



Minnesota Department of Natural Resources (DNR)

Minerals Exploration Plan on State Nonferrous Metallic Minerals Leases

Vermillion Gold, Inc.

Exploration Plan Submitted on 06/14/2016

DNR Summary Report and Associated Map

An exploration plan was submitted by Vermillion Gold Inc. on June 14, 2016 and summarized here by the DNR on June 16, 2016. The locations of proposed exploration activities by this state nonferrous metallic minerals lessee are shown in a standard format and legend. This report and associated map were created by the Minnesota DNR, Division of Lands and Minerals.

This report and associated map are posted on the DNR's exploration plan website at:
http://www.dnr.state.mn.us/lands_minerals/metallic_nf/regulations.html

This summary report and associated map should be distributed as a complete document due to the relative nature of the content.

Minerals Exploration Plan on State Nonferrous Metallic Mineral Leases

Vermillion Gold, Inc. Exploration Plan Summarized by the Minnesota DNR June 14, 2016

Narrative: Vermillion Gold, Inc., (Explorer) has proposed drilling 10 drill holes (exploratory borings) over 6 state nonferrous metallic minerals leases in St. Louis County, Minnesota about 8 miles west of Cook. The explorer will use existing trails or cross open areas to access all the exploratory boring sites except for one. Two proposed access trails in sections 9 and 10 will cross wetlands when the ground is frozen. The drilling is anticipated to begin in July of 2016.

State Minerals Lease Numbers: MM-10456, MM-10457, MM-10458, MM-10129, MM-10033, MM-10381-N. These leases range in age from 4 to 12 years old.

Public Land Survey Location: Sections 2, 8-11, and 17, Township 62 North, Range 20 West St. Louis County, Minnesota

Types of exploration activity: The Explorer will use a track-mounted roto sonic drilling machine to drill exploratory borings. This type of drilling allows for the sampling of a cylinder of the unconsolidated glacial sediments that occur from ground surface to bedrock. In addition, around 10 feet of the uppermost bedrock is typically drilled and sampled also.

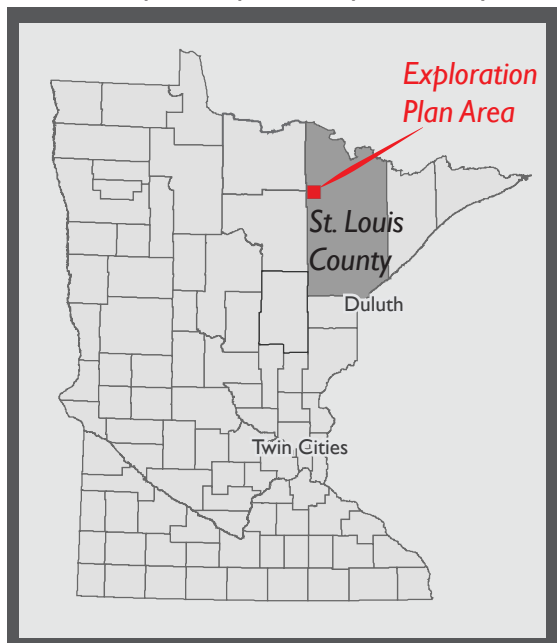
Expected time period of activity: July 2016 through April 2017

Plans to access exploration sites: The Explorer will use existing roads and trails. Two trails will be made when the ground is frozen to cross wetlands.

Surface Ownership: There is a mixture of surface ownership interests over the state leases shown here, including the state of Minnesota and private ownership.

Explorer contact: Kate Lehmann, Vermillion Gold, Inc., (612) 338-5584 or Kate@NCMVgeo.com

Locator map for exploration plan activity



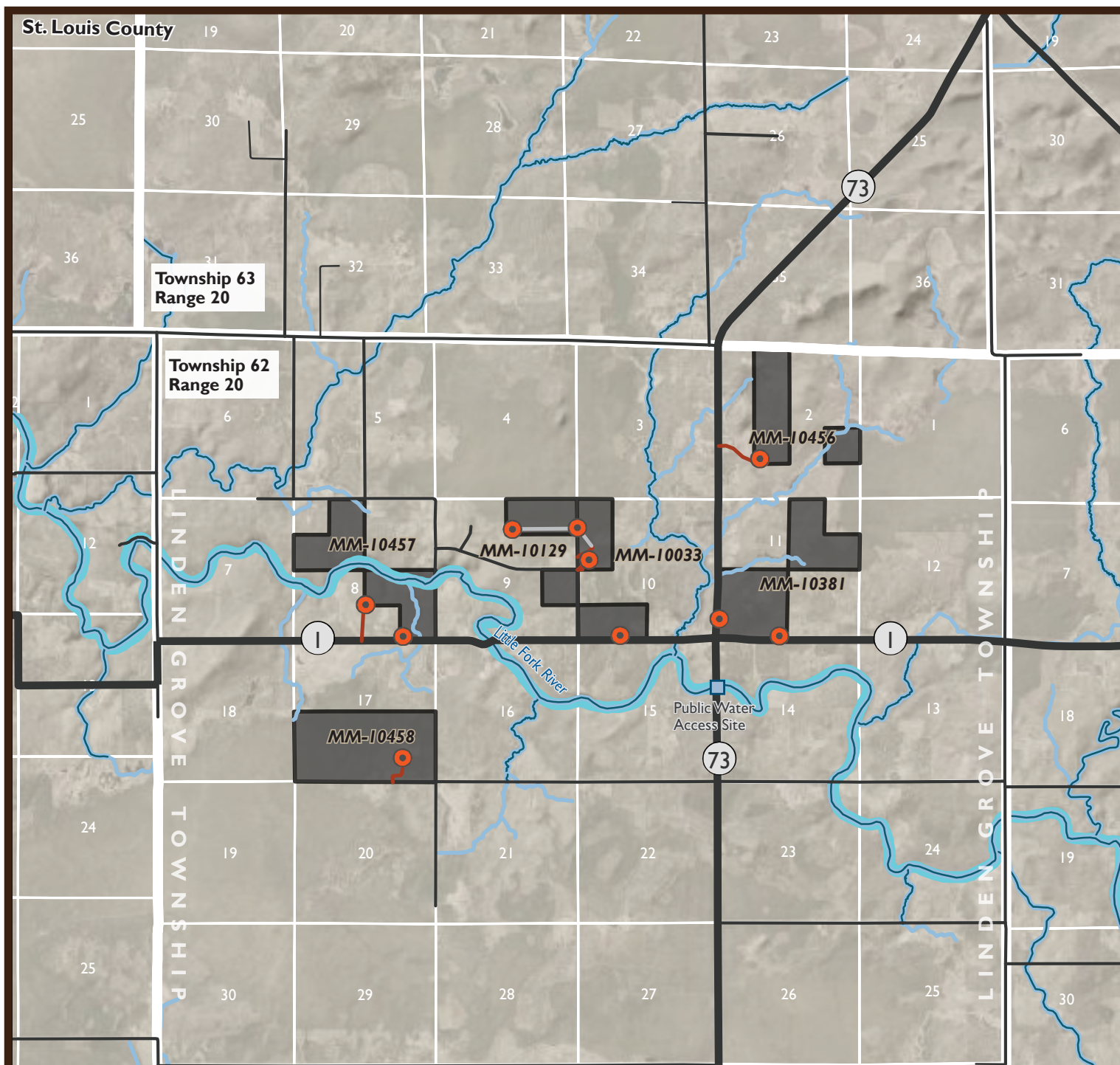
Exploration Plan Area

This small scale map displays the general location of the exploration plan relative to other cities in northern Minnesota. The following map provides more details on the proposed exploration area.

See page 3 for a detailed map

Maps and Data Disclaimer

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DNR Summary Overview Map of Exploration Plan Submitted by Vermillion Gold, Inc.

Narrative: Vermillion Gold, Inc., (Explorer) has proposed drilling 10 drill holes (exploratory borings) over 6 state nonferrous metallic minerals leases in St. Louis County, Minnesota about 8 miles west of Cook. The explorer will use existing trails or cross open areas to access all the exploratory boring sites except for one. Two proposed access trails in sections 9 & 10 will cross wetlands when the ground is frozen. The drilling is anticipated to begin in July of 2016. These 6 leases range in age from 4 to 12 years old.

Exploration activities: The Explorer will use a track-mounted roto sonic drilling machine to drill exploratory borings. This type of drilling allows for the sampling of a cylinder of the unconsolidated glacial sediments that occur from ground surface to bedrock. In addition, around 10 feet of the uppermost bedrock is typically drilled and sampled also.

Plans to access exploration sites: The Explorer will use existing roads and trails. One trail will be made when the ground is frozen to cross wetland.

Surface Ownership: There is a mixture of surface ownership interests over the state leases shown here, including the state of Minnesota and private ownership.

● Proposed exploratory boring sites (10 roto sonic borings planned)

■ *Active state nonferrous metallic minerals leases
Lease identification numbers labeled on the map (ex. MM-10381).

— Existing access trails

— Proposed access trails in sections 9 and 10 when ground is frozen.

— The beds of significant rivers and water bodies in DNR's Public Waters Inventory (PWI) are excluded from exploration activity.

— The Little Fork River is a PWI and State Water Trail which is a Special Feature.

■ Public Water Access Sites are Special Features (outside exploration activity).

Other Special Features including Natural Heritage Features and Historic & Archaeological Sites are not shown because they are non-public data. *Lease boundaries are for reference only. The state of Minnesota's land and mineral interests GIS data is mapped at the 40 acre level of resolution. As a result the footprint shown may not represent the true extent for those leases under 40 acres.

Scale 1:63,360

0 0.5 1 2 Miles