

Hanna Capital Corp.

Important note: The information contained in this document is a desktop study of information from various unsubstantiated sources. This notice serves only as a progress report and a way forward based on initial impressions of the project, supporting information and correlations between similar operations in the area.

SURFACE GEOLOGY

Regional geological information for the area includes a 70m to 230m mafic intrusion, possible structurally controlled, with a NNW-SSE orientation and about 200m wide, tapering towards the extremities. Refer to Figure 1 and 2. This rock type is also found within the Lake Shore property (and many others) and is indicative of host rock which typically hosts the gold mineralisation.

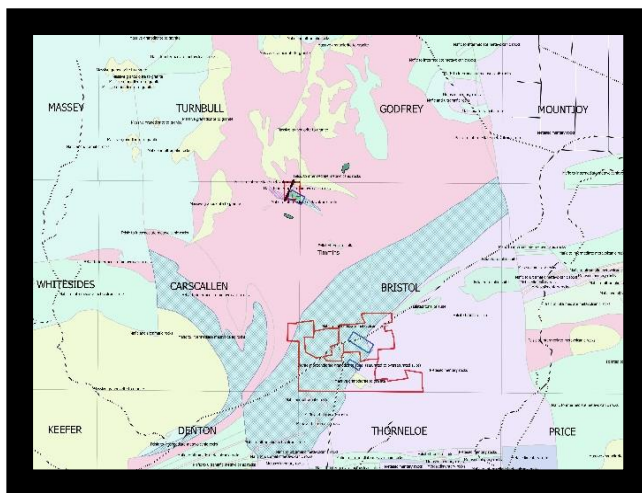


Figure 1: Regional Geology

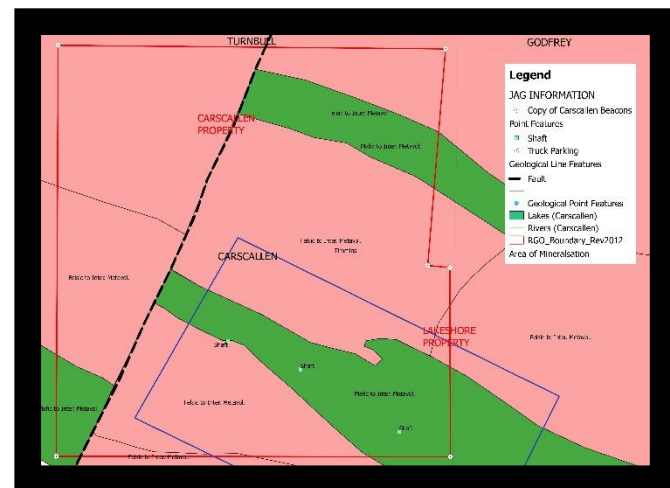


Figure 2: Local Geology

PREVIOUS WORK DONE ON THE PROPERTY

The property has unverified grab sample results, supporting photographic evidence of structurally controlled vein quartz intrusions as well as evidence of vein swarming. The original prospectors drew a correlation between the veining and the gold mineralisation.

Photography of a typical sampling site is shown in Figure 2. The proposed association is realistic although a verification process needs to be carried out. Grab sample values of the veining range between **3.03g/t and 3.13 g/t**. Historical reports have indicated values of **4.51oz/t gold and 2.11oz/t silver**. A total of three samples were taken and analysed at an undisclosed laboratory.

It must be noted that there is no recorded position for the actual sampling positions but it is assumed to be related to and within an area called the 'strip area' and within the lease area. The sampling was

done around November 2013. Further evidence of mining activity in the area is the remnants and collar position of three shafts found on the property. It is evident that the shaft positions strike in the same direction as the regional geological ultramafic unit suggesting a mineralisation associated with the interface of the ultramafic and mafic rock masses.



Figure 3: Low angle vein quartz intrusions

PROPERTY STRIKE EXTENSIONS

The association of the shafts and their positions along strike, together with the vein quartz intrusions and the vein swarming, is unknown but there appears to be linear relationship along a SSE trend. The mafic/felsic interface has a strike distance of 600m and is contained within the central third of the property. A 250m metre fault (lateral wrench) has displaced the target zone to the NE on the western side of the property. The target mineralisation also extends towards the SSE.

SIMILAR GEOLOGICAL SETTING

Information taken from the “43-101 Technical Report, Updated Mineral Reserve Estimate for Timmins West Mine, Timmins, Ontario, Canada. Lake Shore Gold Corp., Toronto, Ontario, Canada” suggests the following geological setting:

1. The TWM (Timmons West Mine) is located along a NE trending contact zone (refer to Figure 4). The contact zone is the interface between the southern metavolcanics rock, separated from the northern metasediments by an unconformity.
2. The unconformity dips steeply and is associated with folding and shearing and usually associated with gold mineralisation.
3. In addition to the mineralised shear zone, there are pyroxenite-rich as well as synite-type intrusives.

- The mineralisation is associated with multi-pulse quartz-carbonate-tourmaline and albite veins with sulphide (pyrite) alteration haloes. Disseminated pyrite mineralisation is associated with these veins.

This geological environment is conducive to gold production with the TWM having a significant resource and production profile. A total of 1.25 million tonnes at an average grade of 4.4 grams per tonne gold (176,644 ounces) has been milled from the Timmins Deposit from 2009 to 2013. The mining is done at a minimum width of 2m and at a cut-off of 1.5g/t.

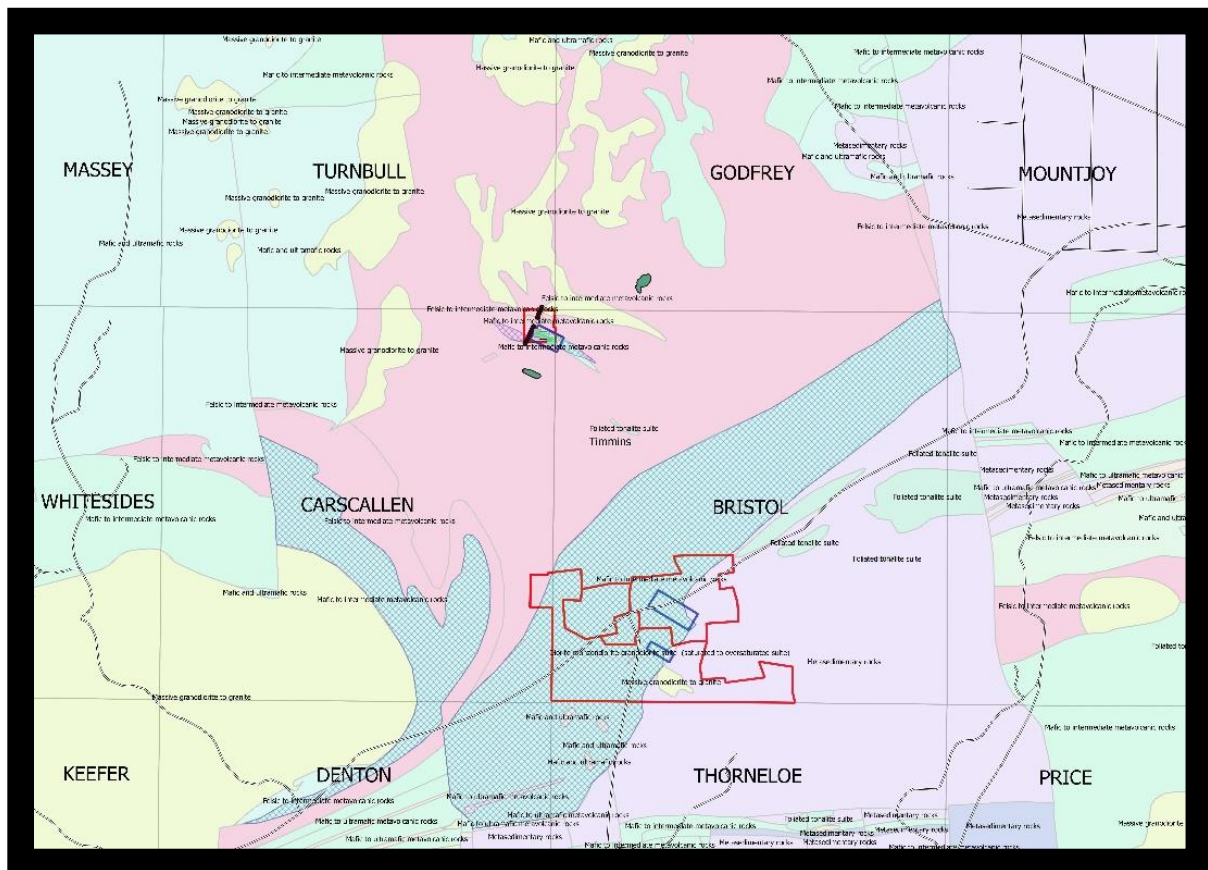


Figure 4: Related geology at the Timmons West Mine

Related references to similar geology are cited by the undated Benoit and Gosselin report (Greenstone-Hosted Quartz-Carbonate Vein Deposits, Geological Survey of Canada, Quebec) in which the greenstone-hosted quartz-carbonate veins within tholeiitic basalts and ultramafic komatiitic flows, intruded by intermediate to felsic porphyry intrusions and swarms of albite and lamprophyre dykes. The intrusions occur within compressional and trans-tensional crustal-scale fault zones and at the interface of major lithological boundaries (eg volcano-plutonic and sedimentary domains). The gold is mostly related to the quartz-carbonate veins but can be disseminated throughout the wall-rock.

Further to the above, reports from Yellowknife Greenstone Belt (Hydrothermal Alteration Associated with Gold Mineralisation at the Giant Yellowknife Mine, NWT: Santaguida, F. and Falck, H. undated) describe a hydrothermal alteration system hosting gold mineralisation. The alteration occurs within mafic volcanic rocks and the assemblages consist of:

1. A quartz-carbonate-sulphide which hosts gold mineralisation
2. Sericite-carbonate-quartz-chlorite schist
3. Chlorite-carbonate-sericite wall rock mineralisation.

CORPORATE STRATEGY

Given the rudimentary target generation information on Carscallen and the related geology recorded by similar mines the company intends to carry out the following:

1. Conduct a preliminary surface mapping exercise with the intention of identifying the potential gold hosted rock-types. A process of sampling and classifying the potential gold host rocks will be done.
2. Based on the outcome of the preliminary surface mapping and sampling exercise, geophysical techniques will be applied to further identify and locate potential lithological units that may be host to gold mineralization.
3. Thereafter, the company intends to expand on the project with drilling and/or trenching to understand any resource potential.

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