

National Instrument 43-101 Technical Report

REVISED 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 (or "Exploration Permit") ML2011:0078-01, which is about 243 hectares in size. Exploration Permit ML2011:0078-01 is also known as the Foriet Property.

Foriet Oy has also been granted Kuusamo North Reservation VA2017:0055 (920.66 km²), with expiry date June 28, 2019. If the reservation is not appealed, then Foriet Oy may apply for an Ore Prospecting Permit which will enlarge the exploration property considerably.

The Foriet Property occurs on 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.

Local geology includes 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. Within this belt is the North Kuusamo kimberlite cluster where two kimberlites are presently known.

The Black Wolf and White Wolf Kimberlite are hosted by Archean metasedimentary and metavolcanic rocks, and occur 50m from one another. These kimberlites are 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. Pyrope and chromite compositions from the White Wolf kimberlite were considered spectacular in terms of diamond potential ranking by GTK. Subsequent work proved the Wolf kimberlites are mineralized with diamonds.

Black Wolf kimberlite returned 23 microdiamonds from a small grab sample of 9.8 kg.

White Wolf kimberlite has been core drilled and mini-bulk sampled in past. Microdiamond recovery totalled 42 diamonds between 0.15 and 0.88 mm from 41.2 kg of core. 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. 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.

Kimberlite float sample P250453MD, collected by the author during the Foriet Property visit returned 58 microdiamonds greater than 0.106 mm from 18.925 kg of dry kimberlite. This verification sample confirms diamonds are present in the White Wolf kimberlite.

Arctic Star verified diamonds are present in archived historical drill core holes completed by Ilmari Exploration Oy. Saskatchewan Research Council (SRC) reports 111 microdiamonds greater than 0.106 mm from 48.3 kg of dry kimberlite.

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

Arctic Star Exploration Corp. plans to conduct diamond exploration on the Foriet Property when adequate funds have been secured.

The exploration program should commence by re-logging historical drill core from BW and WW kimberlites, and sampling it for microdiamonds. Core samples should also 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.

A technical report was filed in June 26, 2017, but on August 4, 2017 TSX Venture Exchange reviewed the report and requested a revised report addressing a list of comments. This revised and current technical report was completed to address comments listed by the Exchange reviewer.

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.

Table 1. Conversions and Abbreviations used in this report.

Abbreviation	Long Form
EUREF-FIN	ETRS89 realization in Finland
ETRS89	pan-European coordinate system
FCSA	Finnish Safety and Chemicals Agency

Ha	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

The following abbreviations are used in this report:

mm – millimetre

cm – centimetre

m – metre

km – kilometre

Ha – hectare

m³ – 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 Foriet 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.

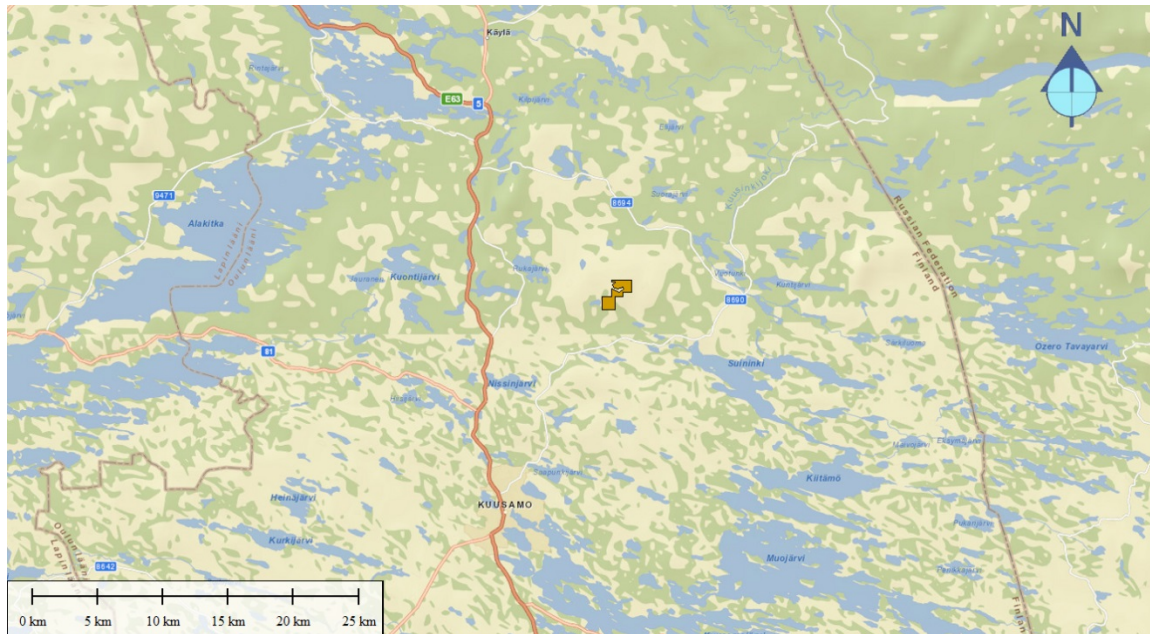


Figure 1. Location of Foriet Property



Figure 2. Foriet Property: Ore Prospecting Permit ML2011:0078-01 and Natura Area FI1101627 in green (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.

Ore Prospecting Permit ML2011: 0078-01 is currently in good standing and will require renewal by November 8, 2019.

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 an Exploration Permit must be made 2 months prior to the expiry of the current permit.

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.

For clarity: Subject to TSX-V approval of the Share Exchange Agreement, Arctic Star Exploration Corp will become sole owner of Foriet Oy, which was awarded Exploration Permit ML2011: 0078-01 (the **Foriet Property**). There are no royalties, back-in rights or encumbrances known on the Foriet Property. There is also no record of any known environmental liability or mine hazard on the Foriet Property. Exploration Permit ML2011: 0078-01 became valid on May 5, 2017 and is in good standing until November 8, 2019. The permit can be renewed in 3-year terms for up to 15 years. The Exploration Permit is approval for the issuer to commence exploration, which includes geophysical and geochemical surveys, soil and bedrock sampling.

On June 29, 2017, Foriet Oy submitted a Reservation Notification for **Kuusamo North** and on September 12, 2017, the Mining Authority granted Kuusamo North Reservation VA2017:0055 for an additional 920.66 km², with expiry date June 28, 2019.

Kuusamo North Reservation VA2017:0055 is a large pie-shaped domain located north-east from Kuusamo, extending to the Finland-Russian Federation border (Figure 3).

Kuusamo North Reservation is currently in the 30-day appeal period of the application process. If the reservation is not appealed, then Foriet Oy may apply for an Ore Prospecting Permit.

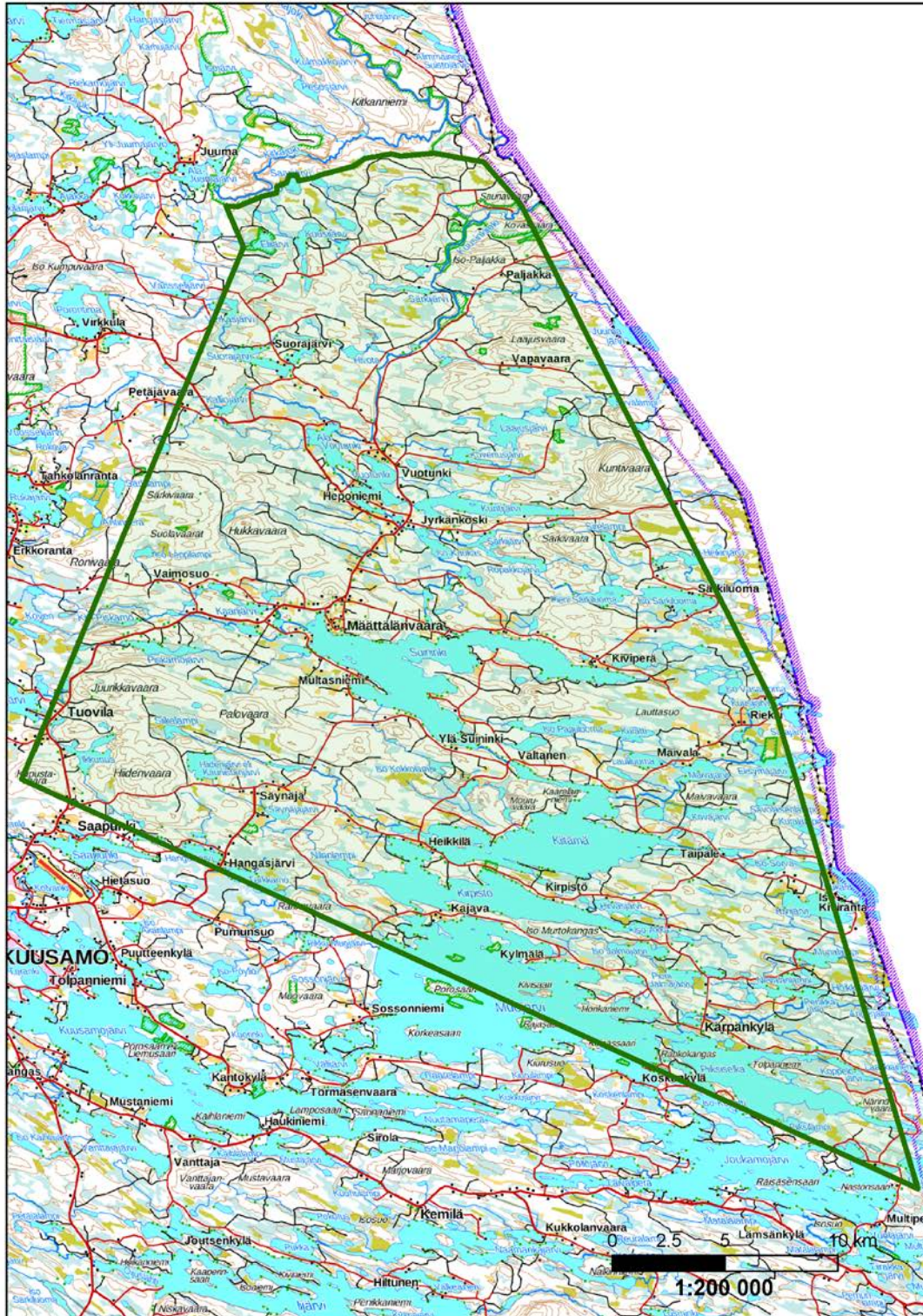


Figure 3. Kuusamo North Reservation VA2017:0055 held by Foriet Oy.

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 (“Natura Area”) FI1101627 or within 30m of a waterbody or protected plant species (Figure 2). The permit area is also located near Finnish Forestry Centre’s real estate (no: 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) €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 €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 €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 €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.

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.

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.

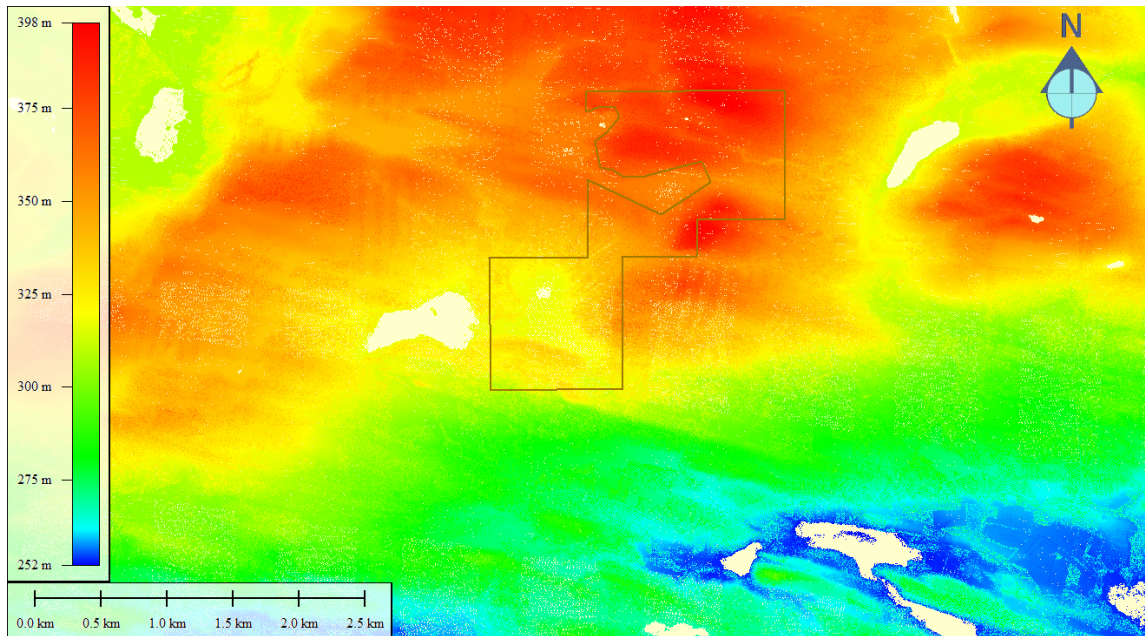


Figure 4. Property and drumlins on Lidar point cloud data (www.paikkatietoikkuna.fi)

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 5. 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 6. 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 ($65^{\circ} 59' 45.41'' N, 29^{\circ} 13' 33.10'' E$) 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.

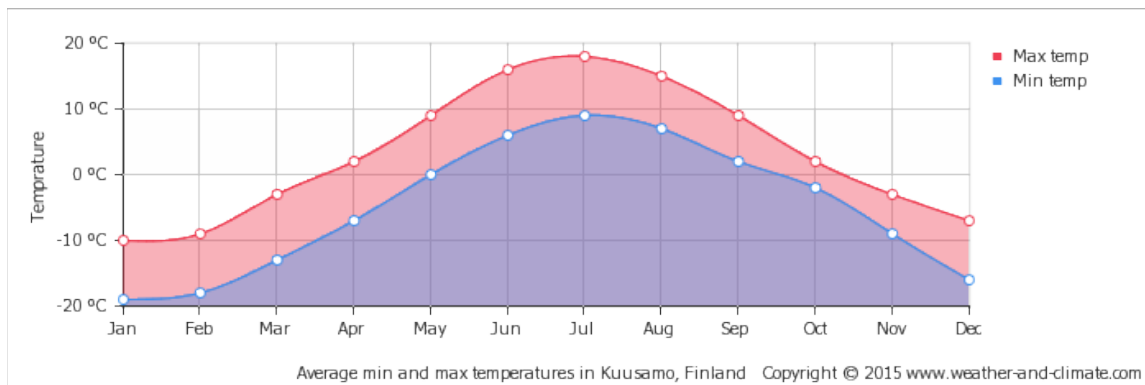


Figure 7. Average temperatures in Kuusamo, Finland.

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 consists of Exploration Permit ML2001:0078-01 held by Foriet Oy, and portions of the current property were worked previously by other diamond exploration companies.

The southwest part of Foriet Property overlaps with the north-eastern part of a historical property formerly known as Area 3, which consisted of Claims Leppilampi 1-4 held by Karhu Mining Company Oy and worked by Ilmari Exploration Oy (Ilmari), both wholly owned subsidiaries of European Diamonds Plc (EPD). EPD was formerly an AIM listed public company.

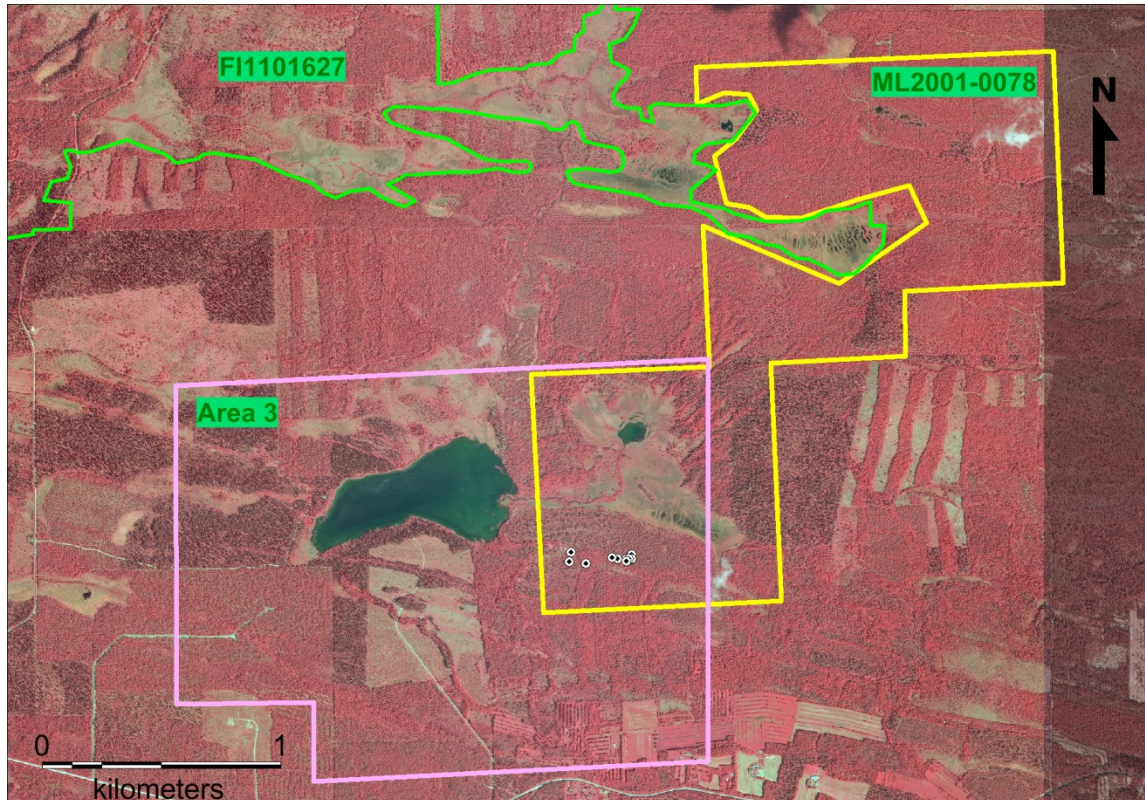


Figure 8. Area 3 and Foriet Property (ML2001:0078-01) and Särkiperä-Löyhkönen-Antinvaara Natura Area (FI1101627) on Orthophoto; WW and BW drill collars plot in Area 3-Foriet Property overlap area.

Work completed in the property overlap area of Foriet Property and Area 3 includes significant core drilling, mini-bulk sampling and diamond recovery completed on the White Wolf and Black Wolf kimberlites (Figure 8).

On July 14, 2005 EPD reported discovery of a new kimberlite body (WW) at Area 3, central Finland. The WW Kimberlite is located on the Foriet Property. EPD also reported KIM overburden sampling, which is discussed later in this report in Adjacent Properties.

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. EPD's microdiamond results are from WW Kimberlite, which is located on the Foriet Property.

Ilmari completed 14 short core drill holes from 2004-2007. Ilmari drilling occurred in Area 3, in the property overlap area of the current Foriet Property (Figure 8).

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.

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

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			

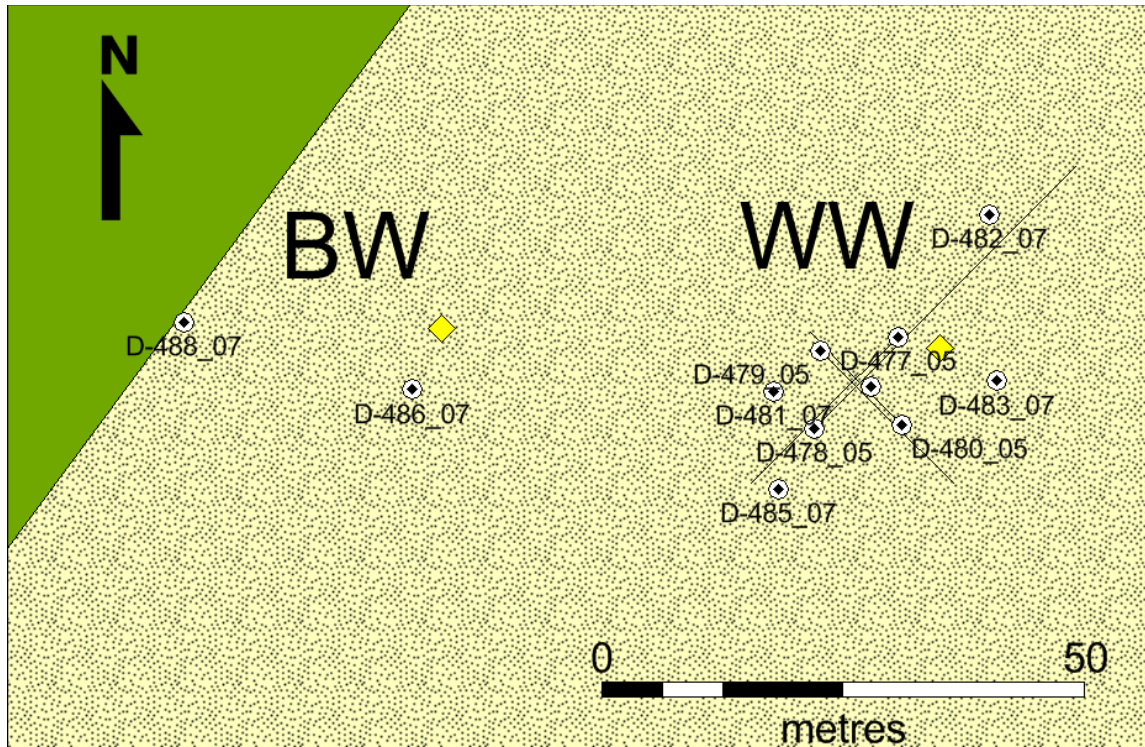


Figure 9. Diamond Drilling of Black Wolf (BW) and White Wolf (WW) Kimberlites, located on Foriet Property.

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's mini-bulk sample was collected from the WW kimberlite, which is located on the Foriet Property.

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. EPD test pitting and microdiamond results are from the BW Kimberlite, which is located on the Foriet Property.

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 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) was also acquired. 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;

- 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
 - One-third 12 months thereafter.

The focus of Mantle's work in Finland was Lahtojoki.

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, and with the collapse of KDL, Mantle Diamonds Ltd. has become inactive.

There is no record of work on Area 3 by Mantle, and Claims Leppilampi 1-4 expired on November 10, 2008 and February 13, 2009. Claims Leppilampi 1-4 were relinquished by Karhu Mining Company Oy on March 3, 2010.

Foriet Oy was granted Exploration Permit ML2001:0078-01 on December 23, 2011.

Historical work on the Foriet Property is limited to diamond exploration discussed above.

There are no significant historical mineral resources or mineral reserves estimates on the Foriet Property. There is also no record of mineral production or diamond mining on 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 10).

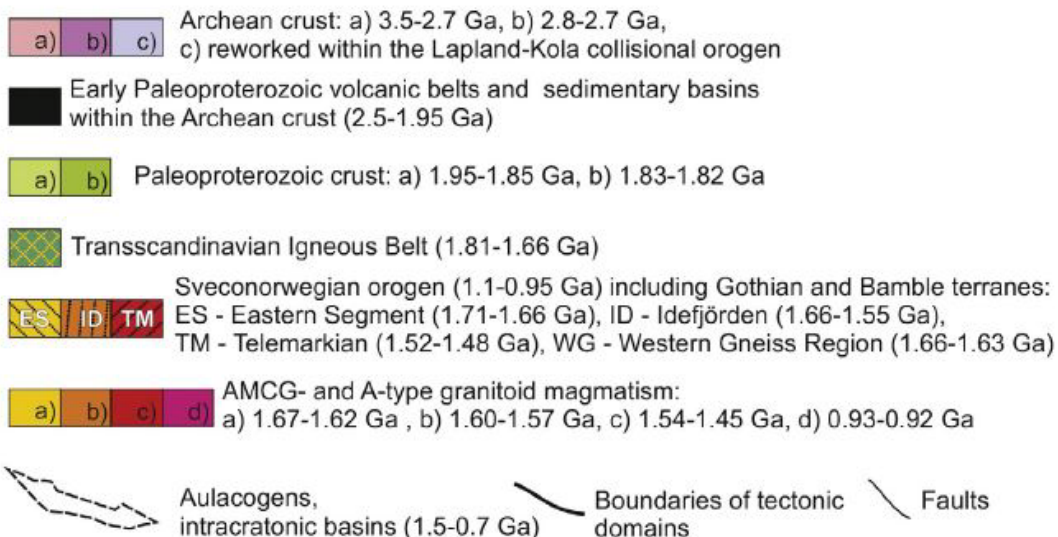
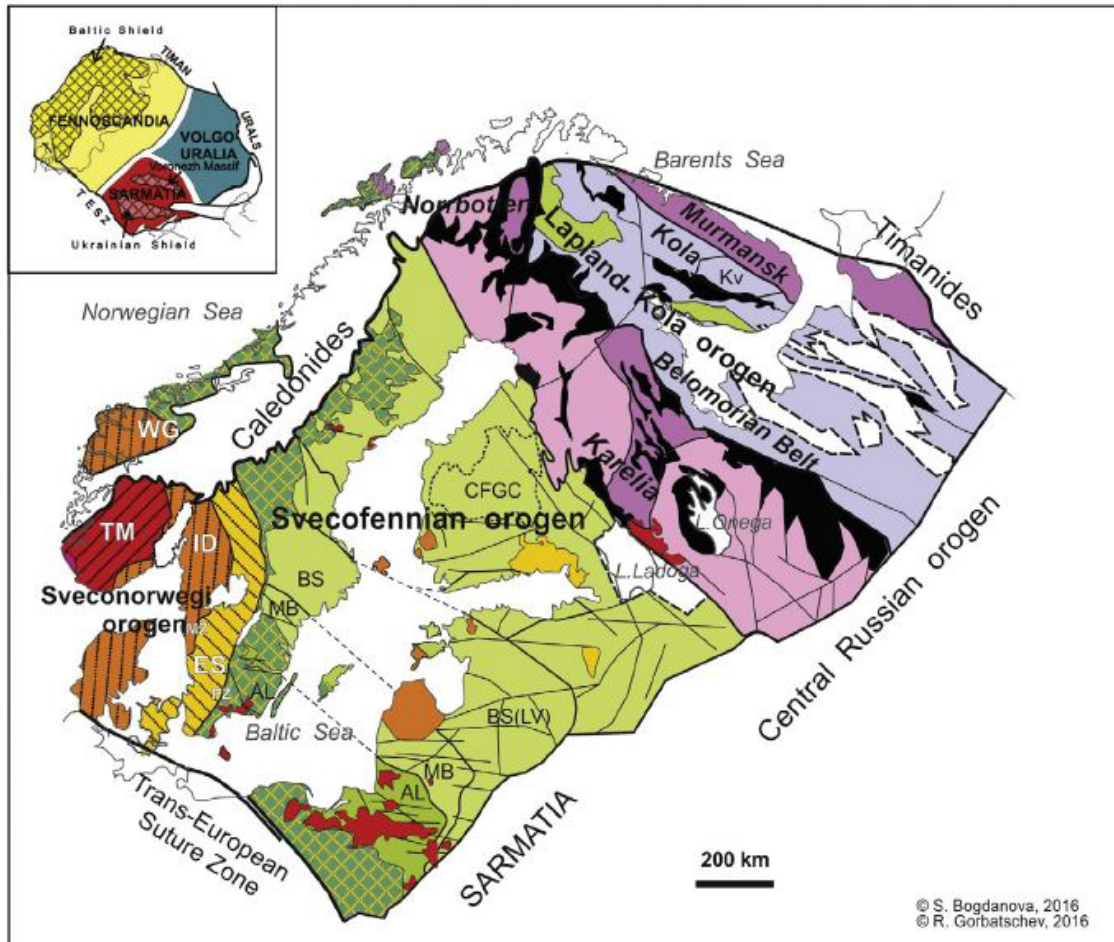


Figure 10. General Geology of Karelian Protocraton (Bogdanova, 2016).

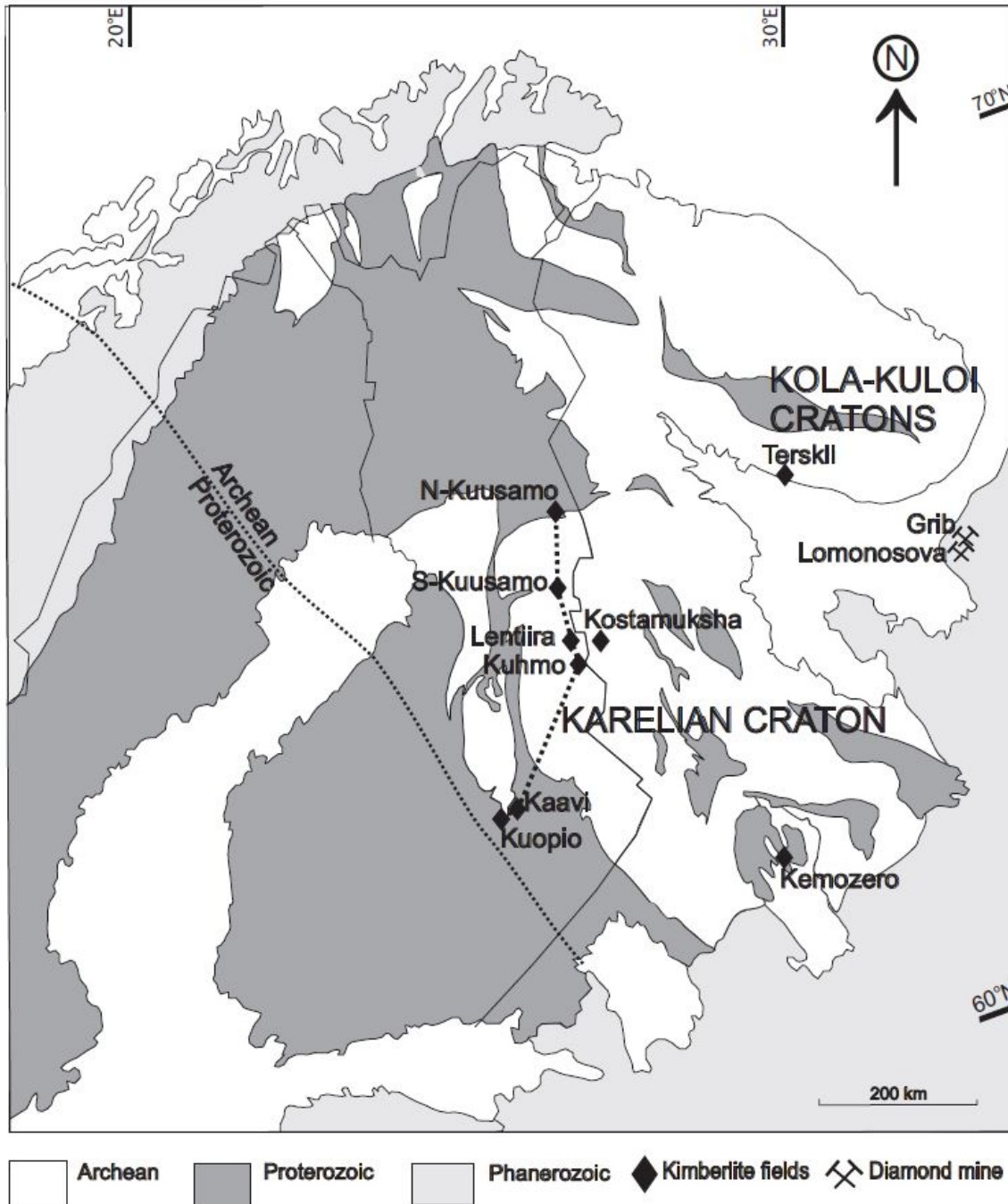


Figure 11. Karelian Craton showing North Kuusamo Location and kimberlite fields (Lhetonen, 2009)

Black diamonds (Figure 11) 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 intra-cratonic 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.

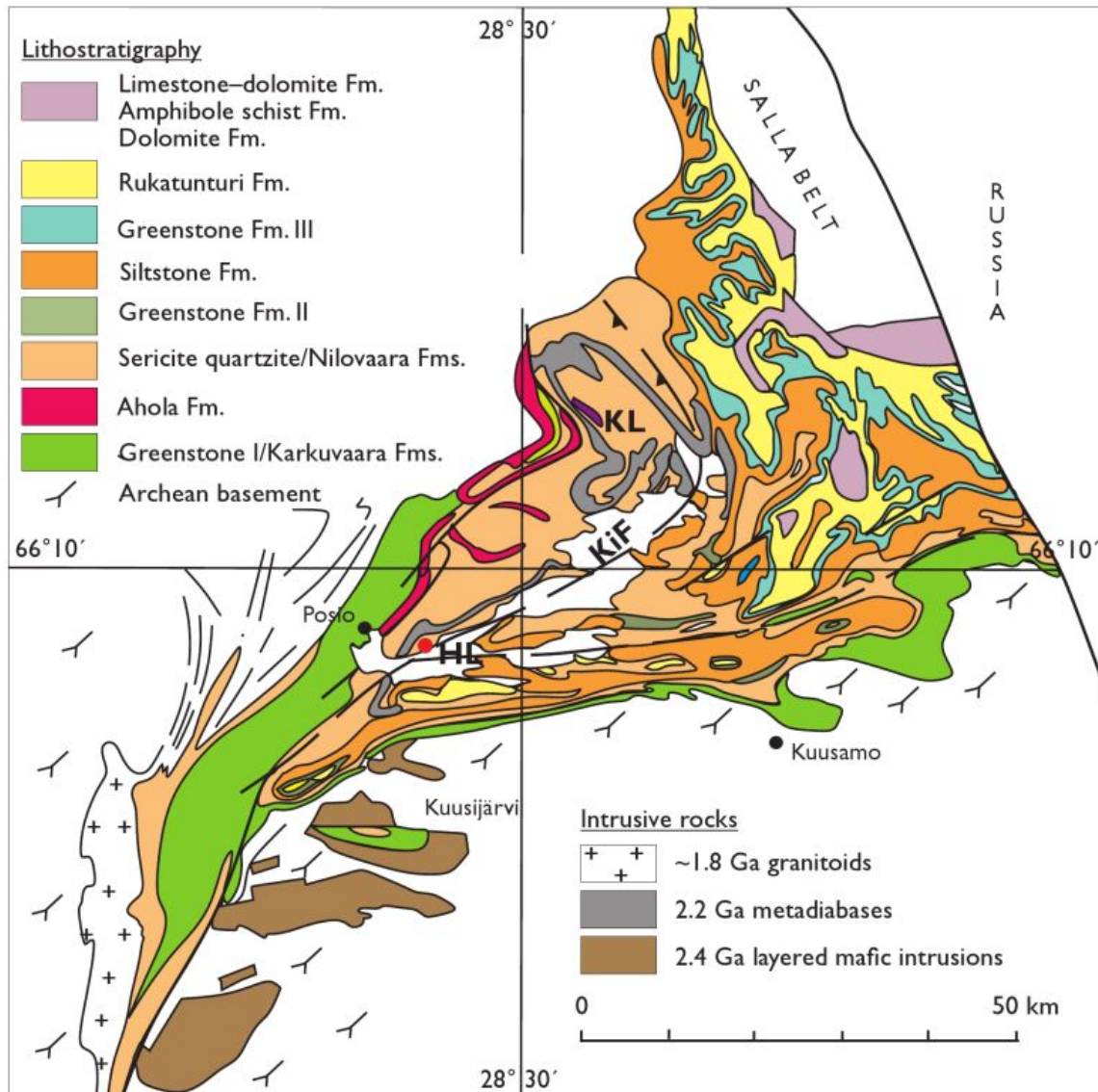


Figure 12. Kuusamo Belt (Lehtinen, 2005)

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.

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.

7.1 PROPERTY GEOLOGY

The Foriet Property, located in the Southeast part of the Kuusamo Belt is underlain by arkose quartzite, sericite para-schist, quartzite, mafic volcanics, and gabbro. Rocks of the Kuusamo Belt were later intruded by kimberlite (Figure 13).

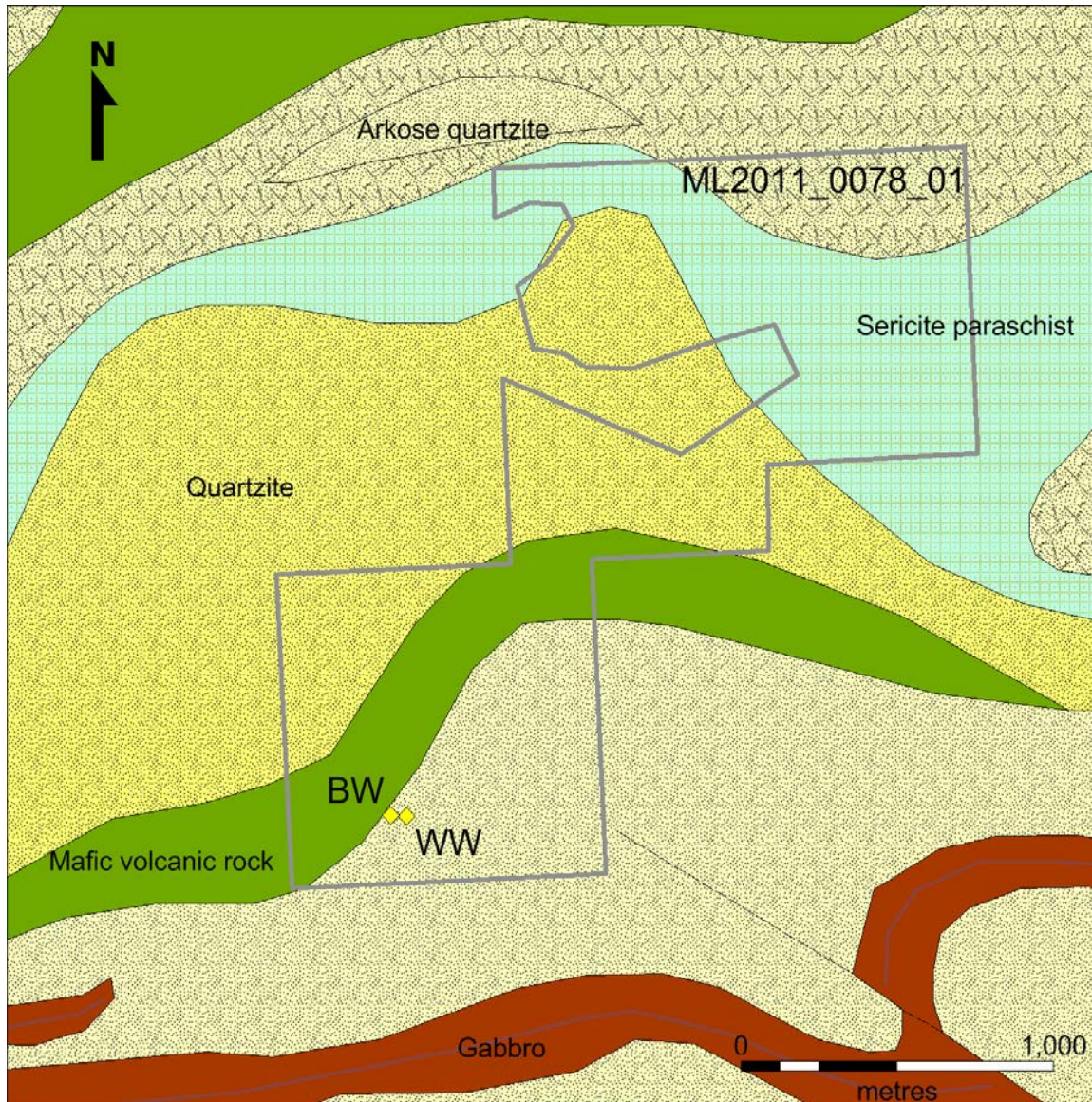


Figure 13. Property Geology of Exploration Permit ML2011:0078-01. Black Wolf (BW) and White Wolf (WW) kimberlites plot in the southwest part of Foriet Property.

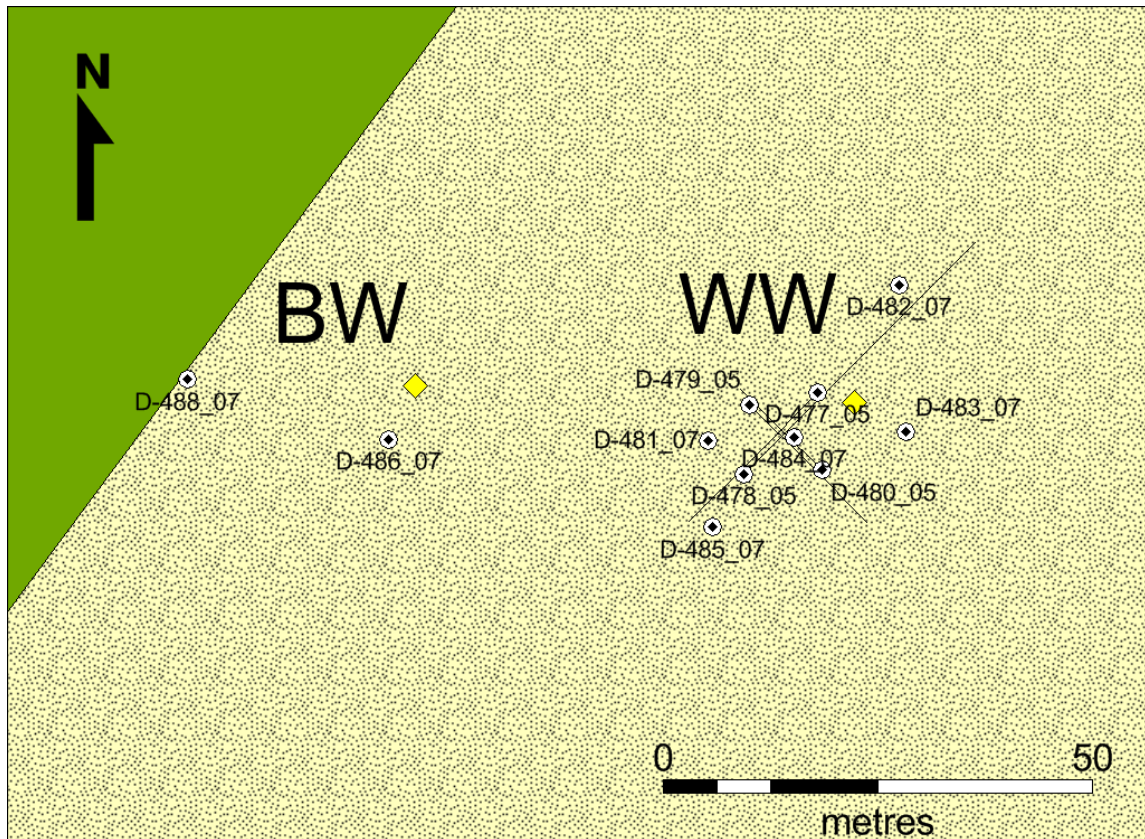


Figure 14. Yellow Diamonds are locations of kimberlite float collected during Property visit. Drill collars and hole traces also plotted in this figure.

Kimberlite occurs in the southeastern part of the Kuusamo Belt, about 11km NE of the community of Kuusamo on the Foriet Property.

Two kimberlites are known on the Foriet Property: 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.

The Black Wolf Kimberlite (BW Kimberlite) also contains diamond mineralization, and is located on the Foriet Property.

European Diamonds (EPD) reported that 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. EPD's further test pitting and microdiamond result is likely from the BW Kimberlite, which is located on the Foriet Property 50m from the WW Kimberlite.

The small diamond sample analysed is not representative of the BW Kimberlite. Both core drill holes intersected the BW Kimberlite and plot 24m from one another, based on GPS coordinates.

Both vertical holes collared in kimberlite beneath shallow overburden. In core drill hole D486-07, kimberlite was logged from 1.5-17.0 m depth, and in core drill hole D488-07 kimberlite was logged from 3.0-18.3m depth. There is currently insufficient drilling to understand the dimensions of the BW Kimberlite body, or assess whether it is a sheet deposit or the flared margin of a pipe.

The White Wolf Kimberlite (WW Kimberlite) also contains significant diamond mineralization and occurs on the Foriet Property. White Wolf was where most exploration was completed by EPD.

WW Kimberlite was tested with ten shallow core drill holes, by EPD that cluster in an area some 25m in diameter (Figure 14). All drill holes intersected kimberlite beneath shallow overburden and most core logs document that holes ended in crustal rocks described as greywacke or greenschist.

Kimberlite descriptions in GTK government archives are generic and brief, and there is no public record of kimberlite petrology. Drill collars were not surveyed and drill casing was removed. Current collars locations were probably measured using handheld GPS (+/- 3m accuracy) in X and Y, without meaningful elevations. Since core holes on WW Kimberlite were collared 5m from one another, better positioning is required to properly interpret drill results. No meaningful interpretation can be made from drill plans or sections.

On September 19, 2005 EPD reported separate core samples, processed in Australia and Canada for kimberlite indicator mineral and micro-diamond recovery.

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. EPD's microdiamond results are from WW Kimberlite, which is located on the Foriet Property.

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's mini-bulk sample was collected from the WW kimberlite, which is located on the Foriet Property. GPS co-ordinates of the mini-bulk sample are unknown.

Heavy mineral concentrates returned pyrope and chromite compositions were considered spectacular in terms of diamond potential ranking by GTK.

Samples from core hole D-478_05 (WW Kimberlite) 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.

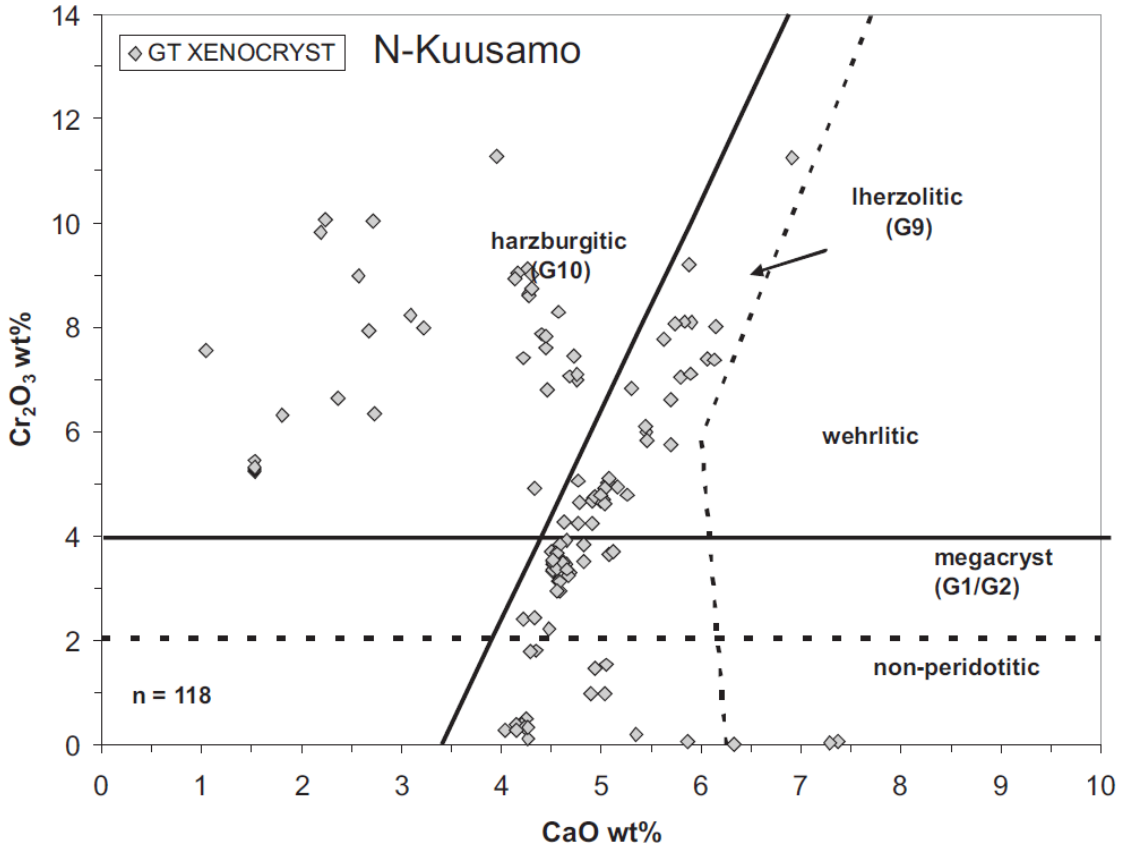
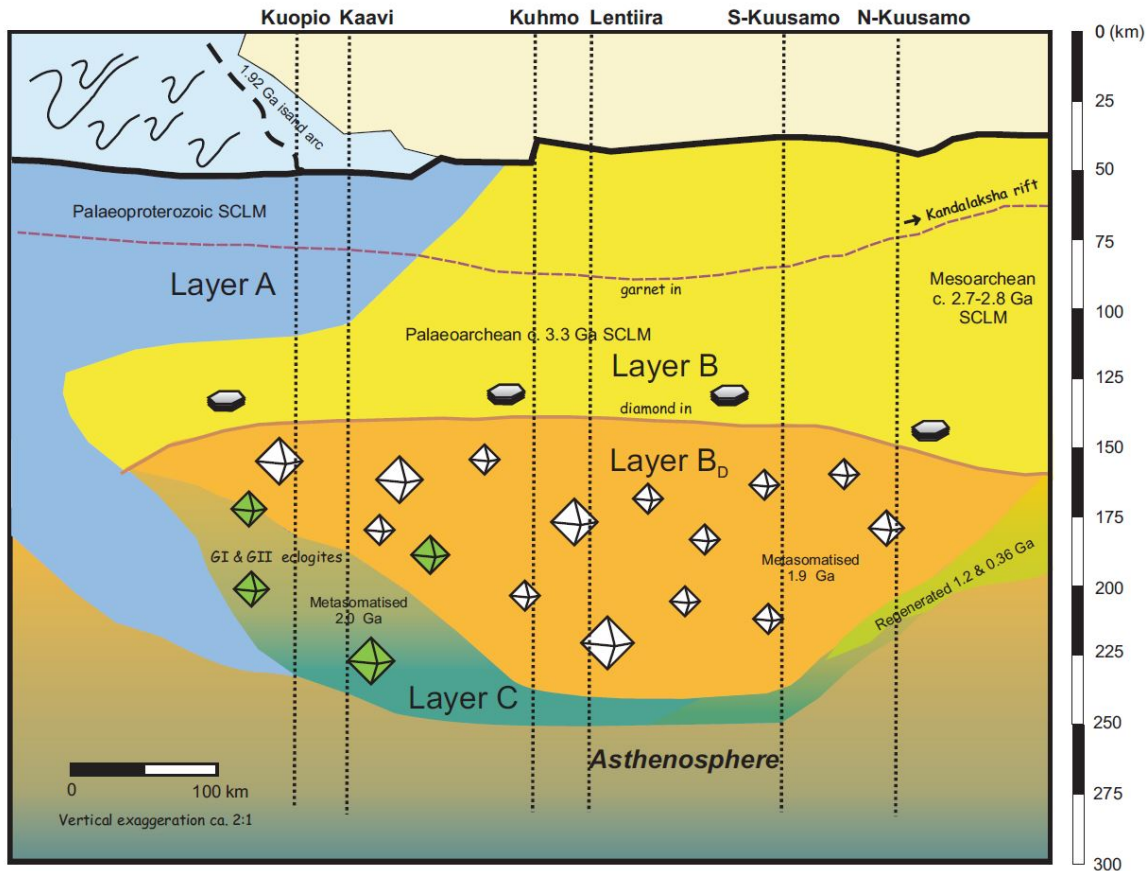


Figure 15. CaO vs Cr₂O₃ Plot of garnet xenocrysts from North Kuusamo (Lhetonen, 2009)

The CaO vs Cr₂O₃ garnet plot (Figure 15) 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 16. 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 17).

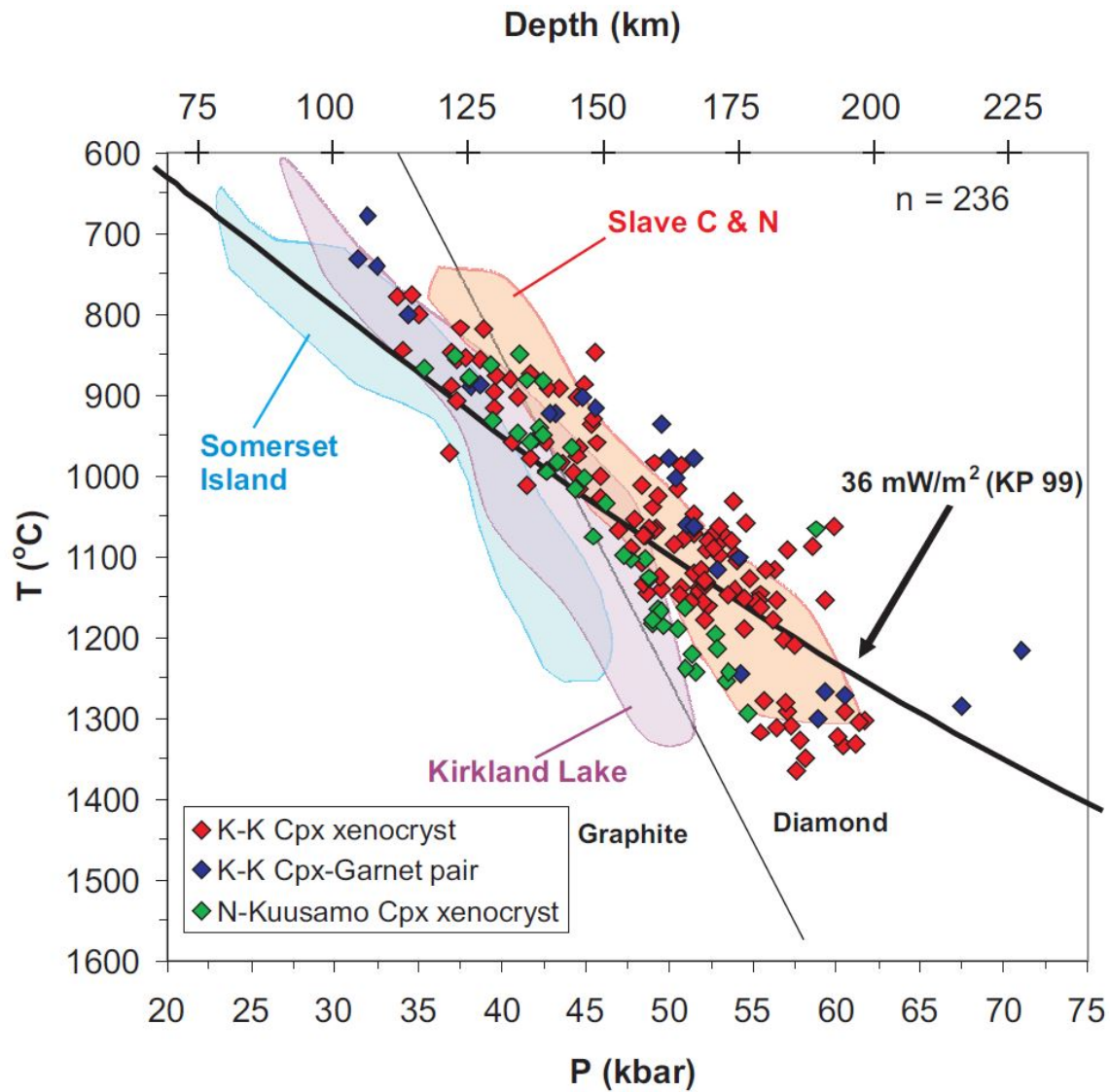


Figure 17. P-T Graph of garnet and North Kuusamo chrome diopside xenocrysts (Lehtonen, 2009, p89)

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.

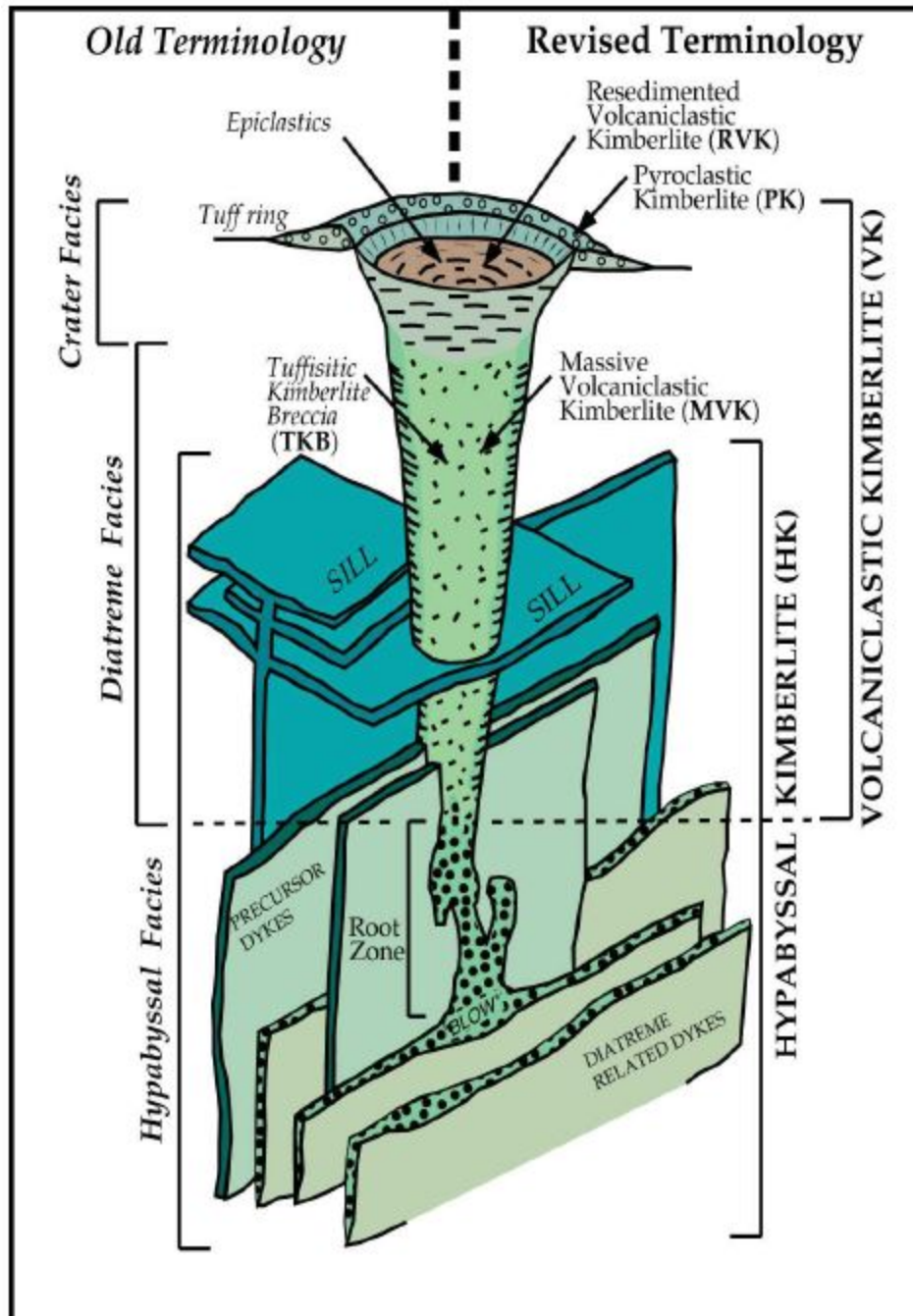


Figure 18. Schematic diagram of an idealized kimberlite magmatic system. Depth of a typical kimberlite pipe is on the order of 2-3 km (after Mitchell, 1986, modified by Kjarsgaard, 2007).

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.

The author has been unable to verify information about the Seitaperä kimberlite. Characteristics of Seitaperä kimberlite, including its size, shape, composition and diamond content are unique to this body, and do not apply to kimberlites located on the Foriet Property.

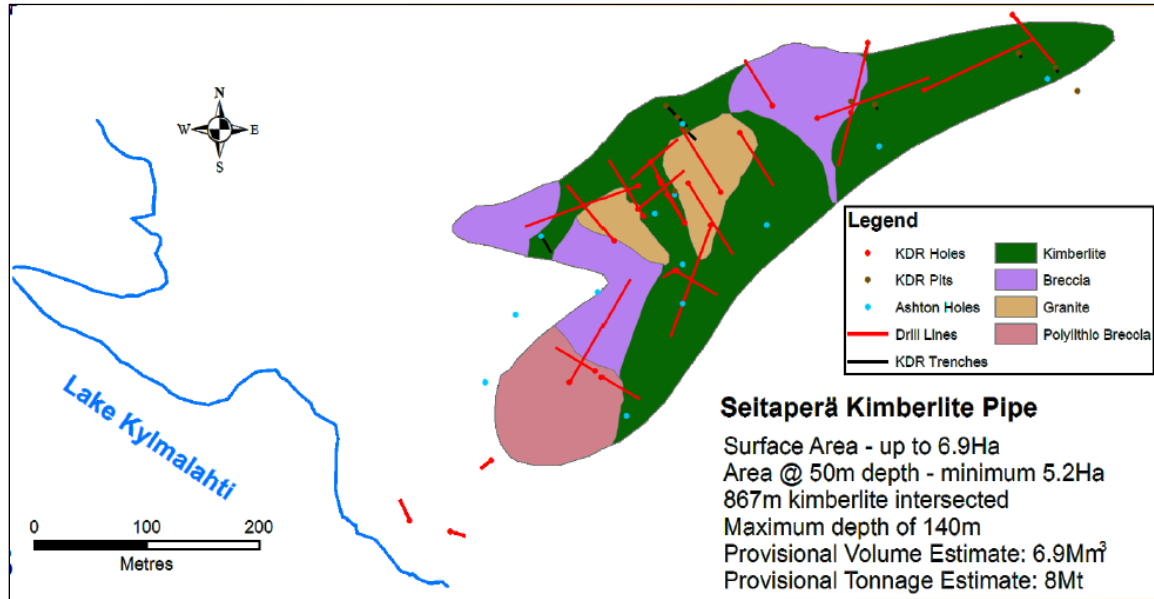


Figure 19. Plan view of Seitaperä Kimberlite Pipe (after Karelian Diamond Resources, 2015)

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 20) and a high percentage of gem diamonds.

The author has been unable to verify information about the Lahtojoki kimberlite. Characteristics of Lahtojoki kimberlite, including its size, shape, composition and diamond content are unique to this body, and do not apply to kimberlites located on the Foriet Property.

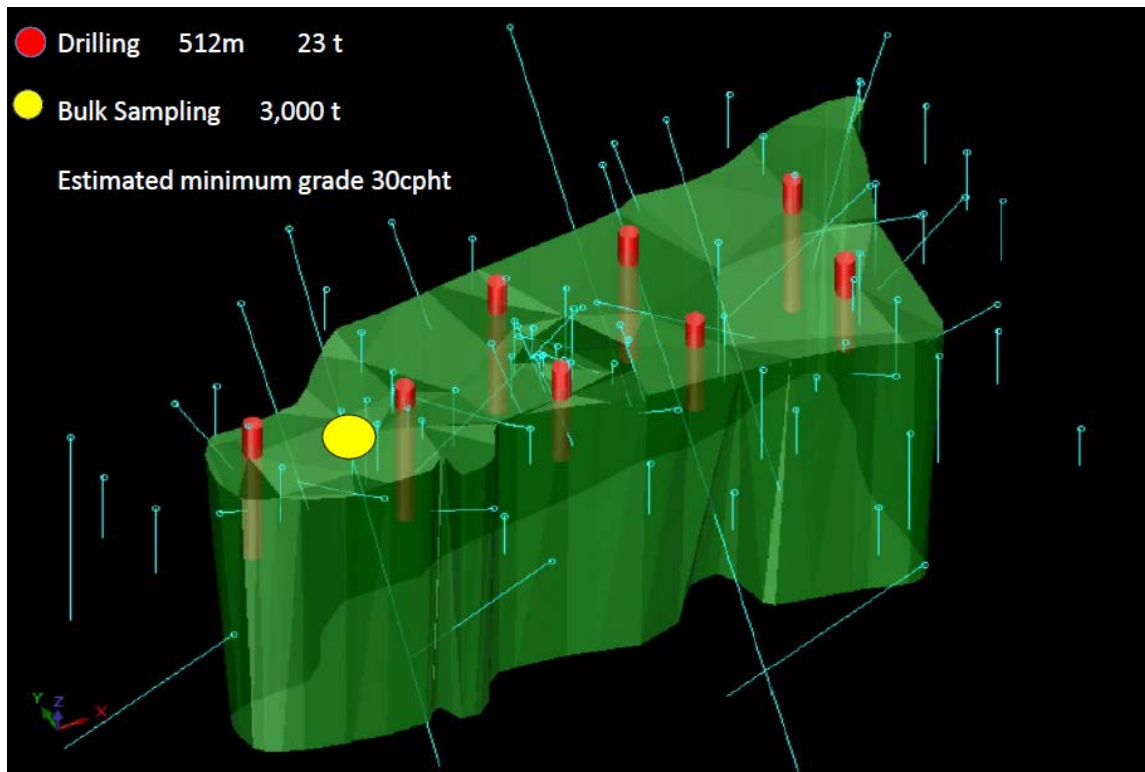


Figure 20. Lahtojoki Drilling and Bulk Sampling (from Karelian Diamond Resources, 2017)

9. EXPLORATION

Arctic Star Exploration Corp. completed due diligence work on the Foriet Property by hiring GTK to sample historical drill core stored at the National Drill Core Archive (NDCA) in Loppi, Finland for microdiamond recovery.

Historical drilling was completed from 2004-2007 by Ilmari Exploration Oy, who completed 14 short core drill holes. Ilmari drill holes plot in the property overlap area between Ilmari's Area 3 and the Foriet Property. Drill hole numbers noted on sampling forms provided by GTK are identical to drill hole numbers completed by Ilmari.

Under supervision of GTK employee, Dr. Hugh O'Brien six samples (A1 to A6), about 8kg each, were sampled from stored core, boxed and shipped to GTK in Espo, Finland, who forwarded the secure sample crate by DHL Express directly to Saskatchewan Research Council (SRC) in Saskatoon, Canada.

Arctic Star's VP Exploration completed a SRC's sample submittal form, requesting Code "DIA 1 C", diamond recovery by caustic dissolution for samples A1 to A6, which recovers diamonds greater than 0.106 microns in size.

Table 3. Microdiamond Results from Ilmari historical drill core

Sample	Number of Diamonds per Sieve Size (mm Square Mesh Sieve)										Total Stones
	Sample Weight Dry Kg	+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.600 -0.850	+0.850 -1.18	+1.18 -1.70	+1.70 -2.36	
A1	7.8	15	9	4	4	0	0	0	0	0	32
A2	8.15	5	2	0	1	0	0	0	0	0	8
A3	7.65	4	11	1	2	0	0	0	0	0	18
A4	7.9	4	2	0	0	0	0	0	0	0	6
A5	7.7	17	10	4	4	1	5	0	1	0	42
A6 1/2	4.55	2	1	2	0	0	0	0	0	0	5
A6 2/2	4.55	0	0	0	0	0	0	0	0	0	0
Group Total	48.3	47	35	11	11	1	5	0	1	0	111

SRC reports 100% recovery from both sets of synthetic diamond spikes for samples submitted by GTK on behalf of Arctic Star Exploration Corp.

10. DRILLING

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

11. SAMPLE PREPARATION, ANALYSES AND SECURITY

On behalf of Arctic Star Exploration Corp., Dr. Hugh O'Brien, an employee of GTK, collected six samples (A1 to A6), about 8kg each, of historical drill core stored at the National Drill Core Archive (NDCA) in Loppi, Finland. Core was boxed and shipped to GTK in Espo, Finland, who forwarded the secure sample crate by DHL Express directly to Saskatchewan Research Council (SRC) in Saskatoon, Canada.

A chain of custody form itemizing drill hole number, sample ID, depth from and to, and weight completed at NDCA by GTK personnel was provided to the author, along with a photograph of the secure crate, and a copy of the DHL Express Pro-Bill.

Table 4. NDCA Core Sample list with weight estimates.

Drill Hole	Sample ID	From (m)	To (m)	Weight (kg)
D478-05	A1	6.10	15.50	8.06
D478-05	A2	23.55	34.65	8.40
D480-05	A3	3.3	12.6	7.96
D477-05	A4	6.7	15.6	8.22
D484-07	A5	11.7	22.0	7.96
D482-07	A6	23.0	23.85	—
		24.36	31.9	9.25 (combined)

Arctic Star’s VP Exploration completed a SRC’s sample submittal form, requesting Code “DIA 1 C”, diamond recovery by caustic dissolution for samples A1 to A6, which recovers diamonds greater than 0.106 microns in size.

SRC Geoanalytical Laboratories conducts microdiamond recovery using an **ISO/IEC 17025:2005** accredited caustic fusion method. The following 5 paragraphs are taken from SRC Geoanalytical Laboratories 2017 Services Schedule, page 39.

“An 8 kilogram sample is fused in a kiln containing caustic soda. The hot residue is then poured through sieves and the remaining material is then chemically treated to reduce the residue to a manageable size. The residues are then observed and the diamonds are recovered.”

“The quality of the method is monitored by assessing the recoveries of synthetic diamonds added to the sample during the caustic fusion and chemical treatment processes. The method allows for 95% confidence of recoveries of 80% or better.”

“Samples are spiked with up to 2 sets of synthetic diamonds. The addition of the tracers/spikes is used to monitor the performance of the method. If customers are considering spiking their own samples, as an additional quality control measure (blind spikes), please consult The Laboratory for the correct type/ quality of synthetic spike to be used. If the blind additions are identical to The Laboratory’s QC spikes it is impossible to distinguish between the in-house and blind QC spikes which may give an inaccurate result.”

“Observations of diamonds are based on CIM guidelines for reporting diamond results and documented in-house procedures.”

*“The weighing of diamonds is performed using Ultra Micro Analytical balances which have scheduled external **ISO/IEC 1725:2005** calibrations and daily calibration checks to assure traceability.”*

SRC reports 100% recovery from both sets of synthetic diamond spikes for samples submitted by GTK on behalf of Arctic Star Exploration Corp.

The author of this report has reviewed chain of custody documentation and a photograph of the secure shipping crate, and believes that sampling was conducted in a secure manner and shipping was unlikely to suffer tampering. The author has also audited SRC's microdiamond laboratory and reports that work is conducted by SRC and its employees are performed to industry best practice guidelines.

12. DATA VERIFICATION

Work completed by the author 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 observed angular to sub-rounded kimberlite boulders in overburden (“kimberlite float”), and 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 21. Large piece of weathered kimberlite float too big to sample remains at BW site.

Broken and weathered kimberlite float 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 sub-crops 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 22. Sample Bags at WW02 site, note weathered kimberlite beneath red hammer.

Table 5. Kimberlite float samples collected during Property visit.

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 P250453MD WW02-HK	WW02	June 10, 2015	Kevin Kivi, P.Geo.

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.

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.

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 6. Microdiamond Results from location WW02

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

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 in GTK's online database compare favourably to waypoints collected by GPS in the field by the author. The author is confident that historical drilling and mini-bulk sampling occurred at the site visited, and this site is on the Foriet Property.

The site visit was led by Dr. Hugh O'Brien, Senior Researcher with the Geological Survey of Finland, who has visited the Foriet Property in past when it was being explored by prior landowners. Dr. O'Brien took the author directly to the WW and BW showings without aid of GPS or maps. Dr. O'Brien has completed work on samples from the Foriet Property that have been the subject of peer-reviewed publications on kimberlites of North Kuusamo.

The author verified that the BW and WW Kimberlites occur on the Foriet Property, and observed kimberlite float, discarded drill core and disrupted soil as evidence for prior trenching, core drilling and mini-bulk sampling had taken place in this area. Having been lead to the site by Dr. Hugh O'Brien, who is an employee of the Geological Survey of Finland, and independent of Arctic star, verified that this area was the location of prior work by European Diamonds plc. The author is confident that data quality is adequate for the purpose of this report.

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_048-001 in 1996, from which 6 boxes of core are held by the Finnish National Drill Core Archive, with related data available in public domain from the GTK website.

The author has not been able to verify exploration results obtained by Glenmore Highlands Inc. Results obtained by Glenmore Highlands Inc. are from an adjacent property and are not indicative of mineralization on the Foriet Property.

Mineral exploration by Ilmari Exploration Oy, a wholly-owned subsidiary of European Diamonds plc (EPD), a public company, was on a historical property known as Area 3, that overlaps the SW part of the current Foriet Property (Figure 8) and includes regional kimberlite indicator mineral (KIM) sampling that revealed a 30-kilometre long KIM dispersal train which was traced for 18 months by the company's field team. Testing a geophysical conductor at the head of this 30-km train resulted in discovery of the WW Kimberlite, which is located on the Foriet Property.

Additional KIM sampling in Area 3 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. This information was harvested from company press releases which did not include maps, so the exact location of these anomalies is unknown relative to the Foriet Property.

All information about European Diamonds and subsidiary Ilmari Exploration Oy is available in press releases and other public domain reports filed by the public company EPD and available with the aid of an internet search engine, or filed with the Geological Survey of Finland (GTK) and available through their website.

The author has not been able to verify exploration results or precise locations of results obtained by European Diamonds plc. Results obtained by European Diamonds plc in this section of the report are from an adjacent property and are not indicative of mineralization on the Foriet Property.

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.

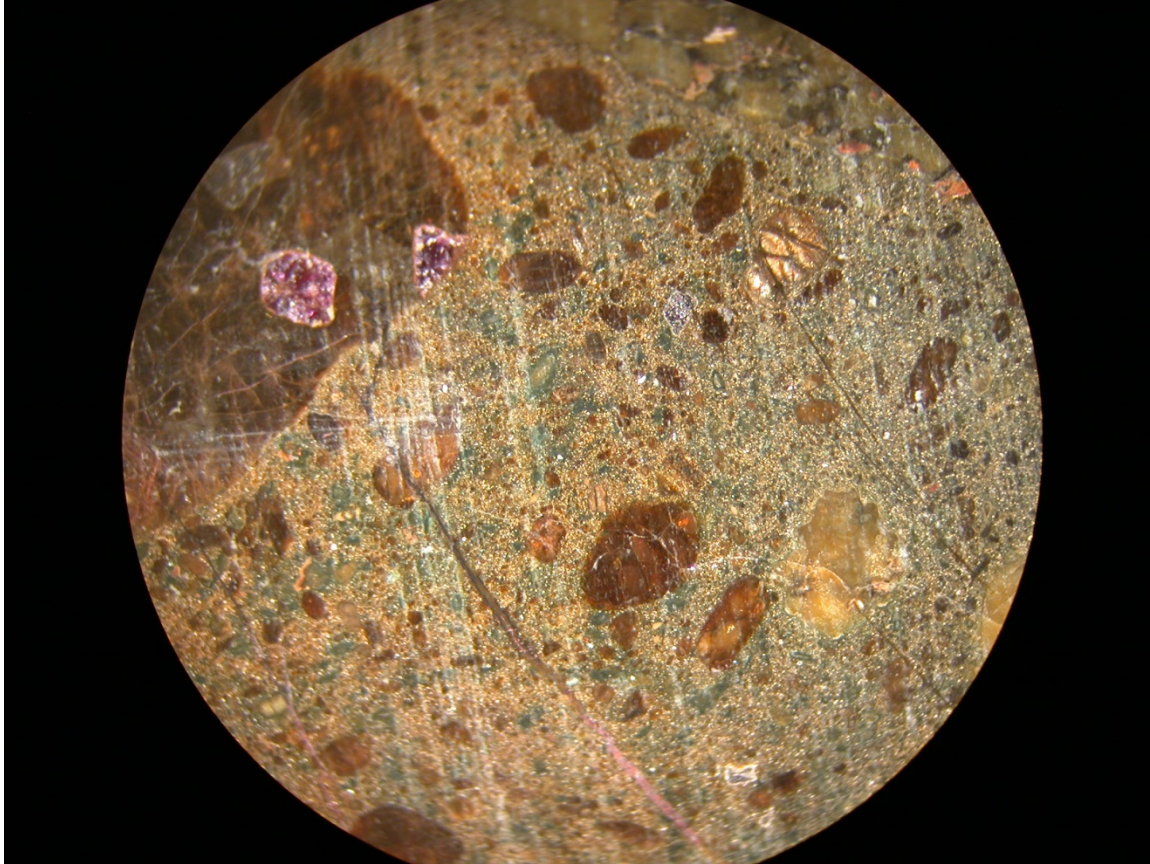


Figure 23. Core sample from one of the Kuusamo kimberlites explored by Sunrise.

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.

Sunrise Diamonds plc was a public company incorporated and domiciled in England that once traded on the AIM market of the London Stock Exchange, and also on Plus Markets with code: SDS. Information used in this report is available in historical press releases and other public domain reports filed by the public company and available to the public with the aid of an internet search engine. Information is also filed with the Geological Survey of Finland (GTK) and available to the public through the GTK website.

The author has not been able to verify exploration results or precise locations obtained by Sunrise Diamonds plc. Results obtained by Sunrise Diamonds plc are from an adjacent property and are not indicative of mineralization on the Foriet Property.

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 in Finland and Russia. Ancient kimberlites occupy the inner part of the Karelian Craton, and younger kimberlites occupy craton boundaries or off-craton settings.

Arctic Star Exploration Corp, via a Share Exchange Agreement will acquire Foriet Oy and the Foriet Property.

Two kimberlites are known on the Foriet Property named 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. Kimberlite clusters commonly range from 10-30 bodies, so the Kuusamo Kimberlite Cluster has potential to grow.

The Wolf kimberlites were discovered by following a kimberlite indicator mineral (KIM) dispersal train in glacial till to a bedrock source. Pyrope and chromite compositions from the White Wolf kimberlite are considered spectacular in terms of diamond potential ranking by GTK.

European Diamonds plc explored the Area 3 property, which overlaps with the Foriet Property. EPD discovered the BW and WW kimberlites by following a 30km KIM dispersal train up-ice. EPD also reported that additional KIM dispersal trains occur in Area 3. Till sampling should continue on the Foriet Property, as this proven exploration method may delineate new KIM dispersal trains, which may lead to new kimberlite discoveries in future.

It has not been established if BW and WW kimberlite are hypabyssal or pyroclastic rocks, and therefore the emplacement method of each kimberlite is uncertain. Historical drilling is inadequate to determine BW and WW kimberlites are sheet or pipe deposits. The dimensions of each kimberlite and relationship to one-another is also poorly understood.

Petrology of stored historical drill core and other samples will provide information about kimberlite emplacement. Detailed geophysical surveys, trenching and core drilling can then be conducted to determine if kimberlites are sheet or pipe deposits, measure their dimensions, and better understand how they relate to one-another.

Black Wolf kimberlite has been core drilled and trenched, and returned 23 microdiamonds from a small grab sample of 9.8 kg.

White Wolf kimberlite has been core drilled, trenched and mini-bulk sampled in past. Microdiamond recovery totalled 42 diamonds between 0.15 and 0.88 mm from 41.2 kg of core. 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. 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.

Kimberlite float sample P250453MD, collected by the author during the Foriet Property visit from location WW02 returned 58 microdiamonds greater than 0.106 mm from 18.925 kg of dry kimberlite. This verification sample confirms diamonds are present in the White Wolf kimberlite.

Arctic Star verified diamonds are present in historical drill core holes completed from 2004-2007 by Ilmari Exploration Oy. Saskatchewan Research Council (SRC) reports 111 microdiamonds greater than 0.106 mm from 48.3 kg of dry kimberlite.

WW and BW kimberlites are significantly diamondiferous, but current diamond sampling of each kimberlite is inadequate to estimate diamond grade. Additional sampling of BW and WW kimberlites for diamond recovery is required, and should be large enough to estimate diamond grade and get an indication of diamond value.

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. FCSA who assigned the Exploration Permit acknowledges that this work is required to properly assess the diamond potential of the Foriet Property.

Foriet Oy has also been granted Kuusamo North Reservation VA2017:0055 (920.66 km²), with expiry date June 28, 2019. If the reservation is not appealed, then Foriet Oy may apply for an Ore Prospecting Permit which will enlarge the exploration property considerably.

The author concludes that the BW and WW kimberlites occur on the Foriet Property, and that they contain a significant quantity of diamonds. The kimberlites are poorly understood and require petrology, delineation and additional diamond sampling to determine their economic potential. The author also concludes that the Foriet Property has good potential for discovery of new kimberlites using methods proven to discover kimberlites in the area including till sampling, geophysics, trenching and core drilling. Arctic Star has all necessary permits required to commence exploration.

26. RECOMMENDATIONS

The author recommends that Arctic Star commence exploration on the Foriet Property when adequate financing has been secured, and recommends a \$2,000,000 exploration budget to explore the Foriet Property and evaluate new and existing kimberlite discoveries.

Recommended work will take more than one season and may extend from one year to the next as turn-around time to process certain diamond exploration samples can be several months. The proposed exploration program does not contain a decision point contingent on positive results to proceed to the next step, and as such, is a single-phase exploration program.

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 by the author during the Property visit require petrological work and EMP analysis to characterize BW and WW kimberlites.

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 core for caustic dissolution to build a larger microdiamond sample to estimate 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 locate KIM dispersal trains on the property, which may lead explorers to new kimberlite discoveries.

Detailed geophysical grids should be established over the BW and WW kimberlites to determine their potential size and how they relate to one another.

Ground geophysical surveys should also be conducted on grids positioned at the head of any new KIM dispersal trains discovered from till sampling. Ground magnetics, electromagnetic and gravity gradiometer geophysical surveys are proven methods to map known kimberlites beneath overburden, and generate new exploration targets.

BW and WW Kimberlites each have a significant diamond content, and should be delineated and sampled using a core drill. Detailed core logging and petrology of drill core is required to map all kimberlite facies so the kimberlite can be properly sampled. Diamond samples should be of adequate size, and analysed in such a way to return enough stones to establish meaningful statistics and estimate diamond grade.

Exploration targets generated from till sampling and ground geophysical surveys should be trenched using an excavator in shallow overburden, or core drilled in deep overburden. New kimberlite discoveries should be delineated and sampled for petrology, KIMs and diamonds.

Exploration 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. Arctic Star has all permits necessary to commence work.

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.

A \$2,000,000 exploration budget is required to complete exploration described above and test one new kimberlite discovery.

Table 7. Exploration Budget (\$CDN)

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

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28. STATEMENT OF AUTHORSHIP

This National Instrument 43-101 Technical Report, titled “Revised Geological Report on the Foriet Diamond Property, Kuusamo, Finland”, and dated October 12, 2017 was prepared by KIVI Geoscience Inc. and is signed by its author:

KIVI Geoscience Inc.,

Per:



Kevin R. Kivi, P.Ge.

October 12, 2017

Thunder Bay, Ontario, CANADA

Appendix 1 – Certificate of Qualified Person

This certificate applies to the Technical Report titled "**Revised Geological Report on the Foriet Diamond Property, Kuusamo, Finland**" with effective date **October 12, 2017**.

I, **Kevin R. Kivi P.Geo.**, authored the report, and I am a "qualified person" for the purposes of Instrument NI43-101. I hold a BSc. Geology degree from Lakehead University, Thunder Bay, and have worked as a geologist conducting diamond, gold and base metal exploration since graduation.

I am a Professional Geoscientist, employed by KIVI Geoscience Inc. (KGI) of Thunder Bay, Ontario and hold several memberships:

- Practising member of the Association of Professional Geoscientists of Ontario (APGO), Registration 0326;
- Member of the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (NAPEGG), Registration L821;
- Member of the Association of Professional Engineers and Geoscientists of the Province of Manitoba (APEGM), Registration 25680.
- Member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS), Registration #13687.

I personally visited the Foriet Property in Kuusamo, Finland on June 15, 2015. The duration of the property visit was one day.

I am responsible for all Items of the Technical Report, and prepared the report according to 43-101F and 43-101CP guidelines.

I am independent of Arctic Star Exploration Corp. (the issuer) and also independent of vendors of the Foriet Property.

I have had no prior involvement in the Foriet Property that is the subject of the Technical Report.

I have read Instrument 43-101 and the Technical Report, which was prepared in compliance with this instrument.

On 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.

Dated at Thunder Bay, ON, CANADA this 12th day of October, 2017.

KIVI Geoscience Inc.

Per: "Kevin Kivi"

Kevin R. Kivi, P.Geo., President