL REPORT FOR THE LA LOUTRE PROPERTY (according to National Instrument 43-101 and Form 43-101F1)", effective date of January 15, 2016, and signature date of March 24, 2016, prepared for Canada Strategic Metals Inc. and Lomiko Metals Inc.
7. I have not had any prior involvement with the project that is the subject of the Technical Report. I have visited the La Loutre Property on December 7, 2015. . I have visited the Consul-Teck's core shack facility on February 19, 2016.
8. 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 of which would make the Technical Report misleading.
9. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.
10. I have read NI 43-101 Respecting Standards of Disclosure for Mineral projects and Form 43-101F1, and the Technical Report has been prepared in accordance with that instrument and form.

Dated this 24th day of March, 2016.

(Original signed and sealed)
Bruno Turcotte, PGeo, MSc
InnovExplo Inc
bruno.turcotte@innovexplo.com

CERTIFICATE OF AUTHOR – GUILHEM SERVELLE

I, Guilhem Servelle, P.Geo., M.Sc., (OGQ licence No. 1352 and APGO licence No. 2294), do hereby certify that:

1. I am employed as a consulting geologist by, and carried out this assignment for, InnovExplo Inc., 560, 3e Avenue, Val-d'Or, Québec, Canada, J9P 1S4.
2. I graduated with a Bachelor's Degree in Earth Sciences (B.Sc.) in 2006 from Paul-Sabatier University (Toulouse, France). In addition, I obtained a Master's Degree in Earth Sciences (M.Sc.) in 2008 from Paul-Sabatier University (Toulouse, France).
3. I am a member of the Ordre des Géologues du Québec (OGQ licence No.1352) and of the Association of Professional Geoscientists of Ontario (APGO licence No.2294).
4. I have worked in the mining industry for more than seven (7) years. I have been a consulting geologist for InnovExplo Inc. since November 2008.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" with the meaning of NI 43-101.
6. I am co-author of and also shares responsibility for sections 1, 12, 14, 25, and 26 of the technical report entitled "TECHNICAL REPORT FOR THE LA LOUTRE PROPERTY (according to National Instrument 43-101 and Form 43-101F1)", effective date of January 15, 2016, and signature date of March 24, 2016, prepared for Canada Strategic Metals Inc. and Lomiko Metals Inc.
7. I have not visited the La Loutre property. I visit the Consul-Teck's core shack facility on February 19, 2016.
8. I have not had any other prior involvement with the project that is the subject of the Technical Report.
9. At the effective date of the Technical Report, 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.
10. I am independent of the issuer applying all of the tests in Section 1.5 of NI 43-101.
11. I have read NI 43-101 respecting standards of disclosure for mineral projects and Form 43-101F1, and the sections of the Technical Report for which I was responsible have been prepared in accordance with that instrument and form.

Signed on this 24 day of March, 2016

(Original signed and sealed)
Guilhem Servelle, P.Geo., M.Sc.
InnovExplo
guilhem.servelle@innovexplo.com

CERTIFICATE OF AUTHOR – OLIVER PETERS

I, Oliver Peters, P.Eng., of Peterborough, Ontario, do hereby certify that:

1. I am an Associate Process Engineer with AGP Mining Consultants Inc., with a business address at #246-132 Commerce Park Drive, Barrie, Ontario L4N 0Z7 Canada.
2. I am a graduate of the Technical University of Aachen, Germany, 1998, and I have practiced my profession continuously since then.
3. I am a Professional Engineer licensed by Professional Engineers Ontario (Membership Number 100078050).
4. I have read the definition of “qualified person” set out in National Instrument 43-101 (NI 43-101 or “the instrument”) and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purpose of NI 43-101.
5. My relevant experience with respect to metallurgy and mining project management includes 17 years’ experience in the mining sector covering mineral processing, process engineering, and operations and project management.
6. I am author and responsible for section 13 and I am co-author of and also shares responsibility for sections 1, 25, and 26 of the technical report entitled “TECHNICAL REPORT FOR THE LA LOUTRE PROPERTY (according to National Instrument 43-101 and Form 43-101F1)”, effective date of January 15, 2016, and signature date of March 24, 2016, prepared for Canada Strategic Metals Inc. and Lomiko Metals Inc.
7. I have not conducted a site visit of the property.
8. I am independent of the issuer as defined by Section 1.5 of the instrument.
9. I have read NI 43-101 and this Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. As of the effective date of this Technical Report, to my knowledge, information, and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make this Technical Report not misleading.

Signed on this 24 day of March, 2016

(Original signed and sealed)

Oliver Peters, P. Eng.
AGP Mining Consultant Inc.

1. SUMMARY

1.1 Introduction

InnovExplo Inc. (“InnovExplo”) was commissioned by Canada Strategic Metals Inc. to complete a Technical Report and Mineral Resource Estimate for the La Loutre Property in accordance with Canadian Securities Administrators’ National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) and its related form 43-101F1. The mandate was assigned by Mr. Jean-Sebastien Lavallée, president and CEO of Canada Strategic Metals Inc.

InnovExplo is an independent mining and exploration consulting firm based in Val-d’Or (Québec). The report was also prepared with contributions from AGP Mining Consultant Inc. (“AGP Mining”). AGP Mining is an independent mining consulting firm based in Canada with four offices in Barrie (Ontario), Toronto (Ontario), Calgary (Alberta) and Vancouver (British Columbia).

This report is addressed to Canada Strategic Metals Inc. (“Canada Strategic”) and Lomiko Metals Inc. (“Lomiko Metals”) (the “issuers”).

The technical support the disclosure of the mineral resource estimate for the La Loutre Property. The focus of this report is on the mineral resource estimate and it contains only preliminary assumptions about graphite processing and markets.

1.2 Property Description and Location

The La Loutre Property is located in the Laurentides administrative region (also known as the Laurentians) in the province of Québec, Canada. It is approximately 30 km west-southwest of the city of Mont-Tremblant (about 45 km by road). The nearest community is Duhamel, 5 km to the west.

The La Loutre Property consists of one block of forty-eight (48) claims staked by electronic map designation (“map-designated cells”), covering an aggregate area of 2,867.29 ha. Canada Strategic currently holds 60% of the La Loutre Property and Lomiko Metals the other 40% now that Lomiko Metals has completed all the terms of the agreement dated September 23, 2014. Most of the claims are subject to a 1.5% NSR.

1.3 Geological Setting

The La Loutre Property is located in the eastern part of the Central Metasedimentary Belt (CMB) in the Grenville Province. In Quebec, the CMB includes Mesoproterozoic supracrustal and intrusive upper amphibolite- to granulite-facies rocks metamorphosed between 1.2 and 1.18 Ga. These rocks structurally overlap the gneiss units that form the pre-Grenvillian margin of Laurentia (the allochthonous polycyclic belt/Central Gneiss Belt). The CMB is subdivided into two domains: a NNE-trending marble-rich domain to the west, bordered by a quartzite-rich domain to the east. To the east, the CMB is tectonically bounded against the Morin terrane north-northeast–striking, subvertical, amphibolite- to granulite-facies Labelle Deformation Zone, ~150 km long and up to 10 km wide. Developed adjacent to and merging northward with the Labelle Deformation Zone (LDZ) is the Nominingue–Cheneville Deformation Zone (NCDZ). The La Loutre Property is located within the “NCDZ, a 10 km-wide ductile shear zone at amphibolite facies with lit-par-lit injections of monzonite and diorite among Mesoproterozoic porphyroclastic paragneiss. The NCDZ is recognized as a steeply dipping, north-trending zone, ~10 km wide and at least 40 km long, of ductile strain at mid- to upper amphibolite grade. Anastomosing conjugate shear zones (NNE dextral; SSE sinistral) locally transpose the N-S foliation of the gneiss in the NCDZ and LDZ.

A unit of biotite gneiss (±diopside) is omnipresent throughout the La Loutre Property. Quartzite constitutes a significant part of outcrops on the property. Diopside-scapolite-bearing calc-silicate rocks, marbles and other lithological units of sillimanite-biotite gneiss and sillimanite-garnet gneiss are less abundant than biotite gneiss with whom they generally alternate as lit-par-lit. The marbles are observed at only a few places on the property. Some outcrops of amphibolite were also observed. Orthogneiss is found along the edge of the eastern part of the property. Diabase dykes cut all previous units.

1.4 Mineralization

The sedimentary sequence consists principally of a thick paragneiss unit intercalated with thin units of quartzite and marble. Quartzite and marble are the two lithological units hosted by a wide paragneiss unit. They adopt a subparallel attitude with an overall orientation of N150° and a dip ranging from 30–50° in the Graphene-Battery Zone area. Quartzites reach up to 1,000 meters in strike length continuity, and are generally thin (several meters to 100 m, exceptionally). Globally, the graphitic carbon grade (Cg) of the quartzite is below 1%, but in some cases, higher Cg grades occur in quartzite near its contact with paragneiss. Marble consists of thin units with lateral footprint of more than 1,000 m. Marble units do not contain any significant Cg grades.

The mineralized zones were interpreted on sections based on Cg grade information from drill holes and guided by quartzite and marble distribution patterns. Mineralized zones striking along an average trend of N150° and an average dip of 45° are generally stratigraphically concordant with quartzite and marble. Graphite flakes occur disseminated in the graphitic paragneiss, in variable concentration. Two types of mineralized zones were interpreted: High-Grade and Low-Grade.

Low-Grade (LG) zones are mostly present within the paragneiss and, as the name would suggest, have the lower graphitic carbon grades (max. of 4% Cg). They form wide lenses enclosing the High-Grade zones. LG zones are wide (10–150 m) and long (strike length (up to 1,000 m) in the Graphene-Battery Zone. The paragneiss associated with the LG zones contains more quartz than the paragneiss associated with the High-Grade zones, and consequently have a paler colour.

The High-Grade (HG) zones are only observed within the paragneiss. They contain the higher graphitic carbon grades (4–20% Cg) and are distributed along or near quartzite-paragneiss contacts. HG Zones are generally thin (4–20 m) and up to 500 m long in the Graphene-Battery Zone. Their contact with other graphite-bearing paragneiss is generally gradational, whereas their contact with quartzite is generally sharp; in the latter cases, graphite content in the quartzite is negligible.

On a larger scale, HG and LG zones are deformed and/or probably repeated by folding and/or faulting. It is quite likely that pinching and swelling of the zones is common on the La Loutre Property, but there is not enough information yet to confirm this hypothesis.

1.5 Data Verification

InnovExplo’s data verification included a visit to the La Loutre property (drill collar validation and outcrop observations), as well as to the logging and core storage facilities in Val-d’Or. It also included an independent re-analysis of selected pulp samples and a review of drill hole collar locations, assays, the QA/QC program, downhole surveys, and the descriptions of lithologies and alterations. The site visit was completed by Bruno Turcotte on December 7, 2015. The core shack facility visit was completed by Bruno Turcotte and Guilhem Servelle on February 19, 2016.

1.6 Mineral Resource Estimates

The 2016 La Loutre Mineral Resource Estimate herein (the “2016 MRE”) was prepared by Bruno Turcotte, M.Sc., P.Geo., and Guilhem Servelle, M.Sc., P.Geo., both of InnovExplo. The estimation was performed under the supervision of Vincent Jourdain, PhD, P.Eng., Technical Director of InnovExplo, using all available information. The main objective of the mandate assigned by Canada Strategic was to provide the first graphitic carbon mineral resource estimate on the La Loutre Property.

The estimate covers a corridor of the La Loutre Property with a strike-length of 2,400 m and a width of approximately 1,200 m, down to a vertical depth of 350 m below surface. InnovExplo prepared a lithological model and an interpretation of graphite-bearing mineralized zones for the two areas of interest on the Property: the Graphene-Battery Zone and the Refractory Zone.

Sixty-two (62) lithological domains and mineralized zones, and one (1) external envelope, were interpreted in 3D using GEOVIA GEMS software (“GEMS”) using a drill hole database containing eighty (80) NQ surface diamond drill holes (“DDH”). Due to the levels of geological confidence observed during the modelling exercise, the authors retained only the Graphene-Battery Zone for the purpose of preparing the 2016 MRE. The result of this study is a single Mineral Resource Estimate for twenty-seven (27) graphite-bearing zones and one (1) external envelope.

The GEMS diamond drill hole database contains eighty (80) NQ surface DDH drilled in 2014 and 2015 for a total of 35,775 m (LL-14-01 to LL-14-25 and LL-15-01 to LL-15-55). All these holes were drilled within the limits of the 2016 resource area, and were all compiled and validated as part of the current mandate before initiating the estimate.

The interpretation defines two types of lithological domains, “Quartzite” and “Marble”, hosted by a wide Paragneiss unit. The domains are subparallel and stratigraphically concordant, with a global strike of N150 and a dip ranging from 30° to 50° to the southwest. The interpretation of mineralized zones was realized on sections based on graphitic carbon grades (Cg%) in drill holes, guided by the interpreted lithological domains. Mineralized zones have an average strike of N150° and an average dip of 45° to the southwest, and are generally stratigraphically concordant with lithological domains. A minimum width of 4.0 m (true width) was respected for the interpretation model. Two types of mineralized zones were interpreted: High-Grade (HG) and Low-Grade (LG) zones.

The wireframe solids of the model were created by digitizing the data and performing an interpretation on sections spaced 50 m apart, using 3D points snapped to the drill hole information, and then using tie-lines between the 3D rings to complete the wireframes for each solid. The model contains a total of sixty-two (62) solids: thirty-three (33) HG solids (coded 1010 to 1330), twelve (12) LG solids (coded 3010 to 3130), sixteen (16) Quartzite solids (coded 2010 to 2180), and one (1) Marble solid (coded 4010). An external envelope (coded 20000) constitutes the remaining volume of the block model. Overlaps were handled by the "precedence" system used in GEMS to code the block model. For the purpose of the mineral resource estimation, the authors considered only thirty-one (31) of the solids plus the external envelope, all belonging to the Graphene-Battery Zone. These 31 solids, shown below, were selected for their demonstrated continuity during the modelling exercise:

- 21 HG solids (coded 1010 to 1210);
- 5 LG solids (coded 3010 to 3050);
- 5 Quartzite solids (coded 2010 to 2180) (these contain only a few graphitic carbon grades).

An external envelope (coded 20000) was used for isolated graphitic carbon grades that had not been assigned to any mineralized zone or been assigned a lithological rock code. The Marble domain, despite its demonstrated continuity, was not considered as a mineralized zone; it was considered barren material because it does not contain any significant grades. The remaining solids, all interpreted on the Refractory Zone, are considered preliminary and did not demonstrate sufficient continuity to be included in a resource estimate. They are therefore excluded from the 2016 MRE.

Given the density of the processed data, the search ellipse criteria, and the specific interpolation parameters, InnovExplo is of the opinion that the 2016 La Loutre In-Pit Mineral Resource Estimate can be classified as Indicated and Inferred resources. The estimate is compliant with CIM standards and guidelines for reporting mineral resources and reserves.

Table 1.1 displays the results of the 2016 La Loutre In Situ In-Pit Mineral Resource Estimate at the official 1.50 Cg% cut-off grade and sensitivity at other cut-off scenarios. The reader should be cautioned that the figures listed in Table 1.1, apart from the official scenario at 1.50 Cg%, should not be misinterpreted as a mineral resource statement. The reported quantities and grade estimates at different cut-off grades are only presented to demonstrate the sensitivity of the resource model to the selection of a reporting cut-off grade.

Table 1.1 – 2016 La Loutre In Situ In-Pit Mineral Resource Estimate (Indicated and Inferred resources) at 1.5 Cg% cut-off grade

Indicated Resource				
Zone	Cut-off Cg (%)	Tonnage (metric tonne)	Grade Cg (%)	Graphite (metric tonne)
All Zones	> 3.0	4,137,300	6.50	268,800
	> 2.5	6,927,500	4.95	342,900
	> 2.0	15,181,200	3.49	529,200
	> 1.5	**18,438,700**	**3.19**	**588,400**
	> 1.0	19,005,400	3.13	595,700
	> 0.8	19,137,500	3.12	596,900
	> 0.6	19,279,600	3.09	595,300
	> 0.5	19,381,900	3.09	598,400

Inferred Resource				
Zone	Cut-off Cg (%)	Tonnage (metric tonne)	Grade Cg (%)	Graphite (metric tonne)
All Zones	> 3.0	6,181,000	6.11	377,600
	> 2.5	9,699,200	4.86	471,800
	> 2.0	15,332,000	3.92	600,300
	> 1.5	**16,675,100**	**3.75**	**624,900**
	> 1.0	16,927,300	3.71	628,000
	> 0.8	17,120,500	3.68	629,700
	> 0.6	17,306,700	3.63	628,100
	> 0.5	17,400,900	3.63	631,600

- The Independent and Qualified Persons (QPs) for the Mineral Resource Estimate, as defined by NI 43-101, are Bruno Turcotte, M.Sc., P.Geo., and Guilhem Servelle, M.Sc., P.Geo, both of InnovExplo. The estimate was prepared under the supervision of Vincent Jourdain, PhD, Eng., Technical Director of InnovExplo Inc.
- The effective date of the estimate is January 15, 2016.
- These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.
- Pit-constrained results are presented undiluted in a Whittle-optimized pit shell, designed with a 30-m buffer around lakes.
- The estimate includes 18 graphite-bearing zones with high graphitic carbon grades (assays > 4% Cg), 4 graphite-bearing zones with low graphitic carbon grades (assays < 4% Cg), 5 graphite-bearing quartzite domains (assays < 4% Cg), and a remaining external envelope hosting isolated low graphitic carbon grades.
- Pit-constrained resources were compiled at cut-off grades of 0.5, 0.6, 0.8, 1.0, 1.5, 2.0, 2.5 and 3.0% Cg. The official pit-constrained resource is reported at a cut-off grade of 1.5% Cg (grey highlighting).
- Cut-off grades must be re-evaluated in light of prevailing market conditions (graphite price, exchange rate, mining cost, etc.).
- Density (g/cm^3) data is on a per zone basis, ranging from 2.70 to 2.85 g/cm^3.
- A minimum true thickness of 4.0 m was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed.
- Based on a study of the effect of high-grade values (basic statistical analysis), no raw assays were capped for the mineralized zone, the lithological domains or the external envelope considered in the 2016 Mineral Resource Estimate.
- Compositing was done on drill hole sections falling within any of the interpreted mineralized zones, lithological domains or external envelope (composite = 1.5 m).
- Resources were estimated in GEOVIA GEMS 6.7 software from surface drill holes using the inverse distance squared (ID2) interpolation method in a block model (block size = 5 m x 5 m x 5 m).
- By default, interpolated blocks were assigned to the Inferred category. The reclassification to an Indicated category was done in areas with sufficient density of visually observed information and supported by a maximum distance to drill hole composite of 30 m.
- Calculations used metric units (metres, tonnes and %).
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in National Instrument 43-101.
- InnovExplo is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the mineral resource estimate.
- Whittle parameters (all amounts in Canadian dollars): Mining cost=$3.75; Processing cost=$9.40/t; G&A=$2.11/t; graphite price=$1,910/t; mining recovery=90%; milling recovery=95%; dilution=10%; wall slopes=45° (rock) and 18° (overburden).

1.7 1.7 Interpretations and Conclusions

The objective of InnovExplo's assignment was to prepare a Mineral Resource Estimate for the La Loutre Property (the "2016 MRE") using results from the 2014 and 2015 diamond drilling programs. This technical report and the mineral resource estimate presented herein meet this objective. The geological interpretation and the mineral resource estimate were provided by InnovExplo. The information on metallurgical testing and its interpretation were provided by AGP Mining. The risks and opportunities on the La Loutre Property were prepared jointly by InnovExplo and AGP Mining.

1.7.1 1.7.1 Geological Interpretation

InnovExplo interpreted graphite-bearing zones using a lithological model of the La Loutre Property based on all available geological and analytical information. The 2016 interpretation is highlighted by the following points:

- The lithological model was defined using multiple Quartzite domains and one Marble domain, and was used to distinguish two types of mineralization based on grades: High-Grade (HG) zones (> 4% Cg) and Low Grade (LG) zones (1–4% Cg).
- The interpretation exercise yielded thirty-three (33) solids for the HG zones; thirteen (13) solids for the LG zones; eighteen (18) solids for the Quartzite domains; and one (1) solid for the Marble domain.
- Several mineralized zones (HG and LG) remain opened laterally and at depth.
- Only the area of Graphene-Battery Zone has been retained for the 2016 MRE. There was enough geological and analytical information to establish sufficient continuity for the graphitic zones on the Graphene-Battery Zone, but not the Refractory Zone.
- Geological continuity on the Refractory Zone could not be demonstrated due to sparse information from diamond drilling. Lithological units and graphite-bearing zones belonging to the Refractory Zone remain targets for future exploration.

1.7.2 Mineral Resource Estimate

After conducting a detailed review of all pertinent information and preparing the 2016 MRE, InnovExplo states the following:

- The mineral resource was estimated using 3D block modelling (block size = 5 m x 5 m x 5 m), with the grades of the blocks calculated using the inverse distance squared (ID2) interpolation method. The interpolation of the graphitic carbon-bearing zones was constrained by wireframes. The resources are constrained in a pit shell measuring 1,100 m x 350 m x 200 m (max. depth).
- The following were retained for the interpolation exercise: twenty-one (21) HG Zone solids; five (5) LG Zone solids; and five (5) Quartzite Domain solids that contain isolated graphitic carbon grades. The external envelope was used for isolated graphitic carbon grades that had not been assigned to any mineralized zone or assigned any lithological rock code.

- The 2016 Indicated Resource stands at 588,400 tonnes of graphitic carbon (18,438,700 t at 3.19% Cg). Of this amount, the HG and LG zones correspond respectively to 46.9% and 52.4% of the total Cg tonnes.
- The 2016 Inferred Resource stands at 624,900 tonnes of Cg (16,675,100 t at 3.75% Cg). Of this amount, the HG and LG zones correspond respectively to 61.8% and 37.7% of the total Cg tonnes.
- The graphitic carbon tonnage contained in the HG zones constitutes a significant portion of the 2016 MRE, and could justify specific additional drilling programs.
- An infill drilling program could potentially upgrade part of the Inferred Resource to the Indicated category, which would have a positive impact on a future economic study.

The authors conclude there are several opportunities at the La Loutre Property that could add resources:

- The depth and lateral extensions of known mineralized zones in the Graphene-Battery Zone could be confirmed by exploration drilling.
- With additional exploration drilling, the Refractory Zone could be included in a future mineral resource estimate provided that the continuity of graphitic carbon-bearing zones can be demonstrated.

InnovExplo considers the 2016 MRE to be valid and reliable, and based on quality data, reasonable hypotheses and parameters compliant with NI 43-101 and CIM Definition Standards on Mineral Resources and Mineral Reserves.

1.7.3 Metallurgical Testing

Limited metallurgical testing was carried out on three grab sample composites of the La Loutre graphite mineralization in an attempt to evaluate the quality of the graphite with regards to flake size and achievable purity. The flake size distribution of the three composites was coarse and is consistent with other graphite targets in this area. The concentrate grades of the purified material were very good overall, albeit generally higher for the smaller size fractions. The graphitic carbon grades typically decreased with increasing flake size. Photos taken of the graphite flakes did not show any visual impurities, which suggests that some of the impurities were encapsulated by the very coarse graphite and, therefore, the sodium hydroxide could not access these impurities. Finer crushing/grinding would likely produce better purification results.

Frequently, graphite and gangue minerals are closely intercalated within the flakes, which is a potential reason for poor purification results. However, this intercalation generally occurs in all size fractions and the fact that the smaller size fractions produced very good concentrate grades leads to the conclusion that intercalation is likely not the case for the La Loutre graphite mineralization. However, final confirmation would be required through optical mineralogy.

While it is possible to produce graphite concentrate from run-of-mine ore by means of hydrochloric acid leach followed by caustic bake, the costs would be prohibitive. Instead, the graphite mineralization would first be upgraded in a low-cost flotation circuit to produce a concentrate of +95% graphitic carbon. This concentrate can be readily marketed or further upgraded in a purification stage similar to the one that was used by GMR, which was the lab that conducted the metallurgical testing completed to-date. Since the energy input in a flotation circuit is significantly higher compared to the chemical purification process, some degree of flake degradation will be encountered. Hence, the size fraction analysis on the purified samples has to be considered optimistic since the concentrate was not generated with a traditional processing approach.

The degree of flake degradation is primarily dependent on the physical properties of the graphite flakes with flake thickness being a primary factor. Graphite flakes of other deposits or targets from the area of the Lac La Loutre mineralization tend to be fairly thick and, therefore, more resistant to degradation during processing. Hence, it is expected that the degree of flake degradation for the Lac La Loutre material will be relatively low. However, this will have to be confirmed in flotation tests.

All assays results reported by GMR were stated as graphitic carbon, but the specifics of the analytical method used are unknown. Since there is no direct assay method for graphitic carbon, the concentrations have to be determined indirectly through gravimetric methods or sequential analytical methods. One example of a sequential method employs roasting of the sample to remove organic carbon followed by leaching of the roasted sample to remove carbonate carbon, and finally combustion of the leach residue to determine the remaining carbon, which represents graphitic carbon. The most suitable assay method is a function of the grade of the product (e.g. concentrate or feed sample) and the host rock mineralogy. Also, each assay method has measurement uncertainties, which are established by the laboratory through internal QA/QC procedures. These measurement uncertainties have not been stated by GMR.

Gravity separation was evaluated using a Mozley table. While concentrate grades of 27.93% to 74.93% graphitic carbon were generated in the -420/+150 micron size fraction of the three composites, the carbon recovery into this product was low at 10.5% to 19.4%. The tailings streams contained significant graphite values and, therefore gravity separation by tabling run-of-mine material is not considered a viable processing option for the Lac La Loutre mineralization.

However, gravity separation with spirals has been demonstrated successfully on a plant scale treating large flakes. In order to achieve satisfactory results, the graphite flakes have to be well liberated and, therefore, any gravity separation stage would be incorporated into the cleaning circuit only.

1.8 Recommandation

Based on the results of the 2016 Mineral Resource Estimate, InnovExplo and AGP Mining recommends advancing the La Loutre Property to the next phase: the preparation of a preliminary economic assessment (PEA). In parallel with the PEA, InnovExplo also recommend additional work, prioritized as follows:

Upgrading the resource category

Upgrading some of the Inferred Resources on the Graphene-Battery Zone to the Indicated category could be possible through infill drilling dedicated to increasing the density drill hole information, with an emphasis on the first 200 m below surface in order to improve the open-pit potential. InnovExplo proposes 5,000 m of conversion drilling, which corresponds to 20 DDH averaging 250 m each.

Re-evaluating the Whittle optimized pitshell shape

A preliminary geotechnical study should be conducted to refine pit design parameters such as pit slope angle and stability. InnovExplo recommends assessing the work that would be involved, and then potentially carrying out said work concurrently with infill and exploration drilling.

Adding resources

The depth and lateral extensions of the known mineralized zones at the Graphene-Battery Zone could be confirmed by exploration drilling. At depth, the authors recommend extending existing drill holes in order to test interpreted HG zones. Some of these HG zones are close to the eastern pit-shell slope and could improve the open-pit potential. Laterally, the authors recommend a drilling program dedicated to testing the on-strike extensions. InnovExplo proposes 3,000 m of exploration drilling, which corresponds to twenty (20) extensions averaging 50 m each (1,000 m), and 10 DDH averaging 200 m each (2,000 m).

Additional drilling is recommended on the Refractory Zone. A mineral resource estimate could be prepared provided the continuity of the graphitic carbon-bearing zones can be demonstrated. A total of 2,000 m of exploration drilling is proposed for this purpose, corresponding to 10 DDH averaging 200 m each.

Community approach and permitting

Community consultation and an environmental base line study should be initiated.

Geological potential and mineral inventories

InnovExplo also recommends additional drilling to test the other most promising graphite showings identified on the La Loutre Property, potentially leading to mineral inventories. InnovExplo emphasizes the fact that high-grade graphitic carbon grab samples (> 10% Cg) are particularly numerous in the southern portion of the La Loutre Property. A drilling provision of 1,000 m for exploration drilling is suggested; this would correspond to 10 DDH averaging 100 m each.

Improving the definition and understanding of the structural and stratigraphic features at the property scale would refine the interpretation and continuity of known mineralized zones and showings on the La Loutre Property. A geological study could also lead to the discovery of new graphite showings.

Future metallurgical testing

Based on the available results and data, AGP Mining recommends the following be included in future metallurgical testing as part of a PEA:

- A review of the available exploration data to determine a suitable sample for the initial metallurgical study;
- A flowsheet development flotation program to establish a process flowsheet suitable to treat the La Loutre graphitic carbon mineralization. The flowsheet

development program should provide flake size distributions and concentrate grades comparable to the ones that can be achieved in a commercial process;
- Comminution tests to establish preliminary energy requirement data for capital and operating cost estimates;
- Preliminary environmental testing on flotation tailings to assist in the selection of a suitable tailings disposal strategy;
- Purification tests to determine the maximum concentrate grade that can be achieved if a value-add process is considered (optional); and
- Bulk flotation tests using the process that will be established in the flowsheet development program to generate larger quantities of graphite concentrate. Since the first round of third-party product evaluation generally requires small quantities of concentrate (100 g to 1 kg), off-take agreement discussions can be initiated prior to generating larger quantities of graphite concentrate in a pilot-scale environment (optional).

Recommended work program

InnovExplo and AGP Mining have prepared a cost estimate for the recommended two-phase work program to serve as a guideline for the property. Expenditures for Phase 1 are estimated at C$1,960,000 (incl. 15% for contingencies). Expenditures for Phase 2 are estimated at C$640,000 (incl. 15% for contingencies). The grand total is C$2,600,000 (incl. 15% for contingencies). Phase 2 is contingent upon the success of Phase 1.

InnovExplo and AGP Mining are of the opinion that the recommended two-phase work program and proposed expenditures are appropriate and well thought out, and that the character of the La Loutre Property is of sufficient merit to justify the recommended program. InnovExplo and AGP Mining believe that the proposed budget reasonably reflects the type and amount of the contemplated activities.

2. INTRODUCTION

InnovExplo Inc. (“InnovExplo”) was commissioned by Canada Strategic Metals Inc. to complete a Technical Report and Mineral Resource Estimate for the La Loutre Property in accordance with Canadian Securities Administrators’ National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) and its related form 43-101F1. The mandate was assigned by Mr. Jean-Sebastien Lavallée, president and CEO of Canada Strategic Metals Inc.

InnovExplo is an independent mining and exploration consulting firm based in Val-d’Or (Québec). The report was also prepared with contributions from AGP Mining Consultant Inc. (“AGP Mining”). AGP Mining is an independent mining consulting firm based in Canada with four offices in Barrie (Ontario), Toronto (Ontario), Calgary (Alberta) and Vancouver (British Columbia).

2.1 Issuers

This report is addressed to Canada Strategic Metals Inc. (“Canada Strategic”) and Lomiko Metals Inc. (“Lomiko Metals”) (the “issuers”).

Canada Strategic was incorporated under the Company Act of British Columbia on February 1, 1984, under the name Broadwater Developments Inc. In 2000, the name was changed to Wyn Developments Inc., and again in 2008 to Canada Gas Corporation. On February 28, 2011, it completed another name change to Canada Rare Earths Inc., at which time the principal business activity was also changed from “the exploration for and operation of oil and gas properties” to “the exploration and development of mineral exploration assets in Canada”. On July 31, 2012, the name was changed to Canada Strategic Metals Inc.

Canada Strategic is listed on the Toronto Venture Exchange (TSX-V) in Canada under the symbol CJC, the Frankfurt Stock Exchange in Germany under the symbol YXEN, and the OTC Bulletin Board in the United States under the symbol CJCFF.

Lomiko Metals was founded on July 3, 1987 under the name 329579 B.C. Ltd. On November 4, 1987, the name was changed to Exor Data Inc., and again on April 22, 1998 to Conac Software Corporation. On November 16, 2004, the name was changed to Lomiko Enterprises Ltd. Prior to September 2004, the company was in the business of “development and marketing of computer construction management software”. In March 2006, with the acquisition of the company’s first mining property in British Columbia, the principal business activity was changed to “the exploration and development of mineral exploration assets in Canada”. On July 5, 2006, the name was changed to Lomiko Resources Inc., and it was changed again on October 5, 2008 to Lomiko Metals Inc.

Lomiko Metals is listed on the Toronto Venture Exchange under the symbol LMR. It is also listed on the Berlin Stock Exchange in Germany under the symbol DH8B.BE, the Frankfurt Stock Exchange under the symbol DH8B.F, and the OTCQX Exchange in the United States under the symbol LMRMF.

Canada Strategic holds a 60% undivided interest in the La Loutre Property and Lomiko Metals holds the remaining 40%. Lomiko Metals has the option to earn a further undivided 40% interest in the La Loutre property. Canada Strategic is the operator of the exploration work performed on the La Loutre property.

2.2 Terms of Reference

InnovExplo prepared this technical report to present and support its mineral resource estimate for the La Loutre Property. Diamond drilling by the issuers in 2014 and 2015 was conducted on two areas of interest on the property: the Graphene-Battery Zone and the Refractory Zone. The names and terminology for these two areas were provided by the issuers. The naming convention is solely for the purpose of providing a spatial reference for the reader and is not intended to reflect any quality or physical property of the graphite. The focus of this report is on the mineral resource estimate and it contains only preliminary assumptions about graphite processing and markets.

AGP Mining Consultant Inc. ("AGP Mining") was mandated to provide item 13 (*Mineral Processing and Metallurgical Testing*). AGP Mining also provided an estimated graphite price in US dollars and an estimate of graphite processing costs for the purpose of defining the cut-off grade for the Mineral Resource Estimate.

2.3 Principal Sources of Information

Bruno Turcotte, P.Geo., and Guilhem Servelle, P.Geo., acting as InnovExplo's qualified and independent persons ("QP") as defined by NI 43-101, were assigned the mandate to study technical documentation relevant to the report and to recommend a work program if warranted. More specifically, the QPs have reviewed the following: the mining titles and their status on the GESTIM website (the Québec government's online claim management system; agreements and technical data supplied by the issuer (or its agents); public sources of relevant technical information on SIGEOM, the government's online warehouse for assessment work; and Canada Strategic's filings on SEDAR (press releases and management's discussion & analysis reports).

Some of the geological and/or technical reports for projects on or in the vicinity of the La Loutre property were prepared before the implementation of NI 43-101 in 2001. The authors of such reports appear to have been qualified and the information prepared according to standards that were acceptable to the exploration community at the time. In some cases, however, the data are incomplete and do not fully meet the current requirements of NI 43-101. InnovExplo has no known reason to believe that any of the information used to prepare this report is invalid or contains misrepresentations. The authors have sourced the information for this report from the collection of reports listed in Section 27 (*References*).

InnovExplo and the other participating consultants believe the information used to prepare this report and to formulate its conclusions and recommendations is valid and appropriate considering the status of the project and the purpose for which the report is prepared. The consultants, by virtue of their technical review of the project, affirm that the work program and recommendations presented in the report are in accordance with NI 43-101 and CIM technical standards.

The consultants do not have, nor have they previously had, any material interest in Canada Strategic or its related entities. The relationship with Canada Strategic is solely a professional association between the client and the independent consultants. This report was prepared in return for fees based upon agreed commercial rates, and the payment of these fees is in no way contingent on the results of this report.

2.4 Qualified Persons

The qualified persons (QPs) responsible for the preparation of this Technical Report are:

- Bruno Turcotte, P.Geo. (OGQ #453) of InnovExplo;
- Guilhem Servelle, P.Geo. (OGQ #1352) of InnovExplo;
- Oliver Peters, P. Eng. (PEO #100078050) of AGP Mining.

In addition to the principal authors and QPs, the other people involved in the preparation of this report were:

- Vincent Jourdain, Eng. (InnovExplo);
- Karine Brousseau, Eng. (InnovExplo);
- Pierre-Luc Richard, P.Geo. (InnovExplo);
- Allain Carrier, P.Geo. (InnovExplo);
- Francine Fallara, P.Geo. (InnovExplo);
- Marie-Claire Dagenais, Eng. (InnovExplo);
- Louise Charboneau, technician (InnovExplo);
- Martin Barrette, technician (InnovExplo);
- Serge Morin, technician (InnovExplo);
- Daniel Turgeon, technician (InnovExplo);
- Léopaul Lamontagne, technician (InnovExplo).

The list below presents the sections for which each qualified person (as set out in NI 43-101) was responsible:

- Bruno Turcotte, P.Geo., Senior Geologist with InnovExplo Inc., supervised the assembly of the report. He is the author and person responsible for sections 2 to 12, 15 to 24 and 27. He is co-author and shares responsibility for sections 1, 14, 25 and 26.

- Guilhem Servelle, P.Geo., Geologist with InnovExplo Inc., is co-author and shares responsibility for sections 1, 14, 25 and 26.

- Oliver Peters, P. Eng., Associate Process Engineer with AGP Mining, is the author and person responsible for section 13. He is co-author and shares responsibility for sections 1, 25 and 26.

The mineral resource estimate herein for the La Loutre property was prepared by Bruno Turcotte, P.Geo. and Guilhem Servelle, P.Geo., under the supervision of Vincent Jourdain, Eng. All three are QPs as defined by NI 43-101.

The peer review of the report was the responsibility of Vincent Jourdain, Technical Director for InnovExplo. The peer review of section 14 was the responsibility of Pierre-Luc Richard, Deputy Technical Director (Geology) with InnovExplo.

2.5 Inspection of the Property

Only Bruno Turcotte has visited the La Loutre Property. The site visit took place on December 7, 2015, accompanied by Simon Girard, Geological Technician with Consul-Teck Mineral Exploration Services.

During the visit, Mr. Turcotte validated several drill hole collar locations in the field using a handheld GPS, and also visited several outcrops to examine some of the lithological units present on the property.

Mr. Turcotte and Mr. Servelle visited Consul-Teck's core shack in Val-d'Or, which was used during the 2014 and 2015 drilling programs. During their visit, they examined mineralized exploration diamond drill core, and reviewed core logging and sampling protocols.

2.6 Effective Date

The effective date of the Technical Report is January 15, 2016.

2.7 Units and Currencies

All currency amounts are stated in Canadian Dollars ($, $C, CAD) or US dollars ($US, USD). Quantities are stated in metric units, as per standard Canadian and international practice, including metric tons (tonnes, t) and kilograms (kg) for weight, kilometres (km) or metres (m) for distance, hectares (ha) for area, and percentage graphitic carbon (% Cg) for carbon grades from graphite. Wherever applicable, imperial units have been converted to the International System of Units (SI units) for consistency. A list of abbreviations used in this report is provided in Appendix I.

3. RELIANCE ON OTHER EXPERTS

The QPs relied on the following for areas outside their field of expertise:

- The issuer supplied information about mining titles, option agreements, royalty agreements, environmental liabilities, and permits. Neither the QP nor InnovExplo are qualified to express any legal opinion with respect to property titles or current ownership and possible litigation. This disclaimer applies to sections 4.4 to 4.10 of this report.
- Venetia Bodycomb, M.Sc., of Vee Geoservices provided linguistic editing for a draft version of this report.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The La Loutre Property is located in the Laurentides administrative region (also known as the Laurentians) in the province of Québec, Canada (Fig. 4.1). It is approximately 30 km west-southwest of the city of Mont-Tremblant (about 45 km by road).

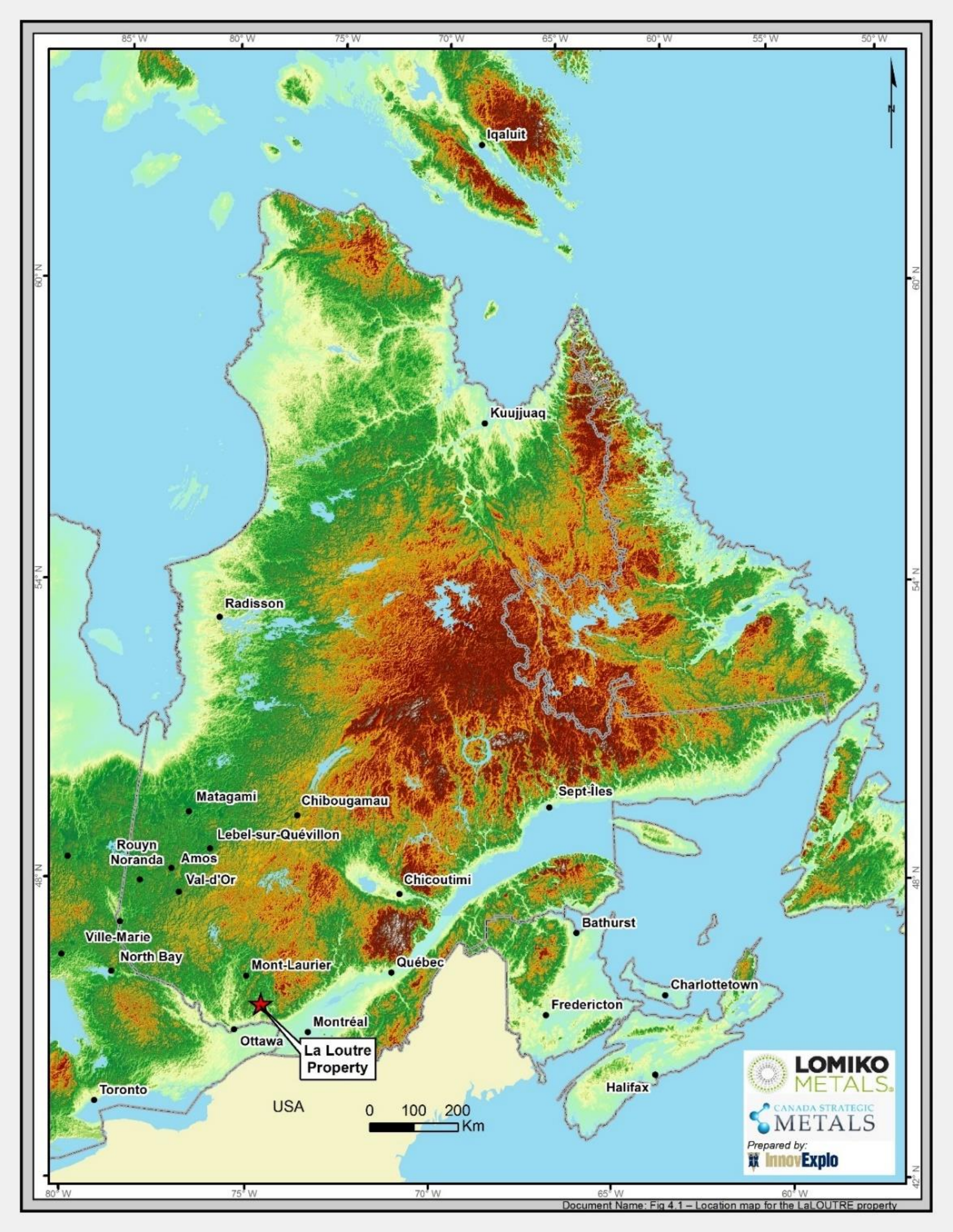


Figure 4.1 – Location of the La Loutre Property in the province of Québec

The approximate centroid of the La Loutre Property is at 75°00'00"W and 46°00'30"N (UTM coordinates: 500300E and 5095000N, NAD 83, Zone 18). The nearest community is Duhamel, 5 km to the west. The Property lies in the townships of Addington and Sulfolk on NTS maps sheets 31G/14, 31G/15, 31J/02 and 31J/03.

4.2 Mining Rights in the Province of Québec

The following discussion on mining rights in the province of Québec was mostly summarized from Guzun (2012), Gagné and Masson (2013), and from the *Act to Amend the Mining Act* (Bill 70; the "Amending Act") assented on December 10, 2013 (National Assembly, 2013). Please refer to Appendix II for a detailed discussion on mining rights in the province of Québec.

In Québec, mining and mineral exploration is principally regulated by the provincial government. The *Ministère de l'Énergie et des Ressources Naturelles du Québec* ("MERN"; the Ministry of Natural Resources) is the provincial agency entrusted with the management of mineral substances in Québec. The ownership and granting of mining titles for mineral substances are primarily governed by the *Mining Act* and related regulations. In Québec, land surface rights are distinct property from mining rights. Rights in or over mineral substances in Québec form part of the domain of the State (the public domain), subject to limited exceptions for privately owned mineral substances. Mining titles for mineral substances within the public domain are granted and managed by the MERN. The granting of mining rights for privately owned mineral substances is a matter of private negotiations, although certain aspects of the exploration for and mining of such mineral substances are governed by the *Mining Act*.

4.2.1 The Claim

The claim is the only exploration title currently issued in Québec for mineral substances (other than surface mineral substances, petroleum, natural gas and brine). A claim gives its holder the exclusive right to explore for such mineral substances on the land subject to the claim, but does not entitle its holder to extract mineral substances, except for sampling and only in limited quantities. In order to mine mineral substances, the holder of a claim must obtain a mining lease. Electronic map designation is the most common method of acquiring new claims from the MERN, whereby an applicant makes an online selection of available pre-mapped claims. There are only a few places in the province where claims can still be obtained by staking.

4.2.2 The Mining Lease

Mining leases are extraction (production) mining titles which give their holder the exclusive right to mine mineral substances (other than surface mineral substances, petroleum, natural gas and brine). A mining lease is granted to the holder of one or several claims upon proof of the existence of indicators of the presence of a workable deposit on the area covered by such claims and compliance with other requirements prescribed by the Mining Act. A mining lease has an initial term of 20 years, but may be renewed for three additional periods of 10 years each. Under certain conditions, a mining lease may be renewed beyond the three statutory renewal periods.

4.2.3 The Mining Concession

Mining concessions are extraction (production) mining titles which give their holder the exclusive right to mine mineral substances (other than surface mineral substances, petroleum, natural gas and brine).

Mining concessions were issued prior to January 1, 1966. After that date, grants of mining concessions were replaced by grants of mining leases. Although similar in certain respects to mining leases, mining concessions granted broader surface and mining rights and are not limited in time. A grantee must commence mining operations within five years from December 10, 2013. As is the case for a holder of a mining lease, a grantee may be required by the government, on reasonable grounds, to maximize the economic spinoffs within Québec of mining the mineral resources authorized under the concession. It must also, within three years of commencing mining operations and every 20 years thereafter, send the Minister a scoping and market study as regards to processing in Québec.

4.3 Mining Title Status

Mining title status for the La Loutre Property was supplied by Jean-Sebastien Lavallée, President and CEO for Canada Strategic. InnovExplo verified the status of all mining titles using GESTIM, the Québec government's online claim management system at the following address: http://gestim.mines.gouv.qc.ca (via Internet Explorer browser only).

The La Loutre Property consists of one block of forty-eight (48) claims staked by electronic map designation ("map-designated cells"), covering an aggregate area of 2,867.29 ha (Fig. 4.2). All the mining claims are registered 100% in the name of Canada Strategic Metals Inc., although Canada Strategic currently holds 60% of the La Loutre Property and Lomiko Metals the other 40% now that Lomiko Metals has completed all the terms of the agreement dated September 23, 2014 (see section 4.5). Most of the claims are subject to a 1.5% NSR. All mining titles are in good standing according to the GESTIM database. A detailed list of mining titles, ownership, royalties and expiration dates is provided in Appendix III.

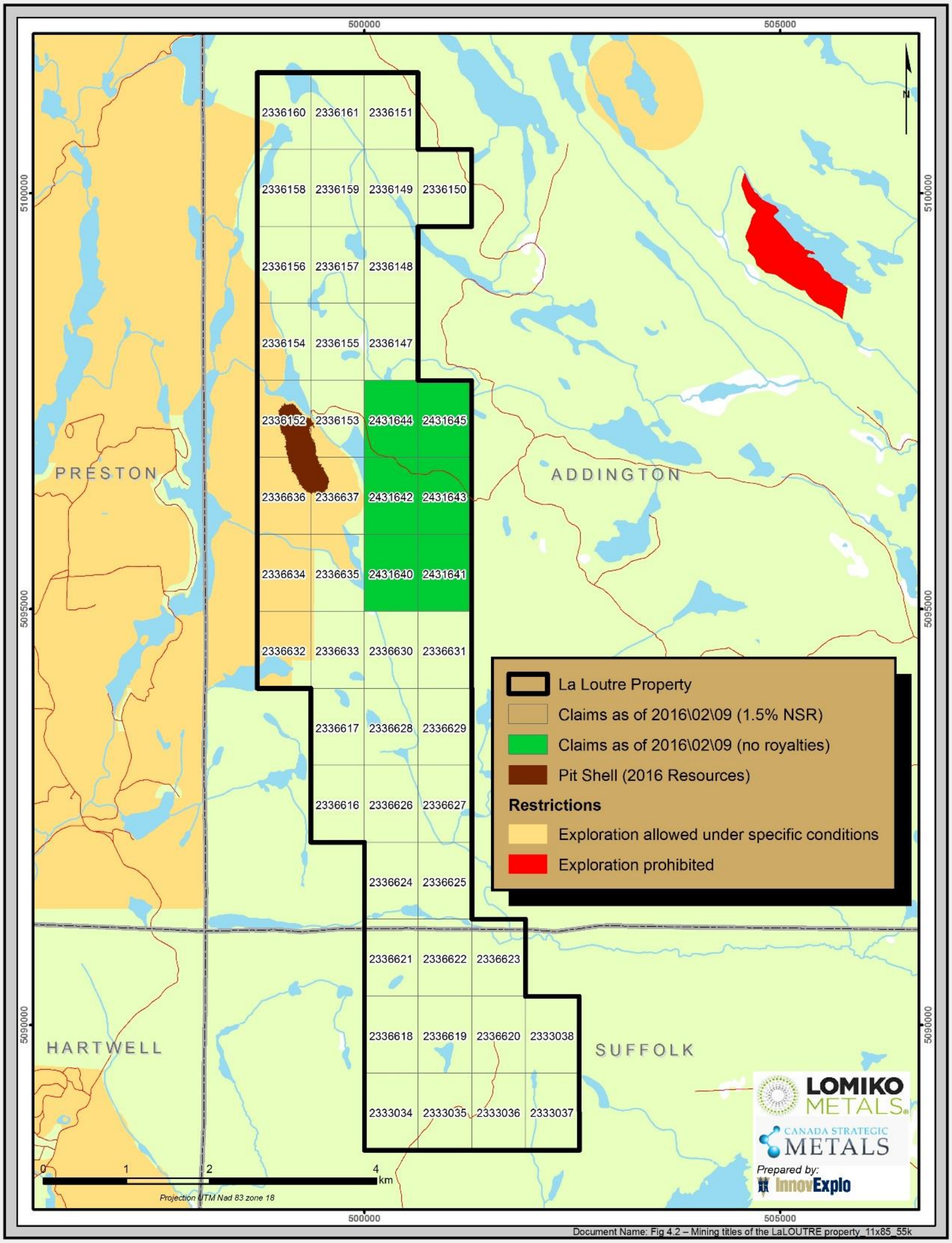


Figure 4.2 – Claim map of the La Loutre Property

4.4 Acquisition of the La Loutre Property

On February 27, 2012, Canada Rare Earths (now Canada Strategic Metals) completed the acquisition of La Loutre Property from three people (the "Vendors"): Jean-Sébastien Lavallée (33.33%; president and CEO of Canada Strategic), Jean-Raymond Lavallée (33.33%) and Michel Robert (33.33%). At that time, the La Loutre Property consisted of one block of forty-two (42) mining claims covering an aggregate area of 2,508.97 ha. Canada Rare Earths had an option to earn a 100% interest in the La Loutre Property from the Vendors by making the following payments and issuing the following common shares to the Vendors:

- C$15,000 upon signing the letter agreement (paid);
- C$15,000 and 1,000,000 common shares on receipt of the Toronto Venture Exchange (TSX-V) acceptance of the agreement;
- C$15,000 six (6) months from TSX-V acceptance;
- C$15,000 and 500,000 common shares 12 months from TSX-V acceptance;
- C$15,000 and 500,000 common shares 18 months from TSX-V acceptance.

According to the terms of the agreement, Canada Rare Earths was obliged to incur a minimum of C$100,000 in exploration expenditures on the La Loutre Property during the 12-month period from the date of TSX-V acceptance. The Vendors retained a 1.5% net milling royalty on the La Loutre Property, 0.5% of which could be purchased by Canada Rare Earths for C$500,000.

On June 27, 2013, Canada Strategic announced that it had negotiated an amendment to the outstanding property option agreement with the Vendors. The two payments of C$15,000, originally due 6 and 12 months from the date of the TSX-V approval (which was received on March 16, 2012), was cancelled and in lieu thereof, Canada Strategic agreed to issue to the Vendors 1,100,000 shares on the day that is 12 months from the date of the TSX-V approval. Furthermore, it was agreed that the fourth payment of C$15,000, which was due on the day that is 18 months from the date TSX-V approval was received, may be paid in common shares at a price per share equal to the market price of the issuer's shares on the TSX-V on the date the amount is payable, subject to the minimum price allowed under the policies of the TSX-V. All other terms of the agreement remained unchanged.

4.5 2014 Agreement between Canada Strategic and Lomiko Metals

On September 23, 2014, Canada Strategic announced that it had signed an agreement with Lomiko Metals Inc. for a 40% undivided interest in the La Loutre Property. According to the agreement, Lomiko Metals could acquire the 40% undivided interest by paying C$12,500 upon signing the Agreement (non-refundable); by issuing an aggregate of 1,250,000 common shares of Lomiko Metals at a deemed price of C$0.07 per share within ten (10) business days following the effective date of the agreement; and by incurring C$500,000 in exploration expenditures no later than the first anniversary of the effective date.

Lomiko Metals has since completed all terms of the 2014 Agreement. Thus, Canada Strategic holds a 60% undivided interest in the La Loutre Property and Lomiko Metals the remaining 40%.

4.6 2015 Agreement between Canada Strategic and Lomiko Metals

On February 9, 2015, Canada Strategic and Lomiko Metals agreed to the terms of an additional option pursuant to which Lomiko Metals shall have the exclusive right and option to acquire an additional 40% undivided interest in the La Loutre Property and an 80% undivided interest in the Lac des Iles Property (located near Mont-Laurier) in exchange for a cash payment of $1,010,000, the issuance of 3,000,000 common shares of Lomiko Metals, and the funding of $1.75 million in exploration expenditures over a 2-year period.

4.7 New Claims Staked by Canada Stategic

On July 29, 2015, Canada Strategic added six (6) new claims (358.32 ha) to the La Loutre Property by electronic map designation. These claims were included in the previous agreement between Canada Strategic and Lomiko Metals. These claims have no underlying royalty.

4.8 Access to the Property

The La Loutre Property is located on public land (Crown land). Public land is used for a variety of purposes:

- Developing natural resources, including forestry, mineral, energy and wildlife resources;
- Developing natural spaces, including parks for recreation and conservation, ecological preserves, and wildlife refuges and habitats;
- Developing infrastructure for industrial and public utility purposes, as well as for leisure and vacation purposes.

The La Loutre Property is also located within a “controlled harvesting zone” or “ZEC” (*zone d'exploitation contrôlée*). ZECs are a system of territorial infrastructure set up in 1978 by the Government of Quebec to abolish and take over from private hunting, fishing and trapping clubs with the aim of providing the general public with timely access to recreational activities such as hunting and fishing. Exploration work is permitted within a ZEC.
Part of the La Loutre Property is overlaps a wildlife habitat (Virginia deer yard) where mineral exploration is only allowed under specific conditions (Fig. 4.2).

4.9 Permits

Permits are required for any exploration program that involves tree-cutting to create road access for a drill rig, or to carry out drilling and stripping work. Permitting timelines are short, typically on the order of 3 to 4 weeks. The permits are granted by the MERN.

Canada Strategic has obtained the required permits to execute the drilling programs.

4.10 Environment

There are no environmental liabilities pertaining to the La Loutre Property.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The La Loutre Property (Fig. 5.1) is accessible by driving north from Montreal on Highway 15, then north on Highway 117 to the city of Mont-Tremblant, then west on Highway 323 for 40 km to Lac des Plages via Brébeuf and Amherst. Finally, a series of secondary roads and bush trails lead onto the north-south trending property via Legget Road along Lac Sioui and Lac La Loutre between Lac des Plages located 10 km to the east and Lac Simon some 7 km to the west.

5.2 Climate

In the La Loutre Property area, the climate is cold and temperate, with significant precipitation as rain or snow. The average annual temperature is 4.3°C. The warmest month is July, with an average temperature of 19.1°C, and the coldest January, with an average temperature of -12.4°C. Precipitation averages 986 mm per year. The month with the least precipitation is February, with 63 mm of snow-water equivalent. Most of the precipitation falls as rain in August, averaging 98 mm. Exploration activities can be carried out year-round.

5.3 Local Resources

Mont Tremblant, located 40 km northeast of the La Loutre Property, is the main administrative centre in the region, where heavy machinery, fuel and other equipment and provisions can be obtained. Specialized mining equipment would most probably be obtained from Mont-Laurier, Montreal or Val-d’Or. Mining expertise does exist in the city of Mont-Laurier, some 100 km northwest by road and in the mining centre of Val-d’Or, some 450 km northwest by road. A number of mining and mineral exploration companies have offices located in Val-d’Or. Available resources include the following:

- Assayers – commercial laboratories (Montreal and Val-d’Or);
- Civil construction companies (Mont-Laurier, Montreal and Val-d’Or);
- Diamond drilling – multiple contractors (Val-d’Or);
- Engineering firms (Mont-Laurier, Montreal and Val-d’Or);
- Freight forwarding (Mont-Laurier, Montreal and Val-d’Or);
- Geological consultants (Montreal and Val-d’Or);
- Geophysics contractors (Montreal and Val-d’Or);
- Land surveyors (Mont-Laurier, Montreal and Val-d’Or);
- Mining contractors (Mont-Laurier, Montreal and Val-d’Or);
- Suppliers of industrial mining equipment, including diesel engines, explosives, mechanical parts, electrical supplies and cable, electronics and tires (Mont-Laurier, Montreal and Val d’Or).

5.4 Infrastructure

The regional hydroelectric grid (Hydro-Québec) is in close proximity to the La Loutre Property. There is an ample supply of water on or near the property to supply a mining operation.

The La Loutre Property is located about 100 km by road from the Imerys Carbon and Graphite Mine and Processing Facility in Mont-Laurier.

5.5 Physiography

The topography of the La Loutre Property is gently undulating with an average elevation of 300 masl (general range of 280 to 360 masl). Bedrock outcrops are rare (5% of the surface area), hidden by leaves and soil. The thin overburden is almost entirely composed of glacial sand, gravel and pebbles. There is virtually no arable land in the region. The vegetation (Fig. 5.2) consists mainly of mixed forest dominated by pine, spruce, cedar and various deciduous tree species.

Hills are generally covered in deciduous trees with steep sides up to 10 m high, whereas the valleys contain swamps, lakes (Fig. 5.3) and streams populated by cedars. The hills are broad, between 400 and 900 m wide, whereas the valleys are narrower, between 100 to 500 meters wide. Hills and valleys are oriented northwest-southeast or northeast-southwest.

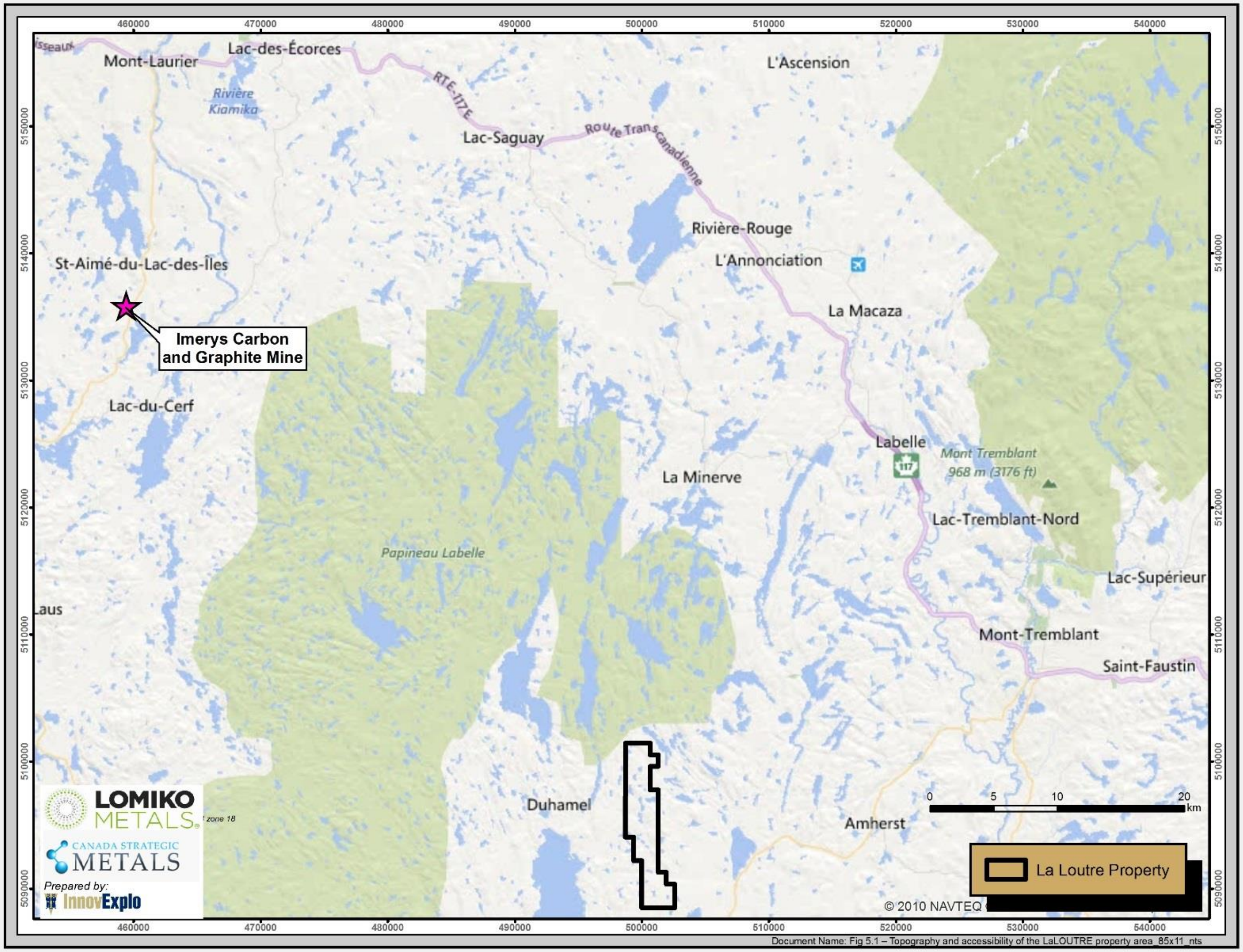


Figure 5.1 – Access and waterways of the La Loutre Property and surrounding region

Figure 5.2 – Typical vegetation observed on the La Loutre property

Figure 5.3 – General view of the Lac Bélanger looking toward Northwest

6. HISTORY

In early 1988, SOQUEM undertook a graphite exploration program in the area of the current La Loutre Property ("Graphite Project 101050"). The program included an inventory of known historical graphite occurrences followed by an airborne magnetic and electromagnetic (REXHEM IV) survey over a number of areas to the west of St-Jovite, with a flight-line spacing of 500 m (Cyr, 1988). This work led to the staking of three properties: Carmin, La Loutre and Reignier.

In 1992, all exploration work by SOQUEM work ceased on the Carmin, La Loutre and Reignier properties.

The sections below discuss these former properties, and Figure 6.1 displays them on a map with respect to the current La Loutre Property that is the subject of this report.

6.1 Carmin Property

The anomalies detected by the 1988 geophysical survey were verified in the field that same year during a geological reconnaissance program. This follow-up work led to the discovery of the Carmin graphite deposit (Fig. 6.1).

After staking the Carmin Property, SOQUEM cut lines and performed magnetic and HEM ground surveys in September 1988 (St-Hilaire, 1988). A 12,000-m^2 area was stripped on the Carmin deposit, successfully tracing it for 275 m (Levesque and Marchand, 1989a). A 25-hole (1,260-m) diamond drilling program was then carried out on the showing. The results revealed the deposit to be a subhorizontal zone striking N340°, with grades ranging from 2% to 30% Cg. The wall rocks were biotite gneiss with variable quantities of quartz, clinopyroxene and sillimanite. Thin layers of quartzite, marble and pyroxene-bearing marble, locally porphyroblastic, were also found in association with the graphite mineralization. According to SOQUEM geologists at the time, the graphite is not litho-stratigraphically controlled because it was observed to cut across all rock types. A metallurgical and processing study was also performed on a 29-kg sample with an average grade of 24.2% Cg.

In June 1989, SIAL Géosciences Inc. carried out an airborne magnetic and electromagnetic survey (REXHEM IV) on SOQUEM's Carmin and La Loutre properties (see section 6.2) (Saindon and Dumont, 1989). The survey totalled 325 line-km, with 75 m between flight lines.

In the summer of 1990, SOQUEM carried out a 36-hole drilling program on the Carmin deposit for a total of 2,590.7 m (Marchand, 1990). The aim was to determine whether a mineral inventory could be prepared for the deposit. In the fall of 1990, SOQUEM added thirty-two (32) new holes on the deposit for a total of 3,126.2 m (Francoeur, 1990).

In February 1991, SOQUEM published the results of a mineral inventory for the Carmin deposit (Les Affaires: February 2, 1991; page 31). The result was 1.32 Mt at an average grade of 10.36% Cg (unknown cut-off grade). ***This "mineral inventory" is historical in nature and should not be relied upon. It is unlikely it complies with current NI 43-101 criteria or CIM Standards and Definitions, and it has not been verified to determine its relevance or reliability. It is included in this section for illustrative purposes only and should not be disclosed out of context. InnovExplo did not review the database, key assumptions, parameters or methods used for this mineral inventory on the Carmin deposit.***

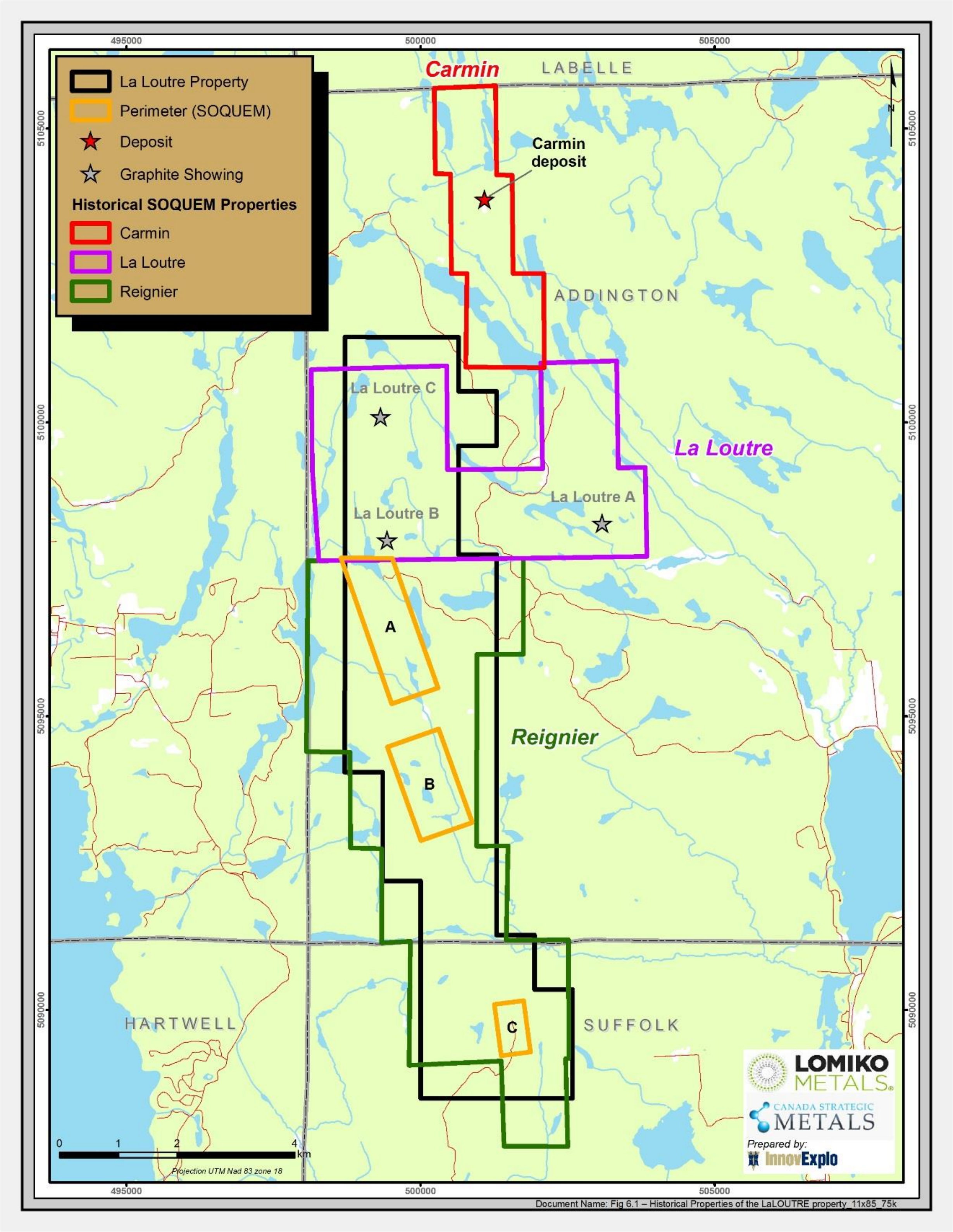


Figure 6.1 – Map showing the location of SOQUEM's pre-1992 properties with respect to the current La Loutre Property, as well as the position of historical showings, targets ("perimeters") and the Carmen deposit.

6.2 La Loutre Property

Based on the results obtained on the Carmin property, SOQUEM staked the former La Loutre Property, adjacent and to the south of the Carmin Property (Fig. 6.1).

Between July and August 1989, a geological reconnaissance program was carried out in the areas hosting the A, B and C REXHEM anomalies (Fig. 6.1) defined by Saindon and Dumont (1989). As part of the program, a ground Beep Mat EM survey was carried out on the anomalies, with lines spaced 100 m apart (Levesque and Marchand, 1989b). This ground exploration work led to the discovery of three new graphite showings corresponding to the A, B and C anomalies. The La Loutre A showing to the southeast consisted of two outcrops, some 250 m apart, containing more than 10% graphite. The conductor outlined by the Beep Mat survey indicated a possible continuity of the graphite horizon over a length of 1,200 m and a width of 100 m. The La Loutre B showing to the southwest consisted of boulders containing more than 10% graphite, within a conductive sector measuring 500 m by 150 m. The La Loutre C showing was characterized by quartz-feldspar gneiss containing 1 to 2% graphite.

During the summer of 1990, a grid was cut on the La Loutre A showing, consisting of 11.5 km of lines spaced 50 m apart (Francoeur, 1991). A ground Beep Mat EM survey was performed on the lines and also between them. A small geological survey was carried out around the La Loutre A showing. Seven (7) sites were blasted to explain the conductor detected by the Beep Mat. No samples were assayed.

A grid was also cut on the La Loutre B showing, consisting of 2.2 km of lines spaced 25 m apart (Francoeur, 1991). The entire grid was prospected using a Beep Mat. Some outcrops were mapped. In four separate places, up to 5% graphite was observed. The mineralization was usually found in pyroxene gneiss, but no samples were assayed.

6.3 Reignier Property

In 1990, SOQUEM staked the Reignier Property to the south of the former La Loutre property (Fig. 6.1; Dupuy, 1991). In 1991, a geological survey (scale of 1:10,000) was carried out on the property, as was a Beep Mat EM survey accompanied by prospecting. Small manual trenches were dug on the best Beep Mat conductors. No assay results were reported by Dupuy (1991). Based on the exploration work to date on the property, Dupuy (1991) identified three major targets where he felt the geological and metallogenic context should be further investigated (the Reignier A, Reignier B and Reignier C “perimeters”). These three areas strike N150° along a major lineament. The lithological units found in the three areas contained 2% to 10% graphite (visual estimates).

7. GEOLOGICAL SETTING AND MINERALIZATION

7.1 Grenville Province

The following description of the Grenville Province is taken from Corriveau et al. (2007), and retains the references therein.

The Grenville Province (Fig. 7.1), with its predominantly high-grade metamorphic terranes and deep-level thrust stacks along ductile shear zones, has epitomized for years the roots of a Himalayan-style collisional orogeny (Dewey and Burke, 1973; Rivers, 1983; Davidson, 1984). However, most of its components predate collisional orogeny, and the main episodes of crustal build-up are Andean in type (Rivers, 1997). Although tectonically buried deep in the crust at some stage of their history, many components of the Grenville Province were formed initially at or near surface, or in the mid-crust (Fig. 7.2). Hence, even among gneisses at granulite facies, pyroclastic units with polygenic lappillistone and volcanic breccia can be preserved, providing clues to the presence of volcano-sedimentary belts in otherwise fairly monotonous gneissic domains. Such geological terranes are considered overall as prospective as any others originally formed at low- to mid-crustal depths. That they are now tectonically juxtaposed and metamorphosed may hamper their recognition but should not significantly affect their potential in terms of resources.

Several lithotectonic and timing nomenclatures, reviewed in Davidson (1998) and Tollo et al. (2004), are currently in use for the Grenville Orogen. The major lithotectonic elements of the Grenville Province are divided into two main, semicontinuous, orogen-parallel, stacked belts known as the parautochthonous belt and the structurally overlying allochthonous polycyclic belt, and also into a series of supracrustal-dominated belts formerly grouped as the allochthonous monocyclic belt (Fig.7.1). The parautochthonous belt (the Parautochthon) consists of supracrustal and plutonic rocks of the proto-Laurentian craton that were reworked to a major extent during the Grenvillian Orogeny; i.e., during the interval 1080 to 980 Ma (timing scheme of Gower and Krogh, 2002).

The allochthonous polycyclic belt includes Paleo- and Mesoproterozoic rocks that have been subjected to more than one orogeny and thrust onto the Parautochthon along the Allochthon boundary thrust (Fig. 7.1). These rocks, displaced with respect to their formation sites, are not for the most part exotic with respect to Laurentia. In fact, the allochthonous belt was largely built through late Paleoproterozoic and Mesoproterozoic magmatic events along the Laurentian margin.

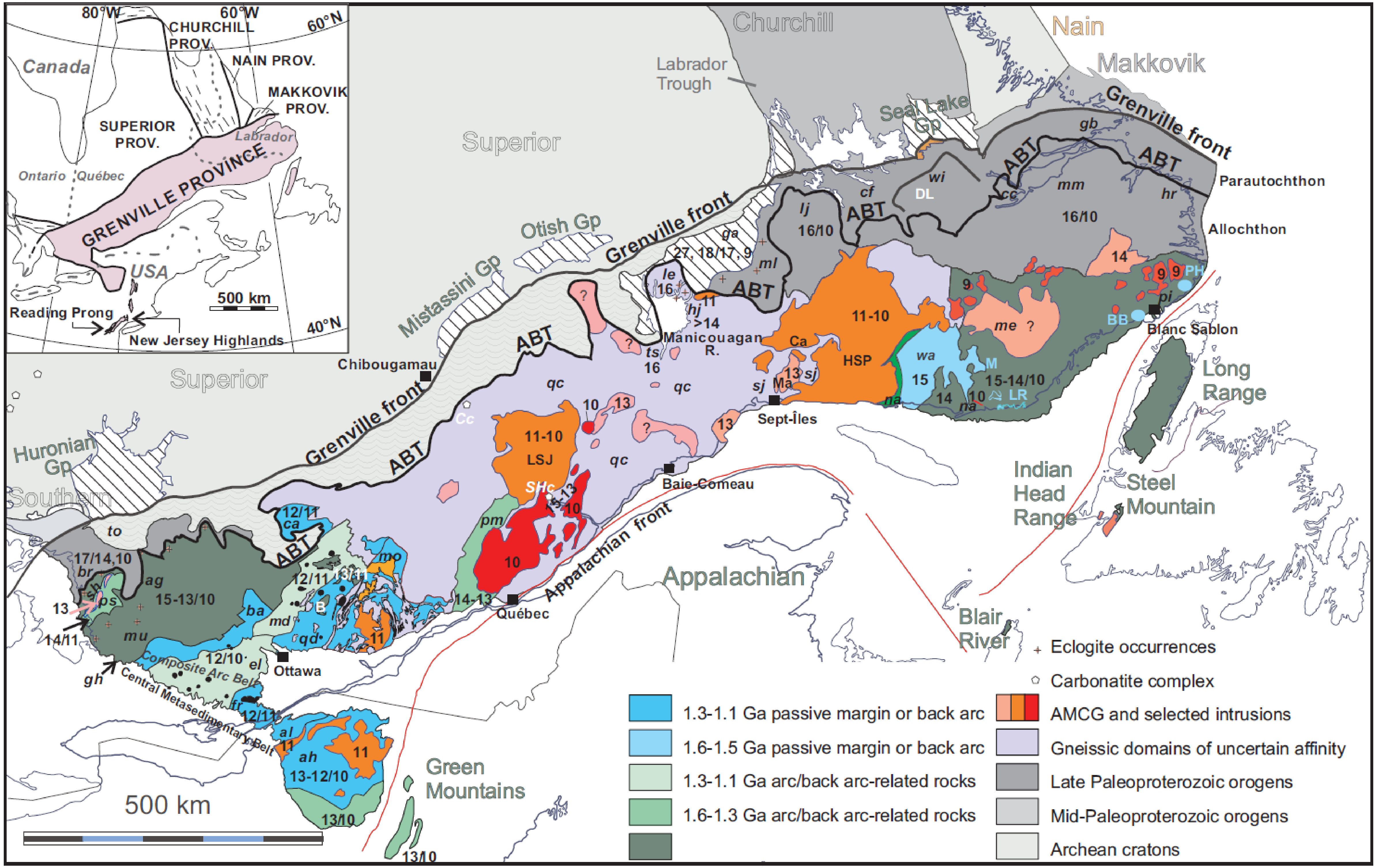


Figure 7.1 – Geological subdivisions Geological subdivisions of the Grenville Province with deposition and intrusion age followed by metamorphic age in geon time scale (from Corriveau et al., 2007).

Terranes (t.) and domains (d.): ag, Algonquin d.; ah, Adirondack Highlands; al, Adirondack Lowlands; ba, Bancroft t.; br, Britt d.; ca, Cabonga t.; cc, Cape Caribou River allochthon; cf, Churchill Falls t.; el, Elzevir t.; fr, Frontenac t.; ga, Gagnon t.; gb, Groswater Bay t.; gh, Go Home d.; hj, Hart Jaune t.; hr, Hawke River t.; le, Lelukuau t.; lj, Lake Joseph t.; M, Musquaro Lake extension of wa; md, marble-rich d.; me, Mécatina d.; ml, Molson Lake t.; mm, Mealy Mountains t.; mo, Morin t.; mu, Muskoka d.; na, Natashquan Domain; PH, Pitts Harbour Group; pi, Pinware t.; pm, Portneuf-Mauricie d. including the Montauban Group; ps, Parry Sound d.; qc, Quebecia; qd, quartzite-rich d.; sh, Shawanaga d.; to, Tomiko t.; ts, Tshenukutish t.; wa, Wakeham Group; wl, Wilson Lake t. Supracrustal units with hydrothermal alteration zones discussed in text: B, Bondy Gneiss Complex; BB, Baie de Brador assemblage; DL, Disappointment Lake paragneiss; LR, La Romaine Supracrustal Belt. Potassic alkaline plutons of the Kensington-Skootamatta suite are the plutons in black in the Central Metasedimentary Belt. Cc, Crevier carbonatite; Shc, Saint-Honoré carbonatite.

The monocyclic belt was defined as consisting of the Central Metasedimentary Belt, the Morin Terrane, the Adirondack Highlands and the Wakeham Group on the basis that they were thought to have formed coevally during the 1.35 to 0.95 Ga "Grenvillian orogenic cycle" as defined by Moore and Thompson (1980). Currently, a 1.45 to 1.3 Ga volcano-plutonic continental arc and island arc have been documented and dated within structural windows of the marble-rich and quartzite-rich domains of the Central Metasedimentary Belt in Québec and within the La Bostonnais Plutonic Complex and Montauban Group of the Portneuf-Mauricie Domain (Fig. 7.1; Nadeau and van Breemen, 1994; Nadeau et al., 1999; Nantel and Pintson, 2002; Blein et al., 2003; Wodicka et al., 2004).

Andean-type crust normally consists of widespread rather than isolated volcanic, volcano-plutonic and volcano-sedimentary belts in association with plutonic activities in arcs, successor arcs, intracontinental back arcs and accreted arcs. Widespread arc-related volcanic activity is well documented in the low-grade metamorphic terranes of the Grenville Province (Composite Arc Belt and Montauban Group; Nadeau et al., 1999; Carr et al., 2000).

Metallogenic settings specific to the Grenville Province host past-producing mines such as the world-class Balmat-Edwards Zn deposit, the New Calumet and Montauban Zn- Pb-Ag-Au (±Cu) mines, the Long Lake zinc mine, the Renzy Lake and Lac Edouard Ni-Cu deposits, the Hilton and Marmoraton Fe mines, the Faraday, Bicroft and other U mines near Bancroft, as well as many small Fe, Au, Mo, Zn and U deposits, some of them also formerly mined (de Lorraine and Dill, 1982; Jourdain et al., 1990; Eckstrand et al., 1996; Lentz, 1996; Clark, 2000).

7.2 Regional Geology

The La Loutre Property is located in the eastern part of the Central Metasedimentary Belt (CMB; Fig. 7.2).

The following description of the CMB is slightly modified from Corriveau and van Breemen (2000) and Corriveau (2013), but retains the references therein.

The CMB in the western Grenville Province extends southward from western Quebec into Ontario and New York State (Wynne-Edwards, 1972). In Quebec, the CMB includes Mesoproterozoic supracrustal and intrusive upper amphibolite- to granulite-facies rocks metamorphosed between 1.2 and 1.18 Ga. These rocks structurally overlap the gneiss units that form the pre-Grenvillian margin of Laurentia (the allochthonous polycyclic belt/Central Gneiss Belt). The CMB is subdivided into two domains: a NNE-trending marble-rich domain to the west, bordered by a quartzite-rich domain to the east.

At the main marble and quartzite domain interface, domain-bounding fabrics dip to the west, the quartzite package projecting structurally beneath marble (Fig. 7.2). Within each of these domains occur complexes of quartzofeldspathic gneiss, locally with metatonalite intrusions (e.g., Bondy Complex in Fig. 7.2; Wynne-Edwards et al. 1966; Corriveau et al. 1996, 1998); their domal structures and distribution suggest they represent windows of a major lithotectonic domain structurally underlying the quartzite and marble domains (Corriveau and Morin, 2000).

Granitic to tonalitic gneiss complexes form a series of domes structurally below the marble and quartzite assemblages. One of them, the Bondy gneiss complex, dated at between 1.3 and 1.4 Ga, hosts a Cu-Au-iron oxide-rich hydrothermal system that has been metamorphosed to granulite facies.

Once metamorphosed, the marble, quartzite, and felsic gneiss rock packages had contrasting mechanical properties, which resulted in distinct rheological behaviour and, consequently, a range of non-reactivated to completely overprinted orogenic segments (Corriveau et al., 1998). High pressure assemblage (orthopyroxene–sillimanite–cordierite AFM assemblage, P > 8 kbar (1 kbar = 100 MPa), Carrington and Harley 1995) occurs within the gneissic fabric of the Bondy complex. The assemblage reveals that peak pressure was achieved during foliation development (~950°C at ~10 kbar; Boggs 1996), recording the first and main phase of crustal thickening in the CMB. Metamorphic conditions preserved across the belt range from ~650°C and ~6 kbar along its western boundary, to ~750°C and ~8 kbar in the marble domain, ~950°C and ~10 kbar in the Bondy gneiss complex, and ~725°C and ~8.5 kbar along its eastern boundary (Indares and Martignole, 1990; Boggs 1996). This record is diachronous and registers the successive imprint of strongly partitioned orogenic pulses, instead of differential unroofing or tectonic telescoping of blocks affected by a single metamorphic event (Corriveau et al., 1998).

To the east, the CMB is tectonically bounded against the Morin terrane north-northeast–striking, subvertical, amphibolite- to granulite-facies Labelle Deformation Zone, ~150 km long and up to 10 km wide (Martignole and Corriveau, 1991; Martignole et al., 2000). Developed adjacent to and merging northward with the Labelle Deformation Zone is the Nominingue–Cheneville Deformation Zone (“lineament” of Dimroth, 1966). This zone is recognized as a steeply dipping, north-trending zone, ~10 km wide and at least 40 km long, of ductile strain at mid- to upper amphibolite grade (Fig. 7.2; Dupuy et al., 1989; Corriveau and Jourdain, 1993; Corriveau and Madore 1994). Anastomosing conjugate shear zones (NNE dextral; SSE sinistral) locally transpose the N-S foliation of the gneiss in the Nominingue–Cheneville and Labelle zones (Fig. 7.2; Rivard et al., 1999).

The Morin terrane features the extensive 1165–1135 Ma Morin anorthosite–mangerite–charnockite–granite suite (AMCG Suite; plutons numbered 58–66 in Fig. 7.2; Emslie and Hunt, 1990; Doig, 1991; Friedman and Martignole, 1995; van Breemen and Corriveau, 1995). Their host supracrustal rocks are commonly at granulite facies (Wynne-Edwards et al., 1966).

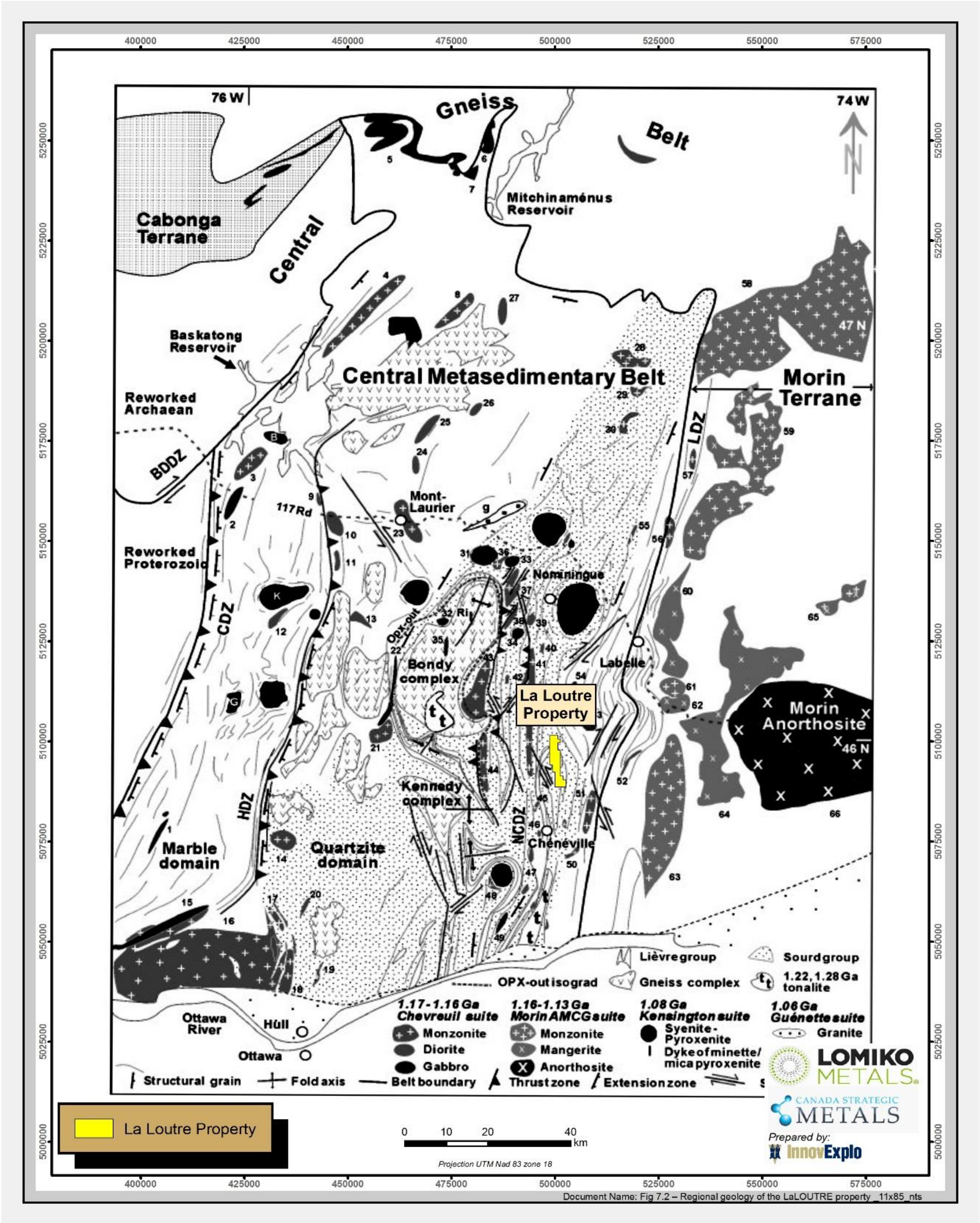


Figure 7.2 – Distribution of plutons and gneiss complexes in the marble and quartzite domains of the Central Metasedimentary Belt

(modified from Corriveau and van Breemen (2000) and Corriveau et al. (1998)). The Sourd Group is the quartzite-rich paragneiss package of the quartzite domain; the Lièvre Group is the dolomitic and olivine-bearing marble units at the interface between the marble and quartzite domains. NCDZ: Nominingue-Cheneville Deformation Zone; LDZ: Labelle Deformation Zone.

7.3 Local Geology

The following description of local geology is taken from the descriptive notes of a map produced by Corriveau and Madore (1994), and retains the references therein.

The La Loutre Property is located within the Nominingue-Cheneville Deformation Zone ("NCDZ"), a 10 km-wide ductile shear zone at amphibolite facies with lit-par-lit injections of monzonite and diorite among Mesoproterozoic porphyroclastic paragneiss (Fig. 7.2). The NCDZ is a N-S zone dipping steeply to the west. It extends southward toward the Ottawa River and is likely an extension of the high-strain zone observed to the south by Dupuy et al. (1989) in the Gatineau area. Dimroth (1966) first identified this zone and considered it as an important structural frontier in the Grenville Province of Quebec. It could very well be the most western component of the Labelle Deformation Zone. This corridor comprises discontinuous anastomosing shear zones with sinistral or eastward-thrusting sense of movement. The intensity (or timing) of the deformation varies from east to west. To the west, a large proportion of monzonitic sheets and their dykes have retained their magmatic foliation and the pegmatite dykes are straight, or only slightly sigmoidal. To the east, however, the microdiorite and pegmatite dykes are mylonitized.

Paragneisses in the region of the NCDZ are Mesoproterozoic in age and belong to the quartzite-rich domain that characterizes the eastern part of the Central Metasedimentary Belt (Fig. 7.2). Quartzite and impure quartzite (with minor biotite, feldspars, garnet, magnetite, muscovite or orthopyroxene) occur as folded and boudinaged layers intercalated, at outcrop and map scales, with quartzofeldspathic, graphitic or biotite gneisses, marble, calc-silicate rocks and metapelites. Fe-sulphides and tourmaline are common in the area; they are disseminated in paragneisses or occur in late quartz veins.

In the NCDZ, the 1165 Ma magmatism is characterized by concordant sheets of monzonite and diorite, decimetric to kilometric in thickness (Corriveau and van Breemen, 1994). These plutonic bodies are intercalated with and emplaced as lit-par-lit injections in mylonitic paragneisses at amphibolite facies (Corriveau, 1991; Corriveau et al., 1994). Evidence of assimilation, magma mixing, syntectonic emplacement and skarn formation are common in this corridor. Where monzonite has been greatly sheared, it is transformed into biotite and garnet gneisses and includes intercalation of calc-silicate rocks for which gabbro is a likely protolith.

Apart from the monzonitic masses described above, the 1165 Ma magmatism occurs as lamprophyre dykes with a net-veined texture and biotite phenocrysts. These dykes crosscut the orthogneisses and the tonalite, and consist of centimetre- to decimetre-scale round masses of lamprophyre in a granitic matrix. These two components are locally separated by zones of anhydrous reaction. The lamprophyric dykes occur as injections in the heart of pegmatite dykes; contacts are very irregular and lobed. Pillowing and boudinaging occurred before solidification. The pegmatite dykes have straight contacts with their country rock.

These rocks have been regionally metamorphosed to granulite facies around 1185 Ma (Corriveau and van Breemen, 1994); retrogression to amphibolite facies is thorough along the NCDZ.

Regional foliation is marked by gneissosity, ribbon structure and preferential orientation of tabular minerals. Lineations are defined by the preferred orientation of minerals and mineral aggregates, such as quartz in granitic veins and sillimanite in metapelites. The S_1, foliation defined by the gneissosity is commonly tightly to isoclinally folded (F_2 folds); an axial planar schistosity S_2 is rarely developed. Mafic dykes at amphibolite facies crosscut the F_2 folds; they are themselves tightly to openly folded (F_3 folds) and have a strong mineral lineation commonly parallel to the lineation in the country rock. The monzonitic and dioritic magmatism and associated net-veined microdioritic dykes represent an important time marker in the area. The dykes crosscut the gneissosity S_1 and F_2 folds, and the porphyroclastic gneisses of the Nominingue-Cheneville high-strain zone; they are openly to tightly folded (F_3) or sheared with hornblende aligned parallel to fold axes in dykes and mineral lineations in host rocks.

7.4 Property Geology

A unit of biotite gneiss (±diopside) is omnipresent throughout the property. Quartzite constitutes a significant part of outcrops on the property. Diopside-scapolite-bearing calc-silicate rocks, marbles and other lithological units of sillimanite-biotite gneiss and sillimanite-garnet gneiss are less abundant than biotite gneiss with whom they generally alternate as lit-par-lit. The marbles are observed at only a few places on the property. Some outcrops of amphibolite were also observed. Orthogneiss is found along the edge of the eastern part of the property. Diabase dykes cut all previous units.

The paragneisses (Fig. 7.3) contain significant biotite and are generally oxidized to a grey brown color, and are schistose, locally displaying ribboning. On fresh surface, the rock appears grey-black to brownish-gray. They contain biotite, phlogopite, quartz, feldspar, garnet and pyroxene (augite), with occasional sillimanite, 1–2% pyrrhotite and 1–10% graphite. The biotite content is variable and ranges from 10–30%.

Quartzites are generally quite massive, greyish and feature granoblastic texture. On fresh surface, the rock tends to be light grey to greyish white with a predominance of quartz and minor feldspar, pyroxene (augite) and carbonate. Others show quartz-feldspar or quartz-dominant compositions or median compositions between pelitic gneiss and pure quartzite. Generally, no graphite is observed within the quartzite, but in cases where graphite was observed, notably in drill core, it could represent remobilized graphite from adjacent paragneiss.

Marbles tend to be layered, greyish creamy color on outcrop and have a granoblastic texture. Fresh surfaces are more greyish white in color, consisting of carbonate (mostly calcite) with minor quartz, feldspar, phlogopite, pyrite and graphite. Locally they have a higher content of quartz, up to 70% pyroxene (augite) in places and are very coarse grained; they are termed calc-silicate rocks.

Figure 7.3 – Typical outcrop of graphite-bearing paragneiss observed on the La Loutre Property (photo from the author's site visit).

According to Dupuy (1991), the structural style recognized on the La Loutre property corresponds to a coaxial and polyphase episode of deformation. This style includes three main phases of deformation. The isoclinal P_1 folds reflect a very important overlapping episode from the SE to the NW, contemporary to a ductile-sheared component to the NE. A subsequent coaxial phase (P_2) is responsible for a significant network of open to tight folds, and the general direction of the axial plane is NNE-SSW. These P_2 folds are slightly overturned to the NW. A gentle undulation (P_3) with metre-scale amplitude of the prior structures is also observed on outcrop.

7.5 Mineralization

The sedimentary sequence consists principally of a thick paragneiss unit intercalated with thin units of quartzite and marble. Quartzite and marble are the two lithological units hosted by a wide paragneiss unit. They adopt a subparallel attitude with an overall orientation of N150° and a dip ranging from 30–50° in the Graphene-Battery Zone area. Quartzites reach up to 1,000 meters in strike length continuity, and are generally thin (typically several meters thick, exceptionally to 100m). Globally, the graphitic carbon grade (Cg) of the quartzite is below 1%, but in some cases, higher Cg grades occur in quartzite near its contact with paragneiss. Marble consists of thin units with lateral footprint of more than 1,000 m. Marble units do not contain any significant Cg grades.

The mineralized zones were interpreted on sections based on Cg grade information from drill holes and guided by quartzite and marble distribution patterns. Mineralized zones striking along an average trend of N150° and an average dip of 45° are generally stratigraphically concordant with quartzite and marble. Graphite flakes occur disseminated in the graphitic paragneiss, in variable concentration. Two types of mineralized zones were interpreted: High-Grade and Low-Grade.

Low-Grade (LG) zones are mostly present within the paragneiss and, as the name would suggest, have the lower graphitic carbon grades (max. of 4% Cg). They form wide lenses enclosing the High-Grade zones. LG zones are wide (10–150 m) and long (strike length (up to 1,000 m) in the Graphene-Battery Zone. The paragneiss associated with the LG zones contains more quartz than the paragneiss associated with the High-Grade zones, and consequently have a paler colour (Fig. 7.4).

Figure 7.4 – Low-Grade (LG) Zone observed in the Graphene-Battery Zone in drill hole LL-14-05 (from 58.0 to 64.0 m)

The High-Grade (HG) zones are only observed within the paragneiss. They contain the higher graphitic carbon grades (4–20% Cg) and are distributed along or near quartzite-paragneiss contacts. HG Zones are generally thin (4–20 m) and up to 500 m long in the Graphene-Battery Zone. Porphyroblasts of an unknown dark mineral are often observed within the HG Zones (Fig. 7.5). Their contact with other graphite-bearing paragneiss is generally gradational, whereas their contact with quartzite is generally sharp; in the latter cases, graphite content in the quartzite is negligible.

Figure 7.5 – High-Grade (HG) Zone in the Graphene-Battery Zone in drill hole LL-15-35 (54.0–58.0 m). The core shows the dark porphyroblasts associated with HG zones.

On a larger scale, HG and LG zones are deformed and/or probably repeated by folding and/or faulting. It is quite likely that pinching and swelling of the zones is common on the La Loutre Property, but there is not enough information yet to confirm this hypothesis.

8. DEPOSIT TYPE

The following description of deposit types is modified and summarized from Simandl et al. (2015) and references therein.
Natural graphite deposits of economic interest are grouped into three main categories (Fig.8.1):

- microcrystalline;
- vein graphite (lump and chip); and
- crystalline flake graphite

Deposit profiles by Simandl and Keenan (1998a,b,c) provide an introduction to the main deposit types for exploration geologists and prospectors.

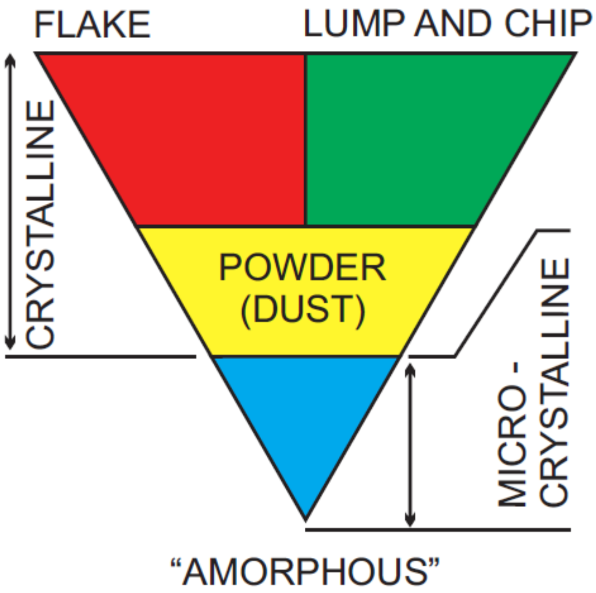


Figure 8.1 – Main categories of natural graphite currently available on the market. Modified from Simandl et al. (1995).

8.1 Microcrystalline graphite deposits

Commercially, microcrystalline graphite is referred to as ‘amorphous graphite’. This term is a misnomer because ‘amorphous graphite’ has a crystal structure (readily detected by X-ray diffraction and Raman spectroscopy), which is lacking in truly amorphous materials. In the scientific community, partially ordered graphite is referred to as ‘semi-graphite’ (Kwiecinska and Petersen, 2004) or, more recently, ‘graphitic carbon’ (Beyssac and Rumble, 2014).

Most microcrystalline graphite deposits are formed by subgreenschist to greenschist contact or regional metamorphism of coal seams (Taylor, 2006). Microcrystalline deposits consist mainly of small graphite particles intergrown with impurities. Typical deposits are stratiform or lens-shaped; beds may be deformed and/or repeated by folding and faulting. Pinching and swelling of beds is common. Deposits may consist of several beds, each up to a few metres thick. They may be exposed for hundreds of metres along strike. The ore contains from 30 to 95% graphite and, in many cases, more than 80%. Most mines producing microcrystalline graphite will enrich the ores by hand sorting and milling only. The product is sold mainly as forging lubricants and for applications where high ash content and low crystallinity is acceptable or preferred. An exception is the Kaiserberg deposit in Austria, which produces a concentrate containing 92% graphite composed of 2 µm particles (Taylor, 2006).

8.2 Vein graphite deposits

The most economically significant vein-type graphite deposits are found in the same metasedimentary belts as crystalline flake graphite deposits (see section 8.3), which are metamorphosed to upper amphibolite and granulite facies. In these belts, vein graphite deposits are found in igneous intrusions, in skarn-type assemblages adjacent to igneous intrusions, and in zones with a retrograde overprint (Simandl, 1992). Graphite veins are currently mined only in Sri Lanka, where graphite is extracted mainly by underground mining methods, routinely to depths in excess of 600 m. The thickness of individual or anastomosing veins varies from a few millimetres to over 1 m, but most are less than 0.3 m. Other graphite-filled open spaces form pods and lenses, irregular bodies, stockworks and saddle reefs (Simandl, 1992; Simandl and Keenan, 1998b). Characteristic textures are rosettes, coarse flakes, fibers or needles oblique or perpendicular to the wall rocks and, in some cases, schistosity subparallel to the vein walls. Outside the upper amphibolite to granulite facies terrains and related intrusives (e.g., Cirkel, 1907), graphite veins, breccias and stockworks also cut a variety of mafic and ultramafic rocks (e.g., Strens, 1965; Barrenechea et al., 1997; Crespo et al., 2006).

The vein graphite product — nearly monomineralic graphite-rich fragments typically 0.5 to 0.8 cm in diameter — are commercially referred to as ‘lump’ and ‘chip’ graphite, although ‘lump’ graphite may be much coarser.

Before 2009, disruptions in the supply of chip and lump graphite due to unrest in Sri Lanka forced the refractory industry to switch from vein-derived graphite to crystalline flake graphite. Once this transition was made, vein deposits lost their economic prominence as the source of graphite for refractories.

8.3 Crystalline flake graphite deposits

The mineralized zones on the La Loutre Property belong to the crystalline flake graphite deposit type.

Disseminated graphite flakes occur in a variety of rocks, including marble, paragneiss, iron formation, quartzite, pegmatite and syenite (Simandl, 1992; Simandl et al., 1995); in extremely rare cases, it is also found in serpentinized ultramafic rocks (e.g., Crespo et al., 2006). By far the most common hosts for economically significant crystalline flake deposits are paragneiss and marble that were subjected to upper amphibolite to granulite facies metamorphism. Graphite deposits consisting of thick sequences of paragneiss are evenly mineralized and generally grade 2–3% graphite or less. A typical example is the Bissett Creek deposit (Fig. 8.2) in Western Ontario, which contains 69.8 Mt of measured and indicated resources grading 1.74% Cg (Cg), and 24 Mt of inferred resources grading 1.65% Cg (both at a cut-off grade of 1.02% Cg; Leduc et al., 2013).

InnovExplo did not review the database, key assumptions, parameters or methods used for the Bissett Creek 2013 mineral resource estimate. The resource estimate was stated as compliant with NI 43-101 criteria by Leduc et al. (2013), however InnovExplo is not able to confirm if new scientific or technical material information has become available since the effective date of the estimate. Consequently, InnovExplo cannot certify that the 2013 mineral resource estimate is still complete and current.

The highest graphite grades in paragneiss-hosted deposits are along or near paragneiss-marble contacts, as exemplified by the Hartwell prospect, Quebec (Fig. 8.2). There, marble is separated from biotite gneiss by calcsilicate rocks (clinopyroxenites) and graphite-bearing scapolite paragneiss with graphite grades of 3–15%. The contact between this graphite-rich unit and the biotite-gneiss is gradational, and graphite content decreases with increasing distance from the calcsilicate rocks. Similarly, the high-grade Lac Knife deposit, in the Labrador Through, Quebec (Fig. 8.2) is also reported to contain calcsilicate layers consisting mainly of scapolite (Birkett et al., 1989, in Saucier et al., 2012. Measured and indicated resources at Lac Knife total 9,576,000 t grading 14.77% Cg, with inferred resources of 3,102,000 t grading 13.25% Cg, using a cut-off grade of 3% Cg (Desautels et al., 2014).

InnovExplo did not review the database, key assumptions, parameters or methods used by Desautels et al. (2014) for the Lac Knife 2014 mineral resource estimate. The resource estimate was stated as compliant with NI 43-101 criteria by Desautels et al. (2014), however InnovExplo is not able to confirm if new scientific or technical material information has become available since the effective date of the estimate. Consequently, InnovExplo cannot certify that the 2014 mineral resource estimate is still complete and current.

For some deposits (e.g., the AA deposit, British Columbia; Fig. 8.2), the highest grade graphite is encountered in the crests of folds and is accompanied by retrograde minerals such as epidote and chlorite (Marchildon et al., 1993).

Marbles in terrains metamorphosed to granulite facies display a granoblastic texture and generally contain less than 0.5% crystalline flake graphite, although concentrations from 1–3% crystalline graphite are common. Graphite is regularly distributed throughout the host rock and the size of graphite flakes and calcite or dolomite crystals is directly correlated. Microscopic signs of corrosion or overgrowth on the graphite flakes that would indicate disequilibrium are lacking. Minor constituents such as diopside, magnesite, quartz, tremolite, fosterite, humite group minerals, garnets, scapolite, wollastonite, feldspar, phlogopite, muscovite and serpentine account for less than 5% per volume of the rock. Marbles with porphyroblastic texture are unusual. They contain from trace to 25% crystalline flake graphite. The best example is the former Asbury graphite mine in Québec (Figs. 4 and 6). At this site, near-surface reserves were estimated to be 485,180 tonnes at 10.75% graphite (Séguin, 1974), and the mine was in production from 1980 to 1988 on a seasonal basis.

These "reserves" are historical in nature and should not be relied upon. It is unlikely they comply with current NI 43-101 criteria or CIM Standards and Definitions, and they have not been verified to determine their relevance or reliability. They are included in this section for illustrative purposes only and should not be disclosed out of context. InnovExplo did not review the database, key assumptions, parameters or methods used for the mineral reserve estimation at the Asbury graphite mine.

Drilling in 1984, combined with a structural study, suggests additional resources at depth (Simandl, 1992). The graphite-rich porphyroblastic marble is calcitic and contains clinopyroxene crystals from 2–10 mm in size. Other minerals, in concentrations less than 3%, are quartz, pyrite, garnet, titanite, magnetite, chlorite and trace chalcopyrite, clinozoisite and prehnite. Graphite flakes are dispersed throughout the ore, but concentrated around clinopyroxene crystals. Locally, graphite is observed as inclusions inside clinopyroxenes. Blue quartzite separates porphyroblastic graphite-rich marble from pale grey or white quartzite and indicates proximity to high-grade graphite mineralization. Obvious textural, mineralogical or geochemical differences to explain the colour difference between the blue and white quartzites are absent. Although no primary fluid inclusions were identified in either quartzite, temperatures of homogenization and melting suggest the presence of CH_4, N_2, SO_4 or H_2S, in addition to CO_2. Limited Raman spectroscopy detected CO_2 with lesser concentrations of CH_4 and N_2 in fluid inclusions in blue quartzite (Simandl, 1992).

Significant graphite concentrations in magnetite deposits are present in the Grenville Province (Raymond, 1978; Champigny, 1980; Gauthier and Brown, 1986; Simandl et al., 1995). Although none of these deposits are currently in production, some were mined for iron (e.g., Forsyth mine, Quebec). Several minor feldspar-rich intrusions (including pegmatites) cutting metasedimentary rocks contain up to 5 wt% graphite flakes, but are generally too restricted in size to be of economic interest (Simandl et al., 1995).

Most crystalline flake graphite deposits are mined in open pits. Typically, the ore is crushed, milled and processed using flotation, and depending on its physical properties and intended use, it may be further processed. Crystalline flake graphite concentrate consists of flakes typically larger than 200 mesh (equivalent to 74 microns); fines produced during milling maybe sold as graphite powder or dust.

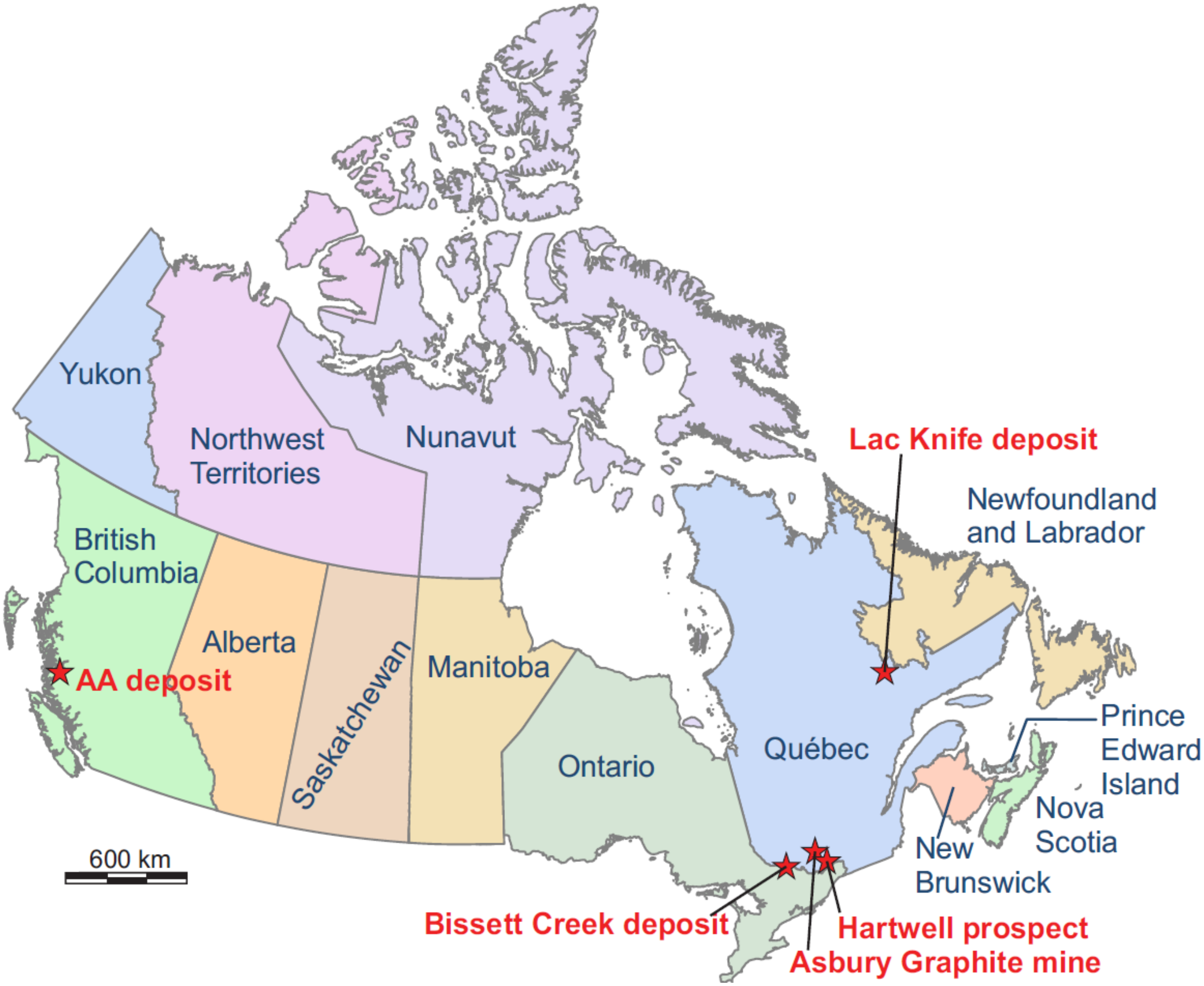


Figure 8.2 – Location of Canadian graphite deposits discussed in the text (from Simandl et al., 2015)

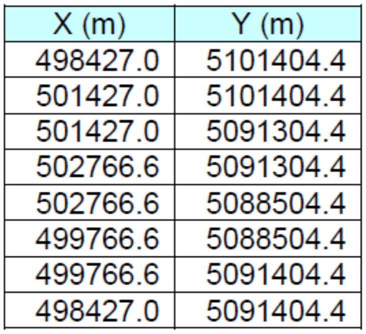
9. EXPLORATION

Following of the acquisition of the La Loutre property, Canada Rare Earth Inc. (now Canada Strategic) conducted various types of exploration work on the property, as described below.

9.1 Helicopter-Borne TDEM and Magnetic Survey

In May 2012, Geophysics GPR International Inc. ("GPR") flew a helicopter-borne Time-Domain Electromagnetic (GPRTEM) (Fig. 9.1) and magnetic survey (Fig. 9.2) for Canada Rare Earth Inc (Létourneau and Paul, 2012). The survey was composed of one (1) block for a minimum coverage of 439 km. The GPRTEM system is a high-resolution time-domain electromagnetic system with a large penetration. For this survey, a caesium magnetometer was installed near the GPRTEM receiver, 20.0 m below the helicopter and 19.0 m above the GPRTEM transmitter. A radar altimeter and a DGPS system were mounted on the helicopter. The directions of the flight lines were E–W and tie lines were N–S, with respect to UTM coordinates. The coordinates given in Table 9.1 represent the outline of the zone that was flown.

Table 9.1 – Survey block coordinates of the zone flown over the La Loutre Property. All coordinates are given in UTM Zone 18 North.



X (m)	Y (m)
498427.0	5101404.4
501427.0	5101404.4
501427.0	5091304.4
502766.6	5091304.4
502766.6	5088504.4
499766.6	5088504.4
499766.6	5091404.4
498427.0	5091404.4

The planned flight path parameters for the survey are presented in Table 9.2. The tolerance parameters were based on ideal weather conditions. For this survey, an altitude of 110 m (aircraft MTC) was used for safety purposes.

Table 9.2 –TDEM survey parameters

Parameters	Specifications
TDEM Sampling Interval	0.1s (~ 4m)
Flight-line Spacing	100 m
Flight-line Direction	E – W
Control-line Spacing	1000 m
Control-line Direction	N – S
Aircraft MTC*	110.0 m
MAG and TDEM Sensor MTC*	90.0 m
TDEM transmitter MTC*	71.0 m
Ground speed average	90 km/h

* Mean Terrain Clearance

TDEM and magnetic data processing was carried out by Patrick Therrien, Eng. Jr., and quality control was carried out by Olivier Létourneau, B.Sc. The GPR report was written by Olivier Létourneau and approved by Réjean Paul, Eng., Geoph. TDEM data interpretation was carried out by Marc Boivin, P.Geo.

The area covered by GPR's survey yielded a multitude of EM conductors over most parts of the flight-line grid (Létourneau and Paul, 2012). These conductors are enclosed within a wide N-S conductive zone. Despite the complexity of the EM responses, a westward dip was interpreted on several profiles. Generally, a thick body geometry or flat-dipping signature was recognized on the profiles. A significant number of selected EM anomalies have strong amplitudes. The conductors show a wide range of amplitudes, from 12 to 35 off-time channels on 35 total channels. The calculated time constant (Tau) shows values less than 1 millisecond. A total of 409 EM anomalies were selected based on shape. These were divided into seven (7) categories, including a very weak and poorly defined anomaly category named "possible anomaly".

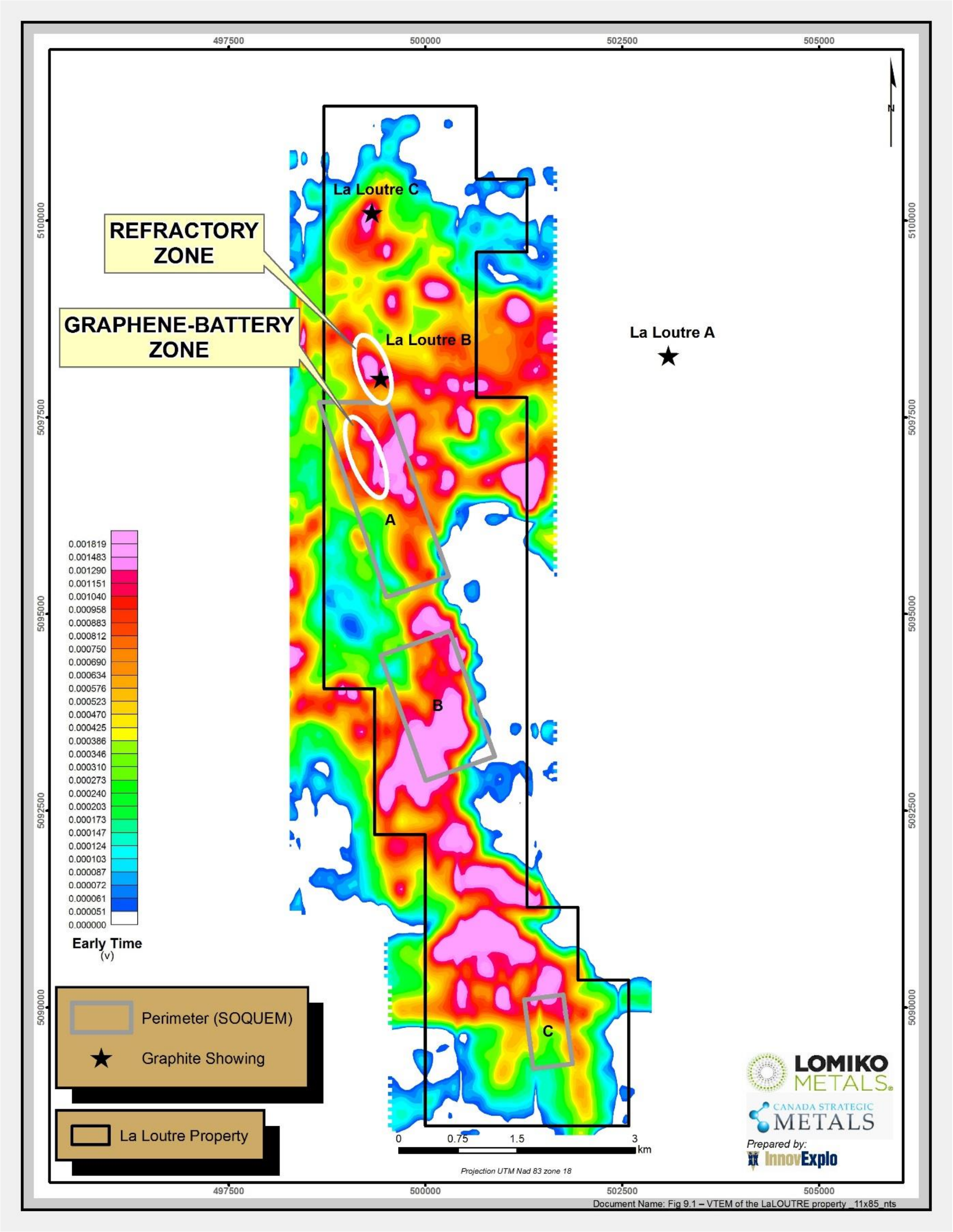


Figure 9.1 – Map of the 2012 TDEM survey (early-time EM anomalies) (Létourneau and Paul, 2012)

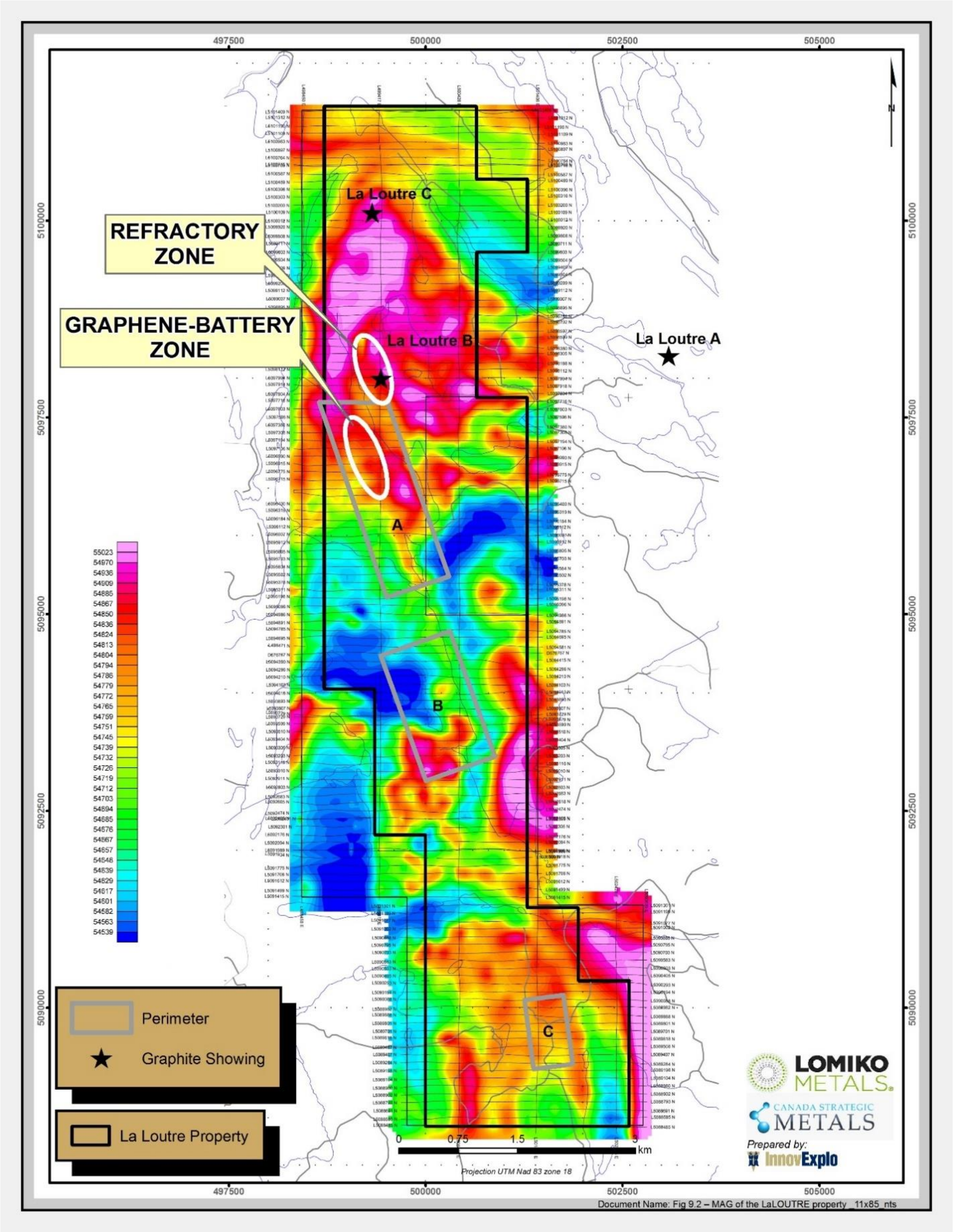


Figure 9.2 – Map of the 2012 airborne magnetic survey (total magnetic intensity map) (Létourneau and Paul, 2012)

9.2 Surface Prospecting, Sampling, and Geological Mapping

9.2.1 2012 Exploration Program

Consul-Teck Mineral Exploration Services ("Consul-Teck") conducted a surface prospecting and geological mapping program in the summer of 2012 using a team of two geologists and two technicians. Prospecting and geological mapping were guided by the historical SOQUEM results for the area and results from the 2012 helicopter-borne DTEM and magnetic survey. The 2012 airborne magnetic survey map (Fig. 9.2) was used as a basis for geological mapping in areas where bedrock is obscured by overburden or water bodies. In addition, many TDEM anomalies outlined by Létourneau and Paul (2012) were visited in the field by Consul-Teck personnel.

Consul-Teck's geologists completed the geological mapping at 1:10,000 scale, accompanied by bedrock sampling to evaluate the graphitic carbon grades within each lithology.

The first two areas investigated by Consult-Teck were the areas of the La Loutre B and C showings (see Fig. 9.2), which had been identified in the historical report of Levesque and Marchand (1989b). As part of the program, the 1988 REXHEM (Saindon and Dumont, 1989) and 2012 TDEM anomalies (Létourneau and Paul, 2012) were verified in the field on both showings. In the vicinity of the La Loutre C showing, the main lithology observed was the paragneiss accompanied by beds of quartzite. Some outcrops of marble and amphibolite were also found. A total of six (6) grab samples were collected and assayed, yielding graphitic carbon grades ranging from 0.8 to 1.7% Cg. In the vicinity of the La Loutre B showing, the main lithology was paragneiss accompanied by beds of quartzite and marble. A total of sixteen (16) grab samples were collected by Consul-Teck (Fig. 9.3), but none were from the showing itself. The samples returned grades ranging from 0.3% to 22.04% Cg. The La Loutre B geological reconnaissance program led to the discovery of the Refractory Zone.

The third, fourth and fifth areas investigated by Consul-Teck correspond to the Reignier "A", "B" and "C" perimeters (see Fig. 9.2), which had been outlined by Dupuy (1991) following the historical exploration work on SOQUEM's former Reignier Property. The main lithology observed by Consul-Teck's geologists in all three perimeters was paragneiss accompanied by beds of quartzite and marble.

The Reignier "A" Perimeter corresponds to an area measuring 2,800 m by 900 m, oriented N160° along a "major lineament" beginning at Lac Bélanger and passing alongside Lac Tullulah. According to Dupuy's report, the lithological units visually contained about 2–10% graphite. Consul-Teck collected and assayed forty-nine (49) grab samples from the Reignier "A" Perimeter (Fig. 9.3), obtaining grades from 0.16 to 18.08% Cg. This geological reconnaissance work led to the discovery of the Graphene-Battery Zone.

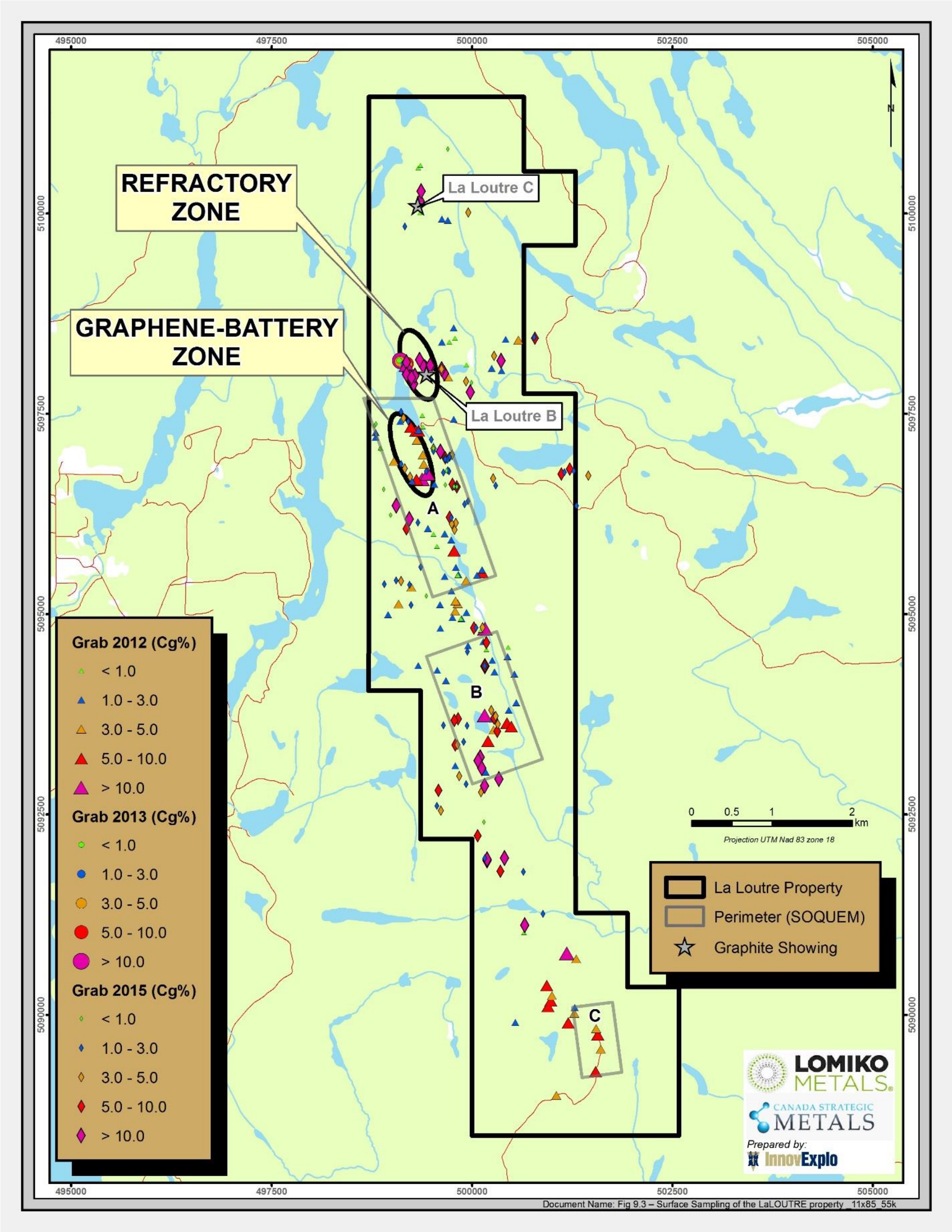


Figure 9.3 – Location of grab samples collected by Consul-Teck on the La Loutre Property between 2012 and 2015.

The Reignier “B” Perimeter corresponds to an area measuring 1,600 m by 900 m, also oriented N160° along the “major lineament”; its position is about 600 m to the southeast and along strike of the Reignier “A” Perimeter. Consul-Teck collected and assayed eighteen (18) grab samples from the Reignier “B” Perimeter (Fig. 9.3), obtaining grades of 0.94% to 10.19% Cg.

The Reignier “C” Perimeter corresponds to an area measuring 1,600 m by 900 m also oriented N160° along the “major lineament”; its position is about 3,200 m to the south and along strike of the Reignier “B” Perimeter. Consul-Teck collected and assayed sixteen (16) grab samples (Fig. 9.3) from the Reignier “C” Perimeter area, obtaining grades of 0.78% to 18.04% Cg.

9.2.2 2013 Exploration Program

During the summer of 2013, channel sampling was carried out on outcrops of a graphitic horizon hosted by paragneiss and quartzite. Stripping work was not done. Six (6) channels were sawed over an 80-m series of outcrops in the area of Lac Bélanger, then sampled in 1-m lengths for a total of 25 samples (Table 9.3).

Table 9.3 – 2013 Channel sampling and assay results from the La Loutre Property.

	Samples	Length (m)	% Cg
Channel No.1	P115701	1.0	1.82
	P115702	1.0	1.54
	P115703	1.0	2.04
	P115704	1.0	2.26
	P115705	1.0	1.96
	P115706	1.0	1.65
	TOTAL	**6.0**	**1.88**
Channel No.2	P115707	1.0	6.72
	P115708	1.0	2.15
	P115709	1.0	2.08
	P115710	1.0	1.8
	P115711	1.0	2.44
	TOTAL	**5.0**	**3.04**
Channel No.3	P115712	1.0	2.6
	P115713	1.0	2.42
	P115714	1.0	1.29
	P115715	1.0	2.04
	P115716	1.0	2.49
	P115717	1.0	5.26
	TOTAL	**6.0**	**2.68**
Channel No.4	P115718	1.0	7.76
	P115719	1.0	3.00
	P115720	1.0	0.49
	TOTAL	**3.0**	**3.75**
Channel No.5	P115721	1.0	0.44
	P115722	1.0	0.44
	P115723	1.0	1.66
	P115724	1.0	1.91
	TOTAL	**4.0**	**1.11**
Channel No.6	**P115725**	**1.0**	**1.78**

Consult-Teck also conducted a sampling program near the grab sample with a reported grade of 22.04% Cg in 2012 on the Refractory Zone. The purpose was to better define the surface graphitic carbon zone outlined in 2012. The seven (7) 2013 grab samples returned grades ranging from 0.65% to 17.25% Cg.

9.2.3 2015 Exploration Program

Consul-Teck conducted a surface prospecting and geological mapping program in the summer of 2015 using a team of one geologist and one technician. Prospecting and geological mapping were guided by the 2012 and 2013 field results.

Consul-Teck revisited the area of the La Loutre C Showing where previous grab samples yielded grades ranging from 0.8% to 1.7% Cg. Six (6) new samples were collected and assayed, returning grades from 1.00 to 27.10% Cg. The location of the best assays correspond to the position of the La Loutre C Showing as identified by SOQUEM, where three (3) of the historical samples had assayed 16.85%, 21.40% and 27.10% Cg.

Consul-Teck also revisited the area of the La Loutre B showing and the Refractory Zone, where the 2012 samples had returned grades ranging from 0.3 to 22.04% Cg. In 2015, a total of twenty-five (25) grab samples were collected. The geological reconnaissance and sample work confirmed the presence of the La Loutre B showing as identified by SOQUEM. Five (5) samples collected directly on the showing assayed 22.40% to 26.20% Cg. Another five (5) samples were collected to the south-southeast of the Refractory Zone discovery site, returning grades ranging from 14.05% to 21.10% Cg. In addition, to the east of the La Loutre B Showing, two samples with elevated graphite grades (10.90% and 27.90% Cg) were obtained in graphite-bearing paragneiss.

The third area revisited by Consul-Teck was the Graphene-Battery Zone. In 2012, Consul-Teck’s grab samples returned grades ranging from 0.16 to 18.08% Cg, and the 2013 program yielded up to 17.25% Cg. In 2015, fifty-eight (58) new samples were collected from this area to better define the graphite zone outlined at surface in 2012. The 2015 grab samples returned grades ranging from 0.21% to 18.45% Cg.
The final area revisited by Consul-Teck consisted of the Reignier “B” Perimeter where grab sampling had returned grades of 0.94% to 10.19% Cg in 2012. In 2015, thirty-nine (39) new samples were collected in this area to better define the graphite zone outlined at surface in 2012. The 2015 grab samples returned grades ranging from 0.72% to 16.95% Cg.

10. DRILLING

10.1 Drill Hole Survey

Consul-Teck's technician spotted each drill hole using a hand-held GPS. Drill holes were individually and sequentially marked with black felt pens on wood stakes. After positioning the drill rig at the planned location, the azimuth and inclination of the hole was confirmed at a downhole depth of about 12 m of casing. Once a drill hole was completed and the rig moved off the drill site, the casing was covered with a steel cap and a steel flag indicating the collar identification.

During the 2014 and 2015 drilling programs, downhole surveys consisted of one azimuth/inclination reading at a depth of about 50 or 60 m, another reading at the end of the hole, and one or two readings between the 50–60 m and EOH readings, the number depending on the length of hole. Downhole surveying was performed by the drilling contractor using a Reflex EZ-Shot. No downhole survey information was available for holes LL-15-49 to LL-15-55 because the rock was magnetic and the readings unreliable.

Corriveau J.L. & Associé Inc. surveyed the casing locations and elevations. A Leica GPS (model GX1200GG) with a precision of ±2 cm recorded survey positions as Universal Transverse Mercator (UTM) 1983 North American Datum (NAD83) Zone 18 coordinates using Leica Geomatic Office software. Holes LL-15-49 to LL-15-55 were not surveyed as the surveyors ran out of time before winter arrived.

10.2 Core Recovery

Core recovery is considered very good (Fig. 10.1).

Figure 10.1 – Example of very good core recovery (hole LL-15-35)

10.3 Diamond Drilling Programs

The contractor for the 2014 and 2015 drilling programs was Forage Val-d'Or. One rig was operated by a four-person team in groups of two on 12-hour shifts. Consul-Teck managed the drill program with one geologist and two technicians. Once drilling started, each 3-m section of NQ-sized drill core was placed in sequentially numbered core boxes, individually sealed, then transported by truck to the Consul-Teck core logging facility in Val-d'Or (Quebec) where they were opened. Footages were cross-checked against the drill logs by Consult-Teck technicians.

10.3.1 2014 Diamond Drilling Program

On October 25, 2014, the first drilling program began on the La Loutre Property. The program focused mainly on the Graphene-Battery Zone (Fig. 10.2). The purpose of the exploration program was to identify high-grade, near-surface crystalline flake graphite mineralization. Twenty-five (25) NQ-sized diamond drill holes were drilled for a total of 3,137.3 m (holes LL-14-01 to LL-14-25) (Table 10.1). Drilling ended on November 15, 2014.

The drill holes tested a series of graphitic horizons identified by field mapping and sampling during previous work programs. Individual drill holes were drilled at -50°, oriented northeast, and 36 m to 291 m long. All holes tested the near-surface extent of the graphitic mineralization. Overburden thickness is generally between 1 m and 5 m averaging around 2 m.

Several graphitic horizons corresponding to High-Grade (HG) and Low-Grade (LG) zones were cut by all diamond drill holes of the 2014 drilling program. These graphitic horizons were generally observed within biotite paragneiss alternating with quartzite and marble horizons.

The best graphitic carbon (Cg) assay results obtained during this program were:

- **Hole LL-14-05:** 4.72% Cg over 128.3 m, including 8.42% Cg over 26.4 m;
- **Hole LL-14-14:** 4.98% Cg over 44.8 m, including 9.02% Cg over 14.7 m;
- **Hole LL-14-19:** 6.64% Cg over 22.7 m, including 11.18% Cg over 10.6 m;
- **Hole LL-14-23:** 3.48% Cg over 136.5 m, including 11.23% Cg over 10.7 m.

Table 10.1 – Technical parameters of holes from the 2014 drilling program

HOLE-ID	East UTM	North UTM	Elevation (m)	Azimuth (°)	Dip (°)	Length
LL-14-01	499350.43	5097210.62	303.27	60	-50	102.0
LL-14-02	499309.66	5097288.83	294.24	56	-50	102.0
LL-14-03	499223.23	5097291.02	306.73	67	-50	102.0
LL-14-04	499127.65	5097352.22	311.96	63	-50	126.0
LL-14-05	499164.32	5097258.01	319.31	60	-50	135.0
LL-14-06	499177.22	5097168.42	316.98	62	-50	102.0
LL-14-07	499207.35	5097081.43	316.88	55	-50	102.0
LL-14-08	499228.20	5096973.72	314.17	64	-50	102.0
LL-14-09	499275.42	5097001.49	309.32	65	-50	36.0
LL-14-10	499339.56	5097005.91	311.38	55	-50	120.0
LL-14-11	499298.48	5097119.20	307.40	65	-50	120.0
LL-14-13	499243.49	5097184.92	308.37	60	-50	102.0
LL-14-12	499253.55	5097117.23	307.82	54	-50	96.3
LL-14-14	499329.37	5096800.01	315.06	61	-50	110.0
LL-14-15	499311.95	5096880.03	311.26	62	-50	93.0
LL-14-16	499379.32	5096928.13	306.57	64	-50	102.0
LL-14-17	499433.19	5096754.21	320.67	63	-50	135.0
LL-14-18	499385.50	5096844.10	312.44	59	-50	123.0
LL-14-19	499356.45	5096686.22	319.40	58	-50	141.0
LL-14-20	499255.35	5096631.01	324.18	64	-50	102.0
LL-14-21	499284.08	5096548.51	328.24	54	-50	102.0
LL-14-22	499232.83	5096724.60	317.18	63	-50	129.0
LL-14-23	499171.69	5096927.32	312.27	58	-55	177.0
LL-14-24	499121.75	5097081.97	302.37	56	-50	291.0
LL-14-25	499106.84	5097218.44	307.84	58	-50	285.0
				TOTAL	**3,137.3 m**	

Note: Coordinates in NAD 83, Zone 18

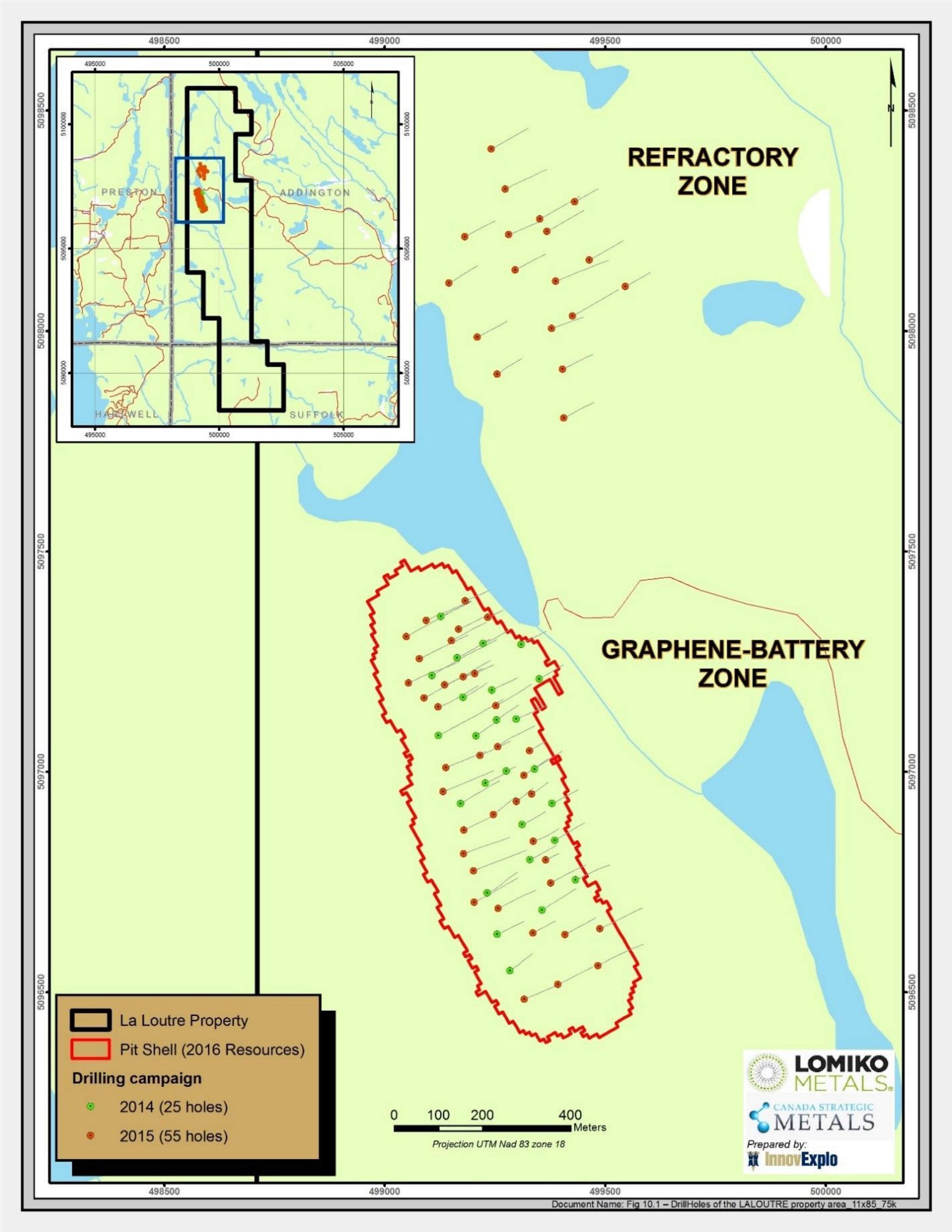


Figure 10.2 – Location of diamond drill holes from the 2014 and 2015 drilling programs

10.3.2 2015 Summer Diamond Drilling Program

On July 10, 2015, the second drilling program began on the La Loutre Property. A total of forty-eight (48) NQ-sized diamond drill holes (Fig. 10.2) were drilled for a total of 6,481.0 m (holes LL-15-01 to LL-15-48) (Table 10.2). Drilling ended on August 31, 2015.

The program initially focused on the Refractory Zone with eleven (11) holes (LL-15-01 to LL-15-11). The purpose of the drilling program was to follow up, at depth and laterally, on the high-grade results from the 2015 grab sampling program reported in the Canada Strategic press release of July 29, 2015. The drilling identified some graphitic horizons with elevated values of graphitic carbon. These horizons are generally observed in biotite paragneiss alternating with quartzite and marble horizons, like those observed during the 2014 drilling program on the Graphene-Battery Zone.

The best assay results obtained in the Refractory Zone were:

- **Hole LL-15-01:** 11.65% Cg over 5.45 m;
- **Hole LL-15-02:** 14.76% Cg over 5.25 m;
- **Hole LL-15-04:** 7.25% Cg over 7.75 m;
- **Hole LL-15-09:** 9.00% Cg over 90.75 m, including 13.66% Cg over 47.80 m.

Table 10.2 –Technical parameters of holes from the 2015 summer drilling program

HOLE-ID	East UTM	North UTM	Elevation (m)	Azimuth (°)	Dip (°)	Length
LL-15-01	499255.25	5097901.89	301.43	52	-50	102.0
LL-15-02	499210.33	5097985.98	304.04	60	-50	120.0
LL-15-03	499145.91	5098108.81	302.22	60	-50	117.0
LL-15-04	499182.01	5098213.99	329.09	60	-50	120.0
LL-15-05	499273.74	5098322.23	329.77	60	-50	159.0
LL-15-06	499281.10	5098218.97	349.97	67	-50	120.0
LL-15-07	499296.37	5098138.81	346.31	60	-50	120.0
LL-15-08	499406.52	5097802.45	330.40	60	-50	120.0
LL-15-09	499388.04	5098113.08	334.93	67	-50	207.0
LL-15-10	499378.68	5098005.69	342.96	69	-50	120.0
LL-15-11	499403.44	5097913.23	343.67	61	-50	120.0
LL-15-12	499182.26	5097387.40	304.53	64	-50	93.0
LL-15-13	499094.13	5097342.80	314.44	62	-50	177.0
LL-15-14	499049.22	5097306.52	309.63	60	-50	252.0
LL-15-15	499151.07	5097297.12	320.56	61	-50	141.0
LL-15-16	499167.96	5097323.37	314.52	64	-50	120.0
LL-15-17	499178.11	5097215.22	318.49	55	-50	114.0
LL-15-18	499204.69	5097222.46	314.95	61	-50	75.0
LL-15-19	499089.05	5097167.38	303.63	62	-50	183.0
LL-15-20	499121.35	5097146.50	302.77	68	-50	162.0
LL-15-21	499136.20	5097196.72	310.27	65	-50	147.0
LL-15-22	499078.89	5097255.91	311.19	62	-50	192.0
LL-15-23	499053.77	5097200.99	303.99	63	-50	201.0
LL-15-24	499138.48	5097009.29	309.69	67	-50	150.0
LL-15-25	499132.63	5096954.73	307.26	67	-50	192.0
LL-15-26	499179.83	5096867.41	310.86	62	-50	123.0
LL-15-27	499179.02	5096813.77	309.17	68	-50	171.0
LL-15-28	499201.62	5096775.16	309.19	67	-50	201.0
LL-15-29	499202.90	5096703.26	319.33	60	-50	180.0
LL-15-30	499257.37	5096689.36	317.07	60	-50	150.0
LL-15-32	499376.69	5096747.67	317.29	60	-50	141.0
LL-15-33	499365.44	5096799.73	318.71	62	-50	51.0
LL-15-34	499337.21	5096842.18	316.33	68	-50	102.0
LL-15-35	499333.48	5096948.91	314.64	53	-50	72.0
LL-15-31	499336.15	5096633.87	324.27	60	-50	90.0
LL-15-36	499246.55	5096902.56	310.76	50	-50	102.0
LL-15-37	499298.63	5096932.04	310.38	50	-50	75.0
LL-15-38	499315.91	5096991.83	310.66	56	-50	101.0
LL-15-39	499328.36	5097047.10	310.59	57	-50	72.0
LL-15-40	499256.83	5097056.70	308.77	50	-50	150.0
LL-15-41	499216.06	5097036.58	316.69	64	-50	120.0
LL-15-42	499252.56	5097149.78	308.09	60	-50	147.0
LL-15-43	499408.82	5096630.48	331.83	60	-50	125.0
LL-15-44	499488.14	5096643.77	342.49	63	-50	168.0
LL-15-45	499316.88	5096483.47	328.70	66	-50	135.0
LL-15-46	499392.91	5096517.33	338.39	64	-50	141.0
LL-15-47	499484.15	5096559.90	352.25	60	-50	180.0
LL-15-48	499234.15	5097349.81	300.81	56	-50	60.0
				TOTAL		**6,481.0 m**

Note: Coordinates in NAD 83, Zone 18

The program then focused on the Graphene-Battery Zone with thirty-seven (37) holes (LL-15-12 to LL-15-48). The aim was to follow up, at depth and laterally, on the high-grade 2014 drill intersections and the high-grade 2015 grab samples announced in the Canada Strategic press release dated July 29, 2015. Drilling identified several graphitic horizons with high grades, and also established geological continuity between some of the graphitic horizons identified during the 2014 drilling program. These graphitic horizons are generally observed within biotite paragneiss alternating with quartzite and marble horizons, like those observed during the 2014 program.

The best results obtained in the Graphene-Battery Zone were:

- **Hole LL-15-16:** 3.74% Cg over 96.60 m, including 10.54 % Cg over 15.30 m;
- **Hole LL-15-19:** 3.70% Cg over 95.00 m, including 9.42 % Cg over 9.75 m;
- **Hole LL-15-25:** 5.56% Cg over 28.45 m, including 10.56% over 7.95 m;
- **Hole LL-15-33:** 5.57% Cg over 33.85 m, including 10.32% Cg over 8.25 m;
- **Hole LL-15-41:** 3.36% Cg over 57.95 m, including 13.66% Cg over 6.10 m;
- **Hole LL-15-46:** 11.56% Cg over 21.55 m.

10.3.3 2015 Fall Diamond Drilling Program

On November 17, 2015, the second 2015 drilling program began on the La Loutre Property. Seven (7) NQ-sized diamond drill holes (Fig.10.3) were drilled for a total of 6,481.0 m (holes LL-15-49 to LL-15-55) (Table 10.3). Drilling ended on November 26, 2015.

Table 10.3 – Technical parameters of holes from the 2015 fall drilling program

HOLE-ID	East UTM	North UTM	Elevation (m)	Azimuth (°)	Dip (°)	Length
LL-15-49	*499426.00*	*5098034.00*	*351.00*	60	-50	186.0
LL-15-50	*499464.00*	*5098161.00*	*339.50*	60	-50	138.0
LL-15-51	*499368.00*	*5098226.00*	*339.00*	60	-50	150.0
LL-15-52	*499352.00*	*5098254.00*	*343.00*	60	-50	162.0
LL-15-53	*499431.00*	*5098293.00*	*334.00*	60	-50	95.0
LL-15-54	*499546.00*	*5098101.00*	*355.50*	60	-50	100.0
LL-15-55	*499242.00*	*5098413.00*	*323.00*	60	-50	150.0
				TOTAL		**981.0 m**

This program targeted the Refractory Zone. The purpose was to verify the geological continuity of the graphitic horizon that yielded high values of graphitic carbon during the summer drilling program. New high-grade intervals were obtained in paragneiss. The best results were:

- **Hole LL-15-50:** 5.43% Cg over 46.25 m, including 15.66% Cg over 4.25 m;
- **Hole LL-15-51:** 14.62% Cg over 33.30 m;
- **Hole LL-15-52:** 4.42% Cg over 47.15 m, including 17.28% Cg over 2.80 m.

Even with the latest drilling program, there is not enough data to establish geological continuity in the Refractory Zone.

10.4 Conclusion of the 2014–2015 Surface Drilling Programs

Surface diamond drilling programs led to the identification and confirmation at depth of the two major mineralized zones (Refractory and Graphene-Battery) with the intersection of several graphite-bearing horizons (high-grade and low-grade zones).

Sixty-two (62) diamond drill holes have now intersected graphite-bearing intersections in the Graphene-Battery Zone, providing sufficient geological information to establish good continuity of individual graphitic horizons for the geological interpretation. In the Refractory Zone, however, there is not yet enough information to establish geological continuity due to the low drill hole density (only 18 DDH). Based on the available information, the level of deformation in the Refractory Zone seems higher than that of the Graphene-Battery Zone. InnovExplo suspects the presence of a hinge zone, which would explain the wide intersection of high-grade values in hole LL-15-09 (9.00% Cg over 90.75 m, including 13.66% Cg over 47.80 m). Clearly, the Refractory Zone will require more drilling in order to establish good geological continuity from hole to hole. For this reason, only the Graphene-Battery Zone has been retained for the 2016 mineral resource estimate.

11. SAMPLE PREPARATION, ANALYSES, AND SECURITY

This section describes Canada Strategic's sample preparation, analysis and security procedures for its diamond drilling programs in 2014 and 2015.

11.1 Laboratories Accreditation and Certification

The International Organization for Standardization (IOS) and the International Electrotechnical Commission (IEC) form the specialized system for worldwide standardization. ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories sets out the criteria for laboratories wishing to demonstrate that they are technically competent, operating an effective quality system, and able to generate technically valid calibration and test results. The standard forms the basis for the accreditation of competence of laboratories by accreditation bodies. ISO 9001 applies to management support, procedures, internal audits and corrective actions. It provides a framework for existing quality functions and procedures.

The sample preparation facility belonging to ALS Chemex Laboratory in Val-d'Or (Québec) was used for the 2014–2015 drilling programs. All shipped core samples were prepared and assayed in the same facility. ALS Chemex is a commercial laboratory independent of Canada Strategic and Lomiko Metals, and has no interest in the La Loutre Property.

11.2 Drill Core Sample Preparation

The drill core sample preparation procedures were handled by Consul-Teck Mineral Exploration Services Inc. ("Consul-Teck"). Consul-Teck is a mining exploration service company with an office in Val-d'Or.

The drill core is boxed, covered and sealed at the drill rigs, and transported by Consul-Teck personnel to Consul Teck's logging facility at Val-d'Or, Quebec, where Consul-Teck geologists continue with the core handling. The geologists describe the geological units and prepare the core for sampling, which includes marking the core with colored grease crayons and adding sample intervals and tags for the sampling process after saw cutting. Each core sample is tagged with a unique number. Consul-Teck's geologists are in good standing with the professional order of Quebec (Ordre des géologues du Québec).

The Consul-Teck technician cuts the core in half with a rock saw. One-half of the core sample for the specific interval is placed in a tagged sample bag, with the same number as the sample interval. Field duplicates of core samples and blanks are inserted in the sample stream. The second half of the core stays in the core box as a witness sample with the same sample tag number affixed to the core box. All boxes from the 2014–2015 drilling programs are stored outside in core racks in good condition at the Consul-Teck core shack in Val-d'Or, Quebec.

Each sample bag is closed, stapled and packed into a larger nylon bag that holds 8 to 10 individual sample bags. The large nylon bags are tagged with all the sample numbers for the bag and delivered directly to the sample preparation facility belonging to ALS Chemex Laboratory.

Core sample length varies from 0.15 to 2.0 m, but only 2.1% of samples have a sample length less than of 0.5 m. Within mineralized zones, core samples generally range from 1 to 1.5 m.

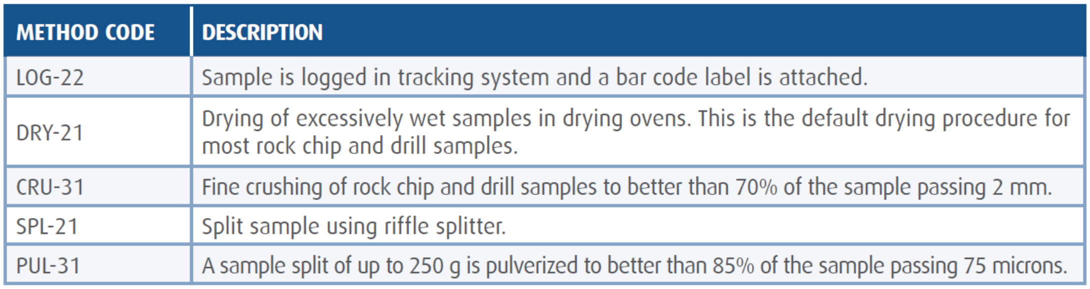
Canada Strategic has implemented a quality-control program to comply with best practices in the sampling and analysis of drill core. As part of its QA/QC program, Canada Strategic inserts blanks and field duplicates, but does not insert externally certified mineralized standards. Each shipment consists of all samples, blanks, and field duplicates from a given diamond drill hole. Thus, there is one certificate of analysis issued by the laboratory for each diamond drill hole. One blank and one field duplicate are inserted per batch of 30 samples.

11.3 Laboratory Sample Preparation

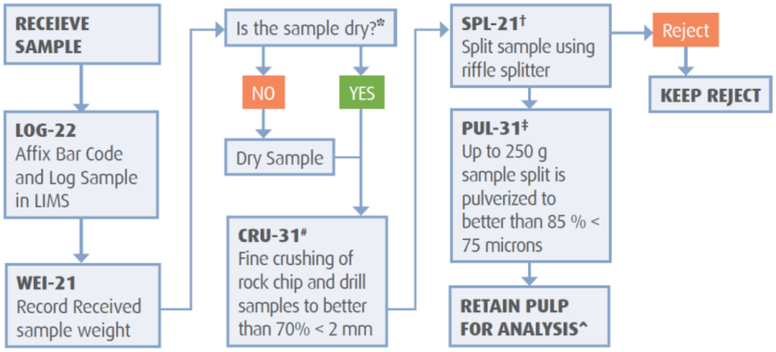
Sample preparation protocol PREP-31 is applied to all samples received at the sample preparation facility belonging to ALS Chemex Laboratory.

Each sample is logged in the tracking system, weighed, dried and finely crushed to better than 70% passing a 2 mm screen (Tyler 9 mesh, US Std. No. 10). A split of up to 250 g is taken and pulverized to better than 85% passing a 75 µm screen (Tyler 200 mesh, US Std. No. 200).

Table 11.1 – Method code and description of ALS Chemex sample preparation protocol PREP-31.



METHOD CODE	DESCRIPTION
LOG-22	Sample is logged in tracking system and a bar code label is attached.
DRY-21	Drying of excessively wet samples in drying ovens. This is the default drying procedure for most rock chip and drill samples.
CRU-31	Fine crushing of rock chip and drill samples to better than 70% of the sample passing 2 mm.
SPL-21	Split sample using riffle splitter.
PUL-31	A sample split of up to 250 g is pulverized to better than 85% of the sample passing 75 microns.



*If samples air-dry overnight, no charge to client. If samples are excessively wet, the sample should be dried to a maximum of 120°C. (**DRY-21**)

#QC testing of crushing efficiency is conducted on random samples (**CRU-QC**).

†The sample reject is saved or dumped pending client instructions. Prolonged storage (> 45 days) of rejects will be charged to the client.

‡QC testing of pulverizing efficiency is conducted on random samples (**PUL-QC**).

^Lab splits are required when analyses must be performed at a location different than where samples received.

Figure 11.1 – Flow chart of ALS Chemex sample preparation protocol PREP-31

11.4 Analytical Methods

Samples are analyzed for graphitic carbon using ALS protocol C-IR18. A 0.1 g sample is leached with dilute hydrochloric acid to remove inorganic carbon (carbonate). After filtering, washing and drying, the remaining sample residue is roasted at 425°C to remove any organic carbon. The roasted residue is then analyzed for graphitic carbon using a high temperature LECO furnace with infra-red (IR) detection.

11.5 Quality Control Results of the 2014–2015 Drilling Programs

Assay results and certificates of analysis are interpreted and reported on a regular basis. If the issuer detects anomalies, the laboratory is advised and if warranted, the issuer request that the batch of 30 samples be re-assayed.

11.5.1 Blanks

The blank (CDN-BL-10) used for the 2014–2015 diamond drilling programs was a certified blank provided by CDN Resource Laboratories Ltd in British Columbia. The blank corresponds to granitic material that was crushed, pulverized and then passed through a 270 mesh screen. One (1) certified blank was inserted for every thirty (30) field samples.

Canada Strategic's quality control protocol stipulates that if any blank yields a graphitic carbon value above 0.2% Cg (10x the detection limit), then all samples assayed at the same time as the blank should be re-analyzed.

A total of 172 blanks were assayed at the ALS Chemex Laboratory during the drilling program in 2015. Three (3) blanks failed Canada Strategic’s quality control procedure, representing only 1.74% of all blanks. No re-analysis was requested by Consul-Teck geologists due to the insignificant graphitic carbon grades of the other samples in the batches with the failed blanks.

InnovExplo is of the opinion that Canadian Strategic’s QC results for blanks during the 2014–2015 drilling programs are reliable and valid.

11.5.2 Certified reference materials (standards)

No certified reference material for graphitic carbon was used by Canada Strategic during the 2014–2015 drilling programs.

11.5.3 Duplicates

Duplicates are used to check the representativeness of results obtained for a given population. To determine reproducibility, precision (as a percentage) is calculated according to the following formula:

$$\text{Precision (\%)} = \frac{\text{(Duplicate Sample Gold Grade – Original Sample Gold Grade)}}{\text{Average Between Duplicate Sample Gold Grade and Original Sample Gold Grade}} \quad \text{X} \quad 100$$

Precision ranges from 0 to 200%, with the best being 0%, meaning that both the original and the duplicate sample returned the same grade.

The field duplicate corresponds to a quarter split of the core. Consul-Teck personnel insert field duplicates randomly into the sample number sequence at a rate of one for every 30 samples.

The precision of field duplicates can be used to verify the variability introduced by selecting one half of the drill core versus the other, the sample numbering mistakes, and the nugget effect. It can be also used to determine the incremental loss of precision for the coarse crushing stage and pulp pulverizing stage of the process, thereby establishing if random error or a bias is present in a given lot of samples.

Figure 11.2 plots the graphitic carbon grades of field duplicates for samples from the 2014–2015 drilling programs assayed by ALS Chemex Laboratory. The green lines represent a field of relative difference of about ±20%. On the graph (Fig. 11.2), only one result is observed on the graph as a gross outlier, which could be explained by a sample numbering mistake or a mix between two samples.

The ALS Chemex Laboratory produced generally similar graphitic carbon results with relatively small scatter (low random error), as indicated by the abundance (majority) of points falling between the two green lines. The linear regression slope corresponds to 1.0102 and the correlation coefficient is 99.86%. The correlation coefficient (%) is given by the square root of R^2 and represents the degree of scatter of data points around the linear regression slope. The results indicate an excellent reproducibility of graphitic carbon values.

InnovExplo is of the opinion that the results obtained for the field duplicates during the 2014–2015 drilling programs are reliable and valid.

11.6 Conclusions

A statistical analysis of the QA/QC data provided by Canada Strategic did not identify any significant analytical issues. InnovExplo is of the opinion that the sample preparation, analysis, QA/QC and security protocols used for the La Loutre Property follow generally accepted industry standards, and that the data is valid and of sufficient quality to be used for mineral resource estimation purposes.

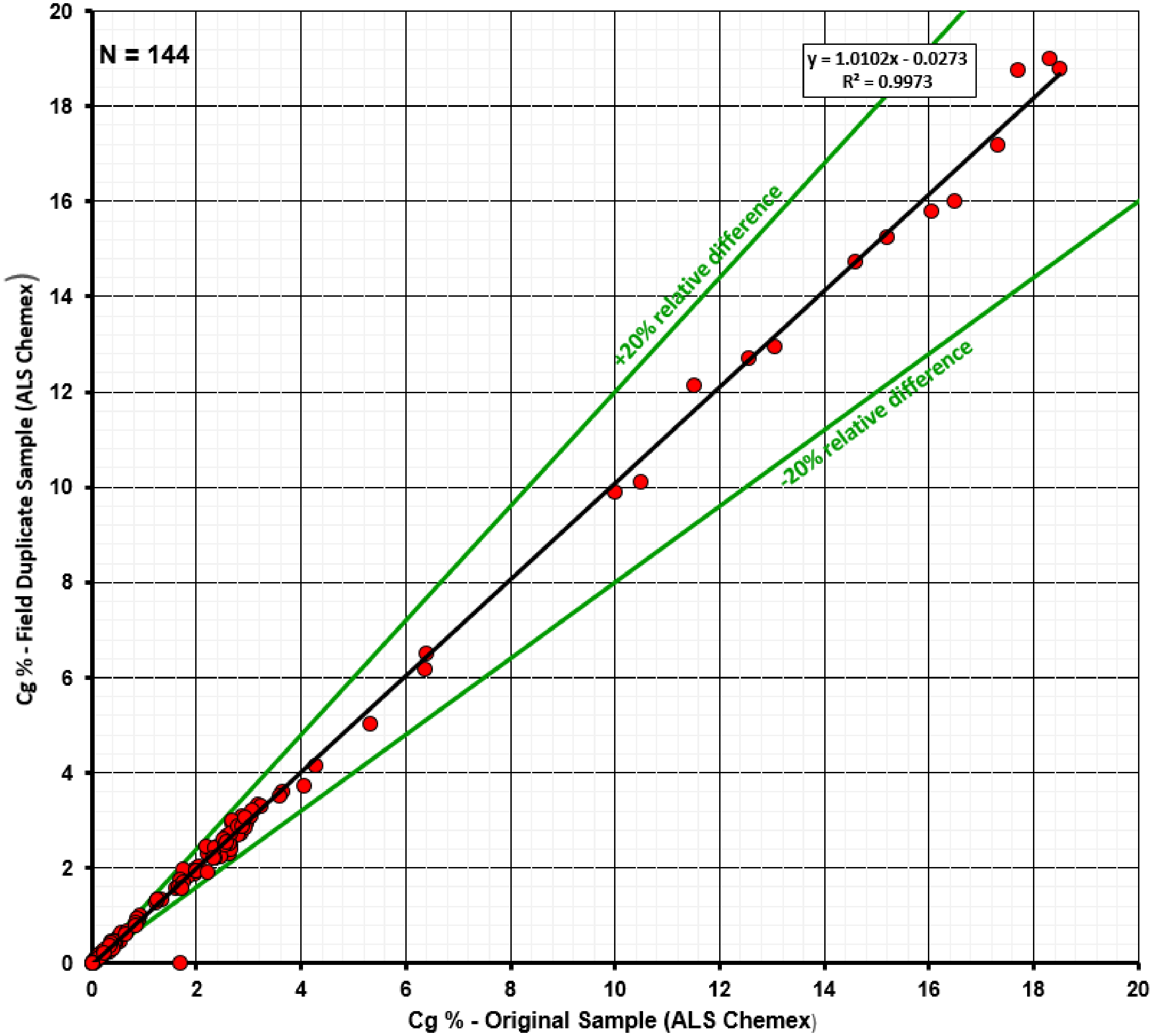


Figure 11.2 – Plot of field duplicate analyses from the ALS Chemex Laboratory. Green lines represent a field of relative difference of about ±20%.

12. DATA VERIFICATION

The diamond drill holes database used for the 2016 Mineral Resource Estimate presented herein (the “2016 MRE”) was provided by Canada Strategic and is referred to as the “La Loutre database”. Drilling ended on November 26, 2015, and the database close-out date for the resource estimate was established as January 05, 2016. The last hole included in the La Loutre database is LL-15-55.

InnovExplo’s data verification included a visit to the La Loutre property (drill collar validation and outcrop observations), as well as to the logging and core storage facilities in Val-d’Or. It also included an independent re-analysis of selected pulp samples and a review of drill hole collar locations, assays, the QA/QC program, downhole surveys, and the descriptions of lithologies and alterations. The site visit was completed by Bruno Turcotte on December 7, 2015. The core shack facility visit was completed by Bruno Turcotte and Guilhem Servelle on February 19, 2016.

12.1 Drill Hole Database

Geological logging was completed using standard logging codes (geological legend) amenable to management in a computer database. The standard logging codes apply rock names to rock types observed during logging. Detailed codes for alteration and mineralization are defined in the geological legend in GEMLogger software. The logging methodology employed coded lithological and mineralogical descriptions and brief descriptive columns. The data supplied by Canada Strategic for the La Loutre Property were in the form of a GEOVIA GEMS software database.

The company Corriveau J.L. & Associé Inc. surveyed the casing locations and elevations using a differential Leica Viva GPS system radio linked to a Leica R500 base procedure. The last set of drill holes (LL-15-49 to LL-15-55) were not surveyed by because time ran out before winter arrived. During his site visit, author Bruno Turcotte validated the locations of casings corresponding to some of the holes used for the 2016 MRE (Fig. 12.1).

InnovExplo was granted access to the certificates of assays for all holes of the 2014–2015 drilling programs. Assays were verified for all the drill holes from these programs using original laboratory certificates.

Minor errors of the type normally encountered in a project database were identified and corrected. The final database is considered to be of good overall quality. InnovExplo considers the GEMS database for the La Loutre property to be valid and reliable.

Figure 12.1 – Validation of casing location during the field visit.

12.2 Logging, Sampling and Assaying Procedures

The InnovExplo authors reviewed several sections of mineralized core while visiting the core logging and core storage facilities in Val-d'Or (Figs. 12.2 and 12.3). All core boxes are labelled (Fig. 12.4) and properly stored outside. Sample tags are still present in the boxes and it was possible to validate sample numbers and confirm the presence of mineralization in witness half-core samples from mineralized zones (Fig. 12.5). A partial validation of analytical results and geological descriptions was performed by comparing assays and drill logs to drill core intercepts in selected drill holes. The authors are of the opinion that the protocols in place are adequate.

Figure 12.2 – Consul-Teck's core logging facility in Val-d'Or, Quebec

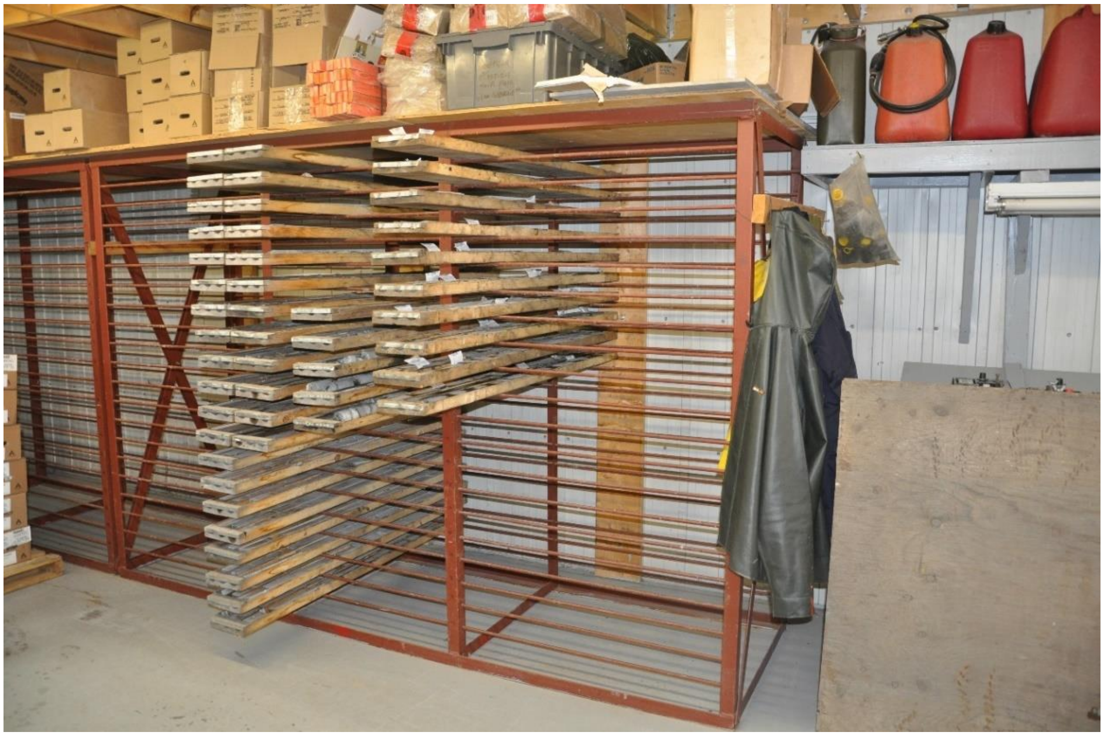


Figure 12.3 – Typical core rack at Consul-Teck's core logging facility

Figure 12.4 – Core boxes labelled with an aluminum tag

Figure 12.5 – Sample tag in the core box

12.3 Independent Repeat Analyses

InnovExplo selected 186 reference pulp samples (Fig. 12.6) encompassing a wide range of assay values (from low to medium to high) and kept the same numbers before submitting them to the AGAT Laboratory in Mississauga, Ontario, for duplicate analysis using the LECO method for graphitic carbon. The samples came from the 2014–2015 drilling programs.

Figure 12.6 – Boxes containing pulp samples from Canada Strategic drilling programs

Figure 12.7 plots the graphitic carbon values of the pulp duplicates against the original samples. The green lines represent a field of relative difference of about ±20%. The linear regression slope corresponds to 0.9928, with a correlation coefficient of 99.89%. The correlation coefficient (%) is given by the square root of R^2 and represents the degree scatter of data around the linear regression slope. The results indicate an excellent reproducibility of graphitic carbon values.

12.4 Conclusion

Overall, InnovExplo is of the opinion that the data verification process demonstrated the validity of the data and protocols for the La Loutre Property. InnovExplo considers the La Loutre database valid and of sufficient quality to be used for the 2016 MRE herein.

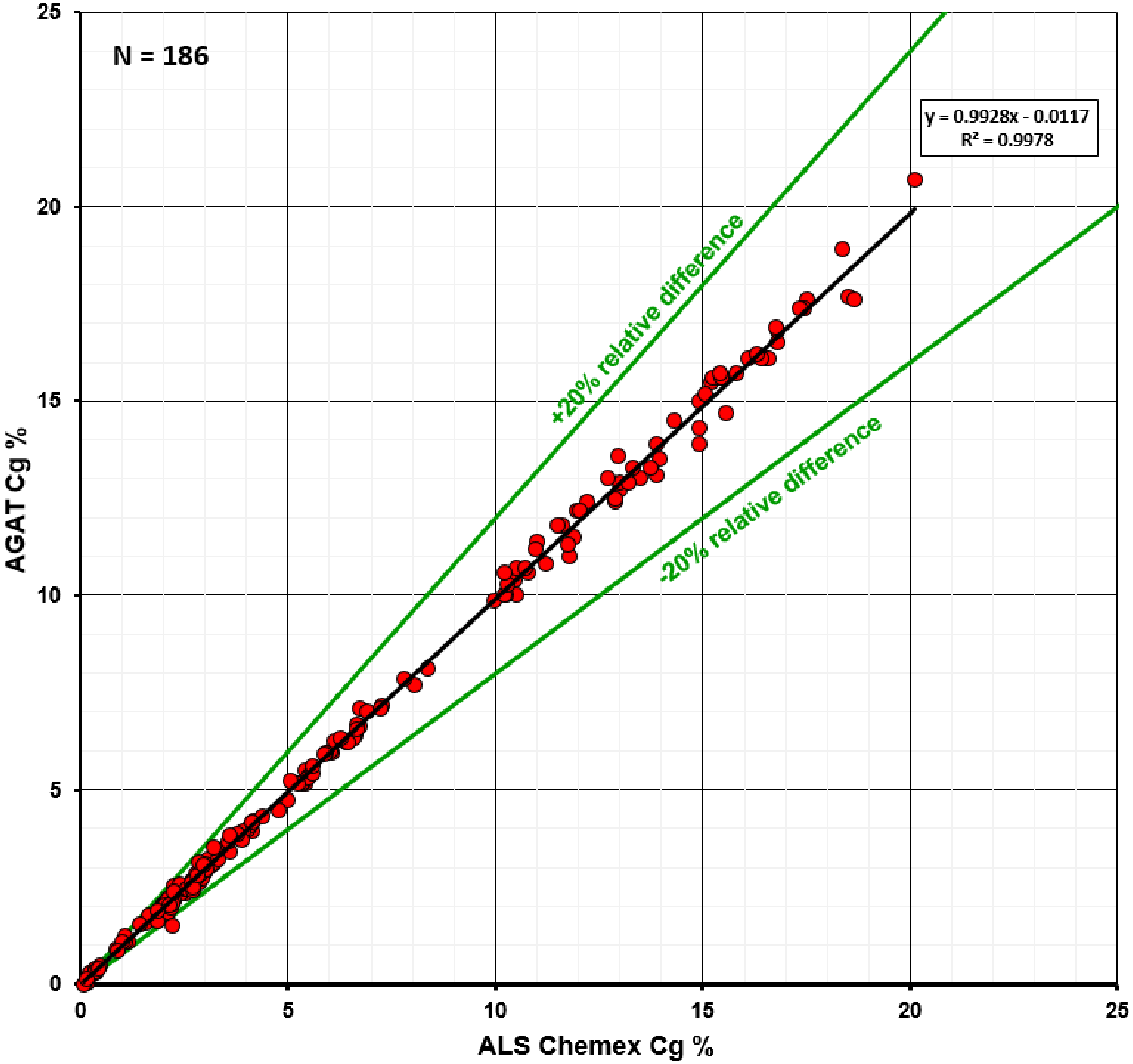


Figure 12.7 – Plot of pulp duplicate analyses from the AGAT Laboratory in Mississauga, Ontario. Green lines represent a field of relative difference of about ±20%.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

13.1 Introduction

Limited metallurgical testing was carried out on three grab sample composites of the La Loutre graphite mineralization in an attempt to evaluate the quality of the graphite with regards to flake size and achievable purity. The amenability of the material to gravity separation as a pre-concentration method was also evaluated. The composites were represented by selected 2012 grab samples collected on the La Loutre Property. These samples were previously assayed at Acme Met Labs in Vancouver, British Columbia. Table 13.1 shows the detailed results obtained from these grab samples and Figure 13.1 illustrates their location.

Table 13.1 – 2012 grab samples used for each composite

Composite	Composite Head Grade (Cg%)	Grab Sample Number	Grab Sample Results (Cg%)
Composite #1	**3.46**	**98616**	**5.00**
		98617	**3.80**
		98618	**5.48**
		98664	**5.36**
		98665	**3.55**
		98667	**18.04**
		98668	**3.96**
Composite #2	**5.62**	**98583**	**3.21**
		98584	**3.16**
		98586	**2.43**
		98597	**16.52**
		98652	**2.58**
		98657	**6.53**
		98658	**1.96**
Composite #3	**6.64**	**98568**	**6.25**
		98569	**5.46**
		98572	**1.96**
		98574	**4.28**
		98576	**6.25**
		98577	**18.08**
		98578	**15.52**
		98579	**4.25**
		98580	**3.59**
		98581	**4.89**

The testwork was conducted by GMR in Burnaby, British Columbia, and results were presented in the form of data sheets. The composite head grades (Cg%) were provided by GMR.

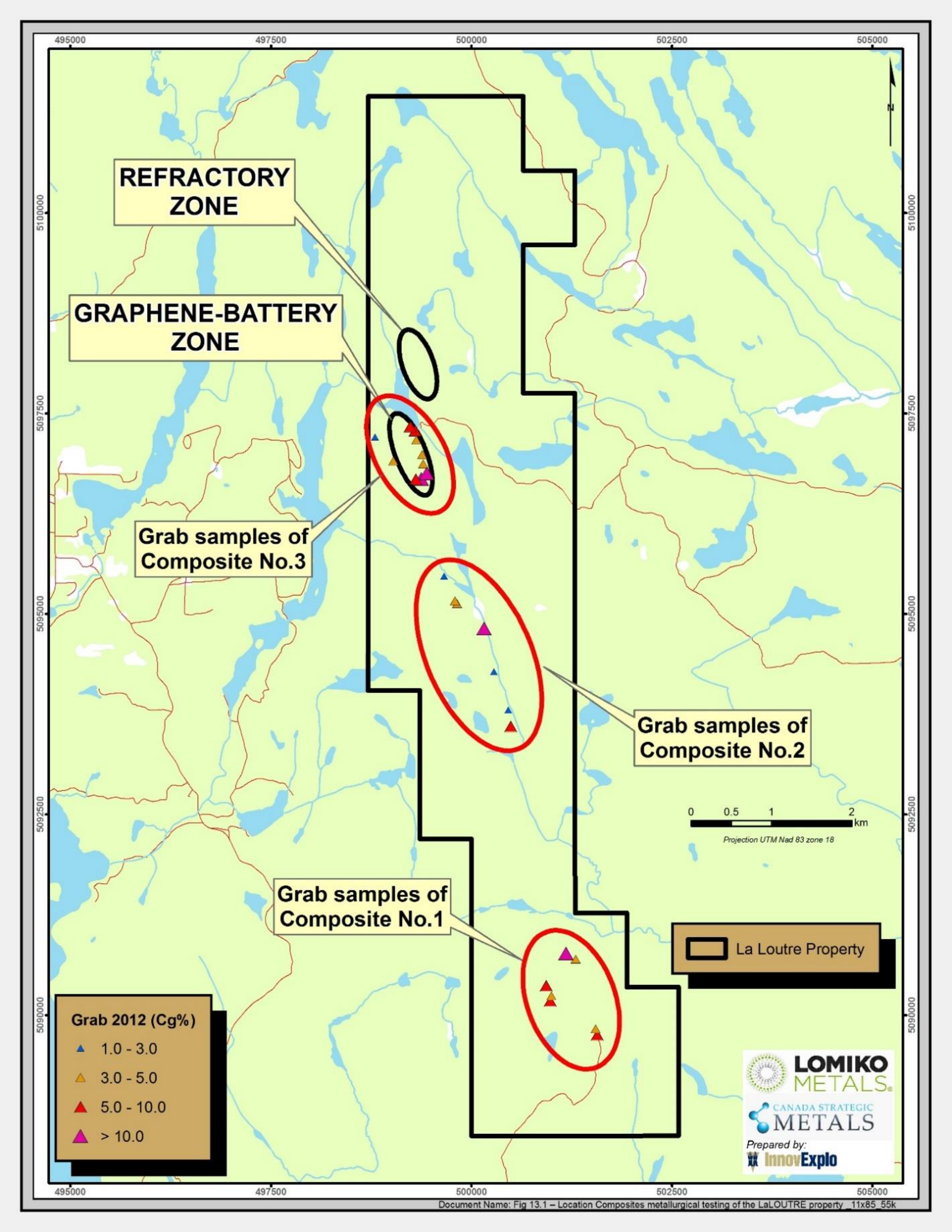


Table 13.1 – Location of 2012 grab samples used for each composite

13.2 Flake Size Analysis

Three composites of the La Loutre graphite mineralization were subjected to chemical purification followed by a size fraction analysis of the purified product. The head grade of composites #1, #2 and #3 were 3.46%, 5.62% and 6.64% graphitic carbon (Cg), respectively.

The purification process consisted of a leaching stage with hydrochloric acid to remove any carbonates, followed by a caustic bake at 400°C with sodium hydroxide. The caustic bake removes the remaining gangue minerals and does not dissolve the graphite flakes.

The purified products were screened at 50, 80, 100 and 200 mesh (300, 177, 150 and 74 µm), and the individual size fractions were assayed for graphitic carbon. The mass recovery into the various size fractions and their graphitic carbon grades are presented in Figures 13.2 and 13.3, respectively.

The mass recovery data reveals the coarse nature of the La Loutre graphite flakes, with 51.9% to 55.7% of the mass assigned to the large flake size category of +180 µm (80 mesh) for the three composites. A large percentage of the large flakes, 27.5% to 36.7%, fall into the jumbo size category of +300 µm (50 mesh). The two lower grade composites, #1 and #2, had the greatest amounts of jumbo graphite flakes, while composite #3, with the highest head grade of 6.64% Cg, contained the lowest amount of jumbo flakes.

With regards to concentrate grades, composite #3 produced the highest overall grade of 99.86% Cg. No graphite recovery values were provided for the tests, but taking into account the purification conditions, graphite recoveries are expected to be over 95%. With the exception of the -75 µm size fraction, which graded 99.0% Cg, all other size fractions produced a grade of 100% Cg. Composite #2 generated the second best results with a combined concentrate grade of 97.7% Cg. The three finest size fractions produced grades of 100% Cg. The -300/+180 µm and +300 µm size fractions yielded grades of 96.0% and 87.7% Cg, respectively. While composite #2 produced grades of at least 96.2% in all size fractions, only the finest product achieved the maximum grade of 100% Cg. As a result, the combined concentrate grade of 97.5% Cg was the lowest of the three samples.

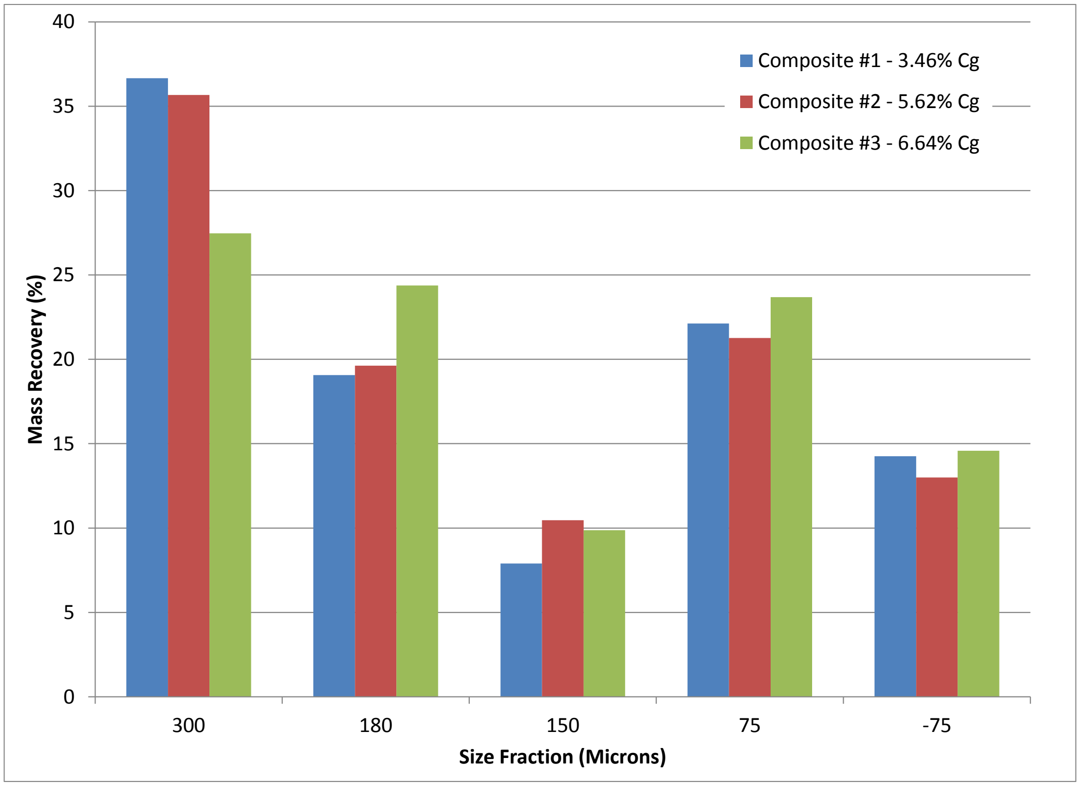


Figure 13.2 – Mass recoveries per size fraction (composites #1 to #3)

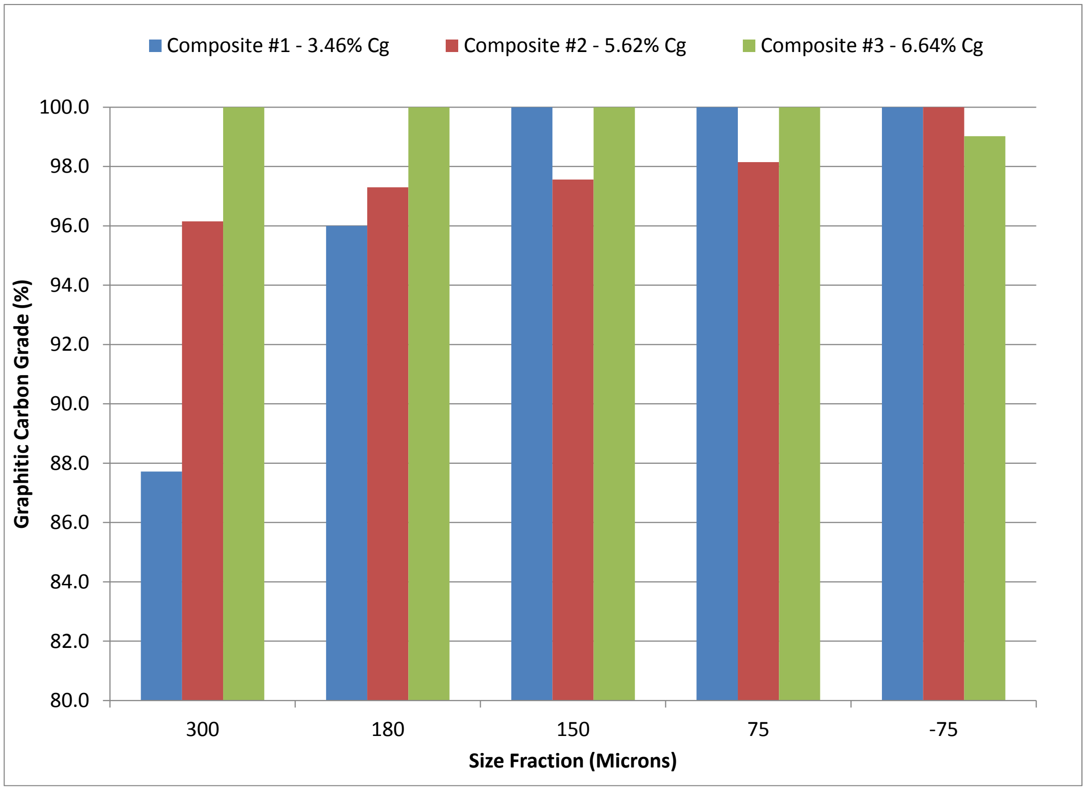


Figure 13.2 – Graphitic carbon grades per size fraction (composites #1 to #3)

13.3 Gravity Separation

The possibility of upgrading the La Loutre graphite mineralization by means of gravity separation was evaluated by GMR using a Mozley table.

The three samples were classified into three size fractions: +420 µm (35mesh), -420/+150 µm (-35/+100 mesh) and -150 µm (-100 mesh). The two coarser size fractions were processed on a Mozley table to generate graphite concentrate, middlings and tailings products. The finest product of -150 µm was not subjected to gravity separation. All graphite concentrates, middlings tailings, and -150 µm samples were subjected to a size fraction analysis.

The best results were achieved for composite #3 with the highest head grade of 6.64% Cg. The graphite concentrate of the intermediate size fraction of -420/+150 µm graded 74.93% Cg at 10.5% carbon recovery.

However, the combined tailings of the largest and medium size fractions contained between 16.1% and 35.7% of the graphitic carbon in the feed sample. These tailings losses are considered too high for an economically viable process. The tailings grades ranged between 1.43% Cg for the -420/+150 µm product of composite #1 and 5.75% Cg for the +420 µm product of composite #3.

14. MINERAL RESOURCE ESTIMATES

The 2016 La Loutre Mineral Resource Estimate herein (the “2016 MRE”) was prepared by Bruno Turcotte, M.Sc., P.Geo., and Guilhem Servelle, M.Sc., P.Geo., both of InnovExplo. The estimation was performed under the supervision of Vincent Jourdain, PhD, P.Eng., Technical Director of InnovExplo, using all available information. The main objective of the mandate assigned by Canada Strategic Metals Inc. (“Canada Strategic”) was to provide the first graphitic carbon mineral resource estimate on the La Loutre Property.

The estimate covers a corridor of the La Loutre Property with a strike-length of 2,400 m and a width of approximately 1,200 m, down to a vertical depth of 350 m below surface.

InnovExplo prepared a lithological model and an interpretation of graphite-bearing mineralized zones for the two areas of interest on the Property: the Graphene-Battery Zone and the Refractory Zone.

Sixty-two (62) lithological domains and mineralized zones, and one (1) external envelope, were interpreted in 3D using GEOVIA GEMS software (“GEMS”) using a drill hole database containing eighty (80) NQ surface diamond drill holes (“DDH”). Due to the levels of geological confidence observed during the modelling exercise, the authors retained only the Graphene-Battery Zone for the purpose of preparing the 2016 MRE.

The result of this study is a single Mineral Resource Estimate for twenty-seven (27) graphite-bearing zones and one (1) external envelope.

The mineral resources presented herein are not mineral reserves as they have no demonstrable economic viability. The estimate includes Indicated and Inferred resources for an open-pit scenario. The effective date of the estimate is January 15, 2016, the date on which AGP Mining provided the cut-off grade parameters.

14.1 Methodology

The 2016 MRE detailed in this report was prepared using GEOVIA GEMS software, v. 6.7.1 (“GEMS”). GEMS was used for modelling purposes, including the generation of solids, the variography study and the estimation approach, which consisted of 3D block modelling using the inverse distance squared (ID2) interpolation method. Basic and spatial statistics were established using a combination of GEMS and Microsoft Excel. The pit shell was generated using GEOVIA Whittle software, v. 4.6.0 (“Whittle”). Each of the steps described below has been validated once completed:

- Drill hole database compilation and validation;
- Modelling approach based on lithological model and graphitic carbon-bearing mineralized zones;
- Capping study on raw data;
- Compositing;
- Interpolation strategy including variography study, establishment of search ellipsoid parameters and boundaries methodology;
- Block modelling (geometry and structure);

- Classification;
- Pit shell study; and
- Final 2016 MRE statement by category.

14.1.1 Drill hole database

The GEMS diamond drill hole database contains eighty (80) NQ surface DDH drilled in 2014 and 2015 for a total of 35,775 m (LL-14-01 to LL-14-25 and LL-15-01 to LL-15-55). All these holes were drilled within the limits of the 2016 resource area, and were all compiled and validated as part of the current mandate before initiating the estimate (Fig. 14.1).

The lithological, alteration, structural and mineralization descriptions for the 80 drill holes in the database were taken from the drill core logs. The database provides full coverage of the two separate areas of interest, with drill spacing generally ranging from 40 to 100 m. The drill holes yielded a total of 6,615 sampled intervals, of which 3,176 are contained within mineralized solids. Most of the drill hole intervals defining the mineralized solids were sampled continuously.

The drill holes drilled on the La Loutre Property were generally oriented N050° to N070°, perpendicular to the general orientation of the interpreted graphite-bearing paragneiss as indicated by the trend of airborne EM anomalies; drill hole deviations are weak to moderate. The holes dip from 47° to 55°, and range in length from 51 to 293 m.

Drill hole spacing varies across the Property. The eighteen (18) DDH belonging to the Refractory Zone are spaced 50 to 100 m apart (Fig 14.1), and the sixty-two (62) DDH supporting the Graphene-Battery Zone are spaced 25 to 75 m apart. The northern portion of the Graphene-Battery Zone, between vertical cross sections 50S and 300N, has the tightest drill spacing on the Property (25 to 50 m) (Fig. 14.1). The southern portion, between sections 50S and 750S, has a drill spacing ranging from 35 to 75 m (Fig. 14.1).

All drill holes on the Graphene-Battery Zone were accurately surveyed using a differential GPS (refer to chapter 10.1). Holes LL-15-49 to LL-15-55, drilled on the Refractory Zone at the end of 2015 drilling program (Fig. 14.1), could not be surveyed by the contracted surveyor firm due to the arrival of winter weather. The collar coordinates of these holes were recorded by a handheld Garmin GPS, and their elevations were corrected using the modelled topographic surface. In addition, there are no downhole readings in the drill hole logs for these holes due to unreliability of the readings caused by the presence of magnetic rocks.

All header data (collar coordinates), down-hole survey data, lithological information and assay results were integrated into a GEMS database. In addition to the basic tables of raw data, the GEMS database contains several tables with the calculated drill hole composites and wireframe solid intersections required for the statistical evaluation and resource block modelling.

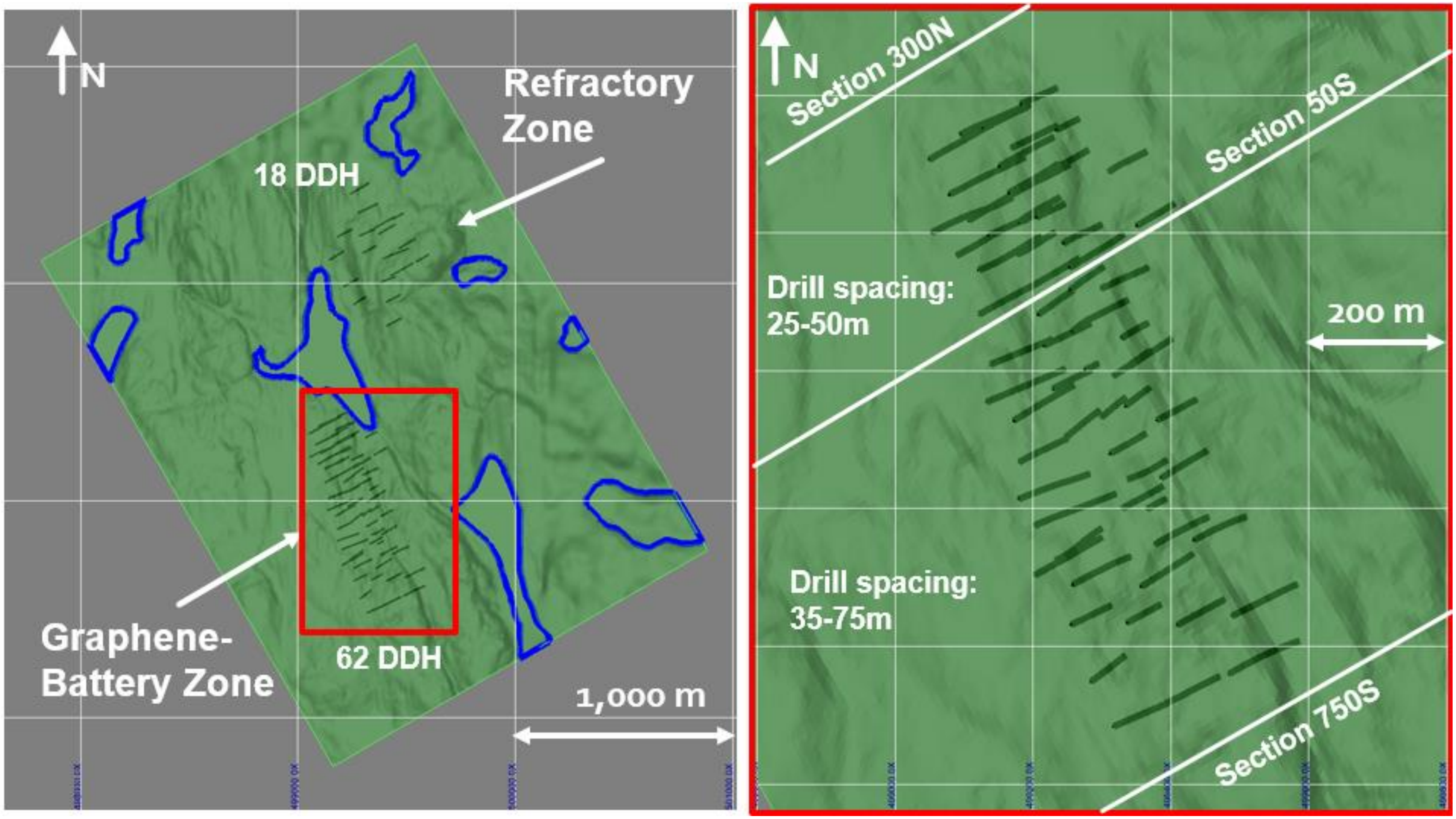


Figure 14.1 – Composite plan views showing the two areas of interest on the La Loutre Property, their respective drill hole traces (left) and a close-up view of the Graphene-Battery Zone to show drilling density (right). The green background is the topographic surface and the blue outlines are the lakes.

14.1.2 Modelling Approach

The selected modelling approach was to first interpret lithological domains, followed by the interpretation of mineralized zones.

Lithological domains

The interpretation of lithological domains was done on vertical cross sections (“sections”) based on the geological information provided by drill hole descriptions. The interpretation defines two types of lithological domains, “Quartzite” and “Marble”, hosted by a wide Paragneiss unit. The domains are subparallel and stratigraphically concordant, with a global strike of N150 and a dip ranging from -30° to -50° to the southwest (Fig. 14.2).

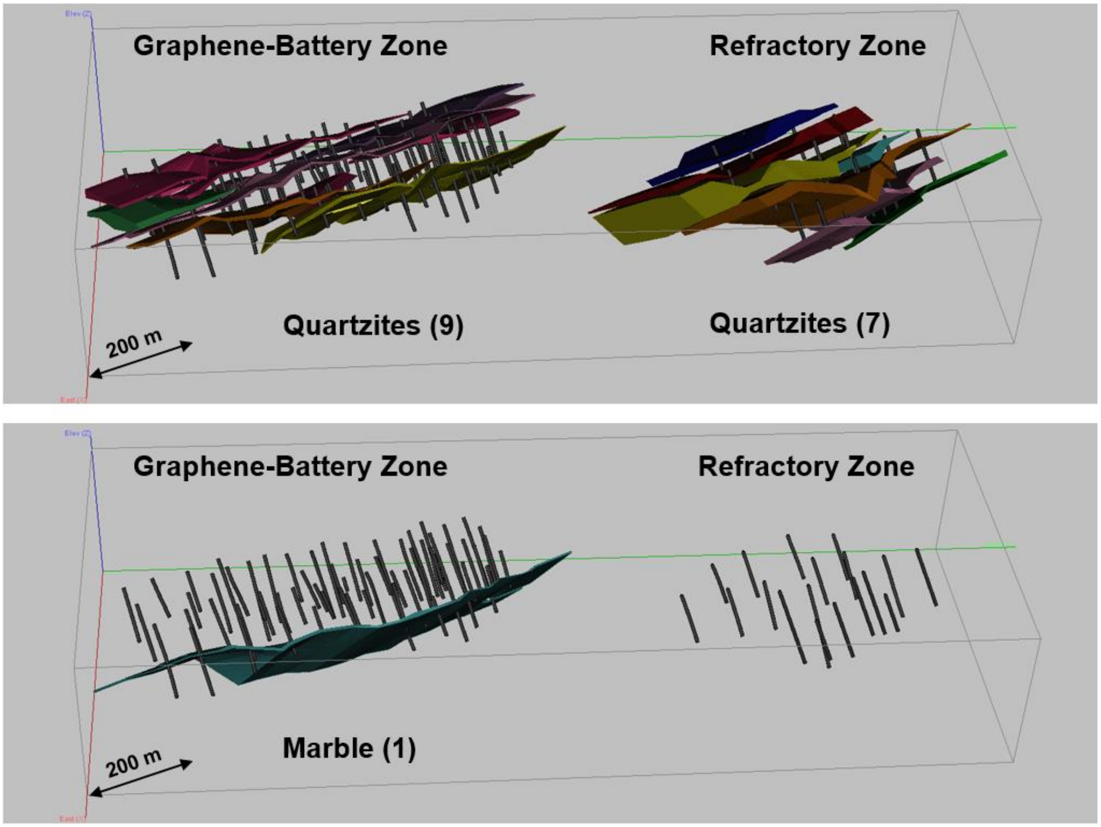


Figure 14.2 – 3D view of the La Loutre modelled lithological domains looking west. Drill hole traces illustrate the density of information.

Sixteen (16) Quartzite domains (Fig. 14.2) were defined in the two areas of interest. They are represented by subparallel, generally thin panels (typically several metres thick, exceptionally to 100 m), with a lateral continuity of up to 1,000 m. The overall graphitic carbon grade (Cg%) obtained for the Quartzite domains is below 1%, but some domains have higher grades in the quartzite near the contact with the Paragneiss. Quartzite domains belonging to the Refractory Zone are thickest, laterally shorter and more difficult to interpret compared to the Quartzite domains in the Graphene-Battery Zone.

A single marble domain was modelled in the Graphene-Battery Zone (Fig 14.2). It consists of a thin unit with a lateral footprint of 1,060 m. The Marble domain does not contain significant graphitic carbon grades.

Mineralized zones

The interpretation of mineralized zones was realized on sections based on graphitic carbon grades (Cg%) in drill holes, guided by the interpreted lithological domains. Mineralized zones have an average strike of N150° and an average dip of -45° to the southwest, and are generally stratigraphically concordant with lithological domains (Figs. 14.2 and 14.3). A minimum width of 4.0 m (true width) was respected for the interpretation model. Two types of mineralized zones were interpreted: High-Grade (HG) and Low-Grade (LG) zones. They appear to be more continuous in the Graphene-Battery Zone than the Refractory Zone.

Twelve (12) LG zones (Fig. 14.3, top) were interpreted, characterized by the lowest graphitic carbon grades (>1% Cg). They form wide lenses enclosing the HG zones. LG zones are wide (10 to 150 m) and have long lateral footprints of up to 1,000 m.

Thirty-three (33) HG zones (Fig. 14.3, bottom) were interpreted, characterized by the highest graphitic carbon grades (>4% Cg). They are distributed along or near contacts with Quartzite domains (Fig. 14.4). The HG zones are generally thin (4 to 20 m) and have a lateral footprint reaching up to 500 m.

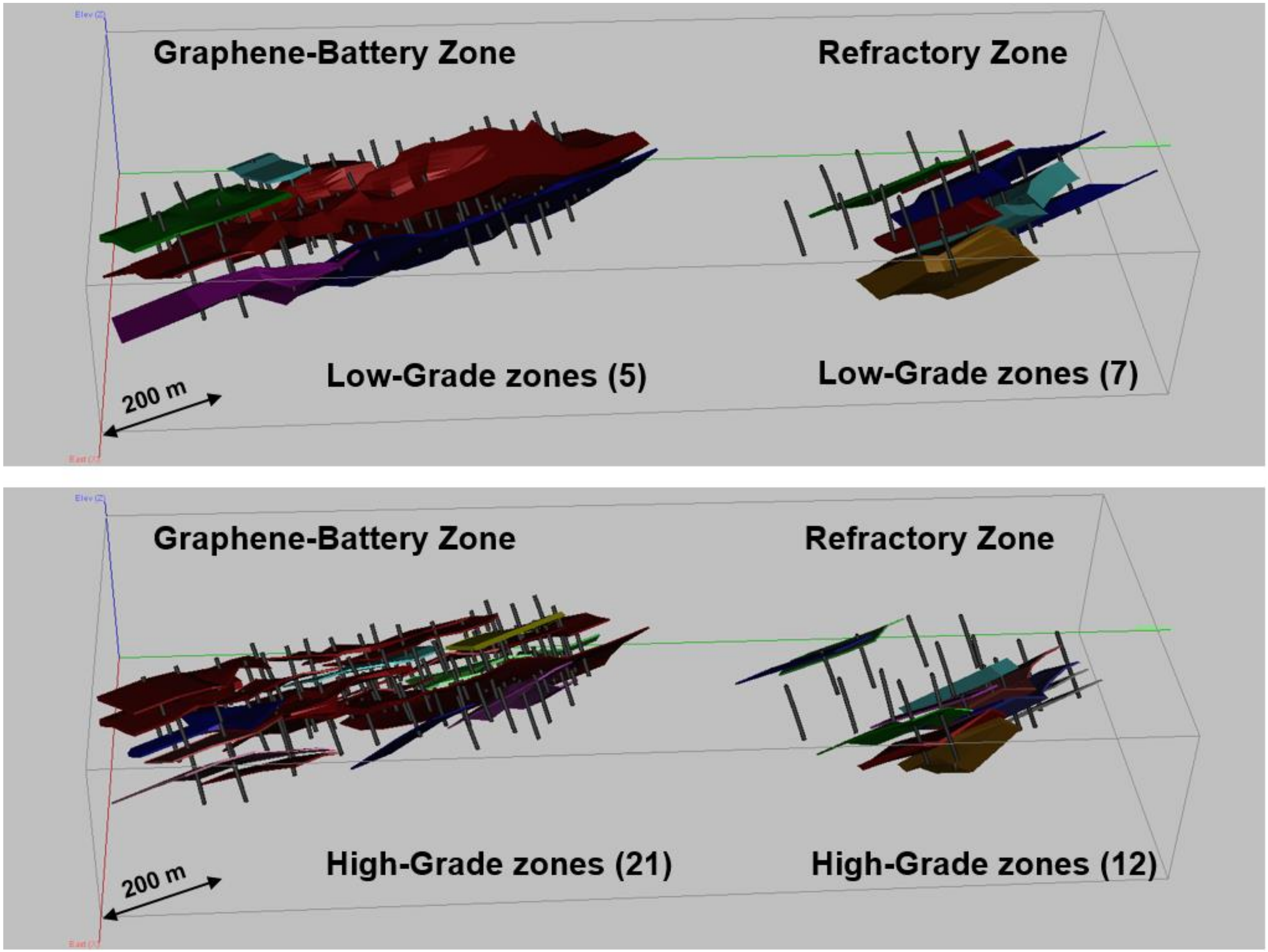
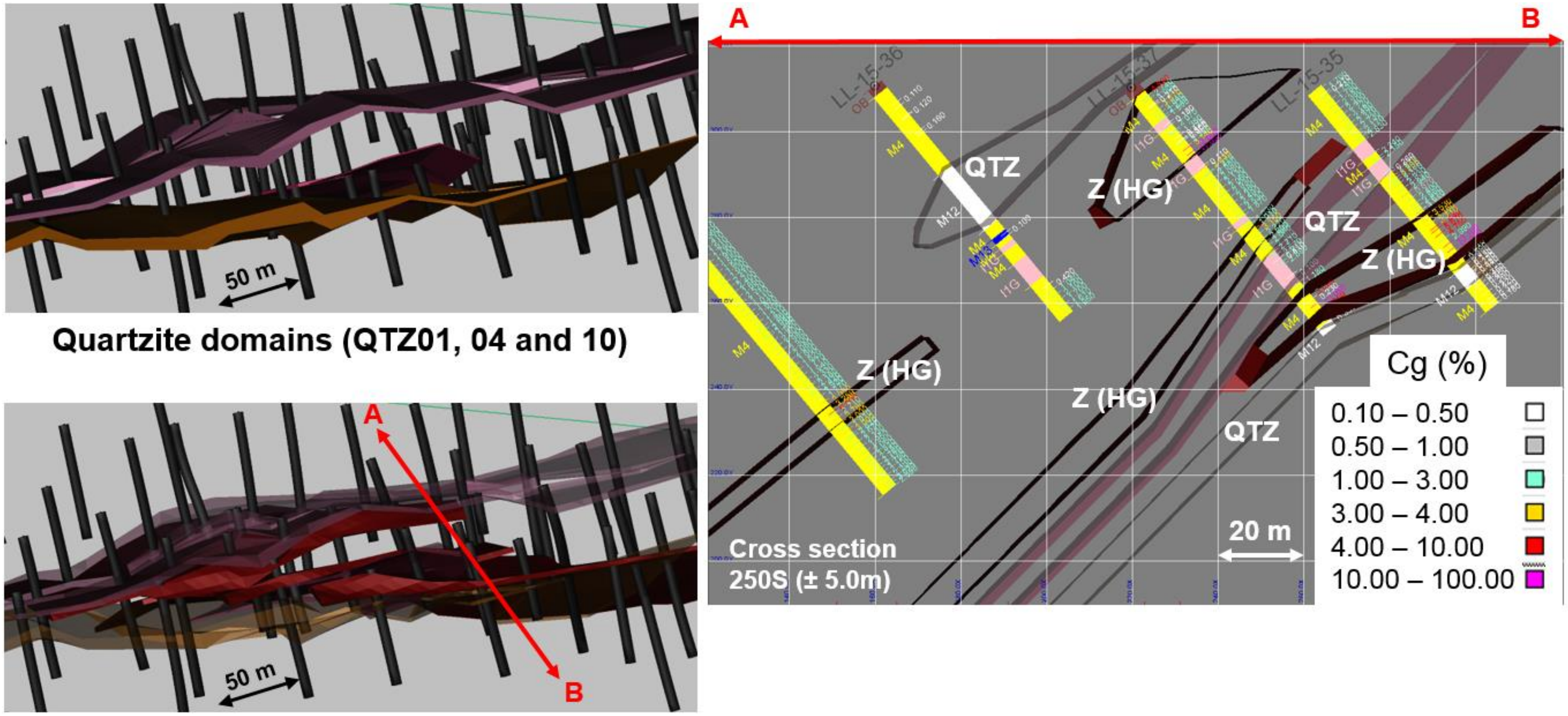


Figure 14.3 – 3D view of the La Loutre modelled mineralized zones looking west. Drill hole traces illustrate information density.



Quartzite domains (QTZ01, 04 and 10)

Quartzite domains (translucent) + High-Grade zones (Z01, 10 and 12)

Figure 14.4 – 3D views (left) and vertical cross section (right) illustrating the distribution of HG zones compared to interpreted Quartzite domains in the Graphene-Battery Zone

The wireframe solids of the model were created by digitizing the data and performing an interpretation on sections spaced 50 m apart, using 3D points snapped to the drill hole information, and then using tie-lines between the 3D rings to complete the wireframes for each solid.

The model contains a total of sixty-two (62) solids: thirty-three (33) HG solids (coded 1010 to 1330), twelve (12) LG solids (coded 3010 to 3130), sixteen (16) Quartzite solids (coded 2010 to 2180), and one (1) Marble solid (coded 4010). An external envelope (coded 20000) constitutes the remaining volume of the block model. Overlaps were handled by the “precedence” system used in GEMS to code the block model.

For the purpose of the mineral resource estimation, the authors considered only thirty-one (31) of the solids plus the external envelope, all belonging to the Graphene-Battery Zone (Fig. 14.5). These 31 solids, shown below, were selected for their demonstrated continuity during the modelling exercise (see section 10.4; Figs. 14.1 and 14.2):

- 21 HG solids (coded 1010 to 1210);
- 5 LG solids (coded 3010 to 3050);
- 5 Quartzite solids (coded 2010 to 2180) (these contain only a few graphitic carbon grades).

An external envelope (coded 20000) was used for isolated graphitic carbon grades that had not been assigned to any mineralized zone or been assigned a lithological rock code.

The Marble domain, despite its demonstrated continuity, was not considered as a mineralized zone; it was considered barren material because it does not contain any significant grades.

The remaining solids, all interpreted on the Refractory Zone, are considered preliminary and did not demonstrate sufficient continuity to be included in a resource estimate. They are therefore excluded from the 2016 MRE (see section 10.4; Figs. 14.1 and 14.2).

A 3D surface representing the bedrock-overburden interface was generated by triangulating the bottom of the overburden-coded intersections in the drill hole dataset. The surface was then re-interpreted with digital topographic curves at every 0.5 m to ensure sufficient coverage and smoothness. Two surfaces were created to define both topography and overburden.

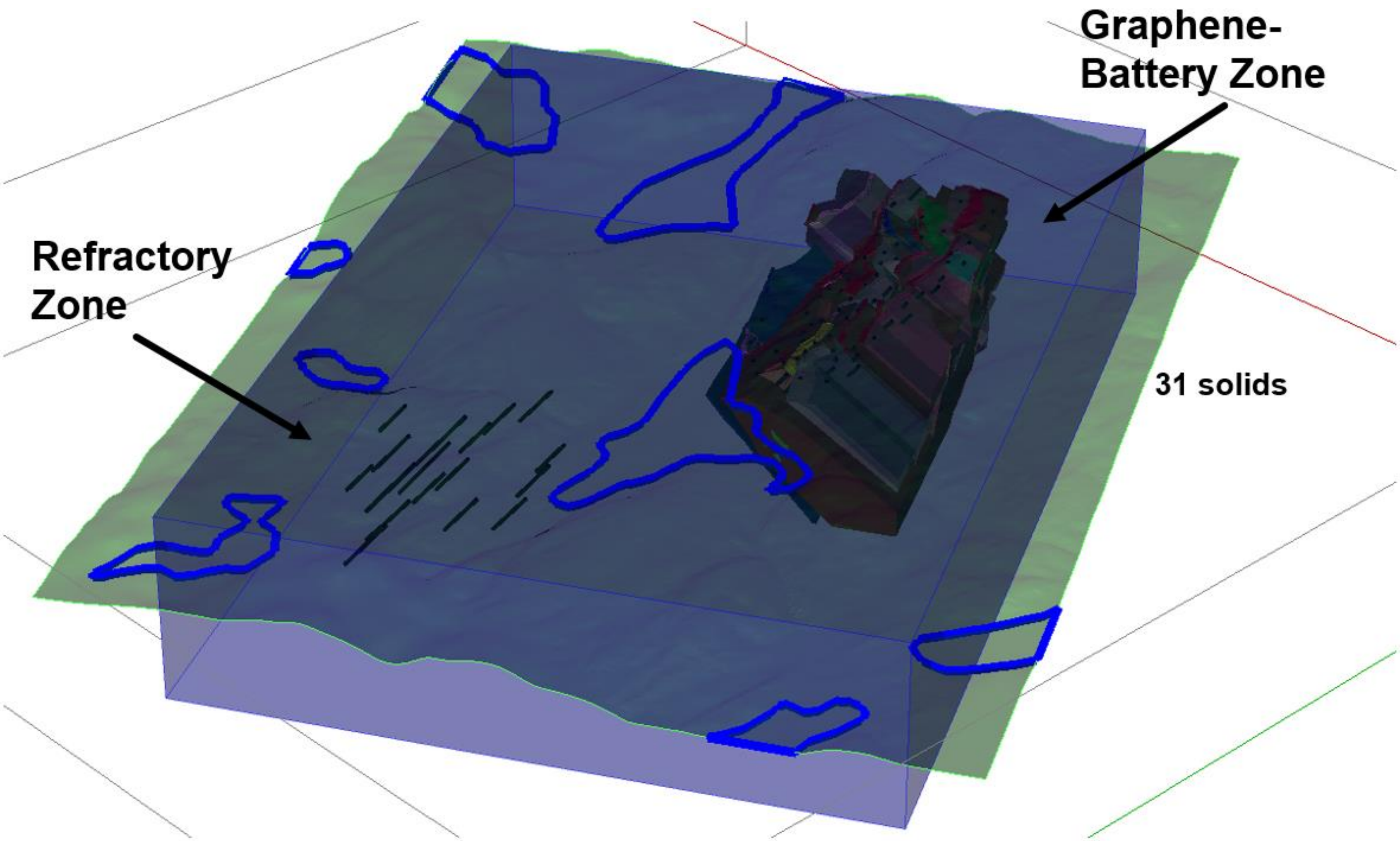


Figure 14.5 – 3D view looking east illustrating the thirty-one (31) solids selected by InnovExplo for the mineral resource estimation. All solids belong to the Graphene-Battery Zone.

14.1.3 High-grade capping

Drill hole intervals intersecting any of the mineralized zones, lithological domains or external envelope were automatically coded in the database. This database was used to analyze sample lengths and to generate statistics, composites and variography. Table 14.1 presents a summary of the statistical analysis for each of the thirty-one (31) solids from the Graphene-Battery Zone, and the external envelope.

Basic univariate statistics were performed on datasets grouped by zone using point area files containing raw analytical graphitic carbon grades (Cg%), for a total of 6,615 drill hole samples. The capping study was only performed on the twenty-one (21) HG zones in the Graphene-Battery Zone. This is justified given their significantly higher grades than the LG zones and Quartzite domains (Table 14.1).

No raw assays were capped for the purpose of the mineral resource estimation. This decision is supported by the following observations (as illustrated in Fig. 14.6):

- The graphitic carbon contained in the last decile is less than 40% Cg;
- 10% of the cumulative graphitic carbon content is contained in more than 1% of the samples;
- The probability plot of graphitic carbon grades does not show any breakage or scatter compared to the distribution curve; and
- The log normal population of graphitic carbon grades does not show any erratics.

Table 14.1 – Summary statistics for the raw DDH assays by mineralized zone, lithological domain and external envelope (Graphene-Battery Zone)

MINERALIZED ZONE/ LITHOLOGICAL DOMAIN	BLOCKCODE	NUMBER OF SAMPLE	SAMPLE LENGTH			RAW ASSAYS				
			MAX (m)	MIN (m)	MEAN (m)	MAX (%Cg)	MIN (%Cg)	UNCUT MEAN	UNCUT MEDIAN	UNCUT COV
Z01	1010	178	1.50	0.50	1.19	19.35	0.09	7.00	4.79	0.74
Z02	1020	103	1.50	0.50	1.23	17.55	1.31	7.05	5.49	0.69
Z03	1030	33	1.50	0.50	1.23	18.70	2.28	6.44	4.01	0.76
Z04	1040	39	1.50	0.50	1.20	18.30	0.16	9.57	8.30	0.60
Z05	1050	4	1.50	1.00	1.23	10.50	1.49	5.30	4.61	0.68
Z06	1060	55	1.50	0.20	1.08	16.90	0.01	4.80	2.75	1.06
Z07	1070	89	1.50	0.30	1.18	19.20	0.11	5.78	4.79	0.74
Z08	1080	4	1.50	0.65	1.05	5.10	2.30	0.94	3.12	1.15
Z09	1090	35	1.50	0.60	1.26	18.65	0.12	4.54	3.55	0.81
Z10	1100	188	1.55	0.25	1.21	18.50	0.03	4.92	3.96	0.78
Z11	1110	8	1.50	0.60	1.28	4.19	0.25	2.98	3.07	0.38
Z12	1120	75	1.50	0.30	1.20	14.75	0.31	4.31	3.54	0.58
Z13	1130	27	1.50	0.50	1.10	14.25	0.08	4.80	2.93	0.83
Z14	1140	32	1.50	0.60	1.33	16.50	0.99	5.67	2.88	0.85
Z15	1150	43	1.50	0.40	1.35	4.85	1.85	3.30	3.23	0.20
Z16	1160	18	1.50	0.70	1.25	16.30	0.75	6.09	4.75	0.70
Z17	1170	13	1.50	0.50	1.04	17.50	0.06	5.17	3.46	0.86
Z18	1180	62	1.50	0.35	1.12	19.40	0.15	7.64	6.04	0.69
Z19	1190	16	1.50	0.30	1.02	9.16	0.12	3.72	3.42	0.72
Z20	1200	45	1.50	0.50	1.20	18.50	0.34	6.02	4.58	0.80
Z21	1210	4	1.35	1.15	1.20	4.08	0.16	2.46	2.80	0.68
ALL HG	**TOTAL**	**1071**	**1.55**	**0.20**	**1.21**	**19.40**	**0.01**	**5.83**	**4.05**	**0.79**
ENV1	3010	1989	1.90	0.15	1.34	3.97	0.01	2.18	2.25	0.33
ENV2	3020	113	1.50	0.25	1.33	4.19	0.02	1.52	1.45	0.58
ENV3	3030	5	1.50	0.80	1.32	2.35	0.80	1.59	1.32	0.40
ENV4	3040	94	1.50	0.20	1.17	3.68	0.01	1.12	1.20	0.66
ENV5	3050	9	1.50	0.40	1.14	5.63	0.03	2.17	2.12	0.70
ALL LG	**TOTAL**	**2210**	**1.90**	**0.15**	**1.34**	**5.63**	**0.01**	**2.10**	**2.14**	**0.37**
QZ_01	2010	138	1.90	0.30	1.19	3.63	0.01	0.28	0.09	2.06
QZ_03	2030	31	1.50	0.65	1.14	0.86	0.01	0.20	0.15	1.12
QZ_09	2090	84	1.50	0.20	1.14	2.28	0.01	0.42	0.19	1.21
QZ_10	2100	26	1.50	0.60	1.12	2.89	0.01	0.52	0.20	1.65
QZ_11	2110	100	1.50	0.20	1.12	1.21	0.01	0.17	0.09	0.34
ALL QTZ	**TOTAL**	**379**	**1.90**	**0.20**	**1.14**	**3.63**	**0.01**	**0.30**	**0.12**	**1.75**
EXT. ENV.	20000	1856	1.60	0.20	1.28	6.91	0.01	0.38	0.27	1.40

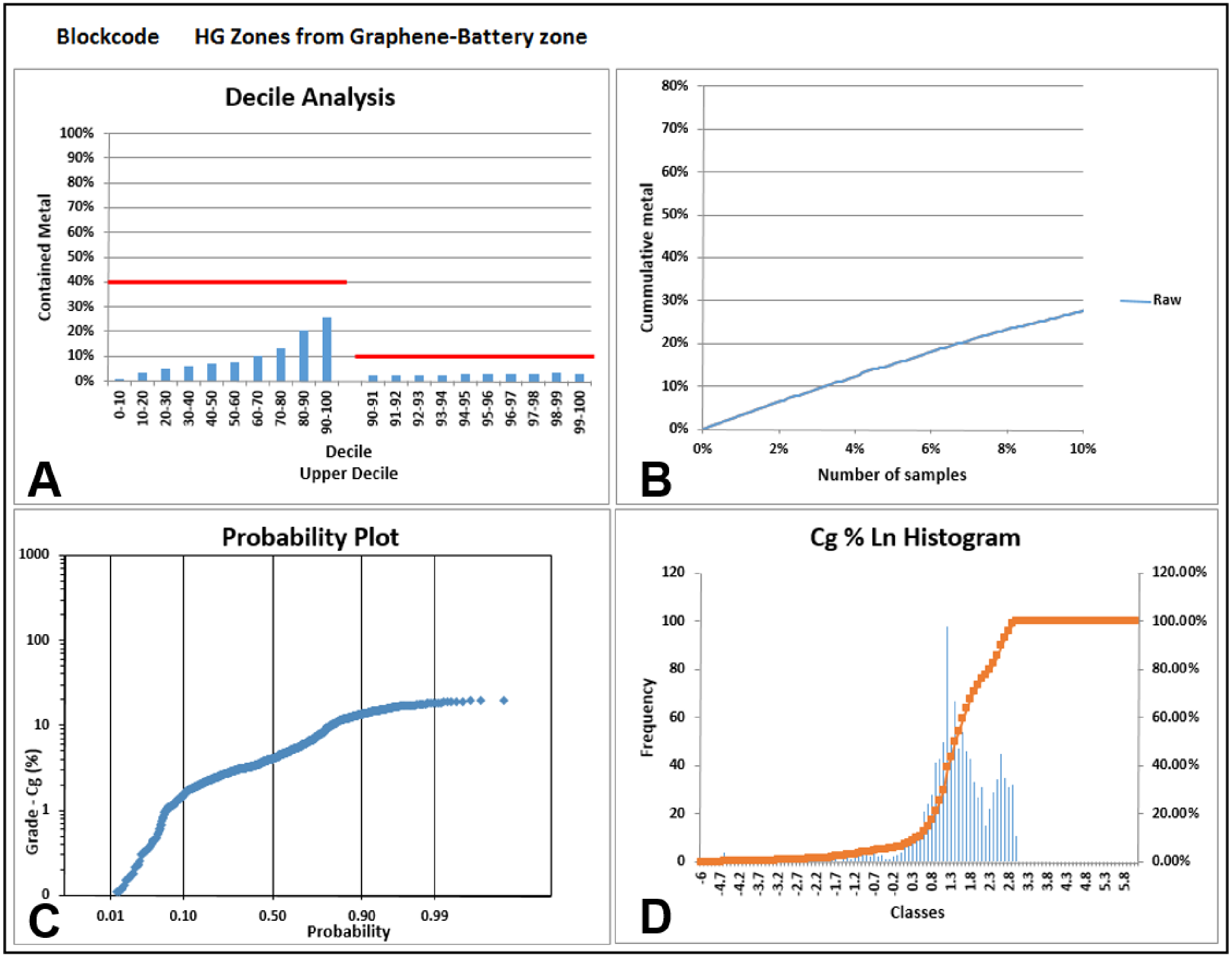


Figure 14.6 – Statistical analysis for DDH raw assays in Cg (%) for the HG zones in the Graphene-Battery Zone

14.1.4 Compositing

In order to minimize any bias introduced by the variable sample lengths, the graphitic carbon grades (Cg%) of the drill hole samples were composited to equal lengths of 1.5 m ("1.5m composites") within all intervals in the graphite-bearing zones. This means that when the last interval is less than 1.5 m, the composite length is adjusted to make all intervals equal. The compositing parameters were fixed to allow intervals to be less than 1.5 m, but not less than 0.75 m. The result is composite lengths that vary from a minimum of 0.75 m to a maximum of 2.25 m. The choice of composite length is support by statistical studies on sample lengths (raw data) (Fig. 14.7) and intercepts from mineralized zones. Composite generation is based on uncut graphitic carbon raw assays (Cg%) and was done for all sixty-two (62) interpreted graphite-bearing zones and lithological domains, and the external envelope. In all, 6,923 composites were generated. For the purpose of the mineral resource estimation, the authors considered only the composites from the thirty-one (31) mineralized zones and lithological domains, and the external envelope, yielding a total of 5,268 composites. Table 14.2 summarizes the basic statistics for these composites, and Figure 14.8 compares raw assays to compositing results along a selected drill hole.

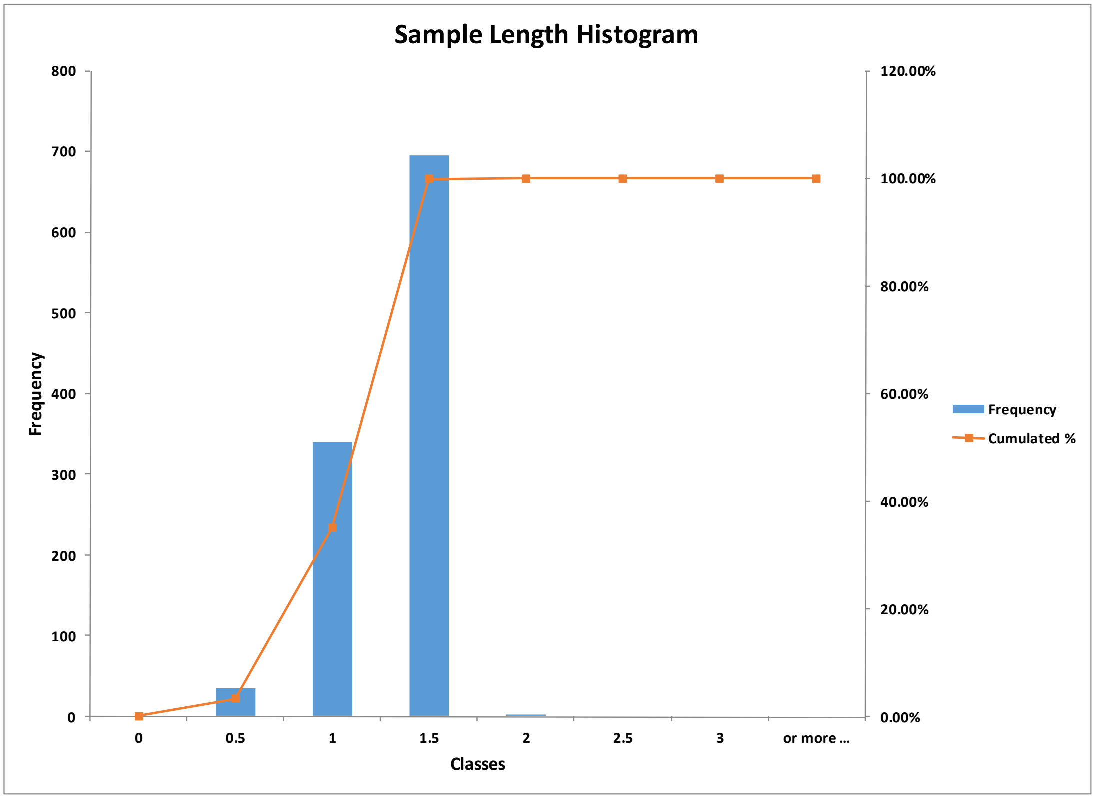


Figure 14.7 – Histogram illustrating the three main sample length classes identified within the HG zones belonging to the Graphene-Battery Zone.

In the overall composite population, missing sample intervals represent 15.8% (1,094 "NC" (not calculated) composites). A grade of 0.00 g/t Au was assigned. Missing sample intervals correspond to less than 0.15% of the HG and LG zones (Table 14.2).

The largest portion of missing sample intervals, up to 45%, comes from Quartzite domains (Table 14.2).

Table 14.2 – Summary statistics for the composited DDH assays by mineralized zone, lithological domain and external envelope for the Graphene-Battery Zone

MINERALIZED ZONE/ LITHOLOGICAL DOMAIN	BLOCKCODE	NUMBER OF COMPOSITE	COMPOSITE						
			MAX (%Cg)	MIN (%Cg)	MEAN	MEDIAN	COV	NC COMPOSITE	% OF NC COMPOSITE
Z01	1010	145	18.88	0.01	6.88	4.97	0.69	1	0.69%
Z02	1020	90	17.37	1.83	6.73	5.44	0.60	0	0.00%
Z03	1030	27	16.93	2.29	6.18	4.55	0.65	0	0.00%
Z04	1040	32	17.57	0.52	9.70	9.09	0.50	0	0.00%
Z05	1050	3	9.97	1.57	5.34	4.48	0.65	0	0.00%
Z06	1060	40	16.64	0.02	5.17	4.57	0.87	0	0.00%
Z07	1070	70	15.91	1.33	5.87	5.35	0.59	0	0.00%
Z08	1080	3	4.78	2.30	3.26	2.71	0.33	0	0.00%
Z09	1090	29	14.01	0.57	4.60	3.71	0.59	0	0.00%
Z10	1100	150	16.77	0.22	4.95	4.02	0.65	0	0.00%
Z11	1110	7	4.02	2.44	3.12	2.94	0.50	0	0.00%
Z12	1120	59	12.12	1.89	4.28	3.66	0.44	0	0.00%
Z13	1130	19	13.40	1.82	4.74	3.01	0.75	0	0.00%
Z14	1140	28	16.28	1.30	5.75	3.53	0.81	0	0.00%
Z15	1150	39	4.66	2.17	3.32	3.27	0.16	0	0.00%
Z16	1160	15	15.73	3.00	6.65	4.86	0.63	0	0.00%
Z17	1170	9	12.50	0.27	5.80	4.36	0.70	0	0.00%
Z18	1180	46	19.07	0.24	7.70	5.93	0.63	0	0.00%
Z19	1190	11	6.34	1.13	3.70	3.10	0.41	0	0.00%
Z20	1200	38	18.06	1.19	5.86	5.04	0.75	0	0.00%
Z21	1210	3	4.06	0.58	2.45	2.72	0.58	0	0.00%
ALL HG	**TOTAL**	**863**	**19.07**	**0.01**	**5.84**	**4.39**	**0.70**	1	0.12%
ENV1	3010	1779	3.60	0.00	2.20	2.27	0.29	1	0.06%
ENV2	3020	101	3.77	0.12	1.48	1.42	0.51	0	0.00%
ENV3	3030	6	2.35	0.01	1.25	1.06	0.68	0	0.00%
ENV4	3040	75	3.67	0.01	1.20	1.24	0.70	1	1.33%
ENV5	3050	7	2.92	1.00	2.26	2.28	0.27	0	0.00%
ALL LG	**TOTAL**	**1968**	**3.77**	**0.00**	**2.14**	**2.22**	**0.35**	2	0.10%
QZ_01	2010	176	2.94	0.01	0.19	0.05	2.57	54	30.68%
QZ_03	2030	57	2.62	0.01	0.17	0.01	2.61	26	45.61%
QZ_09	2090	80	1.93	0.00	0.36	0.15	1.30	14	17.50%
QZ_10	2100	19	1.68	0.01	0.46	0.27	1.14	0	0.00%
QZ_11	2110	107	0.73	0.00	0.12	0.05	1.35	25	23.36%
ALL QTZ	**TOTAL**	**439**	**2.94**	**0.00**	**0.21**	**0.06**	**2.05**	119	27.11%
EXT. ENV.	20000	1998	6.17	0.00	0.31	0.20	1.50	340	17.02%

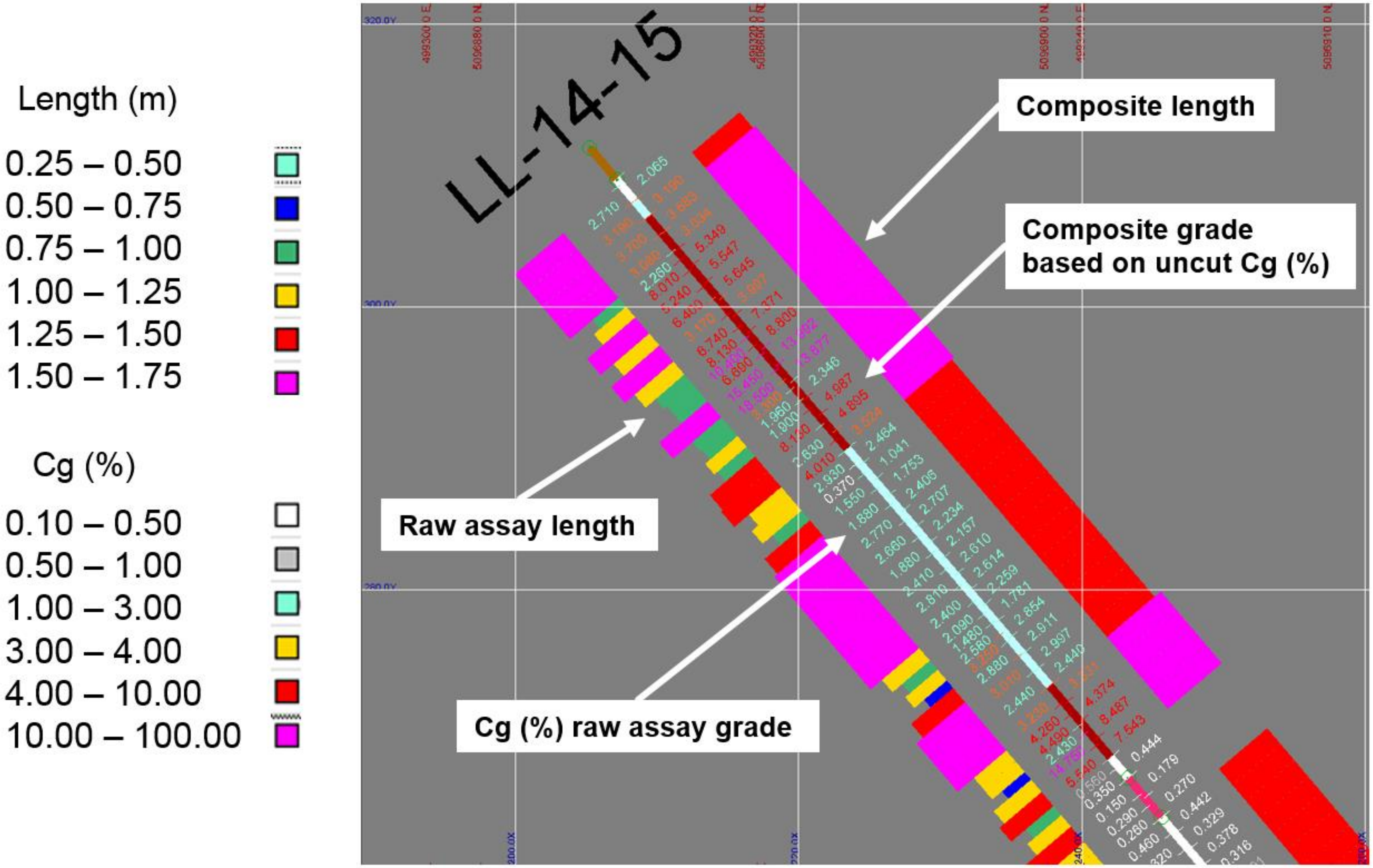


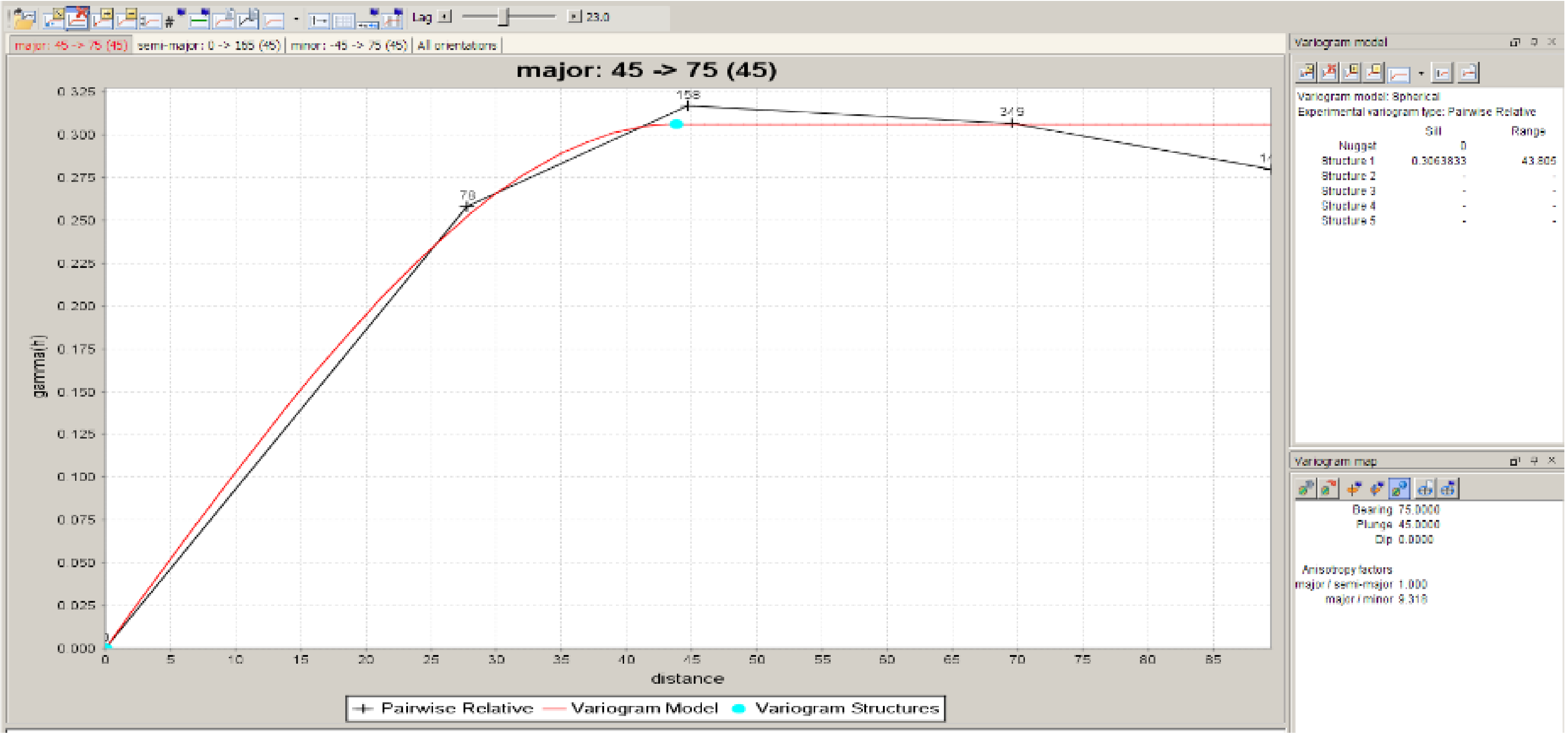
Figure 14.8 – Results of compositing within mineralized intercepts in drill hole LL-14-15. Along the drill hole trace, the grades of HG zone intercepts are shown in dark red and LG zones are in cyan (raw lengths and assays on left, composite length and grades on right).

14.1.5 Interpolation Strategy

Variography

A 3D directional-specific variogram analysis was conducted on mineralized zones with the largest number of composites: three HG zones (Z01, Z02 and Z10) and one LG zone (ENV1). No study was conducted on the Quartzite domains due to the low number of significant graphitic carbon grades. The study used the 1.5m composites of the uncapped assay data.

The results for the mineralized zones correlated fairly well with the geological features of the deposit (N150°/-45°). Figures 14.9 and 14.10 show directional variograms for the Z01 and ENV1 zones.



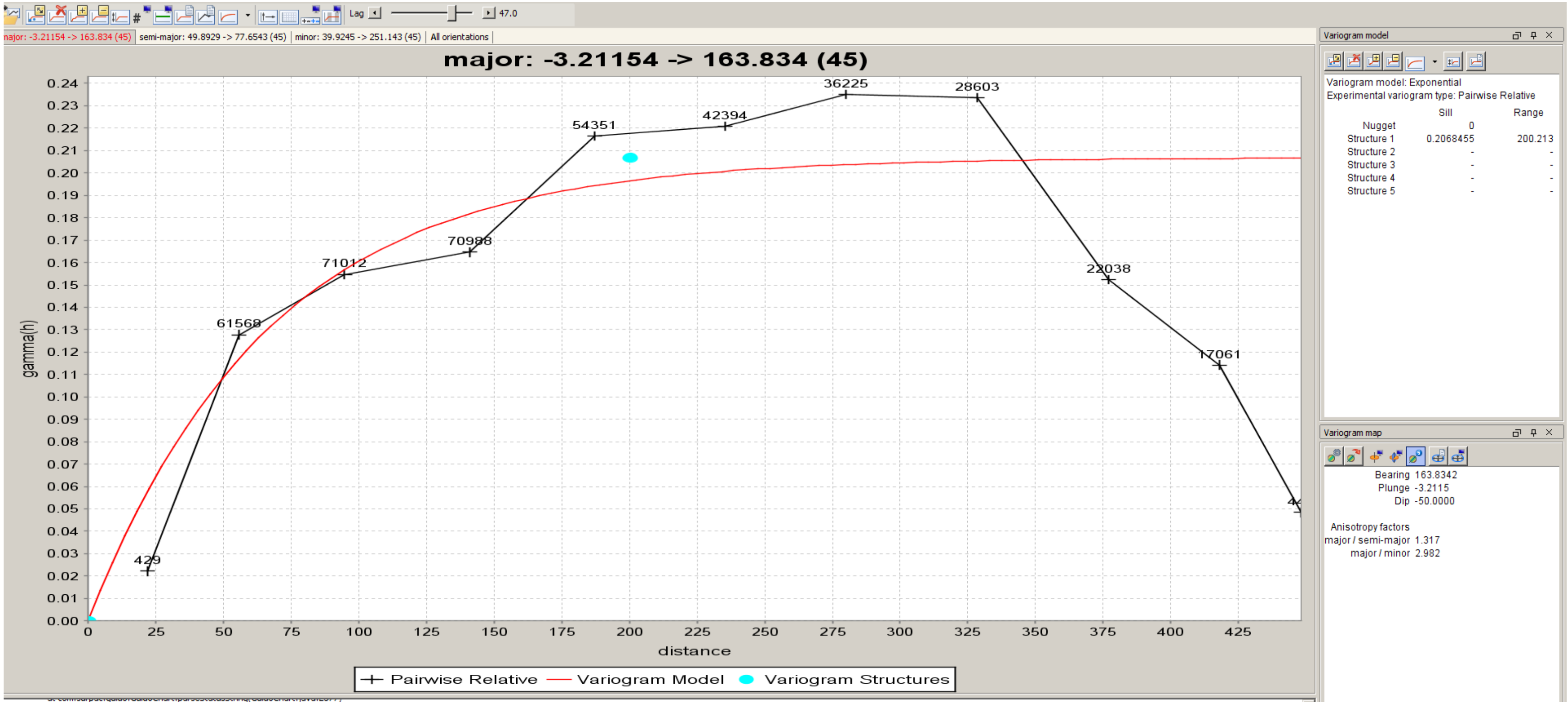
Variogram model: Spherical
Experimental variogram type: Pairwise Relative

	Sill	Range
Nugget	0	
Structure 1	0.3063833	43.805
Structure 2	-	-
Structure 3	-	-
Structure 4	-	-
Structure 5	-	-

Bearing 75.0000
Plunge 45.0000
Dip 0.0000

Anisotropy factors
major / semi-major 1.000
major / minor 9.318

Figure 14.9 – Major directional variogram for HG zone Z01 (1010)



Variogram model: Exponential
Experimental variogram type: Pairwise Relative

	Sill	Range
Nugget	0	
Structure 1	0.2068455	200.213
Structure 2	-	-
Structure 3	-	-
Structure 4	-	-
Structure 5	-	-

Bearing 163.8342
Plunge -3.2115
Dip -50.0000

Anisotropy factors
major / semi-major 1.317
major / minor 2.982

Figure 14.10 – Major directional variogram for LG zone ENV1 (3010)

Search Ellipsoids

For the final interpolation, twelve (12) search ellipsoids were used. The final ranges selected by InnovExplo for the ellipsoid radiuses were based on the 3D variography combined with drill hole distribution and information from the geological model.

- The final ranges for the HG and Quartzite zones corresponded closely to 1.5x the Z01 variography (Fig. 14.11);

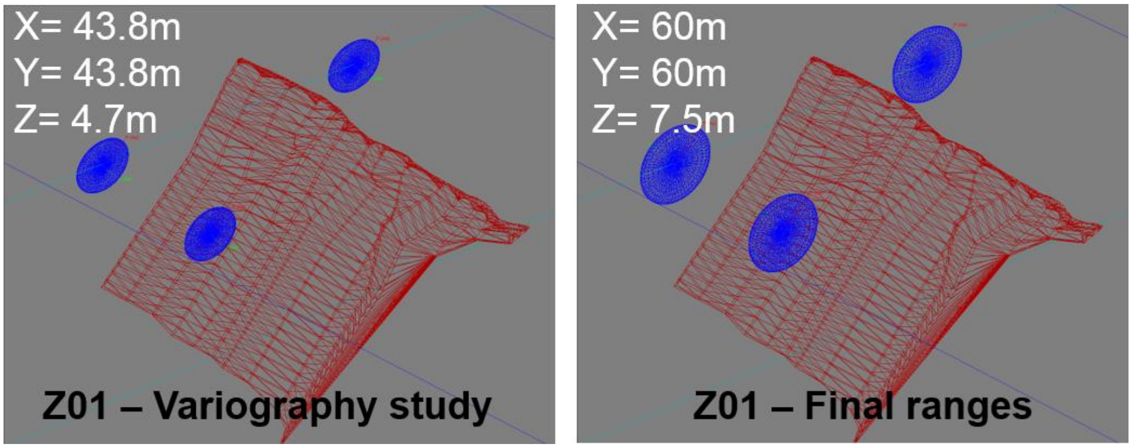


Figure 14.11 – 3D view looking northeast comparing the Z01 variography (left) and the selected final ranges Z01 (right)

- For LG zones, the final ranges correspond closely to one third (1/3) the ENV1 variography (Fig. 14.12);

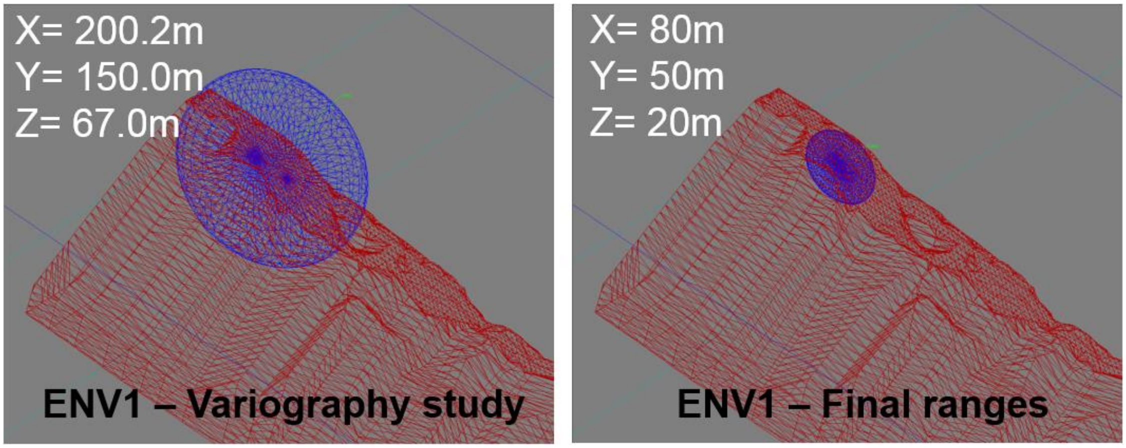


Figure 14.12 – 3D view looking northeast comparing the ENV1 variography (left) and the selected final ranges (right)

- For the external envelope, the final ranges correspond closely to three quarters (3/4) of the Z01 variography.

The authors identified groups of mineralized zones that share similar azimuths and dips. Consequently, InnovExplo attributed to each of the groups a dedicated search ellipsoid with optimized azimuth and dip. Figure 14.13 illustrates the optimization of dip ellipsoids for mineralized zones sharing similar attitudes (“families”). Table 14.3 provides the parameters of these families.

The optimization work on the search ellipsoids did not reveal significant variations in azimuth and dip directions compared to the variography.

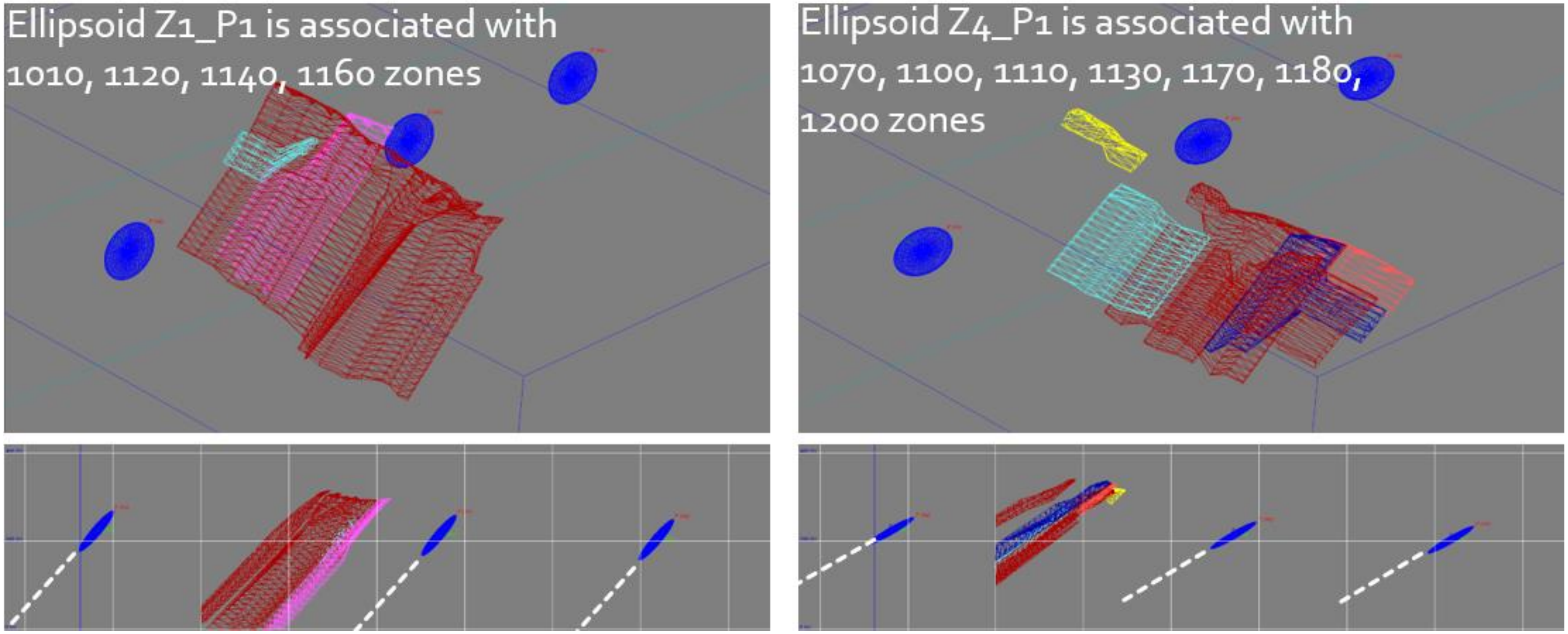


Figure 14.13 – 3D views looking northeast (top) and composite vertical cross sections looking north (bottom) showing the optimization of dip ellipsoids for mineralized zones sharing similar attitudes (azimuth and dip). Dashed lines on composite vertical cross sections highlight the dips of the search ellipsoids to facilitate the visual comparison.

Table 14.3 – Search ellipsoid families for the Graphene-Battery Zone

Ellipsoid family	Blockcodes	ROTATION*			RADIUS		
		Z	X	Z	X (m)	Y (m)	Z (m)
High Grade Zones							
Z1_P1	1010/1120/1140/1160	-10	50	90	60	60	7.5
Z2_P1	1020/1030/1040/1050/1080/1090/1190	-5	40	90	60	60	7.5
Z3_P1	1060/1150	-10	30	90	60	60	7.5
Z4_P1	1070/1100/1110/1130/1170/1180/1200	-10	30	90	60	60	7.5
Z5_P1	1210	0	50	90	60	60	7.5
Low Grade Zones							
E1_P1	3020	-10	50	-10	80	50	20.0
E2_P1	3010/3040	-10	40	-10	80	50	20.0
E4_P1	3030/3050	-5	35	-10	80	50	20.0
Quartzite Domains							
Q1_P1	2010/2030/2100	-10	50	90	60	60	7.5
Q2_P1	2090	-5	40	90	60	60	7.5
Q3_P1	2110	-10	30	90	60	60	7.5
External Envelope							
W2_P1	20000	-5	40	90	30	30	3.75

**Positive counter-clockwise rotation*

Boundaries

Both hard and soft boundaries were selected for the grade interpolation of the 2016 MRE

Hard boundaries were applied for each mineralized zone and lithological domain that was interpreted on the basis of more than one (1) drill hole, as well as the external envelope. The interpolation profiles specify a single target and sample rock code for each mineralized-zone solid, thus establishing hard boundaries between the zones and/or domains, and preventing block grades from being estimated using sample points with different block codes than the code of the block being estimated.

Soft boundaries were applied for each mineralized zone and lithological domain that was interpreted on the basis of only one (1) drill hole. Soft boundary management for the grade interpolation was generally applied between the HG and LG zones. This means, for example, that the grade in a given HG zone was interpolated using its own composites plus composites of the LG zone encompassing it, within the limits of its own search ellipsoid.

Mineralized zones treated using the soft boundary method allow HG zones Z05, Z08 and Z21 to use composites from LG zones ENV4, ENV1 and ENV2, respectively, and LG zone, ENV3, to use composites from Quartzite domain QTZ09. This is supported by the similar populations of low-grade graphitic carbon values.

14.1.6 Bulk density

For the 2016 MRE, a total of 30 bulk density measurements were provided by Canada Strategic and integrated into the database. Lithology densities were measured at the ALS Chemex Laboratory in Val-d’Or, Quebec. A statistical analysis of the data was performed based on samples from the mineralized zone with the highest and lowest graphitic carbon grades. The samples located within the HG zones have an average bulk density of 2.77 g/cm^3, whereas those located within the LG zones have an average bulk density of 2.85 g/cm^3. Figure 14.14 illustrates the results of the bulk density measurements carried out by Canada Strategic.

Bulk densities of 2.70 g/cm^3, 2.85 g/cm^3 and 2.75 g/cm^3 were assigned to the quartzite, barren paragneiss and marble, respectively. These values were taken from Peters (1987). For the overburden, InnovExplo established a bulk density of 2.00 g/cm^3.

Bulk densities were used to calculate tonnages from the volume estimates in the resource-grade block model.

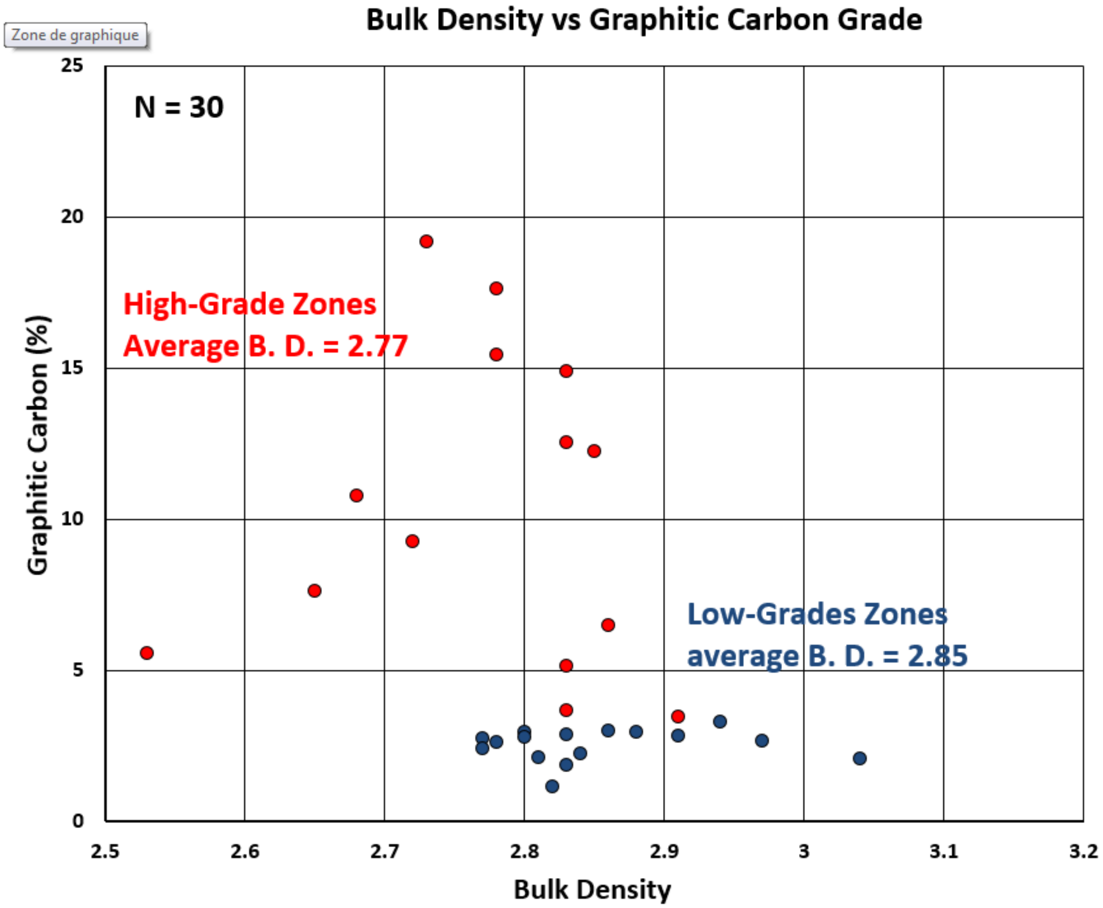


Figure 14.14 – Bulk density measurements and respective mineralized zone categories (HG or LG)

14.1.7 Block model geometry

A block model was established for the thirty-one (31) solids and the external envelope. The block model was extended to cover an area sufficient to host an open pit and has been pushed down to a depth of approximately 280 m below surface. The block model was rotated to respect the attitudes of the mineralized zones. The block dimensions reflect the sizes of the mineralized zones and plausible mining methods. Table 14.4 lists the properties of the block model.

Table 14.4 – Block model properties

Properties	X (Columns)	Y (Rows)	Z (Levels)
Origin coordinates (UTM Nad83, Zone 18)	489,808	5,098,037	420
Number of blocks	460	320	90
Block extent (m)	2,300	1,600	450
Block size	5	5	5
Rotation*		-60	

**Positive counter-clockwise rotation*

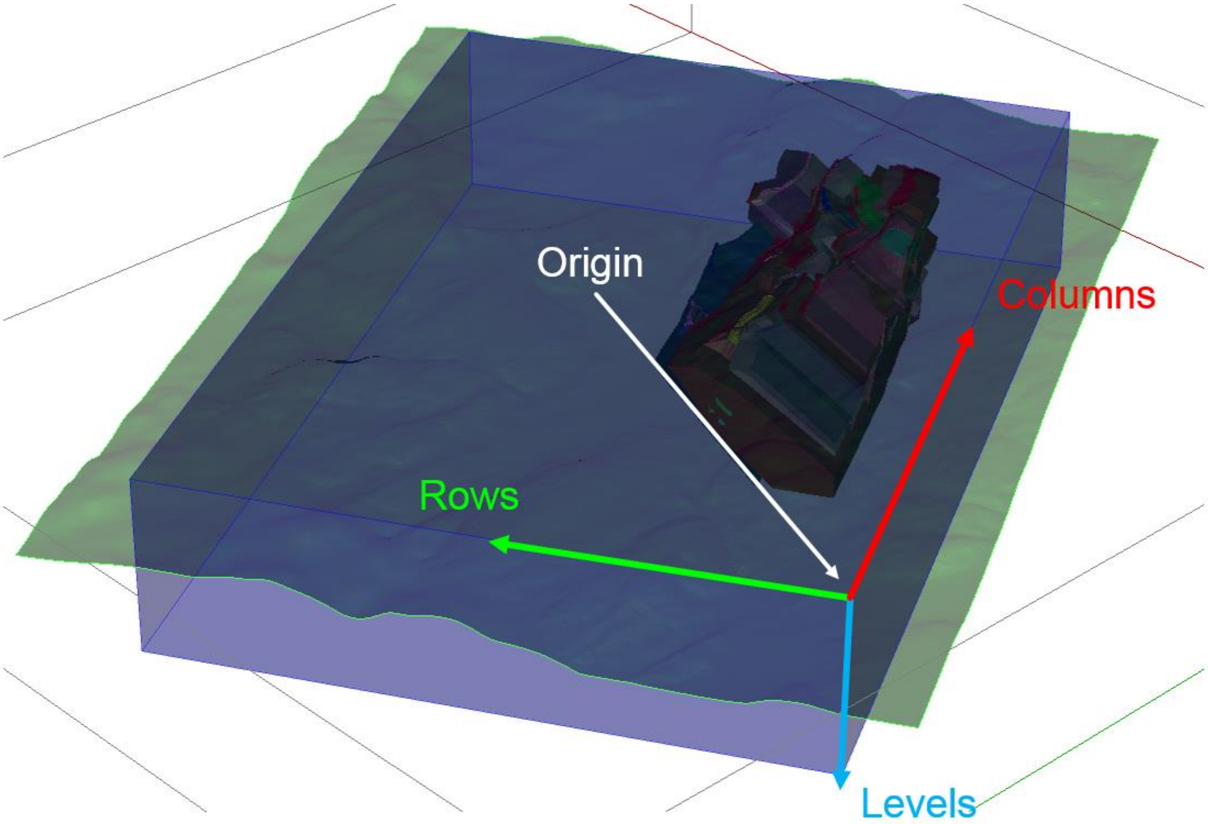


Figure 14.15 – 3D view looking east of the block model volume (translucent blue) hosting the 31 solids considered in the mineral resource estimation. The green translucent surface corresponds to the topographic surface for the mineral resource estimate.

All blocks with more than 0.01% of their volume falling within a selected solid were assigned the corresponding solid block code in their respective folder. A percent block model was generated reflecting the proportion of each block inside every solid (mineralized zones, lithological domains, external envelope and overburden) using the precedence of solids.

Precedence followed the sequence below for the rock codes used in the coding of the block model and, when necessary, the grade interpolation:

- Overburden (100) (single value)
- High-Grade Zone (1,000 series)
- Quartzite domains (2,000 series)
- LG Zone (3,000 series)
- Marble domain (4,000 series)
- External envelope (20,000) (single value)

The multi-folder percent block model thus generated was used in the mineral resource estimation.

Table 14.5 provides details about the naming convention for the corresponding GEMS solids, as well as the rock codes and block codes assigned to each individual solid.

Table 14.5 – Block model structure and associated mineralized wireframes

Folder	Description	RockCode	BlockCode	GEMS Solid Names			Precedence
				Name 1	Name 2	Name 3	
PCT_CLTD	**Percent coding validation**						
OVB	**Overburden**	100	100	OVB_BM	100	F160121	100
ENV	**Low-Grade Zones**	ENV1	3010	ENV01	3010	F160121	3010
		ENV2	3020	ENV02	3020	F160121	3020
		ENV3	3030	ENV03	3030	F160121	3030
		ENV4	3040	ENV04	3040	F160121	3040
		ENV5	3050	ENV05	3050	F160121	3050
ZONEA	**High-Grade Zones**	Z01	1010	Z01	1010	F160122	1010
		Z02	1020	Z02	1020	F160123	1020
		Z03	1030	Z03	1030	F160124	1030
		Z04	1040	Z04	1040	F160125	1040
		Z06	1060	Z06	1060	F160126	1060
		Z08	1080	Z08	1080	F160127	1080
		Z09	1090	Z09	1090	F160128	1090
		Z10	1100	Z10	1100	F160129	1100
		Z11	1110	Z11	1110	F160130	1110
		Z19	1190	Z19	1190	F160131	1190
		Z20	1200	Z20	1200	F160132	1200
		Z21	1210	Z21	1210	F160133	1210
ZONEB	**High-Grade Zones**	Z05	1050	Z05	1050	F160134	1050
		Z07	1070	Z07	1070	F160135	1070
		Z12	1120	Z12	1120	F160136	1120
		Z13	1130	Z13	1130	F160137	1130
		Z14	1140	Z14	1140	F160138	1140
		Z15	1150	Z15	1150	F160139	1150
		Z16	1160	Z16	1160	F160140	1160
		Z17	1170	Z17	1170	F160141	1170
		Z18	1180	Z18	1180	F160142	1180
WASTE	**External Envelope**	WASTE	20000	BM_WASTE	20000	F160120	20000
MARBLE	**Marble Domain**	MB_01	4010	MB01	4010	F160120	4010
QTZA	**Quartzite Domains**	QZ_03	2030	QZ03	2030	F160120	2030
		QZ_11	2110	QZ11	2110	F160120	2110
QTZB	**Quartzite Domains**	QZ_01	2010	QZ01	2010	F160120	2010
		QZ_09	2090	QZ09	2090	F160120	2090
		QZ_10	2100	QZ10	2100	F160120	2100

14.1.8 Grade block model

The geostatistical results summarized in this item have guided the choice of parameters to interpolate a grade model using the 1.5m composites from the uncapped graphitic carbon grade data. The interpolation was run on a point area workspace extracted from the DDH dataset.

The interpolation profiles were customized to estimate grades separately for each of the HG and LG mineralized zones, the Quartzite domains and the external envelope. The inverse distance squared (ID2) method was selected for the final resource estimation for all considered mineralized zones and lithological domains.

The composite points were assigned rock codes and block codes corresponding to the mineralized zone or mineralized subunit in which they occur. Hard or soft boundaries were applied as described in section 14.1.4. The search/interpolation ellipse orientations and ranges defined in the interpolation profiles used for the grade estimation correspond to those developed in section 14.1.5 (Table 14.3). Other specifications to control grade estimation are as follows:

Only one pass was used on twenty-nine (29) of the interpolated zones, domains and external envelope. The parameters were as follows:

- Pass 1
    - Minimum of two (2) and maximum of twelve (12) sample points in the search ellipse for interpolation;
    - Maximum of four (4) sample points from any one DDH; and
    - Minimum of one (1) drill holes for interpolation.

Two passes were used on two (2) of the interpolated HG zones: Z01 (1010) and Z02 (1020). The parameters were as follows:

- Pass 1
    - Minimum of two (4) and maximum of twelve (12) sample points in the search ellipse for interpolation;
    - Maximum of three (3) sample points from any one DDH; and
    - Minimum of two (2) drill holes for interpolation.

- Pass 2
    - Minimum of two (2) and maximum of twelve (12) sample points in the search ellipse for interpolation;
    - Maximum of four (4) sample points from any one DDH; and
    - Minimum of one (1) drill hole for interpolation.

The estimation of block grades is illustrated on a cross section on Figure 14.16.

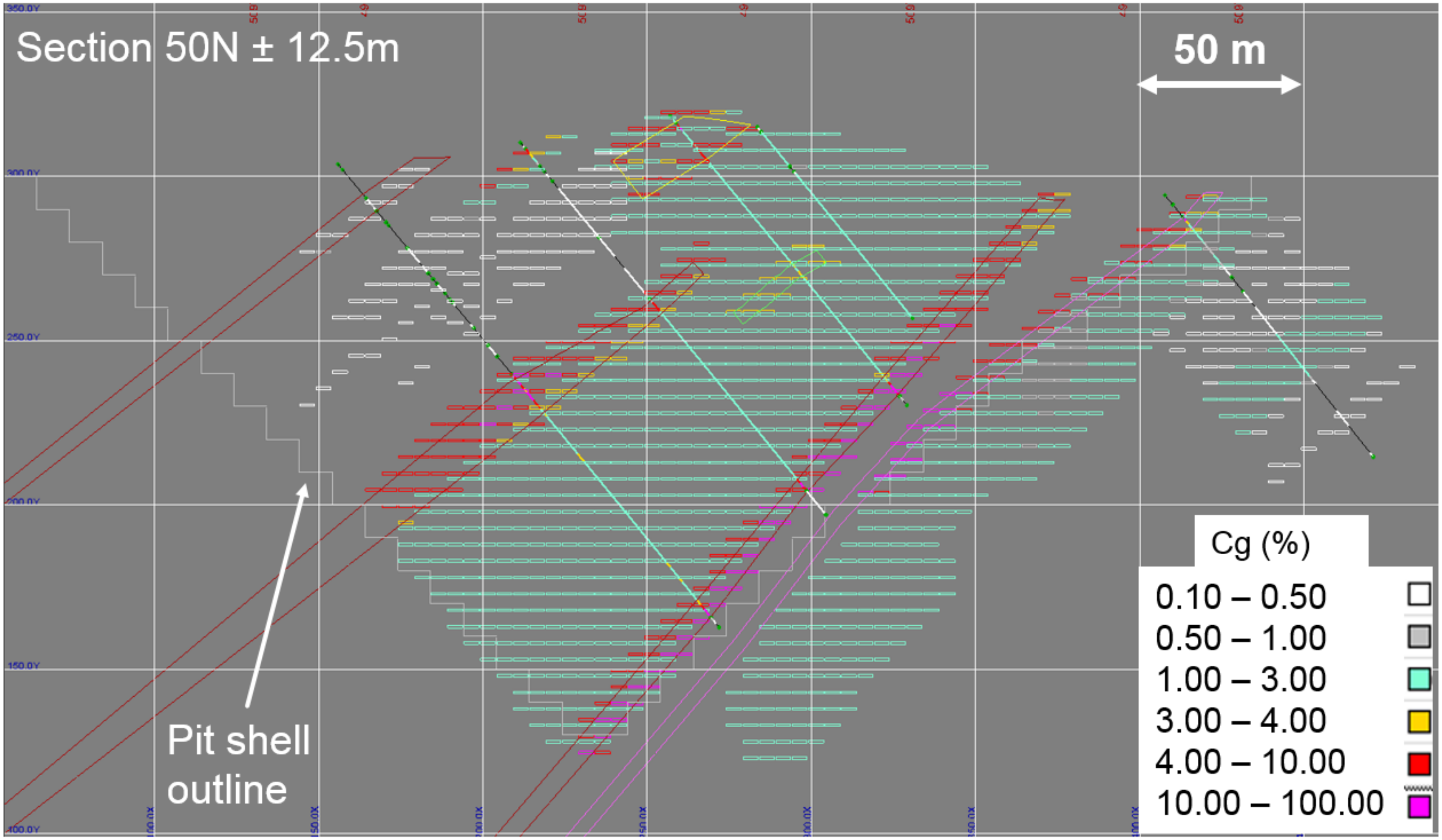


Figure 14.16 – Vertical cross-section illustrating block grade interpolation and drill hole information. Only HG zone wireframes are illustrated. Graphitic carbon grades are expressed in percent.

14.1.9 Block Model Validation

The 2016 block model was validated throughout the process. The steps carried out for the purposes of this exercise included visual validation, basic statistical comparison, and spatial comparison between raw assays, composites and interpolated block datasets.

Visual Validation

Visual comparisons of block grades and composites in cross section and plan view generally provided a good match (Fig. 14.17). No significant difference was observed during the exercise.

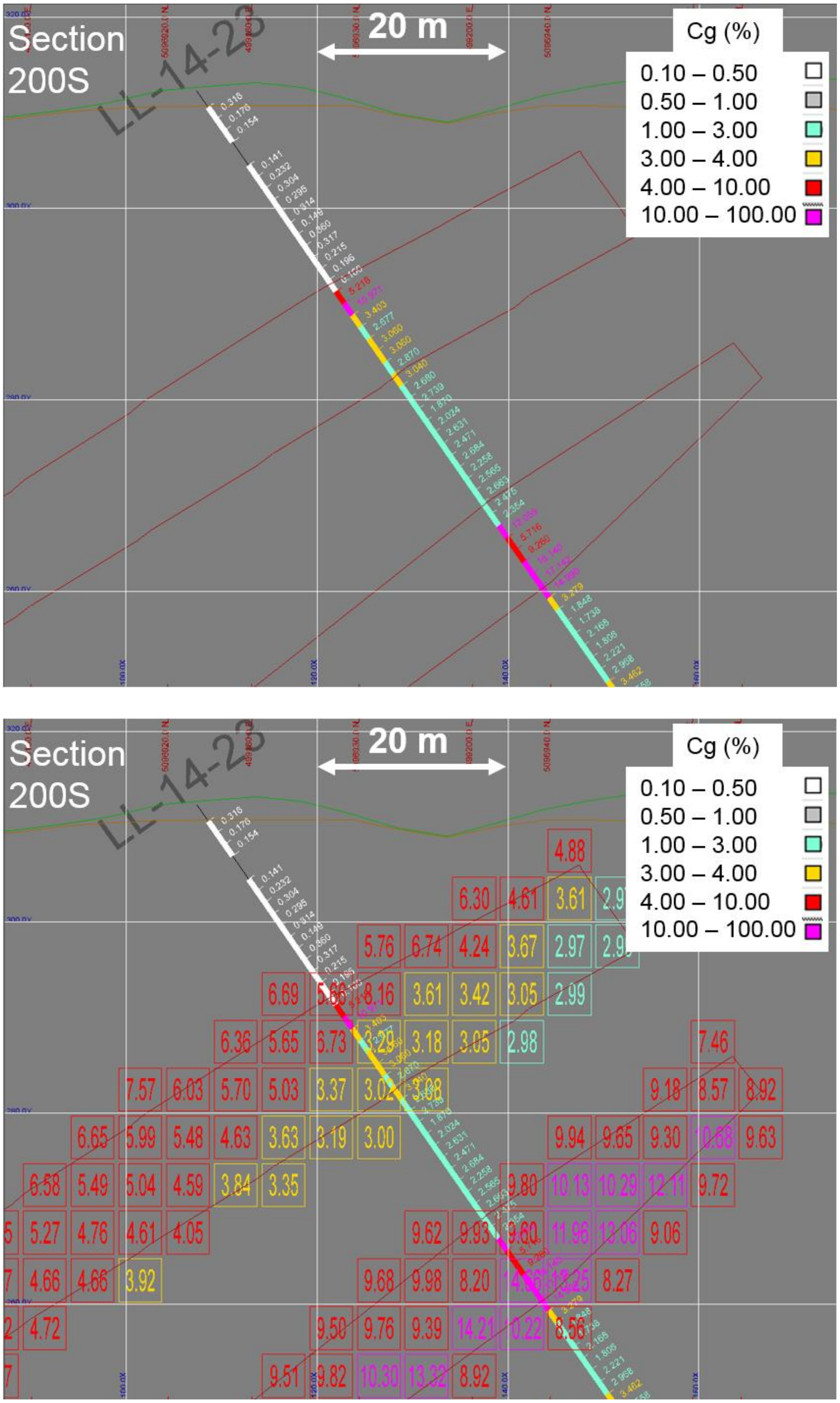


Figure 14.17 – Cross section looking northeast illustrating the grade distribution of interpolated blocks compared to the composites along the drill hole for HG zones coded in the block model folder "ZONEA". Graphitic carbon grades are expressed in percent.

Global Basic Statistical Comparison

Table 14.6 compares the means of interpolated block grades, composite grades and raw assay grades for the mineralized zones at a zero cut-off. The differences between mean composite grades over mean block grades range from 73% to 207%. Note that zones yielding the highest positive or negative ratios are supported by only a small amount of data: zones Z05, Z08, Z21 and ENV3 share less than ten (10) composites each.

Table 14.6 – Comparison of the mean grades for blocks, composites and raw assays at a zero cut-off for the mineralized zones, lithological domains and external envelope (Graphene-Battery Zone)

		Cg %						
		Raw Assays		Composites		Block Model (>50% in Zone)		
Mineralized Zone / Lithological Domains	Block Code	Number	Mean (Cg %)	Number	Mean (Cg %)	Number	Mean (Cg %)	Differences Blocks/Comps
Z01	1010	178	7.00	145	6.88	10350	7.46	108%
Z02	1020	103	7.05	90	6.73	5938	6.59	98%
Z03	1030	33	6.44	27	6.18	2668	6.41	104%
Z04	1040	39	9.57	32	9.70	2961	10.28	106%
Z05	1050	4	5.30	3	5.34	829	2.58	48%
Z06	1060	55	4.80	40	5.17	3705	5.22	101%
Z07	1070	89	5.78	70	5.87	6103	5.49	94%
Z08	1080	4	3.41	3	3.26	542	2.58	79%
Z09	1090	35	4.54	29	4.60	1663	3.99	87%
Z10	1100	188	4.92	150	4.95	8825	4.70	95%
Z11	1110	8	2.98	7	3.12	925	3.18	102%
Z12	1120	75	4.31	59	4.28	5251	4.24	99%
Z13	1130	27	4.80	19	4.74	1979	5.15	109%
Z14	1140	32	5.67	28	5.75	2289	5.30	92%
Z15	1150	43	3.30	39	3.32	2818	3.37	102%
Z16	1160	18	6.09	15	6.65	910	9.06	136%
Z17	1170	13	5.17	9	5.80	1417	5.64	97%
Z18	1180	62	7.64	46	7.70	3824	8.17	106%
Z19	1190	16	3.72	11	3.70	1895	3.86	104%
Z20	1200	45	6.02	38	5.86	1378	6.22	106%
Z21	1210	4	2.46	3	2.45	925	1.72	70%
QZ_01	2010	138	0.28	176	0.19	12065	0.20	103%
QZ_03	2030	31	0.20	57	0.09	3970	0.09	99%
QZ_09	2090	84	0.42	80	0.36	6602	0.38	103%
QZ_10	2100	26	0.52	19	0.46	1852	0.34	74%
QZ_11	2110	100	0.17	107	0.11	7520	0.11	95%
ENV1	3010	1989	2.18	1779	2.20	100928	2.24	102%
ENV2	3020	113	1.52	101	1.48	16145	1.51	102%
ENV3	3030	5	1.59	6	1.25	1998	1.03	83%
ENV4	3040	94	1.12	75	1.20	12214	1.20	100%
ENV5	3050	9	2.17	7	2.26	574	2.47	109%
EXTERNAL ENV.	20000	1856	0.38	1998	0.31	55581	0.31	101%

A higher mean composite grade than the mean block grade is often a consequence of clustered drilling patterns in HG zones.

Probability plots for graphitic carbon grades were constructed for each HG zone and one LG zone (ENV1) to compare the grade populations of raw assays (uncapped), composites and blocks (at a zero cut-off grade). The Quartzite domains and the External Envelope were not retained for this exercise. The results show that the three populations generally have a similar distribution, flattening from raw assays to composites to blocks, which reflects the smoothing of the data at each step of the process. Figures 14.18 and 14.19 provide examples of probability plots for HG zone Z01 and LG zone ENV1.

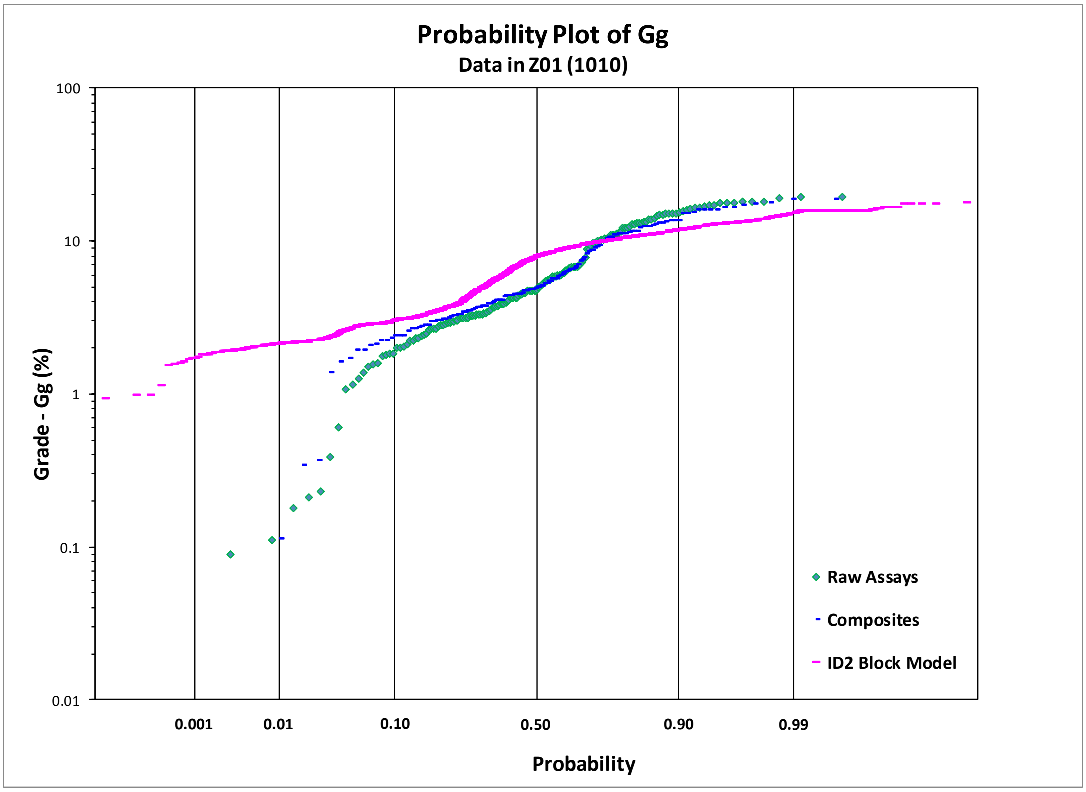


Figure 14.18 – Probability plot of grades (graphitic carbon %) for HG zone Z01

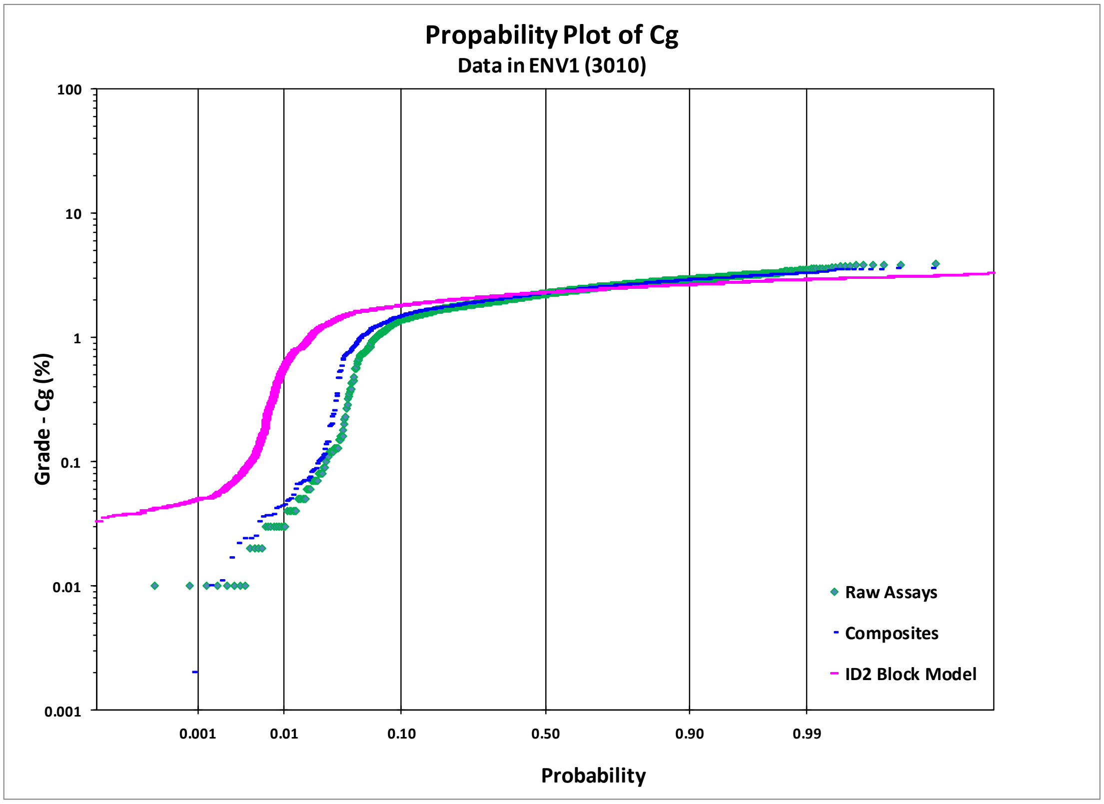


Figure 14.19 – Probability plot of grades (graphitic carbon %) for LG zone ENV1

Global Spatial Comparison

A swath plot for graphitic carbon was constructed at 50-m intervals according to the column directions of the block model and restricted to the pit shell lateral extension (Fig. 14.20).

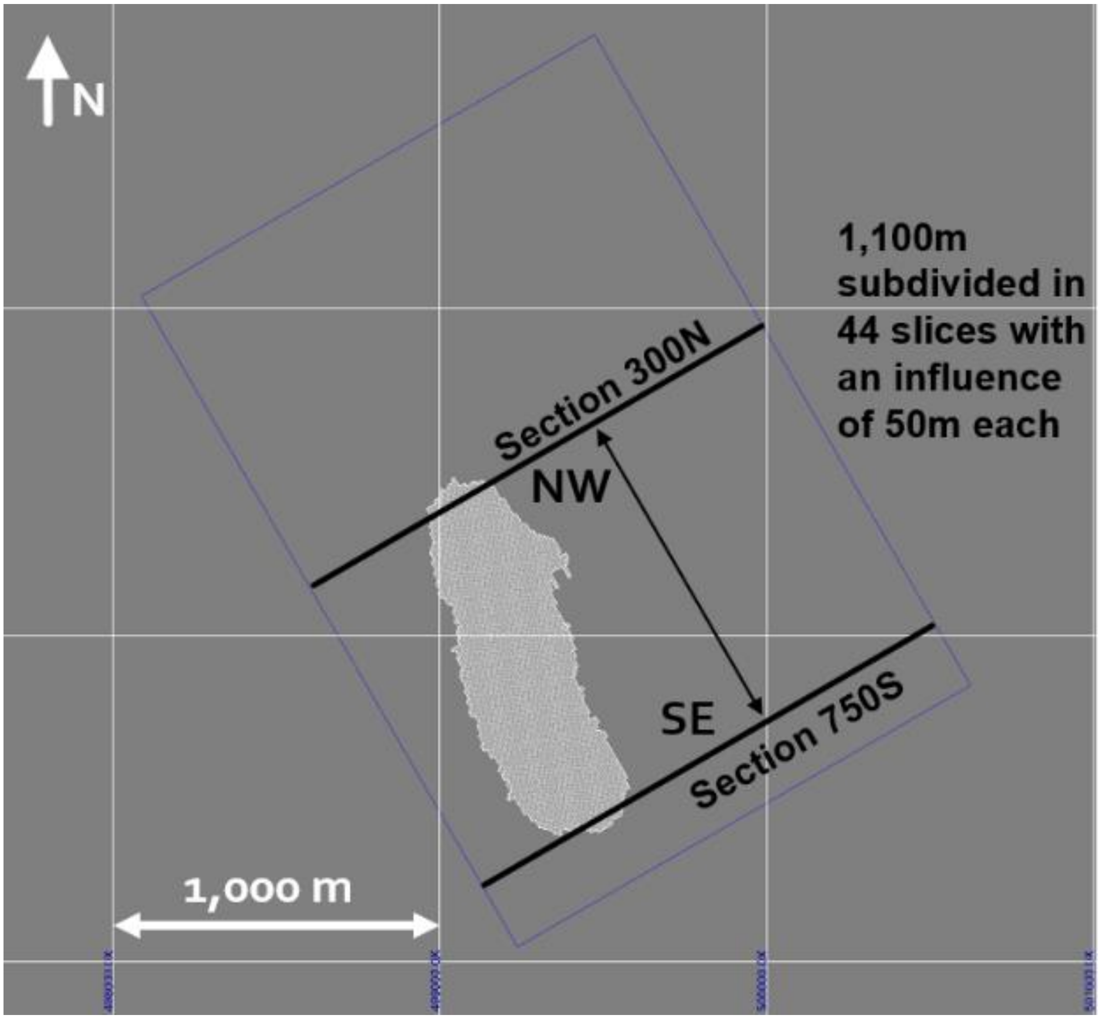


Figure 14.20 – Composite plan view showing the area of influence considered for the swath plot compared to the block model (blue line) and the pit shell used for the 2016 MRE

The tonnage and grade blocks are presented for the Indicated category only, while composites and raw assays are presented for all categories.

The plot generally shows that variability is greater laterally where the composites are fewer (Fig. 14.21). For slices ranging from sections 250 to -50, block grades reflect composite trends. For slices between -50 to -275, block grades seem to be slightly overestimated compared to the mean composites grade. The drilling density from -50 to -275 is wider than the density in the area between sections 250 to -50 (see section 14.1.1) and could explain this cross-over.

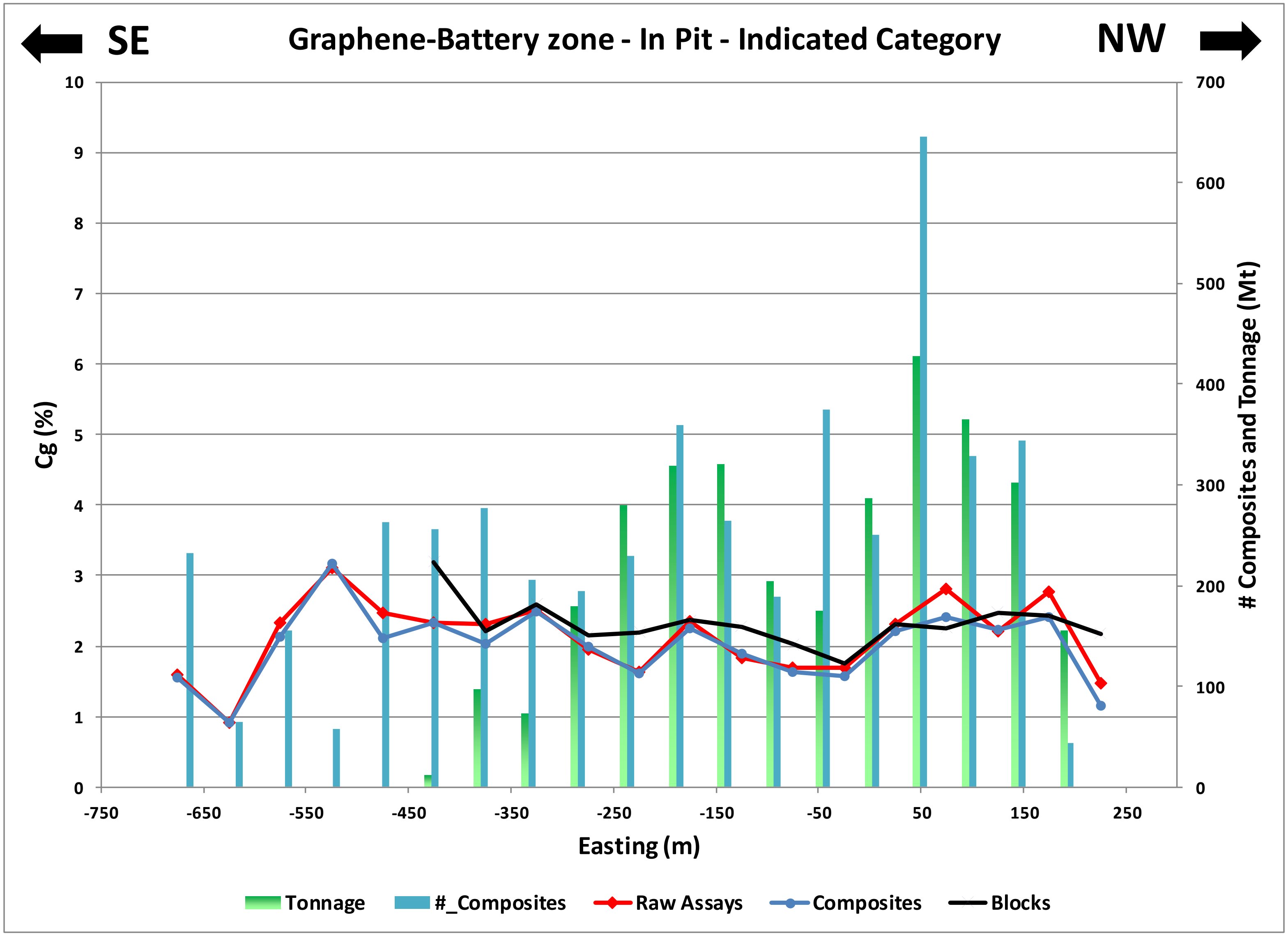


Figure 14.21 – Y-direction swath plot for blocks categorized as Indicated. The absence of tonnage west of -400m is due to the absence of Indicated resources in this area.

14.1.10 Mineral Resource Definition and Classification

The resource classification definitions used for this report are those published by the Canadian Institute of Mining, Metallurgy and Petroleum in their document "*CIM Definition Standards for Mineral Resources and Reserves*".

Measured Mineral Resource: that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

Indicated Mineral Resource: that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Inferred Mineral Resource: that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

By default, interpolated blocks were assigned to the Inferred category during the creation of the grade block model. The reclassification to an Indicated category was done for any blocks meeting all the conditions below:

- Sufficient density of visually observed information (contiguous drilling); and
- Blocks for which the distance to the closest composite is less than 30 m.

Two (2) outline rings were created in inclined section views using the criteria described above, and the blocks were recoded accordingly.

Figure 14.22 shows the mineral resource classification, and Figure 14.23 illustrates the distribution of categorized blocks compared to the pit shell footprint.

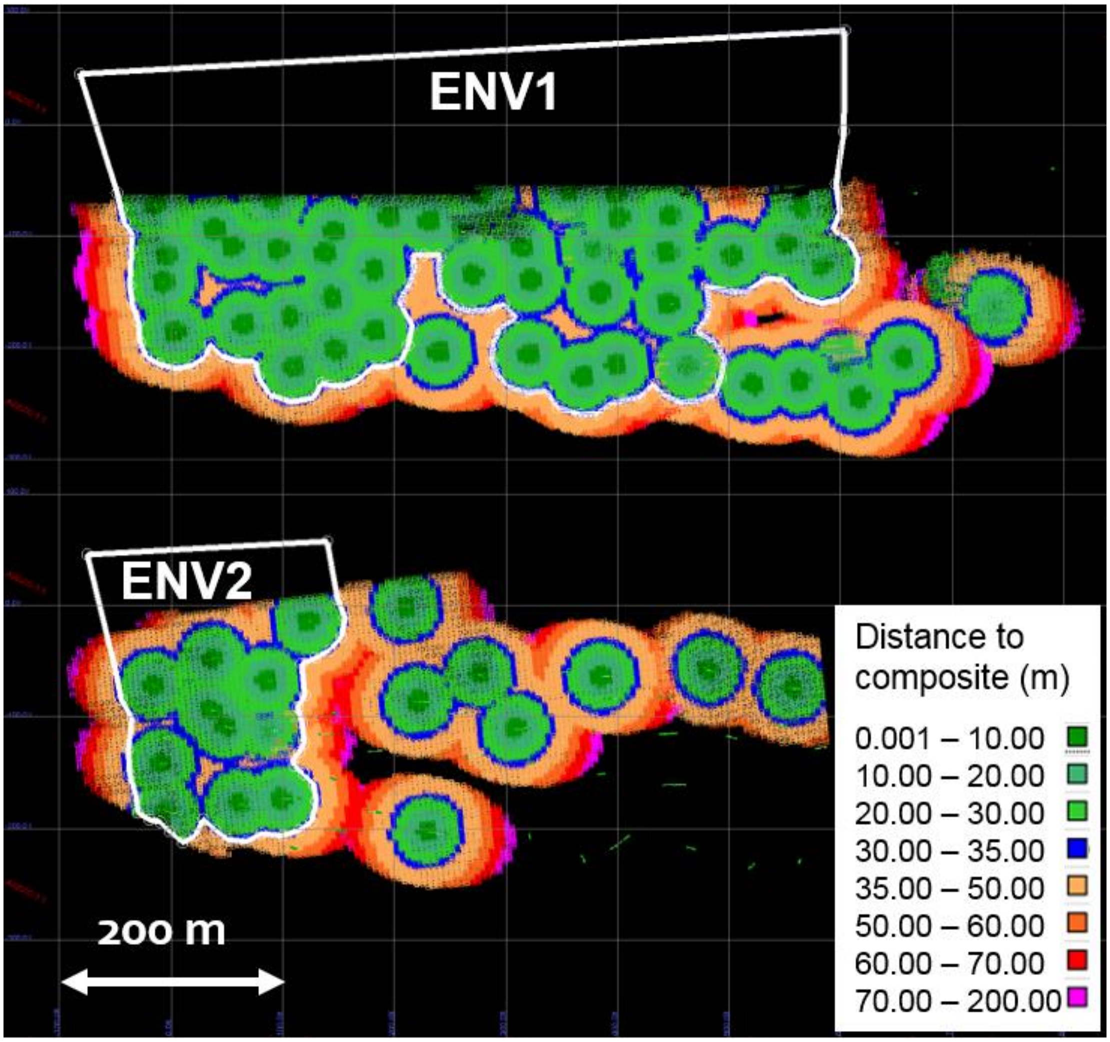


Figure 14.22 – Inclined longitudinal composite views of outline rings dedicated to reclassified blocks in the Indicated category. The outline ring based on drilling information from ENV1 (top) was used to reclassify all HG zones and Quartzite domains contained inside it and the External Envelope. The outline ring based on drilling information from ENV2 (bottom) was used to reclassify all HG zones contained inside it.

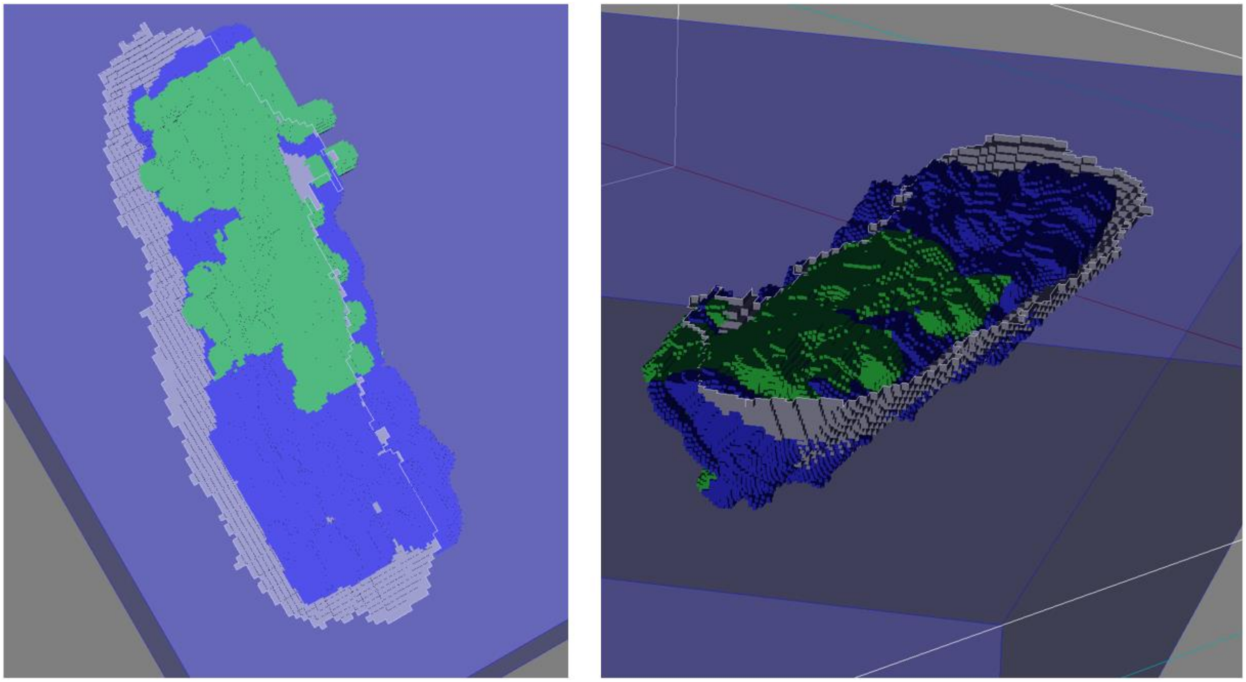


Figure 14.23 – Plan (left) and 3D (right) views showing the two resource categories assigned to the La Loutre Property: Indicated (green) and Inferred (blue). At this stage, the pit shell was not used to constrain the classification. The final statement excludes all material falling outside the pit shell.

14.1.11 Pit shell and cut-off grade parameters

Given the density of the processed data, the search ellipse criteria, and the specific interpolation parameters, InnovExplo is of the opinion that the 2016 La Loutre In-Pit Mineral Resource Estimate can be classified as Indicated and Inferred resources. The estimate is compliant with CIM standards and guidelines for reporting mineral resources and reserves.

The final selected Whittle input parameters and cut-off grade parameters used for the in-pit resource estimation are presented in Table 14.7.

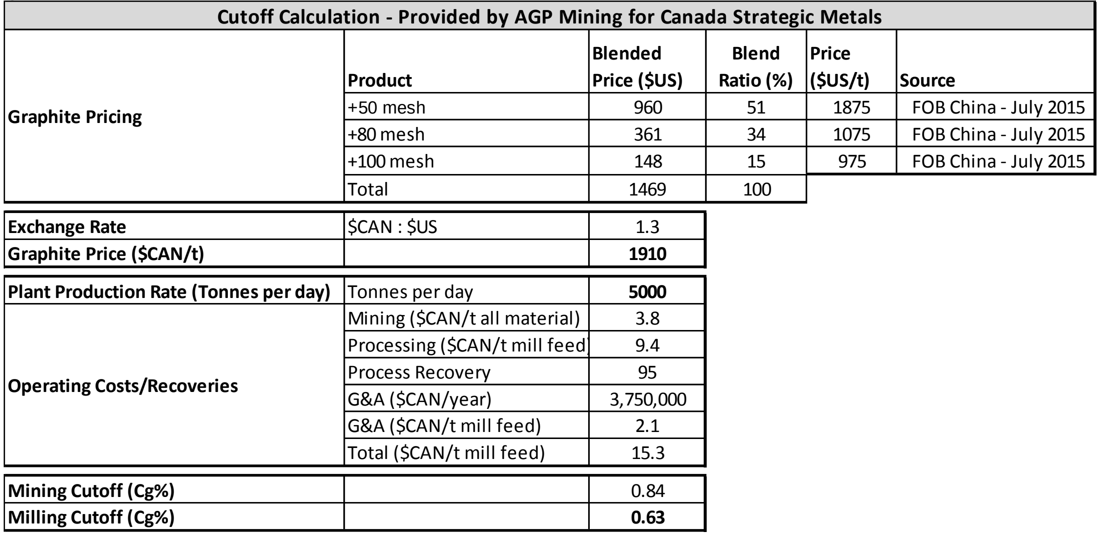
Table 14.7 – Input parameters used for the mill cut-off grade (MCoG) estimation and Whittle-optimized pit shell

MCoG Input Parameter	Value
Exchange Rate	1.00 usd : 1.30 can
Graphite Price $us	1,469
Graphite Price $can	1,910
Processing cost (C$/t)	9.4
Mining cost (C$/t)	3.75
G&A cost (C$/t)	2.11
Milling recovery (%)	95
Mining dilution (%)	10
Mining recovery (%)	90
Overall pit slope (°)	45
Overburden slope (°)	18
Effective date	**January 15, 2015**

The overall slope angle was set at 45°, which reflects the best approximation since no geotechnical information has been provided. The graphitic carbon selling price, processing costs, and processing and mining recoveries were provided by Gordon Zurowski, P.Eng., Principal Mining Engineer with AGP Mining. The Whittle-optimized pit shell was designed with a 30-m buffer around lakes.

Using the parameters shown above in Table 14.7, a mill cut-off grade (MCoG) of 0.60% Cg was retained for the Whittle pit shell optimization. The MCoG considers a blended graphitic carbon price of C$1,910/t and potential mining rate of 5,000 tpd (Table 14.8).

Table 14.8 – Input parameters provided by AGP Mining for the mill cut-off grade (MCoG)



Cutoff Calculation - Provided by AGP Mining for Canada Strategic Metals

	Product	Blended Price ($US)	Blend Ratio (%)	Price ($US/t)	Source
Graphite Pricing	+50 mesh	960	51	1875	FOB China - July 2015
	+80 mesh	361	34	1075	FOB China - July 2015
	+100 mesh	148	15	975	FOB China - July 2015
	Total	1469	100		
Exchange Rate	$CAN : $US	1.3			
Graphite Price ($CAN/t)		**1910**			
Plant Production Rate (Tonnes per day)	Tonnes per day	**5000**			
Operating Costs/Recoveries	Mining ($CAN/t all material)	3.8			
	Processing ($CAN/t mill feed	9.4			
	Process Recovery	95			
	G&A ($CAN/year)	3,750,000			
	G&A ($CAN/t mill feed)	2.1			
	Total ($CAN/t mill feed)	15.3			
Mining Cutoff (Cg%)		0.84			
Milling Cutoff (Cg%)		**0.63**			

Volumetrics for the in-pit resource estimate have been constrained using the topography as the top surface and the Whittle-optimized pit shell as the bottom surface. The needling has been set to six (6) needles.

Although an MCoG of 0.60% Cg was used for the Whittle optimization, the in-pit resources were estimated using different cut-off grades for sensitivity purposes. The authors believe that the cut-off grade of 1.50% Cg is the best choice for outlining the mineral potential of the deposit in an in-pit mining scenario. Note that using an MCoG of 0.60% Cg would not significantly increase the resources (+1.2% Indicated and +0.5% Inferred graphitic carbon tonnage; see Table 14.9), hence showing that no significant amount of material is found within this threshold.

Of the thirty-one (31) solids (mineralized zones and lithological domains) considered in the resource estimation, four (4) lie outside the Whittle-optimized pit shell, resulting in twenty-seven (27) graphite-bearing zones contributing to the final Mineral Resource Estimate statement.

Table 14.9 presents the 2016 La Loutre In Situ[1] In-Pit Mineral Resource Estimate for the 27 graphite-bearing zones and the one external envelope, and Table 14.10 presents the breakdown by zone. Figures 14.24 to 14.28 show the trace of the Whittle-optimized pit shell along a typical plan view and cross sections.

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[1] The term "in situ" is used to represent all remaining mineral resources in place at the time of the 2016 MRE.

Table 14.9 – 2016 La Loutre In Situ In-Pit Mineral Resource Estimate (Indicated and Inferred resources) at 1.5 Cg% cut-off grade

Indicated Resource				
Zone	Cut-off Cg (%)	Tonnage (metric tonne)	Grade Cg (%)	Graphite (metric tonne)
All Zones	> 3.0	4,137,300	6.50	268,800
	> 2.5	6,927,500	4.95	342,900
	> 2.0	15,181,200	3.49	529,200
	> 1.5	**18,438,700**	**3.19**	**588,400**
	> 1.0	19,005,400	3.13	595,700
	> 0.8	19,137,500	3.12	596,900
	> 0.6	19,279,600	3.09	595,300
	> 0.5	19,381,900	3.09	598,400

Inferred Resource				
Zone	Cut-off Cg (%)	Tonnage (metric tonne)	Grade Cg (%)	Graphite (metric tonne)
All Zones	> 3.0	6,181,000	6.11	377,600
	> 2.5	9,699,200	4.86	471,800
	> 2.0	15,332,000	3.92	600,300
	> 1.5	**16,675,100**	**3.75**	**624,900**
	> 1.0	16,927,300	3.71	628,000
	> 0.8	17,120,500	3.68	629,700
	> 0.6	17,306,700	3.63	628,100
	> 0.5	17,400,900	3.63	631,600

- The Independent and Qualified Persons (QPs) for the Mineral Resource Estimate, as defined by NI 43-101, are Bruno Turcotte, M.Sc., P.Geo., and Guilhem Servelle, M.Sc., P.Geo, both of InnovExplo. The estimate was prepared under the supervision of Vincent Jourdain, PhD, Eng., Technical Director of InnovExplo Inc.
- The effective date of the estimate is January 15, 2016.
- These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.
- Pit-constrained results are presented undiluted in a Whittle-optimized pit shell, designed with a 30-m buffer around lakes.
- The estimate includes 18 graphite-bearing zones with high graphitic carbon grades (assays > 4% Cg), 4 graphite-bearing zones with low graphitic carbon grades (assays < 4% Cg), 5 graphite-bearing quartzite domains (assays < 4% Cg), and a remaining external envelope hosting isolated low graphitic carbon grades.
- Pit-constrained resources were compiled at cut-off grades of 0.5, 0.6, 0.8, 1.0, 1.5, 2.0, 2.5 and 3.0% Cg. The official pit-constrained resource is reported at a cut-off grade of 1.5% Cg (grey highlighting).
- Cut-off grades must be re-evaluated in light of prevailing market conditions (graphite price, exchange rate, mining cost, etc.).
- Density (g/cm^3) data is on a per zone basis, ranging from 2.70 to 2.85 g/cm^3.
- A minimum true thickness of 4.0 m was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed.
- Based on a study of the effect of high-grade values (basic statistical analysis), no raw assays were capped for the mineralized zone, the lithological domains or the external envelope considered in the 2016 Mineral Resource Estimate.
- Compositing was done on drill hole sections falling within any of the interpreted mineralized zones, lithological domains or external envelope (composite = 1.5 m).
- Resources were estimated in GEOVIA GEMS 6.7 software from surface drill holes using the inverse distance squared (ID2) interpolation method in a block model (block size = 5 m x 5 m x 5 m).
- By default, interpolated blocks were assigned to the Inferred category. The reclassification to an Indicated category was done in areas with sufficient density of visually observed information and supported by a maximum distance to drill hole composite of 30 m.
- Calculations used metric units (metres, tonnes and %).
- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in National Instrument 43-101.
- InnovExplo is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the mineral resource estimate.
- Whittle parameters (all amounts in Canadian dollars): Mining cost=$3.75; Processing cost=$9.40/t; G&A=$2.11/t; graphite price=$1,910/t; mining recovery=90%; milling recovery=95%; dilution=10%; wall slopes=45° (rock) and 18° (overburden).

Table 14.10 – 2016 La Loutre In Situ In-Pit Mineral Resource Estimate (Indicated and Inferred resources) by zone at 1.5% Cg cut-off grade

Indicated Resource - Contained at 1.5 %Cg cut-off						
Zone	**Cut-off Gg %**	**Tonnes**	**Grade Gg %**	**Gg Tonnes**	**%Tonnes**	**%Gg Tonnes**
High Grade						
Z01	> 1.5	1,004,500	7.99	80,300	5.4%	13.6%
Z02	> 1.5	823,700	6.54	53,900	4.5%	9.2%
Z03	> 1.5	292,700	5.12	15,000	1.6%	2.5%
Z04	> 1.5	329,200	10.29	33,900	1.8%	5.8%
Z06	> 1.5	-	0.00	0	0.0%	0.0%
Z07	> 1.5	-	0.00	0	0.0%	0.0%
Z08	> 1.5	54,600	2.58	1,400	0.3%	0.2%
Z09	> 1.5	-	0.00	0	0.0%	0.0%
Z10	> 1.5	607,500	5.28	32,100	3.3%	5.5%
Z11	> 1.5	-	0.00	0	0.0%	0.0%
Z12	> 1.5	458,200	4.26	19,500	2.5%	3.3%
Z13	> 1.5	197,700	5.10	10,100	1.1%	1.7%
Z14	> 1.5	18,500	5.01	900	0.1%	0.2%
Z15	> 1.5	369,200	3.31	12,200	2.0%	2.1%
Z16	> 1.5	2,100	4.80	100	0.0%	0.0%
Z17	> 1.5	-	0.00	0	0.0%	0.0%
Z18	> 1.5	-	0.00	0	0.0%	0.0%
Z20	> 1.5	264,300	6.26	16,600	1.4%	2.8%
Low Grade						
ENV1	> 1.5	13,814,700	2.23	307,900	74.9%	52.3%
ENV2	> 1.5	28,100	1.82	500	0.2%	0.1%
ENV3	> 1.5	-	0.00			
ENV5	> 1.5	-	0.00			
Quartzite						
QZ01	> 1.5	-	0.00	0	0.0%	0.0%
QZ03	> 1.5	-	0.00	0	0.0%	0.0%
QZ09	> 1.5	-	0.00	0	0.0%	0.0%
QZ10	> 1.5	-	0.00	0	0.0%	0.0%
QZ11	> 1.5	-	0.00	0	0.0%	0.0%
Ext. Env.						
EXT. ENV.	> 1.5	173,700	2.32	4,000	0.9%	0.7%
TOTAL	> 1.5	**18,438,700**	**3.19**	**588,400**	**100%**	**100%**

Inferred Resource - Contained at 1.5 %Cg cut-off						
Zone	**Cut-off Gg %**	**Tonnes**	**Grade Gg %**	**Gg Tonnes**	**%Tonnes**	**%Gg Tonnes**
High Grade						
Z01	> 1.5	129,300	11.18	14,500	0.8%	2.3%
Z02	> 1.5	382,500	6.66	25,500	2.3%	4.1%
Z03	> 1.5	199,600	8.24	16,400	1.2%	2.6%
Z04	> 1.5	219,300	10.33	22,700	1.3%	3.6%
Z06	> 1.5	538,400	6.47	34,800	3.2%	5.6%
Z07	> 1.5	1,446,000	5.50	79,500	8.7%	12.7%
Z08	> 1.5	16,800	2.57	400	0.1%	0.1%
Z09	> 1.5	318,900	4.00	12,700	1.9%	2.0%
Z10	> 1.5	1,349,200	4.47	60,400	8.1%	9.7%
Z11	> 1.5	140,000	3.17	4,400	0.8%	0.7%
Z12	> 1.5	433,900	4.22	18,300	2.6%	2.9%
Z13	> 1.5	134,100	5.23	7,000	0.8%	1.1%
Z14	> 1.5	27,800	7.52	2,100	0.2%	0.3%
Z15	> 1.5	47,800	3.46	1,700	0.3%	0.3%
Z16	> 1.5	-	0.00	0	0.0%	0.0%
Z17	> 1.5	187,500	5.68	10,600	1.1%	1.7%
Z18	> 1.5	905,200	8.13	73,600	5.4%	11.8%
Z20	> 1.5	22,500	5.88	1,300	0.1%	0.2%
Low grade						
ENV1	> 1.5	9,798,400	2.35	230,700	58.8%	36.9%
ENV2	> 1.5	68,800	1.90	1,300	0.4%	0.2%
ENV3	> 1.5	65,300	1.85	1,200	0.4%	0.2%
ENV5	> 1.5	85,200	2.49	2,100	0.5%	0.3%
Quartzite						
QZ01	> 1.5	85,100	2.21	1,900	0.5%	0.3%
QZ03	> 1.5	-	0.00	0	0.0%	0.0%
QZ09	> 1.5	1,600	1.56	0	0.0%	0.0%
QZ10	> 1.5	-	0.00	0	0.0%	0.0%
QZ11	> 1.5	-	0.00	0	0.0%	0.0%
Ext. Env.						
EXT. ENV.	> 1.5	72,100	2.35	1,700	0.4%	0.3%
TOTAL	> 1.5	**16,675,100**	**3.75**	**624,900**	**100%**	**100%**

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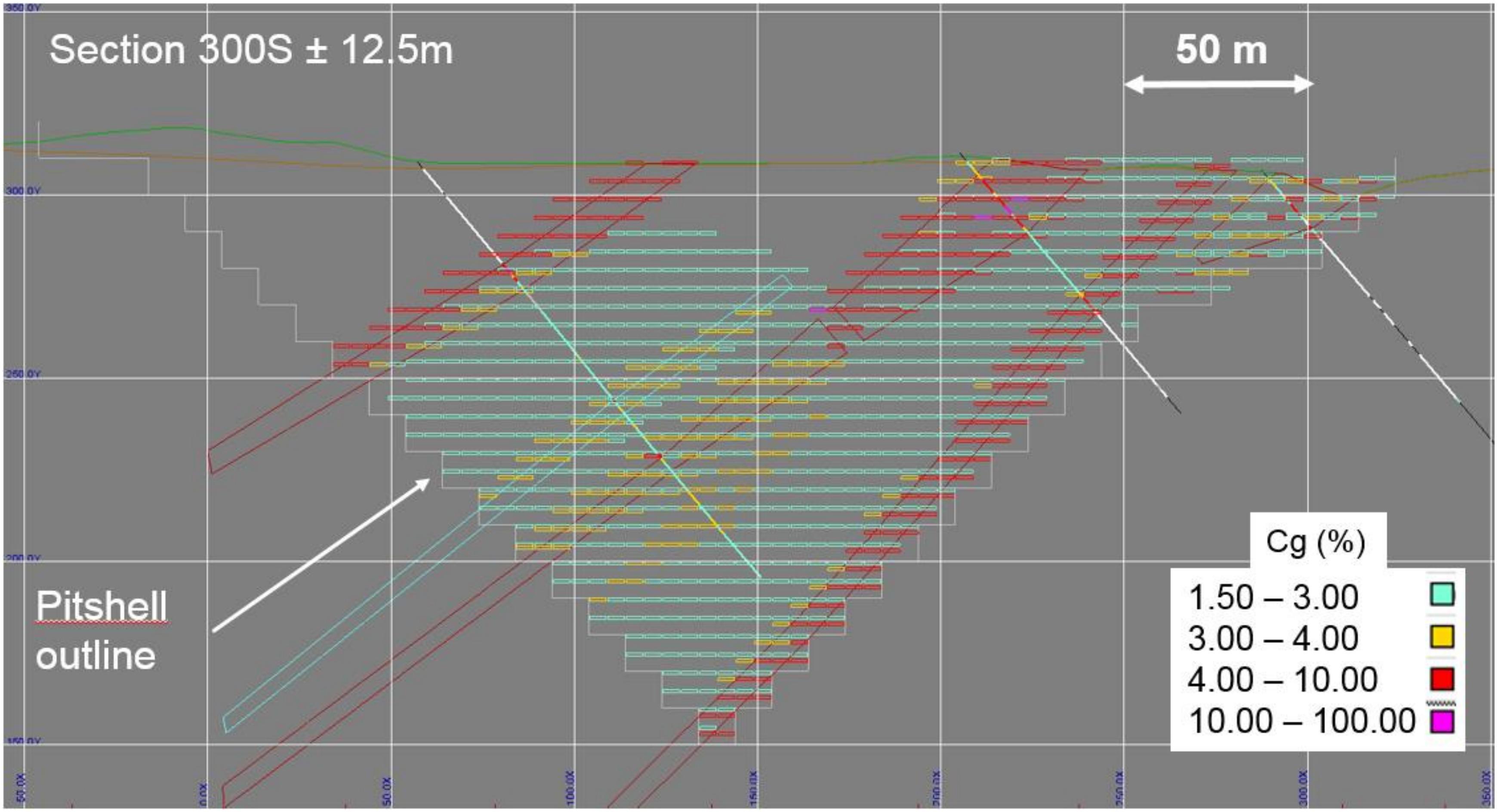

Figure 14.24 – Vertical cross section (300S) looking northeast, showing graphitic carbon block grades (Indicated and Inferred categories) equal to or above the cut-off grade (1.5% Cg) inside the Whittle-optimized pit shell. The figure also shows the Whittle-optimized pit shell outline, HG zone wireframes and drill hole traces.

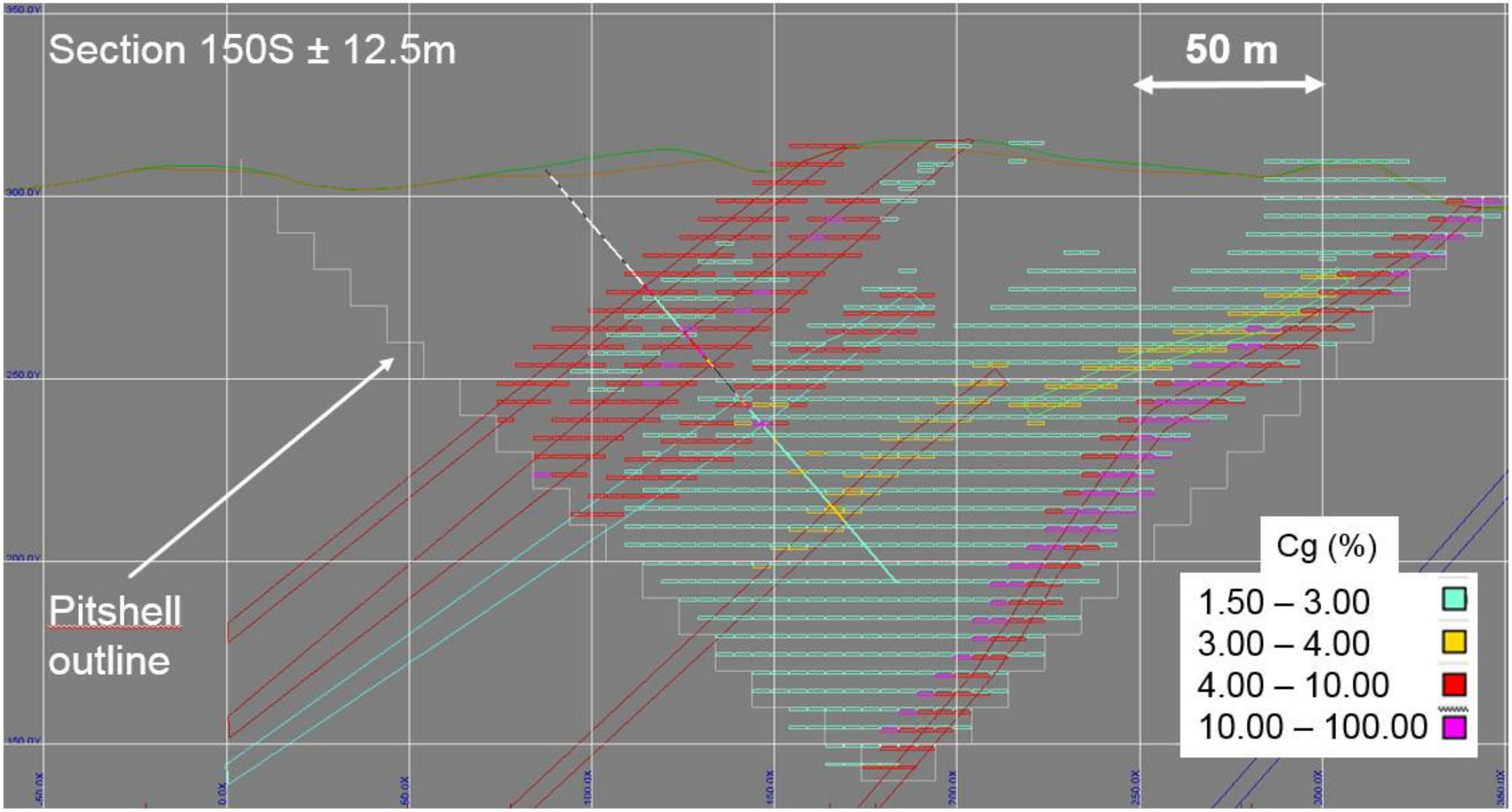

Figure 14.25 – Vertical cross section (150S) looking northeast, showing graphitic carbon block grades (Indicated and Inferred categories) equal to or above the cut-off grade (1.5% Cg) inside the Whittle-optimized pit shell. The figure also shows the Whittle-optimized pit shell outline, HG zone wireframes and drill hole traces.

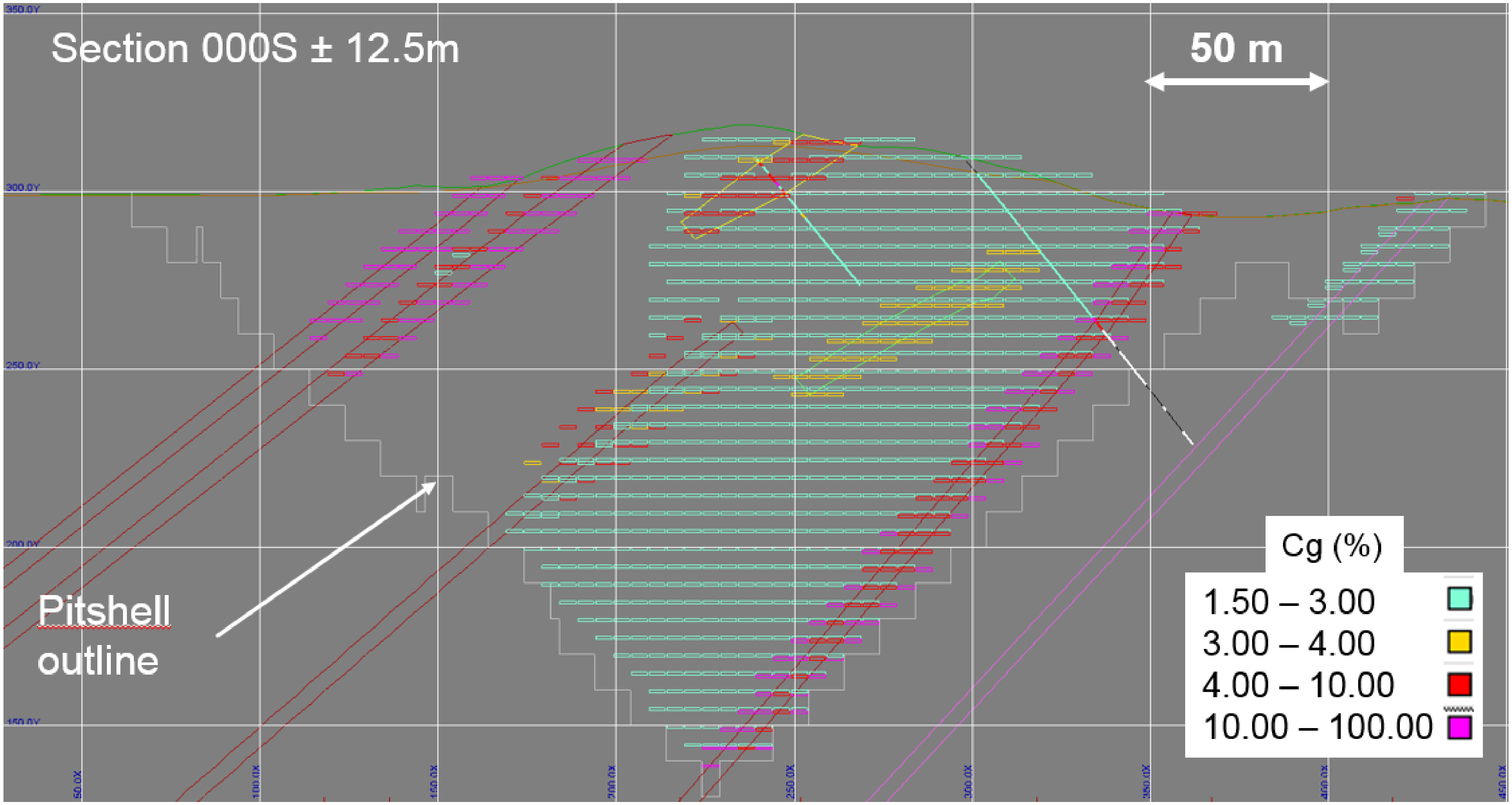

Figure 14.26 – Vertical cross section (000S) looking northeast, showing graphitic carbon block grades (Indicated and Inferred categories) equal to or above the cut-off grade (1.5% Cg) inside the Whittle-optimized pit shell. The figure also shows the Whittle-optimized pit shell outline, HG zones wireframes and drill hole traces.

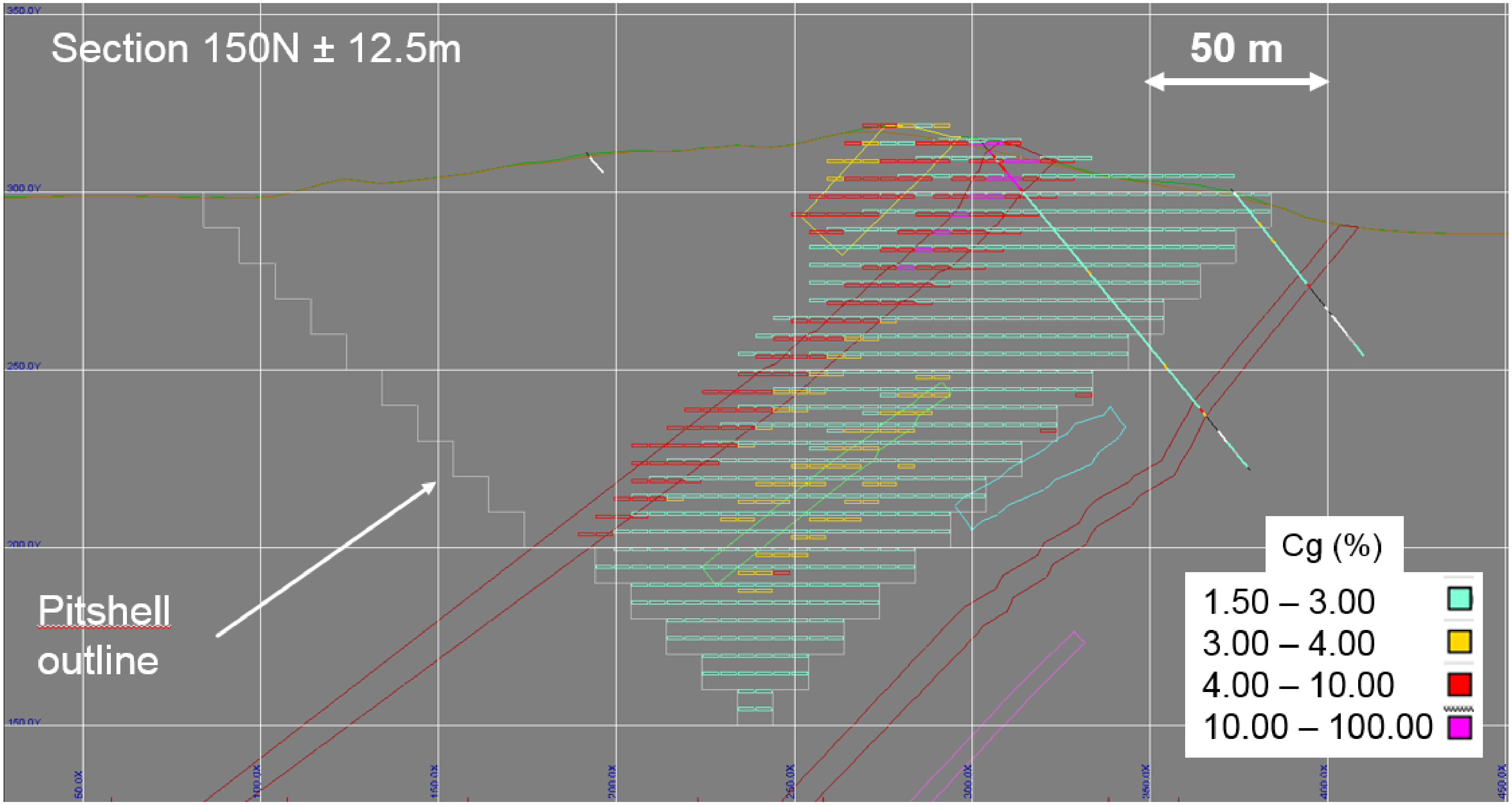

Figure 14.27 – Vertical cross section (150N) looking northeast, showing graphitic carbon block grades (Indicated and Inferred categories) equal to or above the cut-off grade (1.5% Cg) inside the Whittle-optimized pit shell. The figure also shows the Whittle-optimized pit shell outline, HG zones wireframes and drill hole traces.

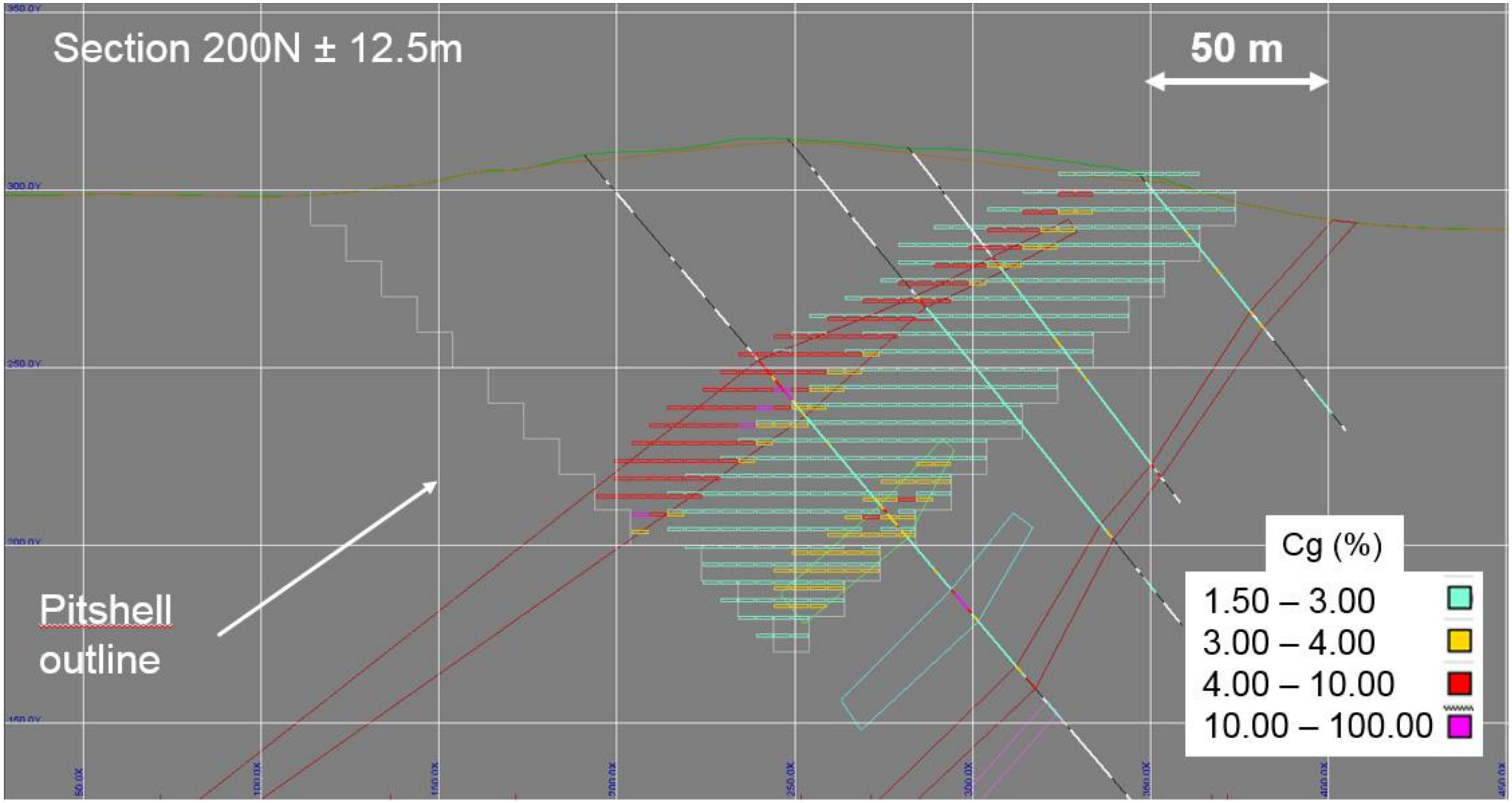

Figure 14.28 – Vertical cross section (200N) looking northeast, showing graphitic carbon block grades (Indicated and Inferred categories) equal to or above the cut-off grade (1.5% Cg) inside the Whittle-optimized pit shell. The figure also shows the Whittle-optimized pit shell outline, HG zones wireframes and drill hole traces.

15. MINERAL RESERVE ESTIMATES

The issuers have not published any NI 43-101 compliant mineral reserves for the La Loutre Property.

16. MINING METHODS

The issuers have not evaluated mining methods for the La Loutre Property.

17. RECOVERY METHODS

The issuers have not carried out any NI 43-101 compliant recovery method tests on samples from the Property.

18. PROJECT INFRASTRUCTURE

The issuers have not evaluated project infrastructure needs or layouts beyond those required for ongoing exploration work.

19. MARKET STUDIES AND CONTRACTS

Market studies have not been carried out for the Property, and no contracts have been issued.

20. ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

Environmental studies have not been carried out on the Property. Certificates of authorization and permits have not been obtained by the issuer. Social and community impacts have not yet been evaluated.

21. CAPITAL AND OPERATING COSTS

Capital and operating costs have not been calculated for the Property.

22. ECONOMIC ANALYSIS

An economic analysis has not been prepared for the Property.

23. ADJACENT PROPERTIES

There are only two properties adjacent to the La Loutre Property (Fig. 23.1). The first comprises 20 mining titles held by SOQUEM (50%) and Global-Gix Canada Inc. (50%). This property covers the Carmin graphite deposit discussed in section 6.1 of this report. Since 1992, there has been no publicly available information on this property.

The second property is held by Steven Lauzier (100%). This property is located in the area around the historical La Loutre A showing discovered by SOQUEM and discussed in section 6.2 of this report.

InnovExplo has not verified the above information about mineralization on adjacent properties. The presence of significant mineralization on these properties is not necessarily indicative of similar mineralization on the La Loutre Property.

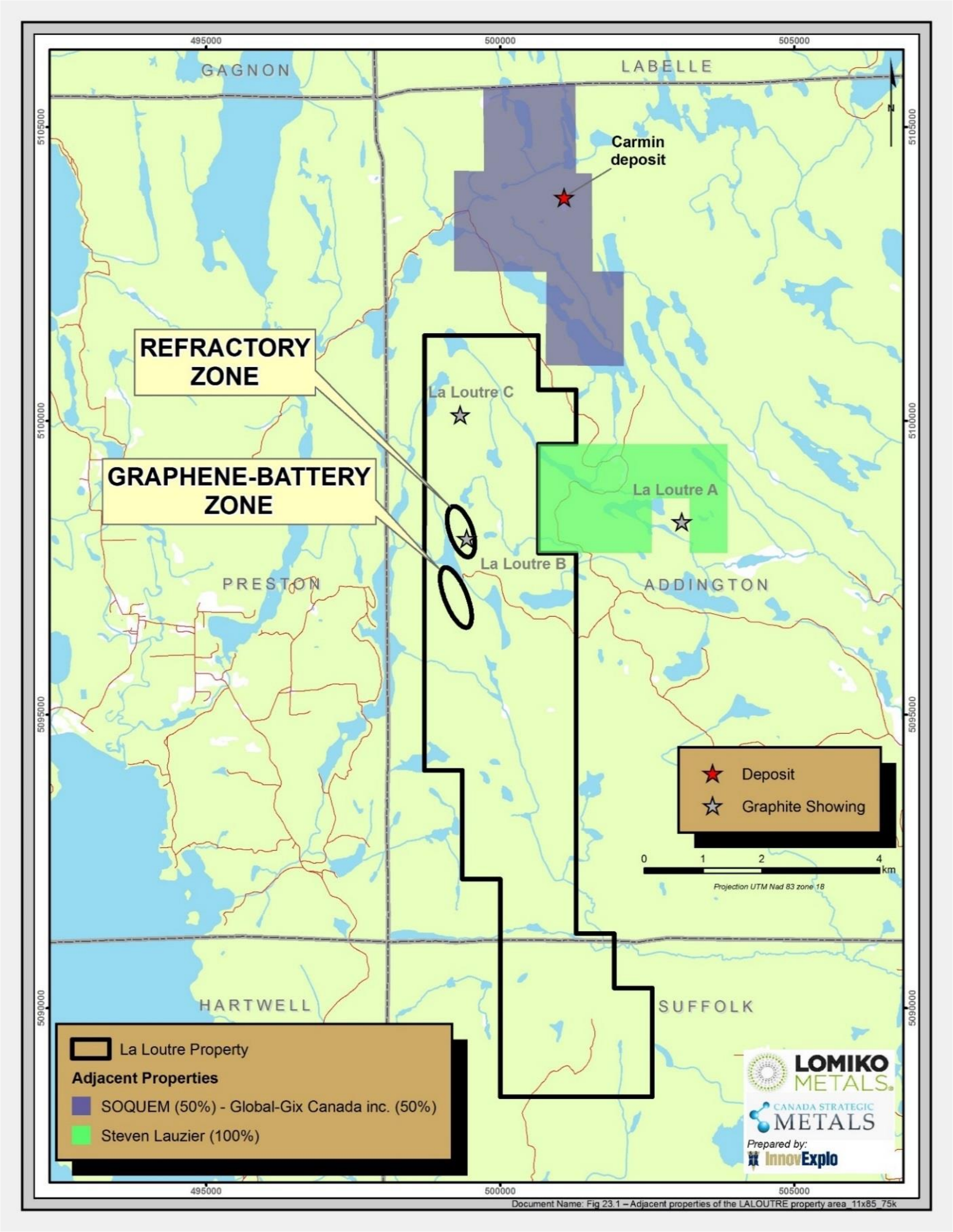

Figure 23.1 – The La Loutre Property and adjacent properties

24. OTHER RELEVANT DATA AND INFORMATION

All relevant data and information regarding the La Loutre Property has been disclosed under the relevant sections of this report.

25. INTERPRETATION AND CONCLUSIONS

The objective of InnovExplo's assignment was to prepare a Mineral Resource Estimate for the La Loutre Property (the "2016 MRE") using results from the 2014 and 2015 diamond drilling programs. This technical report and the mineral resource estimate presented herein meet this objective. The geological interpretation and the mineral resource estimate were provided by InnovExplo. The information on metallurgical testing and its interpretation were provided by AGP Mining. The risks and opportunities on the La Loutre Property were prepared jointly by InnovExplo and AGP Mining.

25.1 Geological Interpretation

InnovExplo interpreted graphite-bearing zones using a lithological model of the La Loutre Property based on all available geological and analytical information. The 2016 interpretation is highlighted by the following points:

- The lithological model was defined using multiple Quartzite domains and one Marble domain, and was used to distinguish two types of mineralization based on grades: High-Grade (HG) zones (> 4% Cg) and Low Grade (LG) zones (1–4% Cg).
- The interpretation exercise yielded thirty-three (33) solids for the HG zones; thirteen (13) solids for the LG zones; eighteen (18) solids for the Quartzite domains; and one (1) solid for the Marble domain.
- Several mineralized zones (HG and LG) remain opened laterally and at depth.
- Only the area of Graphene-Battery Zone has been retained for the 2016 MRE. There was enough geological and analytical information to establish sufficient continuity for the graphitic zones on the Graphene-Battery Zone, but not the Refractory Zone.
- Geological continuity on the Refractory Zone could not be demonstrated due to sparse information from diamond drilling. Lithological units and graphite-bearing zones belonging to the Refractory Zone remain targets for future exploration.

25.2 Mineral Resource Estimate

After conducting a detailed review of all pertinent information and preparing the 2016 MRE, InnovExplo states the following:

- The mineral resource was estimated using 3D block modelling (block size = 5 m x 5 m x 5 m), with the grades of the blocks calculated using the inverse distance squared (ID2) interpolation method. The interpolation of the graphitic carbon-bearing zones was constrained by wireframes. The resources are constrained in a pit shell measuring 1,100 m x 350 m x 200 m (max. depth).
- The following were retained for the interpolation exercise: twenty-one (21) HG solids; five (5) LG solids; and five (5) Quartzite solids (these contain only a few graphitic carbon grades). An external envelope was used for isolated graphitic carbon grades that had not been assigned to any mineralized zone or been assigned a lithological rock code.

- The 2016 Indicated Resource stands at 588,400 tonnes of graphitic carbon (18,438,700 t at 3.19% Cg). Of this amount, the HG and LG zones correspond respectively to 46.9% and 52.4% of the total Cg tonnes.
- The 2016 Inferred Resource stands at 624,900 tonnes of Cg (16,675,100 t at 3.75% Cg). Of this amount, the HG and LG zones correspond respectively to 61.8% and 37.7% of the total Cg tonnes.
- The graphitic carbon tonnage contained in the HG zones constitutes a significant portion of the 2016 MRE, and could justify specific additional drilling programs.
- An infill drilling program could potentially upgrade part of the Inferred Resource to the Indicated category, which would have a positive impact on a future economic study.

The authors conclude there are several opportunities at the La Loutre Property that could add resources:

- The depth and lateral extensions of known mineralized zones in the Graphene-Battery Zone could be confirmed by exploration drilling.
- With additional exploration drilling, the Refractory Zone could be included in a future mineral resource estimate provided that the continuity of graphitic carbon-bearing zones can be demonstrated.

InnovExplo considers the 2016 MRE to be valid and reliable, and based on quality data, reasonable hypotheses and parameters compliant with NI 43-101 and CIM Definition Standards on Mineral Resources and Mineral Reserves.

25.3 Metallurgical Testing

Limited metallurgical testing was carried out on three grab sample composites of the La Loutre graphite mineralization in an attempt to evaluate the quality of the graphite with regards to flake size and achievable purity. The flake size distribution of the three composites was coarse and is consistent with other graphite targets in this area. The concentrate grades of the purified material were very good overall, albeit generally higher for the smaller size fractions. The graphitic carbon grades typically decreased with increasing flake size. Photos taken of the graphite flakes did not show any visual impurities, which suggests that some of the impurities were encapsulated by the very coarse graphite and, therefore, the sodium hydroxide could not access these impurities. Finer crushing/grinding would likely produce better purification results.

Frequently, graphite and gangue minerals are closely intercalated within the flakes, which is a potential reason for poor purification results. However, this intercalation generally occurs in all size fractions and the fact that the smaller size fractions produced very good concentrate grades leads to the conclusion that intercalation is likely not the case for the La Loutre graphite mineralization. However, final confirmation would be required through optical mineralogy.

While it is possible to produce graphite concentrate from run-of-mine ore by means of hydrochloric acid leach followed by caustic bake, the costs would be prohibitive. Instead, the graphite mineralization would first be upgraded in a low-cost flotation circuit to produce a concentrate of +95% graphitic carbon. This concentrate can be readily marketed or further upgraded in a purification stage similar to the one that was used by GMR, which was the lab that conducted the metallurgical testing completed to-date. Since the energy input in a flotation circuit is significantly higher compared to the chemical purification process, some degree of flake degradation will be encountered. Hence, the size fraction analysis on the purified samples has to be considered optimistic since the concentrate was not generated with a traditional processing approach.

The degree of flake degradation is primarily dependent on the physical properties of the graphite flakes with flake thickness being a primary factor. Graphite flakes of other deposits or targets from the area of the Lac La Loutre mineralization tend to be fairly thick and, therefore, more resistant to degradation during processing. Hence, it is expected that the degree of flake degradation for the Lac La Loutre material will be relatively low. However, this will have to be confirmed in flotation tests.

All assays results reported by GMR were stated as graphitic carbon, but the specifics of the analytical method used are unknown. Since there is no direct assay method for graphitic carbon, the concentrations have to be determined indirectly through gravimetric methods or sequential analytical methods. One example of a sequential method employs roasting of the sample to remove organic carbon followed by leaching of the roasted sample to remove carbonate carbon, and finally combustion of the leach residue to determine the remaining carbon, which represents graphitic carbon. The most suitable assay method is a function of the grade of the product (e.g. concentrate or feed sample) and the host rock mineralogy. Also, each assay method has measurement uncertainties, which are established by the laboratory through internal QA/QC procedures. These measurement uncertainties have not been stated by GMR.

Gravity separation was evaluated using a Mozley table. While concentrate grades of 27.93% to 74.93% graphitic carbon were generated in the -420/+150 micron size fraction of the three composites, the carbon recovery into this product was low at 10.5% to 19.4%. The tailings streams contained significant graphite values and, therefore gravity separation by tabling run-of-mine material is not considered a viable processing option for the Lac La Loutre mineralization.

However, gravity separation with spirals has been demonstrated successfully on a plant scale treating large flakes. In order to achieve satisfactory results, the graphite flakes have to be well liberated and, therefore, any gravity separation stage would be incorporated into the cleaning circuit only.

25.4 Risks and Opportunities

Table 25.1 identifies the significant internal risks, potential impacts and possible risk mitigation measures that could affect the economic outcome of the project. The list does not include the external risks that apply to all mining projects (e.g., changes in metal prices, exchange rates, availability of investment capital, change in government regulations, etc.). Significant opportunities that could improve the economics, timing and permitting are identified in Table 25.2. Further information and study is required before these opportunities can be included in the project economics.

Table 25.1 – Risks of the La Loutre Property

RISK	Potential Impact	Possible Risk Mitigation
Metallurgical recoveries are unknown at the moment as no metallurgical tests have been completed on drill core	Recovery might differ from what is currently being assumed	Scoping level flotation tests
The La Loutre mineralization does not respond favourably to traditional mineral processing technologies	Inability to recover the graphite into a marketable concentrate	Flowsheet development program
Physical properties of graphite may vary within the Graphene-Battery Zone	Graphite concentrate quality could vary noticeably for different mineralized zones (HG and LG zones) and lithological domains defined in the 2016 MRE	Variability flotation program that takes into account differences in grades and mineral domains as well as spatial distribution
Physical properties of graphite may change from one exploration target to another at the property scale.	Graphite concentrate quality could vary noticeably for graphite mineralization from different areas of the La Loutre Property	Variability flotation program that takes into account differences in grades and mineral domains as well as spatial distribution
Possible poor social acceptability	Possibility that portions or the entirety of the resources could not be mined	Develop a pro-active and transparent strategy to identify all stakeholders and develop a communication plan. Organize information sessions, publish information on the activities on the property, and meet with host communities.
Virginia deer yards straddle the 2016 MRE area	Possibility that a portion or the entirety of the resource could not be exploited	As part of a future mining operation, the issuer could ensure that the Virginia deer yards will not be affected and future production will be performed in accordance with standards.

Table 25.2 – Opportunities of the La Loutre Property

OPPORTUNITIES	Explanation	Potential benefit
PEA study on the current resources	Positive results would improve the confidence in the economic potential of the Property	Could lead to a prefeasibility study
Preliminary tests indicate coarse flake size distribution	Coarser graphite flakes demand higher market prices due to shorter supply	Improved marketability of the flotation product
Infill drilling between existing drill holes on the Graphene-Battery Zone	Potential to convert inferred resources to indicated resources	Increased geological confidence in the Graphene-Battery Zone would potentially add indicated resources, thereby increasing the economic value of the property

OPPORTUNITIES	Explanation	Potential benefit
Obtain geotechnical information from drilling	Only an open pit scenario with conservative pit slopes is considered on the La Loutre Project	Potential to steepen the conservative overall pit slope used for the 2016 MRE pit shell (45°).
Surface exploration diamond drilling on the Graphene-Battery Zone	Potential to identify additional inferred resources	Adding inferred resources increases the economic value of the mining project
Surface exploration diamond drilling on the Refractory Zone	Potential to identify additional inferred resources.	Demonstrating continuity in the Refractory Zone would increase geological confidence, potentially adding inferred resources, thereby increasing the economic value of the property
Surface exploration diamond drilling on other graphite showings identified on the property	Potential to identify additional inferred resources.	Adding inferred resources increases the economic value of the property
Additional specific gravity tests on core samples	Additional specific gravity data for HG and LG zones and for Quartzite and Marble domains	More specific gravity data will improve the representativity of the tonnage for the mineral resource estimate. Moreover, these data will help evaluate ore vs. waste tonnage in a potential economic extraction scenario
Exhaustive sampling program on the Quartzite units	Some low-grade quartzite units had little sampling to date.	More samples would improve the overall accuracy of the mineral resource estimate for the property
Proximity (~100 km by road) to the Imerys Carbon and Graphite Mine and Processing Facility	A custom milling scenario could be considered if the facility expresses interest for custom feed in the future	The operating cost for an eventual economic mining scenario could be lower if a custom milling option is available at the time of operating the project

26. RECOMMENDATIONS

Based on the results of the 2016 Mineral Resource Estimate, InnovExplo and AGP Mining recommends advancing the La Loutre Property to the next phase: the preparation of a preliminary economic assessment (PEA). In parallel with the PEA, InnovExplo also recommend additional work, prioritized as follows:

Upgrading the resource category

Upgrading some of the Inferred Resources on the Graphene-Battery Zone to the Indicated category could be possible through infill drilling dedicated to increasing the density drill hole information, with an emphasis on the first 200 m below surface in order to improve the open-pit potential (Fig. 25.1). InnovExplo proposes 5,000 m of conversion drilling, which corresponds to 20 DDH averaging 250 m each.

Re-evaluating the Whittle optimized pitshell shape

A preliminary geotechnical study should be conducted to refine pit design parameters such as pit slope angle and stability. InnovExplo recommends assessing the work that would be involved, and then potentially carrying out said work concurrently with infill and exploration drilling.

Adding resources

The depth and lateral extensions of the known mineralized zones at the Graphene-Battery Zone could be confirmed by exploration drilling. At depth, the authors recommend extending existing drill holes in order to test interpreted HG zones (Fig 25.1). Some of these HG zones are close to the eastern pit-shell slope (Fig. 25.1) and could improve the open-pit potential. Laterally, the authors recommend a drilling program dedicated to testing the on-strike extensions. InnovExplo proposes 3,000 m of exploration drilling, which corresponds to twenty (20) extensions averaging 50 m each (1,000 m), and 10 DDH averaging 200 m each (2,000 m).

Additional drilling is recommended on the Refractory Zone. A mineral resource estimate could be prepared provided the continuity of the graphitic carbon-bearing zones can be demonstrated. A total of 2,000 m of exploration drilling is proposed for this purpose, corresponding to 10 DDH averaging 200 m each.

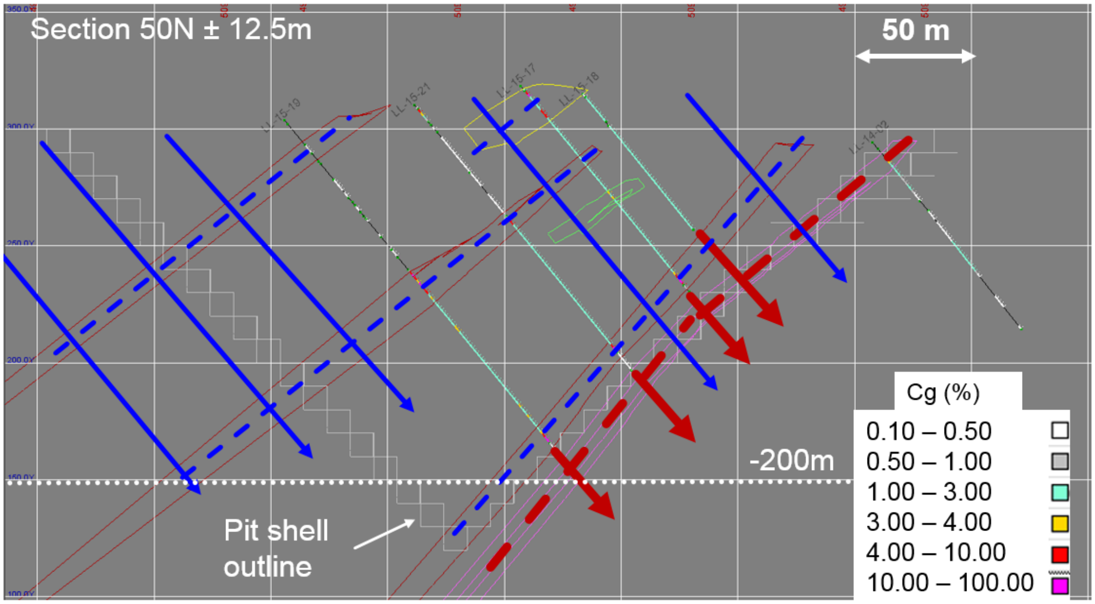

Figure 25.1 – Vertical cross section illustrating the potential to convert resources and add resources through additional drilling: the deepening of existing holes (red arrows) to test the presence of HG zones (red dashed lines), and infill drilling (blue arrows) to increase the density of information for the near-surface portions of the HG zones (blue dashed lines).

Community approach and permitting

Community consultation and an environmental base line study should be initiated.

Geological potential and mineral inventories

InnovExplo also recommends additional drilling to test the other most promising graphite showings identified on the La Loutre Property, potentially leading to mineral inventories. InnovExplo emphasizes the fact that high-grade graphitic carbon grab samples (> 10% Cg) are particularly numerous in the southern portion of the La Loutre Property (Fig. 25.2). A drilling provision of 1,000 m for exploration drilling is suggested; this would correspond to 10 DDH averaging 100 m each.

Improving the definition and understanding of the structural and stratigraphic features at the property scale would refine the interpretation and continuity of known mineralized zones and showings on the La Loutre Property. A geological study could also lead to the discovery of new graphite showings.

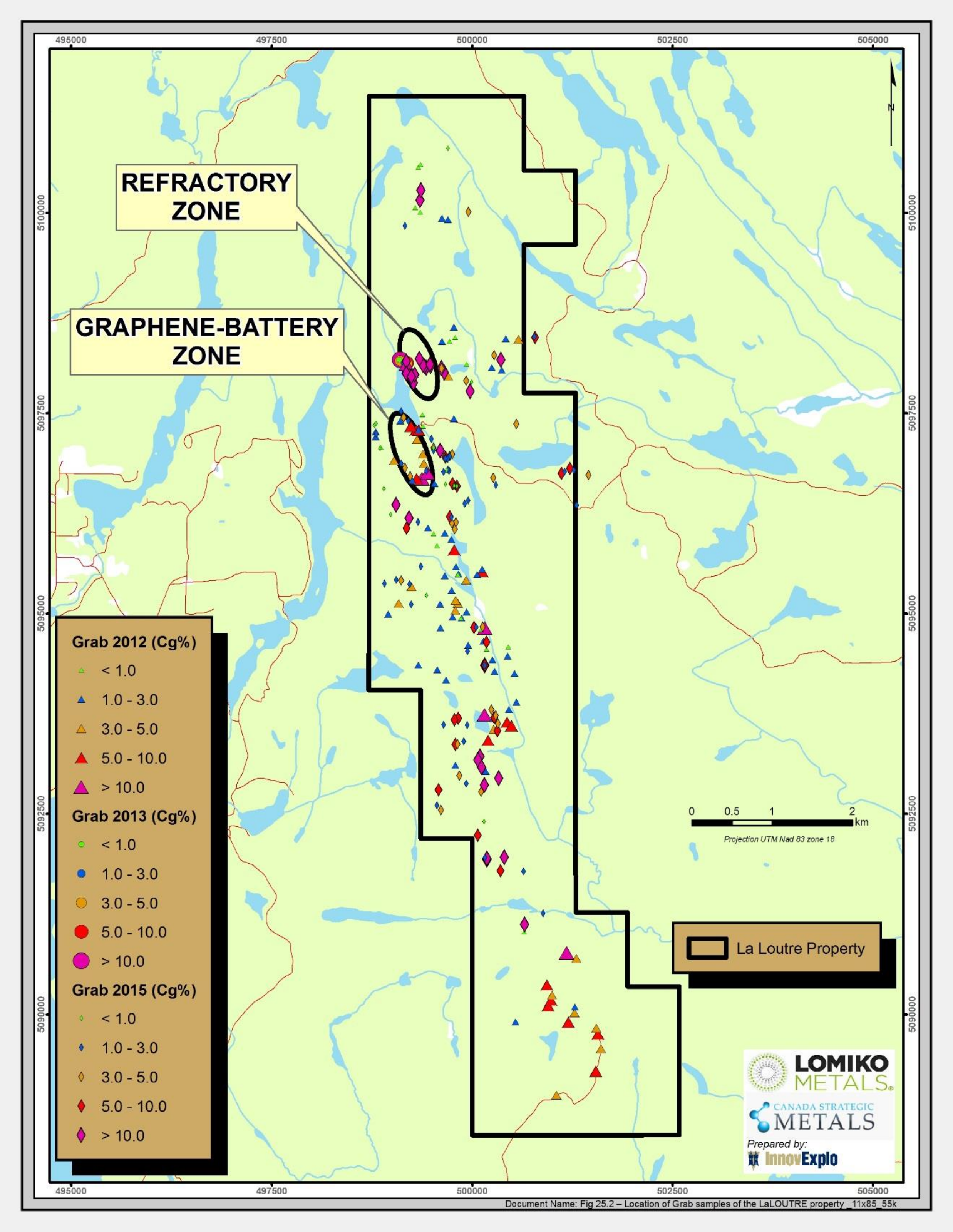

Figure 25.2 – Map of the La Loutre Property showing the location of grab samples collected by Canada Strategic between 2012 and 2015

Future metallurgical testing

Based on the available results and data, AGP Mining recommends the following be included in future metallurgical testing as part of a PEA:

- A review of the available exploration data to determine a suitable sample for the initial metallurgical study;
- A flowsheet development flotation program to establish a process flowsheet suitable to treat the La Loutre graphitic carbon mineralization. The flowsheet development program should provide flake size distributions and concentrate grades comparable to the ones that can be achieved in a commercial process;
- Comminution tests to establish preliminary energy requirement data for capital and operating cost estimates;
- Preliminary environmental testing on flotation tailings to assist in the selection of a suitable tailings disposal strategy;
- Purification tests to determine the maximum concentrate grade that can be achieved if a value-add process is considered (optional); and
- Bulk flotation tests using the process that will be established in the flowsheet development program to generate larger quantities of graphite concentrate. Since the first round of third-party product evaluation generally requires small quantities of concentrate (100 g to 1 kg), off-take agreement discussions can be initiated prior to generating larger quantities of graphite concentrate in a pilot-scale environment (optional).

Recommended work program

InnovExplo and AGP Mining have prepared a cost estimate for the recommended two-phase work program to serve as a guideline for the property. The budget for the proposed program is presented in Table 26.1. Expenditures for Phase 1 are estimated at C$1,960,000 (incl. 15% for contingencies). Expenditures for Phase 2 are estimated at C$640,000 (incl. 15% for contingencies). The grand total is C$2,600,000 (incl. 15% for contingencies). Phase 2 is contingent upon the success of Phase 1.

Table 26.1 – Estimated costs for the recommended work program

Sector	Phase 1 - Work Program	Budget	
		Amount	Cost (C$)
Graphene-Battery	Preliminary economic assessment (PEA) based on the 2016 MRE	1	$ 200,000
Graphene-Battery	Surface infill drilling program focused mainly on the first 200 m below surface and the potential upgrade of resource categories, particularly for the HG zones	20 DDH (5,000 m)	$ 500,000
Graphene-Battery	Metallurgical test work and preliminary process studies	1	$ 50,000
Graphene-Battery	Surface geotechnical drilling study to refine pit-shell parameters	Conduct on 10 DDH	$ 50,000
Graphene-Battery	Surface exploration drilling program to potentially add resources	20 ext. + 10 DDH (3,000 m)	$ 300,000

Sector	Phase 1 - Work Program	Budget	
		Amount	Cost (C$)
Refractory	Surface exploration drilling program to potentially add resources	10 DDH (2,000 m)	$ 200,000
La Loutre Property	Initiation of baseline study and community consultation	2	$ 300,000
La Loutre Property	Surface exploration drilling program to potentially add resources on the most promising graphite showings identified on the property	10 DDH (1,000 m)	$ 100,000
	Contingencies	15%	$ 260,000
	Phase 1 subtotal		$ 1,960,000

Sector	Phase 2 - Work Program (contingent upon success of Phase 1)	Budget	
		Amount	Cost (C$)
Graphene-Battery	Drilling provision for conversion and/or exploration purposes	15 DDH (3,000 m)	$ 300,000
Graphene-Battery	3D model and mineral resource estimate update	1	$ 80,000
Refractory	3D model update and initial mineral resource estimate	1	$ 50,000
La Loutre Property	Drilling provision for exploration purposes	10 DDH (1,000 m)	$ 100,000
La Loutre Property	Mineral inventory	1	$ 30,000
	Contingencies	15%	$ 80,000
	Phase 2 subtotal		$ 640,000

TOTAL (Phase 1 and Phase 2) (C$)	**$ 2,600,000**

InnovExplo and AGP Mining are of the opinion that the recommended two-phase work program and proposed expenditures are appropriate and well thought out, and that the character of the La Loutre Property is of sufficient merit to justify the recommended program. InnovExplo and AGP Mining believe that the proposed budget reasonably reflects the type and amount of the contemplated activities.

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APPENDIX I – UNITS, CONVERSION FACTOR, ABBREVIATION

Units

Units in this report are metric unless otherwise stated. Carbon content is reported as percent graphitic carbon (%Cg) or as tonnes graphitic carbon (t Cg). Tonnage figures are dry metric tons (tonnes, t) unless otherwise stated.

Abbreviations

°C	degrees Celsius	Cg	graphitic carbon
ha	hectares	oz	troy ounces
wt%	percent by weight	avdp	avoirdupois pound
g	grams	st	short ton
kg	kilograms	oz/t	ounces per short ton
lb	pound	t	metric ton (tonne)
µm	micron (micrometre)	kt	thousand metric tons
mm	millimetres	Mt	million metric tons
cm	centimetres	g/t	grams per metric ton
m	metres	tpd	metric tons per day
km	kilometres	ppb	parts per billion
masl	metres above sea level	ppm	parts per million
” or in	inches	cps	counts per second
’ or ft	feet	hp	horsepower
cfm	cubic feet per minute	Btu	British thermal units
m^3/min	cubic metres per minute	kV/kVA	kilovolts/kilovolt-amps
Mbs	megabytes per second	kbar	kilobar
$ or C$ or CAD	Canadian dollars	MPa	mega pascals
US$ or USD	American dollars	Ma/Ga	million/billion years

Conversion factors for measurements

Imperial Unit	Multiplied by	Metric Unit
1 inch	25.4	mm
1 foot	0.3048	m
1 acre	0.405	ha
1 ounce (troy)	31.1035	g
1 pound (avdp)	0.4535	kg
1 ton (short)	0.9072	t
1 ounce (troy) / ton (short)	34.2857	g/t

APPENDIX II – MINING RIGHTS IN THE PROVINCE OF QUÉBEC

II.1 Mining Rights in the Province of Québec

The following discussion on the mining rights in the province of Québec was largely taken from Guzon (2012) and Gagné and Masson (2013), and from the Act to Amend the Mining Act ("Bill 70") assented on December 10, 2013 (National Assembly, 2013).

In the Province of Québec, mining is principally regulated by the provincial government. The Ministry of Energy and Natural Resources ("MENR"; *Ministère de l'Énergie et des Ressources naturelles du Québec*) is the provincial agency entrusted with the management of mineral substances in Québec. The ownership and granting of mining titles for mineral substances are primarily governed by the Mining Act (the "Act") and related regulations. In Québec, land surface rights are distinct property from mining rights. Rights in or over mineral substances in Québec form part of the domain of the State (the public domain), subject to limited exceptions for privately owned mineral substances. Mining titles for mineral substances within the public domain are granted and managed by the MENR. The granting of mining rights in privately owned mineral substances is a matter of private negotiations, although certain aspects of the exploration for and mining of such mineral substances are governed by the Act. This section provides a brief overview of the most common mining rights for mineral substances within the domain of the State.

II.1.1 The Claim

A claim is the only exploration title for mineral substances (other than surface mineral substances, or petroleum, natural gas and brine) currently issued in Québec. A claim gives its holder the exclusive right to explore for such mineral substances on the land subject to the claim, but does not entitle its holder to extract mineral substances, except for sampling and in limited quantities. In order to mine mineral substances, the holder of a claim must obtain a mining lease. The electronic map designation is the most common method of acquiring new claims from the MENR whereby an applicant makes an online selection of available pre-mapped claims. In a few areas defined by the government, claims can be obtained by staking.

A claim has a term of two years, which is renewable for additional two-year periods, subject to performance of minimum exploration work on the claim and compliance with other requirements set forth by the Act. In certain circumstances, if the work carried out in respect of a claim is insufficient, or if no work has been carried out at all, it is possible for the claimholder to comply with the minimum work obligations by using work credits for exploration work conducted on adjacent parcels, or by making a payment in lieu of the required work.

Additionally, since May 6, 2015, claim holder must submit to the MENR, on each claim registration anniversary date, a report of the work performed on the claim in the previous year. Moreover, the amount to be paid to renew a claim at the end of its term when the minimum prescribed work has not been carried out now corresponds to twice the amount of the work required. Any excess amount spent on work during the term of a claim can only be applied to the six subsequent renewal periods (12 years in total). Holders of a mining lease or a mining concession are no longer able to apply work carried out in respect of a mining lease or mining concession to renew claims.

II.1.2 The Mining Lease

Mining leases and mining concessions are extraction (production) mining titles which give their holder the exclusive right to mine mineral substances (other than surface mineral substances, or petroleum, natural gas and brine). A mining lease is granted to the holder of one or several claims upon proof of indications that a workable deposit could be present on the area covered by such claims, and that the holder has complied with other requirements prescribed by the Act. A mining lease has an initial term of 20 years, but may be renewed for three additional periods of 10 years each. Under certain conditions, a mining lease may be renewed beyond the three statutory renewal periods.

The Act (as amended by Bill 70) states that an application for a mining lease must be accompanied by a project feasibility study, as well as a scoping and market study as regards to processing in Québec. Holders of mining leases must then produce such a scoping and market study every 20 years. Bill 70 adds, as an additional condition for granting a mining lease, the issuance of a certificate of authorization (CA) under the Environment Quality Act. The Minister may nevertheless grant a mining lease if the time required to obtain the CA is unreasonable. A rehabilitation and restoration plan must be approved by the Minister before any mining lease can be granted. In the case of an open-pit mine, the plan must contain a backfill feasibility study. This last requirement does not apply to mines in operation as of December 10, 2013. Bill 70 sets forth that the financial guarantee to be provided by a holder of a mining lease be for an amount that corresponds to the anticipated total cost of completing the work required under the rehabilitation and restoration plan.

II.1.3 The Mining Concession

Mining concessions were issued prior to January 1, 1966. After that date, grants of mining concessions were replaced by grants of mining leases. Although similar in certain respects to mining leases, mining concessions granted broader surface and mining rights, and they are not limited in time.

A grantee must commence mining operations within five years from December 10, 2013. As is the case for a holder of a mining lease, a grantee may be required by the government, on reasonable grounds, to maximize the economic spinoffs within Québec of mining the mineral resources authorized under the concession. It must also, within three years of commencing mining operations and every 20 years thereafter, send the Minister a scoping and market study as regards to processing in Québec.

II.1.4 Other Information

The claims, mining leases, mining concessions, exclusive leases for surface mineral substances, and the licences and leases for petroleum, natural gas and underground reservoirs obtained from the MENR may be sold, transferred, hypothecated or otherwise encumbered without the MENR's consent. However, a release from the MENR is required for a vendor or a transferee to be released from its obligations and liabilities owing to the MENR related to the mine rehabilitation and restoration plan associated with the alienated lease or mining concession. Such release can be obtained when a third party purchaser assumes those obligations as part of a property transfer. The transfers of mining titles, and the grants of hypothecs and other encumbrances in mining rights, must be recorded in the register of real and immovable mining rights maintained by the MENR and other applicable registers.

Under Bill 70, a lessee or grantee of a mining lease or a mining concession, on each anniversary date of such lease or concession, must send the Minister a report showing the quantity and value of ore extracted during the previous year, the duties paid under the Mining Tax Act and the overall contributions paid during same period, as well as any other information as determined by regulation.

APPENDIX III – DETAILED LIST OF MINING TITLES

Type of Mining Tiles	Title Number	NTS Sheet	Status	Area (ha)	Registration Date	Expiration Date	Holder	Royalty
CDC	2333034	31G15	Active	59.79	March 01, 2012	March 01, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2333035	31G15	Active	59.79	March 01, 2012	March 01, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2333036	31G15	Active	59.79	March 01, 2012	March 01, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2333037	31G15	Active	59.79	March 01, 2012	March 01, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2333038	31G15	Active	59.78	March 01, 2012	March 01, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336147	31J02	Active	59.70	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336148	31J02	Active	59.70	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336149	31J02	Active	59.69	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336150	31J02	Active	59.69	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336151	31J02	Active	59.68	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336152	31J03	Active	59.71	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336153	31J03	Active	59.71	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336154	31J03	Active	59.70	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336155	31J03	Active	59.70	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336156	31J03	Active	59.70	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336157	31J03	Active	59.70	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336158	31J03	Active	59.69	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336159	31J03	Active	59.69	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336160	31J03	Active	59.68	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336161	31J03	Active	59.68	March 16, 2012	March 15, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336616	31G14	Active	59.76	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336617	31G14	Active	59.75	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336618	31G15	Active	59.78	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336619	31G15	Active	59.78	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336620	31G15	Active	59.78	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336621	31G15	Active	59.78	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336622	31G15	Active	59.78	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR

Type of Mining Tiles	Title Number	NTS Sheet	Status	Area (ha)	Registration Date	Expiration Date	Holder	Royalty
CDC	2336623	31G15	Active	59.78	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336624	31G15	Active	59.77	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336625	31G15	Active	59.77	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336626	31G15	Active	59.76	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336627	31G15	Active	59.76	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336628	31G15	Active	59.75	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336629	31G15	Active	59.75	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336630	31J02	Active	59.74	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336631	31J02	Active	59.74	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336632	31J03	Active	59.74	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336633	31J03	Active	59.74	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336634	31J03	Active	59.73	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336635	31J03	Active	59.73	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336636	31J03	Active	59.72	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2336637	31J03	Active	59.72	March 20, 2012	March 19, 2018	Canada Strategic Metals Inc. (100%)	1.5% NSR
CDC	2431640	31J02	Active	59.73	July 29, 2015	July 28, 2017	Canada Strategic Metals Inc. (100%)	No Royalty
CDC	2431641	31J02	Active	59.73	July 29, 2015	July 28, 2017	Canada Strategic Metals Inc. (100%)	No Royalty
CDC	2431642	31J02	Active	59.72	July 29, 2015	July 28, 2017	Canada Strategic Metals Inc. (100%)	No Royalty
CDC	2431643	31J02	Active	59.72	July 29, 2015	July 28, 2017	Canada Strategic Metals Inc. (100%)	No Royalty
CDC	2431644	31J02	Active	59.71	July 29, 2015	July 28, 2017	Canada Strategic Metals Inc. (100%)	No Royalty
CDC	2431645	31J02	Active	59.71	July 29, 2015	July 28, 2017	Canada Strategic Metals Inc. (100%)	No Royalty