

Fancamp Exploration Ltd.

April 15, 2014

TSX Venture – FNC: C\$0.09 -- 12 Month Target: C\$0.75, (US Listing: FNCJF) (Frankfurt: 3F9)

Fancamp builds value on projected royalty streams and the development of grassroots projects to the resource level. With approximately \$6 million in net working capital Fancamp also retains the benefits inherent in new discoveries, financing these activities without exposure to issuance of equity and dilution for shareholders.

Fancamp is focused on enhancing shareholder value by acquiring early-stage projects that have potential for rapid advancement, conducting highly efficient exploration programs on them, and then selling / optioning / joint venturing them to solid partners for cash / shares along with taking back a significant royalty on future production.

The company has completed this process for several of its' valuable mining properties and now has over \$1 million in net cash, \$5+ million in marketable securities, and \$10+ million in long term securities. Along with this solid working capital position, Fancamp has significant royalties on several advanced properties. Fancamp has royalties on two very large iron ore projects, ① a 1.5% NSR on Champion Iron Mines' (CHM.T) Consolidated Fire Lake North (CFLN) iron project, which has had a highly positive Preliminary Feasibility Study completed in 2013, and ② a 1.5% NSR on Lamelee Iron Ore's (LIR.V) Lac Lamelee South iron project, which had a resource estimate completed in 2013. Fancamp also anticipates significant option payments (over \$16m) and a 2% Gross Metal Royalty (GMR) rising to 4% depending on metal prices on KWG's (KWG.V) Koper Lake chromite project in the heart of Ontario's Ring of Fire (assuming the option is fully exercised). These projects are all being moved forward with a view to demonstrating feasibility. Fancamp also owns a 46.7% interest in The Magpie Mines, owner of the Magpie deposit in Quebec, one of the largest undeveloped titaniferous magnetite deposits in the world, with critical processing studies continuing to move forward.

Value Drivers

- ▲ **Net Working Capital, Marketable Securities.** Fancamp now has working capital and marketable shares (including shares held / released long term) totaling over \$18 million (as of April 14, 2014).
- ▲ **Potential Future Options Payments.** KWG has made an initial \$500,000 option payment to Fancamp by issuing 10m shares. To earn its initial 60% interest, an additional \$1.45m in payments must be made over 3 years.
- ▲ **Royalties.** There is tremendous upside advancing each of the royalty properties. Each of Champion, Lamelee, and KWG are aggressively advancing their properties toward feasibility – and each of these royalties would be significant wins for Fancamp over the longer term. Argex's La Blache property currently provides the Company with a \$100,000 per year advance royalty payment, although the timing for bringing the property into production is currently indeterminable.



Share Data (\$Cdn)

Recent Price:	\$0.09
52-week Price Range:	\$0.04 - \$0.125
Shares Outstanding:	139.2 million
Fully Diluted Shares:	169.7 million

Capitalization (\$Cdn):

Market Capitalization:	\$12.6 million
Net Realizable Cash (04/14/2014 est.):	\$6.5 million

Corporate Information:

President, CEO: Peter H. Smith, PhD, P.Eng.
 Website: www.fancampexplorationltd.ca

Royalty Properties	NSR	Resource / Reserve Tonnes (m)	Price per Resource Unit	Potential NSR Value (\$ millions)	Stage of Project
Lac La Blanche (RGX)	2%-4%	1.25	\$3,500.0	\$168.00	FS
CFLN (CHM)	1.50%	182.4	\$100.0	\$273.60	PFS, FS in 2014
Lamelee Fe Property (LIR)	1.50%	200.0	\$100.0	\$201.50	43-101 Tech report.
Koper Lake (BOL.V, KWG.V)	0.4%/0.8%	18.0		???	43-101 Tech report.

- ▲ **Other Properties.** Fancamp's risk averse and efficient exploration efforts have allowed it to maximize the leverage inherent in discovery, and not incidentally create significant value for shareholders. This process continues, currently with focus on specific targets on a number of 100% owned gold and base metal properties. No fieldwork is planned on its 46.7% owned Magpie Deposit, but current testing of the massive mineralization by a major Chinese company could significantly advance this project.

Several Potential Value Catalysts in 2014 – Potential \$50-\$100m mkt cap, \$0.75 / share.

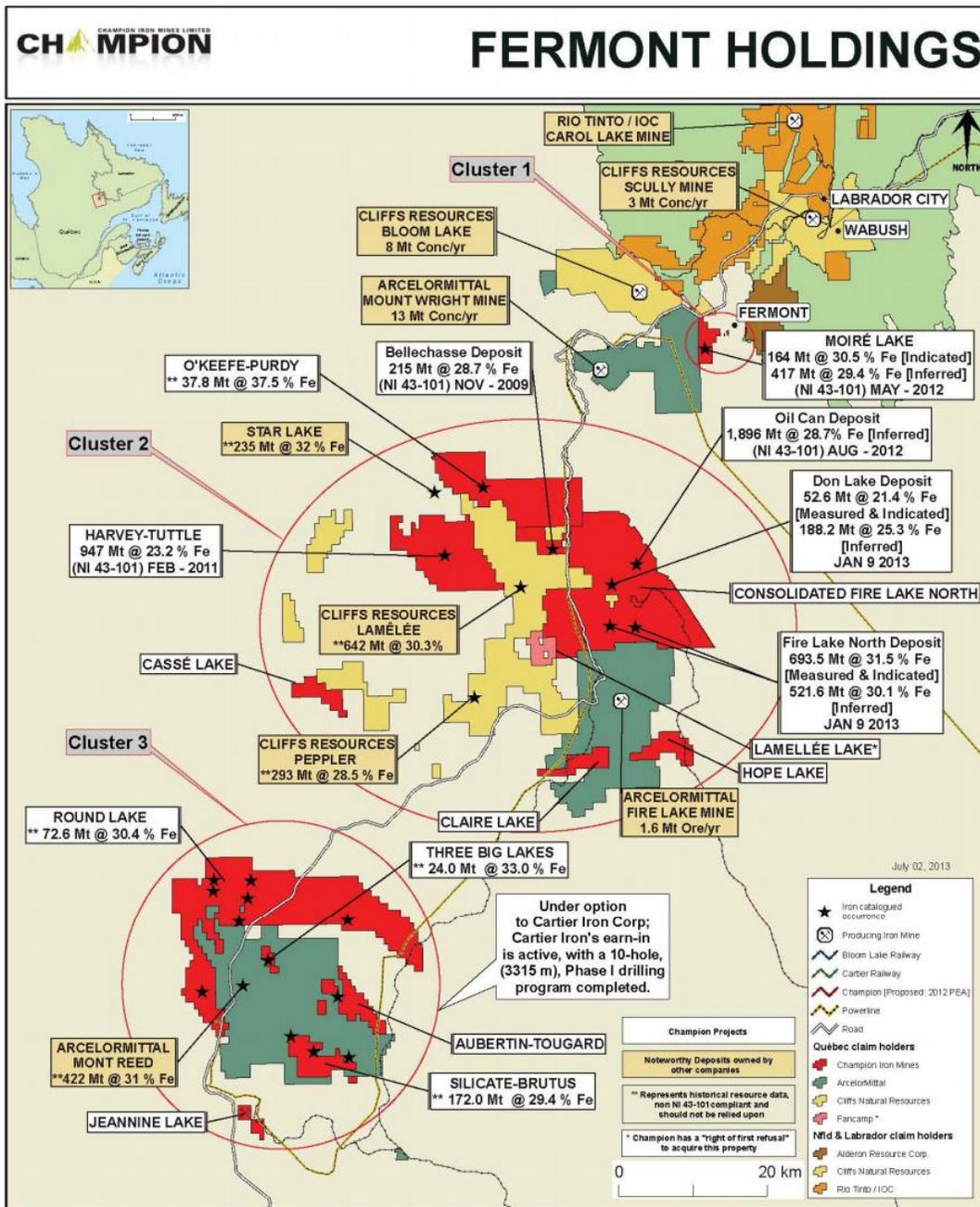
- ▲ Completion of positive Feasibility Study for CFLN.
- ▲ Positive processing studies for Magpie.
- ▲ Successful drill results at Koper Lake.

FERMONT IRON ORE HOLDINGS, Quebec, Canada (100% owned by Champion Iron Mines Inc.)

Background

Champion Iron Mines (“**Champion**”) owns a 100% interest in 14 properties covering 747 square kilometres located in the Fermont Iron Ore District of northeastern Quebec, which is 250 km north of the St. Lawrence River port town of Port-Cartier. Champion is a very significant land holder in this important area and has classified its’ landholdings into Clusters 1-3 (see map below). The Fire Lake North, Oil Can, Bellechasse and Midway properties were consolidated and designated the Consolidated Fire Lake North Property (“**CFLN**”), representing Cluster 2. CFLN is Champion’s flagship project.

As a result of Fancamp vending the Fermont properties to Champion, Fancamp now holds **15.025 million shares** of Champion (14.0 million of which are subject to a voluntary 6 year hold period through 2018). Fancamp also retained a **1.5% royalty** on the Fermont properties.



CFLN – Salient Points

CFLN is located adjacent (to the north) of ArcelorMittal’s operating Fire Lake Mine and is 60 km to the south of Cliffs Natural Resources Inc.’s (“Cliffs”) operating Bloom Lake Mine in northeastern Quebec. CFLN is situated at the southern end of the Labrador Trough. The Fermont-Wabush-Labrador City Iron Ore District is a world-renowned iron ore mining camp and is considered to be an optimal location to develop iron ore resource projects.

1. CFLN is an advanced stage project. In February, 2013, Champion announced the results from its *Preliminary Feasibility Study* for the West and East deposits of the CFLN Project. The study is based on an initial 20-year mine life and produced a Net Present Value (“NPV”) of \$3.295 billion using an 8% discount rate. The financial model shows an Internal Rate of Return (“IRR”) of **30.9%** and a capital payback period of 3.4 years.

The PFS reports that the iron process recovery of 82% yields an average production of **9.3 million tonnes per year** (“Mtpa”) of iron concentrate grading 66% total Iron (“FeT”) during a 19.6-year mine life. The current optimized engineered pits yield reserves of 464.6 M tonnes grading 32.37% FeT at a 15% FeT cut-off grade with a weight recovery of 39.9%.

The first five years of production will average 9.8 Mtpa of concentrate. The engineered pits recover 67% of the current In-pit Optimized Measured and Indicated Resources totaling 691.3 Mt grading 31.5% FeT. The engineered pits limit the inclusion of In-pit Inferred resources to 45.8 Mt which are categorized as waste.

Property	Cluster	Deposit	Current Mineral Resources Estimates at 15% Iron Cut-Off					
			Measured		Indicated		Inferred	
			tonnes millions	grade FeT%	tonnes millions	grade FeT%	tonnes millions	grade FeT%
Moire Lake	1	Lac Moire	-	-	164.0	30.5	417.1	29.4
Consolidated Fire Lake North	2	Fire Lake North-West	23.6	35.4	404.9	32.6	329.2	30.9
		Fire Lake North-East	3.0	34.2	262.0	29.6	192.4	28.7
		Fire Lake North-Don Lake	0.4	21.4	52.2	26.5	188.8	25.3
		Subtotal-Fire Lake North	27.0	35.0	719.1	31.0	709.8	28.8
		Oil Can (Oxide)	-	-	-	-	972.0	33.2
		Oil Can (Mixed)	-	-	-	-	924.0	24.1
		Bellechasse	-	-	-	-	215.0	28.7
		Midway	-	-	-	-	-	-
		Total -CFLN	27.0	35.0	719.1	31.0	2,820.9	28.8
Harvey-Tuttle	2	Harvey-Tuttle	-	-	-	-	947.0	23.2

Table 1-3: Champion Fire Lake North PFS Mineral Reserves

FLN Combined Reserves			
CoG 15% Fe _T			
	Tonnage	Grade	W.R
	Mt	Fe _T %	Wrec%
Proven	23.73	35.96	45.00
Probable	440.86	32.17	39.58
Total Reserve	464.59	32.37	39.86
OB	120.17		
Waste Rock	1107.55		
Inferred (considered waste)	45.80		
Total Stripping	1273.53		
Stripping Ratio (w/OB)	2.74		

2. The PFS study is based on a stand-alone operation at CFLN and does not consider the current Mineral Resources identified at other iron deposits located on the CFLN Property (see Champion's press release dated January 9, 2013). The outstanding mid-term and long-term growth profiles for Champion are evident from mineral resources identified within the CFLN Property and surrounding Fermont Holdings.
3. There is potential for the CFLN Project to become a significant low cost iron ore producer with a new concentrator equipped with today's advanced mineral processing technologies. Champion continues to analyze lower cost opportunities.
4. On February 6, 2014 Champion announced that drilling had resumed at the CFLN Property as part of the plan to ***complete a Feasibility Study for the project by year end.***
5. Test work in progress is targeting to increase mill recovery above the 82% level typical of the Fermont area. The optimization uses new technology for iron fines recovery that recently became more economic with the unprecedented price range for iron and the developing market for iron ore fines. Favourable results could have a significant positive impact to the economics of the project.
6. **Key Development – Transportation.** In addition to establishing the feasibility of a mining operation, transportation to port is obviously a critical element for a large scale project such as this one, which would include a suitable rail solution. On October 7, 2013, Champion reported that an announcement by the Quebec Government regarding Quebec's Economic Policy included the initiation of a pre-feasibility study for a new third railway to transport ore from the Labrador Trough. Specifically, funds totaling up to \$20 million have been set aside for this study within the Fonds du développement nordique, which will mobilize various stakeholders for the development of a public infrastructure or its equivalent, ensuring free access at advantageous costs to interested users. The Company viewed this announcement as a significant first step to demonstrate a cost-effective solution for iron ore developers to transport ore to the Port of Sept-Îles, including from the Fermont Holdings projects.
7. Along the same lines, on April 2, 2012, Champion announced that it had entered into a memorandum of understanding with the Takuaikan Uashat Mak Mani-Utenam Innu First Nation ("ITUM") of Uashat, Québec, located near the Port of Sept-Îles. The memorandum of understanding confirmed that ITUM had agreed to enter into exclusive discussions with Champion in connection with the potential development of an entirely new multi-user railway and the potential creation of a partnership, the equity of which would be opened to other users, in order to design, build and manage this new railway. The objective of this new railway would be to service the iron ore industry directly linking the Fire Lake North region to the planned multi-user port facility at Pointe Noire, in Sept-Îles, Québec.

Champion has recently entered into agreement with Mamba Minerals to create a new iron ore company to be named "Champion Iron Limited". This business combination will add strength to the project and it is believed this new entity will be positioned to see projects through to fruition.

Potential Royalty Value

Assuming 182.4 million tonnes of production over a 20 year period (i.e. average of 9.1 million tonnes per year), royalty revenues would be as follows (assuming \$100 / tonne)

	Yearly Yearly	PFS LOM
Production (million tonnes)	9.1	182.4
Royalty	1.5%	1.5%
Assumed Sales Price (\$/t)	\$100	\$100
Royalty (\$)	\$13,650,000	\$273,600,000

Significantly, Champion has stated that CFLN project hosts sufficient resources to potentially support production in excess of 20 million tonnes per annum of iron concentrate. However, Champion remains focused on an initial 10-million-tonne-per-annum operation for the feasibility study, expected to be completed by year-end.

Table 22-1: Fire Lake North Project Table of Undiscounted Cash Flow

Champion Fire Lake North Project - Undiscounted Cash Flow (M\$ CAD)																								
All \$ in \$CAD(\$ CAD = 1\$ US)																								
Year	PP-2	PP-1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	TOTAL	
Concentrate Production (Mt)			9.60	9.70	10.10	10.25	9.31	9.22	9.49	9.62	9.81	9.40	9.28	9.42	8.89	8.16	8.25	8.36	8.44	8.73	9.36	6.99	182.4	
Concentrate Selling Price (\$/t)			\$115.00	\$115.00	\$115.00	\$115.00	\$115.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$111.34	
Gross Revenue from Sales (M\$)			\$1164.1	\$1115.8	\$1161.6	\$1178.3	\$1071.1	\$1014.1	\$1044.4	\$1058.0	\$1078.9	\$1034.4	\$1020.5	\$1036.2	\$977.5	\$898.0	\$907.5	\$919.5	\$928.4	\$960.5	\$1029.2	\$769.0	\$20 306.9	
OPERATING EXPENSES																								
Mining			\$87.3	\$103.0	\$119.6	\$144.3	\$170.6	\$174.8	\$192.9	\$208.1	\$197.8	\$189.0	\$207.1	\$211.7	\$215.9	\$221.9	\$223.2	\$225.3	\$171.2	\$120.6	\$58.5	\$3444.6		
Concentrator			\$36.6	\$37.4	\$38.8	\$39.4	\$38.4	\$38.9	\$38.5	\$39.1	\$38.7	\$42.6	\$43.8	\$44.4	\$43.7	\$44.0	\$43.4	\$44.0	\$41.9	\$38.7	\$38.5	\$27.5	\$798.3	
General and Administration			\$34.7	\$35.0	\$35.4	\$36.7	\$37.4	\$37.6	\$38.1	\$38.3	\$38.2	\$38.0	\$38.3	\$38.6	\$38.7	\$38.8	\$38.8	\$38.8	\$38.8	\$37.3	\$35.6	\$25.2	\$738.1	
Environment			\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$0.80	\$23.4	
Rail Transportation			\$52.6	\$52.9	\$53.9	\$54.3	\$51.9	\$51.7	\$52.4	\$52.7	\$53.2	\$38.7	\$38.4	\$38.8	\$37.4	\$35.6	\$35.8	\$36.1	\$36.3	\$37.1	\$36.6	\$27.9	\$876.3	
Port and Pointe-Noire Terminal Facilities			\$20.9	\$21.0	\$21.1	\$21.1	\$20.9	\$20.9	\$20.9	\$21.0	\$21.0	\$20.9	\$20.9	\$20.9	\$20.6	\$22.7	\$22.8	\$22.8	\$22.8	\$23.0	\$23.3	\$17.3	\$426.7	
TOTAL OPERATING EXPENSES			\$233.3	\$250.4	\$270.0	\$296.9	\$320.5	\$325.1	\$344.0	\$360.4	\$354.1	\$339.4	\$331.2	\$350.7	\$353.2	\$358.1	\$364.0	\$366.2	\$366.4	\$308.4	\$257.7	\$157.3	\$6307	
Royalties			\$25.8	\$26.0	\$27.2	\$27.6	\$25.0	\$23.5	\$24.3	\$24.6	\$25.1	\$24.4	\$24.0	\$24.4	\$23.0	\$21.0	\$21.2	\$21.5	\$21.7	\$22.5	\$24.2	\$18.1	\$475.1	
CAPITAL COSTS																								
Mining (Including Pre-Stripping)	\$37.5	\$96.3	\$113.6	\$12.0	\$25.7	\$63.4	\$19.4	\$13.6	\$36.5	\$8.6	\$20.9	\$13.1	\$12.2	\$16.6	\$36.2	\$19.2	\$22.0	\$5.5	\$0.0	\$0.0	\$0.0	\$0.4	\$572.5	
Concentrator and Fire Lake North Site Infrastructure	\$0.1	\$1033.3	\$31.0	\$18.8	\$31.7	\$16.0	\$17.7	\$22.7	\$22.2	\$65.6	\$76.2	\$21.3	\$7.1	\$7.5	\$7.5	\$9.1	\$7.5	\$7.5	\$9.0	\$7.5	\$7.5	\$7.5	\$1434.2	
Pointe-Noire Terminal Facility		\$227.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$227.3	
TOTAL CAPITAL COSTS	\$37.6	\$1356.8	\$144.7	\$30.8	\$97.3	\$79.4	\$37.1	\$36.3	\$68.7	\$74.2	\$97.1	\$34.5	\$19.4	\$24.1	\$43.6	\$28.3	\$29.4	\$13.0	\$9.0	\$7.5	\$7.5	\$7.9	\$2234	
Closure Costs		\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$1.1	\$1.8	\$2.6	\$3.3	\$4.1	\$4.8	\$5.6	\$6.3	\$7.0	\$7.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$31.1	\$75.8
Hydro Québec 315 kV Line Payments		\$0.0	\$20.0	\$20.0	\$80.0	\$97.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$217.5	
Other Capitalized Pre-Production Costs		\$13.4																					\$13.4	
RAILWAY FINANCING																								
Total Rail Cost from Cantech is \$1333 607 000 (Internal Capital)		\$200.0																					\$200.0	
Bank Financing (25% or \$333 401 750)			\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1	\$43.1							\$517.2	
Railway Contractor Financing (60% or \$800 164 200)			\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7	\$100.7							\$1209.0	
TOTAL RAILWAY		\$200.0	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8	\$143.8							\$1926.2	
CASH FLOW (UNDISCOUNTED)																								
Total Operating Expenses + Royalties (M\$)	\$		\$259.1	\$276.5	\$297.1	\$324.5	\$345.4	\$348.6	\$368.2	\$385.0	\$379.2	\$363.7	\$355.2	\$375.1	\$76.2	\$379.1	\$385.2	\$387.7	\$388.1	\$330.9	\$281.9	\$175.4	\$6782.4	
Capex Disbursement Estimate incl. Rehab (M\$)	\$580.3	\$891.9	\$444.2	\$194.6	\$281.2	\$321.1	\$182.1	\$182.0	\$205.2	\$221.4	\$245.0	\$183.1	\$168.7	\$174.2	\$50.6	\$36.1	\$29.4	\$13.0	\$9.0	\$7.5	\$7.5	\$39.0	\$4467.0	
Working Capital			\$19.3																				\$19.3	
Annual Cash Flow ('000\$)	\$-580.3	\$-891.9	\$381.5	\$644.7	\$583.3	\$532.7	\$543.6	\$483.5	\$471.0	\$451.7	\$454.7	\$487.5	\$496.5	\$486.9	\$550.7	\$482.8	\$492.9	\$518.8	\$531.3	\$622.1	\$739.8	\$554.6	\$9038.2	
Cumulative Cash Flow ('000\$)	\$-580.3	\$-1472.2	\$-1090.7	\$-446.0	\$137.2	\$670.0	\$1213.5	\$1697.0	\$2168.0	\$2619.6	\$3074.3	\$3561.9	\$4058.4	\$4545.3	\$5096.0	\$5578.8	\$6071.7	\$6590.5	\$7121.8	\$7743.9	\$8483.6	\$9038.2		

Conclusion

It is obvious that the CFLN project is a large one, located in the heart of a major iron ore district in Quebec, Canada. The area has potential to generate many jobs and activity in the province, and would generate significant revenue for the province. It is not surprising that Quebec is examining the potential to assist with the key infrastructure component and, if solved, given the positive economics shown to date, this project would obviously have good prospects to be placed into production. Given the royalty amounts involved with any production scenario, this asset has true blue sky potential.

LAMELEE IRON ORE PROJECT, Quebec, Canada (100% owned by Lamelee Iron Ore Ltd.)

Background

Pursuant to an agreement to purchase claims dated as of Sept. 16, 2013, between the Gimus Resources Inc., Fancamp Exploration Ltd. and Champion Iron Mines Ltd., Lamelee acquired 100% of the right, title and interest in and to 29 mining claims located in the Fermont district in the province of Quebec, Canada, known as the Lac Lamelee property.

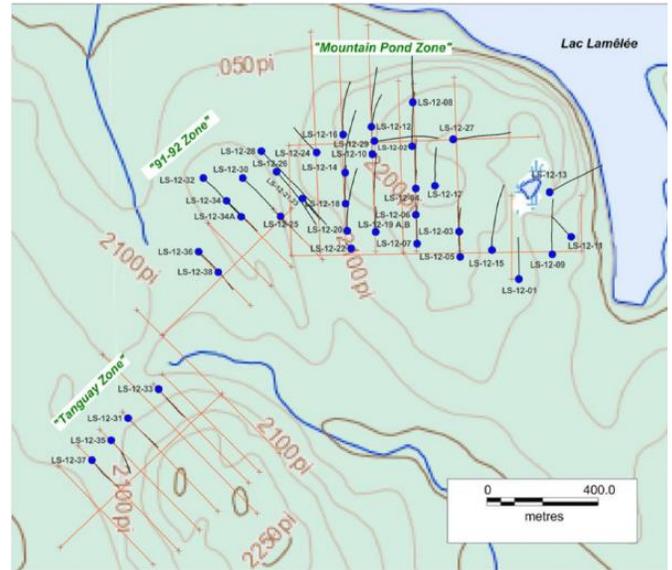
As consideration for the acquisition of a 100-per-cent interest in the property, Fancamp was issued 43 million common shares in Lamelee and a **1.5% NSR royalty** (0.5% per cent of which can be bought back for \$1.5-million).

This property is 100% owned and lies about 11 kilometres NW of ArcelorMittal's producing Fire Lake Mine. The property hosts a 2.4 km long magnetic and gravity anomaly ("Lac Lam  lee Ridge") that reflects a tightly folded recrystallized remnant of the Sokoman Iron Formation, typical of this portion of the Fermont Iron District, and characterized by quartz specularite, hematite/magnetite, and silicate iron formation. What makes this occurrence interesting from an economic point of view is the presence of a lot of iron formation squeezed into a relatively small area.



In 2011, Fancamp Exploration Ltd undertook a preliminary 5,613-meter reconnaissance drilling campaign in 17 drill holes to a depth of about 250 meters. This campaign confirmed the presence of the important iron oxide bearing horizon, which occurs continuously across the three distinct zones.

Work	Number of DH/Trench	Total LENGTH
2011	17	5,614
DH	17	5,614
Mountain Pond zone	12	4,387
91-92 Zone	1	150
Tanguay Zone	4	1,077
2012	40	12,607
DH	40	12,607
Mountain Pond zone	24	8,507
91-92 Zone	13	3,178
Tanguay Zone	3	921
2012	2	84
Trenches sampled	2	84
Mountain Pond zone	2	84
Grand Total	59	18,304



In 2012, 12,607 meters of reconnaissance drilling in 40 drill holes, and a ground geophysical survey were conducted to identify new mineralized zones and to refine the geological model. This campaign was completed mainly on a grid spacing of 100 by 100 meters to a drill depth of about 450 meters. Two holes reached 650 meters in total length. The deeper holes demonstrated that the Fe mineralized facies persists uninterrupted at depth.

These two drilling campaigns aimed to establish a three dimensional (3D) model of mineralization, to provide a preliminary iron (Fe) grade estimate, to provide samples for future metallurgical test work, and ultimately to evaluate the iron resources of the Property.

In May, 2013, a 43-101 resource estimate was calculated for Lac Lamelee using a 22% Fe₂O₃ cut-off grade. The 22% Fe₂O₃ cut-off grade used is a natural cut-off grade since the drilling covered the target iron formation in its entirety and the tonnage drops quickly below that grade.

In Pit Resources Above 22% Fe₂O₃

CUT-OFF FE ₂ O ₃ GRADES	Tonnes	Fe ₂ O ₃ %	FeT	Stripping Ratio
Phase 1 – 400m depth (\$1.8 B NPV - No Capex)				
Input				
20	2,000,000	23.7	16.4	
25	13,000,000	27.9	19.3	
30	300,000,000	41.8	28.9	
Input Total	315,000,000	41.2	28.4	
Waste	212,000,000			0.67
Phase 2 – 540m depth (+\$0.6 B NPV - No Capex)				
Input				
20	8,000,000	23.6	16.3	
25	32,000,000	27.9	19.2	
30	165,000,000	39.5	27.3	
Input Total	205,000,000	37.1	25.6	
Waste	415,000,000			2.02
Final Pit (\$2.4 B NPV - No Capex)				
Input				
20	10,000,000	23.6	16.3	
25	45,000,000	27.9	19.2	
30	465,000,000	41.0	28.3	
Input Total	520,000,000	39.5	27.3	
Waste	626,000,000			1.20
Grand Total	1,147,000,000			

Whittle parameters

Mining (Ore & Waste)	\$1.90/tonne
Processing	\$2.30/tonne
G&A	\$0.82/tonne
Process Recovery	82%
Cut-off Grade	22%
Iron Ore Price at 65% Fe	\$120/tonne
Transport	\$4.85/tonne

The economic parameters used to outline the mineral resources were based on the nearby FireLake North National Instrument 43-101 Updated Resource Estimate technical report published by P&E Mining Consultants in November 2011 under the then Champion Minerals Inc.

This study resulted in outlining two Whittle open-pit shells:

- An initial smaller open-pit shell has a \$1.8 billion Net Present Value (“NPV”) (with no CapEx) and a stripping ratio of 0.67, extracting 315 million tonnes of potential iron at a grade of 41.2% Fe (28.8% FeT). The mining rate of the small pit is **10** million tonnes processed per year and a maximum of **20** million tonnes mined per year.
- A pit expansion was considered to increase the NPV to \$2.4 billion (+25%) by extracting 520 million tonnes of potential iron at a grade of 39.5% Fe (27.6% FeT). The mining rate of the large pit is **15** million tonnes processed per year and a maximum of **45** million tonnes mined per year.

More drilling is needed to complete the reconnaissance at the scale of the property, and further detailed drilling will be required to define mineral resources in the categories of Measured and Indicated.

From a development perspective, there is no specific project infrastructure for the Lac Lamêlée South project at the moment. However, it is well located near the main access road and rail network that serves existing iron ore mine in the region with two important proximal mining towns: Fermont (QC) and Labrador City (NFL).

The Lac Lamêlée South property is immediately surrounded by economic iron ore concentrations corresponding to:

- Fire Lake Mine (ArcelorMittal) in the southeast limit of the Property
- Fire Lake North project (Champion Iron mines Ltd) in the north-east limit (see previous discussion)
- Lamêlée Project (Cliff Natural Resources Inc.) in the north boundary of the property, estimated to 642 Mt at 30.3% Fe (Lamêlée-Peppler Iron Property 43-101 Technical Report August 29, 2009)
- Lac Peppler (Cliff Natural Resources Inc.) to the southwest property limit, estimated at 302 Mt at 28.5% Fe.

Potential Royalty Value

Although early stage, the 43-101 resource estimate provides an indication of what the royalty value may ultimately be under a production scenario.

	Yearly Yearly	PFS LOM
Production (million tonnes)	10.0	200.0
Royalty	1.5%	1.5%
Assumed Sales Price (\$/t)	\$100	\$100
Royalty (\$)	\$15,000,000	\$300,000,000

Significantly, Champion has stated that CFLN project hosts sufficient resources to potentially support production in excess of 20 million tonnes per annum of iron concentrate. However, Champion remains focused on an initial 10-million-tonne-per-annum operation for the feasibility study, expected to be completed by year-end.

KOPER LAKE CHROMIUM PROJECT, Quebec, Canada (up to 80% option – held by KWG Resources Inc.)

Background

Pursuant to an earn-in option agreement announced May 7, 2012, Bold Ventures Inc. could earn an initial 50% interest in Koper Lake from Fancamp by making option payments totaling **\$1.5-million** and expending \$8-million on exploration over three years, after which a 50-50 joint venture would be formed. Bold could then earn a further 10% interest by making a further \$700,000 option payment and delivering a positive feasibility study.

As stated in a news release dated Jan. 7, 2013, an additional option can be initiated whereby Bold could earn a further 20% interest in Koper Lake by paying Fancamp **\$15-million**, payable in equal instalments over three years, with half of the amount payable in cash and the balance payable, at Bold's option, through the issuance of common shares of Bold at the market price at the time the shares are issued. At that point, Fancamp would retain a **20% carried interest** in Koper Lake. Bold would then have a further option to acquire from Fancamp the remaining 20% carried interest in exchange for a **2% gross metal royalty** payable to Fancamp. Bold would then hold a 100% interest in Koper Lake and Fancamp would retain either a 20% carried interest or a 2% royalty (up to 4% depending on metal prices).

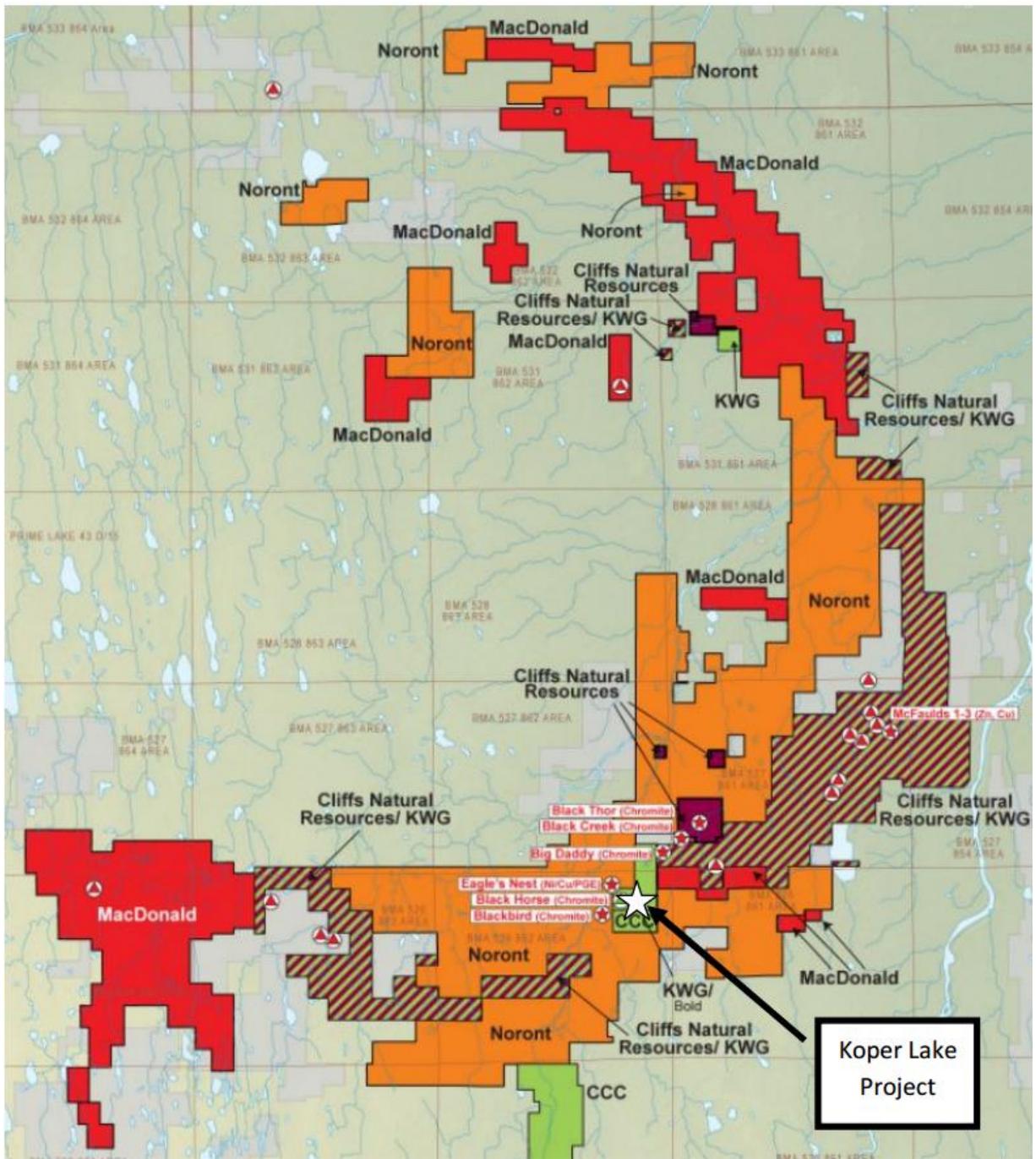
On March 4, 2013, Bold signed an option and joint venture agreement with **KWG** to option its interests in Koper Lake. Under the terms of the option agreement, Bold would act as operator of the exploration programs, which are to be financed by KWG. KWG would also make the option payments due under the agreement with Fancamp. KWG could acquire an 80% interest in chromite produced from Koper Lake by financing 100 per cent of the costs to a feasibility study, leaving Bold and Fancamp with a 20% carried interest or a 2%/4% NSR, pro rata.

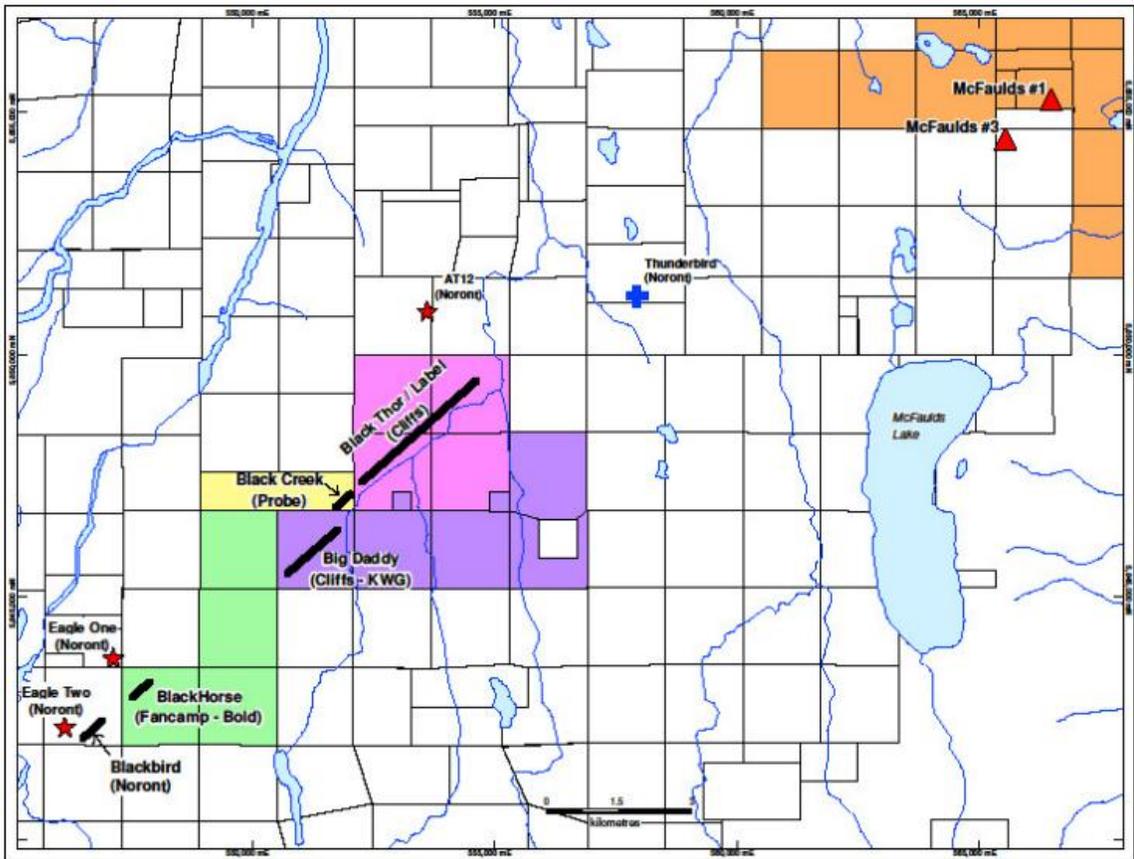
The Property

The Koper Lake Project property is located in North-western Ontario, approximately 280 km north of the town of Nakina. It consists of about 1,024 hectares covered by 4 unpatented mining claims. These are the Noront property that contains the Eagle 1 and Eagle 2 nickel deposits and the Blackbird chromite deposit, the Cliffs/KWG property that is host to the Big Daddy chromite deposit, the Probe Mines property hosting the Black Creek chromite deposit and the Cliffs Natural Resources property to the northeast that hosts the Black Thor and Black Label chromite deposits (see below). The chromite mineralisation on the Koper Lake Project (**Black Horse**) is the eastern extension of the **Black Bird** chromite deposits and all are on strike with the **Black Thor, Black Creek** and **Big Daddy** deposits 3 km to the northeast (see map below). The main chromitite layer is up to about 40 meters thick and has been traced on the Koper Lake Project property over 0.7 kilometers along strike. There are four properties of note that are in the vicinity of the Koper Lake Project property.

Exploration to date has consisted of geophysics followed by diamond drilling designed to look for nickel-copper mineralisation and to trace the chromite zone. The chromite mineralisation has been traced approximately 0.7 km along strike and 1.1 km down dip. The current objective is to define a chromite deposit that can be economically extracted using underground mining techniques.

- During 2008 Fancamp drilled 12 diamond drill holes totaling 3,555 meters. In addition, Noront Resources drilled one hole that extended onto the Fancamp property (NOT-08-40) that ended in massive chromite. Of these holes 5, including the Noront hole, were surveyed using downhole IP.
- During 2010 Fancamp drilled an additional 28 holes totaling 8,314 meters including holes FN-10-25 and 26 that intersected significant chromite intervals at depth.
- In early 2013 Geosig completed 48.9 line kilometers of ground magnetic and gravity surveys over portions of the property. Bold Ventures, as operator, drilled 9 holes totaling 6,379 meters testing various targets including the chromite zone discovered in 2010.

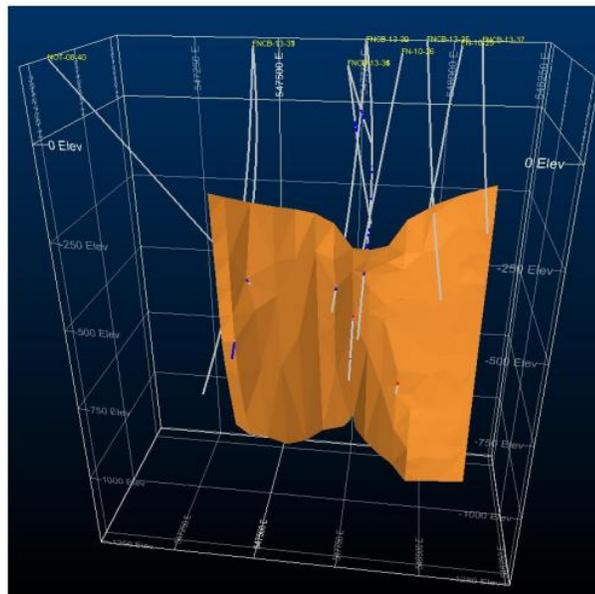




Using the drill hole data available as of September 7, 2013, an Ordinary Kriged block model was created for the Koper Lake Project chromite deposit. The volume modeled is 0.7 km long and has a down dip extent of approximately 1.0 km with the top of the mineral zone as high as 280 meters below surface and has been traced down to a depth of approximately 1400 m below surface.

<u>Classification</u>	<u>Tonnes (millions)</u>	<u>%Cr₂O₃</u>
Inferred Resources	46.5	38.8

Isometric view of the Koper Lake Project geological domain used.



dissected body of mineralization. The massive titaniferous bodies form a North-South-trending topographic feature of positive relief and considerable scale.

With its recent acquisition by The Magpie Mines Inc., advances in mineral processing in the intervening years, and the current prices and demand for iron and titanium, the potential of this property to produce an economically viable mining operation is once again being examined.

Historically, there was no reported diamond drilling on the Magpie deposits. Bedrock exposure and vertical relief of the mineralized zones, however, allowed for the establishment of historical geological resources.

A drilling program completed in 2008 by The Magpie Mines Inc. has allowed the first modern estimate of mineral resources for the property in 2009 by GENIVAR, for only a portion of the Magpie Deposit 2.

Only a portion of the overall deposit has been included in that estimate, since information obtained from diamond drilling was limited to only a small zone within the deposit. It is noteworthy, however, that the geological interpretations of Stratmat from 1961 have been confirmed by the new drilling.

2009 Mineral Resource Estimate - Magpie				
Category	Tonnes			
	(millions)	Fe (wt%)	TiO2 (wt%)	Cr (wt%)
Indicated	84.0	42.4%	10.7%	1.6%
Inferred	201.0	42.1%	10.6%	1.5%

For reference purposes only, the 2009 technical report referenced a historical resource estimate completed in 1960. As stated, *this estimate of resources was prepared based on cross sections of the deposits and surface mapping and sampling, and date from 1961. They predate NI 43-101 and are not compliant with modern requirements of resource definition. The estimate is provided here as a historical estimate only and are not intended to suggest a modern resource estimate.*

Historical Geological Resources (Stratmat)

	Short tons					
	Proven	Probable	Fe %	TiO ₂ %	Cr %	SiO ₂ %
Deposit 1	21,233,220	77,067,107	43.7	10.0	0.87	9.9
Deposit 2	203,872,733	694,231,557	43.7	10.6	1.55	6.6
Deposit 3	47,422,342	48,008,249	40.7	10.3	2.48	5.7
Deposit 4	nil	nil	42.8	10.6	1.11	8.6
Aggregate	272,528,300	819,306,913	42.7	10.5	1.66	6.7

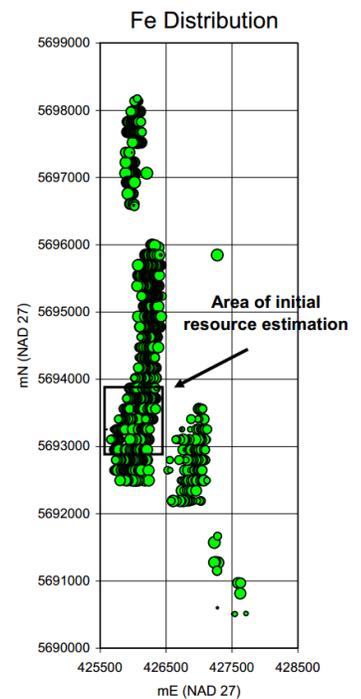
In 2011, a total of 8,143.7 m of drilling was completed for 31 holes, over a 3.4 km strike length. A revised resource estimate was calculated in 2012, as follows:

Deposit	Tonnes(M)	FeT%	Fe ₂ O ₃ %	TiO ₂ %	Cr ₂ O ₃ %	V ₂ O ₅ %	Al ₂ O ₃
Indicated Resources	635.2	42.49	60.78	11.2	2.61	0.3	10.56
Inferred Resources	293.2	42.29	60.49	11.21	2.54	0.32	10.82

The size of the Magpie deposits and their positive topographic relief indicate that large scale open-pit mining methods are appropriate for an eventual operation.

Unlocking the Deposit – The Key Ingredient – Metallurgical Processing

Historical efforts to establish a mineral processing route for the Magpie rocks were not notably successful, with the exception of the Strategic-Udy process. Modern industrial techniques for treating



titaniferous magnetite ores are now operating in several countries and can be studied for application to the Magpie rocks.

A number of metallurgical test programs have been undertaken in the past, summarized as follows:

- 1957 – Differential high-temperature oxidation (AST) (GM05857)
- 1958 – 1960 – Strategic-Udy electric arc smelting (GM07320)
- 1968 – 1971 - HCl leaching (SOQUEM) (GM22674)
- 1972 – Survey of several chemical separation routes (GM29073)
- 1973 – Alkaline fusion (GM29071)

Concentrates of titanomagnetite similar to that at Magpie are currently treated to recover iron and titanium in several locations; Japan, China, Russia. These installations apparently use variants of the DRI (Direct Reduction of Iron) process that yields an iron product and a product that can be treated subsequently to recover titanium and other commodities.

Phase I. In August, 2011, Magpie Mines received the final report and results of the Phase 1 testwork. COREM reported producing a 94.8% concentrate of TiO₂ with leaching recovery of 88.5%. Furthermore, it was reported that up to 70% (by volume) of the hydrochloric acid was recoverable.

Carrying on from the success of the bench scale tests at Corem, Magpie Mines pursued pilot-scale tests for TiO₂ and Fe₂O₃ recovery, along with bench scale tests for the processing of V₂O₅ at SGS Lakefield.

Current. In September, 2013, Fancamp announced positive updates on metallurgical test work from SGS Lakefield (Ontario) and Sichuan Non-Ferrous Metallurgical Institute of China. Their work resulted in substantially increasing the TiO₂-grade to approximately 98%, resulting in meeting the specifications for marketable *synthetic rutile* products. In addition a three-stage grinding/magnetic separation produced Fe-concentrate with a grade of 55%Fe and recovery rate of 89.5%. Based on the observations of other V-Ti magnetite deposits in China, Fe-concentrate product with a grade above 54% Fe is acceptable. In short, the economics of the Magpie project were improved significantly.

Further test work was planned to recover the Vanadium and Chrome in the pig iron, and fine-tune the TiO₂ beneficiation test results.

As stated in a September, 2013 news release by Dr. Fouad Kamaledine, PhD, PEng, Fancamp's VP-R&D:

"This preliminary metallurgical testwork is quite encouraging. It proves that the Magpie mineralization can technically be beneficiated to produce acceptable Fe and TiO₂ concentrates. Further testwork is needed to recover the vanadium and chrome in the pig iron, to fine-tune the TiO₂ beneficiation test results and ultimately to improve the economics of the Magpie project."

Our understanding is that this testing is currently underway, with results expected in summer, 2014.

Financial Potential of Magpie

Thus far, Magpie has been an excellent project for Fancamp. During the fiscal year 2008, the Company received 50% of the 54,921,962 common shares of The Magpie Mines Inc. in consideration for its 50% ownership interest in the Magpie property. The company recorded the cost of 27,460,981 common shares of The Magpie Mines Inc. at **\$10,446** as the cost incurred on the Magpie property.

On May 19, 2011, Magpie completed a flow-through financing whereby Magpie raised gross proceeds of \$3,234,500 by issuing 4,706,428 common shares. As a result of the transaction, the Company's interest in Magpie was reduced to 46.7% and the Company recorded a dilution gain of \$934,199. This is very impressive from a financial point of view.

The Magpie deposit offer a combination of large tonnage, massive and homogeneous mineralized rock, positive topographic relief and high grades of Fe and TiO₂. Potential products from the mining operation also include Cr and V. Should the current (advanced) round of metallurgical testing prove positive, any number of options are open to Fancamp to monetize value for this asset (i.e. sale for some combination of cash / shares / royalty).

There is definite potential for some very significant developments with Magpie in 2014.

**LAC LA BLACHE TITANIUM DIOXIDE PROJECT, Quebec, Canada
(100% owned by Argex Titanium Inc.)**

Background

Fancamp vended the Lac La Blache property to Argex in 2009, receiving shares of Argex (3 million sold, 6 million now held) and a 2%/4% royalty on production from the property. The 2% royalty is paid for the first 2 years of production, with 4% paid on subsequent production.

In October, 2011, Argex acquired a 50.1% ownership interest in Canadian Titanium Limited (“CTL”), a Canadian company that owns technology and underlying patents, which Argex will use, through a license and royalty agreement, to process ore, creating a high-value product.

Argex has a current market cap of over \$100 million and Lac La Blache represents a potential source of ore for Argex. The Lac La Blache property offers a source of near-term titanium dioxide (“TiO2”) production potential in Argex’s backyard, relative to (and complementary to) foreign sources of ore that Argex is contemplating. Argex has adopted a simple and low-risk strategy for the scale-up of its proprietary process that allows it to produce high-purity pigment-grade TiO2 directly from run-of-mine material. The closed-loop process is environmentally friendly and produces minimal inert tailings.

On October 9, 2013, Argex announced the results from the industrial feasibility study (the “Study”) for its titanium dioxide industrial project. The Study is based on a 50,000 tonne per year first-module production facility to be located in Salaberry-de-Valleyfield (“Valleyfield”), Quebec. The financial highlights of the Study are as follows:

- Pre-tax internal rate of return (“IRR”) of **40.1%** (**after-tax IRR of 33.8%**)
- Pre-tax Net Present Value (“NPV”) of **\$954.4 million** (**after-tax NPV of \$678.3 million**) (at an 8% discount rate)
- Pre-tax payback period of 4.2 years (after-tax payback period of 4.5 years) (including an initial ramp up period)
- Production profile of 50,000 tonnes of TiO2 annually at capacity
- Estimate life of project for purposes of the Study: 25 years

			Project Total
Revenues	TiO ₂ Pigment:	\$4,355.6 million	\$4,922.9 million
	By-products:	\$567.2 million	
Operating Expenditures			\$1,854.4 million
Capital Costs	Purchase:	\$110.5 million	\$247.6 million
	Installation:	\$109.7 million	
	Contingency:	\$27.4 million	

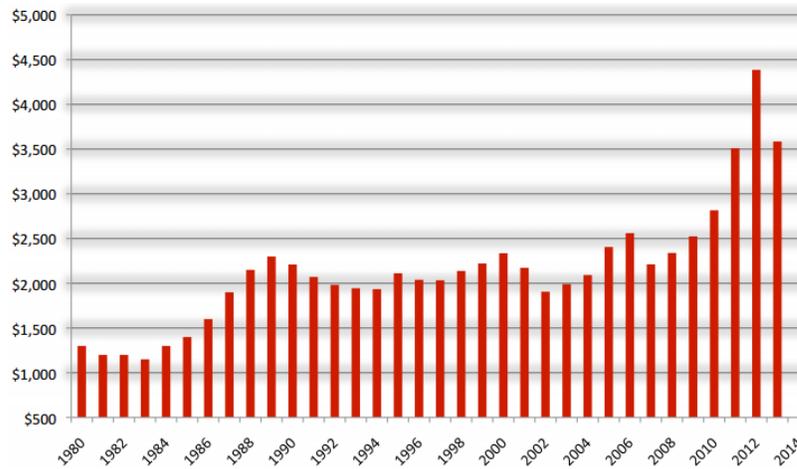
On October 22, 2013, Argex announced that it signed a letter of intent (“LOI”) with one of the world’s leading chemical distribution companies to distribute up to 25,000 tonnes per year. Argex also has negotiated a purchase agreement with PPG, the world’s largest paint company.

The timeline to production is as follows:

- Gain environmental approvals
- Finalize strategic partnership agreements
- Commence ordering equipment
- Obtain project financing of the first industrial-sized module

The Titanium dioxide (TiO2) industry is a global, \$10+ billion market, representing over 5 million tonnes of TiO2 pigment in more than 170 countries. The market is expected to reach 6.8 million tonnes by 2016, requiring producers to increase capacity to meet growing demand. These metrics make Lac La Blache a high-value asset. As the accompanying chart indicates, prices have tracked upward, particularly in the last few years.

Price History (TiO2)



Resources at Lac La Blache are much larger than the production forecast in the Feasibility Study, and are limited by marketing considerations and the nature of the process technology.

Mineral Resource Estimate - La Blache							
Category	Tonnes (millions)	Grade TiO2	Grade Fe2O3	Grade V2O5	TiO2 (m t)	Fe2O3 (m t)	V2O5 (m t)
Measured / Indicated	30.88	18.78%	63.29%	0.45%	5.8	19.5	0.1
Inferred	2.87	18.67%	63.06%	0.43%	0.5	1.8	0.0
Total	33.75				6.3	21.4	0.2

Potential Royalty Value

Assuming 50,000 t of TiO2 production per year and using current selling prices for TiO2, we have calculated annual royalty payments to Fancamp as follows:

	Years 1-2	Years 3-25	Life Of Mine
Production (tonnes)	50,000	50,000	1,250,000
Royalty	2.0%	4.0%	2% / 4%
Assumed Sales Price (\$/t)	\$3,500	\$3,500	\$3,500
Royalty (\$)	\$3,500,000	\$7,000,000	\$168,000,000

Conclusion

Argex is now a substantial company which appears to have an excellent program in place. The 6 million shares that Fancamp owns of Argex has a liquid market value of ~C\$5.4 million (as of April 15, 2014) and represents a high quality liquid intrinsic asset for Fancamp. Argex's La Blache property currently provides Fancamp with a \$100,000 per year advance royalty payment, although the timing for bringing the property into production is currently indeterminable.

More details concerning Argex, its' unique / proprietary processing process, and TiO2 markets can be found on the Argex website (argex.ca).

CONCLUSION

Fancamp has successfully engaged in a transition from a long time mineral property holder to an accumulator or valuable royalty interests on its most valuable properties, with similar potential for its current interest in Magpie. Its' net assets can be summarized as follows:

Asset	Description
Cash and marketable securities	<ul style="list-style-type: none"> • Cash as of October 31, 2013 • Other net cash working capital of \$250k.
Potential future option payments	<ul style="list-style-type: none"> • KWG option. \$1.5 million for Koper Lake (KWG) for initial option, • KWG option. \$15 million to exercise second Koper Lake option. • Bowmore option of Beauce Gold Project. \$800k
Royalties	<ul style="list-style-type: none"> • Lac La Blache (2% / 4%, RGX) • Lac La Blache - \$100k / yr. advance royalty • CFLN (1.5%, CHM) • Lamelee (1.5%, LIR) • Koper Lake (2% Gross Metal Royalty rising to 4% depending on metal prices)
Direct Property Interests	<ul style="list-style-type: none"> • The Magpie Mines (46.7%) • Koper Lake (4% carried interest if KWG exercises all options and not converted to royalty) • Junior property interests (nominal value)

	Potential / Value (\$ millions)			
A Cash	\$0.88			
B Other Working Capital (excluding Marketable Sec.)	\$0.25			
 C Marketable Securities				
Company	Shares Held	Price	Current Value	
Champion Iron Mines	1,025,000	\$0.335	\$0.34	
Champion Iron Mines - Long Term	14,000,000	\$0.335	\$4.69	
Argex Titanium	6,000,000	\$0.780	\$4.68	
Lamelee Iron Ore	43,000,000	\$0.145	\$6.24	
KWG Resources	10,000,000	\$0.050	\$0.50	
Total			\$15.95	
 D Royalty Assets				
Royalty Properties	NSR	Resource / Reserve Tonnes (m)	Price per Resource Unit	Potential NSR Value (\$ millions)
Lac La Blanche (RGX)	2%-4%	1.25	\$3,500.0	\$168.00
CFLN (CHM)	1.50%	182.4	\$100.0	\$273.60
Lamelee Fe Property (LIR)	1.50%	200.0	\$100.0	\$201.50
Koper Lake (BOL.V, KWG.V)	0.4%/0.8%	18.0		???
Turgeon Lake (URC)	1.50%			
Advanced royalty - Lac La Blanche				\$100k per yr
 D Option Payments				
Properties	Optionee	Potential Payments		
Koper Lake (KWG)	KWG	\$16.50		
Beauce Gold Project (BOW.V)	BOW.V	\$0.80		
 E Direct Property Interests				
Properties				
The Magpie Mines Inc. (46.7%)	???			
Other - several				

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