

Knight Piésold **CONSULTING**

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December 6, 2011

Mr. Rémi Labrèche
Aggregate Technical Specialist
Ministry of Natural Resources (North Bay District)
3301 Trout Lake Road
North Bay, Ontario
Canada, P1A 4L7

Dear Rémi,

Re: Champagne Pit/Quarry

This letter is a preliminary evaluation of the established groundwater table for the purpose of determining the final extraction elevation for Champagne Pit/Quarry Class B Licence, Category 5 and 8 located on Part Lot 10 and 11, Concession 9 in the Township of East Ferris, District of Nipissing.

The following information was reviewed and assessed with respect to interpretation of water table conditions at the subject property:

- 1:20,000 OBM topographical mapping by MNR with 10 m contour intervals
- Preliminary draft site plan of existing features (Figure 1) prepared by Timber Craft Consultation Inc.
- Discussions with Dan MacInnis of Rick Champagne Construction regarding the fact that water was not encountered during drilling on November 23, 2011 to a depth of 63 m in the drillhole having UTM coordinates of 633,687 E and 5,123,928 N (NAD83 UTM ZONE17). Based on OBM mapping the elevation of the ground at this drillhole location is approximately 252 m ASL.
- Site visit on November 25, 2011 to complete a walkover inspection of site conditions and to measure the water level within the drillhole
- Well records (Figure 2) within the immediate vicinity of the licenced area

Based on the foregoing, we conclude the following:

1. The anticipated elevation of the groundwater table near the top of the bedrock outcrop in the drillhole having UTM coordinates of 633,687 E and 5,123,928 N is lower than 192 m ASL.
2. The final quarry floor could extend to an elevation of 205 m ASL which would maintain at least 2 m above the interpreted high water table.
3. Should site extraction activities encounter a water table condition that is higher than elevation 205 m ASL, then the final elevation of the quarry floor should be raised by a similar amount to ensure that extraction does not occur within a distance of 2 m above the water table.



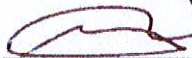
ISO 9001, ISO 14001
OHSAS 18001

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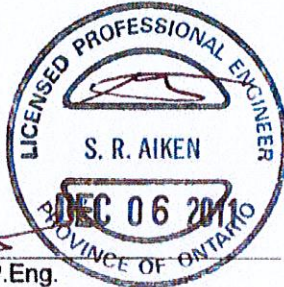
It is recommended that a prerequisite to any drilling and blasting of the quarry face should include sufficient pilot holes in advance of the quarry face to ensure that a confined aquifer within a fractured zone within the bedrock is not intercepted during quarrying activities.

Yours truly,
KNIGHT PIESOLD LTD.

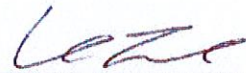
Signed:



Steve Aiken, P.Eng.
Manager, Environmental Services



Approved:



Ken D. Embree, P.Eng.
Managing Director

Attachments:

Figure 1 Rev 0	Drillhole Location on Site Plan
Figure 2 Rev 0	Well Records Surrounding Licenced Area

/rm

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