National Instrument 43-101 Technical Report

GEOLOGICAL REPORT ON THE FORIET DIAMOND PROPERTY, KUUSAMO, FINLAND

Latitude/Longitude: N66° 06' 46.8" E29° 21' 03.6"

ETRS89 UTM: 35W 606212E 7334500N



Kuusamo.vaakuna

Prepared For: ARCTIC STAR EXPLORATION CORP.

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1. SUMMARY

The Foriet Property consists of Ore Prospecting Permit ML2011:0078-01, located in Northern Ostrobothnia, Finland approximately 17 km NNE of Kuusamo, Finland, 24 km west of the Russian Federation border.

Arctic Star Exploration Corp has executed a Share Purchase Agreement with Dragon Diamond Ventures Limited (Dragon) to acquire the Finnish company Foriet Oy, which holds 100% interest in Ore Prospecting Permit ML2011:0078-01, which is about 243 hectares in size. Ore Prospecting Permit ML2011:0078-01 is also known as the Foriet Property.

The Foriet Property occupies part of the Archean Kuusamo volcano-sedimentary belt that consists of a basal conglomerate and overlying stratigraphy that includes several volcanic formations with intercalated and overlying metasedimentary units.

Two kimberlites are known on the Property: Black Wolf and White Wolf, which are located 50m from each other and are hosted by metasedimentary and metavolcanic Archean rocks. These kimberlites are initial discoveries of the North Kuusamo Kimberlite Cluster, with emplacement age 760 Ma.

The Wolf kimberlites contain diamonds and have been core drilled and mini-bulk sampled in past. A small sample of 8.7 tonnes of near-surface kimberlitic rock returned 1.25 carats of +1mm diamonds. The largest stone recovered was 0.09 carats.

Past exploration companies followed a kimberlite indicator mineral (KIM) dispersal train to discover the Wolf kimberlites. A wider KIM dispersal train likely sourced from other undiscovered kimberlite pipes is reported to exist on the Foriet Property.

Arctic Star Exploration Corp. plans to conduct diamond exploration on the Foriet Property.

The exploration program should commence with re-logging stored drill core from BW and WW kimberlites, and sampling it for microdiamonds. Core samples should be submitted for petrology and KIM geochemistry for each kimberlite.

Field exploration should consist of till sampling using an excavator, detailed ground geophysical magnetic, electromagnetic and gravity gradiometer surveys, mechanical trenching, and core drilling on the Foriet Property. New kimberlite discoveries should be tested for diamonds while trenching, so that only significantly diamondiferous kimberlites are core drilled.

The proposed budget required to complete this work is \$2,000,000.

2. INTRODUCTION

Arctic Star Exploration Corp. (Arctic Star, or the Company) with address 1400-111 West Georgia Street, Vancouver, BC, V6E 4M3 asked **KIVI Geoscience Inc**, of 363-1100 Memorial Ave, Thunder Bay ON P7B 4A3 to prepare a NI 43-101 compliant technical report, which is required to close a **Share Exchange Agreement**.

A Share Exchange Agreement was made effective June 7, 2017 among:

- 1. Foriet Oy ("Target"),
- 2. Dragon Diamond Ventures Limited ("Shareholder")
- 3. Arctic Star Exploration Corp. ("Purchaser")
- 4. Persons who have taken assignment of all rights of **1025522 B.C. Ltd.** which has a joint venture agreement with Foriet Oy ("**JV Holders**")
- 5. Dragon Group Limited and Dragon Equities Limited.

Foriet Oy, with registered address: Eteläranta 12 00130, Helsinki, Finland. **Foriet Oy** is holder of Ore Prospecting Permit ML2011:0078-01, otherwise known as the Foriet Property near Kuusamo, Finland.

On Closing the **Share Exchange Agreement**, **Foriet Oy** will become a wholly owned subsidiary of **Arctic Star Exploration Corp**. The transaction is subject to TSX-V exchange approval.

The author reviewed all publicly available information on the **Property** and completed a geological report with recommendations for exploration.

Information and data contained in this technical report were downloaded from the Geology Finland (GTK) website which is an online warehouse of digital data in the public domain, as collected by Mines and Minerals Divisions of Finland since enactment of the mining act.

The author of this technical report, Kevin Kivi PGeo visited the Foriet Property in Finland on June 10, 2015, and collected several rock samples which tested positive for diamonds.

The delay between property visit and report completion is the result of administrative process by **FCSA**. An appeal made to the Mining Authority on January 8, 2016 by a party opposed to exploration and granting of Ore Prospecting Permit ML2011:0078-01 resulted in a 16 month review of the application and circumstances. On April 3, 2017 the appeal was rejected by the Administrative Court who rendered a decision to issue the exploration permit, which became valid on May 5, 2017.

3. Reliance on Other Experts

Reasonable care has been taken writing this document, but the author cannot verify the accuracy or completeness of documents referenced to produce this report. All units in this document and on maps herein are metric with UTM co-ordinates in ESTM89 unless otherwise stated.

Currency is in Canadian dollars, using conversion rate \$1 CDN= €0.68 on June 15, 2017.

The author reviewed and summarized the general terms of the **Share Exchange Agreement** between purchaser Arctic Star Exploration Corp. and four other parties. The author relied on advice from counsel to the Purchaser pertaining to the summary of the **Share Exchange Agreement** provided in Item 4: Property Description and Location.

The author relied on GTK, the Geological Society of Finland for geological, geophysical and geochemical data and historical information summarized in Item 6: History.

Abbreviation	Long Form
EUREF-FIN	ETRS89 realization in Finland
ETRS89	pan-European coordinate system
FCSA	Finnish Safety and Chemicals Agency
На	Hectare
GPS	Geographic Positioning System
GTK	Geological Survey of Finland
KKJ	Finnish National Coordinate System
	1970-2005
NNE, S	North North-East, South, etc
TSX	Toronto Stock Exchange
TSX-V	TSX Venture Exchange
UTM	Universal Transverse Mercator
lkm	Line-kilometre

Table 1. Conversions and Abbreviations used in this report.

The following abbreviations are used in this report:

- mm millimetre
- cm centimetre
- m metre
- km kilometre
- Ha hectare
- m^3 cubic metre
- °C degrees Celsius
- Ma million years before present
- Ga- billion years before present
- mW/m2 milliwatts per square metre
- SG Specific gravity
- % percent
- TUKES Turvallisuus- ja kemikaalivirasto
- \$CDN Canadian Dollar
- € Euro

4. PROPERTY DESCRIPTION AND LOCATION

The Foriet Property consists of Ore Prospecting Permit ML2011:0078-01, which is approximately 243.0 hectares in size. The Property is located in Northern Ostrobothnia (*Finnish: Pohjois-Pohjanmaa*), Finland approximately 17 km NNE of Kuusamo, Finland, 24 km west of the Russian Federation border.

The Foriet Property is located between Co-ordinates 605880E to 608090E and 7334270N to 7336620N (UTM ETRS89, Zone 35) with elevations that range from 275-375m above sea level.



Figure 1. Location of Foriet Property



Figure 2. Foriet Property: Ore Prospecting Permit ML2011:0078-01 (Source: GTK website, June 27, 2015)

Foriet Oy was granted Ore Prospecting Permit ML2011:0078-01 on December 23, 2011. Foriet Oy is a wholly owned subsidiary of Dragon Diamond Ventures Limited.

A Share Exchange Agreement was made effective June 7, 2017 among:

- 1. Foriet Oy ("Target"),
- 2. Dragon Diamond Ventures Limited ("Shareholder")
- 3. Arctic Star Exploration Corp. ("Purchaser")
- 4. Persons who have taken assignment of all rights of **1025522 B.C. Ltd.** which has a joint venture agreement with Foriet Oy ("**JV Holders**")
- 5. Dragon Group Limited and Dragon Equities Limited.

Target is owner of Ore Prospecting Permit ML2011:0078-01, located in Northern Ostrobothnia, Finland approximately 20 km NNE of Kuusamo, Finland (the "**Permit**" or "**Property**").

Target has a joint venture agreement with **1025522 B.C. Ltd.**, and the rights and interests of **1025522 B.C. Ltd. ("JV Rights")** have been assigned to **JV Holders**, who are listed in Schedule C of the Share Exchange Agreement. **1025522 B.C. Ltd.** invested funds to **Target** to maintain the **Permit**, and thereby earned a right to earn and interest in the **Permit**.

Shareholder is registered and beneficial owner of all issued and outstanding shares of **Target**. Dragon Equities Limited is sole shareholder of **Shareholder**, and Dragon Equities Ltd is a wholly owned subsidiary of Dragon Group Limited.

Purchaser has made an offer to issue 14,500,000 common shares in the capital of the **Purchaser** at a deemed price of \$0.20 per share or such other deemed price as imposed by Canada Revenue Agency, 10,000,000 to the **Shareholder**, and 4,500,000 to the **JV Holders** for acquisition of all **JV Rights**. All shares are subject to an Escrow Agreement.

On completion of the Share Exchange, **Target** will become a wholly owned subsidiary of **Purchaser**, and **JV Rights** will be extinguished and will be no longer relevant.

Target will owe **Purchaser** €36,836.90 from a capital loan from **Shareholder** to **Target** dated March, 2013. **Target** will also owe **Purchaser** for all claims, amounts, or debts claimed by **Shareholder** against **Target** prior to Closing.

On Closing the Share Exchange Agreement, **Foriet Oy** will become a wholly owned subsidiary of **Arctic Star Exploration Corp**.

The Share Exchange Agreement is subject to TSX-V approval.

To reserve a prospect area in Finland, an applicant submits a Reservation Notification, which becomes valid if it is in compliance with Section 44 of the Mining Act (621/2011) and there is no reason to reject the reservation. The Reservation Decision remains valid until the reserve notification expires or is cancelled.

Reservation does not entitle the applicant to explore, instead grants the applicant the privilege to submit an ore prospecting application.

The first person (natural person or company) to apply for an exploration permit gets priority, as long as they are compliant with Section 34 of the Mining Act (621/2011).

The permit application must be complete, and include all verifiable clarifications required in all sections of the application. If the ore prospecting permit is incomplete or fundamentally flawed, then another party making a reservation notification in accordance with Section 44 of the Mining Act may be granted priority.

Foriet Oy applied for an exploration permit on December 23, 2011, and was granted the exploration permit (ML2011:0078-01) on January 8, 2016, for a governmental fee of €2000. The exploration permit decision rendered by the Finnish Safety and Chemicals Agency (the "**Mining Authority**" or "**FCSA**") on January 8, 2016 was appealed to the Administrative Court of Northern Finland. The Administrative Court rejected the appeals made and rendered its decision on April 3, 2017. Since the Administrative Court's decision was not appealed to the Supreme Administrative Court, the exploration permit became valid on May 5, 2017.

An exploration permit does not authorise mining, but reserves privilege for the holder to apply for a mining permit, which is required to exploit a deposit. Deposit size, ore content, and technical characteristics are required to apply for a mining permit.

The validity of an exploration permit may be extended for a maximum of three years at a time, for up to 15 years. Application for extension of a prospecting permit must be made 2 months prior to the expiry of the current permit. Exploration permit ML2011: 0078-01 will require renewal by November 8, 2019.

Exploration permit ML2011: 0078-01 approves geophysical and geochemical surveys or other research methods with similar impact, soil and bedrock sampling (moraine samples, channel samples, point samples and drilling), and research pits and ditches. These exploration methods were proposed by the applicant, and the mining authority assesses they are required to effectively explore the permit, and therefore measures set out in the decision are to be completed. Exploration is only permitted within the 2.5 km² Property, and work must be carried out in a way to minimize impact on wildlife.

Prior to commencing exploration the permit holder must notify in writing all owners of real estate or similar title in the exploration area and also holders of rights, such as Oivanki reindeer owners' association. In addition the holder of the exploration permit must notify the following authorities overseeing public interests about the fieldwork:

- the FSCA
- the environmental board of the Centre for Economic Development, Transport and the Environment of Northern Ostrobothnia
- if objects meant out in the Antiquities Act are found from the permit area during the research activities, the permit holder shall act as set out under the Antiquities Act and report the findings to the National Board of Antiquities without delay.

When drilling, if water consumption exceeds 100m³ per day then the permit holder shall act in accordance with Section 15 of the Water Act (527/2017). The permit holder shall plug any boreholes that produce water, and drill casings are to be cut as close to surface as possible upon completion of a bore hole. Drill sites are to be cleaned up and remediated immediately on completion of work.

No work is allowed within 50m of the adjacent Särkiperä-Löyhkönen-Antinvaara Natura area (FI1101627) or within 30m of a waterbody or protected plant species. The permit area is also located near Finnish Forestry Centre's real estate (n:o 305-417-97-9) and in the Oivanki reindeer owners' association herding area. Exploration is subject to nature conservation measures that ensure the activity does not interfere or affect natural areas, traditional or commercial activities.

The permit holder is required to report annually to the mining authority of exploration activities performed and their outcome, which are due by the end of June, unless otherwise instructed. The annual exploration report shall include information about exploration and work methods completed, a summary of activities completed, and exploration results.

In order to decrease the size of an exploration permit area the owner must present an application regarding partial or full renouncement of the exploration permit area. This process may take 3 months.

The holder of an exploration permit has the right to explore on permit holder's land and land owned by other landowners within the area defined by the permit. The exploration permit also does not limit an owner's right to use the area, or dispose of it.

If the exploration permit expires or is cancelled, the exploration permit holder is obligated to do the following measures outlined in the exploration permit:

"1) immediately restore the exploration area to the condition required by public safety, remove temporary constructions and equipment, attend to rehabilitation and tidying of the area, and restore the area to its natural status as far as possible. The holder of the exploration permit shall submit a written notification to the mining authority, the owners of the properties included in the exploration area, and other holders of rights once the measures have been completed. In respect of the reindeer herding area, this notification shall be submitted to the Kuivasalmi reindeer owners' association. The notification shall include information on the end-date of the after-care measures and description of the after-care measures carried out.

2) within six months, submit to the mining authority an exploration work report, the information material pertaining to the exploration, and a representative written statement on the set of core samples. The mining authority guides the applicants in more detail on the form of the report. "

The exploration permit holder must prevent the generation of soil and rock waste material, minimize its harm, and process or reclaim it. After any work is completed, all damages to terrain must be repaired and the area immediately restored to a natural state.

The following prerequisites are required to extend an exploration permit:

- 1) Exploration has been effective and systematic
- 2) Further research is necessary to determine the potential to exploit the deposit
- 3) The permit holder has complied with obligations laid out in the Mining Act and complied with provisions defined in the permit
- 4) Exploration permit extension will not cause unreasonable inconvenience to public or private interest

Exploration permit holders must pay annual compensation (exploration fees) to owners of the land included in the exploration area. The annual fee for each property is:

- 1) \in 20 per hectare per year for the first 4 years
- 2) €30 per hectare per year for years 5-7
- 3) €40 per hectare per year for years 8-10
- 4) €50 per hectare per year for year 11 and any subsequent year.

Foriet Oy must pay \notin 20 per hectare per year to landowners as the company is in year 1 of its exploration permit. At 243 hectares, annual compensation to landowners is \notin 4,860.

The exploration permit holder must deposit collateral to pay for potential damage, inconvenience, and rehabilitation. The deposit may be deemed unnecessary once the quality and extent of operations, special characteristics of the operation, permit provisions or the applicant's solvency are considered.

The type and amount of collateral is determined by the permit authority, which may be revised when the permit is reviewed in accordance with Section 62 of the Mining Act. The collateral deposit is held by the mining authority, and costs necessary to perform obligations laid out in the Mining Act, or prescribed by the permit can be paid from this deposit.

Foriet Oy was ordered to make a $\leq 10,000$ security deposit in favour of **FSCA**, which is in place to cover possible harm or damage caused by exploration.

Once a permit holder has fulfilled its obligations under the Mining Act or those prescribed in the permit, the mining authority will release all or part of the collateral, whatever is deemed appropriate.

There is no record of any known environmental liability or mine hazard on the **Foriet Property**.

Since 2008 the Finnish government has launched a number of initiatives to promote sustainable development and corporate social responsibility (CSR) in mining.

The Finnish Government:

- invested in education and training related to mining
- established a new mineral strategy in 2010
- created a new Mining act in 2011
- initiated a Green Mining Program aimed at eco-efficiency
- developed a mineral industry cluster (exceeds 30,000 people)
- allocated €30M to finance the mining industry and related technology.

The Fraser Institute ranked Finland first in world in 2015, as the most attractive jurisdiction for mining investment according to an annual global mining survey. Finland remains in the Global top-ten ranked mining jurisdiction. Finland has abundant mineral potential, clear regulatory guidelines, an effective tax regime, and a robust labour market. The Fraser Institute is an independent, non-partisan Canadian policy think-tank.

There are no significant factors or risks that might affect access, title of the right or ability for Arctic Star Exploration Corp to explore or perform work on the Property.

5. Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Foriet Property is located in Northern Ostrobothnia region of Finland, in the municipality of Kuusamo. The municipality has a population of 15,810 people and covers an area of 5,808 km² of which 830 km² is water. Population density is 3.18 inhabitants per square kilometer.

A huge drumlin field (3,700 km²) with 2,400 elongate ridges of various sizes and shape extends across northern Finland to Russia. The Kuusamo drumlin field is a high upland, with drumlins averaging 5-40m in height, but up to 200m in the Ruka ski resort. This upland area is also rich in bogs and lakes.

Elevation of the Foriet Property ranges from 307-407m above sea level according to recent Lidar data. Drumlins orientation of 108° Azimuth reflects dominant ice flow direction of the most recent ice age.



Figure 3. Property and drumlins on Lidar point cloud data (www.paikkatietoikkuna.fi)

Vegetation on the Property is Northern Taiga (boreal) forests that can be divided into three groups:

- 1) Dry Forests (in Finnish: kuivat kangasmetsät) pine-covered ridges with heather, lingonberry, reindeer lichen and red-stemmed feather moss.
- 2) Moist forests (in Finnish: toreet kangasmetsät) spruce and birch, bilberry, and feather moss dominating undergrowth.

- 3) Herb-rich forests (in Finnish: lehdot) usually dominated by spruce and birch, herbaceous plant species and certain mosses dominating undergrowth.

Figure 4. Birch, spruce and pine forest with dense undergrowth of Foriet Property

Forestry is important to Finland and as a result Finnish forests are intensely studied. In 1992 a UN conference on Environment and Development approved sustainable forest principles, and the following year these general principles were adopted by Finland and put into legislation that ensures sustainable economic return, preserves biodiversity, and facilitates multiple-use of forests.

Forestry practices are about 1/3 felling and 2/3 thinning. At the Foriet Property portions of the forest were recently thinned by selective harvest of marketable timber from existing winter trails. In winter these trails are used for recreational snowmobiling.

Bogs are drained for farming using linear ditches that cut into the meter-thick peat layer to glacial till below.



Figure 5. Drainage ditch in peat-covered areas at Foriet Property

The town of Kuusamo, located 17 km SSW of the Foriet Property, is at the junction of several highways that lead south to Helsinki, west to the coastal town of Oulu, and east to a Russian border crossing.

The Foriet Property is accessible by driving a car or truck north from Kuusamo on Highway 5, then right on Rukajärventie Road for 2.5 km, and right on Matosuo Road for 8.2 km to a

farm lane on the north side. The Black Wolf kimberlite occurrence is 1100m, a 20 minute hike along farming and forestry trails from the parking area. White Wolf is located 50m east of Black Wolf.

Kuusamo is an 8-hour drive from Helsinki. Highways, roads and trails interconnect, forming a network of infrastructure to enable free movement of mobile equipment for till sampling, trenching, diamond drilling and bulk sampling in future exploration campaigns.

The Kuusamo airport (65° 59' 45.41" N, 29° 13' 33.10" E) has direct flights daily to and from Helsinki, which is 1 hour and 40 minutes south using commercial ATR72 turboprop aircraft.

Kuusamo is a major centre for winter sports and receives a million tourists every year. The Ruka ski center, located 11 km NW of the Property, boasts 200 days of snow a year and has 16,000 beds, four hotels and 28 restaurants. Ruka is host to major competitions including ski jumping, cross country skiing, and Nordic combined. Tourism activities include ice fishing, snowmobiling, and dog and reindeer sled expeditions in winter. In summer activities include fishing, kayaking and hiking.

The main economic activities of Kuusamo are forestry, reindeer husbandry, small industries and tourism. Unemployment is high at 16.2% (2003).

Kuusamo has subarctic climate with severe winters, no dry season, cool short summers and strong seasonality. Mean temperature is 0.6°. Daylight hours are 24h in June, reducing to 3h in December. Daylight exceeds darkness 7 months each year. In summer average high temperatures are 17.3°C and 8.3°C overnight. Winter has highs of -8°C and lows -15.7°C with extreme low temperatures of -25°C possible. Snowfall averages 80-90 cm and covers the ground for almost 7 months each year.



Figure 6. Average temperatures in Kuusamo, Finland.

The climate and operating season at Kuusamo will allow mineral exploration including geophysics, diamond drilling and mini-bulk sampling to occur throughout the year, with optimal conditions from May through October.

6. HISTORY

The Foriet Property is situated within a region previously known as Area 3. Area 3 was worked by Ilmari Exploration Oy (Ilmari), a wholly owned subsidiary of European Diamonds Plc (EPD), once an AIM listed public company.

On July 14, 2005 EPD reported discovery of a new kimberlite body (WW) at Area 3, central Finland. The discovery resulted from core drilling a geophysical anomaly at the head of a 30-kilometre long KIM dispersal train which had been traced for the previous 18 months by the company's field team. Additional KIM sampling in Area 3 has identified other KIM dispersal train within 2 km of the first train, and 5 others within 20 km which indicates there may be a cluster of kimberlites in the region.

On September 19, 2005 EPD reported separate core samples, processed in Australia and Canada for KIMs and micro-diamonds. Pyrope and chromite compositions were considered spectacular in terms of diamond potential ranking by GTK. Kennecott Canada Exploration's Laboratory (ISO/IEC 17025) in Thunder Bay, Canada reported 42 diamonds between 0.15 and 0.88 mm from 4 core samples that totalled 41.2 kg. The largest stone was measured to be 0.88mm long in one axis, and 11 diamonds exceeded 0.5mm in size in at least one dimension. Approximately 26% of the stones were white, and some 38% were octahedrons.

Ilmari completed 14 short core drill holes from 2004-2007. Core is currently stored in the Finnish National Drill Core Archive (NDCA) in Loppi, FI. The NDCA contains some 3,000,000m of core from 31,000 locations. Archived core can be studied and sampled at the facility, which provides services to sample, photograph, and measure physical properties of samples. The facility is busy, and time must be booked in advance.

GTK's Mineral Deposits and Exploration map service reports 14 core holes (529.85m), about 100 boxes are stored at the NDCA. This core is available for re-logging and sampling.

Easting (KKJ)	Northing (KKJ)	HOLE_ID2	AZIMUTH	DIP	LENGTH	SOIL	BOXES	YEAR
4470630	7335750	D-474_05	135	45	71.15	4	13	2004
4470620	7335710	D-476_05	135	45	70	3.45	13	2005
4470690	7335700	D-475_05	335	45	63.9	2.2	12	2005
4470864	7335706	D-478_05	45	45	53.6	6.1	10	2005
4470865	7335714	D-479_05	135	45	27.3	4.4	5	2005
4470873	7335715	D-477_05	225	45	29.9	6.7	5	2005
4470873	7335706	D-480_05	315	45	18.8	3.3	3	2005
4470883	7335727	D-482_07	360	90	47.7	1.4	9	2007
4470883	7335710	D-483_07	360	90	18	1.7	3	2007
4470800	7335720	D-488_07	360	90	23.4	3	5	2007
4470823	7335712	D-486_07	360	90	27	1.5	5	2007
4470860	7335710	D-481_07	360	90	23.1	1.3	5	2007
4470860	7335700	D-485_07	360	90	22	1.5	5	2007
4470870	7335710	D-484_07	360	90	34	1.5	7	2007
TOTAL					529.85			

 Table 2. Core drilling from Foriet Property stored at NDCA in Loppi, Finland.



Figure 7. Diamond Drilling of Black Wolf (BW) and White Wolf (WW) Kimberlites.

On June 1, 2006 EPD reported on a mini-bulk sampling in Area 3. An 8.7 tonne sample of near-surface kimberlitic rock, collected from the first significantly diamondiferous body in Area 3 returned macro-diamonds. The mini-bulk sample, processed by GTK's Outokumpu facility returned 1.25 carats of +1mm diamonds. The largest stone in this small parcel was 0.09 carats.

EPD also reported that further test pitting some 50m from the location of the discovery site has exposed similar material within 1m of surface, and a small grab sample of 9.8 kg processed by Kennecott Canada Exploration Inc. returned 23 microdiamonds. It is not known whether this second discovery is part of the original body or a separate intrusive.

On March 30, 2007 EPD reported that work in Finland would be scaled back to focus on projects in Lesotho. In November 2007, EPD changed its name to Kopane Diamond Developments PLC (Kopane).

On January 11, 2008, Kopane Diamonds Plc (Kopane) entered a joint venture agreement (JVA) with Mantle Diamonds Ltd ("Mantle") whereby European Diamonds Limited (EPD) (and 100% subsidiaries Ilmari Exploration Oy and Karhu Mining Company Oy). Mantle agreed to operate finance, and develop EPD's Finnish assets and subscribed for 17% of the issued share capital of EPD.

Under the JVA Mantle can earn up to 70% of the shares of EPD by:

- spending US\$5 million on exploration and evaluation on the Properties; c
- commission, fully fund and complete a bankable feasibility study of the Lahtojoki property;
- pay 10 million Mantle shares, with an attributed value of 20 pence per share, as follows:
 - One-sixth on completion of the JVA;
 - One-sixth on satisfaction of certain conditions precedent;
 - One-third within 24 months of completion of the JVA or on publication of a bankable feasibility study in respect of the Company's Lahtojoki property, whichever is earlier; and
 - o One-third 12 months thereafter.

The focus of Mantle's work in Finland was Lahtojoki. There is no record of work on Area 3 by Mantle.

On September 29, 2010 Firestone Diamonds PLC acquired Kopane Diamond Developments Plc. Finnish assets were noted as being non-core and not material, and were classified as a Joint Venture entity of Firestone Diamonds plc in subsequent annual reports.

Mantle Diamonds Limited later was acquired by Kimberley Diamonds Ltd (KDL) on September 17, 2013. Mantle's portfolio of Finnish exploration projects was added to KDL's exploration opportunities, and KDL now report that they own 100% of Mantle Finland. Kimberley Diamonds Ltd delisted from the close of trading on Tuesday, 21 March 2017. Historical work on the Foriet Property (part of Area 3) is limited to diamond exploration. There is no record of mineral production or diamond mining from the Foriet Property.

7. GEOLOGICAL SETTING AND MINERALIZATION

The Fennoscandian or Baltic Shield spans Norway, Sweden, Finland and the NW part of the Russian Federation to the White Sea. Fennoscandia consists of several cratons including Karelia, Kola and Kuloi, which are host to numerous kimberlite, lamproite and related rocks that span an extensive range of emplacement ages.

The Finnish part of the Fennoscandian Shield consists of an Archaean nucleus called the Karelian province which extends SE across the Finnish border into Russian Federation, and is flanked to the northeast by the late Archaean Lapland-Kola domain, and to the southwest by the Proterozoic Svecofennian mobile belt (Figure 8).



Figure 8. General Geology of Karelian Protocraton (Bogdanova, 2016).



Figure 9. Karelian Craton showing North Kuusamo Location and kimberlite fields (Lhetonen, 2009)

Black diamonds (Figure 9) represent diamond-bearing kimberlites and lamproites of the Karelian and Kola-Kuloi Cratons. From oldest to youngest are the Kemozero kimberlite (1.92 Ga), Poria Guba lamproite and lamprophyres (1.7 Ga), Lentiira-Kuhmo-Kostamuksha Group II kimberlites and olivine lamproites (1.2 Ga), Kuusamo Group I and II kimberlites (0.76 Ga), Kaavi-Kuopio Group I kimberlites (0.6 Ga), Arkhangelsk (Grib and Lomonosov) and Terskii Group I and Group II kimberlites (0.36 and 0.38 Ga). Ancient kimberlites

occupy the inner part of the Karelian Craton, and younger kimberlite occurrences occupy craton boundaries or off-craton settings.

Geophysicists have constructed a 3-D crustal model based on high resolution teleseismic tomography that shows a maximum crustal thickness of 64 km between the Karelian and Svecofennian blocks, with a deep keel extending SW, which is well constrained and later confirmed by gravity data. Inversion of this dataset shows crustal effects propagate downwards to 450km in the central part of the Fennoscandian Shield, and mantle layering of lithospheric mantle is suggested from the study of surface waves and mantle xenolith analysis. Lherzolite and harzburgite xenoliths from Finnish kimberlites sample regions where the geotherm is well constrained and correlates to velocities measured from 160-300km depth. Slower velocities shallower than 160km may be a result of a compositional change in the mantle from dominantly peridotite at depth to metasomatised peridotites, ultramafic cumulates, or restites.

Moho depressions mapped during the study of earthquakes in Finland maps the crustal depression noted above at 28° 30' E and 62° 45' N that extends towards Kuusamo, mapping thickened crust under the Salla and Kittilä greenstone belts.

The Karelian domain formed a stable substrate for intracratonic volcanism and includes rocks known as the Eastern Lapland complex, which consists mainly of 2.8-2.7 Ga tonalitic gneisses with a belt of gneissic sedimentary rocks with several greenstone belts that consist of ultramafic and mafic volcanic rocks and related sedimentary rocks. Archean granitoid intrusions crosscut the gneisses.



Figure 10. Kuusamo Belt (Lehtinen, 2005)

The Kuusamo belt is triangular in shape and covers 2500 km² and consists of a basal conglomerate (2405 Ma) with 2300m of overlying stratigraphy that includes several volcanic formations (Greenstone I, II, and III) with intercalated and overlying metasedimentary units.



Figure 11. Geology of Permit ML2011:0078-01. Black Wolf (BW) and White Wolf (WW) kimberlites plotted in the southern part of Property.

Greenstone I is subaerial lavas, overlain by 200m of alternating heterolithic and quartzite members (now sericite and quartz sericite schist) that are interpreted to be tidal–shallow marine origin. The greenstones are mostly amphibolite after mafic lavas, and sediments that consist of sericite quartzite, siltstone, clean quartzite and some heterolithic sandstone.

Greenstone II is 30-50m of pillowed lava and agglomerate that is overlain by 200m of siltstone. Its age is constrained by a 2209 Ma diabase dike.

Greenstone III is 200m of massive flood basalt lavas overlain by thick Rukatunturi Formation, which is 600m of clean quartzite and minor heterolithic sandstone. The uppermost unit is Dolomite Formation (0-100m thick) and Amphibolite Schist Formation (0-250m thick) that are present locally.



Figure 12. Yellow Diamonds are locations of kimberlite float collected during Property visit. Drill collars and hole traces also plotted in this figure.

Kimberlite occurs in the southeastern part of the Kuusamo Belt, about 11km NE of the community of Kuusamo. Two kimberlites are known: Black Wolf and White Wolf, which occur about 50m from each other, intrude an arkose-quartzite unit mapped between Greenstone I and Greenstone II. These kimberlites are initial discoveries of the North Kuusamo Kimberlite Cluster, which has an emplacement age of 760 Ma.

Samples from core hole D-478_05 were processed, and kimberlite indicator minerals including chrome diopside and garnet xenocrysts were analysed by scientists at GTK for major and trace element mineral chemistry.



Figure 13. CaO vs Cr2O3 Plot of garnet xenocrysts from North Kuusamo (Lhetonen, 2009)

The CaO vs Cr2O3 garnet plot (Figure 13) shows a healthy population of sub-calcic harzburgitic G10 pyrope garnets alongside the G9 lherzolite trend. High titanium megacryst suite garnets plot from 2-4 wt% Cr2O3 at the base of the lherzolite trend, and compositions along the X-axis > 5 wt % CaO may be eclogitic garnets.



- Layer A, SCLM of the Proterozoic Svecofennian orogen
- Layer B, Archean SCLM, graphite field
- Layer B_D, Archean SCLM, diamond field
- Layer C, Archean SCLM, melt metasomatised
- Svecofennian crust, 2.1-1.85 Ga
- Archean crust, 3.5-2.6 Ga
- Graphite
- Diamonds, peridotitic
- Diamonds, eclogitic

Figure 14. Simplified cross-section of Karelian lithosphere with North Kuusamo plotted to the right (Lehtonen, 2009).

Chrome diopside and pyrope garnet xenocrysts from four kimberlite pipes in the Kaavi-Kuopio area of Eastern Finland have been studied using major and trace element analyses to obtain information about the lithospheric mantle. Single-grain chrome diopside thermobarometry from North Kuusamo fits a 36 mW/m² geotherm calculated using heat flow constraints and P-T data derived from xenoliths (green diamonds, Figure 15).



Figure 15. P-T Graph of garnet and North Kuusamo chrome diopside xenocrysts (Lehtonen, 2009, p89)

8. Deposit Types

Arctic Star Exploration Corp. intends to explore Ore Prospecting Permit ML2011:0078-01 for kimberlite and lamproite, and discover a primary diamond deposit in Finland.

Kimberlites and related rocks occur in clusters that commonly range from 10-30 bodies, but clusters can exceed 100 kimberlites. Extrusive phases of kimberlite pipes include crater phases of pyroclastic and epiclastic rocks, and hypabyssal phases of kimberlite dikes, sills, and root zone.



Figure 16. Schematic diagram of an idealized kimberlite magmatic system. Depth of a typical kimberlite pipe is on the order of 2-3 km (after Mitchell, 1986, modified by Kjarsgaard, 2007).

Kimberlites range from sheet deposits a few meters thick to carrot-shaped pipes of several hectares surface area and extensive depth. Kimberlite pipes are perfectly suited to open-pit mining and underground mining.

The Karelian Craton is host to several kimberlite fields and clusters in Finland and most contain diamonds. Finnish kimberlites include dikes, blows and pipes of significant size.

At Kuhmo Finland is the Seitaperä kimberlite has a surface area of 6.9 hectares. Drill core shows abundant mantle xenoliths but composite core samples returned mixed and confusing results. The best result was 67 microdiamonds from 100.20 kg., next a single microdiamond from a 50 kg sample, and zero diamonds from two other 50 kg core composite samples were reported. Further delineation of this kimberlite is on hold by current owners.



Figure 17. Plan view of Seitapera Kimberlite Pipe (after Karelian Diamond Resources, 2015)

In eastern Finland near Kaavi, the Lahtojoki Kimberlite (or Pipe 7) discovered by Ashton in 1988 is 2 hectares in size, contains abundant indicator minerals, picro-ilmenite, pyrope and eclogitic garnet, and chrome diopside, and diamonds. Lahtojoki's emplacement age is 600 Ma, and it is a member of the Kaavi-Kuopio Kimberlite Province.

Lahtojoki Mining Permit was transferred to Karelian Diamond Resources (KDR) in 2016. KDR reports drilling and bulk sampling result in a minimum grade of 30cpht (Figure 18) and a high percentage of gem diamonds.



Figure 18. Lahtojoki Drilling and Bulk Sampling (from Karelian Diamond Resources, 2017)

9. EXPLORATION

Arctic Star Exploration Corp. has not yet completed exploration work on the Foriet Property.

Work completed by the author on behalf of Arctic Star Exploration Corp. includes compiling data in the public domain into various datasets.

Government reports and datasets are compiled using MapInfo and Discover software, and historical core drill holes using GeoticLog software. GIS and core drill databases have been generated, which are the source of data required to generate images used in this report. Historical drill statistics report completion of 14 core drill holes for 529.85m on the Foriet Property.

During the Property visit, the author collected five samples from reclaimed overburden trenches originally excavated by Ilmari in 2005 or 2006. Two sites visited BW and WW, are separated by 50.8 meters based on GPS waypoints. Waypoints were collected using Garmin GPSmap 76Csx handheld unit, considered to provide +/- 3m accuracy.



Figure 19. Large piece of weathered kimberlite float too big to sample remains at BW site.

Broken and weathered kimberlite was found to be distributed in overburden in two locations, named BW and WW. BW represents Black Wolf, and WW represents White Wolf.

BW was the first site encountered, which is former overburden excavation about 3m by 3m in area. Some 18 kimberlite cobbles were distributed on surface in the trenched area, and collected by the author from disturbed glacial till. Cobbles up to 40cm were observed, some weathered and others fresh and broken. Weathered kimberlite suggests kimberlite subcrops beneath the till blanket, which is 1.5 m thick, measured by historical drill hole D-486_07.

Some 50m east of BW is the WW location, which includes at least two areas of disturbed, reclaimed till: WW01 is 3m by 6m in size where 5 kimberlite float samples were collected; and WW02 is 4m by 4m in size where remaining samples were collected. Weathered and broken kimberlite muck suggests kimberlite sub-crops beneath the till blanket. The till blanket measures 1.7 m thick at the WW location, based on the casing depth of vertical core drill hole D-483_07 drilled nearby.

A broken picket with pink flagging located 8m SE of WW02 is thought to mark a historical drill hole collar. One piece of NQ drill core was also found in the area.



Figure 20. Sample Bags at WW02 site, note weathered kimberlite beneath red hammer.

Unique tag ID	Site	Date	Sampler
P250451	BW	June 10, 2015	Kevin Kivi, P.Geo.
P250452	WW01	June 10, 2015	Kevin Kivi, P.Geo.
P250453HM	WW02	June 10, 2015	Kevin Kivi, P.Geo.
P250453MD			
WW02-HK			

Table 3. Samples collected during Property visit.

Rock samples were collected by the author from locations BW and WW during the Property visit. BW and WW are 50 meters apart, and kimberlite float was not observed between the BW and WW sites. The author believes that rock samples collected at BW and WW represent bedrock beneath the till blanket at each site, and the occurrences are far enough apart that cross contamination is unlikely between sites. Historical work does not clearly demonstrate if BW and WW are separate distinct kimberlite bodies or different phases of a single larger kimberlite body.

There may be mixing of rock at the WW01 and WW02 sites, which are located 10m from one another. WW01 and WW02 are considered to be a single location.

Rock samples from BW01 (P250451), WW01 (P250452) and WW02HK were submitted for polished thin section preparation for future petrological work.

Samples P250453HM, P250452, and P250451 were processed for heavy mineral recovery. Heavy mineral concentrates from these rock samples can be picked for kimberlite indicator minerals. Electron microprobe analyses of selected grains provides information about mantle rocks sampled during ascent of the kimberlite magma, and can be used to generate a geochemical fingerprint of each kimberlite sample. KIM mineral chemistry plots can be used to study different kimberlite phases, multiple intrusions, and KIMs recovered from overburden samples. Currently the relationship between BW and WW is unknown. KIM mineral chemistry is one way to help determine the relationship between BW and WW.

Sample P250453MD, collected by the author during the Property visit from location WW02 returned 58 microdiamonds greater than 0.106 mm from 18.925 kg of dry kimberlite. This sample verifies that the White Wolf kimberlite sampled diamond bearing lithosphere during ascent and transported diamonds to surface. WW02 has significant diamond content and the deposit warrants further work.

Table 4. Microdiamond Results from location WW02

	Number of Diamonds per Sieve Size (mm Square Mesh Sieve)										
Kimberlite	Sample	+0.106	+0.150	+0.212	+0.300	+0.425	+0.600	+0.850	+1.18	+1.70	Total
	Weight	-0.150	-0.212	-0.300	-0.425	-0.600	-0.850	-1.18	-1.70	-2.36	Stones
	Dry Kg										
P250453MD	18.925	23	16	13	4	2					58

10. Drilling

Arctic Star Exploration Corp. has not drilled on the Foriet Property.

Historical core hole drilling by other companies is compiled in a drill database assembled by the author from information in the public domain.

11. SAMPLE PREPARATION, ANALYSES AND SECURITY

The author collected five samples of kimberlite float numbered P250451, P250452, P250453MD, P250453HM, and WW02HK. Samples for heavy mineral concentrates, petrology and hand specimens were contained in several heavy-duty polyethylene bags that were numbered using a permanent marker in three locations on each bag. One microdiamond sample, P250453MD was double bagged using a heavy duty polyethylene liner, and white woven polyethylene outer bag. All samples were sealed using heavy duty nylon zip ties.

Samples were transported from the field to Kuusamo by car, where they were packaged in plastic tubs for air transport as luggage to Helsinki. In Helsinki, sample custody was taken by Hugh O'Brien, Senior Researcher with the Geological Survey of Finland, who later shipped freight weighing 75 kg via DHL Express Worldwide (Waybill 52 1671 7925) on June 24, 2015 from Geological Survey of Finland, 02150 ESPOO Finland. Microlithics Laboratories Inc. (Microlithics), Thunder Bay, ON Canada received the freight on June 30, 2015. The author personally picked up freight marked with DHL express Worldwide Waybill # 52 1671 7925 from Microlithics on June 30, 2015 and transported the 75kg box to his residence.

Rock samples collected from the Property were under the care of the author, the Geological Survey of Finland, bonded carrier DHL Worldwide, and independent diamond laboratory Microlithics Laboratories Inc. Chain of custody documents recorded all transport, and the author verifies that all samples arrived at his residence on June 30, 2015 with no evidence of tampering.

Samples were stored in the author's secure garage under lock and key and an active security system. The integrity of samples was not compromised.

Microdiamond sample P250453MD and P250453HM remained undisturbed, and sealed in their original packaging until delivery to Microlithics for processing.

Rock samples P250452 and P250451 were viewed, sorted and repackaged for HM concentration. From these hand specimens were selected for reference, petrology, and display.

Hand specimens P250452, P250451 and WW02HK were sawed, polished, and viewed with a binocular microscope by the author. Off-cuts were shipped to Arctic Star Exploration Corp. for display samples, submitted for petrology, and stored for future reference.

Microdiamond P250453MD and Heavy Mineral Samples P250453HM, P250452, and P250451 were hand delivered to Microlithics by the author on August 3, 2015. Petrology samples BW01 (P250451), WW01 (P250452), and WW02HK were couriered to R.L. Barnett Geoanalytical in London ON Canada via Purolator (Waybill PIN 330503733579) on August 4, 2015. Hand specimens of P250451, P250452, P250453 and WW02HK were cut, polished

and couriered to the Issuer via Canada Post (Tracking Number 0130303000383815) on August 5, 2015. Off-cut hand specimens remain in secure storage with the author.

Microdiamond recovery, picking, sieving and descriptions were conducted by Microlithics Laboratories Inc., of Thunder Bay, Ontario. Microlithics is independent of the issuer, and is not ISO accredited. The author ran a diamond laboratory from 1995-2004 and has audited Microlithics to verify sample preparation and analytical methods are appropriate.

Microlithics spiked sample P250453MD with synthetic diamonds of various sizes to monitor diamond recovery. 30/30 synthetic diamonds inserted prior to processing were recovered during observation, which indicates 100% recovery. QA/QC results are reported in Microlithics lab certificate P250453MD.

The author applied chain of custody controls to ensure the validity and integrity of samples collected during the site visit. The author verifies that sample preparation, analytical methods and QA/QC protocols are appropriate. The author has confidence that new microdiamond results presented in this report are valid.

12. DATA VERIFICATION

The author developed and managed a diamond laboratory from 1995-2004, and audited Microlithics to verify sample preparation and analytical methods used in microdiamond recovery and heavy mineral concentrate preparation are appropriate.

The author exported drill data from the database, and compared them to GPS waypoints collected during the site visit using GIS. Historical core drill hole locations compare favourably to sites visited and waypoints collected by GPS in the field. The author is confident that historical drilling and mini-bulk sampling occurred at the site visited, and this site occurs on land held by the issuer.

The site visit was led by Dr. Hugh O'Brien, Senior Researcher with the Geological Survey of Finland, who visited the Property in past and took the visiting party directly to the WW and BW showings. Dr. O'Brien has also completed work on samples from the Foriet Property independent of Arctic Star Exploration Corp. that have been the subject of peer-reviewed publications.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

Arctic Star Exploration Corp. has not yet completed mineral processing or metallurgical testing on the Foriet Property.

14. MINERAL RESOURCE ESTIMATES

Arctic Star Exploration Corp. has not yet completed mineral resource estimates on the Foriet Property.

ITEMS 15-22 ARE NOT APPLICABLE TO THIS REPORT

23.Adjacent Properties

In the 1990's extensive exploration in northern Finland by DeBeers resulted in one kimberlite discovery in the Kuusamo area. Glenmore Highlands Inc was also active in the Kuusamo area, and completed drill hole, JÄÄ_047-001, JÄÄ_048-001in 1996, from which 6 boxes of core are held by the Finnish National drill core archive.

Later, regional work by BHP in Finland resulted in assembly of a diamond exploration database compiling some \$10M of exploration work.

Sunrise Diamonds Plc (Sunrise) had exclusive access to the BHP database, and identified 45 new targets in the Kuusamo area. Sunrise completed deep till sampling, ground magnetics and core drilling near Kuusamo from 2005-2008.

Two kimberlites were discovered on the Kalettomanpuro (KP) prospect, and a third kimberlite 20 km away at Kattaisenvaara (KV).

The Kalettomanpuro Group II kimberlite dyke returned a large suite of KIM minerals including G9/G10 garnets from core drilling, but no microdiamonds were recovered from a small 22 kg sample. GTK used KIM concentrates from KP for geochemical studies that are reported previously in this report. In 2008 Sunrise Diamonds completed ground magnetic and gravity geophysical surveys to determine the strike of KP occurrences. No further drilling has been reported.

Sunrise tested the Kattaisenvaara Group I kimberlite with four core drill holes. The first hole cored into kimberlite beneath an esker from 23.9-67.7m depth. KV samples returned low-sodium eclogitic garnets and eclogite mantle xenoliths. A 27 kg sample processed by caustic dissolution returned a single microdiamond.



Figure 21. Core sample from one of the Kuusamo kimberlites explored by Sunrise.

A bullseye magnetic target located, known as Target 32 was drill tested but did not intersect kimberlite. Completion of ground magnetics subsequent to core drilling suggests the magnetic anomaly was not explained.

Regional till sampling of 14 other targets in the area did not return enough KIMs to warrant further work.

24. Other Relevant Data and Information

The author is not aware of additional data or information relevant to this report or the Foriet Property that would make it more easily understood.

25. INTERPRETATION AND CONCLUSIONS

The Karelian Craton is a large geological domain that hosts several diamond-bearing kimberlite clusters. Ancient kimberlites occupy the inner part of the Karelian Craton, and younger kimberlites occupy craton boundaries or off-craton settings.

Two kimberlites are known on the Foriet Property: Black Wolf and White Wolf. These kimberlites are located 50m from one another and are hosted by metasedimentary and metavolcanic Archean rocks. The Wolf kimberlites are the initial discoveries of the North Kuusamo Kimberlite Cluster, with emplacement age 760 Ma.

The Wolf kimberlites were discovered by following a kimberlite indicator mineral (KIM) dispersal train in glacial till to a bedrock source. A wider KIM dispersal train likely sourced from another undiscovered kimberlite pipe is also reported to exist on the Foriet Property.

The Wolf kimberlites contain diamonds and have been core drilled and mini-bulk sampled in past. A small sample of 8.7 tonnes of near-surface kimberlitic rock returned 1.25 carats of +1mm diamonds. The largest stone recovered was 0.09 carats.

Arctic Star Exploration Corp, via a Share Exchange Agreement will acquire Foriet Oy and the Foriet Property. Foriet Oy was granted Ore Prospecting Permit ML2011:0078-01 which approves till sampling, detailed ground geophysical surveys, trenching, and core drilling on the Foriet Property. Arctic Star plans to conduct diamond exploration in Finland.

26.Recommendations

A \$2,000,000 exploration budget is proposed to explore the Foriet Property and evaluate kimberlite discoveries.

Prior to commencing work, Arctic Star Exploration Corp. should make required notifications to government agencies and affected parties, and commence community dialogue to introduce the company and its intentions to local people.

Rock samples collected during the Property visit require petrological work and EMP analysis to characterize BW and WW kimberlites and may provide evidence of a link between the two kimberlite bodies.

About 100 boxes of drill core is stored at the Finnish National Drill Core Archive (NDCA) in Loppi, FI. GTK's Mineral Deposits and Exploration map service reports 14 core holes (529.85m) are available. Arctic Star should re-log and sample BW and WW kimberlite core and submit the core for caustic dissolution to establish a larger microdiamond sample, which is used to predict diamond grade. Property-wide basal till sampling is proposed, using an excavator in winter. Till samples should be processed and observed for KIMs, and KIM results plotted using GIS to determine if other KIM dispersal trains present on the property.

Detailed geophysical grids should be established over BW/WW, and at the head of any new KIM dispersal trains discovered from till sampling. Ground magnetics, electromagnetic and gravity gradiometer geophysical surveys are recommended to map kimberlites beneath shallow overburden at the Foriet Property, and establish trenching and core drilling targets.

Targets generated from ground geophysical surveys should be trenched using an excavator and sampled for microdiamonds and KIMs. Kimberlites with significant diamond content should be delineated and sampled using a core drill. Detailed core logging and petrology of drill core is required to map kimberlite facies changes so the kimberlite can be properly sampled.

Ore Prospecting Permit ML2011:0078-01 approves ground geophysical surveys, soil sampling, mechanical trenching, and core drilling on the Foriet Property, and FCSA who assigned the Exploration Permit acknowledges that this work is required to properly assess the diamond potential of the Property.

The Company should ensure that exploration is undertaken with minimal environmental impact. Baseline mapping of habitats and vegetation is recommended and mapping to identify nature values in the area will ensure that threatened and endangered species are not negatively affected.

Land Tenure Fees and Deposits	2-years	\$26,000
Community Dialogue		\$30,000
Petrology and KIM Chemistry	BW, WW, +1 kimberlites	\$54,000
Log, sample and analyse core stored at Loppi, Finland	100 boxes, 529m	\$100,000
Ground Geophysical Surveys	100 lkm @ \$1200/lkm	\$120,000
Winter Till Sampling	600 @ \$1200 ea.	\$720,000
Trenching and Sampling	10 trenches @ \$5000 ea.	\$50,000
Core Drilling	1500m @ \$600/m	\$900,000
TOTAL		\$2,000,000.00

Table 5. Exploration Budget (\$CDN)

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28. Statement of Authorship

This National Instrument 43-101 Technical Report, titled "Geological Report on the Foriet Diamond Property, Kuusamo, Finland", and dated June 18, 2017 was prepared by KIVI Geoscience Inc. and is signed by its author:

KIVI Geoscience Inc.,

Per:



Kevin R. Kivi, P.Geo.

June 20, 2017

Thunder Bay, Ontario, CANADA

Appendix 1 – Certificate of Qualified Person

KIVI Geoscience Inc.

1100 Memorial Ave., PMB 363, Thunder Bay ON, P7B 4A3 Phone (807) 285-1251 Fax (807) 285-1252 Email: kivigeoscience@gmail.com

I Kevin Robert Kivi, P.Geo., (P.Geol. in NWT) am a Professional Geoscientist, employed by KIVI Geoscience Inc. (KGI) of Thunder Bay, Ontario.

I am:

- A practising member of the Association of Professional Geoscientists of Ontario (APGO), Registration 0326, and formerly an elected councillor for NW Ontario;
- A member of the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (NAPEGG), Registration L821;
- A member of the Association of Professional Engineers and Geoscientists of the Province of Manitoba (APEGM), Registration 25680.
- A member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS), Registration #13687.

I graduated from Lakehead University, Thunder Bay with a Bachelor of Science Geology (4 year programme) in 1983, and I have practiced in my profession continuously since 1983. Since 1983 I have been involved in:

- gold exploration with Ovaltex Inc. along the Cadillac Break in Rouyn and Val D'Or, Quebec in winters of 1984, 1985 and 1986, and between 1986-1988 in NW Ontario.
- diamond exploration with BP Resources Inc Selco Division in Ontario, Quebec, Manitoba and NWT in summers of 1984, 1985 and 1988;
- gold and base metals exploration in NW Ontario with Rio Algom Exploration between 1988 and 1992.
- diamond exploration with Kennecott Canada Exploration between 1992-1994 at Lac De Gras, NWT, Diamond Laboratory Manager between 1995-2000 in Thunder Bay, Ontario, diamond exploration 2000-2004 in Wawa in Archean lamprophyric volcaniclastic rocks and Group II kimberlites, March-June 2004, Exploration Manager at Diavik Diamond Mines Ltd, Lac De Gras, NT.
- 2004 to present: Geological consultant specializing in diamond, gold and base metal exploration in Canada. My current clients include: Northern Exposures Ltd., GEM Oil Inc., Churchill Diamonds Corp., RT Minerals Corp., Arctic Star Exploration Corp., and Orebot Inc.

Dated at Thunder Bay, ON, CANADA this 20th day of June, 2017.

KIVI Geoscience Inc.

Per: "Kevin Kivi"

Kevin R. Kivi, P.Geo., President