MAR 20130008: POPLAR CREEK NORTH

Poplar Creek North- A report on limestone exploration near For McMurray, North East Alberta.

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GRAYMONT WESTERN CANADA INC. 877384 ALBERTA LTD.

2013 EXPLORATION WITHIN THE POPLAR CREEK NORTH METALLIC AND INDUSTRIAL MINERALS PERMIT NORTH OF FORT MCMURRAY, NORTHEAST ALBERTA

PART B

Metallic and Industrial Mineral Permit 9309020191

Geographic Coordinates

56°54'29 N to 56°54'55 N 111°26' W to 111°27' W

NTS Sheets 74 D/14

Owner:

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March 13, 2013

Confidentiality Report End Date: February 10th 2014

TABLE OF CONTENTS

		Page
1.	Summary	4
2.		4
3.	Geographic Setting and Access 3.1 Location and Access 3.2 Infrastructure 3.3 Topography, Vegetation and Climate 3.4 Field Operations	4 4 4 5 5
4.	Property, Exploration and Expenditures 4.1 Property Summary 4.2 2013 Exploration Summary 4.3 Exploration Expenditures.	5 5 5 6
5.	Regional Geology 5.1 Stratigraphy 5.1.1 Methy Formation 5.1.2 Slave Point Formation 5.1.3 Waterways Formation 5.1.4 Woodbend Group 5.2 Structure	6 7 7 7 7 9
6.	Results	9
7.	Conclusions	10
8.	References	11
9.	Statement of Qualifications	12

LIST OF TABLES

	Page
Table 5.1 Generalized Paleozoic Stratigraphy of the Fort McMurray Area, North-Eastern Alberta	8
LIST OF APPENDICES	
P	Page
Appendix 1: Cost Statement B	31
PART C	
<u>P</u>	Page
Appendix 2: Outcrop Descriptions	21
	C2 C3
1.9	C4 C5

1. SUMMARY

On March 5th, 2013, Metallic and Industrial Minerals (MAIM) permit 9309020191 was explored for high-quality carbonate rocks. The permit is informally named Poplar Creek North.

Access routes and outcrops were mapped, and a total of one outcrop was examined within the property.

Throughout this report, attitudes of bedding and other planar features are given as A°/B° SW, where A° is the azimuth of the strike and B° is the amount of dip in the direction indicated (right-hand rule). A magnetic declination of 15°49' east was used. Where bedding was not evident, stratigraphic thicknesses were calculated using orientations from adjacent units. Where more than one bedding orientation was measured, the mean orientation is used.

2. INTRODUCTION

The 2013 exploration within the Poplar Creek North permit was conducted by Dahrouge Geological Consulting Ltd. (Dahrouge), on behalf of Graymont Western Canada Inc. (Graymont). This assessment report describes the exploration conducted within MAIM Permit 9309020191, north of Fort McMurray. Bob Robison, exploration manager for Graymont Western U.S. Inc., authorized this work.

The objectives of the 2013 exploration were to map access routes and identify outcrops. This report includes information on the geology of carbonates encountered while mapping outcrops within the permit area.

3. GEOGRAPHIC SETTING AND ACCESS

3.1 LOCATION AND ACCESS

MAIM Permit, 9309020191 is located north of Fort McMurray and within National Topographic System Map Sheets 74 D/14 (Fig. 3.1).

Access to the Poplar Creek North permit is from Fort McMurray, by traveling approximately 16 km north along Highway 63 (Fig 3.2). Access within the permit is by ATV, snowmobile or hiking.

3.2 INFRASTRUCTURE

Accommodations, food, fuel and other necessary services are available in Fort McMurray. The local economy is almost completely reliant on energy-based industries.

Fort McMurray is a community of more than 60,000 and is the supply and services centre for the

Alberta oil sands. It is located at the confluence of Athabasca and Clearwater rivers in northeastern Alberta, about 437 km by paved highway from Edmonton.

3.3 TOPOGRAPHY, VEGETATION AND CLIMATE

Along Athabasca River, the dominant vegetation is a mix of deciduous and coniferous trees, with occasional accumulations of dense alder and willows. Above the river valley, the vegetation is typified by boreal forest and muskeg.

At Fort McMurray, mean annual snowfall is 47.2 inches, and mean annual precipitation is 16.32 inches. River breakup generally occurs in the third week of April. On rare occasions, ice-jam floods can occur; there have been 10 recorded floods since 1985.

3.4 FIELD OPERATIONS

Field operations were conducted by a two-person geological crew from Dahrouge, based in a hotel in Fort McMurray.

Transportation to and from the property was by four-wheel-drive truck. Access throughout the property was by snowshoeing.

Garmin GPSmap 60CSx instruments were used to mark outcrop locations and record access information. Compasses were set at a magnetic declination of 15°49' east.

4. PROPERTY, EXPLORATION AND EXPENDITURES

4.1 PROPERTY SUMMARY

In early 2009, 877384 Alberta Ltd. acquired MAIM Permit 9309020191 to cover high-calcium limestones north of Fort McMurray (Fig. 4.1). The permit area totals 64 hectares.

Based on the outcrop examined during the 2013 exploration, the entirety of the MAIM Permit will be retained.

4.2 2013 EXPLORATION SUMMARY

On March 5th, 2013, Dahrouge, on behalf of Graymont, conducted exploration for carbonate lithotypes within northeastern Alberta. The work was undertaken to determine the location and extent of carbonate units in the permit areas.

A single carbonate outcrop was identified and described (Fig. 4.2). Geological observations were recorded, including lithologic information, measurements of structural elements, and other pertinent

details (Appendix 2). A solution of 10% HCl was used to assess carbonate quality in the field. In some instances, interval thicknesses were determined by measuring outcrops perpendicular to bedding, where it could be identified. Field maps were completed on 1:20,000 and 1:25,000 scale map sheets and concentrated on areas adjacent to Highway 63, north of Fort McMurray.

4.3 EXPLORATION EXPENDITURES

Expenditures for 2013 totalled \$2,226.54. The entirety of MAIM Permit 9309020191 will be retained. Excess expenditures are to be assigned to future exploration periods.

Expenditures are allocated to the MAIM permit as follows:

Assessment Period MAIM Permit 9309020191	Expiry Date	Requirement Expenditures	Assigned Expenditure		
Yrs 3-4	Feb. 10, 2015	\$640.00	\$640.00		
Yrs 5-6	Feb. 10, 2017	\$640.00	\$640.00		
Yrs 7-8	Feb. 10, 2019	\$960.00	\$946.54		

5. REGIONAL GEOLOGY

The geology and stratigraphy of northeastern Alberta has previously been described by Carrigy (1959), Norris (1963), Holter (1976), and Cotterill and Hamilton (1995).

The sedimentary cover of northeastern Alberta consists primarily of Paleozoic carbonates, evaporites and clastics, overlain unconformably by Mesozoic siliciclastics (Table 5.1; Fig. 5.1). Near Fort McMurray the Precambrian basement is at depths of between 250 to 300 m and has a southeasterly regional slope of about 5½ m per km (Halferdahl, 1985). The Precambrian basement is overlain by middle Devonian strata of the Elk Point Group, followed by the Beaverhill Lake Group, and further west, the Woodbend Group. In turn, the Devonian is unconformably overlain by Cretaceous sediments of the Mannville, La Biche and Smoky groups. The oil-sands of the McMurray Formation are within the lowest part of the Mannville Group.

Above the Cretaceous siliciclastics is a variety of unconsolidated Quaternary sediments. Near Fort McMurray there is a basal diamicton derived from the Laurentide Ice Sheet, which is overlain by gravel, sand and clay from glacial Lake McMurray (Fisher and Smith, 1993). Within Athabasca river valley, near Fort McMurray, is a complex mixture of spillway deposits. The spillway deposits consist of poorly sorted boulder-gravel-sand, with blocks of oil-sands and glacio-lacustrine sediments.

Smith and Fisher (1993) interpret the spillway deposits as a result of a high-velocity flood, sourced from Glacial Lake Agassiz in northern Saskatchewan.

5.1 STRATIGRAPHY

The sedimentary succession of northeastern Alberta comprises a lithologically diverse suite of Devonian carbonates, clastics and evaporites, which are unconformably overlain by Cretaceous siliciclastics. Of the stratigraphic units in Table 5.1, carbonates are present within the Methy Formation, the Slave Point Formation, the Waterways Formation, and the Woodbend Group.

5.1.1 Methy Formation

The Methy Formation is within the upper Elk Point Group of the Middle Devonian. The formation is described as a reefal to non-reefal unit containing massive to bedded dolostone, dolomitic limestone and minor anhydrite and gypsum (Cotterill and Hamilton, 1995). The Methy outcrops along Clearwater River valley, and sparsely along Firebag and Marguerite rivers. It is generally a dolomitic unit with interbedded anhydrite that has been described as calcareous or strongly calcareous (Norris, 1963).

5.1.2 Slave Point Formation

The age of the Slave Point Formation has been debated in the past, placed within the Middle (Norris, 1963; Halferdahl, 1985) and Upper Devonian (Carrigy, 1973; Cotterill and Hamilton, 1995). Upper and lower contacts of the unit are defined by paraconformities. The Slave Point generally consists of limestone, siltstone and dolomitic limestone. It is characterized by brownish-grey, skeletal wackestones and argillaceous lime mudstones with interbedded dark brown shale laminations (Cotterill and Hamilton, 1995). The Slave Point Formation is generally less than several metres thick near Fort McMurray.

5.1.3 Waterways Formation

Members within the Waterways Formation consist of the Firebag, Calumet, Christina, Moberly, and Mildred. The carbonates of the Waterways Formation reach a thickness of over 250 m in western Alberta, and thin toward the Precambrian exposure. The Firebag Member is at the base of the Waterways Formation, and consists of an olive-green calcareous shale. Sequences of interbedded olive-green limestone, argillaceous limestone and shale are also present; Norris (1963) notes several thin brachiopod-rich beds throughout. The Firebag maintains a relatively uniform thickness of about 50 m in the Fort McMurray area.

TABLE 5.1 GENERALIZED PALEOZOIC STRATIGRAPHY
OF THE FORT MCMURRAY AREA, NORTHEASTERN ALBERTA*

Age	Group	Formation	Member
Quaternary	A STATE OF THE REAL PROPERTY.	Line of the latest the second	AND D
	Smoky		
Upper Cretaceous	La Biche	La Biche	34 3 Y
	La Biche	Shaftesbury	(A 12 m)
L problem and a		Grand Rapids	
Lower Cretaceous	Mannville	Clearwater	Wabiskaw
Lower Orcidocous	Average and the Visite	McMurray	Nation of
······		Grosmont	
	Woodbend	Ireton	
Burn Barner		Cooking Lake	
Una sa Davisarian	Beaverhill Lake	THE STATE OF THE S	Mildred
Upper Devonian		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Moberly
		Waterways	Christina
			Calumet
			Firebag
Middle Devonian	Cantila Li	Slave Point/ Fort Vermillion	STORY, U
	7,000	Watt Mountain	A. T.
	Upper Elk Point	Prairie Evaporite	
		Methy/Winnipegosis	E TEN
	The state of the s	Meadow Lake/	and in the
	Lower Elk Point	McLean River/	
		Contact Rapids	
Lower Paleozoic		La Loche/ Granite Wash	
Precambrian		······································	•••••

^{*} Modified after Halferdahl (1985); Cotterill and Hamilton (1995)

The Calumet Member conformably overlies the Firebag Member, and consists dominantly of limestone. Other units within the member include variable amounts of argillaceous, skeletal nodular lime mudstones and wackestones interbedded with grey-green calcareous shale (Cotterill and Hamilton, 1995). Norris (1963) notes significant brachiopod-rich beds in the Calumet Member. In the Fort McMurray area, the Calumet Member maintains a thickness of about 30 m.

The Christina Member consists dominantly of green-grey calcareous shale and conformably overlies the Calumet Member. Other lithologies within the upper section of the Christina Member include minor interbeds of argillaceous lime mudstone and occasional thin, skeletal wackestone and

Erosional Unconformity

[—] Paraconformity

⁻⁻⁻⁻ Paraconformity?

packstone beds. In the Fort McMurray area, the Christina Member attains a thickness of approximately 25 m.

Conformably overlying the Christina is the Moberly Member. The lower third of the Moberly Member, labelled units 28 to 37 by Norris (1963), consists of an alternating sequence of light olivegreen, rubbly, thinly-interbedded, variably argillaceous limestones and shales, and hard beds of pale brown, cryptocrystalline limestones. The upper two-thirds, units 38 to 57, consists of thicker units of light to dark olive-green, variably calcareous shale, and thinner units of rubbly, variably argillaceous fragmental limestone. The Moberly Member attains a thickness of about 60 m in the Fort McMurray area.

The uppermost member of the Waterways Formation is the Mildred Member. This unit is characterized by variably argillaceous, nodular lime mudstone and calcareous shales. A thickness of 40 to 45 m is maintained by the Mildred Member.

5.1.4 Woodbend Group

The Woodbend Group consists of limestones from the Grosmont, Ireton, and Cooking Lake formations. The majority of examined Grosmont Formation limestones in the Fort McMurray area are dolomitic with minor anhydrite (Halferdahl, 1985). The underlying Ireton Formation has been described as an argillaceous, medium- to coarse-grained limestone accompanied by limey shale. Some limestones of the Cooking Lake Formation have been noted as dolomitic and argillaceous (Halferdahl, 1985).

5.2 STRUCTURE

Within northeastern Alberta, the Devonian and Cretaceous sedimentary sequences onlap onto the Precambrian cratonic platform, forming two eastwardly converging sedimentary wedges. The southwest regional dip of the Devonian strata follows the contour of the underlying Precambrian basement, which has an apparent northwest strike and southwest dip. Near Fort McMurray the Precambrian basement is at depths of between 250 to 300 m and has a southwesterly regional slope of about 5.5 m per km (Halferdahl, 1985).

The westward dipping wedge of Devonian and underlying sediments rest unconformably on the Precambrian basement. The Devonian sediments young to the west. The top of the wedge is marked by an erosional surface that is overlain by Lower Cretaceous strata (Table 5.1). Structural complexities within the sedimentary succession are thought to be due to salt dissolution of the Lower Devonian evaporites. The result is a set of small scale domes, basins, and folds, with amplitudes of between 15 and 30 m. Topographic structures of the sub-Cretaceous unconformity are due to

differential erosion of the underlying Devonian sediments. The result is a generally northward-trending set of ridges and valleys.

6. RESULTS

On March 5th, 2013, carbonate rocks of the Moberly Member of the Waterways Formation were identified at one location within the Poplar Creek North MAIM permit (Fig. 4.2).

One discrete stratigraphic interval was evaluated within the Poplar Creek North MAIM permit (Fig. 4.2, Appendix 2). The measured section was associated to the Moberly Member of the Devonian Waterways Formation and was about 1 m thick. The measured interval consisted of fossiliferous, massive to nodular, dolomitic lime mudstone to wackestone and packstone. The carbonate was considered high-calcium.

Given the conspicuous cliff-forming character of these beds, and the presence of stromatoporoids, they are presumed to be the stratigraphic equivalent of Norris' (1963) Unit 37.

7. CONCLUSIONS

Carbonate units of the Waterways Formation were examined north of Fort McMurray and within MAIM Permit 9309020191. A singular outcrop was examined and described in detail. Some time was also spent investigating access routes to the permit for future exploration. Based on the early stage of exploration on the permit and the presence of carbonate outcrop, the entirety of MAIM Permit 9309020191 will be retained.

Future exploration will consist of detailed mapping and sampling of any identified outcrops. A review of available core from the ERCB Core Research Centre in Calgary would also be beneficial.

8. REFERENCES

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STATEMENT OF QUALIFICATIONS

- I, Patrick Kluczny, residing at Edmonton, Alberta, do hereby certify that:
- I am a geologist of Dahrouge Geological Consulting Ltd., Suite 18, 10509 81 Ave., Edmonton, Alberta, T6E 1X7.
- I am a 2006 graduate of the University of Alberta, Edmonton, Alberta with a B.Sc. in Geology.
- I have practiced my profession as a geologist continuously since 2006.
- I am a registered Professional Geologist with the Association of Professional Engineers and Geoscientists of Alberta, member M81985.
- I hereby consent to the copying or reproduction of this Assessment Report following the one-year confidentiality period.
- I am the author of the report entitled "2013 Exploration Within the Poplar Creek North Metallic and Industrial Minerals Permit North of Fort McMurray, Northeast Alberta" and accept responsibility for the veracity of technical data and results.

Dated this 13th day of March, 2013.

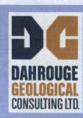
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Patrick Kluczny, B.Sc., P.Geol. APEGA M81985

APPENDIX 1: COST STATEMENT FOR THE 2013 EXPLORATION WITHIN THE POPLAR CREEK NORTH PERMIT

a) <u>Personnel</u>	\$	1,370.83
b) Food and Accommodation	\$	331.47
c) <u>Transportation</u>	\$	296.16
d) Instrument Rental	\$	25.67
e) <u>Drilling</u> n/a	\$	
f) Analyses	\$	
<u>Total</u>	\$	2,024.13
Administration (10%) Total + Administration	\$ \$	202.41 2,226.54
Total + Auministration	4	_,0.04



APPENDIX 2: OUTCROP DESCRIPTIONS FROM THE POPLAR CREEK NORTH PROPERTY

Notes

Stratigraphic thicknesses are based on measured attitudes of bedding listed below, with appropriate interpolations. Attitudes are strike and dip (right-hand rule). Outcrops are listed in numerical order of identification, which does not necessarily represent stratigraphic order. UTM coordinates are NAD83, Zone 12N. Outcrop locations are shown in Figure 4.2.

Stratigraphy Abbreviations: Dw - Devonian Waterways Formation; M - Moberly Member (Waterways Formation)



Sample	Strat	Strat	Description	CaCO ₃	MgCO ₃	SiO ₂	Al ₂ O ₂	Fe ₂ O ₃	SrO	MnO	P ₂ O ₅
	Unit	Tkns (m)		(%)	(%)	(%)	(%)	(%)	(ppm)	(ppm)	(ppm)

Outcrops			
70280	Dw M	1	<u>Dolomitic Lime Mudstone to Dolomitic Lime Wackestone</u> , tan weathered and fresh, very fine-grained to fine-grained, fossils: gastropod, rare; crinoid ossicle, rare; brachiopod, common, thinly-bedded, resistant, alteration: oxide, 20-40% intensity, weak fetid odour, weak HCl reaction



