When I first looked at iMetal Resources back in February this year, the company was just gearing up to explore its wholly-owned Gowganda West Project. The prospective property is located less than 1.3 km south of Tahoe Resources’ 4 million ounce Juby gold deposit (1.1 million ounces Measured & Indicated, 2.9 million oz. Inferred), 20 km WSW of Gowganda Ontario, and 90 km SW of Kirkland Lake Ontario.

After a season of extensive prospecting and fieldwork, the project has become even more compelling. So much so, in fact, iMetal increased its land position five fold: from 20 km² to 105 km².

Historically, the property has seen almost no exploration - mainly because it’s covered by glacial overburden as well as meta-sediments as opposed to the easier to prospect meta-volcanics (greenstones). However, “windows” within these meta-sediments and late-stage intrusions cutting through them prove that gold, silver, copper and even cobalt are present.

This past year, IMR has identified and sampled a number of these “windows” on its property. Grab sample results assayed as high as 56.59 g/t gold, 15 g/t silver, and 2.6% copper. What is particularly interesting is that two of these “windows” lie 5 km apart along a common structural trend and the associated mineralization may be part of a larger system just beneath the surface. Further exploration, as well as geophysics and a drill program may provide the market with some exciting results.

The Bottom Line

The explorationist’s mantra is: “To first look for new deposits in the shadow of existing head frames.” That is how most of the famous multi-million ounce mining camps sprang to life. IMR has acquired very prospective ground that has seen almost no exploration. It is on trend with a multi-million ounce resource held by Tahoe Resources. Work completed to date continues to outline new, and exciting targets that will need to be drill tested.
Gowganda West Project—A Closer Look

Location and Access to the Property

The Gowganda West Project lies 17 km southwest of the small town of Gowganda and 90 km southwest of Kirkland Lake. The property can be accessed by paved highway 560 from Gowganda and maintained gravel and 4WD logging roads that trend south from Hwy 560.

The Gowganda West property hosts the projected eastward extension of the structural trend that hosts the JUBY deposit. In addition, iMetal has discovered at least four additional mineralized zones on associated, but different structural trends that may represent splays off of the main trend. This is a common occurrence that is seen in structurally controlled gold and base metal deposits found in the nearby famous Kirkland Lake and Timmins mining camps.

To date, IMR has discovered seven previously unrecognized mineralized zones on this under-explored property. The Property Map below shows the location of the Tyrell Structural Zone and the Juby Deposit. Interpretations of geology and geophysics indicate that the TSZ continues onto the Gowganda West Property as well as numerous structural splays off of this structure.

The Opportunity

I believe iMetal Resources has identified and secured a property that has been completely overlooked.

Exploration projects “in the shadow of headframes” always warrant a close look.

This project has been effectively ignored for various reasons but mainly because, at first glance the property appears to be underlain by barren meta-sedimentary rocks.

Upon closer inspection prospectors identified mineralized windows in the meta-sediments that host high-grade mineralization, specifically gold and copper but also silver and cobalt.

This opens up a wide range of possibilities and makes this property a significant exploration asset.

Thomas Schuster: Rocks To Riches Author
The Gowganda West property is underlain by the Archean-aged Timiskaming Formation meta-sediments which include arenite, siltstone, wacke, argillite and conglomerates with minor amount of jasper clasts. Intrusive rocks include diabase dykes and a series of quartz-feldspar dykes. Proterozoic-aged rocks consist of conglomerates, sandstone, siltstone, and argillite and are part of the Gowganda Formation.

Keep in mind the Gowganda West project is still poorly mapped on the property scale. This is because there is very limited outcrop and a lot of geology has been inferred on a larger regional scale through regional geophysics.

The discovery of gold, silver, copper and cobalt mineralization warrants a much closer look at the geology of the property.
Recently Completed Work

This past year, IMetals completed a prospecting program over the more easily accessible portions of its property. Over 100 grab samples were collected and many returned elevated gold and copper assays. Some assay highlights from Z3 are listed in the table below.

Prospecting identified numerous “windows” in the overlying meta-sediments and sampling on three of these zones confirmed that high-grade or at least anomalous mineralization is present. The three most promising zones discovered to date have been dubbed Z1, Z3, and Z4.

Z1: Gold mineralization similar to Juby deposit - has been traced to the north boundary of IMetals Gowganda West Claim Block and mirrors Tahoe Resources Juby gold deposit which is situated just a few hundred metres further north. Prospecting defined a shear structure that trends North/South and has been initially defined over a length of 300 metres with a width up to 20 metres.

Z3: High Grade Gold/Copper target - is located 5.2 km south of Z1 and sampling yielded some high-grade gold and copper results some of which are listed in the table below. Samples were taken from steeply dipping quartz carbonate veins that strike northwest. These veins are hosted in Archean-aged Timiskaming meta-sedimentary rocks that are intruded by a diabase dike. Up to 2% pyrite (iron oxide), chalcopyrite (copper sulphide) and malachite (copper carbonate hydroxide) were identified in the quartz veins. The host rocks were moderately to intensely silicified.

Z4: Cobalt Silver target - is located about 4 km to the east of Z3 and represents a highly prospective Cobalt-Silver area that iMetal will be assessing throughout the winter months. An old mine shaft was discovered by the company while staking this ground. Numerous trenches east of this historic mine shaft have been identified. In one of these trenches measuring 20 meters long, the wall rock of the trench shows abundant “cobalt bloom.” This pinkish hydrated cobalt arsenate is often a guide to the presence of primary cobalt/silver ores. A chip sample of the wall rock assayed 0.01% cobalt. Further prospecting to locate the main vein is in progress.

The discovery zones Z1 and Z3 underscore the precious and base metal potential on the Gowganda West property. Ongoing exploration including geophysical surveys and diamond drilling is planned for these two newly discovered target areas.
With the appointment of Brian Fagan, the new President and CEO, IMetals has transformed itself into a Hybrid Prospect Generator/Independent Developer mineral exploration company. This philosophy of exploration is well suited for discovery-staged exploration companies and should bode well for IMetals shareholders.

Tom O’Connor is the company’s Exploration Manager and also sits on the Advisory Board. O’Connor is a third-generation Kirkland Lake mining contractor and prospector with over 30 years experience in Ontario and Quebec. He has an excellent nose for sniffing out new and exciting prospects such as the Gowganda West property.

Combining O’Connor’s ability to identify new prospects and Fagan’s talents at making deals, IMetals should perform well as a prospect generator. By creating joint ventures with other exploration companies and keeping a minority interest in the property, a prospect generator has a much better chance of being involved in a discovery and only spends only a fraction of the capital required to make that discovery. A very cost-effective method of exploration.

Being a Hybrid company, IMetals also reserves the right to focus its expertise on its flagship project. That is what the company is currently doing with its Gowganda West project.

There are very few historic documents available for the Gowganda West area and iMetal’s is effectively generating the first exploration database for the area. All of the mineralized zones discovered to date occur in essentially virgin territory.

Most prospectors and exploration geologists will first look at shear zones associated with Archean-aged metavolcanics, more commonly referred to greenstone terrains. That is where Tahoe Resources discovered their Juby deposit.

The Gowganda West property appears to be covered by Archean-aged meta-sediments (to the west) and slightly younger Proterozoic-aged meta-sediments (to the east). This most likely deterred exploration in the past. There is no reason to believe that the greenstone stops at the meta-sediments and in fact iMetal geologists are finding numerous mineralized windows in these meta-sediments. Late-staged mineralizing structures and associated hydrothermal fluids could have easily broken through the overlying meta-sediments and formed rich deposits at or near structural or lithologic contacts.

I believe there could easily be one or more hidden deposits on the Gowganda West property. Modern systematic prospecting, exploration geophysics and drilling will determine if that’s the case. The biggest risk associated with any junior explorer at this stage will be raising enough money to get the job done. That is why IMetals has moved to a Prospect Generator model: to preserve cash, limit further stock dilution and effectively explore numerous targets, increasing its chances of a large discovery.
Details of the Option for a 100% interest in the Gowganda West property are highlighted below:

- Vendors receive $50,000 upon signing of a Definite Agreement (completed).
- Vendors receive $50,000 each year for three years for a total of $150,000 starting in the year following the year of the initial $50,000 payment and the signing of a Definitive Agreement.
- IMR will issue 500,000 shares to the Vendors upon signing of the Definitive Agreement (completed).
- IMR will issue 500,000 additional shares to the Vendors per year for three years for a total of 1.5 million shares, starting the year after the Definitive agreement is closed.

The entire Gowganda West property covers 105 km². Of that block, 20 km² are covered by this agreement and subject to a 3% Net Smelter Return Royalty payable to the original owners/vendors. One half (1.5%) of the 3% NSR can be purchased back for $1 million up until the end of the 3-year term of the agreement.

The balance of the property (except only the optioned Mosher Lake claims in the northeast quadrant of the property) were acquired through staking whereby iMetal has a 100% interest in it.
Mosher Lake Property Agreement

The northern portion of the Gowganda West property is covered by the Mosher Lake Option Agreement.

IMR can earn a 100% interest in the property in return for:

- $20,000 after TSX approval of the agreement (completed)
- $15,000 each year for two years starting one year after signing the agreement.
- 1 million common shares of iMetals upon signing the agreement (completed).
- An additional 1 million common shares of iMetals for two consecutive years following the closing of the agreement for a cumulative total of 3 million shares.
- Right of first refusal to participate in up to 10% of all future financings of iMetal.
- A 2% Net Smelter Return Royalty. iMetal has the option to acquire half of the NSR (1%) for $1 million anytime up to 5 years from the date of closing the agreement.
iMetal Resources has acquired highly prospective gold properties in the Abitibi region of Quebec and in the famous gold trends of eastern Ontario.

We intend to joint venture or explore these projects ourselves with the goal of making a major new gold discovery.

Johan Grandin,

Director & Chairman
iMetal Resources

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Gold mineralization in the Juby Main Zone occurs dominantly within moderate to intense alteration and is contained within a recognizable shear zone.

Within this alteration gold mineralization is typically close to the quartz-ankerite-pyrite veins and the quartz-chalcopyrite veins. Gold grade can be broadly correlated with intensity of alteration and sulphide (pyrite) content.

The better grade sections are characterized by zones of multiple, narrow quartz-carbonate-pyrite veins and/or brecciation of the host rock.

Gold at Juby

Gold mineralization at the Juby project is hosted in three zones: The Juby Main zone, Hydro Creek and Big Domes.

The Hydro Creek and Big Domes Zones are located 5 km northwest of the Juby Main Zone and the Golden Lake extension. When the last Resource was published by Temex in February 2014, there was still excellent potential to expand the deposits along the trend of the hosting shear structure.

The Juby project has since been handed down via a series of corporate acquisitions. It was first outlined by Inmet Mining in 1999, then Temex Resources acquired the lease and in 2002 drilled 41,273 metres in seven drill campaigns expanding and delineating the deposit. Temex was acquired by Lakeshore Gold in 2015 and Lakeshore then acquired by Tahoe Resources in 2016.

At last report, (2016), Tahoe Resources stated that the Juby deposit hosts:

- 1.1 million ounces contained gold in the Measured and Indicated category averaging 1.28 g/t gold and;
- 2.9 million ounces contained gold in the inferred category averaging 0.94 g/t gold.
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