Goldbase

MARITIMES GOLD

DOCUMENT

Independent Preliminary Economic Assessment (PEA)

PROPERTY

Elmtree Gold Property

Gloucester County,
New Brunswick

PREPARED BY

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Goldbase MARITIMES GOLD

Elmtree Gold Property Ownership

2025

GoldBase Digital Ltd

GoldBase Digital Ltd acquired 100% of Maritimes Gold Corp. (the exclusive contractual option to buy 100% of the Elmtree Gold Property remains with Maritimes Gold Corp.)

2025

Maritimes Gold Corp.

Maritimes Gold Corp. acquired exclusive contractual option to buy 100% of the Elmtree Gold Property from MegumaGold Corp.

2021

MegumaGold Corp.

MegumaGold Corp. acquired 100% of the Elmtree Gold Property from Canadian Gold Camps Corp.

2020

Canadian Gold Camps Corp.

Canadian Gold Camps Corp. acquired 100% of 1267798 BC Ltd.

2017

1267798 BC Ltd.

1267798 BC Ltd. acquired 100% of the Elmtree Gold Property from CNRP Mining Inc.

2012

CNRP Mining Inc.

CNRP Mining Inc. acquired 100% of the Elmtree Gold Property from Castle Resources, Inc.

Pre-2012

Castle Resources Inc.

This Preliminary Economic Assessment (PEA) for the Elmtree Gold Property was prepared for Castle Resources Inc.

micon INTERNATIONAL LIMITED | mineral industry consultants

CASTLE RESOURCES INC.

TECHNICAL REPORT ON PRELIMINARY ASSESSMENT OF THE ELMTREE GOLD PROPERTY GLOUCESTER COUNTY NEW BRUNSWICK CANADA

LATITUDE 47° 46' 00''N
LONGITUDE 65° 51' 37''W

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LIST OF ABBREVIATIONS

Item	Abbreviation
Castle Resources Inc	CRI
Stratabound Minerals Corp.	SMC
Mercator Geological Services Limited	Mercator
Micon International Limited	Micon
RPC Science & Engineering	RPC
Discovery Zone	DZ
South Gold Zone	SGZ
Western Gabbro Zone	WGZ
Canadian Dollar	$ or CAD
United States Dollar	US$
Canadian Institute of Mining, Metallurgy and Petroleum	CIM
Canadian National Instrument 43-101	NI 43-101
Atomic Absorption (Spectroscopy)	AA(S)
centimetre(s)	cm
Degree(s)	^{o}
Degrees Celsius	^{o}C
Gemcom Whittle™ pit optimization software	Whittle
gram(s), kilograms, milligrams	g, kg, mg
grams per metric tonne	g/t
hectare(s)	ha
hour	h
Internal Rate of Return	IRR
litre(s)	L
metre(s), kilometre(s)	m, km
millimetre(s)	mm
Net Present Value (discounted at *rate* %/y)	NPV_{rate}
Net Smelter Return	NSR
New Brunswick (Province of)	NB
Not available/applicable	n.a.
Ounce (troy)	oz
Parts per billion	ppb
Parts per million	ppm
Percent(age)	%
Quality Assurance/Quality Control	QA/QC
Second (time)	s
Specific Gravity	SG
Système International d'Unités	SI
Metric tonne, millions	t, Mt
tonne per day, tonne per year	t/d, t/y
Universal Transverse Mercator	UTM
Very Low Frequency – Electro Magnetic	VLF-EM
Year(s)	y

1.0 SUMMARY

Castle Resources Inc. (CRI) may earn a 60% interest in Elmtree gold property located in Gloucester County, New Brunswick (Elmtree, or the property) by: (i) spending $2.5 million on exploration and drilling expenses ($750,000 is to be spent during the first year and the balance spent over the remaining two years of the option period), (ii) paying the current owner, Stratabound Minerals Corp. (SMC) $200,000 over the three year option term and (iii) issuing 200,000 shares of CRI to SMC. CRI may earn a further 10% interest by paying SMC $1.0 million within 90 days of the end of the option period.

At the request of Mr. Brad Leonard, Exploration Manager of CRI, Micon International Limited (Micon) has undertaken a preliminary assessment of the Elmtree deposit (the study). The study utilises the resource estimate and deposit model prepared for SMC in February, 2008 by Mercator Geological Services Limited (Mercator) given in Table 1.1.

Table 1.1
Mineral Resource Estimate for Elmtree Property – February 11, 2008

Deposit / Zone	Category	Tonnes(Rounded)	Au (g/t)	Ag (g/t)	Pb%	Zn%
WGZ (High Grade)	Indicated	145,000	4.76	-	-	-
WGZ (Low Grade)	Indicated	380,000	1.57	-	-	-
Total WGZ Indicated	**Indicated**	**525,000**	**2.45**	-	-	-
WGZ (High Grade)	Inferred	300,000	5.22	-	-	-
WGZ (Low Grade)	Inferred	1,156,000	1.26	-	-	-
WGZ (Peripheral)	Inferred	100,000	1.07	-	-	-
Sub-Total WGZ Inferred	*Inferred*	*1,556,000*	*2.01*	-	-	-
DZ Au Only Zone	Inferred	583,000	1.15	-	-	-
DZ Au/Ag/Pb/Zn Zone	Inferred	117,000	1.77	44.36	0.78	2.17
DZ Ag/Pb/Zn Zone	Inferred	41,000	-	25.80	0.43	1.53
Sub-Total DZ Inferred	*Inferred*	*741,000*	*1.18*	*8.43*	*0.15*	*0.43*
SGZ	Inferred	2,367,000	0.74			
Total Inferred	**Inferred**	**3,108,000**	**0.85**	**2.01**	**0.04**	**0.10**

Notes: WGZ = West Gabbro Zone, SGZ= South Gold Zone, DZ= Discovery Zone; WGZ High Grade Au threshold = 3.00 g/t/2.0m; Low Grade Au Threshold=0.5 g/t/3.0m; SGZ Au Threshold=0.3 g/t/3m; DZ Au threshold = 0.5 g//t2m

Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are no mineral reserves on the property. The authors are not aware of any specific issues with regard to the environment, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues that would materially affect the above estimate of mineral resources.

Micon's preliminary assessment considers the open pit mining of the Western Gabbro Zone (WGZ), South Gold Zone (SGZ) and Discovery Zone (DZ), within the mining limits and production schedule determined using industry-standard pit optimization software. Using as principal assumptions a gold price of US$900/oz, 90% recovery of gold into concentrate, a mining cost of $2.50/t (mill feed and waste), processing and other costs totalling $23.25/t milled, and a pit slope of 47°, the material within optimized pit shells is given in Table 1.2.

Table 1.2
Material within Optimized Pit Shells at US$900/oz Gold

Block Model	Feed Tonnes	Waste Tonnes	Total Tonnes	Strip Ratio	Au (g/t)	Ag (g/t)	Rec'd Au Ozs	Rec'd Ag Ozs
DZ	44,000	199,000	243,000	4.52	1.55	12.84	1,900	10,400
SGZ	146,000	730,000	876,000	5.00	1.64	0.00	6,600	0
WGZ	928,000	6,118,000	7,046,000	6.59	2.57	0.00	66,100	0
Totals	**1,118,000**	**7,047,000**	**8,165,000**	**6.30**	**2.41**	**0.51**	**74,600**	**10,400**

Note: Whittle pit optimization results do not constitute a mineral reserve. These results are based on preliminary economic assumptions and included Inferred mineral resources: they are provided for the purposes of preliminary assessment only. The application of pit designs and other modifying factors would be expected to change the tonnages and grades reported above.

Three production schedules were considered: 130,000 t/y, 260,000 t/y and 559,000 t/y giving a mine life of approximately 9, 5 and 2 years respectively. Micon selected the 260,000 t/y schedule as offering the best return for a mill to be constructed on site, and used this as the base case in its economic analysis. The higher rate of throughput was used to assess the potential for milling at a larger, existing, off-site facility. The lowest throughput was rejected.

On the basis of preliminary metallurgical testwork carried out by RPC Science & Engineering (RPC), the preliminary assessment considered the treatment of the above material using a flowsheet comprising crushing, milling and flotation into a rougher concentrate with a 12:1 concentration ratio to achieve a 90% recovery of gold into the product. The DZ zone also contributes a minor quantity of silver.

For the on-site mill, a two-shift, 5 day/week operating schedule was identified as allowing labour productivity to be optimised for this scale of operation while permitting maintenance work to be carried out weekly, minimising the need for standby equipment.

Capital and operating cost estimates were prepared for the base case. The base case capital cost estimate is given in Table 1.3. In addition, sustaining capital and closure costs of $937,000 (net of salvage) is incurred over the remainder of the LOM period.

Table 1.3
Base Case Pre-Production Capital Costs

Item	Capital Cost ($ 000)	
Exploration, Engineering, Metallurgical and Social/Environmental Studies		2,000
Mining (assumes contractor fleet)	1,000	
Processing Plant	3,000	
Tailings and Water Mgmt	1,500	
Infrastructure	1,500	
Environmental bond	250	
Construction Indirects	1,200	
Construction Subtotal		**8,450**
Contingency		2,600
Total		**13,050**

Operating costs estimated for the base case are summarized in Table 1.4. Concentrate transport, treatment and refining charges are excluded here but deducted from gross revenue.

Table 1.4
Cash Operating Costs – Base Case

	Unit cost ($/t milled)	Annual Cost ($ 000)
Mining	18.27	5,715
Processing	13.50	3,510
G&A	1.96	510
Total	**33.74**	**9,735**

Environmental and social impacts are expected to be relatively small because of the small size of the proposed mine. The key issues are likely to be with disturbance to nearby private landowners from noise and traffic, disturbance to fish and fish habitat, and protection of water quality.

The next stage of project design should incorporate additional environmental and social programs, including terrestrial studies, waste characterization, fish habitat mitigation/compensation planning, social baseline studies, stakeholder and First Nation consultation, and initiation of the environmental assessment review process.

Figure 1.1 presents the base case cash flow for the project. The base case results in a cumulative cash flow of $8.0 million before tax, with an internal rate of return of 15%. At a discount rate of 8%/y, the pre-tax net present value (NPV) is $2.5 million. After tax, the net cash flow, IRR and NPV are $4.0 million, 8.3% and $0.1 million respectively. Payback on the undiscounted cash flow is seen to occur in year 4, the final year of full production.

Figure 1.1
Base Case Annual Cash Flow

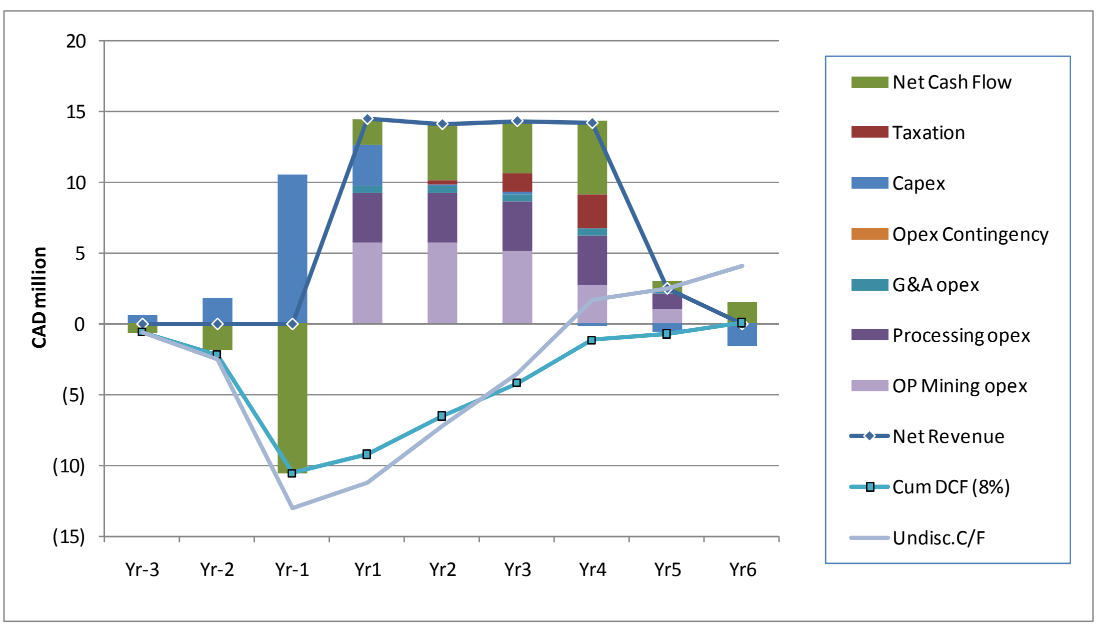


Table 1.5 shows the sensitivity of the project returns to metal price. Micon concludes that, assuming gold and silver prices remain close to those recently seen in the spot market, an attractive economic return can be achieved.

Table 1.5
Project Base Case - Sensitivity to Metal Price

Gold Price (US$/oz)	Silver Price (US$/oz)	Pre-tax NPV at 8% ($ 000)	Pre-tax IRR(%)	After tax NPV at 8% ($ 000)	After tax IRR (%)
900	**12.0**	**2,496**	**15.0**	**93**	**8.3**
925	12.5	3,740	18.4	883	10.7
950	13.0	4,985	21.6	1,670	13.0
975	13.5	6,229	24.8	2,457	15.3
1000	14.0	7,473	28.0	3,237	17.5
1025	14.5	8,718	31.0	4,017	19.7
1050	15.0	9,962	34.0	4,794	21.8
1075	15.5	11,206	36.9	5,564	23.9
1100	16.0	12,451	39.8	6,328	25.9
1125	16.5	13,695	42.7	7,092	27.9
1150	17.0	14,939	45.4	7,856	29.8

The preliminary assessment is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the preliminary assessment will be realized.

Micon also considered an alternative, in which the mineral resource is toll-milled at an existing, remote facility, approximately 60 km from the Elmtree property. In this scenario, no process plant or tailings storage facility is needed at Elmtree, reducing capital expenditure and simplifying the permitting process. Given the elimination of a capital constraint on plant throughput, mining could be carried out at a higher rate of production than would otherwise be justified, which should result in some economies of scale.

A comparison of operating costs for the base case and alternative scenario is provided in Table 1.6, taking into account economies of scale, as well as the additional operating costs for material transport and including a margin for the toll mill operator, to compensate for non-cash items such as depreciation and opportunity costs.

Table 1.6
Cash Operating Costs - Comparison

	Base Case Unit cost ($/t milled)	Alternative Case Unit cost ($/t milled
Mining	18.27	22.26
Processing	13.50	18.00
G&A	1.96	0.68
Total	**33.74**	**40.94**

At a gold price of US$900/oz and US$12/oz silver, the toll-milling scenario (Option 1) results in a project NPV_8 of $3.8 million before tax, with an IRR of 25%. After tax, the equivalent values are $1.7 million and 16%. The net cash flows are $7.9 million and $4.9 million before and after tax, respectively.

At US$1,100/oz gold and US$16/oz silver, NPV_8 and IRR are $14.3 million and 63% before tax, and $8.1 million and 43% after tax, respectively. The net cash flows are $23.3 million and $14.3 million before and after tax, respectively.

Table 1.7 compares the economic results of each scenario at the base case price of US$900/oz and at US$1,100/oz gold.

Table 1.7
Comparison of Results - Base Case and Toll Milling

Scenario	Gold Price (US$/oz)	Pre-tax NPV at 8% ($ 000)	Pre-tax IRR (%)	After tax NPV at 8% ($ 000)	After tax IRR (%)
Base Case	**900**	**2,496**	**15.0**	**93**	**8.3**
	1100	*12,451*	*39.8*	*6,328*	*25.9*
Toll milling	**900**	**3,763**	**25.1**	**1,696**	**16.0**
	1100	*14,252*	*63.8*	*8,130*	*43.0*

Micon concludes, therefore, that the toll-milling scenario appears to offer the best economic returns and is worthy of further investigation during the next stage of project development, and recommends that:

- Further exploration be conducted as previously recommended by Mercator, in accordance with CRI's objective of improving confidence in the resource estimate so that much of the resource presently classified as inferred can be brought into the measured and indicated categories.

- CRI should advance the level of engineering and environmental work to a level commensurate with a feasibility study for the Elmtree project on the basis of Option 1 described in this preliminary assessment, i.e., accelerated mining, toll milling and the sale of a gold concentrate to a nearby smelter. Specifically, Micon recommends that:

  - Alongside further exploration drilling, geotechnical and hydrogeological work should be undertaken to provide data for analysis of pit slope angles and groundwater inflows, which will be required in order to produce detailed open pit designs.

  - Once this information is available, detailed designs of the open pits and waste dump should be prepared, together with monthly production schedules that can be used as the basis for tendering mining and haulage contract(s).

- With regard to metallurgical testwork:

  a) A repeat of the mineralogical work should be undertaken on known high grade drill intersections to ensure that the gold disposition can be better understood.

  b) More detailed work is required to determine the optimum liberation size for the gold, concentrate grade and rates of recovery using equipment presently available at the toll milling facility.

  c) Gravity testwork be repeated using equipment better designed for recovery of fine gold; e.g., either a Knelson or Falcon concentrator.

  d) Gravity tailings be subjected to testwork for an intensive leach process followed by either metal concentration through resin or carbon columns. Electrowinning would be used for recovery of a gold sludge.

  e) The possibility of producing a gold concentrate only and subjecting this to intensive leaching should be investigated. Also, this could be incorporated with the gravity circuit if it is determined that free gold is present. The gravity concentrate and electrowinning sludge could then either be smelted on site or sold to a nearby smelter for further treatment and refining.

- The commercial terms under which Elmtree material may be toll milled at an existing concentrator facility will need to be established through direct negotiation with the operator.

- Concentrate treatment and refining charges, minimum deductions and payability of metal in concentrate which will determine the net smelter return should be negotiated.

- The next stage of project design should incorporate additional environmental and social programs, including terrestrial studies, waste characterization, fish habitat mitigation/compensation planning, social baseline studies, stakeholder and First Nation consultation, and initiation of the environmental assessment review process.

2.0 INTRODUCTION AND TERMS OF REFERENCE

On June 1, 2009, Castle Resources Inc. (CRI) announced that it had entered into an option agreement with Stratabound Minerals Corp. (SMC) regarding SMC's wholly-owned Elmtree gold property located in Gloucester County, New Brunswick (Elmtree, or the property). The option allows CRI to earn a 60% interest in Elmtree over a 3 year option period by: (i) spending $2.5 million on exploration and drilling expenses ($750,000 is to be spent during the first year and the balance spent over the remaining two years of the option period), (ii) paying SMC a total of $200,000 over the three year option term and (iii) issuing 200,000 shares of CRI to SMC. CRI may earn a further 10% interest by paying SMC $1.0 million within 90 days of the end of the option period.

At the request of Mr. Brad Leonard, Exploration Manager of CRI, Micon International Limited (Micon) has undertaken a preliminary assessment of the Elmtree deposit (the study). The study utilises the resource estimate and deposit model prepared for SMC in February, 2008 by Mercator Geological Services Limited (Mercator).

Consisting of 85 claims (1,375 ha) situated approximately 20 km NW of the port city of Bathurst, NB, the Elmtree property contains three gold-bearing zones: the West Gabbro Zone (WGZ), Discovery Zone (DZ) and South Gold Zone (SGZ). The preliminary assessment considers the open pit mining of all three zones, with the mining limits and production schedule determined using industry-standard pit optimisation software. It is assumed throughout that contractor mining would be employed.

Micon's study also takes into consideration the preliminary beneficiation testwork carried out for SMC and reported by RPC in September, 2009, and compares the economic benefits of processing the material in a milling/flotation facility on site to produce a saleable concentrate with the alternative of trucking the material to an off-site processing facility.

Other than silver in the SGZ, no by-product revenues were considered in this assessment. Projected gold and silver sales revenues were forecast using estimates of smelter terms and metal prices that Micon, based on its experience, considers to be reasonable.

All currency amounts are stated in US dollars or Canadian dollars, as specified, with commodity prices typically expressed in US dollars. Quantities are generally stated using the Système International d'Unités (SI) or metric units, the standard Canadian and international practice, including metric tonnes (t), kilograms (kg) or grams (g) for weight, kilometres (km) or metres (m) for distance and hectares (ha) for area. Wherever applicable, imperial units have been converted to SI units for reporting consistency.

The project evaluation uses a conventional discounted cash flow methodology to arrive at a Net Present Value (NPV) for the project, using in the a base case a discount rate of 8% /y. Sensitivity analysis was then carried out to determine the degree to which project NPV is sensitive to changes in the principal base case assumptions.

3.0 RELIANCE ON OTHER EXPERTS

Micon and Mercator have relied on CRI's public statements regarding its option to acquire a controlling interest in the Elmtree property, and the validity and currency of SMC's title to surface and/or mineral interests in the property. Neither Mercator nor Micon has conducted any further checking of these aspects of the project and offers no opinion thereon.

Micon and Mercator understand that surface rights to lands in the property area are held by multiple private interests and that the company has established access agreements to these lands, as necessary, to allow exploration activities to be carried out. It is understood that these agreements provide payment to landowners for any drill holes, trenches and access roads established by the company and ensure that surface disturbances created by company activities are fully remediated. Neither Mercator nor Micon reviewed these access agreements for the purposes of this report, and offer no opinion in that regard.

Micon's environmental scientist has reviewed the 'Aquatic Baseline Survey of Elmtree River Alcida Claim Group' prepared in April, 2005 by Jacques Whitford Limited of Fredericton, NB, and has relied thereon. The results of Micon's review have been incorporated into this report. Micon has no reason to consider the Jacques Whitford report to be misleading or unreliable.

Mercator's February, 2008 resource estimate (Mercator, 2008) was prepared for SMC and information, conclusions and estimates contained herein are based upon information available to Mercator at the time of preparation of its original report. This includes data and information made available by SMC, as well as government and public record sources. Neither Mercator nor Micon has any reason to believe any such data or information is misleading or unreliable. Subsequent exploration by CRI has generated new information which supports the earlier interpretations and the resource estimates derived therefrom.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 LOCATION

The Elmtree Property is located approximately 25 km northwest of the city of Bathurst, NB (Figure 4.1) and consists of 85 claims (1,375 hectares, 3,400 acres) under claim block numbers 3848, 5264 and 5329 that are held under option by CRI from SMC (SMC Exploration Licence 13727). The main deposit that is the subject of this report is covered by 10 mineral exploration claims held under Claim Index 3848 (Figure 4.2).

4.2 PROPERTY STATUS

In addition to terms and conditions previously outlined in report section 2.0, it is understood that SMC's interest in the property is subject to a 2% Net Smelter Return (NSR) royalty held jointly by three private individuals, but that SMC may purchase this royalty at any time for $1,000,000.

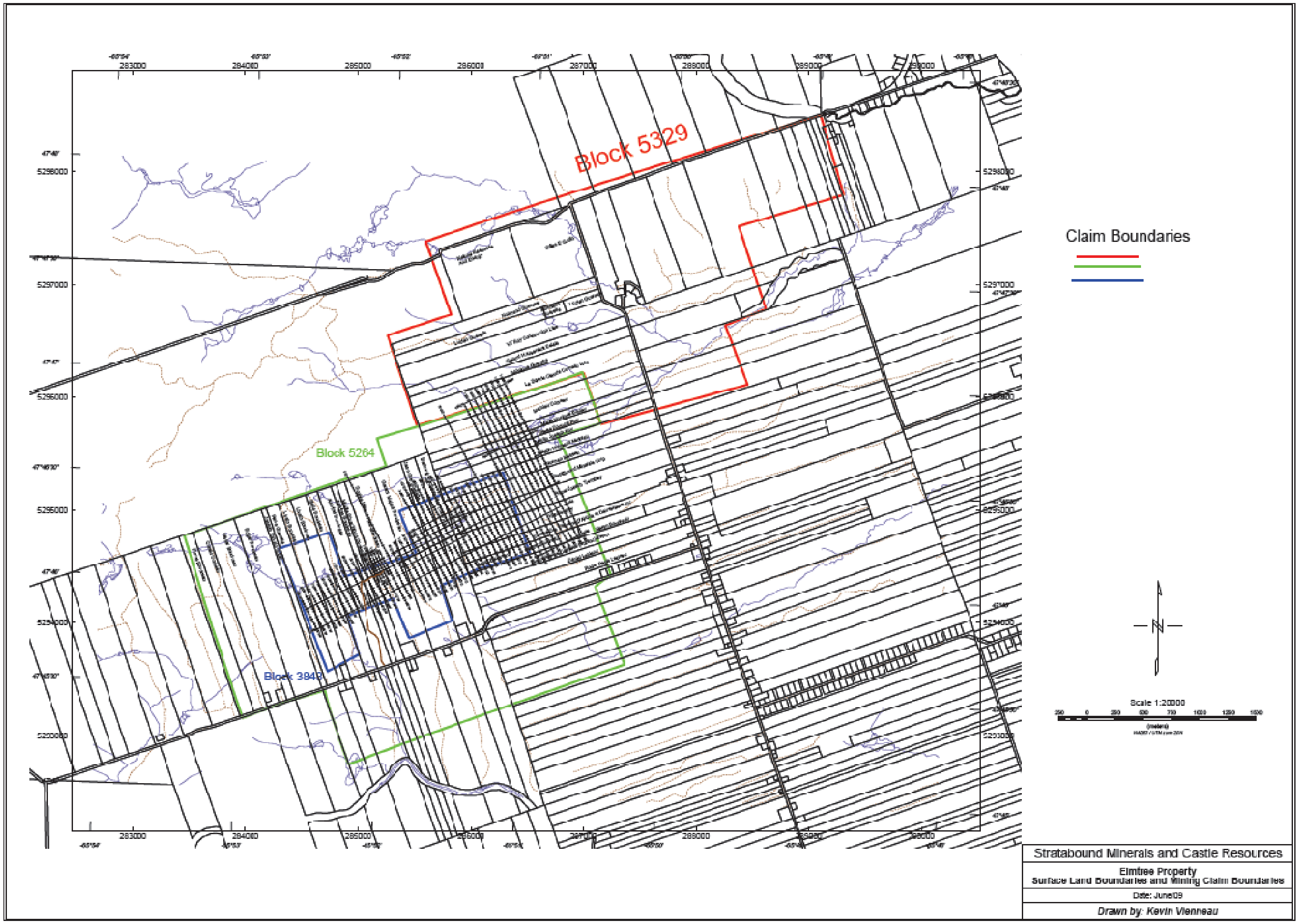
Retention of claims in good standing from year to year requires payment of a renewal fee for each claim plus submission of documentation to the government describing work programs and associated costs applicable to the property during the course of the reporting year. Table 4.1 summarizes fees and work commitments applicable to the property to keep mineral exploration claims in good standing. Under certain conditions, specific exploration rights to certain under-explored areas of the province may also be granted on a map-staked basis, subject to terms of tendering. There is no requirement in New Brunswick to legally survey all mineral exploration claim boundaries. A requirement to re-establish mineral exploration claim boundaries in the fifth year of claim issue and every five years thereafter does apply to all exploration claims. Application for a Mining Lease under the Act, which must be obtained to allow commercial production of a mineral to occur, does require completion of a legal boundary survey of the claims under application. None of the Index Block 3848 claim boundaries have been surveyed to date.

Table 4.1
Claim Renewal Fees and Work Requirements

Year of Issue	Required Work	Period	Renewal Fees
1	$100 per claim	Anniversaries 1 to 5	$ 4 per claim
2	$150 per claim	Anniversaries 6 to 10	$20 per claim
3	$200 per claim	Anniversaries 11 to 15	$25 per claim
4	$250 per claim	Anniversaries 16 to 25	$30 per claim
5 through 10	$300 per claim		
11 through 15	$400 per claim		
16 through 25	$500 per claim		
25 plus	$600 per claim		

Figure 4.1
Property Location

Figure 4.2
Elmtree Property Boundaries



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

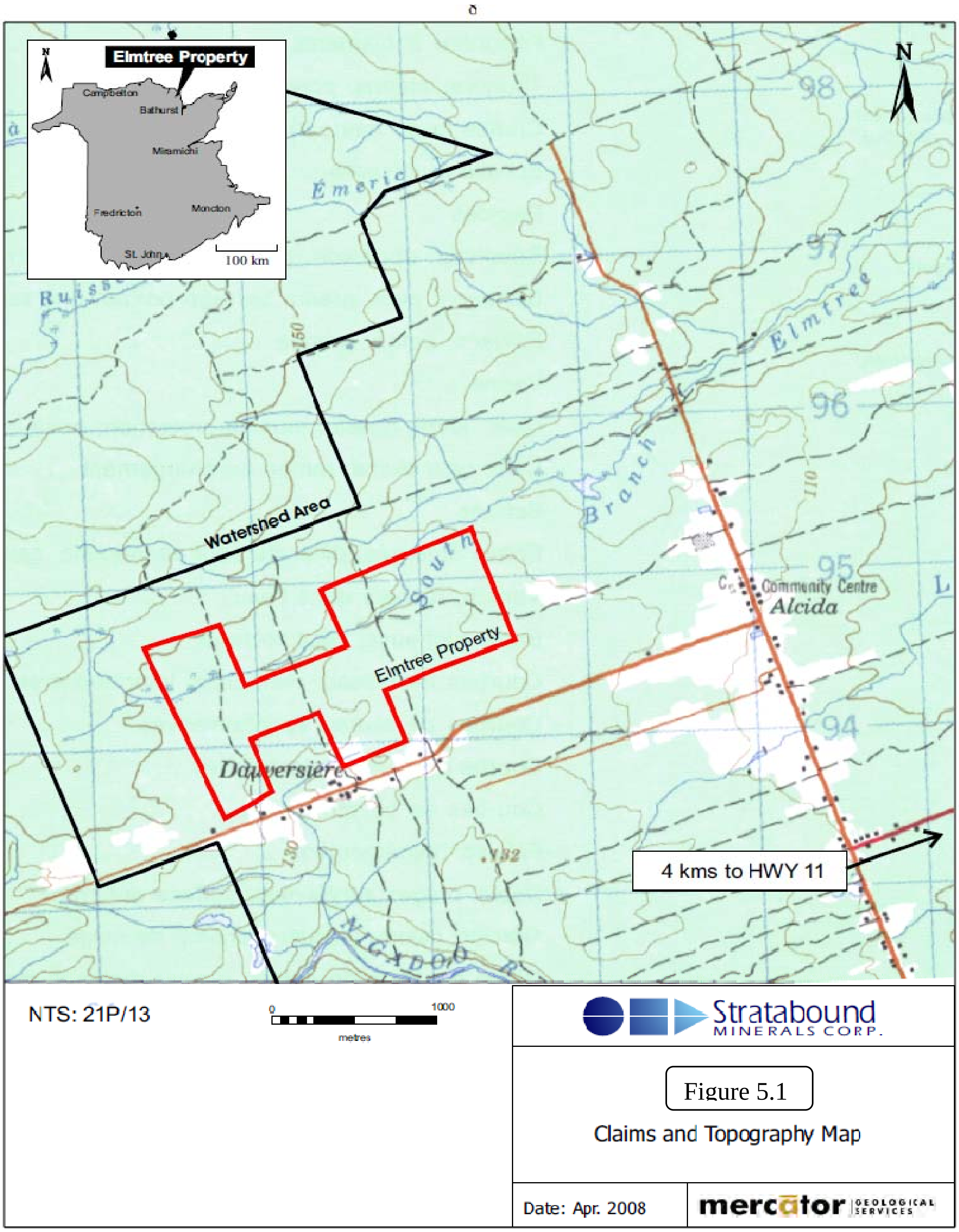
The Elmtree property is readily accessible from the nearby city of Bathurst by traveling north on Highway 11 approximately 21 km to exit 326 then west for 0.5 km on Highway 315 to its junction with a secondary road, then westerly for 1.8 km and northerly for 2.1 km on respective secondary roads to the south property boundary area. Private woodlot access roads are present on the property and are augmented by historic and recent drilling and trenching access trails. Main access trails can be traveled by 2 or 4 wheel drive vehicles, depending upon season, and no substantive impediments exist with respect to movement of mining equipment or personnel.

5.2 CLIMATE AND PHYSIOGRAPHY

This area of north-eastern New Brunswick occurs within the northern temperate climatic zone with dramatic seasonal variations in weather conditions. Winter conditions of freezing temperatures and substantial snowfall occur from December through March and both spring and fall seasons are relatively cool, with frequent periods of rain. Summer conditions prevail from late June through early September and typically provide good working conditions for field parties. Environment Canada records for the 1969 to 1990 period for the city of Bathurst show daily mean temperatures in July of 19.3°C and an average maximum daily temperature for the same period of 24.7°C and average minimum of 13.8°C. The average daily maximum temperature in January is -11.1°C and the corresponding average minimum is -16.1°C. Average annual precipitation totals 1058 mm, including 314 cm of snowfall accumulation. Weather and site conditions during the spring breakup period can prevent some exploration activities from being carried out, but for the most part the property area can be considered accessible on a year round basis. Heavy snow cover and lack of ploughed roads in winter months requires contract ploughing and use of snowmobiles in many instances.

Topographic relief on the property is low, with the regional land surface sloping gently toward the east from a high near the west property boundary of 160 m above sea level to 130 masl at the east boundary (Figure 5.1). The valley of South Branch Elmtree River trends north-easterly across the central property area and at least two small tributaries of the Nigadoo River originate on the property and flow south toward the main drainage system. Within the property area the South Elmtree River is represented by a small stream a few metres in width that occurs in a low valley immediately north of the West Gabbro Zone deposit. The mineralized area of the Discovery Zone is in part transected by this stream. With the exception of a small portion of cleared land near the south property boundary, all of the property is characterized by mixed forest cover. No residential dwellings are present within the property area but several year-round residences occur along the adjacent main provincial access road.

Figure 5.1
Topographic Map of Claims area



5.3 LOCAL RESOURCES AND INFRASTRUCTURE

Bathurst is a commercial center for this area of north-eastern New Brunswick and is served by excellent highway and rail systems. New Brunswick is an officially bilingual province and French is the first language of a large portion of the population in this part of New Brunswick. Service in both languages can be expected in most parts of the region. A full range of accommodations, support and services typically seen in cities of this size in Atlantic Canada are available, as are port facilities for small to mid-size cargo vessels of the type used to transport lumber and paper products.

This region has supported major mining projects since discovery of the Brunswick No. 6, No. 12 and Heath Steele base metal deposits the mid 1950's and the forestry industry has also been a significant regional economic factor. Mining continues at present at the Brunswick No. 12 deposit, which is now operated by Xstrata Zinc Canada Ltd. (Xstrata). At Belledune, located 40 km to the north of Bathurst, Xstrata operates a lead smelter and associated port facility and NB Power operates a large, coal-fired electrical generation station. Grid electrical power is available within 1 km of the Elmtree property.

In summary, the Elmtree area is considered advantageously situated with respect to potential future mine development due to its relatively undeveloped state, proximity to good road, rail and electrical grid systems and proximity to government, business and skilled work force population centres.

6.0 HISTORY

6.1 INTRODUCTION

The history of modern mineral exploration on the actual Elmtree property spans the time period from the mid 1950's until the present, but exploration for vein associated silver and base metals has taken place south of the property, along the Rock Brook - Millstream Fault system, as early as the mid 1800's. Hoy (1986) assembled a useful review of early exploration history specific to the Elmtree property, and subsequent to that time relatively little work was carried out until programs were initiated by SMC in 2004. Mercator was provided with historic exploration files and reports originating in government assessment report archives and additional information, not present in the archives, was also made available by SMC. Specifically, the company provided information and digital files associated with the company's recent and ongoing exploration of the property, with records of diamond drilling and trenching programs being of particular importance to this report.

6.2 SUMMARY OF PAST EXPLORATION

The following itemized summary presents a chronological review of the Elmtree property's exploration history prior to programs carried out by SMC and CRI, and largely reflects compilation information originally reported by Hoy (1986) and subsequently updated and summarized in Lutes (2004). The area of historic exploration review considered below is limited to the immediate area of the current Elmtree property claims. Areas to the south along the Rocky Brook-Millstream Fault and surrounding the Nicholas Denys granite were not included nor was the Madran-Keymet mine area, 7 km northeast of the property, where a small historic producer exploited narrow base metal and silver bearing quartz veins.

6.2.1 Amax Exploration Ltd. (1958)

Amax completed ground geophysics on two grids located in the Alcida area and completed two diamond drill holes that failed to return significant gold, silver or base metal results.

6.2.2 Lacana Mining Corp. (1984-1988)

In 1984 Lacana Mining Corp. (Lacana) prospectors discovered several boulder and bedrock showings of quartz and sulphides in vein style settings on the property. Sulphides present included arsenopyrite, pyrite, galena and sphalerite, with minor amounts of stibnite also locally reported. The first area of gold and silver bearing occurrences was designated the Discovery Zone and was followed by later discovery of the West Gabbro Zone (WGZ) in the same year. Discovery Zone initial samples returned gold grades up to 0.5 oz/t (15 g/t) and silver grades as high as 15.3 oz/t (524 g/t). Surface trenching was completed to follow-up the initial positive results and grid based geophysical surveys (magnetics and VLF-EM) were carried out in early 1985. The company subsequently completed 19 diamond drill holes (1537.5 m) during the same year and followed this in 1986 with an aggressive program of high resolution airborne geophysical surveying by Aerodat Ltd (total field magnetics, vertical gradient magnetics and VLF-EM at 100 m flight line spacing), ground magnetometer and VLF-EM, soil geochemistry with analysis of gold, silver, arsenic and lead values, geological mapping, and completion of 41 additional diamond drill holes (5259 m). In 1987 and 1988 Lacana completed an additional 18 holes on the property (3874 m).

6.2.3 George Murphy and Norm Pitre (2003-2004)

Lone Pine Exploration Services Ltd. was contracted to carry out a small line cutting program to support completion of two detailed gravity survey transects and coincident VLF-EM and ground magnetic surveying.

6.2.4 Stratabound Minerals Corporation Exploration (2004-2008)

SMC acquired an interest in the Elmtree Property in 2004 under an option to purchase agreement with private interests. In 2007, after fulfillment of agreement terms, the company was granted a 100% interest in the property, subject to a retained 2% Net Smelter Return Agreement held by the private interests.

In 2004, SMC completed a compilation of exploration results (Lutes, 2004) with emphasis placed on previous geochemical and geophysical surveys and development of a database of historic drill holes. This was followed by a 433 m trenching program consisting of 9 separate trenches, 3 of which re-opened trenches originally established by Lacana. Results of this work confirmed earlier results, where present, and served to better define both high and low grade gold bearing intervals at surface within the WGZ. High gold grade results in the range of 4.03 g/t to 7.76 g/t were returned over sampled intervals ranging between 0.50 m and 10.5 m in width, while longer sections, such as 54 m at a gold grade of 1.76 g/t, were also reported, these intervals being inclusive of the higher grade sub-intervals (Duncan, 2005).

Subsequent to the 2004 trenching program the company completed three campaigns of diamond drilling on the property, the first consisted of 7 holes completed on the WGZ in 2005 and the second consisted of 18 holes on the Discovery Zone (DZ) and 23 holes on the WGZ and South Gold Zone (SGZ) completed in 2006 and 2007. In 2007, a substantial program of core re-sampling was also carried out on archived Lacana core to provide the continuous analytical coverage necessary to properly assess potential of low grade gold zones identified on the property in preceding programs. In excess of 1,000 samples were collected in this program. In late 2007 and early 2008, an additional 11 holes were completed on the property, with these testing the WGZ and SGZ.

Results from all but the last drilling program by SMC were made available to Mercator in 2008 to support preparation of a National Instrument 43-101 compliant mineral resource estimate. This estimate (Mercator, 2008) was disclosed by SMC in 2008 and forms the basis of the current preliminary economic assessment. A detailed description of resource estimation methodology and results appears in section 17.0 of this report, with supporting information pertaining to associated drilling and trenching program datasets presented in section 14.0 of this report.

7.0 GEOLOGICAL SETTING

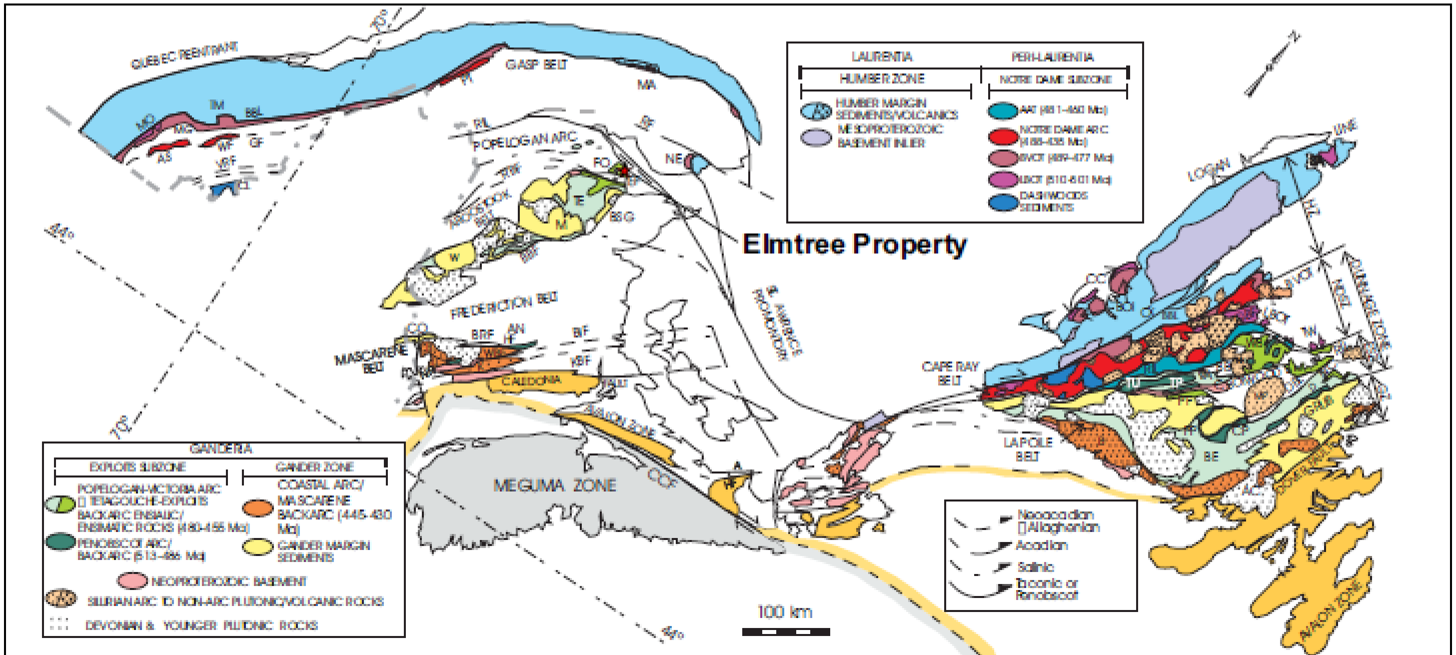
7.1 REGIONAL GEOLOGY

Williams (1979) proposed a five part litho-tectonic framework for the Northern Appalachian orogen and, although subsequently modified, this framework is still usefully applied with respect to regional geological studies. Terminology was subsequently updated to reflect terrain analysis concepts (e.g., van Staal and Fyffe, 1991). Figure 7.1 outlines the five major litho-tectonic zones, these being from west to east, the Humber, Dunnage, Gander, Avalon and Meguma zones and Figure 6.2 presents a corresponding regional geological summary for the province of New Brunswick. Evolution of these major zones reflects development and destruction of the Lower Paleozoic Iapetus Ocean through sequential closure that incorporated two periods of rifting with staged subsequent accretion and superimposed structural modification of accreted domains (Van Staal, 2006).

In summary, the Humber Zone is interpreted to reflect the early Paleozoic continental margin sequence of cratonic North America, deposited on and adjacent to late Precambrian (Grenvillian) basement. The Dunnage Zone adjoins to the east and is comprised of remnants of the Iapetan oceanic crust plus accreted fragments of associated back-arc basins and volcanic arc complexes. These record earliest increments of Iapetan closure that correlate with the initial pulses of the Late Ordovician Taconic Orogeny and are adjoined to the east by the structurally distinct Gander, Avalon and Meguma Zones. The first of these consists predominantly of sedimentary sequences and remnants of subduction-related arc volcanic sequences that accumulated oceanward of the opposing Iapetan passive margin. Initial volcanic arc complexes developed as a result of east-directed subduction that culminated in full ocean closure during the final, Late Ordovician phase of the Taconic Orogeny. Van Staal (2007) inferred presence of a narrow micro-continental block of sialic crust within the Iapetan ocean basin that separated the major arc complexes, all of which were telescoped and accreted during late Ordovician through early Silurian time.

The Avalon Zone occurs as a separate and distinct sialic microcontinent that developed in mid Paleozoic time and was subsequently accreted to the Appalachian orogen through collision with the Meguma Terrain during the mid to late Devonian Acadian Orogeny that marked closure of the related middle Paleozoic Rheic ocean basin. Subsequent to the above, translation and wrench tectonics along the northern extents of the orogen resulted in development and filling of Late Devonian though Permian sedimentary sequences that overstep the Lower Paleozoic terrains zones. In part these sequences along with their older substrates were locally affected by Late Carboniferous through early Permian compression, faulting and heat flow associated with the Hercynian-Alleghenian Orogeny (Murphy et al., 1999).

Figure 7.1
Regional Geology (1)



Tectonic map of the Canadian Appalachians with the distribution of the Early Paleozoic tectono-stratigraphic zones, subzones and other major tectonic elements (coloured) discussed in text. Middle Paleozoic belts are also indicated but not coloured. Adapted from van Staal (2006). AAT: Annieopsquotch accretionary tract; AC: Ackley granite; AN: Annidale belt; AS: Ascott Complex; B: Burgeo batholith; BB: Badger belt; BBF: Bamford Brook fault; BBL: Baie Verte Brompton Line; BE: Baie d'Espoir Group; BIF: Belleisle fault; BOI: Bay of Island Complex; BVOT: Baie Verte oceanic tract; BRF: Basswood Ridge fault; BSG: Bathurst Supergroup; CB: Cripple Back-Valentine Lake plutons; CC: Coastal Complex; CCF: Cobequid-Chedabucto fault; CF: Cabot fault; CL: Chain Lakes Massif; CO: Cookson Group; CP: Coy Pond Complex; D: Davidsville Group; DBL: Dog Bay Line; EF: Elmtree fault; ESZ: Exploits Subzone; EX: Exploits Group; FO: Fournier Group; GBF: Green Bay fault; GF: Guadeloupe fault; GRUB: Gander River ultrabasic belt; GZ: Gander Zone; HF: Hollow fault; HH: Hodges Hill Pluton; HZ: Humber Zone; K: Kingston belt; KBF: Kennebacasis fault; LBOT: Lushs Bight oceanic tract; M: Miramichi Group; MA: Mont Albert ophiolite; MG: Magog Group; MO: Mount Orford ophiolite; MP: Mount Peyton pluton; NC: Noggin Cove Formation; NE: Neckwick Formation; NDSZ: Notre Dame Subzone; NR: New River belt; PF: Pine Falls Formation; PP: Pipestone Pond Complex; PT: Pointe aux Trembles Formation; RBF: Rocky Brook-Millstream fault system; RF: Restigouche fault; RIL: Red Indian Line; SA: St Anthony Complex; TE: Tetagouche Group; TM: Thetford Mines ophiolite; TP: Tally Pond Group; TU: Tulks Group; TW: Twillingate trondhjemite; VA: Victoria arc; VRF: Victoria River fault; W: Woodstock Group; WB: Wild Bight Group; WBF: Wheaton Brook fault; WF: Weedon Fromation.

Stratabound MINERALS CORP.

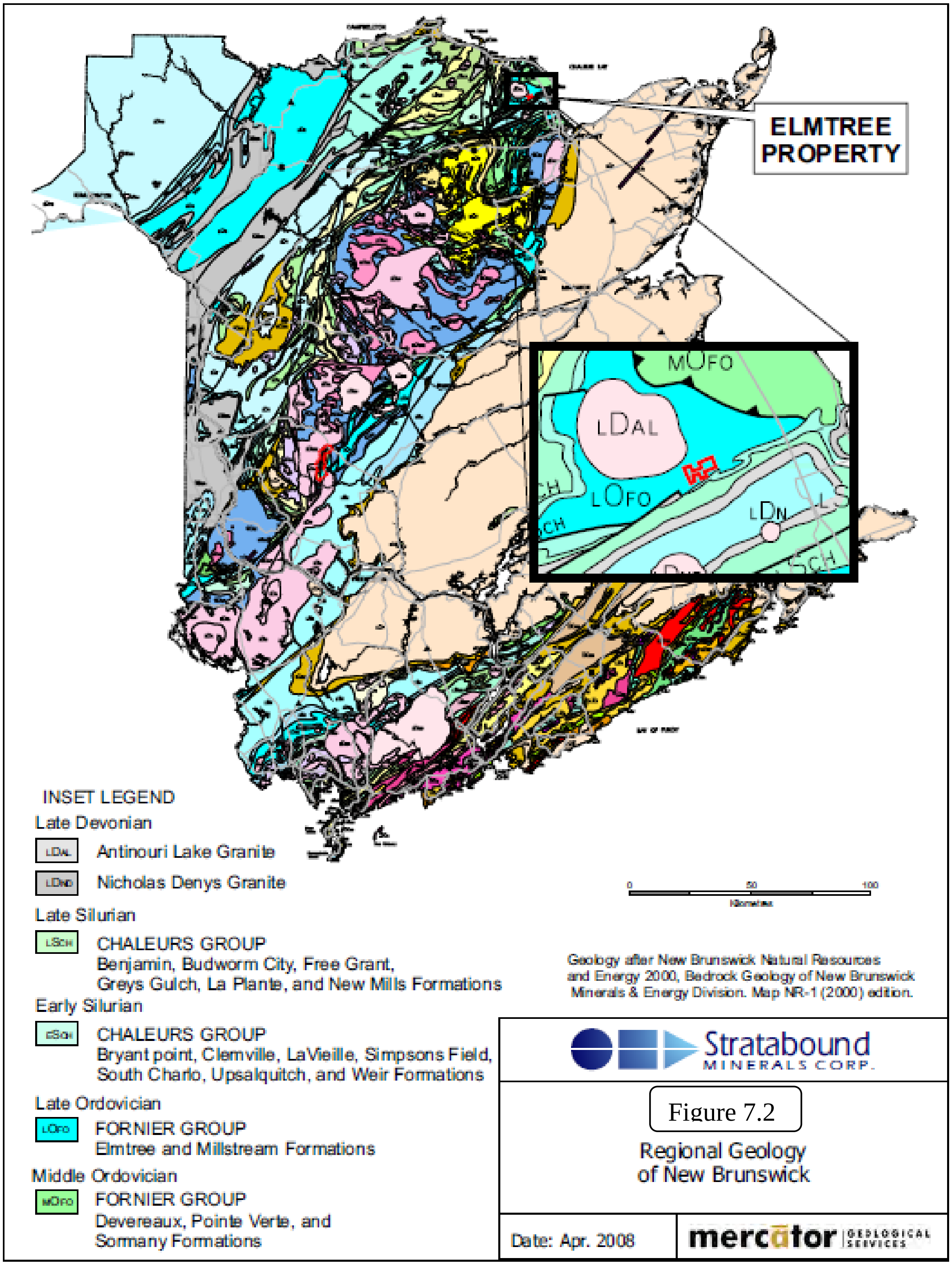
Figure 7.1

Pre Carboniferous Tectonic Zones
of Canadian Appalachians
from van Staal (2007)

Date: Apr. 2008

mercator GEOLOGICAL SERVICES

Figure 7.2
Regional Geology (2)



7.2 PROPERTY GEOLOGY

In the context of this report, the SMC property is situated within the Elmtree Inlier which constitutes a tectonic sliver considered to be a remnant of Dunnage Terrain oceanic crust, located adjacent to the north margin of the terrain’s Exploits Sub-Zone. As summarized by van Staal et al. (1998) rocks of this sub-zone are represented in northern New Brunswick by the Mirimichi Terrain (Fyffe and Fricker, 1989) that is comprised of accreted Ordovician volcanosedimentary sequences that host the major base metal sulphide deposits of the Bathurst Mining Camp (BMC).

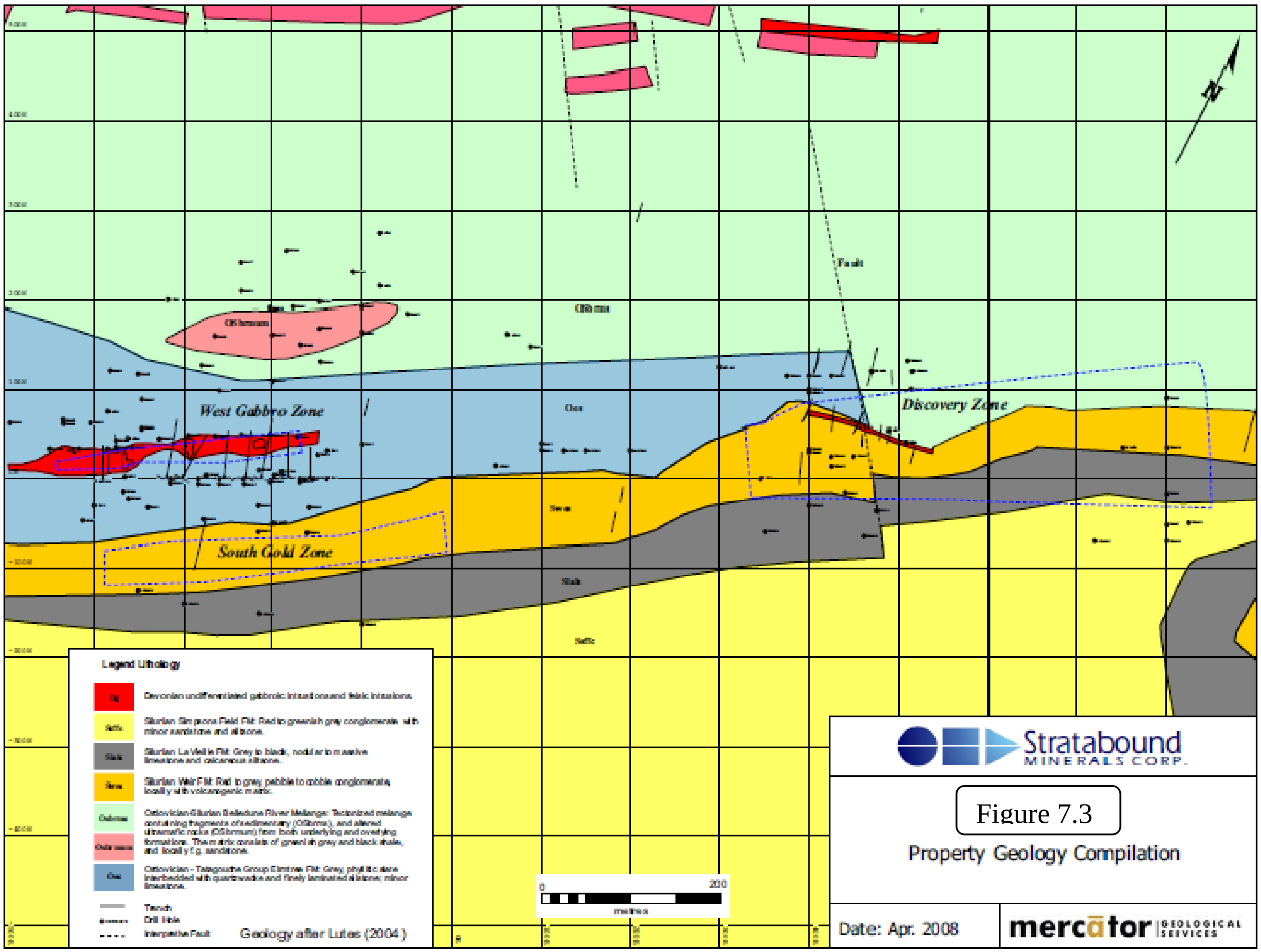
The Elmtree Inlier consists of strata of the Fournier Group and Belledune River Melange (formerly Elmtree Group). The first consists of an Ordovician volcanic-sedimentary sequence comprised of ophiolitic volcanics, deformed mafic intrusions, minor plagiogranite and dark grey slate, greywacke and melange, and the second contains later Ordovician lithic and quartz wacke and interbedded grey slate, locally with thinly interbedded limestone and conglomerate. Minor amounts of mafic volcanics are also present.

The southern limit of the Elmtree Inlier is marked by the Elmtree Fault, a major east trending splay of the regionally significant Rocky Brook-Millstream Fault (RBMF) that occurs approximately 8 km south of the property. The Elmtree Fault brings Silurian rocks of the Chaleurs Group into contact with the Ordovician stratified sequences to the north but these sequences are otherwise recognized as being unconformably configured. Immediately north of the property, Fournier Group greywacke, conglomerate and ultramafic rocks are present and have been interpreted as comprising an allochthonous outlier (van Staal, 2006, van Staal and Fyffe, 1991).

Figure 7.3 presents geology of the Elmtree property area as compiled by Lutes (2004) from interpreted results of historic mapping, drilling and trenching. Progressing from south to north across the property, red and green conglomerate assigned to the Simpsons Field Formation of the Silurian Chaleurs Group overlies a thin band of LaVeille Formation limestone and siltstone that in turn overlies red and grey conglomerate and sandstones of the Weir Formation. Both these formations are included in the Chaleurs Group in the area of the gold deposits discussed in this report. The second unconformably to disconformably overlies Ordovician strata of the Tetagouche Group, consisting of grey phyllitic slate, greywacke, siltstone and minor limestone.

The northern part of the Elmtree property is underlain by Ordovician to Silurian rocks assigned to the Belledune River Melange which shows mapped subunits of predominantly sedimentary or mafic volcanic and ultramafic materials existing as variably tectonized domains within a matrix sequence of greenish grey to black shale and fine grained sandstone. Mafic to felsic dykes and sills of consisting of diabase, gabbro, granite feldspar porphyry and felsite intrude all Ordovician and Silurian stratified sequences in the property area and are considered to be Siluro-Devonian in age (van Staal and Fyffe,1991). Locally, contact metamorphic hornfels and skarn occur within host sequences of these intrusions, most of which strike east-west, dip steeply and parallel the regional structural grain of the area.

Figure 7.3
Local Geology



The most important structural aspects of the property are the Elmtree Fault system and its anastamosing subsidiary shears that trend generally east-west to east-northeast across the property and show steep to vertical dips where defined by drilling and mapping. As described by Hoy (1986) the main Elmtree Fault structure is a splay of the crustally significant Rocky Brook - Millstream Fault that occurs approximately 8 km to the south, where it forms the tectonic boundary with adjacent rocks of the Mirimichi Terrain. McCutcheon et al. (1988) described the Elmtree Fault, as reflected in the property area, as a broad zone of shearing, fracturing and deformation separating graphitic argillites of the Elmtree Formation (previously Elmtree Group) from calcareous siltstones and sandstones of the Chaleurs Group. The structure is thought to have controlled emplacement of the gabbroic intrusion that hosts the West Gabbro Zone gold mineralization on the property and subsidiary structures on the Elmtree property have controlled emplacement of felsite and feldspar porphyry dykes as well as mineralized quartz vein arrays and hydrothermal alteration zones in the nearby South Zone and Discovery Zone areas.

8.0 DEPOSIT TYPE

8.1 INTRODUCTION

The gold deposits present on the Elmtree property have been described by several workers (e.g. Hoy, 1986, McCutcheon et al., 1988; Tremblay et al., 1993) and Lutz (2004) presented a compilation of pertinent geological, geophysical and geochemical information pertaining to the current property and its associated gold and base metal deposits. As referenced earlier, three separate gold deposits have been identified on the property to date, these being the West Gabbro Zone (WGZ), the Discovery Zone (DZ) and the South Gold Zone (SGZ). The first two were discovered and initially delineated during the 1984-1988 period of property exploration by Lacana and indications of the third were also discovered at that time but not fully followed up. Drilling by SMC in 2006 and 2007 served to better delineate the character of mineralization in the SGZ as well as in the WGZ and DZ. Hoy (1986) provided the first comprehensive descriptions of the WGZ and DZ and these were followed by those of Tremblay et al. (1993) that were based on re-mapping of various Lacana trenches. Summarized descriptions of the WGZ and DZ mineralized areas reflecting the sources referenced above are presented below, along with an SGZ description sourced in drill logs and associated reporting made available by SMC.

8.1.1 West Gabbro Zone

This zone occurs within a hydrothermally altered and sheared gabbroic sill that has now been defined by drilling and trenching on the property over a strike length of at least 400 m. Ground geophysical survey results also provide definition of the body, which has a drilling defined dip extent exceeding 200 m and thickness ranging from less than 5 m to approximately 45 m. The intrusion appears to thin to the west and shows a very sharp limit to the east, possibly related to faulting (Hoy, 1986).

The intrusion is gabbroic in composition and shows textural gradation from fine grained ophitic character near margins to coarse grained equigranular character in its central areas where coarsegrained cumulate textures have been identified (Hoy, 1986; Paktunc and Ketchum, 1989; Tremblay et al., 1993) Evidence of both ductile and brittle deformation processes is pervasive in the intrusion and shearing is considered to have occurred along numerous discrete zones of deformation within the intrusion that reflect splays of the Elmtree Fault zone. Murck (1986) noted that due to deformation and superimposed hydrothermal alteration, original igneous textures in the body were not well preserved in all areas.

An alteration assemblage consisting of carbonate, quartz, chlorite, albite, sericite and saussurite affects plagioclase and mafic mineral phases and silica flooding is present in the form of complex vein arrays with commonly associated sulphide minerals such as arsenopyrite, pyrrhotite and pyrite. Lesser amounts of chalcopyrite, sphalerite and stibnite are also present. Sulphides locally represent up to 25% or more of altered or veined sections and the highest gold grades are found in areas showing most intense alteration of the intrusion, with a direct association being seen between gold and presence of arsenopyrite and coarser grained central areas of the intrusion. Gold occurs in sulphide bearing vein arrays and also within the intensely altered host gabbro in association with finely disseminated arsenopyrite and other sulphides such as pyrrhotite (Figures 8.1 and 8.2).

Figure 8.1
WGZ mineralized zone core
Altered fine and medium grained gabbro + quartz veining
Very fine grained arsenopyrite is present in vein and gabbro

Figure 8.2
WGZ mineralized zone core
Highly altered coarse grained gabbro
Shear foliation with quartz stringers and arsenopyrite is present above pencil

Zones of intense alteration and quartz flooding occur in the coarse grained central part of the intrusion and can be correlated over more than 300 m in strike length and more than 200 m in dip dimension. Gold grades within this zone consistently report above 3.0 g/t, with lower values being more prevalent in non quartz-veined and less altered adjoining host rock intervals. A limited microscopic study of gold occurrence in this zone by Harris (1986) showed it to typically be present as free grains less than 10 microns in diameter in association with either fractured sulphide mineral phases or, to a lesser degree, as inclusions in arsenopyrite. Assessment of gold distribution by Lacana within the gabbro showed that steeply east-plunging trends were present and that multiple shoot-like bodies of higher grade mineralization were indicated (Hoy, 1986).

8.1.2 Discovery Zone

Hoy (1986) described this zone as consisting of multiple quartz-sulphide veins hosted by variably sheared and altered argillites and siltstones (Elmtree Formation), as well as variably sheared and altered calcareous siltsones of the Silurian Chaleurs Group. Mineralization was cited as frequently occurring along contacts of either steeply dipping Devonian felsic dykes (termed felsites), or along contacts of altered mafic intrusions, and to show direct spatially association with shears that mark the faulted contact between Ordovician strata and the Chaleurs Group sequence.

Results from trenching and drilling show that both east to northeast and west to northwest striking, steeply dipping to vertical, vein-associated sulphide and gold assemblages are present. One of these carries significant silver, zinc, lead and antimony levels with relatively low gold and shows close association with specific felsic dyke contact intervals. Sphalerite, galena, chalcopyrite, pyrite, stibnite and silver bearing sulphosalts are present. Low levels of indium have also been reported by SMC. The other assemblage is more comparable to that seen in some parts of the SGZ and WGZ, where finely disseminated to locally massive arsenopyrite occurs in association with pyrrhotite, pyrite and minor amounts of sphalerite, chalcopyrite and stibnite in either highly altered host sections or within quartz vein and stringer arrays (arrowed in Figures 8.3 and 8.4, over).

Figure 8.3
Drill Hole DZ06-14 (1)
Altered Siltstone with Arsenopyrite in Quartz Vein

Figure 8.4
Drill Hole DZ06-14 (2)
Altered Siltstone with Bedding and Quartz Vein

The DZ drilling included in the current resource estimate provides definition of a discontinuously mineralized east-west strike length of approximately 500 m within which several discrete zones of vein-associated mineralization and intervening lower grade disseminated mineralization occur across widths ranging from less than a metre to several metres. Spatial distinction between the base metal rich vein and alteration phase and the gold dominant veining and alteration phase is difficult, but at least one steeply dipping base metal corridor and associated vein system appears to cross the main east-west striking gold-dominant trend. In other instances, the two metal assemblages appear to follow the same trends as (shear?) zones that controlled emplacement of felsic dykes and at least some altered mafic dykes in the area. The east-west striking shears typically show vertical or very steep dips and are considered brittle-ductile elements of the Elmtree Fault system.

8.1.3 South Gold Zone

The SGZ is located approximately 175 m south of the WGZ and was not investigated in detail during the Lacana period of property exploration. However, as follow-up to original trenching results from Lacana, SMC completed several diamond drill holes in this area and these were used to define mineralized zones in the current resource estimate. Gold mineralization in the SGZ occurs in Silurian siltstones and fine grained interbedded sandstones that frequently show calcareous matrix materials. The zone is crossed by shears and brittle fractures associated with the Elmtree Fault system and shows hydrothermal alteration represented by bleaching, sericitic alteration and silicification of the sedimentary section. Fine grained and generally acicular arsenopyrite is broadly present in the altered and locally sheared sections and often is associated with quartz vein arrays showing well developed sulphide assemblages consisting of arsenopyrite, pyrrhotite, pyrite and trace to minor amounts of base metal sulphides or sulphosalts. Sulphide concentrations can reach submassive to massive levels locally (30% to +70%) (SMC drilling logs, 2006 and staff discussions, 2007). Drilling results define a variably continuous strike length for the SGZ of about 500 m within which mineralized widths across the structural trend range from less than 1 m for an individual mineralized shear or vein section to as much as 40 m in the area of drill hole DZ06-41, where alteration intensity is also high. Gold grades in the zone typically do not exceed 1 g/t and extended intervals of low grade mineralization in altered bedrock are present in SMC drilling and trenching results returned to date.

8.2 Deposit Model or Association

Gold and lesser base metal mineralization present in the three deposits outlined to date at Elmtree show strong hydrothermal alteration features and spatial distribution of mineralized zones that are interpreted as being directly related to evolution of the Elmtree Fault system. Structural fabrics developed within the mineralized zones document brittle-ductile deformation conditions during which quartz vein emplacement, sulphide and gold introduction and wall rock alteration processes were at least in part syn-kinematic with major shearing strains (Tremblay et. al., 1993). These features suggest emplacement of associated arsenopyrite, sulphide and gold mineralization under mesothermal crustal conditions, relative timing of which is constrained by the Siluro-Devonian age of related igneous host intrusions. Shear fabric elements are interpreted as indicating a dextral wrench-fault configuration for substantial increments of deformation, with this providing focus for hydrothermal systems that affected substantial areas of both sedimentary strata and igneous intrusions that were spatially proximal to main shear zone splays (Paktunc and Ketchum, 1989; Tremblay et al., 1993).

Competency contrasts between sequences probably played a role in development and evolution of quartz vein arrays on the property, and local emplacement of mafic and felsic intrusions also appears to have affected adjacent host rocks in some settings through development of superimposed skarn or hornfels assemblages. Influence of the iron rich composition of host rocks as seen in the WGZ intrusion is cited by Tremblay et al. (1993) as being a potentially important factor that contributed to local precipitation of gold mineralization in particular. A similar influence could have been exerted by smaller mafic dykes and sills that have been logged as altered intrusions within the SGZ and DZ areas tested by drilling to date.

Based on the above, the Elmtree deposits discussed in this report are considered members of the structurally controlled mesothermal class of gold deposits as outlined by Dubé (1990) and also determined for the Elmtree area by Tremblay et al. (1993). An important distinguishing feature of the Elmtree setting is presence of chemically receptive sedimentary strata in the form of calcareous siltstones and sandstones, predominantly of the Silurian Chaleurs Group, in direct association with shear-zone focused hydrothermal alteration systems that introduced gold, arsenic, silver and base metal mineralization on the property. This combination produced the observed mix of vein and disseminated styles of mineralization characteristic of the SGZ and DZ areas in particular. Influence of buried Siluro-Devonian granitic or dioritic intrusions that were regionally emplaced in proximity to the nearby Rocky Brook - Millstream Fault system may have played a role in development of associated hydrothermal systems, but this has not been definitively determined to date. SMC staff have noted textural similarities between disseminated styles of mineralization hosted by calcareous sedimentary rocks, as seen in the SGZ and DZ, with sediment hosted gold mineralization seen in Carlin style deposits (SMC Press Release, January 24, 2007). The common ground in this case is presence of a pervasive hydrothermal alteration imprint directly related to shearing, possibly related to thrusting, and dispersed gold mineralization in calcareous sedimentary strata intruded by felsic and mafic intrusions.

9.0 MINERALIZATION

Gold, base metal and silver mineralization are present at all three of the Elmtree deposits and are considered to have been developed under mesothermal conditions conducive to ductile and brittle-ductile shearing and alteration. Pervasive alteration associated with such mineralization suggests control of associated hydrothermal alteration systems on the property by the Elmtree Fault and its related splays. Intensity of alteration development appears to reflect both original rock type and degree of deformation, since strongly sheared or fractured lithologies often show greatest degrees of both hydrothermal alteration and associated gold and sulphide mineralization. Other factors, such as original grain size in mafic gabbroic intrusions, also appear to control alteration intensity, as seen in the WGZ's central core.

Paktunc and Ketchum (1989) described petrographic and associated geologic aspects of mineralization within the WGZ while Hoy (1986) and McCutcheon et al. (1989) described aspects of mineralization in both the WGZ and DZ. No formal descriptions of the SGZ mineralization were noted, but discussions with SMC staff and review of drilling logs from the zone allowed definition of the mineralization and alteration styles present in that area.

In summary, work reported to date for all three zones shows that gold mineralization occurs in two primary forms within these deposits, these being vein settings and non-vein, highly altered host rock settings, both of which show direct spatial association with shearing-related fabric elements of the Elmtree Fault and associated splays that are present on the property. Association of arsenopyrite with gold mineralization is clearly represented in all three deposit areas on the property and various workers (e.g. Hoy, 1986, Paktunc and Ketchum (1989); Tremblay et al., 1991, 1993) reported that arsenopyrite typically occurs as fine grained acicular crystals in highly altered wall rock or as coarser grained aggregates in association with other sulphides. Paktunc and Ketchum (1989) documented presence of pyrrhotite and pyrite along with lesser amounts of sphalerite, galena, chalcopyrite, stibnite, possibly tetrahedrite and, rarely, stannite. Compilation program results reported by Lutes (2004) showed that anomalous "B" horizon soil geochemical survey responses for arsenic and gold on the property clearly reflect the bedrock arsenic and gold association.

Analytical results from trenching and drilling on the property demonstrate that higher gold grades (> 2 g/t) in the three deposit areas frequently occur within envelopes of lower grade gold values. This relationship reflects concentration of gold and sulphides in either a vein setting or a mineralized shear setting that occurs within a hydrothermal alteration envelope characterized by pervasive low grade gold and sulphide mineralization. This characteristic results in substantial sections of continuously mineralized bedrock exhibiting gold grades of economic interest.

As detailed later in this report, the WGZ has a higher grade core with gold grades averaging approximately 5.0 g/t within a lower grade envelope with gold grades that average 1.4 g/t. In contrast, the SGZ and DZ have substantially lower gold grades that average 0.70 g/t and 1.14 g/t, respectively.

10.0 EXPLORATION

10.1 Previous Exploration

Exploration carried out on the property prior to CRI involvement is summarized in section 6.0 of this report. More detailed descriptions of recent past exploration by SMC appear in Mercator (2008).

10.2 CRI Exploration

Exploration completed to date on the property by CRI is limited to a 25-hole core drilling program carried out during 2009, details of which are given in sections 11.0 through 14.0 of this report.

11.0 DRILLING

11.1 GENERAL

Diamond drilling data from the Elmtree property considered in the Mercator (2008) resource estimate described in report section 17.0 consisted of 69 historic drill holes completed by Lacana between 1985 and 1988 as well as 48 drill holes completed by SMC in programs during 2005 and 2006. No results for drilling carried out by SMC in 2007-2008 were available for use in the estimate, since complete analytical results had not been received at the time of deposit modeling. In 2009 Castle completed 25 additional drill holes on behalf of SMC and these post date the resource estimate as well.

Company-specific details of all drilling programs are discussed below under separate headings. In each case, associated information, including lithologic and sampling logs, assay results, collar survey data and down-hole survey information was assembled from hard copy assessment reports filed with the New Brunswick government or from in-house data sets and reports provided by SMC. Some digital compilation of historic drilling data had been completed for the company (Lutes, 2004) and this was also accessed for validation prior to use in the 2008 resource estimate. CRI drilling information was accessed directly from the company in digital format during March of 2010.

Table 11.1 provides a summary of property drilling information pertaining to the Lacana and SMC programs and includes all drill holes used in the Mercator estimate. Specific information relating to collar coordination and orientation surveys appears in Appendix 1 and collar locations and surface traces for all drill holes are presented on Map 2009-1 that appears in Appendix 3. Not all holes shown in the table fall within the Mercator resource outlines but all contribute to geological models developed for the three deposit areas.

In 2009 Castle completed 25 additional drill holes on behalf of SMC and these also appear in Table 11.1.

Table 11.1
Diamond Drill Holes Listed by Company

Company	Year	Drill Hole Series	No. of Holes
Lacana Mining Corporation	1985	85-1 to 85-19	19
Lacana Mining Corporation	1986	86-20 to 86-60	41
Lacana Mining Corporation.	1987	87-61 to 87-65	5
Lacana Mining Corporation.	1988	88-74 to 88-77	4
Stratabound Minerals Corporation	2005	WG05-001 to WG05-007	7
Stratabound Minerals Corporation	2006	DZ06-01 to DZ06-18	18
Stratabound Minerals Corporation	2006	DZ06-19 to DZ06-41	23
Stratabound Minerals Corporation	2006	ELM07-041 to ELM08-051	11
Castle Resources Inc	2009	ELM09-052 to ELM09-076	25
Grand Total			**153**

11.2 LOGISTICS

Ideal Drilling Ltd. of Bathurst, NB, provided contract drilling services for the Lacana programs completed in 1985 through 1988 and recovered NQ size drill core measuring approximately 47.6 mm in diameter. Lacana staff supervised on-site geological work and also carried out core logging, sampling, interpretive and reporting functions. The 2005 through 2007 drilling programs by SMC were carried out by Maritime Diamond Drilling Limited of Hilden, NS and Forages La Virole of Rimouski, QC and also recovered NQ size drill core. CRI drilling was carried out by Morecore Diamond Drilling Services Ltd., of Prince George, BC, and also recovered NQ size drill core.

SMC staff and consultants supervised all aspects of the 2005 through 2008 SMC programs, including on-site supervision, core logging, sampling, interpretive and reporting functions, and were contracted by CRI to carry out the 2009 CRI programs. Conventional core drilling equipment was utilized and all programs were coordinated from SMC's Bathurst field office under direction of Mr. John Duncan, P. Geo. Most core from the Lacana programs is archived at the Madran, New Brunswick core library operated by the provincial government's Department of Natural Resources. Core from the SMC programs is also archived at Madran, along with all core from the SMC and CRI programs.

Drill hole collar locations and elevations for Lacana holes were coordinated to the local exploration grid at the time of the exploration programs and this information was compiled by SMC and supplied to Mercator. As noted in Lutes (2004) who reported on the compilation of such information, not all original Lacana drill logs contained complete drill collar coordinates and in such instances original hard copy drill collar plans created by the company were used to establish collar coordinates. SMC drill holes in the WGZ were originally surveyed by the company but elevation values were not assigned. For resource estimation purposes, elevations in these instances were assigned based on adjacent Lacana holes. Drill holes by SMC in the DZ and SGZ areas were also surveyed but lacked collar elevations. Since topographic relief is minimal in these areas, common surface elevations derived from closest previously surveyed holes were assigned. All hole locations for the 2007 through 2009 programs were surveyed for SMC/or CRI by a contractor using a Trimble DGPS unit.

While local grid coordination was retained for resource estimate purposes, the dataset received from SMC also included Universal Transverse Mercator (UTM) coordinates reflecting coordination to UTM Zone 20 and the NAD 83 datum. Many of the historic drill holes were tested for inclination and azimuthal variation using down-hole survey instruments, as were all SMC holes, and this information was incorporated, after validation, in the Microsoft Access database developed by Mercator for resource estimation purposes. A listing of drill holes along with collar coordinates and associated orientation and depths is included in Appendix 1. Trenches completed by SMC in 2004 were modeled as horizontal drill holes in the WGZ resource block model by Mercator and these are also reported in Appendix 1. Data for holes completed by SMC in 2007-2008 and those completed by CRI in 2009 were addressed in the same manner as earlier SMC holes.

12.0 SAMPLING METHOD AND APPROACH

12.1 LACANA PROGRAMS 1985-1988

Government assessment reports were reviewed to identify core logging and sampling procedures applicable to the Lacana programs and these showed that drill core was logged and sampled by company employees who produced hard copy lithologic logs and sample records for each drill hole. Detailed information related to lithology, alteration and mineralization was systematically recorded in the logs along with complete records of core sampling and posted analytical results.

Core sample intervals were laid out on the basis of visually determined mineralization and alteration, as determined by the logging geologist, and sample intervals recorded on the drill log. Core samples were split and half core samples were submitted for analysis. Reports do not specify details of actual sample handling, tagging or shipping protocols. As presented in more detail in report section 16, sample lengths ranged from 0.06 m to 4.7 m with the majority being 0.30 m and 1.52 m.

12.2 STRATABOUND PROGRAMS 2005-2008

12.2.1 Drilling

SMC personnel were consulted with respect to determination of core logging and sampling procedures used during SMC's drilling programs and a review of related core logs and sample records was completed to augment such information. Core logging and sampling procedures were carried out at the Bathurst facility and included use of a pre-numbered sample tag system. This included insertion of a sample tag record defining the down hole sample interval in the archived core boxes at corresponding locations. A sample tag was also inserted in the pre-numbered sample bag in which core sample material was placed and sealed for shipment.

Standard company practice was to have a qualified geologist prepare detailed conventional core log descriptions for each hole and to mark core sampling intervals. Sample records and drill logs were entered into Microsoft Excel ® digital spreadsheets to facilitate data handling and development of interpretive sections and plans. Core sample intervals were laid out based on visually determined mineralized zone limits or lithologic boundaries. A 0.50 m minimum sample length parameter was applied to all programs along with a maximum sample interval length of 1.0 m. In contrast to the Lacana programs, continuous down hole sampling of core across weakly altered zones was commonly carried out to document low grade gold values present in the alteration envelop. All core was split by sawing under supervision of SMC staff or consultants. Half core samples were submitted for analysis to ALS Chemex Canada Limited in Vancouver, BC for the 2005 – 2006 period and to either SGS Canada Limited in Don Mills, ON or Eastern Analytical Limited in Springdale, NL during the 2007-2008 period.

12.2.2 Trenching

During 2005 SMC completed 9 surface trenches (TR-1 through TR-9) in the WGZ area and completed continuous bedrock channel sampling programs in these areas, where possible. As described by Duncan (2005) trenches were typically 3 m in width and less than 2 m in depth but in two instances (TR2 and TR-9) depths exceeding 5 m were encountered and this prevented collection of channel samples. Grab samples of excavator materials were collected in these areas. Lithologic logs for the trenched intervals were also prepared.

Channel samples were collected using a gas powered rock saw and were nominally 100 mm in width and 50 mm in depth. Where trench conditions prevented cutting of samples from the trench floor, chip samples of trench wall materials were collected. All samples were systematically recorded and locations coordinated to the local survey grid. Samples ranged between 0.25 m and 1.0 m in length and were placed in labelled plastic bags prior to shipment by commercial courier to ALS Canada Limited (ALS Chemex) in Vancouver, BC for laboratory analysis.

12.3 CASTLE RESOURCES PROGRAMS

12.3.1 Drilling 2008-2009

Diamond drilling was conducted on the Property in two separate phases: Phase I (August 5 to September 2, 2009) and Phase II (October 5-16, 2009). The number of holes drilled during Phase I was 16 for a total depth of 3,135.61 m. The total number of holes drilled during Phase II was 9 for a total depth of 1,688 m. All core diameters were NQ.

Logging and field responsibility protocols adopted for the CRI programs were the same as those described above for the previous SMC drilling campaigns. The QA/QC protocol recommended by Mercator and adopted by SRC for its 2007 and 2008 drilling programs, was also followed for the CRI drilling, as described in section 14.3.3, below. A total of 731 samples were collected from Phase I and 913 samples were collected from Phase II.

The objective of Phase I drilling was to expand known mineralization both along strike and down dip in the WGZ. The objective of Phase II drilling was to test the unexplored portions of the claims and to test for deeper intersections surrounding known mineralization in both the SGZ and DZ.

13.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

13.1 LACANA PROGRAMS 1985-1988

Archived Lacana reports documenting company drilling programs do not provide detailed descriptions of sample preparation methodologies, analytical procedures or security considerations. However, Mr. J. Duncan, P.Geo., SMC's project manager, advised Mercator that Lacana's laboratory work was carried out at Custom Laboratory, formerly Stairs Laboratories, a commercial laboratory operating in Bathurst at the time, serving exploration and mining interests. Conventional rock or core sample preparation procedures were used and it is understood that gold analysis included fire assay pre-concentration techniques (J. Duncan, personal communication, 2008).

13.2 STRATABOUND PROGRAMS 2005-2008

For 2005 and 2006 programs bagged core and trench samples were shipped by commercial courier from Bathurst, NB to ALS Canada Limited (ALS Chemex) in Sudbury, ON for preparation and laboratory analysis. Upon arrival at the laboratory samples were subjected to standard rock preparation procedures that included jaw crushing, pulverizing and splitting. This produced an 85% minus 75 micron rock pulp that was used in subsequent analytical procedures. Gold levels were initially determined using the ALS Chemex AA-23 code which provides fire assay pre-concentration of a 30 gram pulp prior to gold determination by Atomic Absorption (AA) methods. Any samples grading in excess of 10 parts per million were re-analyzed using the AU-Grav21 code method which incorporates a gravity finish after fire assay pre-concentration of a 30 gram pulp sample. Additional metal levels were obtained for selected sample sections using Inductively Coupled Plasma Emission or Mass Spectroscopy methods after multi-acid digestion (ME-ICP-41 or MS-61 codes). Samples determined to have high base metal contents were submitted directly for assay quality determinations with final metal levels determined by Atomic Absorption methods.

Core samples from the 2007-2008 program by SMC were analyzed at SGS Canada Limited using fire assay pre-concentration and Atomic Absorption finish methods.

Most coarse sample reject and pulp materials from all SMC programs were returned to the company after temporary storage at the laboratory. These materials were stored at the secure SMC facility in Bathurst until late in 2009 when much of the earlier archived material was discarded due to lack of storage space. Core from all SMC programs is now stored at the government archive in Madran, 30 km north of Bathurst.

All SMC core handling, sampling and sample handling activities were carried out in Bathurst under secure site conditions and under direct supervision of SMC's project manager, Mr. John Duncan, P.Geo. The Bathurst facility is located in an industrial park setting and consists of an office and storage complex that is accessible only to SMC staff and protected by a modern electronic security systems

13.3 CASTLE RESOURCES INC. PROGRAM 2009

Bagged core samples were shipped by commercial courier from Bathurst NB to Eastern Analytical Limited in Springdale, NL where determination of gold levels was carried out using fire assay pre-concentration and Atomic Absorption finish methods on 30 g splits after standard crushing and pulverizing preparation. Selected samples were also submitted for ICP analysis of 35 additional elements.

All core handling, sampling and sample handling activities were carried out in Bathurst under secure site conditions and under direct supervision of CRI's contracted project manager, Mr. John Duncan, P.Geo. The Bathurst facility is located in an industrial park setting and consists of an office and storage complex that is accessible only to SMC and CRI staff and protected by a modern electronic security systems

Once all core was logged and sampled, drill cores were relocated to the New Brunswick government core storage facility in Madran. At the time of Mercator's April, 2010 site visit, sample pulp splits and reject materials were being temporarily stored at either the associated laboratory or SMC's Bathurst facility..

14.0 DATA VERIFICATION

14.1 SITE VISITS

14.1.1 Mercator Visits

On March 18, 2008, M. Cullen, P.Geo. of Mercator visited the Elmtree property as well as SMC's Bathurst office and core logging facility. Discussions regarding the property were held at that time with Mr. John Duncan, P.Geo., plus other members of SMC's staff, and drill core from representative holes testing the WGZ, SGZ and DZ was viewed and sampled. The company's sampling procedures and protocols were discussed and operations were found to be secure and organized.

During the core facility visit several quarter core samples were collected from previously sampled intervals and pulps from several historic samples were accessed for re-analysis. This augmented check sampling previously carried out by SMC, results of which had been made available to Mercator at an earlier date. Results of the 2008 check sampling are detailed in report section 14.3.2.4.

A property visit to the WGZ was also completed at which time the central area of the zone was accessed and several drill hole and grid survey markers were identified. These were checked for coordination between field grid coordinates and database entries and found to be in order. Snow cover prevented access to outcrops and previously trenched areas but a general reconnaissance of the central property area provided a feel for topographic character, drainage system features, road and trail accesses and the level of habitation in the immediate area.

On April 7, 2010 M. Cullen of Mercator carried out a second site visit and core inspection with specific reference to the CRI 2009 drilling programs and the SMC 2007-2008 programs. As in the earlier visit, discussions were held with Mr. John Duncan, P. Geo. and SMC manager, and Mr. Kevin Vienneau, also of SMC. Selected drill cores from the CRI 2009 and SMC 2007-2008 programs was viewed at the government core storage facility in nearby Madran and eight check samples of drill core were collected. Results of this sampling are discussed in a later section of this report. The WGZ drilling site was again visited and collar coordinates were checked for several CRI and SMC (2007-2008 program) drill holes. All of these were found to be consistent with SMC or CRI file data. The company's sampling procedures and protocols were again discussed and operations were found to be secure and well organized

14.1.2 Micon Visit

On December 8, 2009, Christopher Jacobs, CEng MIMMM of Micon visited the Elmtree property and Madran core storage/archive facility with Mr Kevin Vienneau. Drill core, hole collars, work sites and access tracks from recent drilling activity were observed.

At the shared CRI/SMC office and core logging facility in Bathurst, core from CRI's recent drilling program was examined, together with drill logs, assay results, plans and sectional drawings of the mineralized zones. Discussions regarding the property were held at that time with Mr. John Duncan, P.Geo.

14.2 REVIEW AND VALIDATION OF PROJECT DATA SETS

Government assessment reports and internal SMC files consisting of core sample records, lithologic logs, laboratory reports and associated drill hole information for all holes and trenches used in the resource estimate were reviewed by Mercator. After initial spot checking of digital records supplied by SMC against original source documents it was determined that a comprehensive review and validation of the entire digital dataset should be completed. Mercator completed such a review, which consisted of checking individual database entries for collar coordinates, down hole survey values, hole depths, lithocodes and assay entries against the source hard copy drill logs or assay documents. Inaccuracies revealed during this process were corrected and a new, validated Microsoft Access® database created that was considered acceptable for resource estimation purposes. Random inconsistencies in various database records were identified and addressed through this process, which was facilitated by use of automated validation routines that detect data entry errors associated with sample records, drill hole depths, lithocodes intervals, and collar and down hole survey tables.

Subsequent to the above, a similar review of drilling data from the 2007-2008 SMC programs and the CRI 2009 programs was completed by Mercator.

14.3 QUALITY CONTROL AND QUALITY ASSURANCE (QA/QC)

14.3.1 Lacana Programs 1985-1988

Archived reports describing the Lacana drilling and trenching programs do not specifically address QA/QC issues. No evidence was noted of independent certified standards being submitted with core samples nor is there any evidence of systematic submission of blank samples or systematic provisions for duplicate sample splits to be prepared and analysed. In Mercator's experience this situation was not unusual for exploration programs of the period, which frequently relied upon internal laboratory QA/QC programs to ensure quality of the data received. Comparison of Lacana assay results with those returned for adjacent drill holes completed recently by SMC showed good correlation between results, thereby providing a further positive qualitative assessment of the earlier results.

14.3.2 Stratabound Programs 2005-2006

14.3.2.1 Introduction

The 2005 trenching program and 2006 drilling program carried out by SMC were not subject to an independent QA/QC protocol but internal laboratory QA/QC results were monitored by staff for project purposes. In addition, Mercator completed a limited check sampling program for several holes of this era, results of which are reported below.

In 2007, SMC carried out a large core re-sampling program based on archived Lacana drill holes, the purpose of which was to better define distribution and character of low grade gold and silver values in areas of the WGZ and DZ that had not previously been sampled. This largely comprised filling-in between areas sampled by Lacana but also included extension of sampling beyond previous limits as well as sampling of alteration areas not previously assessed. Results of this program were incorporated in the resource model. The re-sample program included blind blank samples, duplicate split samples, certified analytical standards and analysis of check samples at a third party commercial laboratory. In total, 1,034 samples were analyzed for the resampling program, excluding QA/QC samples.

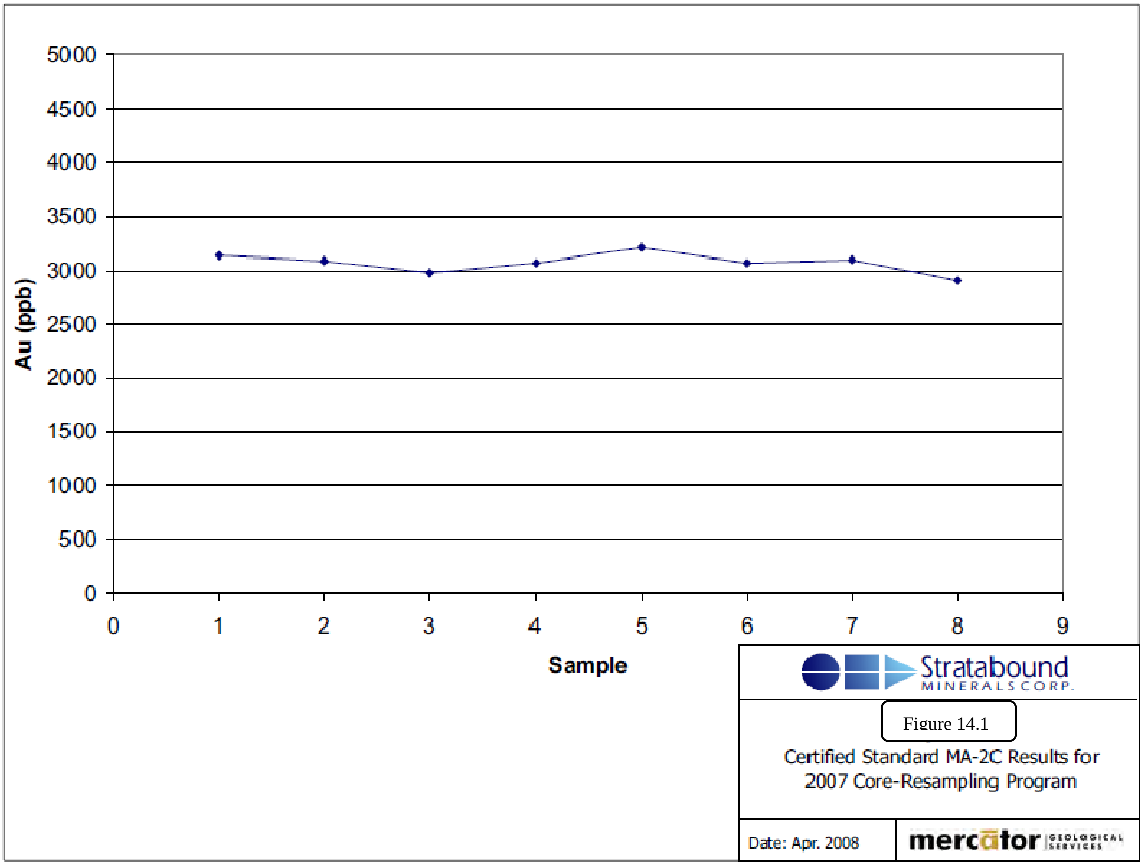
Details of the programs summarized above are presented below under separate headings

14.3.2.2 Certified Standard Samples

Certified reference standard MA-2C was obtained by SMC from the CANMET Certified Reference Materials Project for use in the core re-sampling program and in later drilling programs on the property. This material was subsequently augmented by addition of certified reference standard CDN-GS-2B, supplied by CDN Laboratories of Vancouver, BC, but only MA-2C results are relevant to the 2005-2006 drilling. Reference standard samples, consisting of pre-packaged prepared sample pulp material weighing approximately 50 grams, were inserted by SMC staff. Samples of certified reference material were submitted in company with the samples collected from the archived Lacana core at a nominal frequency of one per hundred samples, although instances of one per one hundred fifty samples are present.

MA-2C has a certified gold value of 3.02 ± 0.06 g/t and provisional value for silver of 0.51 ± 0.10 g/t at a 95% confidence interval. Figure 14.1 presents analytical data for the standard and shows that acceptable results were received throughout the program. Mercator recommended that the submission rate of certified standard materials be increased to 1 in 30 or less and that access to at least one additional standard be established to allow alternation of insertions.

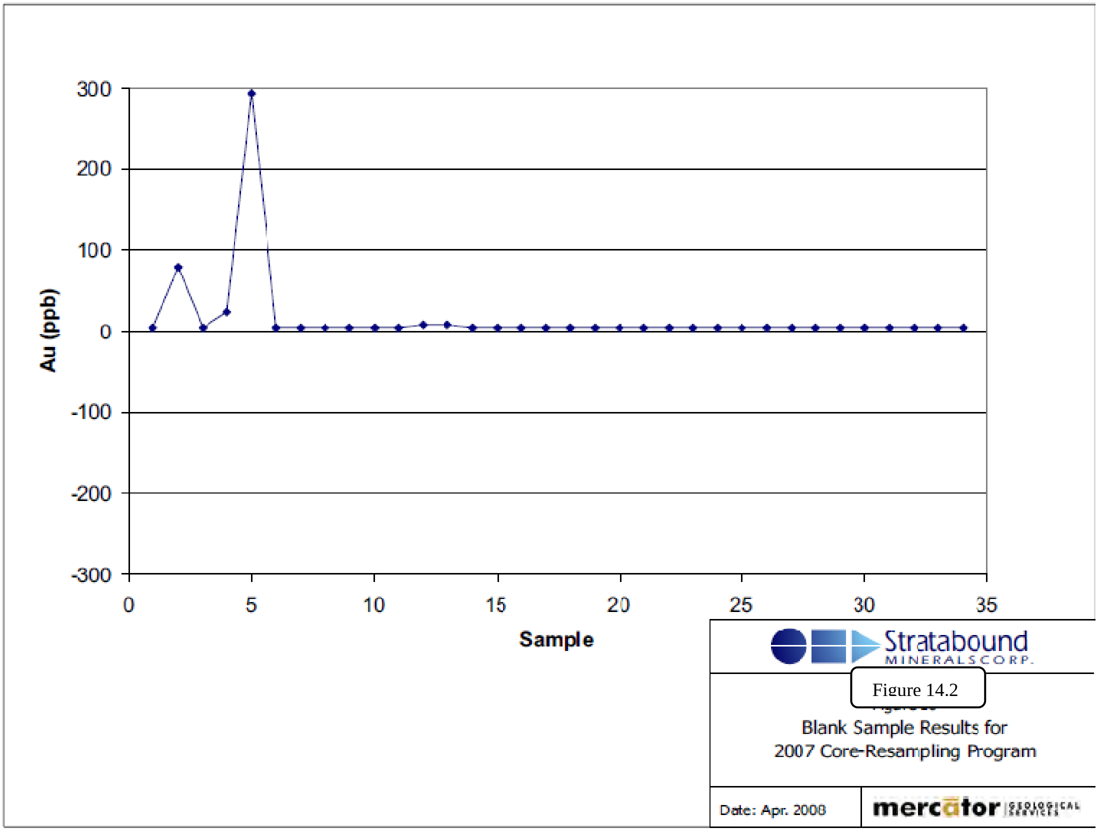
Figure 14.1
Results for Certified Standard MA-2C, 2007 Core Re-sampling Program



14.3.2.3 Blind Blank Samples

Blank samples of comparable weight to normal 0.5 m half core samples were systematically inserted into the laboratory sample stream by SMC staff, with 35 such samples submitted for the core re-sampling program. For much of the program this represents a nominal insertion rate of 1 in 20 but exceptions are present. Blank samples consisted of non-mineralized gabbro core from the Goodwin intrusion, located in the Bathurst area, and samples were blind to the receiving laboratory. Figure 14.2 presents analytical results for gold pertaining to the blank sample population and shows good repeat of the < 5 parts per billion (ppb) gold level in all but three samples. One of these returned a gold value of 294 ppb, another 79 ppb and the third 24 ppb. All samples occur within a 75 sample sequence. The 294 ppb value is preceded and followed by samples grading < 5 ppb, the 79 ppb value is preceded and followed by samples grading < 15 ppb and the 24 ppb value is preceded and followed by samples grading <17 ppb.

Figure 14.2
Results for Blank Samples, 2007 Core Re-sampling Program

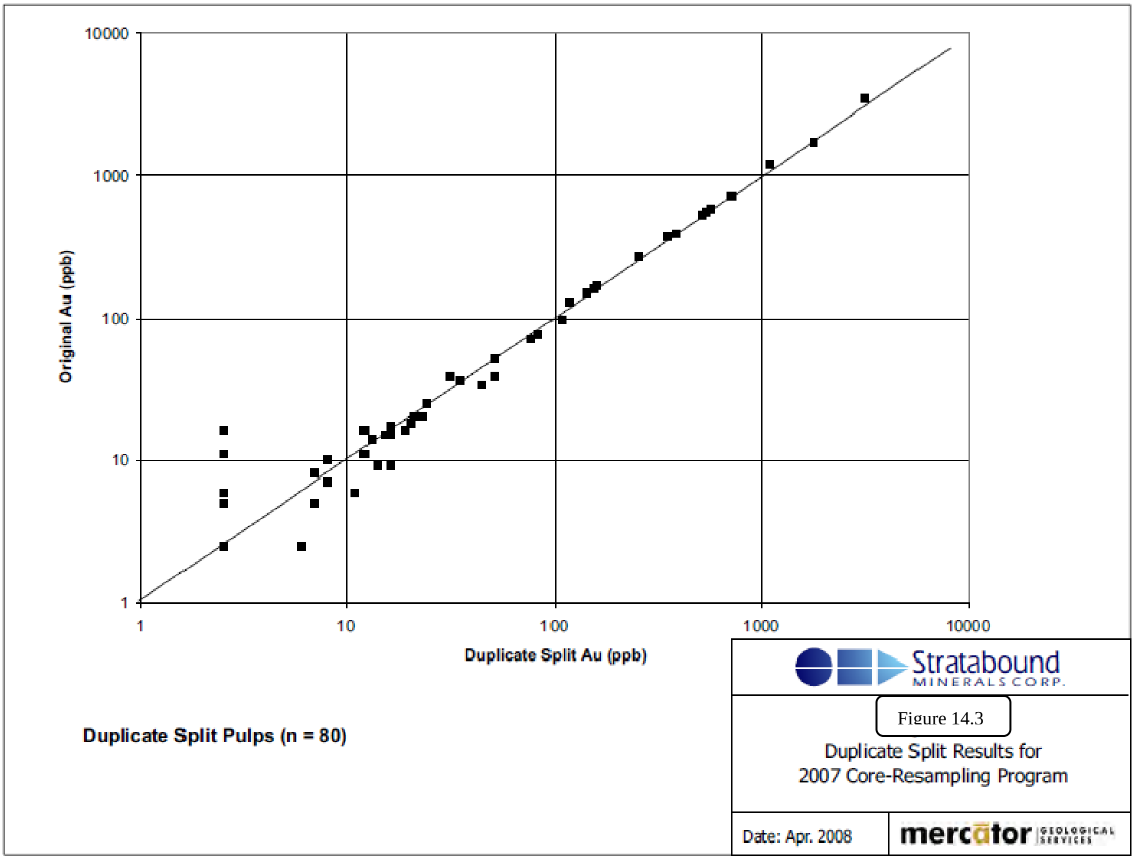


The results reported above do not clearly indicate laboratory cross-contamination as an explanation for the higher values. It is possible that the observed variation represents either natural heterogeneity in the sample medium, which other results indicate to be unlikely, or introduction of a low level contaminant at some time during preparation or handling of the material prior to laboratory submission. Isolation of all three samples within a series of four consecutive blanks over a 75 sample interval is also significant, suggesting common timing in blank insertion. With this in mind, Mercator (2008) recommended a review of blank material sources, with consideration given to use of a sample medium that cannot come in contact with the standard core sampling environment prior to being placed in sealed bags for laboratory submission. Based on the above, overall the results of the blank sample program were considered acceptable for the purposes of Mercator's (2008) resource estimate. However, assessment of the points noted regarding sources and handling of blank materials was considered necessary.

14.3.2.4 Duplicate Sample Splits

In total, 80 duplicate splits of core sample pulps were prepared and analysed for gold during the re-sample program, reflecting a frequency of about 1 in 12. Results for these are presented in Figure 14.3 and reflect a data set range from less than the 5 ppb detection limit (modeled as 2.5 ppb for report purposes) to a maximum of 3,420 ppb. Data pairs group very well along the 1:1 correlation line presented in Figure 14.3 and support a correlation coefficient of 0.98 for gold. Based on these results, precision of these and associated data set samples was considered acceptable for the purposes of Mercator's (2008) resource estimate.

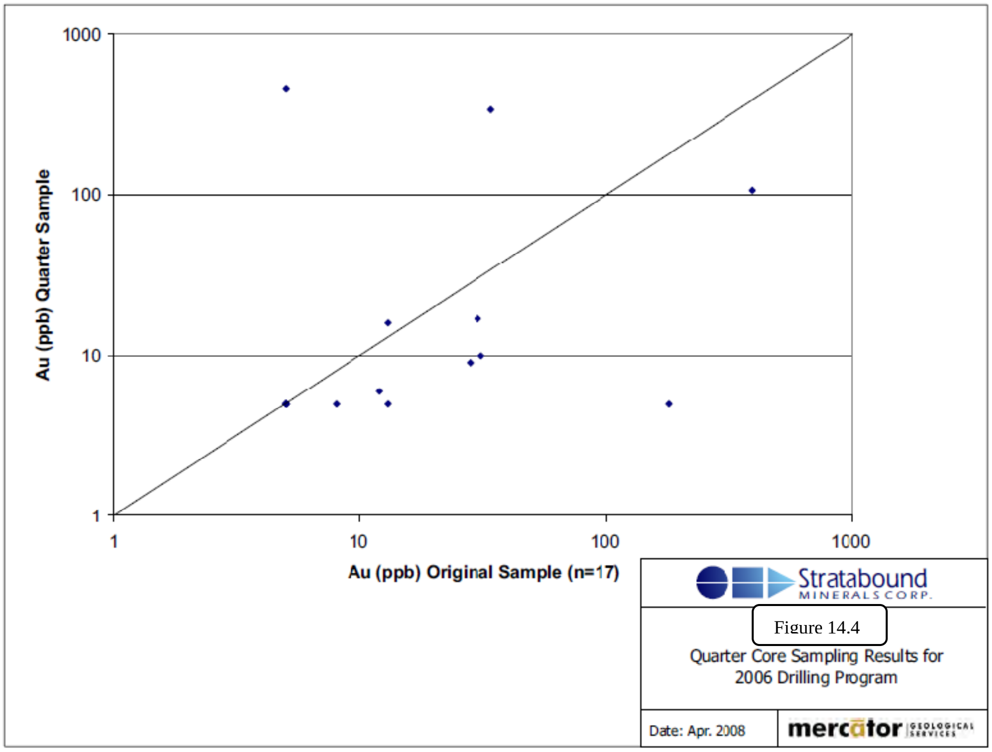
Figure 14.3
Duplicate Split Results, 2007 Core Re-sampling Program



14.3.2.5 Quarter Core Duplicate Samples

In addition to analysis of duplicate splits of core sample pulps, SMC carried out a limited program of quarter core sampling to check on variation of results between half core sample components. In total, 17 samples were investigated and results are presented in Figure 14.4.

Figure 14.4
Quarter Core Sampling Results, 2006 Drilling Program



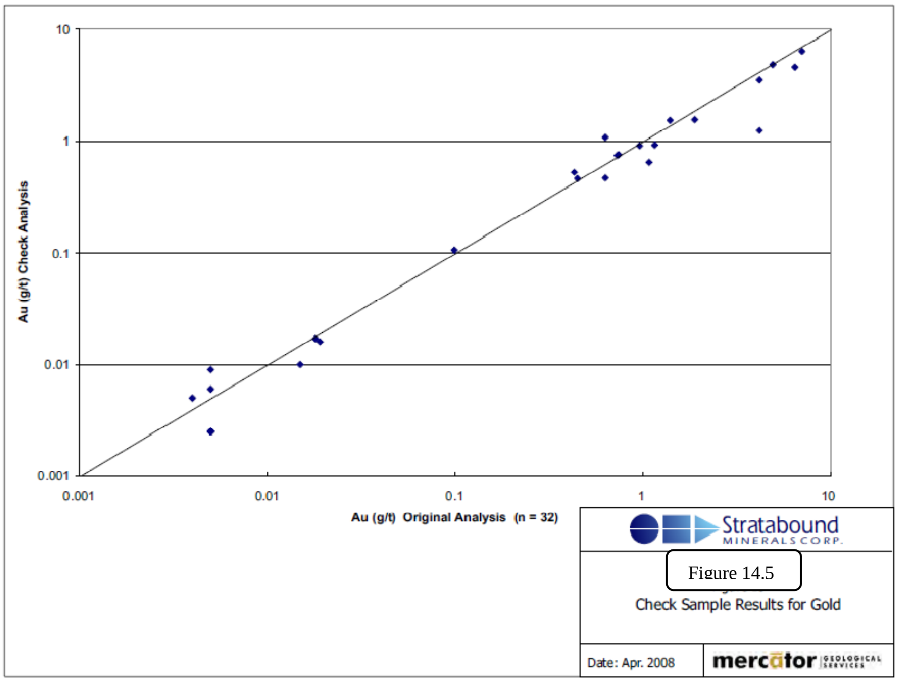
Of the samples submitted, 14 returned original gold values of less than 10 ppb, or twice the 5 ppb detection limit, and the maximum original value was 460 ppb. This sample set is significantly biased toward very low gold grades and the distribution of data points in Figure 14.4 shows that variable correlation exists at this grade level between sample pairs. Thirteen of the seventeen pairs show variation of 25 ppb or less, while the remaining four show variation ranging from 175 ppb to 455 ppb. Quarter split samples returned values lower than original samples in 14 of 17 pairs represented, with this being reflected in a grouping of data points slightly below the 1:1 correlation line in Figure 14.4. Results of the program are not completely definitive due to the restricted grade range represented and proximity of many samples to the detection limit of the analytical technique. While variation may be largely attributable to distribution factors within the two analyzed splits, low grade contamination (25 ppb) of such samples could also have resulted from cutting and handling procedures. It is relevant to note that value ranges seen in 13 of the 17 sample pairs are less than the ± 60 ppb error margin of certified standard MA-C2 used in the program. The four splits with more significantly divergent values do not appear to have been cross-contaminated by preceding samples. Observed results must therefore be attributable to a combination of sampling, preparation and analytical factors that are not clearly defined at present.

Since precision and accuracy of results for the overall program are considered acceptable, based on results of duplicate splits and certified standards reported earlier, within-core heterogeneity and sample preparation factors are considered potentially significant contributors. A review of the quarter core split program is recommended with a view to establishing with certainty a wider grade range for sampling. The four samples showing highest variation between pairs should be further studied, with this including analysis of additional pulp material from each, checking of core box intervals for validity of intervals and numbers and analysis of the remaining quarter core material for comparison with existing results.

14.3.2.6 Check Sample Program

The SMC drilling programs of 2005 and 2006 did not include third party laboratory analyses of check samples. However, check samples were submitted for subsequent drill core samples and for the sample set developed through re-sampling of the Lacana drill core. Several check samples from SMC drill holes were also collected by Mercator and analyzed as part of its resource estimate program. In total, check sample results for 32 intervals were reported, 15 of which were submitted by Mercator and pertain to 2006 drilling. SMC samples consisted of selected pulps from the original laboratory preparation and Mercator samples included 5 pulps and 10 core splits. Samples were analyzed at Eastern Analytical Laboratories in Springdale, NL. In all cases gold values were returned but 3 Mercator samples also provided checks on silver, zinc and lead levels. Combined results of the gold check sampling program are shown in Figure 14.5 and reflect acceptable correlation between the original results and check results. Check analyses report slightly lower levels than original data but do not define a problematic under-reporting trend. Zinc, lead and silver values reported for 3 of the samples also show acceptable correlations.

Figure 14.5
Check Sampling Results for Gold

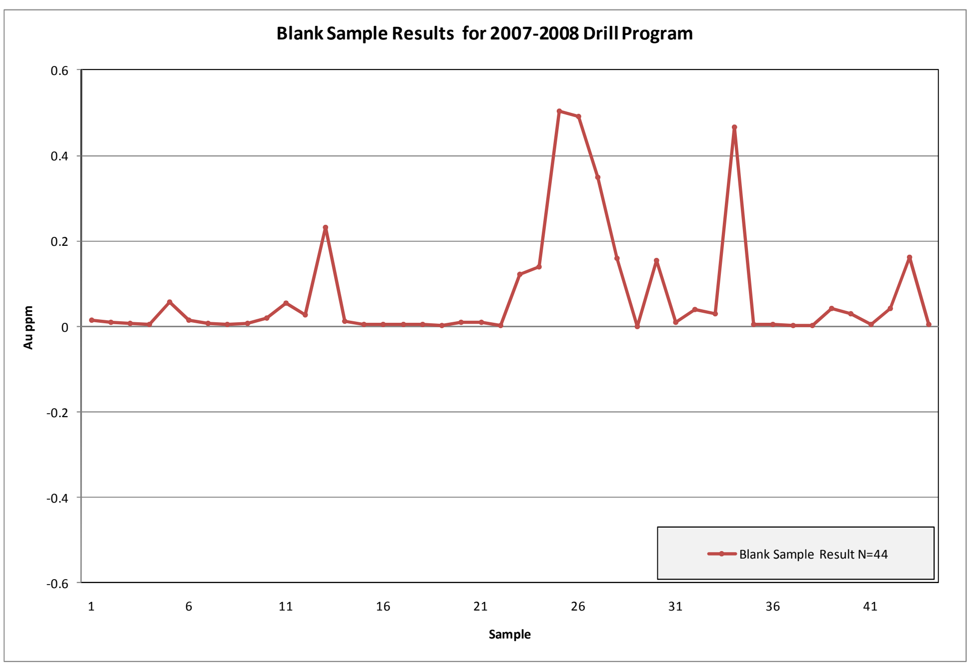


14.3.3 Stratabound Programs 2007-2008

Beginning with the 2007-2008 drilling program, SMC modified its QA/QC protocol to include systematic insertion of blank samples and certified reference standards as well as systematic analysis of duplicate analytical pulp splits, quarter core duplicate samples and third party check samples. Nominal insertion rates for blank samples was 1 in 20 and for reference standards 1 in 35. Duplicate pulp splits and third party check sample splits were analyzed at a nominal 1 in 25 frequency from the same source samples and quarter core duplicates were prepared at a nominal frequency of 1 in 40. Third party check sample analyses were carried out by ALS Chemex Limited.

Analytical results for the QA/QC program were received by SMC and assessed progressively during the program. Mercator was advised that through this process SMC identified several items of concern with respect to the gold analytical data sets received from SGS Canada Limited for drill core samples. The most significant of these was presence of anomalous gold values in numerous quality control blank samples. Figure 14.6 depicts the problematic blank sample gold dataset and shows that gold values exceeding 0.4 g/t Au were returned for certain blank samples. Follow-up investigation by the company included review of reported sample weights, systematic re-analysis of all sample pulps and analysis of selected new sample splits from quarter core samples

Figure 14.6
Results for Blank Samples, 2007-2008 Program



14.3.4 Castle Resources 2009 Programs

Overview

The Quality Control and Quality Assurance program (QA/QC) followed by CRI for its 2009 drilling program was the same as that followed earlier by SMC during its 2007-2008 program. This consisted of systematic insertion of certified standards and blanks as well as analysis of duplicate split samples, quarter core replicate samples and analysis of check samples at an independent laboratory.

Of the 723 samples collected in CRI's Phase I (drill holes ELM09-52 to ELM09-67), 28 were blanks, 7 were for standard OREAS 15Pb, 7 were for standard OREAS 18Pb, and 11 were quarter core duplicates. In addition, a duplicate split of the core pulps from approximately every 28th sample submitted was prepared and analyzed at Eastern Analytical for a total of 24 duplicate split analyses, with a third split sent to the ALS Chemex preparation facility in Sudbury, ON for subsequent analysis by that firm in Vancouver, BC. .

Of the 892 samples collected in CRI's Phase II (drill holes ELM09-68 to ELM09-76), 41 were blanks, 12 were of certified standard OREAS 15Pb, 11 were of certified standard OREAS 18Pb, and 20 were quarter core duplicates. In addition, a duplicate split of the core pulps from approximately every 28th sample submitted was prepared and analyzed at Eastern Analytical for a total of 32 duplicate split analyses, with a third split sent to ALS Chemex for check analysis as in Phase I. Check analyses by ALS Chemex included a blank sample as well as certified standards OREAS 15Pb and OREAS 18Pb.

Certified Standard Samples

Certified reference standards OREAS 15Pb and OREAS 18Pb were obtained by CRI from Analytical Solutions Ltd. of Toronto, ON for use in the 2009 drilling programs on the property. Reference standard samples, consisting of pre-packaged, prepared sample pulp material (minus 75 micron grain size) weighing approximately 60 grams, were inserted by drilling program staff. Samples of certified reference material were submitted in company with the core samples collected from the drill program at a nominal frequency of 1 per 35 samples, alternating between the 2 reference standards. A total of 19 OREAS 15Pb and 18 OREAS 18Pb samples were submitted for the combined Phase I and Phase II programs.

OREAS 15Pb has a certified gold value of 1.06 ± 0.01 g/t at a 95% confidence interval and Table 14.1 presents basic statistics for this standard. The mean Au value of CRI results is 1.054 g/t and this falls within the acceptable range for the standard. Figure 14.7 graphically presents the data set and shows that consistent results were returned throughout the program. The OREAS 18Pb standard has a certified gold value of 3.63 ± 0.03 g/t at a 95% confidence interval and Table 14.1 also presents basic statistics for this standard. The mean Au value of CRI results is 3.42 g/t and this falls approximately 5.8% below the lower error margin for the standard. Figure 14.8 graphically presents the data set and shows that while consistent results were returned throughout the program, a continuously low bias relative to the accepted mean value is present. Standards were inserted alternately in the sample sequence and this low result contrasts with very close agreement in results seen for the alternating OREAS 18Pb material. This pattern may indicate that the OREAS 18Pb splits had not been properly homogenized prior to selection of the analytical split or that a sample matrix variation relative to the other standard is present, with this affecting instrumental analysis and associated analytical results. A definitive statement on this point is not possible at this time. Both data sets show reasonable levels of precision, but relative accuracy of the OREAS 18Pb values is clearly lower. Additional review of the low bias seen in OREAS 18Pb results is recommended.

Table 14.1
Summary Statistics for Standards OREAS 18Pb and OREAS 15b

Parameter	Value – OREAS 18Pb	Value – OREAS 15B
Mean	3.42	1.05
Standard Error	0.03	0.01
Median	3.39	1.07
Standard Deviation	0.13	0.04
Sample Variance	0.02	0.001
Range	0.4	0.18
Minimum	3.24	0.94
Maximum	3.64	1.12
Count	18	19
Confidence Level (95.0%)	0.07	0.02

Figure 14.7
Results for Certified Standard OREAS 15Pb

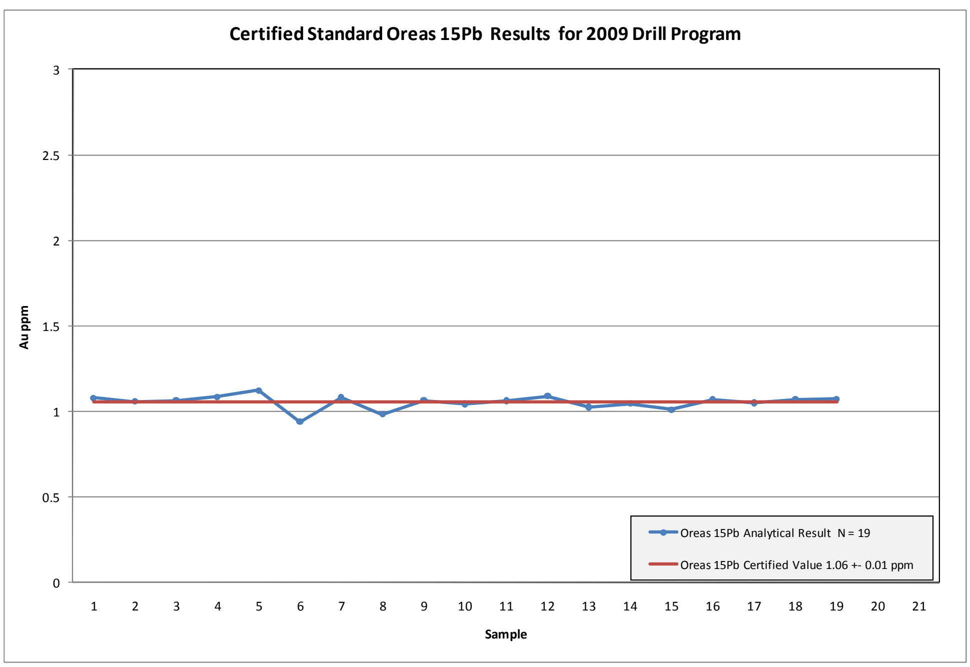
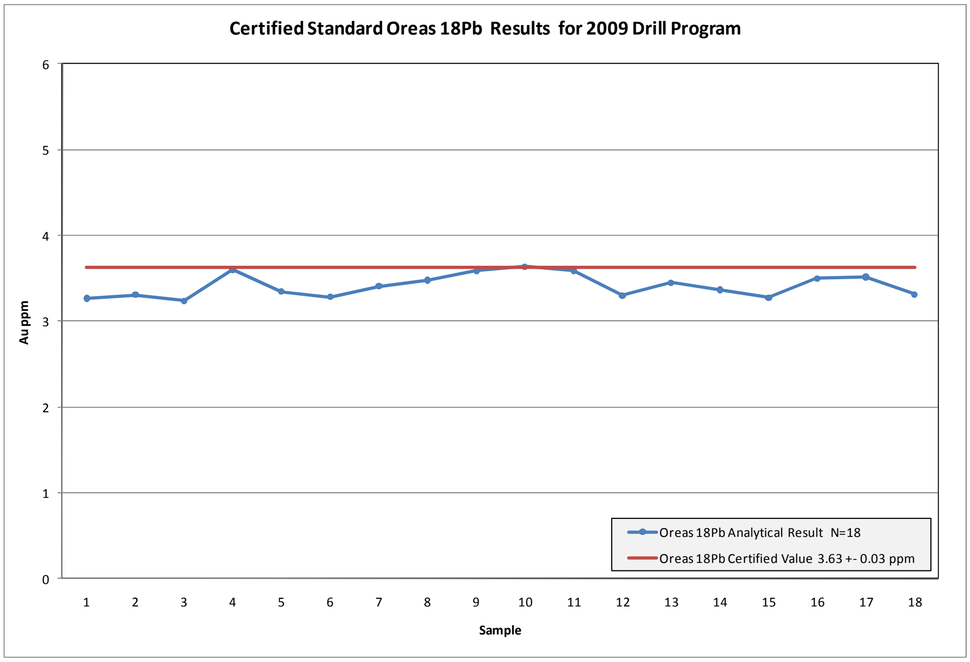


Figure 14.8
Results for Certified Standard OREAS 18Pb



Blank Samples

Blank samples consisting of silica sand material of comparable weight to normal 0.5 m half-core samples were systematically inserted into the laboratory sample stream by geological staff, with 69 such samples submitted for the 2009 drilling program. For much of the program this represents a nominal insertion rate of 1 in 20 but exceptions are present. Figure 14.9 presents analytical results for gold pertaining to the blank sample population and these show good repeat of the < 0.005 ppm gold level in all but one sample, which returned a gold value of 0.014 ppm. The 0.014 ppm value is preceded by a sample grading 0.877 ppm and followed by a sample grading 0.108 ppm. This appears to reflect an isolated case of low-level contamination, potentially related to sample preparation procedures. With the exception of the sample noted, results are considered acceptable., with no problematic trends present in the dataset. Re-analysis of corresponding archived core samples adjoining the high blank value is appropriate.

Duplicate Sample Splits

In total, 56 duplicate splits of core sample pulps were prepared and analyzed for gold during the 2009 drill program, reflecting a frequency of about 1 in 28. Results for these are presented in Figure 14.10 and reflect a combined data set range from the < 0.005 ppm detection limit to a maximum of 12.785 ppm. Data pairs group well along the 1:1 correlation line below a level of approximately 2 ppm but show increasing departure as grade increases. Sample pair variation is maximized in the highest grading pair that has an original result of 12.79 ppm correlating with 8.87 ppm in the duplicate split.

Figure 14.9
Blank Sample Results (Au) - 2009 program

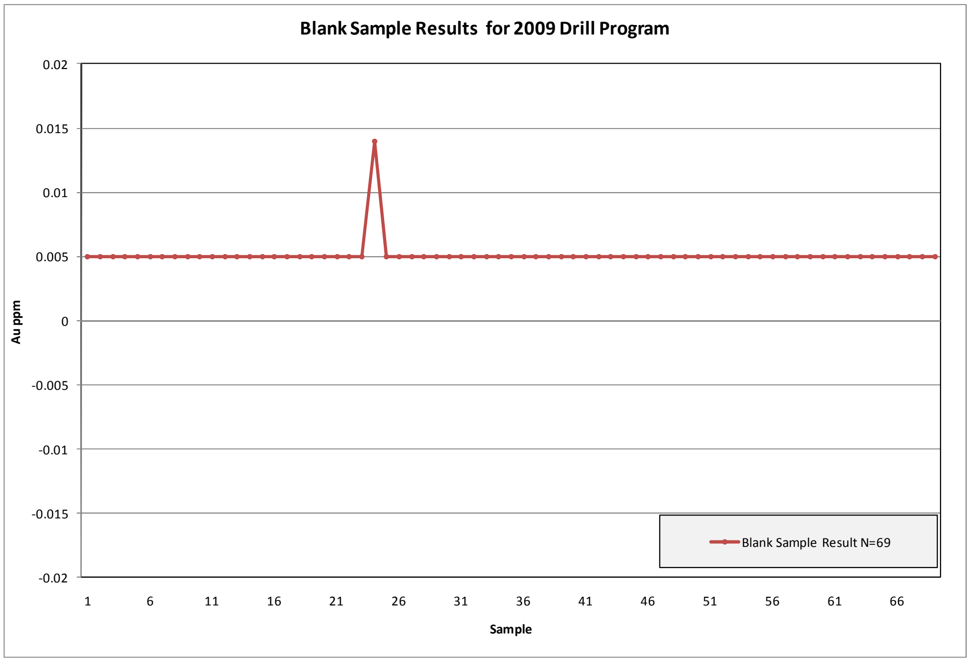
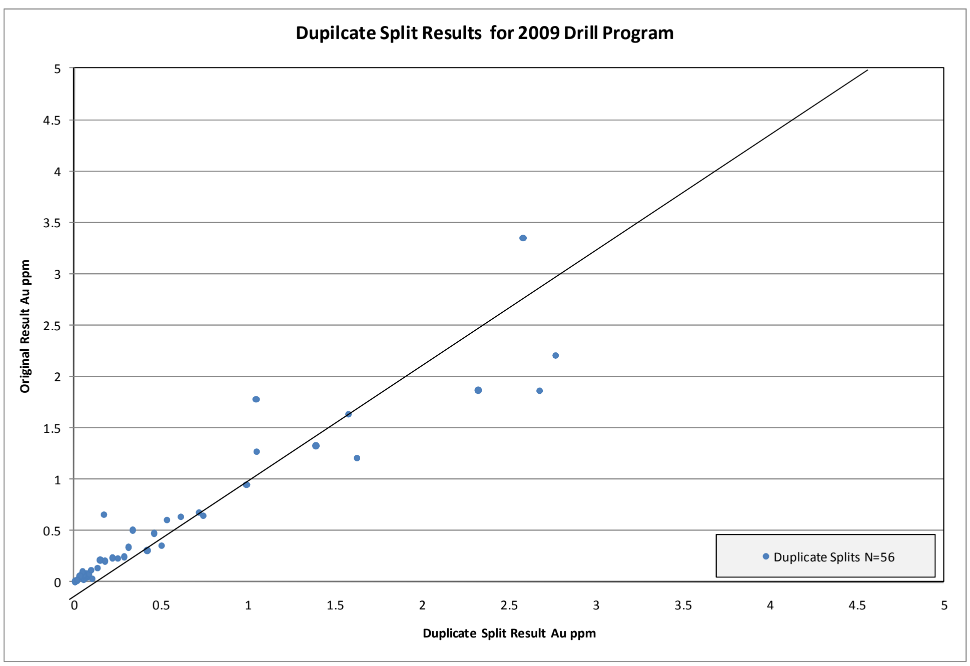


Figure 14.10
Duplicate Split Results (Au) - 2009 program

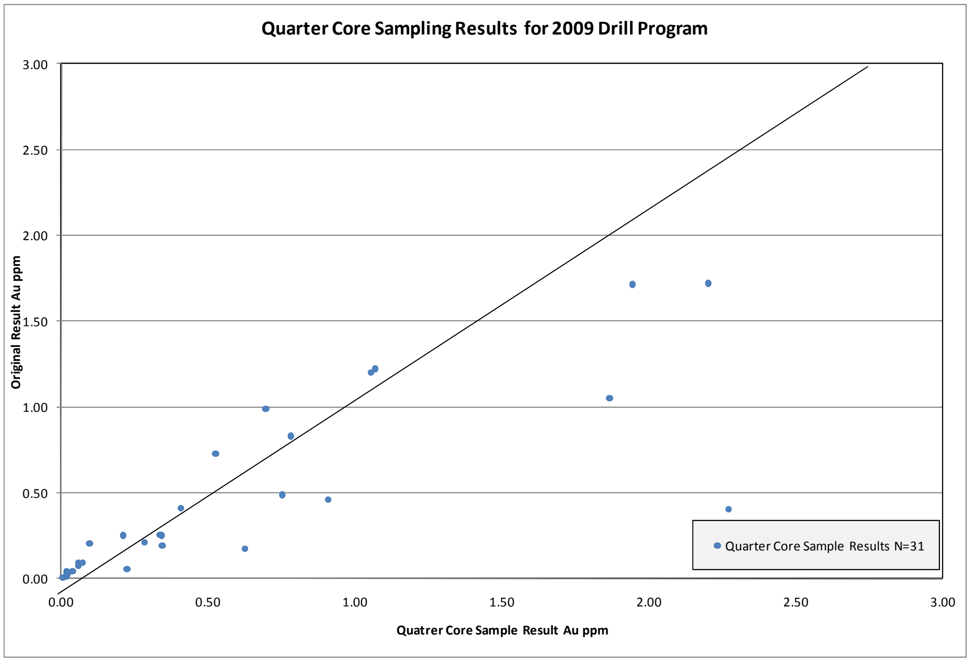


This trend is considered attributable to increasing nugget effect at higher gold grade levels. Most samples grade less than 2 ppm, however, and correlate well, with the entire dataset supporting a correlation coefficient of 0.97. Based on these results, precision of these and associated data set samples is considered acceptable, with recognition of nugget effect being present at higher grade increments.

Quarter Core Duplicate Samples

In addition to analysis of duplicate splits of core sample pulps, CRI carried out a limited program of quarter core sampling to check on variation of results between half core sample components. In total, 31 samples were investigated and results are presented in Figure 14.11. The submitted samples have an average original value of 0.428 ppm, with a maximum original value of 1.72 ppm and 3 samples that returned original gold values below the 0.005 ppm detection limit. This sample set is slightly biased toward low gold grades and distribution of data points in Figure 14.11 shows that variable correlation exists in the grade range covered by sample pairs. A variation of 0.025 ppm or less is present in 77% (24) of the sample pairs, while the remaining 23% of sample pairs show variation ranging from 0.035 ppm to 1.74 ppm. Quarter split samples returned values lower than original samples in 51.61% (16) of the pairs represented.

Figure 14.11
Quarter Core Duplicate Results (Au) - 2009 program



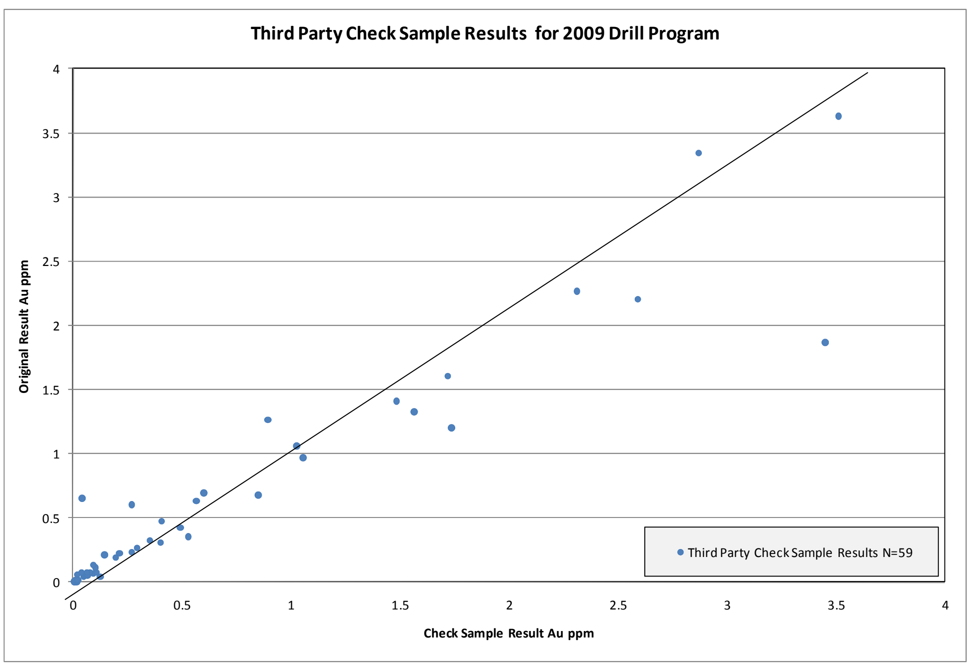
Data points reflect a relatively balanced distribution along the 1:1 correlation line in all except 3 samples where the quarter split result is notably higher than the original value. A relatively low correlation coefficient of 0.82 exists for the sample pairs population with this reflected by near equal distribution of results above and below original values. Since precision and accuracy of results for the overall program are considered generally acceptable, based on results of duplicate splits and certified standards reported earlier, the distribution of quarter core results is considered primarily attributable to cumulative effects of sample heterogeneity, differing sample size (quarter core versus half core) and nugget effect. Results of the 3 quarter core samples that returned notably higher or lower results than the original values may be particularly weighted by nugget effect.

A review of the quarter core split program is recommended, with a view to ensuring a wider grade range in such sampling. Additionally, the 7 samples showing highest variation between pairs should be reviewed, with this including analysis of additional pulp material from each, checking of core box intervals for validity of intervals and numbers and analysis of the remaining quarter core material for comparison with existing results.

Check Sample Program

The 2009 drill program included a total of 59 check samples submitted to ALS Chemex for gold analysis and results are presented in Figure 14.12.

Figure 14.12
Check Sample Results (Au) - 2009 program

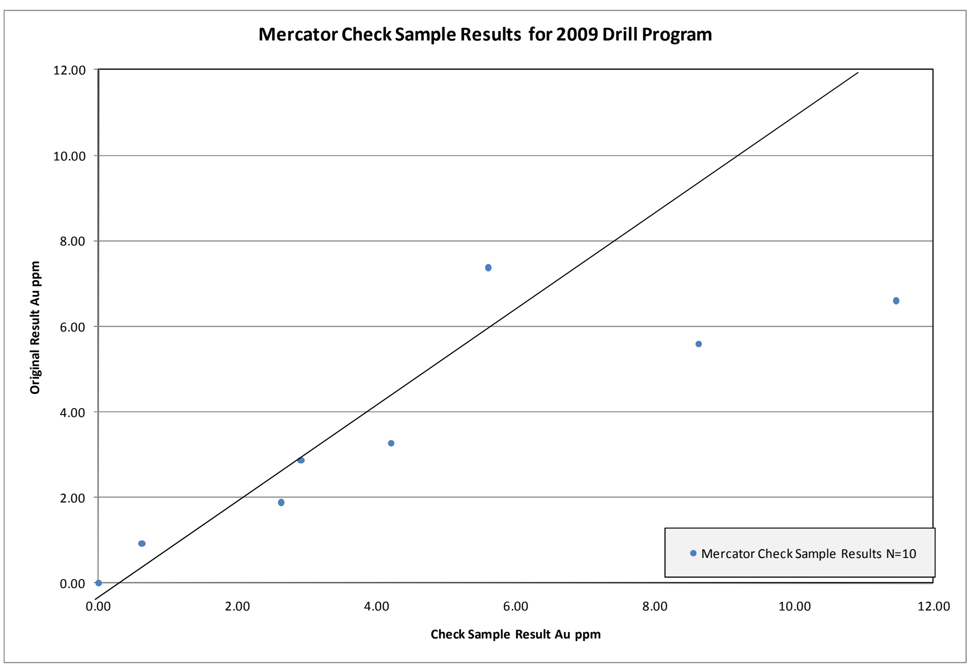


Check samples were a third split from samples submitted for duplicate split analysis and therefore also reflect a frequency of approximately 1 in 28. Sample pairs group well along the 1:1 correlation line and support a correlation coefficient of 0.99. Of the 59 third party check samples, 68% (40) returned values measurably greater than the original results and this may indicate a slight high bias in the ALS Chemex dataset. For the 30 check samples that returned an original value greater than 0.100 ppm, 57% (17) returned results higher than that the original. However, measured variations are generally small and are not problematic when considered in the context of the larger dataset trend. Results for the 2009 check sample program are interpreted as being acceptably consistent.

2010 Check Sampling By Mercator

During the April, 2010 site visit Mercator staff collected 8 check samples from company core archives and submitted these to the Minerals Engineering Center at Dalhousie University, a commercial laboratory that provides a broad range of analytical services to mineral exploration and environmental interests. This laboratory was selected in light of anticipated long waiting times for results from larger laboratories. Samples were crushed and pulverized with a 30 g/t split of pulverized material selected for fire assay pre-concentration followed by instrumental analysis of gold levels using Atomic Absorption instrumental methods. Check samples consisted of half core or quarter core samples collected by Mercator staff and these were coordinated to previously sampled intervals through core box sample tags and company sample records. Four drill holes were accessed, these being ELM0953, ELM09-58, ELM0973 and ELM08-51. The last hole in the sequence was drilled by SMC in 2008, while all others were completed by CRI. The sample suite covered an original gold grade range of .005 g/t to 6.60 g/t and returned values ranging between 0.005 g/t and 11.60 g/t. Figure 14.13 presents results for original and check sample pairs. Samples submitted by Mercator for analysis were accompanied by one blank sample and one certified standard, this being CDN-GS-2C prepared by Canadian Resource Materials of Vancouver, BC.

Figure 14.13
Comparison of Original and Check Sample Assays - 2009 program



Results of Mercator check sampling confirm relative gold bearing characteristics of the sampled intervals but a positive bias trend is present in the data set, and this was being further investigated at the time of report finalization. As a result, Mercator check sample data are considered to adequately confirm the gold bearing nature of all sampled intervals but to be inadequate for more detailed assessment of the original dataset. In contrast, CRI independent check sampling data discussed earlier clearly show that acceptable third party laboratory results were received throughout the 2009 program.

15.0 ADJACENT PROPERTIES

No adjacent properties as defined under NI 43-101 are pertinent to this report. However, it is appropriate to note that the No. 3248 Elmtree claim group that contains all deposits discussed in this report is contiguous with additional claims held by SMC as Claim Group No. 5264.

Later in 2009, an option agreement covering 76 claims of Claim Group 4283 was made between the registered claim holder, Mr. George Murphy and CRI. This group is referred to as the 'Murphy Option claims' and adjoins the eastern boundary of Claim Group 3248. CRI drilled one core hole (ELM09-076) to a depth of 298 m on these claims that returned an intersection grading 1.2 g/t Au across 2 m downhole, beginning at a depth of 223 m. This may be related to a strike extension of the SGZ.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

16.1 PREVIOUS WORK

Hoy (1986) made reference to submission of drill core materials for use in a preliminary metallurgical test program but no record of reporting from this program was available for current report purposes.

The petrologic and mineralogical studies reported by Paktunc and Ketchum (1991), Harris (1986) and Stirling (1987) provide useful information regarding microscopic details of mineral occurrence styles and relationships.

16.2 CURRENT WORK

Micon has reviewed a testwork report, reference MIS-J1712, written by RPC Science & Engineering entitled “Mineral Beneficiation Tests on Stratabound Minerals Corp. Elmtree Au Deposit – Final Report”, dated September 30th, 2009.

On the basis of this report, Micon understands that:

Mineralized drill core from two zones (the West Gabbro and South Gold) were examined to determine the mineralogical characteristics of the resource and then subjected to various metallurgical tests to optimise metal recoveries.

Gravity tests were conducted using a Wilfley table. Good concentrate grades were achieved in a low mass fraction for both zones: 38% and 27% gold recoveries were achieved for WGZ and SGZ, respectively. Recoveries of this magnitude are particularly good, as the mineralogical work failed to identify any free gold and the head grades are low. The grind sizes employed were stated to be fine, with P80‘s of 190 and 103 microns for WGZ and SGZ, respectively. However, in Micon’s opinion, these grinds were not particularly fine and hence liberation of some gold would probably not occur.

Fairly extensive mineralogical examination of two polished thin sections (one WGZ and one SGZ) failed to identify any gold. It is not noted from where the samples for these sections were taken with respect to the drill core, nor their grade; as such, it is not surprising that with this generally low grade deposit that gold was in fact, absent in these samples, and the mineralogical work did little to improve knowledge of the deposit with regard to the gold deportment. The mineralogical examinations identified the presence of sulphides and, in particular, arsenopyrite. This is confirmed by the high arsenic assay recorded in the ICP analyses.

Bacteriological leaching prior to cyanide leaching was tested and found to be moderately successful by increasing the straight cyanide extractions from 20% to 42% for WGZ and from 12% to 47% for SGZ material, respectively.

Flotation testwork was mainly directed at optimising recovery in the rougher concentrate which produced excellent results at 95 – 98% gold recovery. Results were not unduly influenced by grind size. This indicates that the gold is associated with the sulphides which, as reported in the mineralogical work, are coarse grained.

Limited cleaning tests reduced overall recovery significantly, with varied results. Some magnetic testing and regrinding of rougher concentrate was also carried out but, again, failed to improve results significantly.

Currently there is insufficient metallurgical information on which to consider incorporation of a cleaning circuit; therefore, production of a rougher concentrate only is considered in the proposed flowsheet. It is estimated that the concentration ratio for a rougher concentrate of 12 is acceptable which produces a tonnage that can be readily be trucked and treated at the smelter. Further testing might enable refinement of this flowsheet to achieve similar gold recovery into a higher grade of concentrate.

16.3 RECOMMENDATIONS

Micon recommends that:

a) A repeat of the mineralogical work should be undertaken on known high grade drill intersections to ensure that the gold disposition can be better understood.

b) More detailed work is required determine the optimum liberation size for the gold.

c) Gravity testwork be repeated using equipment better designed for recovery of fine gold; e.g., either a Knelson or Falcon concentrator.

d) Gravity tailings be subjected to testwork for an intensive leach process followed by either metal concentration through resin or carbon columns. Electrowinning would be used for recovery of a gold sludge.

e) The possibility of producing a gold concentrate only and subjecting this to intensive leaching should be investigated. Also, this could be incorporated with the gravity circuit if it is determined that free gold is present. The gravity concentrate and electrowinning sludge could then either be smelted on site or sold to a nearby smelter for further treatment and refining.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

17.1 GENERAL

The definition of mineral resource and associated mineral resource categories used in this report are those recognized under National Instrument 43-101 and set out in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines* (the CIM Standards). Assumptions, metal threshold parameters, capping factors and deposit modeling methodology associated with this estimate are discussed below in report sub-sections 17.2 through 17.4.

17.2 GEOLOGICAL INTERPRETATION USED IN MERCATOR (2008) RESOURCE ESTIMATE

The geological interpretation and discussion of mineralization presented previously in this report outline the main aspects of the geological model considered most appropriate for the Elmtree property. In summary, three distinct deposits are being considered in the current context, these being the WGZ, the SGZ and the DZ. Gold and arsenic mineralization occur in close association in the WGZ and are directly related to shearing, hydrothermal alteration and spatially associated quartz vein arrays. Shearing, associated alteration and veining are key components to gold and arsenic mineralization present in the other two mineralized areas as well, but host rocks are typically sedimentary in nature, have variably calcareous matrix components, and show evidence of low grade disseminated presence of gold and other metals within broad zones of hydrothermally altered bedrock. The associated mineralizing system is considered a part of the larger system that introduced gold and associated hydrothermal alteration in the WGZ. A distinction in the SGZ and DZ is that felsic dykes and altered mafic dykes were also emplaced along shear? associated weakness zones and that enhanced silver, base metal and in some instances gold mineralization, shows strong correlation with dyke contact areas within particularly reactive bedrock units. These areas are distinct and frequently show hornfels textures or evidence of skarn development.

Analytical results for continuous core sampling through non-quartz-veined, hydrothermally altered bedrock sections in all three deposit areas show that in some areas gold and arsenic are pervasively distributed at low concentrations over significant widths in zones that show potential for strike and dip extension. In contrast, a late stage vein set characterised by zinc, lead and silver values of economic interest, plus locally associated significant gold levels, appears to be more restricted and complex in character and is well represented to date only in the DZ where it, in part, shows association with felsic dyke contact zones.

The consensus of workers to date is that textural evidence throughout the property indicates that shearing, vein array development, hydrothermal alteration, and introduction of gold, silver and base metal mineralization took place under predominantly meso-thermal conditions, in association with brittle-ductile shearing along the Elmtree Fault. The Elmtree Fault is considered to be a splay of the regionally significant Rocky Brook -Millstream Fault, located several kilometres to the south, and marks a major terrain boundary.

The geological model described above was used to guide correlation of mineralized zones from hole to hole on drilling sections and from drill section to drill section along the strike of the three sub-parallel mineralized zones. Specifically, steeply dipping or vertical mineralized zone configurations were favoured and considered most consistent with the shear-association model. Additionally, broad zones of low grade gold and arsenic mineralization associated with pervasively altered bedrock sections, but showing relatively short strike lengths, were interpreted as being associated with intersecting corridors of steeply dipping structural features, such as shears or fracture arrays, or to reflect intersection of structural corridors with particularly reactive bedrock lithologies. The direct consequence of the latter two possibilities is that wide, short strike-length mineralized zones may constitute plan projections of steeply plunging, pipe-like mineralized zones having significant depth potential.

17.3 METHODOLOGY OF MERCATOR (2008) RESOURCE ESTIMATION

17.3.1 Discussion of Estimation Procedure

17.3.1.1 General

The Elmtree property resource estimate is based on three dimensional block modeling of the three separate deposit areas using Surpac® Version 6.01 modelling software. The models were based on composited results of 6,844 drill core samples from a total of 121 separate drill holes completed by Lacana and SMC and 7 of 9 trenches completed by SMC that fall within the confines of current resource limits. Prior to initiation of digital deposit modelling, a complete set of vertical cross sections through each of the three areas were produced, based on lithocode and assay data from the validated drill hole database. These sections were manually interpreted to develop a geological and grade distribution model for each area. Section spacing varied between areas, with 25 m typical in much of the WGZ, 80 to 100 m typical of the SGZ and 25 to 50 m typical of the DZ. None of the drill holes completed by SMC in late 2007 were included in the current resource estimate, but cursory review of related results did not define substantive issues with regard to geological interpretations used in current models.

After validation of the drill hole database, distribution statistics were calculated for contributing gold, silver and base metal datasets after normalization of results to a common 1.0 m sample base. Frequency distribution and probability plots were prepared and based on these results, high grade metal capping factors were not considered necessary. The continuous down hole grade composites measuring 2.0 m in length were used in the deposit block models.

The manually interpreted geological and assay cross sections were initially used to assess metal distribution trends within the three deposits. These showed the WGZ to be the most consistently and predictably mineralized zone of the three. A sharply defined high grade gold corridor was delineated in the core of the WGZ and this was shown to exist in an envelope of lower grade gold and arsenic mineralization that in many instances extended across the entire width of the gabbro body and into the bounding altered sedimentary host sequences. Dip continuity of this higher grade domain was notable and results indicated potential for a steeply plunging grade trend within both the high grade domain and in the surrounding lower grade envelope.

Sectional interpretation of the SGZ showed that thick sections of altered sediment were present within which low grade gold and arsenic occurred, often with associated complex arrays of relatively thin (< 50 cm), sulphide bearing quartz vein arrays that generally parallel the east north east strike of the other deposits and show steep dips, controlled in part by shear fabrics. Several felsic dyke intercepts were correlated on the sections based on the previously presented model bias. A similar approach was used in the DZ for both metal distribution and felsic dyke manual correlations. In this case it was apparent that high grade base metal and silver values were spatially distinct from gold and arsenic values and this was interpreted as evidence of a separate phase of predominantly vein-hosted mineralization that was, in part, controlled by contact zones of felsic dykes and also represented as northeast- or northwest-trending cross-cutting veins. These intercepts were distinguished from the gold-arsenic association to allow modelling as a separate metal domain.

Estimation procedures for each deposit area are described below.

17.3.1.2 West Gabbro Zone

The WGZ was modelled first after close inspection of the geological and gold assay sections. Three categories of mineralized intercepts showing gold grades of economic interest were identified, these being (1) a high grade core zone defined on the basis of a minimum qualifying gold grade threshold value of 3.00 g/t over a drill hole length of 2 m, (2) a low grade envelop meeting a threshold of 0.5 g/t over 2 m that typically extended outward continuously from the high grade core to the limit of extensively altered gabbro or into associated host sedimentary lithologies, and (3) isolated drill hole intercepts adjacent to the gabbro that met a 0.5 g/t over 2 m threshold were modeled as discrete pods of mineralization with untested potential for strike and dip extension.

Based on the gold grade criterion of 3.00 g/t over a 2 m down hole core interval, a three dimensional solid was generated from the digital wireframe outlines created from interpreted drill sections crossing the WGZ. A separate grade constraint solid was developed peripheral to the core zone using the 0.50 g/t over 2 m down hole core interval threshold. This resulted in creation of a generally continuous low grade envelope surrounding the high grade core, but areas with sub-threshold values immediately adjacent to the core solid were also defined. These were isolated from the low grade envelop solid to prevent excessive dilution within the model. Upper limits of mineralized zone solids were defined during wire-framing as the bedrock surface interpreted from lithocodes on each geological section and lower limits were defined at nominal 25 m hole influences. In the cases of the isolated drilling intercepts occurring outside of the main WGZ solids, mineralized zone limits were established by application of a highly restricted search ellipse during block grade interpolation. No solids were established for these limits.

A model block size of 2 m x 5 m x 5 m (y,x,z) was selected to provide definition of relatively thin, shear-associated or vein style grade trends, and sub-blocking was allowed at 1 m x 2.5 m x 2.5 m (y,x,z). Grade interpolation within the WGZ high grade and low grade solids was accomplished using Inverse Distance Squared (ID^2) methodology and a vertically oriented search ellipse having a common range of 50 m in the major and semi-major axis orientations. Within the high grade solid, the ellipse's minor axis range was set at 10 m and a value of 25 m was used in the low grade envelope solid. Grade interpolation was fully constrained within each envelope. For the isolated WGZ peripheral intercepts, the minor axis range was reduced to 4 m and Inverse Distance Cubed (ID^3) interpolation methodology was used. Descretization for blocks in all WGZ mineralized zones was set at 1 x 1 x 1.

In the high grade solid no more than 16 included samples were allowed and no limit was placed on the number of included drill holes. In the low grade solid 16 included samples were also allowed with a maximum of 4 samples per drill hole. For the peripheral, isolated drill hole intercepts, a maximum of 12 included samples was established with no limit to the number of included drill holes. Grade interpolation was fully constrained within the solids and density values were assigned based on corresponding lithologic values, details of which are presented in section 17.3.6 below. Figures 17.1 and 17.2 provide perspective views of the WGZ block model, and a set of level plans and cross sections depicting grade and resource category distribution are included in Appendix 3.

Figure 17.1
Perspective View of WGZ Block Model

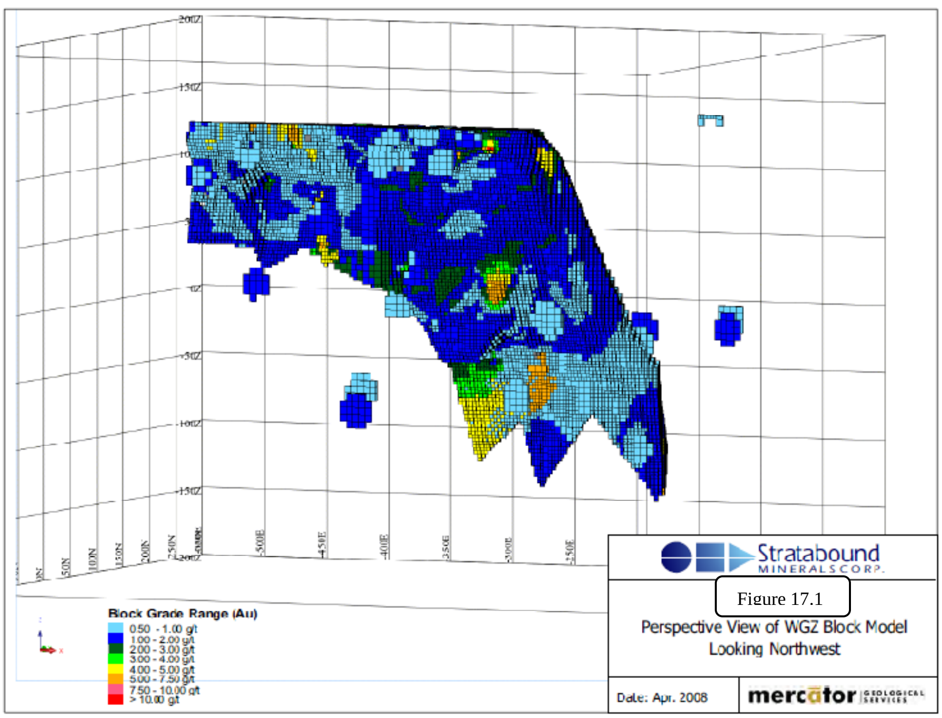
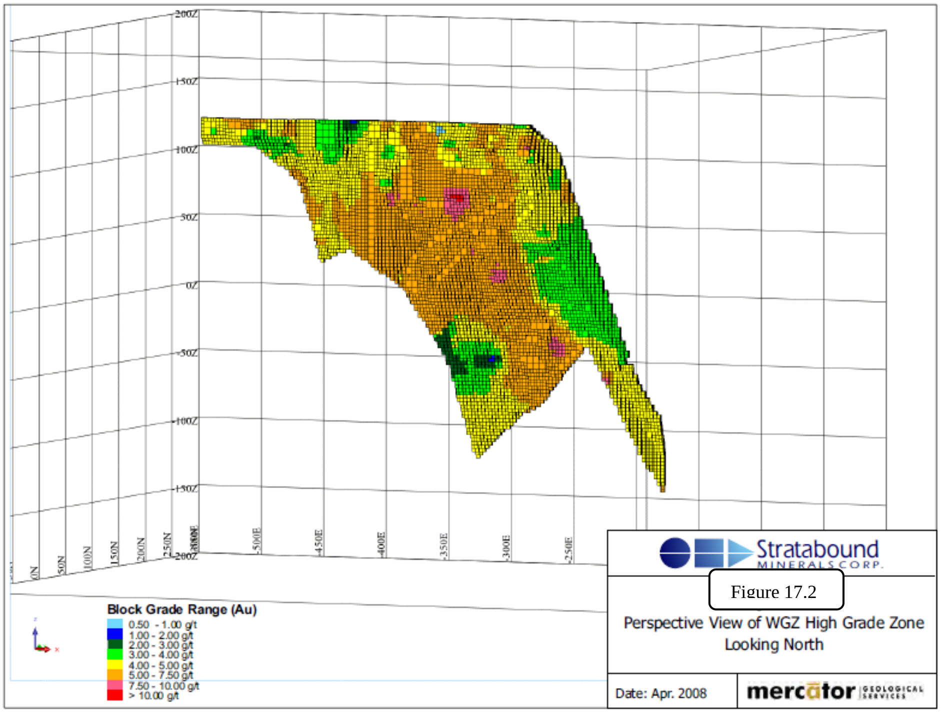


Figure 17.2
Perspective View of WGZ High Grade Zone



17.3.1.3 South Gold Zone

Drilling intercepts in the SGZ were assessed initially on the basis of gold intercepts grading 0.30 g/t over a minimum downhole core length of 3 m. Drill hole spacing in this area is nominally 80 m to 100 m and vertical, three dimensional solids centered on respective intercepts were constructed in accordance with the section-based geological interpretations completed earlier. This provided definition of several strike-continuous zones as well as isolated intercepts that in combination served to define an envelope of gold and arsenic bearing altered bedrock with multiple associated quartz sulphide veins and vein arrays. Weighted average gold values were calculated for all down hole intercepts and corresponding three dimensional solids were developed, with influence typically projected in strike and dip directions for either 25 m or to midpoints between adjacent drill sections. In the limited instance of adjacent drill holes DDH06-040 and DDH06-041, a greater strike extension to a midpoint between sections was allowed. Solids extended to common midpoints were merged to form larger continuous solids and gold grades were assigned to the respective volumes using Nearest Neighbour (NN) interpolation based on contained drill hole intercepts. A 1 m x 1 m x 1 m block size was used with no sub-blocking. Grade interpolation was fully constrained within the solids and density values were assigned based on averages for altered siliciclastic sedimentary host rocks. These are detailed more completely in section 17.3.6 below. Figures 17.3 and 17.4 provide perspective views of the SGZ block model and additional plans for both areas are included in Appendix 3.

Figure 17.3
Perspective View of SGZ Block Model looking NW

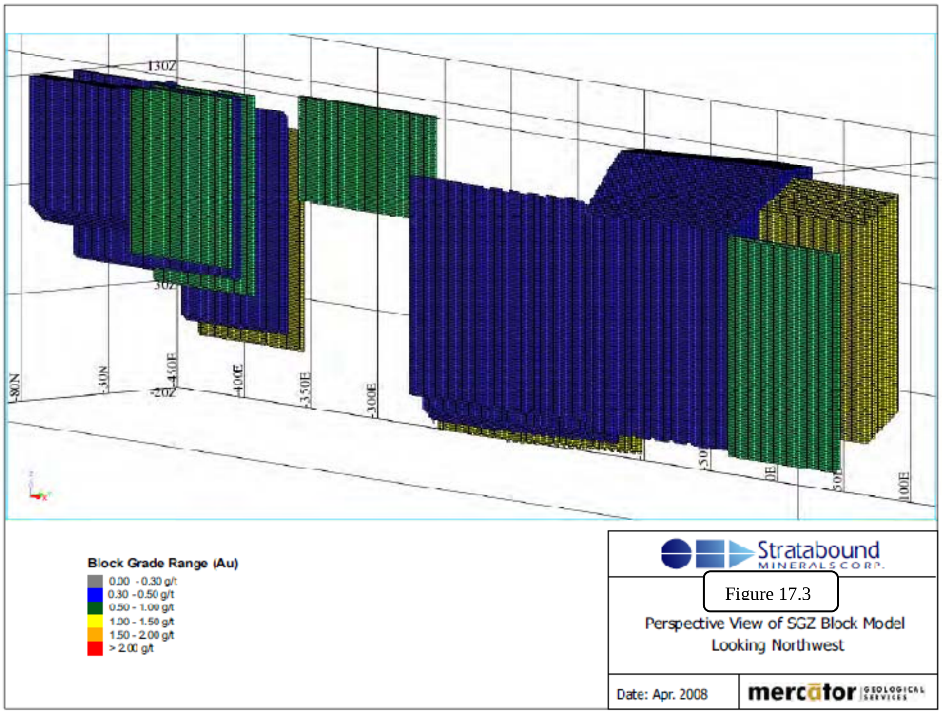
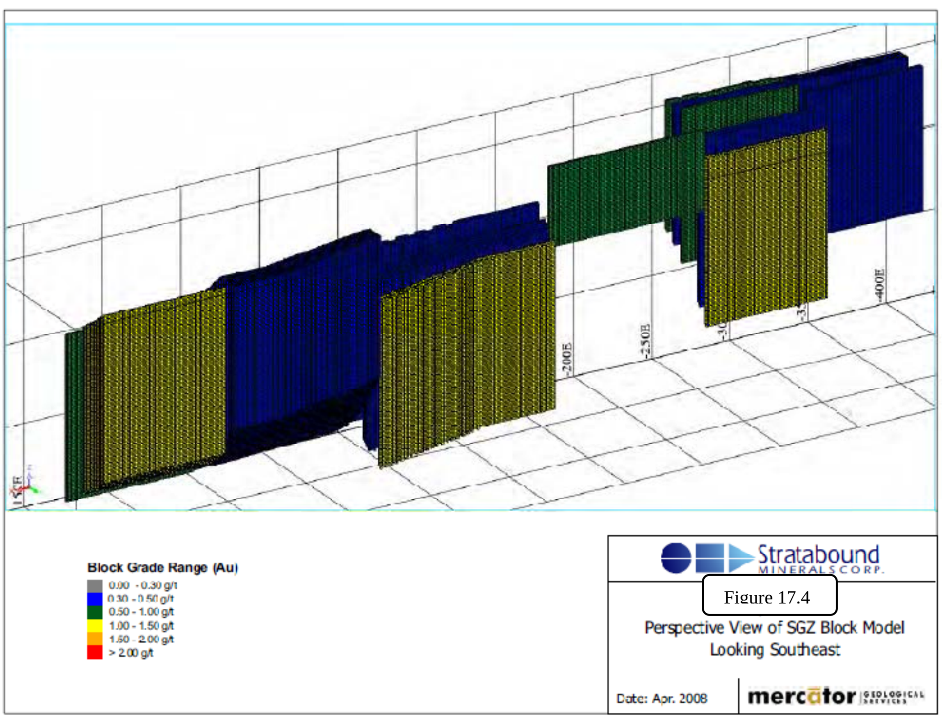


Figure 17.4
Perspective View of SGZ Block Model looking SE



17.3.1.4 Discovery Zone

Drilling intercepts in the DZ area were assessed in the same manner as those in the SGZ, since variable section spacing was present. This resulted in the area being designated as more geologically complex than the SGZ, based on presence of polymetallic mineralization and difficulty in trend correlation. Three metal associations were identified in this zone, these reflecting (1) gold-only drill hole intercepts with associated arsenic, (2) gold–arsenic drill hole intercepts with silver, lead and zinc values of economic interest, and (3) silver, lead and zinc drill hole intercepts with no substantial gold component. As in the previous case, three dimensional tabular solids were initially established centered on drill hole intercept midpoints meeting a gold threshold of 0.50 g/t over a 2 m down hole interval or 1% zinc plus lead over a similar length. Adjoining solids on correlated trends were merged if overlap occurred. Strike and dip extensions from drill holes were limited to the lesser of 25 m or half the distance to the adjoining drill section. Gold, silver lead and zinc grades were interpolated into the model solids using Nearest Neighbour methodology and a 1 m x 1 m x 1 m block size with no sub-blocking. Grade interpolation was fully constrained within the solids and density values were assigned based on averages for altered siliciclastic sedimentary host rocks, with upward adjustment based on increasing contained zinc and lead grades. These figures are detailed more completely in section 17.3.6 below. Figures 17.5 and 17.6 provide perspective views of the DZ block model and additional plans and are included in Appendix 3.

Figure 17.5
Perspective View of DZ Block Model Gold Zones looking SE

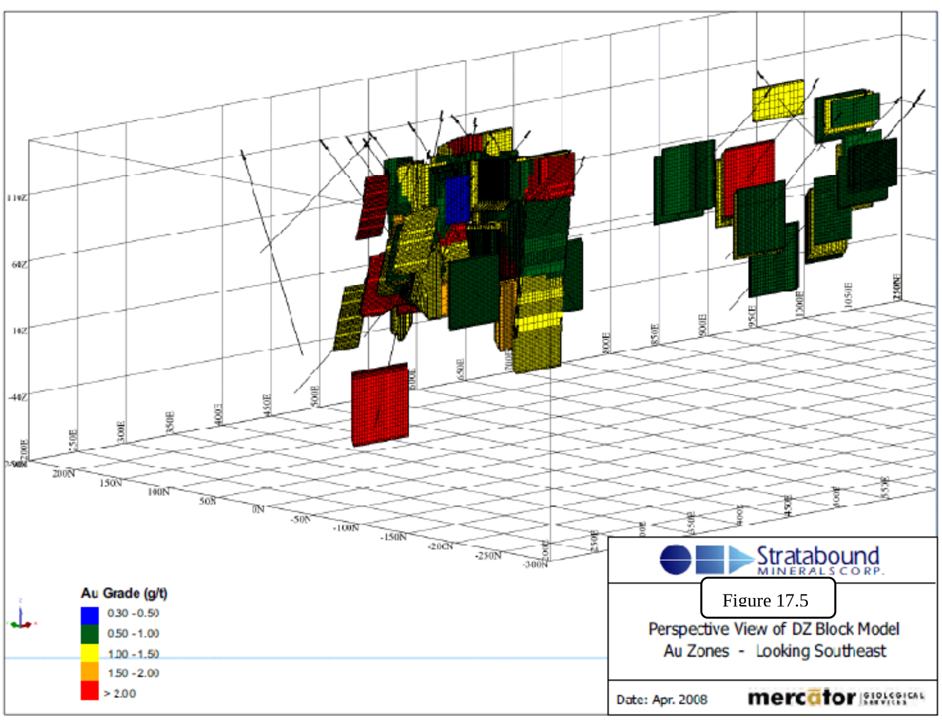
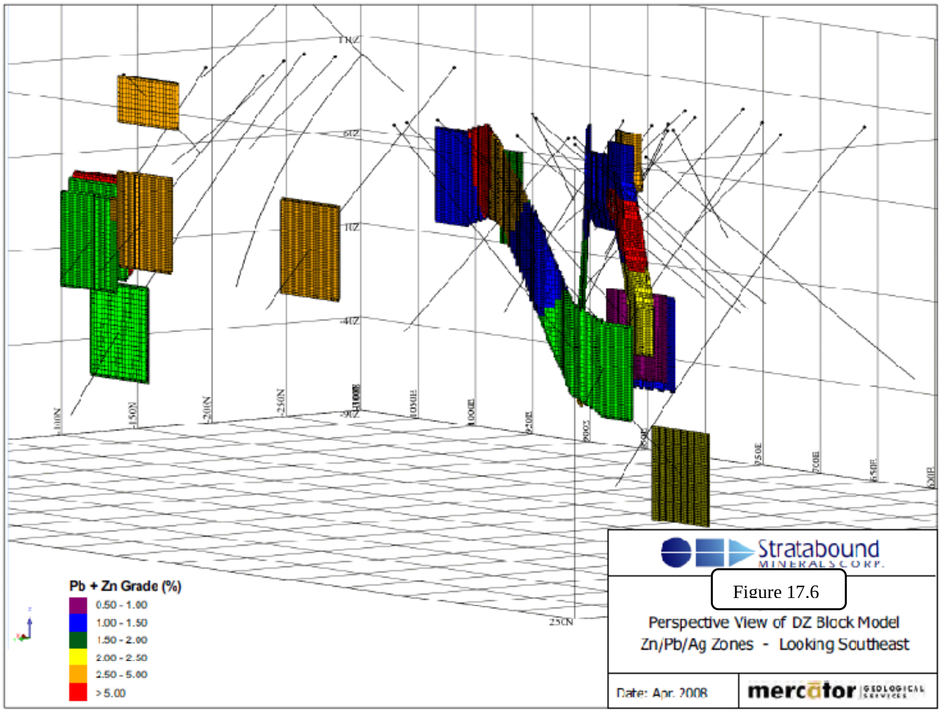


Figure 17.6
Perspective View of SGZ Block Model Pb/Zn/Ag Zones looking SE



17.3.2 High Grade Capping Of Assay Values

To assess the need for high grade capping of gold values, cumulative frequency and probability plots were generated for the total project data set and then for the three deposit areas. The greatest concentration of higher grade gold values occurs in the WGZ and associated 2.0 meter composite data contained within the high and low grade constraints of the WGZ was used to assess the need for a capping factor. Cumulative frequency and probability plots for the high grade and low grade WGZ data sets appear in Appendix 2 and Table 17.1 presents corresponding descriptive statistics. The maximum gold value in the two zones is 17.82 g/t and variation coefficients of 0.59 and 1.05 apply.

Table 17.1
Gold Grade Descriptive Statistics for WGZ - 2.0 m Composites

Parameter	WGZ – High Grade Zone	WGZ – Low Grade Zone
Mean	5.04	1.35
Variance	8.97	2.03
Standard Deviation	2.99	1.42
Coefficient of Variation	0.60	1.05
Maximum	15.98	17.82
Minimum	0.028	0.01
Number	168	530

High grade value locations were reviewed on the assay and geological sections and were found to typically show proximity to other samples of higher gold grade and higher sulphide content. This was interpreted as definition of geologically justified domains of higher grade values. In light of all factors considered, and recognizing the relatively low maximum gold values represented, no capping of gold values was considered necessary.

Due to the relatively minor percentage of resource tonnage reporting to the base metal-only zone (41,000 tonnes) and the low average grades encountered, capping of zinc, lead and silver values was also not carried out. Future assessment of this point should take place after a larger data set is developed.

17.3.3 Compositing of Drill Hole Data and Review of Historic Sample Lengths

Two-metre down-hole composites of raw core sample assay values were created for all drill holes within the WGZ to facilitate block modeling in this area of typically higher grades and higher drill hole density. Prior to such compositing, an assessment of core sample lengths in the entire drilling and trenching dataset was completed. This included calculation of descriptive statistics for the sample length population (Table 17.2) and preparation of both frequency histograms (Figure 17.7, over) and rank/percentile values for the data set.

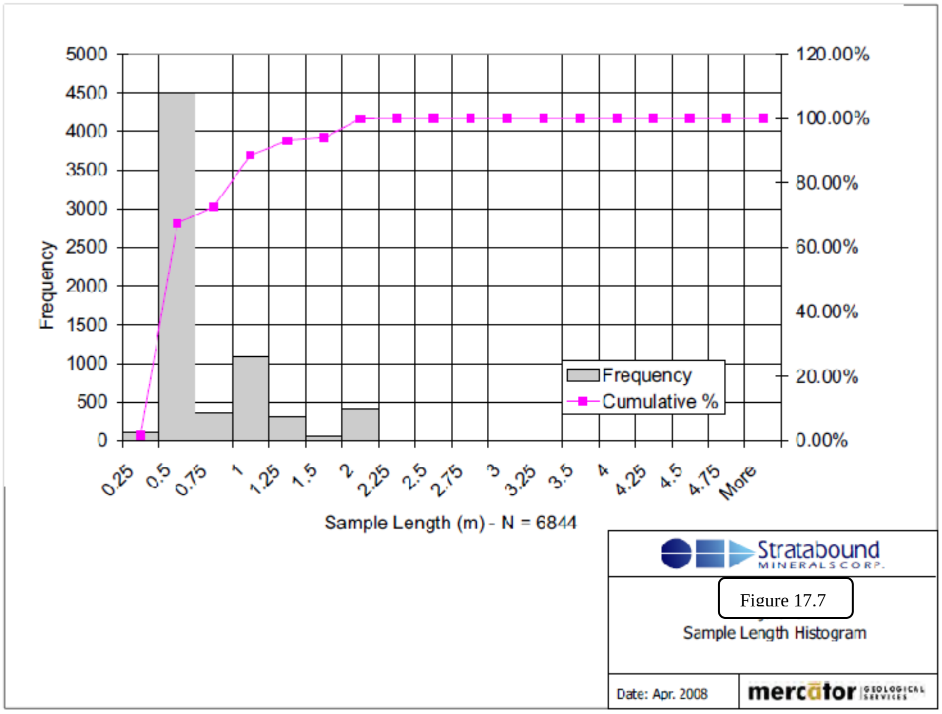
Table 17.2
Descriptive Statistics for Core Sample Lengths

Parameter	Value
Mean (m)	0.66
Variance	0.103
Standard Deviation	0.321
Coefficient of Variation	0.484
Maximum (m)	4.70
Minimum (m)	0.06
Number	6844

Rank and percentile figures show that 99.8 percent of the historic samples measure less than 2.00 m in length, 94 percent measure less than 1.52 m in length and 82 percent measure less than 1.00 m in length. Average length of all drilling and trenching samples is 0.66 m.

In the DZ and SGZ areas, 2 m compositing was not used for resource purposes, and gold weighted averages based on threshold values of .3 g/t over 3 m down hole in the SGZ and 0.50 g/t or 1% zinc plus lead over 2 m down hole in the DZ were used to define drill hole intercept limits for grade constraint solids. These values were used in Nearest Neighbour grade interpolation for the SGZ and DZ estimates.

Figure 17.7
Histogram of Sample Length



17.3.4 Variography

The manually derived models of geology and grade trends in the Elmtree deposits provided definition of a grid east striking, near-vertical control to metal distribution within the deposit that reflects a strong element of structural control for most alteration and associated mineralization. To further assess spatial aspects of grade distribution within the known deposits, a series of experimental variograms were calculated for the WGZ area, which contains the highest density of drill holes and associated sampling. Only gold was evaluated, and various lags were initially assessed at 10 and 15 degree increments within a plane corresponding to the grid east-west striking, vertically dipping grade corridor defined in the manually developed geological interpretation. Two meter gold grade composites were used in all instances and promising variograms were assessed against a spherical model.

Best model results were obtained for gold values within the WGZ which provided definition of a 50 m range at 20 m lag with 45° inclination to the west. The semi-major axis of continuity was identified in the same plane, also with a range of 50 m and relative inclination of 40° to the east. Experimental variograms calculated at zero azimuth across the strike of the plane containing the major and semi-major axes defined a 15 m range at 10 m lag. Selected variogram models for the major, semi-major and minor axes of continuity appear in Figures 17.8, 17.9, and 17.10, respectively. Three-dimensional views of the ellipse appear in Appendix 2.

Figure 17.8
Major Axis Variogram model for WGZ

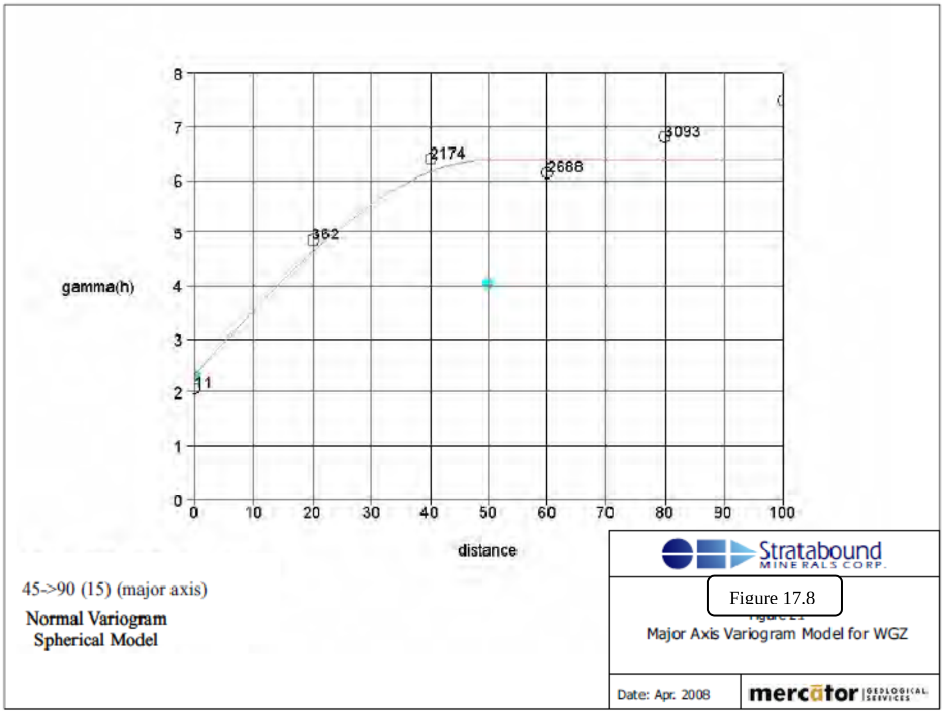


Figure 17.9
Semi-Major Axis Variogram model for WGZ

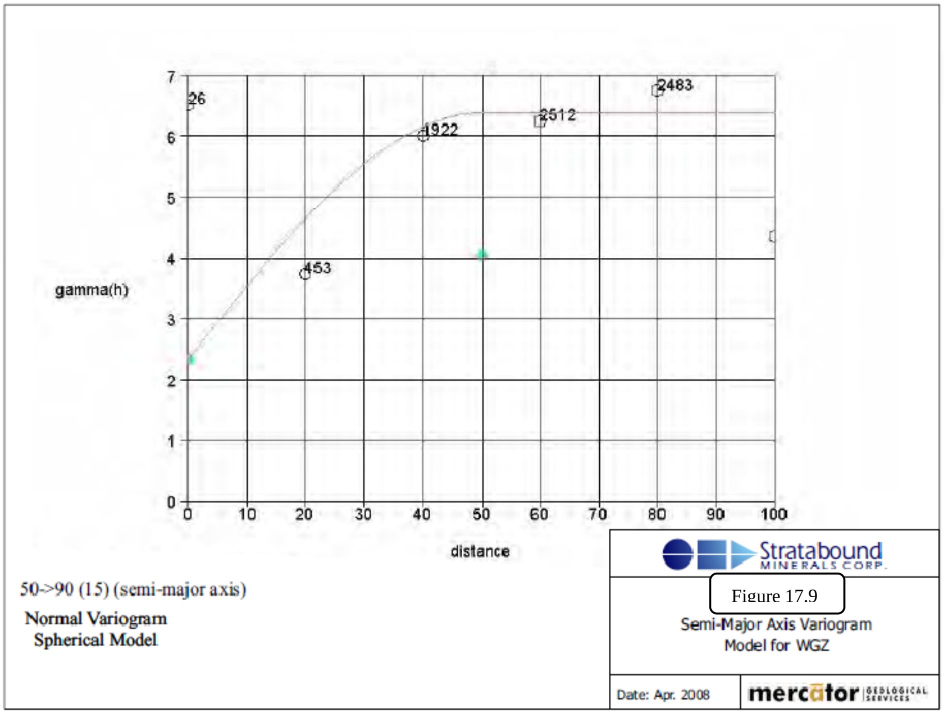
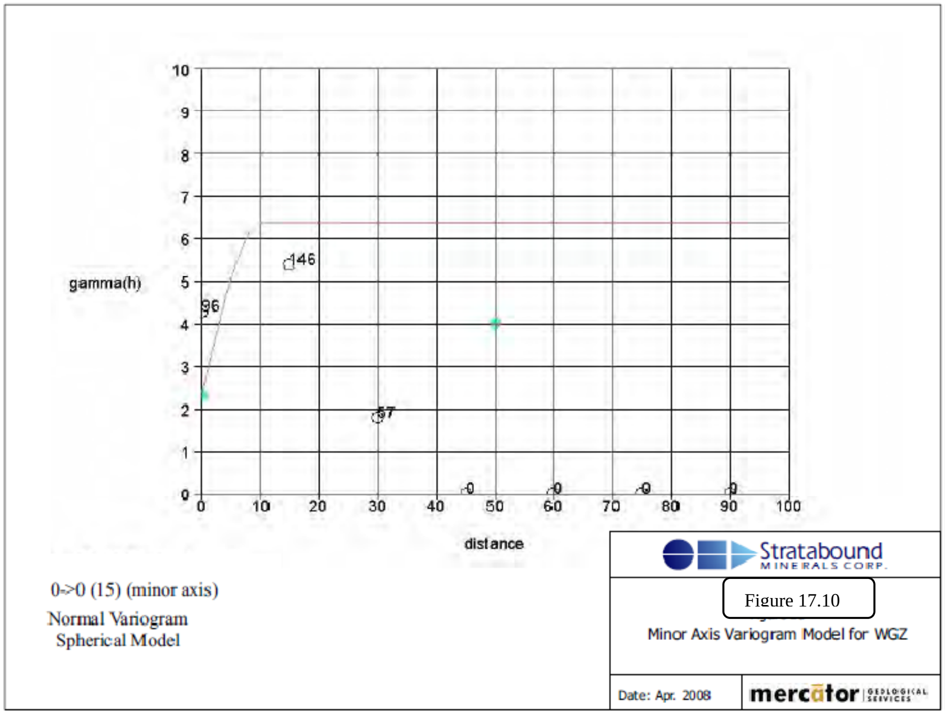


Figure 17.10
Minor Axis Variogram model for WGZ



17.3.5 Setup of Three Dimensional Block Model

Block model grid extents for the three deposits comprising the Elmtree property resource appear in Table 17.3.

Table 17.3
Block Model Grid* Extents

Block Model	Minimum Coordinate (m)	Maximum Coordinate (m)
West Gabbro Zone	Y = -125, X = -525, Z = -175	Y = 275, X = -25, Z = 150
South Gold Zone	Y = -120, X = -400, Z = -10	Y = 0, X = 160, Z = 145
Discovery Zone	Y = -30, X = 300, Z = -80	Y = 130, X = 850, Z = 140

**Coordination in SMC local grid with westing as (-) Easting; sea level elevation datum*

The WGZ is the best defined and most highly constrained of the three deposits and covers the greatest elevation range. Block size attributes were previously discussed in sections 17.3.1 *(b to d)* and reflect presence of grade zonation over relatively short intervals across the strike of mineralized zones, with greater demonstrated continuity represented within the vertical plane of the mineralized zones. Block sizes were selected to be geologically meaningful and consistent in scale with possible minimum mining unit dimensions.

17.3.6 Specific Gravity Values

No substantive data set of density or specific gravity (SG) values exists for the Elmtree property at present but Mercator understands that SMC is planning to assemble such a data set through laboratory analysis of both historic core sample pulps and solid core samples. At the time of the Mercator (2008) resource estimate, 26 SG analyses were available for the deposits, and included several higher grade intervals. SG values ranged between 2.73 and 3.77, with the highest having a significant massive sulphide and zinc component. For resource estimation purposes, a range of SG values was established based on consideration of the SMC laboratory results as well as published average values for gabbro and siliciclastic sedimentary rocks. These appear in Table 17.4 along with details of their application in the three deposit areas.

Table 17.4
Specific Gravity Values Used in Mercator (2008) Resource Estimate

Deposit Area	Specific Gravity
WGZ - High Grade and Low Grade Solid Blocks	3.00
WGZ – Peripheral Solids Blocks	2.94
SGZ – All Blocks	2.70
DZ – Gold Only Blocks	2.70
DZ – Gold, Silver, Lead, Zinc Blocks	2.80
DZ – Silver Lead Zinc Only Blocks	2.75

17.3.7 Resource Category Definitions

Definitions of mineral resource and associated mineral resource categories used in this report are those recognized under National Instrument 43-101 and set out in the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Reserves *Definitions and Guidelines* (the CIM Standards). These are set out below:

Mineral Resource

A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is

based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

17.3.8 Definition of Resource Categories

Both Inferred and Indicated categories are included in the Mercator (2008) mineral resource estimate. This reflects consideration of several factors, the most prominent of which are core sample support, drill hole spacing and confidence with respect to geological and grade distribution interpretations. Widely spaced drill sections, in the order of 100 m or more, predominate in the SGZ and DZ areas and relatively complex grade and geological trends have also been outlined in these areas. Based on the degree of uncertainty associated with their definition, all resources outlined in the SGZ and DZ areas were classified in the Inferred category.

In contrast to the above, drilling sections through much of the WGZ are spaced at intervals of 50 m or less and typically show multiple drill holes with continuous core sampling through the mineralized zones. This density of data points, augmented by continuous trench sampling results in some areas, and in combination with well-correlated grade distribution patterns within the gabbro intrusion, provided sufficient confidence to support definition of Indicated category resources. Specifically, Indicated category status was assigned to any blocks within the WGZ model meeting the following conditions: (1) occurrence within either the high or low grade resource solids of the WGZ, (2) averaged distance of included assay composites at 2 m support was 25 m or less, (3) a minimum of 16 assay composites at 2 m support were included in the block grade interpolation, (4) block grade interpolation involved assay composites from more than 1 drill hole.

17.3.9 Statement of Mercator (2008) Resource Estimate

Block grade, block density and block volume parameters estimated for the three deposits were estimated through methods described in preceding sections of this report. Subsequent application of the resource category parameters set out above resulted in final tonnage and grade estimates for the three Elmtree deposits and these are presented below in Table 17.5. Results are in accordance with Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: *Definitions and Guidelines* (the CIM Standards) as well as disclosure requirements of National Instrument 43-101.

Table 17.5
Mineral Resource Estimate for Elmtree Property – February 11, 2008

Deposit / Zone	Category	Tonnes(Rounded)	Au (g/t)	Ag (g/t)	Pb%	Zn%
WGZ (High Grade)	Indicated	145,000	4.76	-	-	-
WGZ (Low Grade)	Indicated	380,000	1.57	-	-	-
Total WGZ Indicated	**Indicated**	**525,000**	**2.45**	-	-	-
WGZ (High Grade)	Inferred	300,000	5.22	-	-	-
WGZ (Low Grade)	Inferred	1,156,000	1.26	-	-	-
WGZ (Peripheral)	Inferred	100,000	1.07	-	-	-
Sub-Total WGZ Inferred	*Inferred*	*1,556,000*	*2.01*	-	-	-
DZ Au Only Zone	Inferred	583,000	1.15	-	-	-
DZ Au/Ag/Pb/Zn Zone	Inferred	117,000	1.77	44.36	0.78	2.17
DZ Ag/Pb/Zn Zone	Inferred	41,000	-	25.80	0.43	1.53
Sub-Total DZ Inferred	*Inferred*	*741,000*	*1.18*	*8.43*	*0.15*	*0.43*
SGZ	Inferred	2,367,000	0.74			
Total Inferred	**Inferred**	**3,108,000**	**0.85**	**2.01**	**0.04**	**0.10**

Notes: WGZ = West Gabbro Zone, SGZ= South Gold Zone, DZ= Discovery Zone; WGZ High Grade Au threshold = 3.00 g/t/2.0m; Low Grade Au Threshold=0.5 g/t/3.0m; SGZ Au Threshold=0.3 g/t/3m; DZ Au threshold = 0.5 g//t2m

Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are no mineral reserves on the property. The authors are not aware of any specific issues with regard to the environment, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues that would materially affect the above estimate of mineral resources.

17.3.10 Validation of Model

17.3.10.1 Visual Comparison to Geological Sections

Results of block modeling were compared on a section by section basis with corresponding interpreted geological and assay sections prepared prior to block model development. This showed block model grade patterns to have acceptable correlation with those interpreted from the manually interpreted sections. Locally, where individual resource solids defined by isolated drill hole intercepts were modeled with vertical dips, it was apparent that steeply inclined rather than vertical attitudes for the solids would have more closely represented the geological model. While geometric adjustments in these isolated cases are appropriate, no material effect on current tonnage and grade estimates for the Elmtree deposits would result.

17.3.10.2 Comparison of Composite Database and Block Model Grades

Descriptive gold statistics were calculated for drill hole composite populations within respective resource outlines and these were compared to values calculated for the corresponding block model gold figures. Weighted average results of for all resource categories represented in the three deposits are presented in Table 17.6 and show acceptable correlation, thereby providing a general check on the models with respect to their supporting assay composite population.

Table 17.6
Drill Hole Composite Grades and Resource Solid Grade Comparison

*Deposit	Resource Au g/t	Composite Au g/t
WGZ (High Grade)	5.07	5.04
WGZ (Low Grade)	1.34	1.34
SGZ	0.74	0.69
DZ (Au only zone)	1.15	1.14

** Resource categories combined by weighted averaging for comparison*

17.3.10.3 Comparison with Ordinary Kriging and Polygonal Models

The ID^2 block model for the total WGZ was checked using Ordinary Kriging (OK) methodology within the two grade constraint solids created for the WGZ. Sill and nugget values of 6.3 and 2.4 respectively were established from the model variograms presented in report section 17.3.5, search ellipse orientation parameters were the same as those used in the ID^2 model and all other factors were kept constant between the two runs. Results of the OK model are presented below in Table 17.7 and show acceptable correlation with the total grade and tonnage figures estimated using the primary ID^2 method.

Table 17.7
Comparison of Estimation Results for WGZ

Estimation Method	Tonnes (Rounded)	Au g/t
Inverse Distance Squared	1,984,000	2.18
Ordinary Kriging	1,994,000	2.19

A check on resource solids external to the WGZ was accomplished by independently calculating volumes in Surpac for the resource solid constraint polygons used in the NN models for the SGZ and DZ areas. Average density and intercept values associated with these were calculated from the NN intercept file and used to assign a tonnage-weighted grade estimate and a direct tonnage estimate for each zone. This approximates a classical tonnage-weighted polygonal resource estimate approach for the solids considered. Results are presented in Table 17.8 and acceptably reflect those of the NN estimate models.

Table 17.8
Resource Estimate Check Results for SGZ and DZ areas

Deposit	Resource Tonnes	Check Tonnes	Resource Au (g/t)	Check Au (g/t)
SGZ	2,367,000	2,344,000	0.74	0.70
*DZ (Au Only Area)	583,000	585,000	1.15	1.14

17.4 COMMENTS ON PREVIOUS RESOURCE OR RESERVE ESTIMATES

Hoy (1986) reported a "drill indicated geological reserve" of "approximately 500,000 tons (455,000 t) at a gold grade of 0.140 oz/ton (4.8 g/t) for the WGZ. Length, depth and width parameters of 500 feet (152 m), 500 feet (152 m) and 20 feet (6.1 m) were used along with a tonnage factor of 10.8 cubic feet per ton (~3 g/cm^3). A polygonal method of volume assignment is assumed. Results of this estimate are historic in nature, pre-date NI 43-101 and are not compliant with current CIM Standards. As such, they should not be relied upon. However, the results closely approximate those calculated for the WGZ if Inferred and Indicated categories of this report are combined and a single weighted average gold grade calculated. This reflects application of a comparable geological approach to assessment of the WGZ. In this manner the historic estimate provides a useful perspective on grade and tonnage distribution in the deposit.

18.0 OTHER RELEVANT DATA AND INFORMATION

18.1 MINING

The Elmtree project is envisioned as a conventional small-scale open pit mining operation. Three different block models make up the resource base. The majority of the resource is associated with the West Gabbro Zone (WGZ) block model. This area will supply over 84 percent of the potential open pit millfeed associated with the overall resource. The other two resource areas provide the remaining 16 percent of the total open pit resource.

18.1.1 Pit Optimization

In order to determine the economic pit limits of the deposit, an economically optimized open pit is required. For this project, Micon selected the GEMCOM Whittle pit optimization software to accomplish this task. Whittle uses a modified industry standard Lerchs-Grossmann algorithm to determine those limits. The requirements for Whittle open pit optimization include a block model, surface topography, economic information, geotechnical constraints, and metallurgical data.

18.1.1.1 Block Models

Three block models were provided to Micon in a Surpac format. These block models included the Discovery Zone (DZ), South Gabbro Zone (SGZ), and the West Gabbro Zone (WGZ). These block models were examined and several issues identified which Micon needed to address before the pit optimization could be carried out. These issues were:

1. All three block model extents did not extend cleanly above the surface topography.
2. All three block model extents did not extend far enough away from the mineralized zones to ensure that any pit developed within Whittle would not encounter the edge of the block model.
3. The SGZ block model used very small maximum block sizes (1m by 1m by 1m) which exceeded file size limitations on import into Whittle.

To correct these issues all three block model extents were extended to ensure that the block model would extend above topography and that no Whittle pit shells generated would encounter the edge of the block model. New blocks generated as part of this process were flagged with the original dataset's default values. Blocks that existed in the original model were loaded directly into the new block models as well.

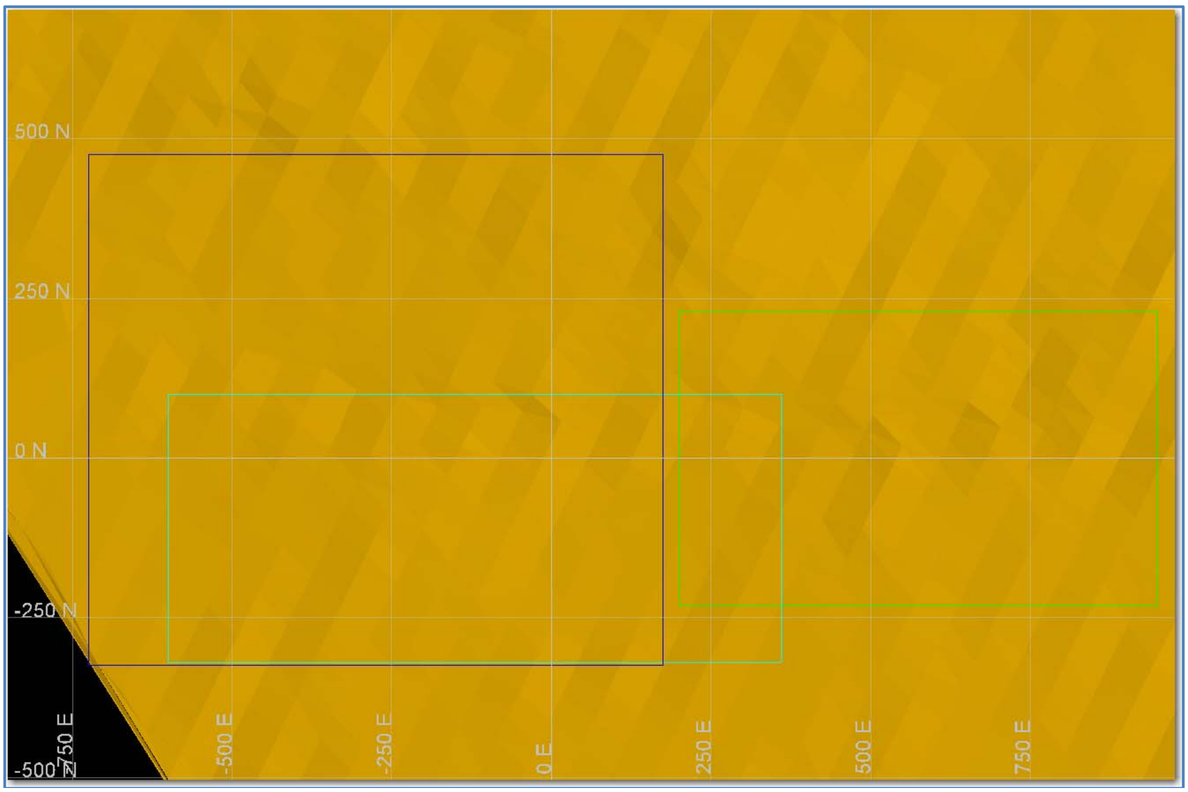
The SGZ block model was reblocked to a maximum block size of 5m by 2m by 5m. Gold values in the reblocked model were calculated using the average gold estimate weighted by the block volume.

All of the block models were flagged for topography, block densities assigned, and a Whittle rock code determined. The block models were then exported into a format ready for loading into Whittle. The final block extents are shown below in Table 18.1. The three block model extents are shown in Figure 18.1.

Table 18.1
Block Model Extents

Block Model	DZ			SGZ			WGZ		
Item	**X**	**Y**	**Z**	**X**	**Y**	**Z**	**X**	**Y**	**Z**
Block Origin	200	-230	-80	-600	-320	-10	-725	-325	-175
Maximum Block Size	5	2	5	5	2	5	5	2	5
Minimum Block Size	1.25	0.5	1.25	5	2	5	2.5	1	2.5

Figure 18.1
Plan Showing Topography and Extent of Block Models



Although the three block models have significant overlap, as shown in Figure 18.1, it was established that, when optimized using Whittle, none of the pit shells overlapped into the adjoining or overlapping block models, so there is no duplication or sharing of waste stripping or mineral resources in the reported pit volumes.

18.1.1.2 Economic Assumptions

In order for the Elmtree block models to be used within Whittle, certain economic, geotechnical, and metallurgical assumptions were determined. These items are shown below in Table 18.4.

Table 18.2
Assumptions used in the Whittle Pit Optimization

Item	Units	Extended
Mining Cost	CAD/t all material	$2.50
Processing Cost	CAD/t crude feed	$13.50
Transportation Cost	CAD/t concentrate	$5.00
Smelter Cost	CAD/t concentrate	$100.00
G&A Cost	CAD/t crude feed	$1.00
Exchange rate	US$ to CAD	US$0.95
Gold Price (Base case)	US$/oz	US$900
(Lower Case)		US$850
(Higher Case)		US$950
Silver Price (DZ Only)	US$/oz	$12.00
Gold Recovery	Percentage	90.0%
Silver Recovery (DZ Only)	Percentage	60.0%
Gold Payable	Percentage	95.8%
Silver Payable (DZ Only)	Percentage	95.8%
Concentration Ratio	---	12.0
Overall Pit Slope	Degrees	47.0

The operating costs and metal prices are based on recent Micon experience. Metal recoveries are based on limited metallurgical information for the deposit. No geotechnical parameters were available for the analysis, so, Micon has applied a generic overall pit slope of 47°. For this analysis, Micon examined three different gold metal pricing scenarios; US$850 per ounce, US$900 per ounce, and US$950 per ounce. Silver was maintained at the same US$12 per ounce for all gold prices. Other metals (lead and zinc) were not considered and did not contribute to the Whittle analysis.

18.1.1.3 Whittle Open Pit Optimization

The three block models were imported into Whittle and three revenue scenarios set-up. These scenarios included gold at US$850 per ounce, gold at US$900 per ounce, and gold at US$950 per ounce. The base scenario was assumed to be at a gold price of US$900 per ounce. At that gold revenue price, three operating scenarios were considered:

- 130,000 tonnes per year production;
- 260,000 tonnes per year production; and,
- 559,000 tonnes per year production.

For this analysis, the maximum economic resource was considered and no sensitivity was run below a revenue factor of one. Typically this sensitivity analysis is completed to determine the economically optimal pit shell on which to design an ultimate pit. In this case, since we are interested in the largest potential economic resource within a pit shell, this analysis was not completed. The pit shell limits reported within this document are for determining a preliminary economic assessment as opposed to an actual pit design. Any production schedules and resources reported within this document do not constitute a mineral reserve. Further, none of the production schedules reported is based on an ultimate pit design and in fact is based on Whittle generated production schedules.

Whittle results for the three gold price scenarios are shown below in Table 18.3.

Table 18.3
Elmtree Whittle Results

Gold Price US$850/Troy Ounce								
Block Model	**Feed Tonnes**	**Waste Tonnes**	**Total Tonnes**	**Strip Ratio**	**Au (g/t)**	**Ag (g/t)**	**Rec'd Au Ozs**	**Rec'd Ag Ozs**
DZ	35,000	167,000	202,000	4.77	1.63	13.83	1,600	8,900
SGZ	125,000	580,000	705,000	4.64	1.64	0.00	5,700	0
WGZ	851,000	5,845,000	6,696,000	6.87	2.69	0.00	63,500	0
Totals	*1,011,000*	*6,592,000*	*7,603,000*	*6.52*	*2.52*	*0.48*	*70,800*	*8,900*

Gold Price US$900/Troy Ounce								
Block Model	**Feed Tonnes**	**Waste Tonnes**	**Total Tonnes**	**Strip Ratio**	**Au (g/t)**	**Ag (g/t)**	**Rec'd Au Ozs**	**Rec'd Ag Ozs**
DZ	44,000	199,000	243,000	4.52	1.55	12.84	1,900	10,400
SGZ	146,000	730,000	876,000	5.00	1.64	0.00	6,600	0
WGZ	928,000	6,118,000	7,046,000	6.59	2.57	0.00	66,100	0
Totals	*1,118,000*	*7,047,000*	*8,165,000*	*6.30*	*2.41*	*0.51*	*74,600*	*10,400*

Gold Price US$950/Troy Ounce								
Block Model	**Feed Tonnes**	**Waste Tonnes**	**Total Tonnes**	**Strip Ratio**	**Au (g/t)**	**Ag (g/t)**	**Rec'd Au Ozs**	**Rec'd Ag Ozs**
DZ	54,000	256,000	310,000	4.74	1.52	10.94	2,300	10,900
SGZ	170,000	901,000	1,071,000	5.30	1.63	0.00	7,700	0
WGZ	1,170,000	9,821,000	10,991,000	8.39	2.53	0.00	82,100	0
Totals	*1,394,000*	*10,978,000*	*12,372,000*	*7.88*	*2.38*	*0.42*	*92,100*	*10,900*

Note: Whittle pit optimization results do not constitute a mineral reserve. These results are based on preliminary economic assumptions and included Inferred mineral resources: they are provided for the purposes of preliminary assessment only. The application of pit designs and other modifying factors would be expected to change the tonnages and grades reported above.

For scheduling purposes, block model WGZ was mined first, SGZ second, and DZ last. The schedules at 260 and 130 kt/y assume that a small mill (1000 or 500 t/d) is constructed on-site while the 559 kt/y schedule assumes that material is stockpiled and shipped to a remote concentrator. The three production scenarios are shown in Table 18.4, 18.5 and 18.6, respectively.

Table 18.4
Castle Elmtree 130,000 t/y Production Schedule

Year	Deposit	Feed Tonnes	Waste Tonnes	Total Tonnes	Strip Ratio	Au (g/t)	Ag (g/t)	Payable Au (oz)s	Payable Ag (oz)
1	WGZ	130,000	1,070,000	1,200,000	8.23	2.549	0.000	9,200	0
2	WGZ	130,000	1,070,000	1,200,000	8.23	2.455	0.000	8,800	0
3	WGZ	130,000	1,070,000	1,200,000	8.23	2.597	0.000	9,400	0
4	WGZ	130,000	1,070,000	1,200,000	8.23	2.296	0.000	8,300	0
5	WGZ	130,000	1,070,000	1,200,000	8.23	2.442	0.000	8,800	0
6	WGZ	130,000	510,000	640,000	3.92	2.518	0.000	9,100	0
7	WGZ	130,000	248,000	378,000	1.91	2.930	0.000	10,600	0
8	WGZ/SGZ	130,000	585,000	715,000	4.50	1.983	0.000	7,100	0
9	SGZ/DZ	77,000	354,000	431,000	4.60	1.608	7.250	3,400	10,300

Table 18.5
Castle Elmtree 260,000 t/y Production Schedule

Year	Deposit	Feed Tonnes	Waste Tonnes	Total Tonnes	Strip Ratio	Au (g/t)	Ag (g/t)	Payable Au (oz)	Payable Ag (oz)
1	WGZ	260,000	2,026,000	2,286,000	7.79	2.502	0.000	18,000	0
2	WGZ	260,000	2,026,000	2,286,000	7.79	2.448	0.000	17,600	0
3	WGZ	260,000	1,810,000	2,070,000	6.96	2.479	0.000	17,900	0
4	WGZ/SGZ	260,000	832,000	1,092,000	3.20	2.459	0.000	17,700	0
5	SGZ/DZ	77,000	354,000	431,000	4.60	1.608	7.250	3,400	10,300

Table 18.6
Castle Elmtree 559,000 t/y Production Schedule

Year	Deposit	Feed Tonnes	Waste Tonnes	Total Tonnes	Strip Ratio	Au (g/t)	Ag (g/t)	Payable Au (oz)	Payable Ag (oz)
1	WGZ	559,000	3,913,000	4,472,000	7.00	2.471	0.000	38,300	0
2	WGZ/SGZ/DZ	558,000	3,135,000	3,693,000	5.62	2.353	1.000	36,400	10,300

18.1.2 Mine Operations

The Elmtree open pit is envisioned as a conventional open pit mine operation. Ore and waste would be drilled, blasted, loaded, and hauled to a crusher, ore stockpile, or waste disposal areas. For the WGZ and SGZ resource areas, only gold is recovered from any potential millfeed while gold and silver is recovered from the DZ resource area. Equipment size for the operation would 100 tonne or smaller trucks with matched loading units. Bench height would be 5 m for both ore and waste materials.

Mining could be completed with owner or contractor operated equipment; this preliminary assessment assumes contractor mining.

18.2 PROCESSING

Micon has considered two options for the processing of material arising from the open pit mining. For the base case, Micon has assumed a processing plant on the project site, producing a sulphide-rich flotation concentrate for sale to a nearby smelter. The process flowsheet (Figure 18.2), general arrangement (Figure 18.3), process design criteria and process description given below all relate exclusively to the base case.

In addition, though, Micon has evaluated an alternative, toll-milling scenario, in terms of which mill-feed is hauled off-site to an existing milling and flotation facility, where the processing could be carried out at a higher rate than can be justified for an on-site plant. The flowsheet employed in the toll-milling facility is expected to be similar in most respects to that described for the base case, and the concentrate produced would then be sold to a smelter under terms identical to those assumed for the base case.

Figure 18.2
Base Case- -Suggested Flowsheet

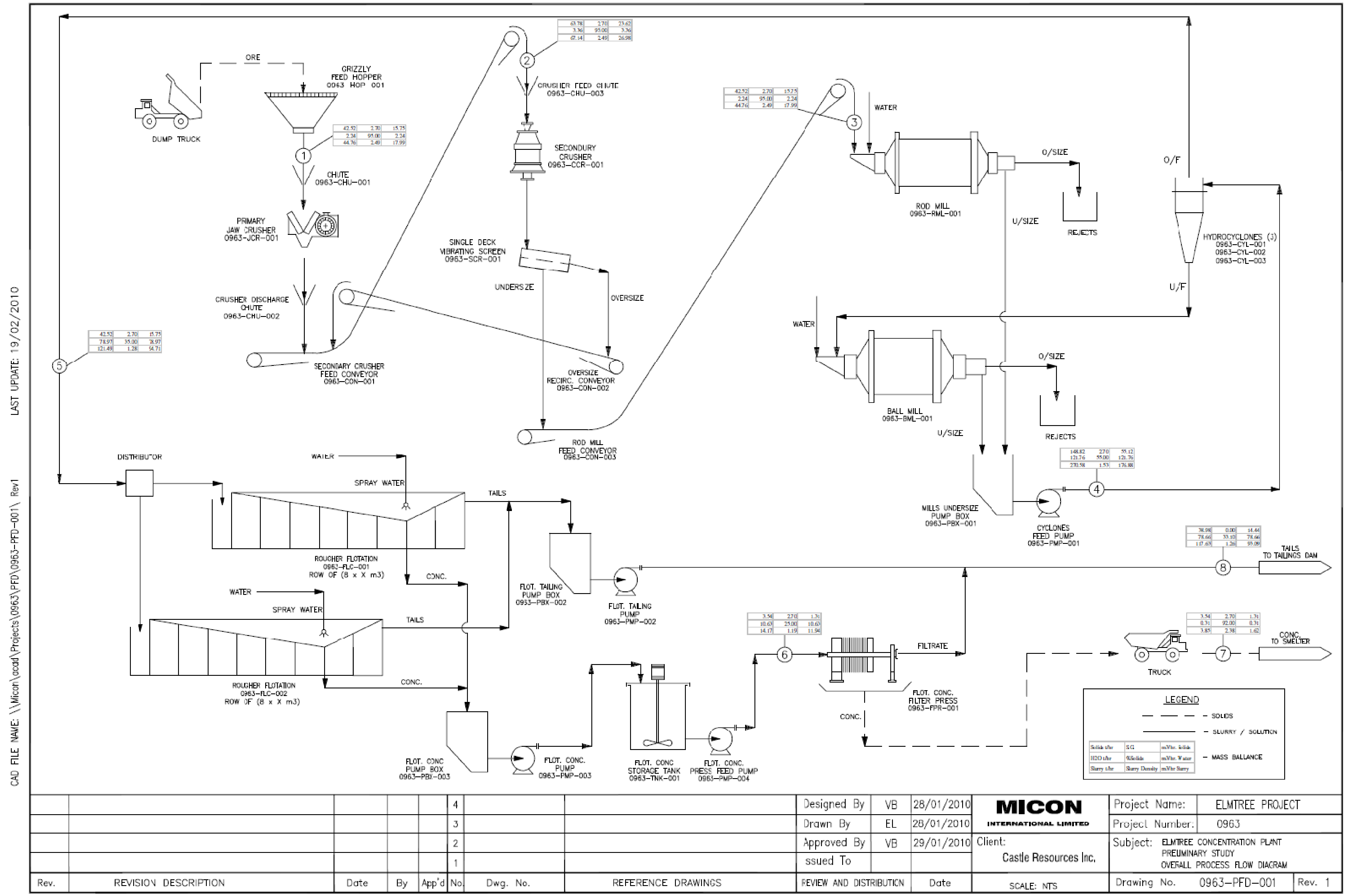
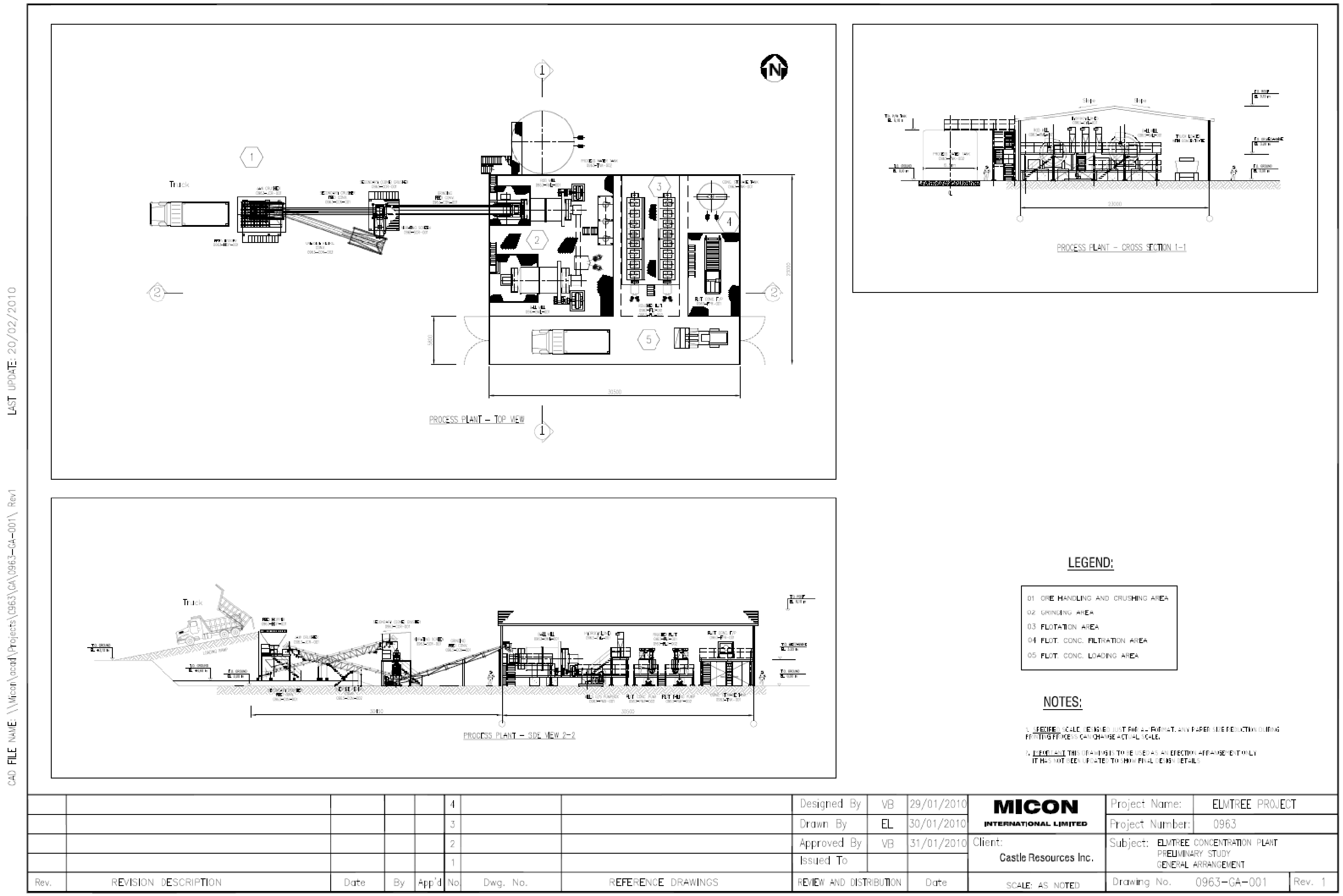


Figure 18.3
Base Case- -Suggested Plant Layout



18.2.1 Process Design Criteria

The basic key plant operating factors considered for the design are given in Table 18.7.

Table 18.7
Process Design Criteria

Parameter	Value
Operating days per week	5
Operating hours per day	24
Operating time per operating day (%)	98
No. of Shifts	2
Average Specific Gravity (mill feed)	2.8
Average Head Grade (Au g/t)	2.24
Feed Rate (t/d)	1000
Feed Moisture (%)	5
Impact Work Index (assumed, kWh/s.ton)	10.0
Rod Mill Work Index (assumed kWh/s.ton)	12.0
Ball Mill Work Index (assumed kWh/s.ton)	14.0
Flotation feed size (microns)	150
Flotation feed slurry density (% solids)	35
Flotation retention time (minutes)	30
Concentration ratio	12
Gold Recovery (%)	90
Gold in Concentrate (g/t)	23.76
Concentrate produced (t/d)	120

Major equipment has been provisionally sized as shown in Table 18.8.

Table 18.8
Major Equipment Sizes

Item	Size
Building, new, insulated, pre-engineered	100ft x 75 ft.
Jaw Crusher	24in. x 36in.
Rod Mill	7.0ft. x 15.0ft @ 200 HP
Ball Mill	10.2ft. x 18.0 ft@ 700 HP
Flotation Cells 2 banks of 8 cells each	1600 cu. ft.
Concentrate Storage Tank	15ft dia. x 20ft
Agitated Storage Time (max. approx.)	2.0 hrs.
Filter Press	36in. x 25 plate/frames.
Truck Loading	FEL

Note. With the exception of the building, the equipment is based on currently available, used units, as the project's inherent value would not, at this time, support the cost of new. Consequently, equipment sizing is not necessarily optimal. Budget prices for new mills are included, for information only.

18.2.2 Process Description

Consideration of the current resource size and preliminary nature of the metallurgical testwork limited the process alternatives to those which could be implemented with a minimum of operating and capital expenditures. The selected treatment option meets the above constraints but the flowsheet may not necessarily remain optimal in the event a larger resource is defined through additional exploration.

Micon considers that an operating schedule comprising two 12h shifts, five days per week will minimise the operating cost by precluding the need for a three or four shift operation.

The crushing plant would comprise a jaw crusher and secondary crusher in closed circuit. The grinding circuit would consist of a rod and ball mill in closed circuit with hydrocyclones. The cyclone overflow would feed a rougher flotation circuit to produce a concentrate which would be fed to an agitated storage tank and then to a filter press to produce a concentrate that could be shipped to the smelter.

The plant would be contained in a pre-engineered building, fabricated locally. Maintenance would be carried out weekly during the two day shut-down. The capital cost estimate is based on used equipment prices. The equipment considered is available but has not been inspected. Therefore, an allowance has been included for refurbishing.

Operation of a mineral processing plant on a batch basis (5 days per week) is not normally practised as losses inevitably result through inefficiencies on start-up and shut down. However, given the particular circumstances and metallurgy for this operation, i.e., low tonnage and flotation that is not overly sensitive to the grind size, it is believed that the cost savings as noted above outweigh the disadvantages.

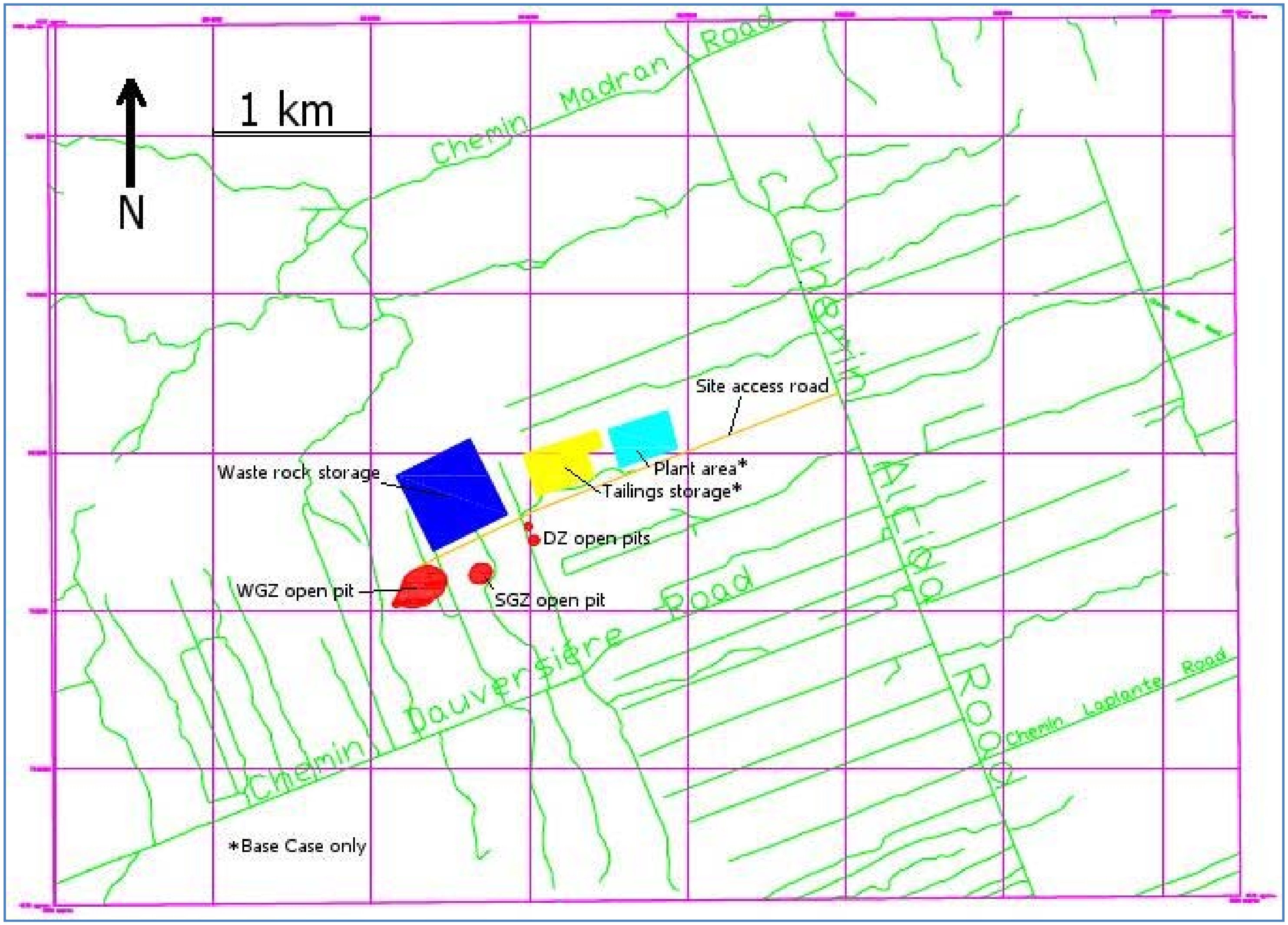
18.3 INFRASTRUCTURE

18.3.1 Waste Disposal and Water Management

No geotechnical site investigations were carried out during the preparation of this report. The possible location and size of facilities to treat and store waste rock and process tailings given herein are, therefore, indicatory only and will be subject to revision during further stages of project development.

Waste rock from the open pit will be stored in a facility constructed immediately north of the mine workings. In total, it is estimated that approximately 7 million tonnes will be placed within a facility measuring approximately 500 x 500 m to a height of up to 20 metres above present ground level. Slope angles will be controlled so as to facilitate revegetation. A perimeter drain will be installed to capture seepage from the toe of the dump and direct this into a treatment plant prior to discharge to the environment. The waste rock storage facility is represented by the dark blue shaded area in Figure 18.4.

Figure 18.4
Base Case- -Suggested Site Layout



In the base case, with on-site milling, a tailings storage facility will be required to hold approximately 1 million tonnes (dry basis) of process tailings. An area of approximately 300 x 200 m will be required to accommodate this material. Slope angles will be maintained at an angle that facilitates revegetation of the surface.

Water reclaimed from the tailings dam will be returned to the process plant via a series of collection and settling ponds. Seepage collected from the waste rock storage facility will also report to these ponds during operation of the process plant, and subsequently to a water treatment plant prior to its release. The tailings storage and water reclaim facilities are located east of the waste rock in the area shown in yellow on the site plan.

18.3.2 Water Supply

For the base case, a well-field will be required as a source of make-up water for the process plant. It is anticipated that the volume of make-up water required will be less than 10 L/s. Micon would expect that this volume of water could be obtained from bore holes drilled in the vicinity of the open pit to minimise groundwater flow into the mine.

18.3.3 Road Access

In order to facilitate access to the despatch area of the processing plant for trucks hauling concentrates to the smelter (or, alternatively, for trucks hauling ore off-site to another milling facility) an access road extending WSW from Alcida road is proposed. The process plant is provisionally sited eastward of the tailings and waste rock storage facilities, in the area shown in light blue on the site plan. Offices and stores would also be located in this area.

18.3.4 Ancillary Buildings

The process plant will be erected within a building of approximately 700 m^2 in area.

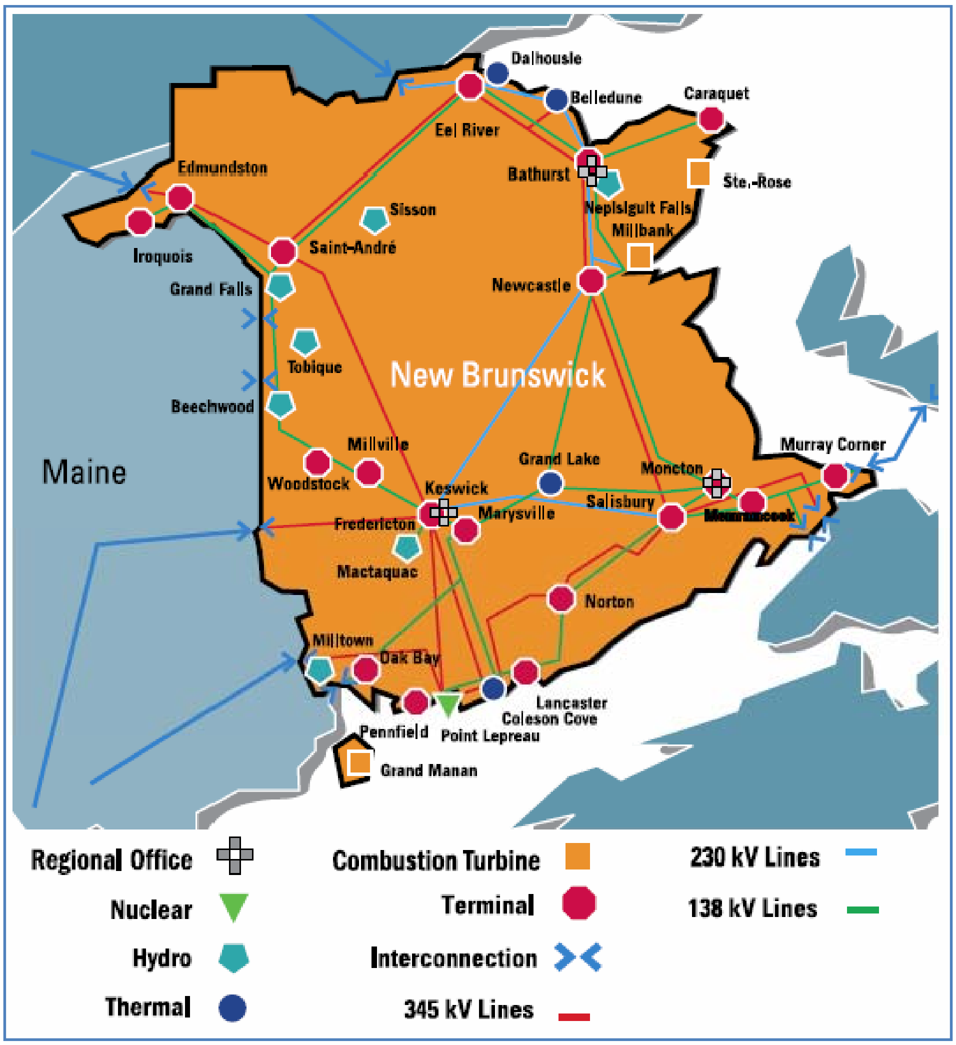
In addition, offices, stores and a change house will be required on site. Considering the duration of the project, Micon has made provision in the capital estimate for the use of temporary buildings or construction trailers for this purpose.

18.3.5 Power Supply

The base case power requirement for processing operations is estimated to be 20 kWh/t, which results in a demand of 833 kW in the plant. Allowing for ancillary services, the overall maximum power requirement for the site is expected to be approximately 1 MW while the plant is operating (5 days/week).

The closest source of power to the project is NB Power's 457 MW thermal station in Belledune[1]. The same utility also operates 345 kV and 138 kV transmission lines passing close to the project site, as shown schematically in Figure 18.5. On this basis, Micon is of the opinion that there will be adequate grid power available in the region to supply the needs of the Elmtree project, and that a suitable power supply can be provided to the project site at reasonable cost and without undue delay.

Figure 18.5
Schematic diagram showing NB Power Transmission Grid



Source :www.nbpower.com

[1] Reference: www.nbpower.com/html/en/about/publications/annual/SustainabilityReport08-09-English.pdf

18.4 ENVIRONMENTAL AND SOCIAL ASPECTS

Section 18.4 of this report has been prepared by Jenifer Hill, R.P.Bio., Senior Environmental Consultant with Micon.

18.4.1 Environmental and Surface Title Liabilities

The Elmtree deposits underlie an area of predominantly forested and undeveloped land. Accordingly, Micon understands that there are no pre-existing environmental liabilities with respect to current land use. However, due to snow coverage at the time of Micon's site visit, this aspect of the project could not be independently ascertained.

A large municipal watershed area that is closed to mineral claim staking and related activities is located within 1,500 m of the Elmtree property's west boundary and also within 500 m of a portion of property's north boundary.

18.4.2 Environmental Conditions

The project lies in the northeast part of New Brunswick. From Environment Canada climate data for Bathurst for the period 1971 to 2000, average temperatures range from 19.3°C in July to -11.1°C in January. Extreme maximum temperatures ranged from 36.5°C to -36°C. Average annual precipitation is 1,058 mm with on average 314 cm accumulation of snow. The maximum daily precipitation recorded for the period was 89.7 mm rainfall in October.

An aquatic baseline study was conducted by Jacques Whitford in 2004. The survey was set up to provide information for the Environmental Impact Assessment and any future Environmental Effects Monitoring program. The following description is from Jacques Whitford 2005 report:

"Four stations were targeted for assessment of water quality and flow, sediment quality, fish and fish habitat."

"Water quality within the South Branch Elmtree River and Émeric Brook was generally good, with low conductivity and hardness, relatively neutral pH, low organic carbon and low nutrient levels. Émeric Brook had very low conductivity and hardness relative to the river, and higher organic carbon content. Trace metals and mercury concentrations were similar across all stations and generally well below the Canadian Water Guidelines for the Protection of Freshwater Aquatic Life (CCME 2002). Aluminum and iron levels for the Émeric Brook station were above these guidelines, however this is likely natural and due to the relatively low pH and high TOC concentrations observed at this station.

"Sediment quality analysis showed that all stations exceeded the Canadian Interim Sediment Quality Guidelines for arsenic, cadmium, chromium, lead and zinc, with some stations exceeding the Probable Effects Levels for these same parameters. Since these stations were located in headwater regions, these concentrations likely reflect natural mineralization in the immediate area. All stations had similar levels of the remainder of metals for which there are no Canadian sediment quality guidelines. Sediments collected from depositional areas within each station were predominantly sandy, with varying amounts of silt and clay.

"Results for brook trout (*Salvelinus fontinalis*) tissue analysis show that there are only minor differences in trace metal concentrations across the sampling stations. There were no exceedances of the Health Canada guideline for mercury in fish for human consumption. The fish habitat assessment showed that there appeared to be abundant suitable fish habitat in South Branch Elmtree River and in Émeric Brook. Four species of fish were collected including two salmonid species (brook trout and Atlantic salmon *Salmo salar*) and two cyprinid species (creek chub *Semotilus atromaculatus* and blacknose dace *Rhinichthys atratulus*). Atlantic salmon were only found in South Branch Elmtree River."

The vegetation of New Brunswick is generally temperate broadleaf and mixed forests. Site specific baseline terrestrial studies have not yet been completed.

18.4.3 Social Conditions

The nearest villages to the Elmtree Property are Dauversiere to the south and Alcida to the east. Bathurst is the closest city, 30 km from the property, with a population of 12,714 (2006 Census) within Gloucester County which has a population of 78,948 (2006 Census). The main industries are fishing, mining, and forestry.

Social and socio-economic studies have not yet been completed for the property and would need to be completed for the impact assessment for approval for mine development.

18.4.4 Regulations and Permitting Process

Mineral projects require an environmental impact assessment to be completed for approval as required under the provincial Environmental Impact Assessment Regulations under the Clean Environment Act. The project will also be subject to the provincial Clean Water Act (and associated Protected Areas Designation Order and Watercourse Alteration Regulations), and the Clean Air Act. The Protected Areas Designation Order designates a 75 m protected area setback from water bodies from which a water supply is taken.

Key federal legislation applicable to the project includes the Fisheries Act pertaining to disturbance to fish and fish habitat, the Metal Mining Effluent Regulations that regulates discharges and requires an environmental effects monitoring program for effluents, the Migratory Birds Convention Act, the Species At Risk Act, and the Explosives Act.

In addition to the environmental approvals, the project is subject to the provincial Mining Act in order to obtain the Mining Licence and Mining Lease. Section 111.2 of the Mining Act requires money to be paid into a Mine Reclamation Fund ahead of mine activities to protect, reclaim, and rehabilitate the environment.

18.4.5 Preliminary Impact Assessment, Mitigation, and Management

There are a number of key areas of potential impact for the current preliminary project design presented in this Preliminary Assessment. There will likely be a loss of some vegetation and habitat from project development. This will need to be rehabilitated through the reclamation program. Development of open pits and possibly a tailings impoundment will require diversion of part of the upper South Branch of Elmtree Creek and pit lake(s) would likely result after closure. The diversions and works are likely to cause some fish habitat disturbance and possibly habitat loss that will require a habitat compensation plan for authorization under the Fisheries Act.

The watershed boundary to the northwest of the claims area will need to be completely avoided by the project. During construction, erosion control measures will likely be a key management requirement. An Environmental Effects Monitoring program will likely be needed to monitor effluents from the waste rock runoff, possibly from the tailings impoundment, and from pit dewatering depending on the overall water balance. Waste characterization would need to be completed to determine if there will be any water treatment requirements. Background water quality is already elevated in some parameters due to the mineralization in the area. Site specific water quality criteria may need to be negotiated during permitting.

Positive effects would likely be realized in the region through employment and supply contracts. Due to the proximity of private landholders, construction and operations would need to take noise and traffic impacts and mitigation into consideration. Local concerns would best be taken into consideration and mitigated through a consultation program during the feasibility design and environmental assessment stage of the project.

18.4.6 Consultation

First Nations in New Brunswick have created the Union of New Brunswick Indians (UNBI) with an Aboriginal Natural Resources Committee to monitor, assess and advise on the development and use of mineral resources in New Brunswick. From the Union of New Brunswick Indians' website, their mandate is:

1. Development of liaison opportunities with companies and federal or provincial government departments and agencies operating in the natural resources sector.
2. Monitor all regulatory processes governing the development and exploration for natural resources.
3. Explore potential business opportunities through independent or coventure or partnership arrangements.
4. Develop training programs and employment opportunities related to natural resources development.
5. Advise staff on developing a working relationship with government departments and agencies and private or public corporations.

6. Assist in and monitor negotiations with government departments and agencies and private or public corporations with a view to maximizing benefits for our people.

It will be necessary for the company to consult with the UNBI on project development. UNBI has presented the consultation framework and requirements in their First Nation Consultation Policy.

Public notifications and public meetings about the project are set by the Minister as part of the environmental assessment process under the Environmental Impact Assessment Regulations. It is advisable for the company to conduct a consultation program itself to help minimize and manage local impacts.

18.4.7 Environmental and Social Capital and Operating Costs

As a preliminary estimate, costs to complete the initial studies and impact assessment for the environmental assessment are expected to be 2.5 to 3% of the capital cost for the project; however, this will depend on the consultation requirements and the extent of any waste characterization and fish habitat work to be done and the terms of reference agreed to for the impact assessment.

Under the Mining Act, a security deposit is required at the rate of $1,500/ha for disturbance to Crown land, and $3,000/ha for disturbance to private land, plus $10,000 for each mining lease. The amount of the final security deposited prior to disturbance is determined by the Minister based on the area of disturbance and details included in the mine reclamation and rehabilitation plan. The amount of this bond depends on the development option followed; for example, the fund will need to be larger if there is a tailings impoundment and process plant on site.

Operating costs for environmental and social programs are not fully determined at this stage, but for the purposes of this scoping level assessment are estimated to be approximately $250,000 annually.

18.4.8 Conclusions

The environmental and social impacts are expected to be relatively small because of the small size of the proposed mine. The key issues are likely to be with disturbance to nearby private landowners from noise and traffic, disturbance to fish and fish habitat, and protection of water quality.

18.4.9 Recommendations

The next stage of project design should incorporate additional environmental and social programs, including terrestrial studies, waste characterization, fish habitat mitigation/compensation planning, social baseline studies, stakeholder and First Nation consultation, and initiation of the environmental assessment review process.

18.5 PROJECT ECONOMICS

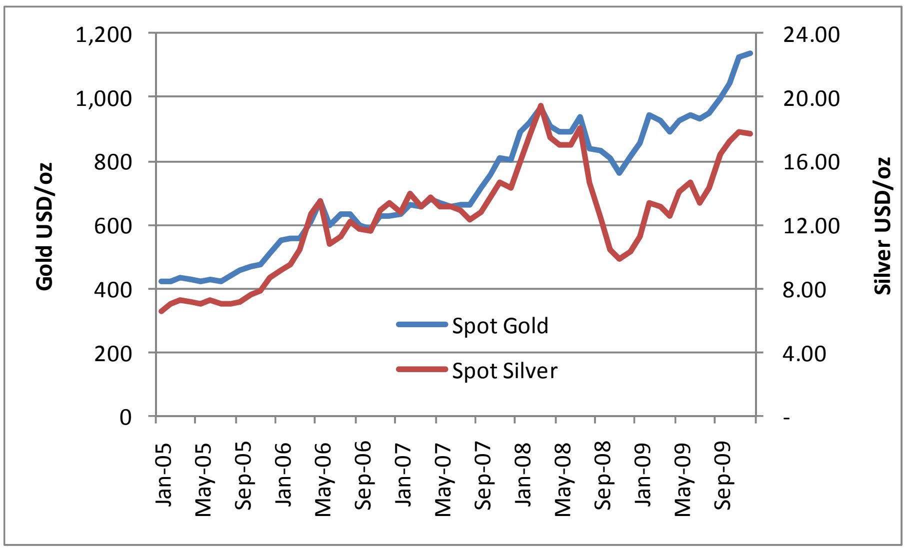
18.5.1 Macro-economic Assumptions

18.5.1.1 Metal Prices

The gold price used for the base case is US$ 900/oz. This represents a 6% premium over the 36-month average to 31 December, 2009 of US$ 849/oz, but a 20% discount to recent spot prices of around US$ 1,130/oz. Micon considers this is justified by the relatively short development and operating time-scale of the Elmtree project.

In the base case, silver is priced at US$ 12.00/oz, a discount to the 36-month average of US$ 14.36/oz, which appears reasonable given the greater recent volatility in silver compared to gold – see Figure 18.6.

Figure 18.6
Five-Year Spot Gold and Silver Prices



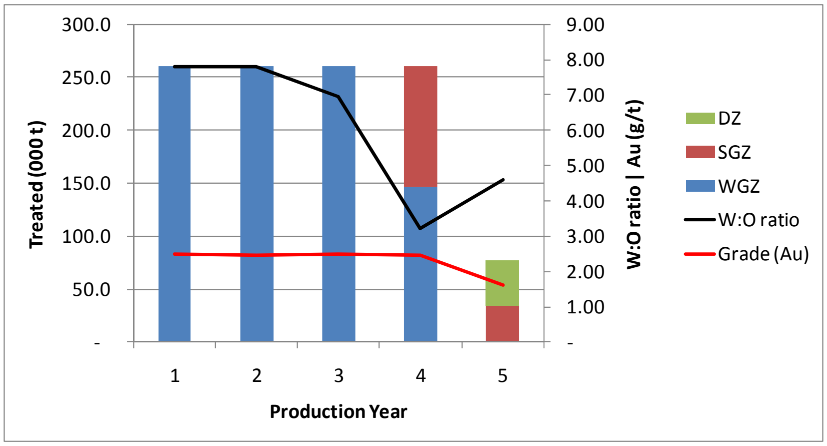
18.5.1.2 Royalties and Taxation

A royalty of 2% on the net smelter return has been provided for in the cash flow model. Provision has been made in the financial evaluation for New Brunswick mining tax at the rate of 16%, and Federal and New Brunswick income taxes at a combined rate of 27%.

18.5.2 Production Schedules

The base case considers a 1,000 t/d rate of treatment on a 5-day week, for an annual throughput of 260,000 t/y. Figure 18.7 shows the annual production schedule.

Figure 18.7
Annual Production Schedule



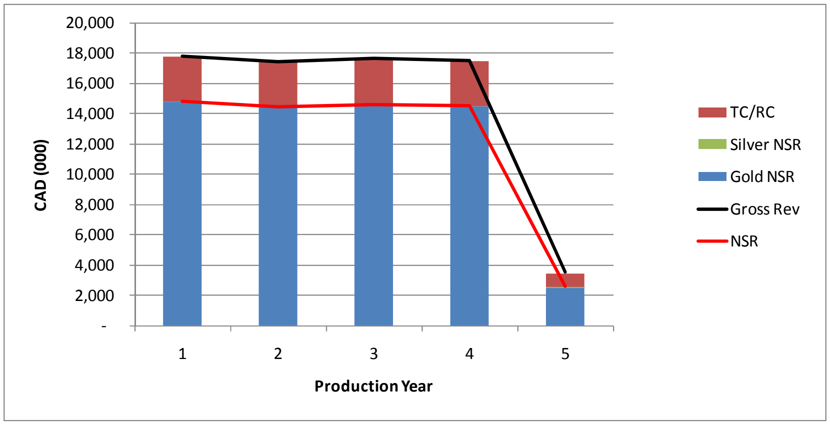
18.5.3 Revenue

The preliminary assessment considers revenue to the project from sale of gold and (in year 5) silver only. Other metals (notably lead, zinc, and indium) are reported to be present in anomalous quantities, but their contribution to the economic viability of the project is likely to be small and has not been considered to be material at this stage of project development.

The base case considers the production of a sulphide concentrate suitable for sale to a nearby smelter, and takes into consideration estimates of the treatment and refining charges (TC/RC) and metal payability that, from its experience, Micon considers reasonable. Nonetheless, during the next phase of development of the project it will be important to establish more precisely the TC/RC terms on offer at that time.

Figure 18.8 shows the annual deduction of TC/RC from gross revenue in the base case, for net revenue of around $14 million per year over 4 years.

Figure 18.8
Annual NSR Schedule



18.5.4 Capital Costs

Total pre-production capital expenditure for the base case is estimated at $12.45 million, including a contingency of $1.80 million. This is broken down as shown in Table 18.9.

Table 18.9
Base Case Pre-Production Capital Costs

Item	Capital Cost (S 000)
Exploration, Engineering, Metallurgical and Social/Environmental Studies	2,000
Mining (assumes contractor fleet)	1,000
Processing Plant	3,000
Tailings and Water Mgmt	1,500
Infrastructure	1,500
Environmental bond	250
Construction Indirects	1,200
Construction Subtotal	**8,450**
Contingency	2,600
Total	**13,050**

18.5.4.1 Exploration & Engineering Studies

At present, a significant part of the mineral resource is classified as inferred. Accordingly, a provision of $1.25 million has been made for further drilling and assaying to improve the confidence in the resource estimate, so that the bulk of the mineral resource can be classified as measured or indicated. This amount includes a contingency of 25%.

In addition, provision has been made in the cash flow for further environmental studies, engineering design and metallurgical testwork work to enhance precision the capital cost estimate, ahead of a production decision. In total, a further $1.25 million has been provided for that work, inclusive of a contingency of 25% on these items.

18.5.4.2 Mining

Pre-production mining capital includes a provision of $0.50 million for establishment of the contractor's on-site infrastructure (fuel and explosives storage, temporary stores and workshop) and a further $0.50 million for earthworks associated with establishing the open pits including the preparation of haul roads and an interception dyke to prevent surface runoff from entering the WGZ open pit. The dyke will divert the existing stream into another tributary located immediately north of the project area. Contingency on pre-production mining capital expenditure is provided at the rate of 30%.

18.5.4.3 Processing

In the base case, the processing of material from the open pit will take place in an on-site facility, comprising second-hand equipment in the crushing and milling circuits, with flotation of a concentrate for sale. The base case capital estimate makes provision for this plant at a cost of $3.00 million; a contingency has then been applied at the rate of 30% (Table 18.10).

Table 18.10
Processing Plant Capital Costs

Item	Estimated cost ($ 000)
Civil works	150
Building	250
Comminution equipment	770
Flotation cells and blower	300
Filter Press	120
Conveyors	105
Sub-Total Equipment	1,295
Installation	150
Miscellaneous	200
Power supply, distribution, etc	955
Grand Total	**3,000**

18.5.4.4 Tailings and Water Management

After separation of the sulphide component by flotation, the barren tailings generated by the process plant will be discharged, as slurry, into a purpose-built tailings management facility (TMF). An amount of $1.50 million has been provided for the establishment of this facility, including associated ponds, pumps and pipelines. A contingency at the rate of 30% has also been provided for.

18.5.4.5 Infrastructure

Site infrastructure, including power reticulation, water supply and distribution, offices, spares and reagent storage and light vehicles are included in a provision of $1.50 million. A contingency has then been applied to this amount at the rate of 30%.

18.5.4.6 Environmental and Social

For the base case, a provision of $250,000 has been made in the cash flow for the cost of environmental bonding. This estimate is based on an assumption of 50 ha being disturbed by mining, at an average rate of $5,000/ha, including the tailings storage facility and waste rock dumps. The bond is assumed to be redeemed once the closure plan has been implemented and the relevant costs have been incurred.

18.5.4.7 Construction Indirect Costs

For the base case, a provision of $900,000 has been made in the cash flow for EPCM and owners costs in the pre-production period.

18.5.4.8 Contingency

As noted above, a contingency of between 25% and 30% has been added to direct cost line items in the pre-production capital estimate, for a total of $2.60 million. In aggregate, this is equivalent to 27% of the base estimate excluding contingencies.

18.5.5 Operating Costs

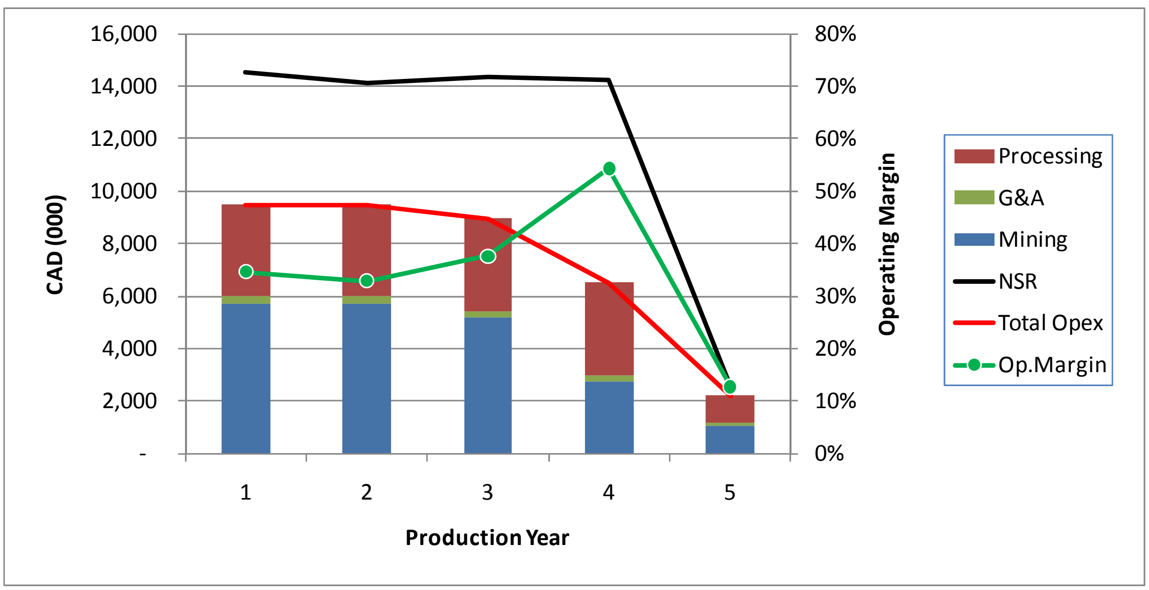
Table 18.11 summarises the unit operating costs for the project, and total annual costs at steady state (full) production.

Table 18.11
Cash Operating Costs – Base Case

	Unit cost ($/t milled)	Annual Cost($ 000)
Mining	18.27	5,715
Processing	13.50	3,510
G&A	1.96	510
Total	**33.74**	**9,735**

Annual operating costs for the base case are shown in Figure 18.9.

Figure 18.9
Annual Operating Costs



18.5.5.1 Mining

Mining costs are estimated at $2.50/t moved for contract mining (drill, blast, load and haul), inclusive of supervision, grade control and survey costs, and pit dewatering.

From the chart above, it will be seen that in the first three years of operation, mining costs account for around 60% of total operating expenses. Thereafter, the proportion declines with the reduction in waste rock tonnage moved and the stripping ratio falls from around 7:1 to less than 4:1.

18.5.5.2 Processing

Processing costs have been estimated at $13.50/t for the base case, assuming an operating schedule of 5 days per week with two 12-hour shifts, for the production of a single (bulk) flotation concentrate. Details of the costs are provided in Table 18.12.

Table 18.12
Process Operating Costs

	Unit cost ($/t)	Annual Cost($ 000)
Labour and Supervision	7.97	2,072
Maintenance Spares	0.80	208
Power	1.60	416
Reagents, grinding media	3.13	814
Total	**13.50**	**3,510**

18.5.5.3 General and Administrative

General and administrative costs have been estimated at $260,000/y or $1.00/t milled for the base case. In addition, a provision has been made for ongoing social and environmental management costs of $250,000/y.

18.5.6 Project Schedule

The base case envisages a project development schedule comprising two years of further exploration and engineering studies, a construction period of one year following the decision to proceed, and four years of full production leading to mine closure in year 5.

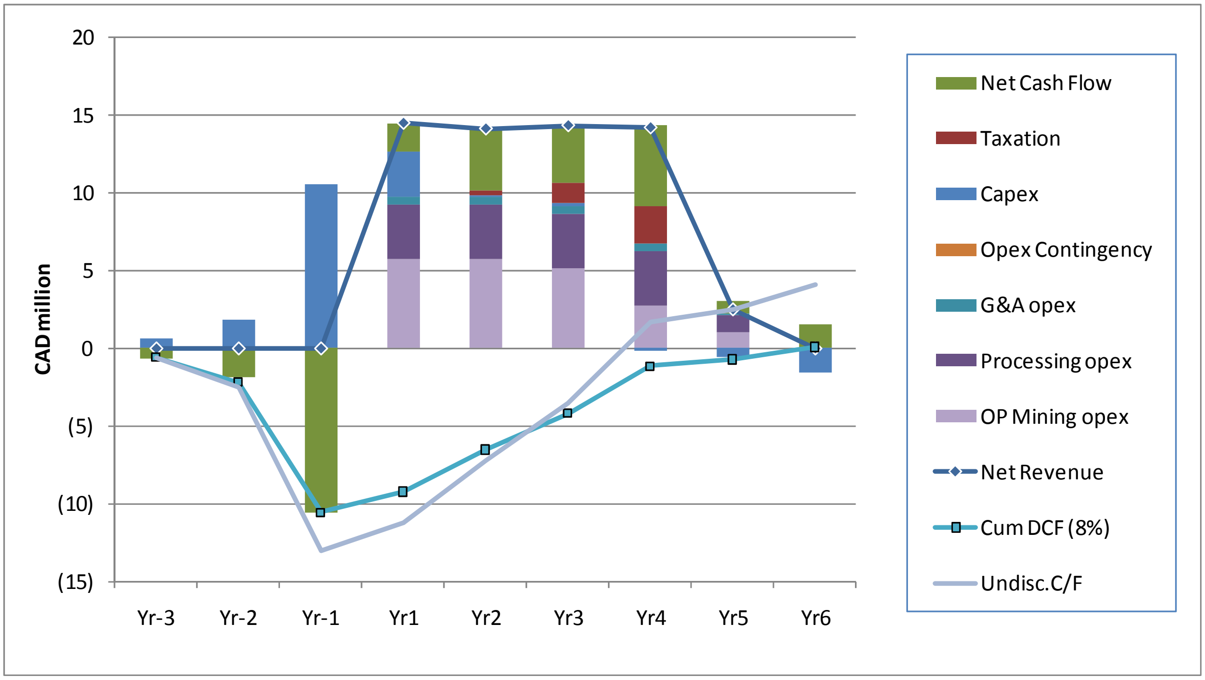
Micon considers that the above scenario represents a reasonable base case for evaluation of the property. It is noted, though, that a fast-track approach to development might offer enhanced returns, provided that operating permits and licences can be obtained in a timely manner.

18.5.7 Cash Flow Forecast

Figure 18.10 presents the base case cash flow for the project. The base case results in a cumulative cash flow of $8.0 million before tax, with an internal rate of return of 15%. At a discount rate of 8%/y, the pre-tax net present value (NPV) is $2.5 million. After tax, the net cash flow, IRR and NPV are $4.0 million, 8.3% and $0.1 million respectively. Payback on the undiscounted cash flow is seen to occur in year 4, the final year of full production.

On an annual basis, the maximum exposure occurs at the end of year -1, with a cumulative negative cash flow of $13.05 million to that point. Taking account of working capital invested and sustaining capital incurred in Year 1, the maximum exposure rises to $16.00 million.

Figure 18.10
Base Case Annual Cash Flow



This preliminary assessment is preliminary in nature. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the preliminary assessment will be realized.

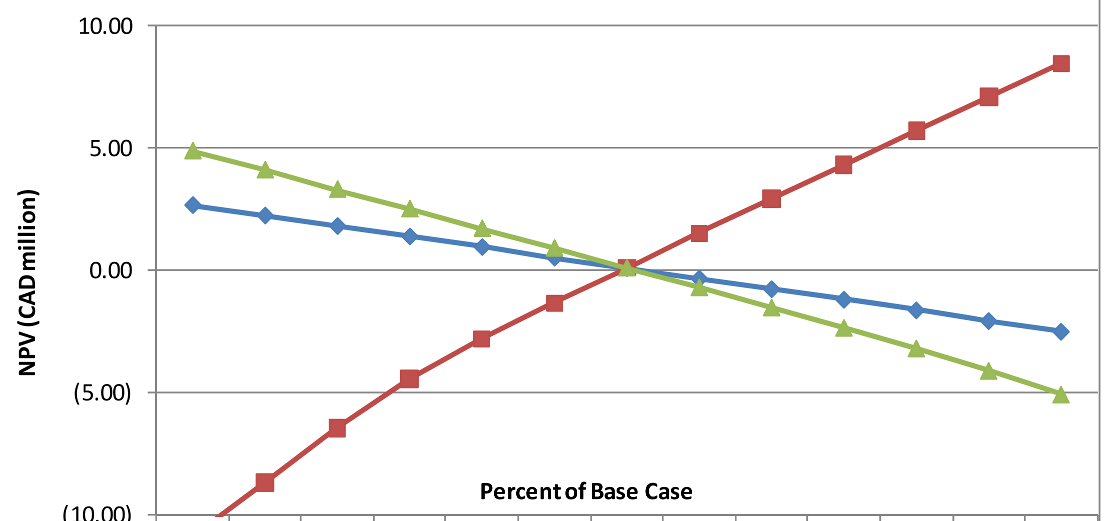
18.5.8 Sensitivity Studies

18.5.8.1 Sensitivity of Base Case

Figure 18.11 shows the impact on project NPV (after tax) of changes in metal prices, capital expenditure and operating costs. For the purpose of this exercise, metal prices can be taken as a proxy for mill feed grade and recovery, as well. At a discount rate of 8%, the project base case is close to an economic break-even, so adverse changes in any parameter very quickly produce a negative result. However, given that the base case assumes a gold price almost 20% below recent spot prices, the chart does demonstrate the potential for significant economic profit at or near current metal prices. This aspect is further discussed in the following section.

The base case is also shown to be somewhat more sensitive to operating costs than to capital.

Figure 18.11
Sensitivity Study Results



	70	75	80	85	90	95	100	105	110	115	120	125	130
Capex	2.65	2.23	1.80	1.37	0.95	0.52	0.09	(0.33)	(0.76)	(1.19)	(1.62)	(2.06)	(2.49)
Product Price	(10.94	(8.70)	(6.46)	(4.44)	(2.80)	(1.34)	0.09	1.51	2.92	4.33	5.71	7.09	8.46
Opcosts	4.88	4.10	3.30	2.51	1.70	0.90	0.09	(0.72)	(1.54)	(2.37)	(3.21)	(4.13)	(5.10)

18.5.8.2 Sensitivity to Gold Price

The sensitivity of the after-tax NPV and the IRR to gold prices lying between the selected base case value of US$ 900/oz and the recent spot prices of up to US$ 1,150/oz is presented in Table 18.13.

Table 18.13
Project Base Case - Sensitivity to Metal Price

Gold Price (US$/oz)	Silver Price (US$/oz)	Pre-tax NPV at 8% ($ 000)	Pre-tax IRR(%)	After-tax NPV at 8% ($ 000)	After tax IRR (%)
900	**12.00**	**2,496**	**15.0**	**93**	**8.3**
925	12.50	3,740	18.4	883	10.7
950	13.00	4,985	21.6	1,670	13.0
975	13.50	6,229	24.8	2,457	15.3
1000	14.00	7,473	28.0	3,237	17.5
1025	14.50	8,718	31.0	4,017	19.7
1050	15.00	9,962	34.0	4,794	21.8
1075	15.50	11,206	36.9	5,564	23.9
1100	16.00	12,451	39.8	6,328	25.9
1125	16.50	13,695	42.7	7,092	27.9
1150	17.00	14,939	45.4	7,856	29.8

18.5.8.3 Alternative Scenario

As discussed above, the base case considers a mining operation at Elmtree feeding an on-site milling and flotation concentrator at the rate of 260,000 t/y.

However, Micon also considered an alternative, in which the mineral resource is beneficiated at a higher rate in an existing, remote facility. In this scenario, no process plant or tailings storage facility is needed at Elmtree, reducing capital expenditure and simplifying the permitting process. Given the elimination of a capital constraint on plant throughput, mining could be carried out at a higher rate of production than would otherwise be justified, which should result in some economies of scale. At the same time, road haulage and stockpile rehandling costs will be incurred for mill feed, and allowance for the toll milling operator's profit must be made. A trade-off study is therefore required in order to determine which option produces a superior result.

The specific site considered as having potential for toll-milling of Elmtree material is located approximately 60 km by road from the Elmtree site. The haulage distance for concentrate from that mill site to the nearest smelter is approximately 80 km. Based on a budgetary haulage rate obtained from a local contractor, the unit cost of material delivered to the toll milling facility is expected to be $8.00/t, versus $2.50/t for an on-site mill in the base case. With an increased rate of mining, a saving in the unit cost per tonne of waste mined is possible, and Micon has assumed this rate to be $2.20/t compared to $2.50/t in the base case.

Over the life of mine, the average operating costs per tonne milled for the toll milling scenario are based on Micon's estimated cost for rehandling, crushing, milling and flotation to produce a single concentrate at the off-site facility, and includes a 20% margin for the operator to compensate for non-cash items such as depreciation and opportunity costs.

With the toll milling option, unit costs for General and Administration are expected to fall as annually these costs have a high fixed element which is incurred over a reduced number of periods.

A comparison of operating costs for the base case and alternative scenario is provided in Table 18.14.

Table 18.14
Cash Operating Costs - Comparison

	Base Case Unit cost ($/t milled)	**Alternative Case Unit cost ($/t milled**
Mining	18.27	22.26
Processing	13.50	18.00
G&A	1.96	0.68
Total	**33.74**	**40.94**

The savings on pre-production capital expenditure for the process plant are partly offset in the alternative scenario by increases in the capacity of the mining fleet, which has in this case been sized so as to be able to complete the mining of all three pits within two years – the maximum rate at which Micon considers open pits of this size can be mined.

The capital cost estimate for the toll-milling scenario (Option 1) is given in Table 18.15. Overall, the total capital saving is $6.8 million, or approximately 52% of the base case cost.

Table 18.15
Option 1 Pre-Production Capital Costs

Item	Capital Cost($ 000)
Exploration, Engineering, Metallurgical and Social/Environmental Studies	2,000
Mining (assumes contractor fleet)	1,500
Processing Plant	Nil
Water Mgmt	500
Infrastructure	500
Environmental bond	250
Construction Indirects	200
Construction Subtotal	2,950
Contingency	1,250
Total	**6,200**

In order to maximise operational efficiencies, the toll milling plant must be fed at full capacity, estimated to be 2,500 t/d over 360 d/y, or 900,000 t/y. At this rate, depletion of the Elmtree resource occurs in 1.2 years, significantly less than the period required for its extraction. It follows, therefore, that stockpiling of open pit production must take place in Year 1, with milling starting only in the last quarter of that year. The stockpile is then drawn down to supplement direct deliveries from the open pit to keep the mill fully supplied over the following period of approximately 15 months. Consequently, the alternative scenario shows an operating loss in Year 1, which is recouped in Year 2 when the stockpile is drawn down.

Accordingly, despite the saving in capital, the maximum financial exposure in Option 1 at $13.2 million in Year 1 is very similar to that in the base case ($12.75 million in Year -1). Nevertheless, the alternative, toll-milling scenario (Option 1) results in the addition of approximately $1.3 million of NPV_8 before tax and $1.6 million after tax, when compared to the base case, and IRR values of 25% and 16%, before and after tax respectively, are also superior to the base case results of 15% and 8.3%, respectively.

Figure 18.12 compares the resulting cash flows for the alternative (Option 1) and the base case. Details of these cash flows are provided in Appendix 4.

Figure 18.12
Comparison of Cash Flows for Base Case and Alternative Scenario

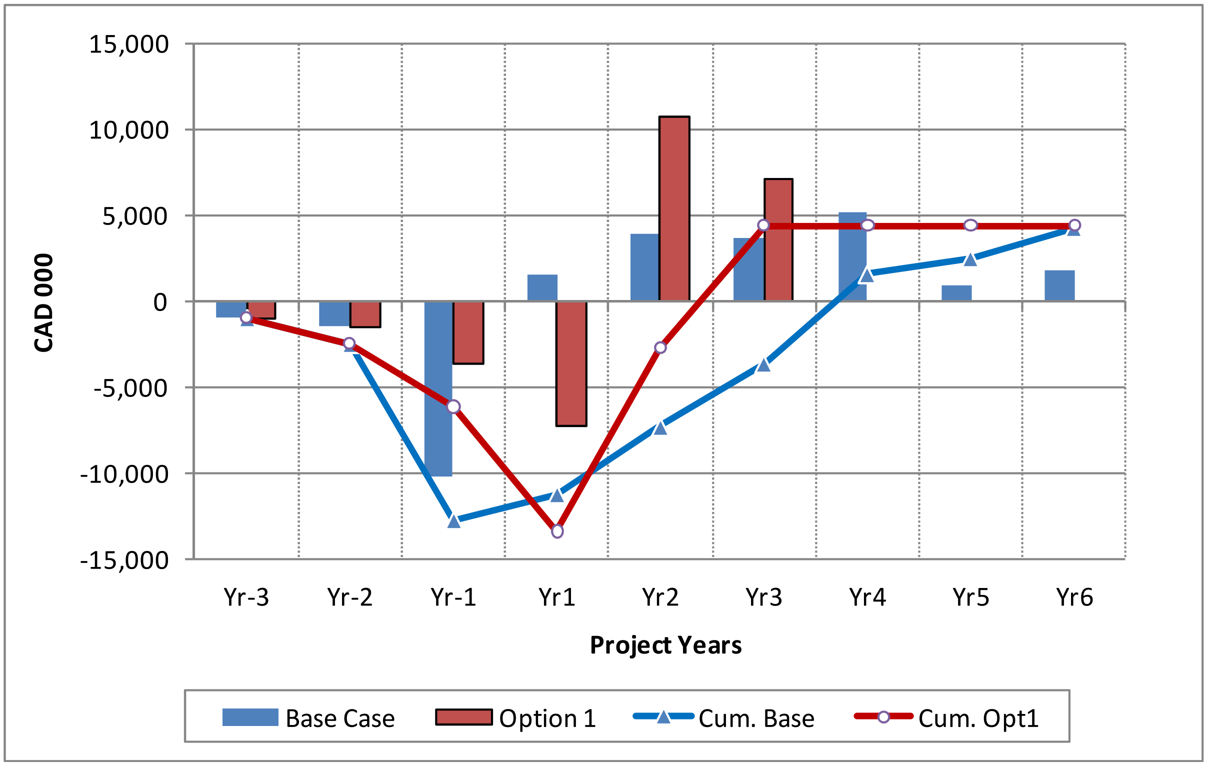


Table 18.16 demonstrates the sensitivity of the toll-milling option to changes in the gold price, and Table 18.17 presents a comparison of the returns from the base case (on-site milling) and option 1 (toll milling) at the base case gold price of US$900/oz and at a gold price of US$1,100/oz.

Table 18.16
Toll Milling (Option 1) - Sensitivity to Gold Price

Gold Price (US$/oz)	Pre-tax NPV at 8% (CAD 000)	Pre-tax IRR(%)	After tax NPV at 8% (CAD 000)	After tax IRR (%)
900	**3,763**	**25.1**	**1,696**	**16.0**
925	5,074	30.6	2,500	19.6
950	6,385	35.9	3,305	23.2
975	7,696	41.0	4,109	26.7
1000	9,007	45.9	4,913	30.1
1025	10,318	50.6	5,717	33.4
1050	11,629	55.2	6,521	36.7
1075	12,940	59.6	7,326	39.9
1100	**14,252**	**63.8**	**8,130**	**43.0**
1125	15,563	68.0	8,934	46.0
1150	16,874	71.9	9,738	49.0

Table 18.17
Comparison of Results - Base Case and Toll Milling

Scenario	Gold Price (US$/oz)	Pre-tax NPV at 8% ($ 000)	Pre-tax IRR(%)	After tax NPV at 8% ($ 000)	After tax IRR (%)
Base Case	**900**	**2,496**	**15.0**	**93**	**8.3**
	1100	*12,451*	*39.8*	*6,328*	*25.9*
Toll milling	**900**	**3,763**	**25.1**	**1,696**	**16.0**
	1100	*14,252*	*63.8*	*8,130*	*43.0*

Micon concludes, therefore, that the toll-milling scenario appears to offer the best economic returns and is worthy of further investigation during the next stages of project development, and recommends that CRI seeks to secure from the operators of toll milling facilities contractual terms similar to those assumed in this preliminary assessment. Likewise, in parallel with further metallurgical testwork to determine more precisely the characteristics of the resource and the concentrate product, Micon recommends that CRI confirms the terms for concentrate off-take through the opening of negotiations with smelter operators.

19.0 INTERPRETATION AND CONCLUSIONS

The Elmtree gold property optioned by CRI is located in north-eastern New Brunswick, Canada and, as described in this report, includes three separate gold deposits defined primarily by diamond drilling, these being the West Gabbro Zone (WGZ), Discovery Zone (DZ) and South Gold Zone (SGZ). Gold occurs in two distinct settings at Elmtree, the first being in association with a sheared and hydrothermally altered gabbroic dyke or sill of Devonian age and the second being in association with hydrothermally altered metasedimentary rocks of Ordovician and Silurian age that host the main gabbro intrusion and are cut by mineralized shear zones, quartz vein arrays and both felsic and mafic dykes.

Gold mineralization is considered to be associated with evolution of the Elmtree Fault, a brittle-ductile shear system developed under mesothermal conditions, that trends easterly across the property and is related to the regionally significant Rocky Brook - Millstream Fault, located approximately 8 km to the south.

Gold on the property typically occurs in conjunction with fine grained arsenopyrite in all three mineralized zones and, in the Discovery Zone, is locally accompanied by significant amounts of silver, zinc and lead, the latter two being associated with a late sulphide-bearing vein set. Quartz vein-associated mineralization is commonly represented but substantial areas of disseminated, non-vein related, low grade gold mineralization are present in hydrothermally altered host sequences.

The resource estimate prepared by Mercator (2008) is presented in Table 19.1. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are no mineral reserves on the property.

Table 19.1
Mineral Resource Estimate for Elmtree Property – February 11, 2008

Deposit / Zone	Category	Tonnes(Rounded)	Au (g/t)	Ag (g/t)	Pb%	Zn%
WGZ (High Grade)	Indicated	145,000	4.76	-	-	-
WGZ (Low Grade)	Indicated	380,000	1.57	-	-	-
Total WGZ Indicated	**Indicated**	**525,000**	**2.45**	-	-	-
WGZ (High Grade)	Inferred	300,000	5.22	-	-	-
WGZ (Low Grade)	Inferred	1,156,000	1.26	-	-	-
WGZ (Peripheral)	Inferred	100,000	1.07	-	-	-
Sub-Total WGZ Inferred	*Inferred*	*1,556,000*	*2.01*	-	-	-
DZ Au Only Zone	Inferred	583,000	1.15	-	-	-
DZ Au/Ag/Pb/Zn Zone	Inferred	117,000	1.77	44.36	0.78	2.17
DZ Ag/Pb/Zn Zone	Inferred	41,000	-	25.80	0.43	1.53
Sub-Total DZ Inferred	*Inferred*	*741,000*	*1.18*	*8.43*	*0.15*	*0.43*
SGZ	Inferred	2,367,000	0.74			
Total Inferred	**Inferred**	**3,108,000**	**0.85**	**2.01**	**0.04**	**0.10**

Notes: WGZ = West Gabbro Zone, SGZ= South Gold Zone, DZ= Discovery Zone; WGZ High Grade Au threshold = 3.00 g/t/2.0m; Low Grade Au Threshold=0.5 g/t/3.0m; SGZ Au Threshold=0.3 g/t/3m; DZ Au threshold = 0.5 g//t2m

On the basis of the work carried out as part of its preliminary assessment of the Elmtree property, Micon concludes that:

The WGZ, SGZ and parts of the DZ are amenable to open pit mining. In aggregate, optimized pit shells containing potential mill feed from all three deposits of 1.118 million tonnes at an average grade of 2.41 g/t Au were generated on the basis of a gold price of US$900/oz. The stripping ratio in these optimised pit shells was 6.3:1.

As demonstrated in the base case analysis, the processing of Elmtree material to produce a flotation concentrate could be carried out on site, with deposition of the tailings into a dedicated storage facility. Gold is expected to be recovered at the rate of approximately 90% into a rougher concentrate, suitable for sale to a nearby smelter. Within the expected accuracy of the study, the base case is shown to be economically viable.

However, an alternative case considered in this study involves trucking the material to a toll milling facility approximately 60 km from Elmtree. Milling and flotation would then be carried out using a flowsheet similar to that proposed for the on-site plant, with the resulting concentrate sold to a nearby smelter, as before. The alternative case presents several advantages over the base case, not least of which are a significantly improved economic return and lower pre-production capital cost. Moreover, with no need for process plant or tailings storage facility at Elmtree, environmental impact is significantly reduced.

Micon concludes that the Elmtree project is worthy of further development with a view to establishing an open pit mining operation and tolling milling of the material to produce a saleable gold concentrate.

20.0 RECOMMENDATIONS

20.1 MERCATOR 2008

Based on results of the resource estimation program summarized above, the following recommendations were provided by Mercator with respect to future exploration and resource delineation programs for the Elmtree deposits:

1. A project database of specific gravity data should be established with representation across the complete grade and lithologic range of the deposit. Data should be acquired from every Stratabound drill hole and include representation of the non-mineralized host rock sequences.
2. Upgrading of current Inferred category resources to higher resource categories will require additional core drilling at closer hole and drill section spacing. Based on the current WGZ example, section spacing of at least 25 meters will be required for definition of Indicated resources in areas of well documented mineralization and consistent continuity defined by drill holes. A ten hole initial program of infill drilling to better define resources in the three deposit areas is considered warranted.
3. Establishment of Measured category resource parameters should only be undertaken after several infill holes at 12.5 meter section spacing have been completed, initially in the WGZ. This will provide an assessment of zone continuity that is necessary for consideration of Measured category resource parameters. An initial two hole program to provide 12.5 meter spaced drilling data is considered warranted.
4. The QA/QC program should be modified to include insertion of standard and blank samples in direct sequence with all higher grade intercepts, regardless of their location relative to the systematized insertions currently in place. This will ensure proximity of such materials to areas of economic interest. Additional certified standards should be accessed to provide silver, lead and zinc data for holes testing DZ area base metal zones. Insertion rate for all standards should be increased to approximately 1 in 25 and a third split of pulp material from duplicate split pulps should be accessed for systematic submission as part of the third party laboratory check sample protocol.
5. A digital elevation database should be developed for the property with resolution in the 1.0 m range.
6. Exploratory drilling along the strike and dip extensions of the SGZ and DZ is required, as is further drilling at depth in the eastern half of the WGZ. Existing grid geophysical surveys for the property should be reprocessed and re-interpreted to assess potential for a faulted east extension of the WGZ mineralized intrusion. A twelve hole initial drilling program to assess deposit extensions in all areas is warranted, with locations to be assigned after full review of all project data.
7. At least one new hole should be completed in each zone to serve as a twin to historic Lacana holes. These would serve as checks on both location and grade confirmation.
8. A preliminary assessment of deposit metallurgical characteristics should be planned by a qualified professional or firm and steps taken to initiate work on this front. Archived core reject materials could play a prominent role in such a program.

Recommendations set out above reflect completion of additional diamond drilling and associated activities on the Elmtree property, as well as initiation of metallurgical studies. Estimated budget figures for such work appear below in Table 16 and reflect organization as a two phase program. Phase 2 expenditures are contingent on positive results from Phase 1.

Table 20.1
Proposed Budgets for Phase 1 and Phase 2 Programs

Phase 1 Exploration Program Budget Estimate *Detailed Programs On Current Deposits*	***$ CDN***
Infill drilling at 25 m spacing – 2,500 m	312,500
Infill drilling at 12.5 m spacing - 500 m	62,500
Twin holes drilling - 200 m	25,000
Analytical services for drilling – 1,000 samples	40,000
Geological field supervision and logging – 3 months	40,000
Field support – vehicles, fuel, etc. materials	12,000
Sampling and core lab support	10,000
Reporting	15,000
Digital elevation model and dataset	10,000
Supervision and Administration	50,000
Preliminary metallurgical study	25,000
Contingency	*60,000*
Grand Total For Phase 1	**662,000**
Phase 2 Exploration Program Budget Estimate *Contingent on Positive Results of Phase 1 Program*	***$ CDN***
Detailed Programs On Current Deposits	
Strike and dip extension drilling – 2,500 m	312,500
Infill drilling at 25 m spacing – 2,500 m	312,500
Analytical services for drilling – 2,000 samples	80,000
Geological field supervision and logging – 4.5 months	60,000
Field support – vehicles, fuel, etc. materials	18,000
Sampling and core lab support	15,000
Reporting	20,000
Continued metallurgical studies	50,000
Supervision and Administration	*60,000*
Contingency	*90,000*
Grand Total For Phase 2	**1,018,000**

20.2 MICON

Micon concurs with Mercator's recommendations for further exploration as described above, in accordance with CRI's objective of improving confidence in the resource estimate so that much of the resource presently classified as inferred can be brought into the measured and indicated categories.

Micon further recommends that CRI advances the level of engineering and environmental work to a level commensurate with a feasibility study for the Elmtree project on the basis of

Option 1 described in this preliminary assessment, i.e., accelerated mining, toll milling and the sale of a gold concentrate to a nearby smelter. Specifically, Micon recommends that:

- Alongside further exploration drilling, geotechnical and hydrogeological work should be undertaken to provide data for analysis of pit slope angles and groundwater inflows, which will be required in order to produce detailed open pit designs.

  Once this information is available, detailed designs of the open pits and waste dump should be prepared, together with monthly production schedules that can be used as the basis for tendering mining and haulage contract(s).

- With regard to metallurgical testwork:

  a) A repeat of the mineralogical work should be undertaken on known high grade drill intersections to ensure that the gold disposition can be better understood.

  b) More detailed work is required to determine the optimum liberation size for the gold, concentrate grade and rates of recovery using equipment presently available at the toll milling facility.

  c) Gravity testwork be repeated using equipment better designed for recovery of fine gold; e.g., either a Knelson or Falcon concentrator.

  d) Gravity tailings be subjected to testwork for an intensive leach process followed by either metal concentration through resin or carbon columns. Electrowinning would be used for recovery of a gold sludge.

  e) The possibility of producing a gold concentrate only and subjecting this to intensive leaching should be investigated. Also, this could be incorporated with the gravity circuit if it is determined that free gold is present. The gravity concentrate and electrowinning sludge could then either be smelted on site or sold to a nearby smelter for further treatment and refining.

- The commercial terms under which Elmtree material may be toll treated at an existing facility will need to be established through direct negotiation with the operator.

- Concentrate treatment and refining charges, minimum deductions and payability of metal in concentrate which will determine the net smelter return should be negotiated.

- The next stage of project design should incorporate additional environmental and social programs, including terrestrial studies, waste characterization, fish habitat mitigation/compensation planning, social baseline studies, stakeholder and First Nation consultation, and initiation of the environmental assessment review process.

21.0 SIGNATURES

The effective date of the resource estimate in this report is February 12, 2008.

The effective date of the preliminary assessment is March 05, 2010.

Date of signature: April 16, 2010

MERCATOR GEOLOGICAL SERVICES LTD

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23.0 CERTIFICATES

CERTIFICATE OF AUTHOR

I, Michael P. Cullen, *P.Geo.* do hereby certify that:

1. I am currently employed as a Senior Geologist by:

   Mercator Geological Services Limited
   65 Queen St., Dartmouth,
   Nova Scotia, Canada B2Y 1GA

2. I graduated with a Masters Degree in Science (Geology) from Dalhousie University in 1984. In addition, I obtained a Bachelor of Science degree (Honours, Geology) in 1980 from Mount Allison University.
3. I am a registered member in good standing of the Association of Professional Geoscientists of Nova Scotia, registration number 064.
4. I have worked as a geologist in Canada and internationally since graduation from university.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am the qualified person responsible for preparation of sections 2 to 15 and section 17, plus parts of sections 1, 19 and 20 of the Technical Report entitled: TECHNICAL REPORT ON PRELIMINARY ASSESSMENT OF THE ELMTREE GOLD PROPERTY GLOUCESTER COUNTY NEW BRUNSWICK CANADA dated March 05, 2010.
7. I have carried out field work in northeastern New Brunswick at numerous times and visited the Elmtree Property most recently with staff of Stratabound Minerals Corp. on April 7, 2010. On the same date diamond drill core from the property was examined, sampled and photographed at the company's offices in Bathurst, NB.
8. As of the date of this certificate, to the best of my knowledge, information and belief, the sections of this Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make this report not misleading.
9. I am independent of both Castle Resources Inc. and Stratabound Minerals Inc.,applying all of the tests in section 1.5 of National Instrument 43-101.
10. I have read National Instrument 43-101 and Form 43-101F1, and believe that this Technical Report has been prepared in compliance with that instrument and form.

Dated this 16th day of April, 2010

[Original signed and sealed by]

Michael P. Cullen, M. Sc., P. Geo.
Senior Geologist
Mercator Geological Services Limited

CERTIFICATE OF AUTHOR

SAM SHOEMAKER JR.

As the author of portions of this report entitled "Technical Report on Preliminary Assessment of the Elmtree Gold Property Gloucester County New Brunswick Canada", I, Sam Shoemaker Jr., do hereby certify that:

1. I am retained as a Senior Mining Engineer by, and carried out this assignment for:
   Micon International Limited, Suite 900 – 390 Bay Street, Toronto, ON, M5H 2Y2
   tel. (416) 362-5135 fax (416) 362-5763 email: sshoemaker@micon-international.com

2. I hold the following academic qualifications:.
   B.Sc (Mine Engineer) Montana College of Mineral Science and Technology 1983

3. I am a member of Australasian Institute of Mining and Metallurgy (Member Number 229733); as well, I am a member in good standing of other technical associations and societies, including the Society for Mining, Metallurgy, and Exploration, Inc;

4. I have worked as a mining engineer in the minerals industry for 27 years. My experience includes resource estimation, mine development, open pit production, environmental compliance, financial evaluation, mine commissioning, long and short range mine planning, and open pit optimization with a variety of deposit types including gold, silver, copper, zinc, lead, uranium, nickel, platinum-group metals, iron, and industrial minerals;

5. I do, by reason of education, experience and professional registration, fulfill the requirements of a Qualified Person as defined in NI 43-101.

6. I have not visited the Elmtree Gold Property;

7. I am responsible for the preparation of Section 18.1 and portions of Sections 1, 19 and 20 of this report entitled "Technical Report on Preliminary Assessment of the Elmtree Gold Property Gloucester County New Brunswick Canada" dated March 05, 2010.

8. I am independent of Castle Resources Inc., as defined in Section 1.4 of NI 43-101;

9. I have had no prior involvement with the mineral property in question.

10. I have read NI 43-101 and the portions of this report for which I am responsible have been prepared in compliance with the instrument;

11. As of the date of this certificate to the best of my knowledge, information and belief, the sections of this Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make this report not misleading.

Effective date: March 05, 2010

Signing date: April 16, 2010

"Sam Shoemaker Jr." {signed }

Sam Shoemaker Jr., MAusIMM

CERTIFICATE OF AUTHOR

CHRISTOPHER A. JACOBS

As the author of portions of this report entitled "Technical Report on Preliminary Assessment of the Elmtree Gold Property Gloucester County New Brunswick Canada", I, Christopher A. Jacobs, do hereby certify that:

1. I am employed by, and carried out this assignment for:
   Micon International Limited, Suite 900 – 390 Bay Street, Toronto, ON, M5H 2Y2
   tel. (416) 362-5135 fax (416) 362-5763 email: cjacobs@micon-international.com

2. I hold the following academic qualifications:
   B.Sc. (Hons) Geochemistry, University of Reading, 1980;
   M.B.A., Gordon Institute of Business Science, University of Pretoria, 2004.

3. I am a Chartered Engineer registered with the Engineering Council of the U.K. (registration number 369178);

4. Also, I am a professional member in good standing of: The Institute of Materials, Minerals and Mining (Member); and The Canadian Institute of Mining, Metallurgy and Petroleum (Member);

5. I have worked in the minerals industry for 28 years; my work experience includes 10 years as an exploration and mining geologist on gold, platinum, copper/nickel and chromite deposits; 10 years as a technical/operations manager in both open pit and underground mines; 3 years as strategic (mine) planning manager and the remainder as an independent consultant;

6. I do, by reason of education, experience and professional registration, fulfill the requirements of a Qualified Person as defined in NI 43-101;

7. I visited the Elmtree Gold Property on December 8, 2009;

8. I am responsible for the preparation of Sections 18.3, 18.5 and portions of Sections 1, 19 and 20 of this report, entitled "Technical Report on Preliminary Assessment of the Elmtree Gold Property Gloucester County New Brunswick Canada" dated March 05, 2010. I also take responsibility for Sections 16 and 18.2 of this report, which were prepared under my supervision by Mr Victor Bryant, MAusIMM, and Section 18.4, which was prepared under my supervision by Ms Jenifer Hill, R.P.Bio.

9. I am independent of Castle Resources Inc., as defined in Section 1.4 of NI 43-101;

10. I have had no prior involvement with the mineral property in question.

11. I have read NI 43-101 and the portions of this report for which I am responsible have been prepared in compliance with the instrument;

12. As of the date of this certificate to the best of my knowledge, information and belief, the sections of this Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make this report not misleading.

Effective date: March 05, 2010

Signing date: April 16, 2010

"Christopher A. Jacobs" {signed and sealed}

Christopher A. Jacobs, CEng MIMMM

APPENDIX 1

Castle Resources Inc.

Drill Collar and Trench Coordinates - April 2010: See Table Notes at End

Hole ID	Easting (m) Local Grid	Northing (m) Local Grid	Elevation (m)	*Location	Depth (m)	Year	Company
DDH06019	400	96	140	DZ	156.2	2006	Stratabound
DDH06020	375	115	140	DZ	150	2006	Stratabound
DDH06021	425	115	140	DZ	153	2006	Stratabound
DDH06022	425	25	140	DZ	61.5	2006	Stratabound
DDH06023	450	25	140	DZ	124	2006	Stratabound
DDH06024	470	120	140	DZ	195	2006	Stratabound
DDH06025	510	132	140	DZ	267	2006	Stratabound
DDH06026	515	120	140	DZ	180	2006	Stratabound
DDH06027	400	100	140	DZ	147	2006	Stratabound
DDH06028	400	-30	140	DZ	189	2006	Stratabound
DDH06029	800	-70	140	DZE	150	2006	Stratabound
DDH06030	800	35	140	DZE	144	2006	Stratabound
DDH06031	720	-70	140	DZE	173	2006	Stratabound
DDH06032	750	35	140	DZE	149	2006	Stratabound
DDH06033	825	-50	140	DZE	252.5	2006	Stratabound
DDH06034	350	-60	140	DZ	251	2006	Stratabound
DDH06035	425	14	140	DZ	129	2006	Stratabound
DDH06036	-215	-151	140	SGZ	143	2006	Stratabound
DDH06037	-200	-50	146	SGZ	66	2006	Stratabound
DDH06038	-350	-125	140	SGZ	85	2006	Stratabound
DDH06039	-300	-140	140	SGZ	105	2006	Stratabound
DDH06040	-100	-163	140	SGZ	170	2006	Stratabound
DDH06041	50	15	140	SGZ	150	2006	Stratabound
DZ06001	400	30	138.856	DZ	69	2006	Stratabound
DZ06002	400	33.5	138.856	DZ	75	2006	Stratabound
DZ06003	400	115	140	DZ	162	2006	Stratabound
DZ06004	508	41	140	DZ	63	2006	Stratabound
DZ06005	514	100	140	DZ	87	2006	Stratabound
DZ06006	800	-17.5	140	DZE	84	2006	Stratabound
DZ06007	800	-52	140	DZE	72	2006	Stratabound
DZ06008	800	90	140	DZE	75	2006	Stratabound
DZ06009	1050	-209.5	140	DZE	63	2006	Stratabound
DZ06010	1050	-225	140	DZE	78	2006	Stratabound
DZ06011	1050	90	140	DZE	75	2006	Stratabound
DZ06012	87.5	148	140	WGZE	120	2006	Stratabound
DZ06013	100	40	140	WGZE	69	2006	Stratabound
DZ06014	100	32.5	143.938	SGZ	150	2006	Stratabound
DZ06015	-100	39	144	WGZ	81	2006	Stratabound
DZ06016	-150	27	145	WGZ	75	2006	Stratabound
DZ06017	-365	2	148	WGZ	75	2006	Stratabound
DZ06018	-400	-30	147	WGZ	30	2006	Stratabound
ELM07042	125	32.5	142.223	SG	150	2007	Stratabound
ELM07043	150	32.5	142.128	SG	150	2007	Stratabound
ELM07044	200	32.5	139.945	SG	166	2007	Stratabound
ELM07045	300	125	138.96	SG	295	2007	Stratabound
ELM08046	75	32	140	SG	250	2008	Stratabound
ELM08047	90	-10	140	SG	96	2008	Stratabound
ELM08048	25	15	140	SG	226.9	2008	Stratabound
ELM08049	50	-140	140	SG	253	2008	Stratabound

Castle Resources Inc.

Drill Collar and Trench Coordinates - April 2010: See Table Notes at End

Hole ID	Easting (m) Local Grid	Northing (m) Local Grid	Elevation (m)	*Location	Depth (m)	Year	Company
ELM08050	-300	0	145	WGZ	84	2008	Stratabound
ELM08051	-300	-5	145	WGZ	96	2008	Stratabound
ELM09052	-325	-40	147.676	WGZ	206.35	2009	Castle
ELM09053	-300	-35	148.583	WGZ	227.69	2009	Castle
ELM09054	-198	4	150.114	WGZ	74.07	2009	Castle
ELM09055	-100	196	148.823	WGZ	352.65	2009	Castle
ELM09056	-410	85	146.77	WGZ	142.34	2009	Castle
ELM09057	-410	85	146.77	WGZ	218.54	2009	Castle
ELM09058	-275	200	149.192	WGZ	267.31	2009	Castle
ELM09059	-112.5	-50	144.348	WGZ	83.21	2009	Castle
ELM09060	-232	-225	146.888	WGZ	156.36	2009	Castle
ELM09061	-346	56	148.821	WGZ	75.59	2009	Castle
ELM09062	-505	110	149.709	WGZ	150.27	2009	Castle
ELM09063	-505	110	149.709	WGZ	255.1176	2009	Castle
ELM09064	-535	140	146.994	WGZext	250.8504	2009	Castle
ELM09065	-800	100	149.583	WGZext	150	2009	Castle
ELM09066	-550	100	146.634	WGZext	252.5	2009	Castle
ELM09067	-400	200	145.689	WGZ	297.7896	2009	Castle
ELM09068	100	-145	142.015	SGZ	243	2009	Castle
ELM09069	225	-80	140.916	SGZ	148.44	2009	Castle
ELM09070	281.64	-80	139.204	SGZ	191.11	2009	Castle
ELM09071	281.64	-80	139.204	SGZ	169.77	2009	Castle
ELM09072	152.81	106.65	141.173	SGZ	236.85	2009	Castle
ELM09073	329.93	-73.12	141.312	SGZ	194.16	2009	Castle
ELM09074	400	-83.51	141.954		226.9	2009	Castle
ELM09075	600	-75	137.916		172.82	2009	Castle
ELM09076	1829.55	88.91	113.145	Murphy Option	297.79	2009	Castle
ME85001	-198	4	147.95	WGZ	72.4	1985	Lacana
ME85002	-202	-4	147.86	WGZ	101.2	1985	Lacana
ME85003	-284	0	148.01	WGZ	72.55	1985	Lacana
ME85004	-284	-6	148.01	WGZ	96.63	1985	Lacana
ME85005	-361	-23	148.32	WGZ	90.23	1985	Lacana
ME85006	-362	46	146.18	WGZ	53.65	1985	Lacana
ME85007	-375	36	147.22	WGZ	54.26	1985	Lacana
ME85008	-375	43	147.1	WGZ	53.35	1985	Lacana
ME85009	-170	0	146.64	WGZ	78.65	1985	Lacana
ME85010	-170	-4	146.67	WGZ	105.47	1985	Lacana
ME85011	-140	0	145.79	WGZ	73.16	1985	Lacana
ME85012	-155	0	146.06	WGZ	94.19	1985	Lacana
ME85013	-140	32	144.72	WGZ	95.72	1985	Lacana
ME85014	475	-36	140	DZ	95.72	1985	Lacana
ME85015	488	54	140	DZ	46.64	1985	Lacana
ME85016	-232	0	148.74	WGZ	82.61	1985	Lacana
ME85017	-232	-6	148.62	WGZ	110.96	1985	Lacana
ME85018	-260	0	148.5	WGZ	71.94	1985	Lacana
ME85019	-260	-6	148.41	WGZ	113.09	1985	Lacana
ME86020	-315	0	149.44	WGZ	77.73	1986	Lacana
ME86021	-315	-5	149.23	WGZ	108.82	1986	Lacana
ME86022	-346	56	145.85	WGZ	71.03	1986	Lacana

Castle Resources Inc.

Drill Collar and Trench Coordinates - April 2010: See Table Notes at End

Hole ID	Easting (m) Local Grid	Northing (m) Local Grid	Elevation (m)	*Location	Depth (m)	Year	Company
ME86023	-435	65.5	145.69	WGZ	82	1986	Lacana
ME86024	-435	61	145.69	WGZ	90.54	1986	Lacana
ME86025	-404	62	145.42	WGZ	76.21	1986	Lacana
ME86026	-494	62	147.1	WGZ	89.93	1986	Lacana
ME86027	-346	88.5	141.7	WGZ	91.45	1986	Lacana
ME86028	-160	-32	145.82	WGZ	166.74	1986	Lacana
ME86029	-216	-30	146.49	WGZ	172.83	1986	Lacana
ME86030	-278	-45.5	146.49	WGZ	182.89	1986	Lacana
ME86031	-339	-32	147.74	WGZ	124.06	1986	Lacana
ME86032	-385	75	144.87	WGZ	90.54	1986	Lacana
ME86033	-216	-60	145.82	WGZ	276.46	1986	Lacana
ME86034	-162	-61	145.36	WGZ	282.56	1986	Lacana
ME86035	-280	127	140.76	WGZ	180.15	1986	Lacana
ME86036	-382	121	141.95	WGZ	157.59	1986	Lacana
ME86037	-200	161	144.29	WGZ	209.1	1986	Lacana
ME86038	-350	117	141.15	WGZ	183.19	1986	Lacana
ME86039	-203	191	146.21	WGZ	258.18	1986	Lacana
ME86040	-265	160	143.77	WGZ	206.36	1986	Lacana
ME86041	-178	192	146.18	WGZ	240.5	1986	Lacana
ME86042	-260	98	139.23	WGZ	125.59	1986	Lacana
ME86043	-200	108	139.69	WGZ	152.41	1986	Lacana
ME86044	-147	131	142.52	WGZ	162.16	1986	Lacana
ME86045	-100	164	143.1	WGZ	199.65	1986	Lacana
ME86046	63	162	143.26	WGZE	211.54	1986	Lacana
ME86047	-100	192	144.72	WGZ	209.41	1986	Lacana
ME86048	462	-65	140	DZ	132.29	1986	Lacana
ME86049	441	-16	140	DZ	81.39	1986	Lacana
ME86050	345	0	140	DZ	75.3	1986	Lacana
ME86051	-173	47.5	145.08	WGZ	41.46	1986	Lacana
ME86052	-202	50	143.56	WGZ	44.51	1986	Lacana
ME86053	-235	50	142.95	WGZ	44.51	1986	Lacana
ME86054	-265	48	142.49	WGZ	38.41	1986	Lacana
ME86055	-295	49	144.93	WGZ	50	1986	Lacana
ME86056	-326	45	145.39	WGZ	35.06	1986	Lacana
ME86057	-357	35	146	WGZ	35.37	1986	Lacana
ME86058	-385	34	146.3	WGZ	45.73	1986	Lacana
ME86059	-417	34	146.3	WGZ	44.51	1986	Lacana
ME86060	-148	168	142.34	WGZ	198.13	1986	Lacana
ME87061	-148	198	142.34	WGZ	235.93	1987	Lacana
ME87062	-185	255	144.78	WGZ	320.05	1987	Lacana
ME87063	-110	231	144.78	WGZ	290.32	1987	Lacana
ME87064	-450	34	145.69	WGZ	47.86	1987	Lacana
ME87065	-80	275	144.78	WGZ	340.47	1987	Lacana
ME88074	-80	216	140	WGZ	245.68	1987	Lacana
ME88075	-50	185	140	WGZ	219.77	1987	Lacana
ME88076	-235	210	140	WGZ	277.68	1987	Lacana
ME88077	-235	242	140	WGZ	345.5	1987	Lacana
TR04-01-16A	-390	0	143.75	WGZ	38	2004	Stratabound
TR04-02-16	-374	33	138	WGZ	17	2004	Stratabound

Castle Resources Inc.

Drill Collar and Trench Coordinates - April 2010: See Table Notes at End

Hole ID	Easting (m) Local Grid	Northing (m) Local Grid	Elevation (m)	*Location	Depth (m)	Year	Company
TR04-03-15A	-319	3	146.5	WGZ	64	2004	Stratabound
TR04-04-15	-301	3	146.5	WGZ	54	2004	Stratabound
TR04-05-14B	-254	3	144.5	WGZ	52	2004	Stratabound
TR04-06-14A	-230	3	145.5	WGZ	52	2004	Stratabound
TR04-07-14	-212	3	146	WGZ	65	2004	Stratabound
TR04-08-13	-183	3	142.327	WGZ	49	2004	Stratabound
TR04-09-13A	-159	2	138	WGZ	33	2004	Stratabound
WG05001	-318	200	146.587	WGZ	301.5	2005	Stratabound
WG05002	-170	150	143.66	WGZ	182.5	2005	Stratabound
WG05003	-215	10	149.05	WGZ	64	2005	Stratabound
WG05004	-367	-15	147.95	WGZ	86.5	2005	Stratabound
WG05005	-413	-47	147.06	WGZ	126	2005	Stratabound
WG05006	-190	8	147.63	WGZ	63.5	2005	Stratabound
WG05007	-275	4	148.23	WGZ	66.5	2005	Stratabound
**TR04-01-16A	-390	0	140.5	WGZ	38	2004	Stratabound
**TR04-02-16	-374	33	138	WGZ	17	2004	Stratabound
**TR04-03-15A	-319	3	140	WGZ	64	2004	Stratabound
**TR04-04-15	-301	3	140	WGZ	54	2004	Stratabound
**TR04-05-14B	-254	3	142.5	WGZ	52	2004	Stratabound
**TR04-06-14A	-230	3	138	WGZ	52	2004	Stratabound
**TR04-07-14	-212	3	138	WGZ	65	2004	Stratabound
**TR04-08-13	-183	3	140	WGZ	49	2004	Stratabound
**TR04-09-13A	-159	2	138	WGZ	33	2004	Stratabound

Table Notes:

* WGZ = West Gabbro Zone, SGZ = South Gold Zone and DZ = Discovery Zone

** Trenches entered as horizontal drill holes with location coordinate at south end of trenched zone.

UTM Coordination (Zone 20 NAD 83) Reference Information

Hole ID	UTM Easting (m)	UTM Northing (m)	Source
ELM09-53	285082	5294336	2010 GPS by Mercator
ELM09-54	285162	5294417	2010 GPS by Mercator
ELM09-55	285162	5294637	2010 GPS by Mercator
ELM09-58	284991	5294553	2010 GPS by Mercator
ELM09-56,57	284931	5294392	2010 GPS by Mercator
ELM09-61	285002	5294400	2010 GPS by Mercator

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
DDH06037	30	32	2	0.78
DDH06037	32	34	2	0.13
DDH06037	34	36	2	0.08
DDH06037	40	42	2	0.01
DDH06037	56	58	2	0.06
DZ06015	74	76	1.2	0.01
DZ06016	44	46	2	0.03
DZ06016	52	54	1.9	0.24
DZ06016	54	56	1.2	0.09
DZ06017	38	40	2	0.15
DZ06017	40	42	2	0.12
DZ06017	42	44	2	0.19
DZ06018	14	16	2	0.02
DZ06018	16	18	2	0.01
DZ06018	18	20	2	0.01
ME85001	30	32	2	0.07
ME85001	32	34	2	1.14
ME85001	34	36	2	0.95
ME85001	36	38	2	2.24
ME85001	38	40	2	6.04
ME85001	40	42	2	9.31
ME85001	42	44	2	1.46
ME85001	44	46	2	1.33
ME85001	46	48	2	2.46
ME85001	48	50	2	3.32
ME85001	50	52	2	3.29
ME85001	52	54	2	5.29
ME85001	54	56	2	2.10
ME85001	56	58	2	1.23
ME85001	58	60	2	3.56
ME85001	60	62	2	4.19
ME85001	62	64	2	2.88
ME85001	64	66	2	0.38
ME85002	40	42	1.77	0.02
ME85002	42	44	2	0.01
ME85002	44	46	2	0.03
ME85002	46	48	2	0.58
ME85002	48	50	2	0.99
ME85002	50	52	2	2.14
ME85002	52	54	2	1.03
ME85002	54	56	2	0.49
ME85002	56	58	2	4.39
ME85002	58	60	2	2.10
ME85002	60	62	2	2.04
ME85002	62	64	2	0.80
ME85002	64	66	2	0.61
ME85002	66	68	2	3.35
ME85002	68	70	2	0.04

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME85002	70	72	2	3.45
ME85002	72	74	2	2.99
ME85002	74	76	2	9.39
ME85002	76	78	2	4.30
ME85002	78	80	2	6.78
ME85002	80	82	2	1.48
ME85002	82	84	2	1.01
ME85002	84	86	2	0.19
ME85002	86	88	2	2.90
ME85002	88	90	2	1.51
ME85002	90	92	2	0.21
ME85002	92	94	2	0.07
ME85002	94	96	2	0.34
ME85002	96	98	2	0.27
ME85002	98	100	1.45	0.22
ME85003	6	8	2	0.01
ME85003	10	12	1.52	0.01
ME85003	22	24	2	0.08
ME85003	24	26	2	0.97
ME85003	26	28	2	3.30
ME85003	28	30	2	0.45
ME85003	30	32	2	0.10
ME85003	32	34	2	0.26
ME85003	34	36	2	0.30
ME85003	36	38	2	0.50
ME85003	38	40	2	2.56
ME85003	40	42	2	2.64
ME85003	42	44	2	2.37
ME85003	44	46	2	2.33
ME85003	46	48	2	0.93
ME85003	48	50	2	0.58
ME85003	50	52	2	0.78
ME85003	52	54	2	0.07
ME85003	54	56	2	2.08
ME85003	56	58	2	4.51
ME85003	58	60	2	1.18
ME85003	60	62	2	0.16
ME85003	62	64	2	0.02
ME85003	64	66	2	0.04
ME85004	46	48	1.67	0.06
ME85004	48	50	2	0.01
ME85004	50	52	1.69	0.80
ME85004	52	54	2	1.29
ME85004	54	56	2	5.40
ME85004	56	58	2	1.98
ME85004	58	60	2	0.51
ME85004	60	62	2	3.58
ME85004	62	64	2	1.89

Stratabound Minerals Corp.
Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME85004	64	66	2	4.88
ME85004	66	68	2	4.29
ME85004	68	70	2	10.52
ME85004	70	72	2	5.17
ME85004	72	74	2	0.21
ME85004	74	76	2	0.01
ME85004	76	78	2	0.10
ME85004	78	80	2	1.03
ME85004	80	82	2	0.17
ME85004	82	84	2	0.69
ME85004	84	86	2	0.51
ME85004	86	88	1.73	0.01
ME85005	60	62	2	0.01
ME85005	62	64	2	0.30
ME85005	64	66	2	0.01
ME85005	66	68	2	0.13
ME85005	68	70	2	0.26
ME85005	70	72	2	0.01
ME85005	72	74	2	1.00
ME85005	74	76	2	0.01
ME85005	76	78	2	0.01
ME85005	78	80	2	0.01
ME85005	80	82	2	1.09
ME85005	82	84	2	1.10
ME85005	84	86	2	0.02
ME85005	86	88	2	0.01
ME85006	16	18	2	0.01
ME85006	18	20	2	0.03
ME85006	20	22	2	0.15
ME85006	22	24	2	0.38
ME85006	24	26	2	0.07
ME85006	26	28	2	0.30
ME85006	28	30	2	5.25
ME85006	30	32	2	0.01
ME85006	32	34	2	0.43
ME85006	34	36	2	0.22
ME85006	36	38	2	1.79
ME85006	38	40	2	0.53
ME85006	40	42	2	0.20
ME85007	10	12	2	0.12
ME85007	12	14	2	0.38
ME85007	14	16	2	2.29
ME85007	16	18	2	0.12
ME85007	18	20	2	1.12
ME85007	20	22	2	0.10
ME85007	22	24	2	0.04
ME85007	24	26	2	0.03
ME85007	26	28	2	1.51

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME85007	28	30	2	7.18
ME85007	30	32	2	2.30
ME85007	32	34	2	0.86
ME85007	34	36	2	1.94
ME85007	36	38	2	0.34
ME85007	38	40	2	0.10
ME85007	40	42	2	0.83
ME85007	42	44	2	0.02
ME85008	18	20	2	0.01
ME85008	20	22	2	0.01
ME85008	22	24	2	0.01
ME85008	24	26	2	0.35
ME85008	26	28	2	0.21
ME85008	28	30	2	0.14
ME85008	30	32	2	1.80
ME85008	32	34	2	0.04
ME85008	34	36	2	1.24
ME85008	36	38	2	0.26
ME85008	38	40	2	0.01
ME85008	40	42	2	0.01
ME85008	42	44	2	0.01
ME85009	30	32	2	0.01
ME85009	32	34	2	0.20
ME85009	34	36	2	0.11
ME85009	36	38	2	0.79
ME85009	38	40	2	3.80
ME85009	40	42	2	1.39
ME85009	42	44	2	1.52
ME85009	44	46	2	2.66
ME85009	46	48	2	1.38
ME85009	48	50	2	2.24
ME85009	50	52	2	3.76
ME85009	52	54	2	3.94
ME85009	54	56	2	1.02
ME85009	56	58	2	1.86
ME85009	58	60	2	3.66
ME85009	60	62	2	2.82
ME85009	62	64	2	2.87
ME85009	64	66	2	1.49
ME85009	66	68	2	0.40
ME85009	68	70	2	0.10
ME85009	70	72	2	0.52
ME85009	72	74	2	0.10
ME85010	38	40	1.29	0.01
ME85010	40	42	2	0.39
ME85010	42	44	2	0.52
ME85010	44	46	2	1.24
ME85010	46	48	2	1.26

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME85010	48	50	2	2.29
ME85010	50	52	2	2.10
ME85010	52	54	2	2.13
ME85010	54	56	2	2.37
ME85010	56	58	2	1.54
ME85010	58	60	2	0.55
ME85010	60	62	2	1.52
ME85010	62	64	2	2.36
ME85010	64	66	2	1.36
ME85010	66	68	2	1.63
ME85010	68	70	2	2.02
ME85010	70	72	2	1.30
ME85010	72	74	2	1.15
ME85010	74	76	2	3.09
ME85010	76	78	2	3.51
ME85010	78	80	2	6.56
ME85010	80	82	2	2.73
ME85010	82	84	2	3.85
ME85010	84	86	2	5.40
ME85010	86	88	2	3.44
ME85010	88	90	2	0.29
ME85010	90	92	2	0.38
ME85010	92	94	2	0.36
ME85010	94	96	2	1.34
ME85010	96	98	2	0.68
ME85010	98	100	2	2.47
ME85010	100	102	2	1.02
ME85010	102	104	2	1.03
ME85010	104	106	1.35	1.20
ME85012	58	60	2	0.01
ME85012	60	62	2	0.13
ME85012	62	64	2	2.28
ME85012	64	66	2	1.70
ME85012	66	68	2	3.93
ME85012	68	70	2	6.87
ME85012	70	72	2	1.70
ME85012	72	74	2	0.22
ME85012	74	76	2	1.69
ME85012	76	78	2	1.61
ME85012	78	80	2	0.94
ME85012	80	82	2	0.16
ME85012	82	84	2	0.19
ME85012	84	86	2	1.33
ME85012	86	88	1.7	2.76
ME85012	88	90	2	0.15
ME85012	90	92	1.44	0.02
ME85016	34	36	1.97	0.03
ME85016	36	38	2	0.01

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME85016	38	40	2	0.06
ME85016	40	42	2	1.62
ME85016	42	44	2	5.66
ME85016	44	46	2	0.31
ME85016	46	48	2	1.34
ME85016	48	50	2	1.79
ME85016	50	52	2	2.08
ME85016	52	54	2	3.90
ME85016	54	56	2	1.13
ME85016	56	58	2	1.81
ME85016	58	60	2	3.27
ME85016	60	62	2	0.04
ME85016	62	64	2	0.78
ME85017	48	50	1.5	0.01
ME85017	50	52	2	0.58
ME85017	52	54	2	1.40
ME85017	54	56	2	0.81
ME85017	56	58	2	0.17
ME85017	58	60	2	0.33
ME85017	60	62	2	1.46
ME85017	62	64	1.99	0.08
ME85017	64	66	1.99	4.57
ME85017	66	68	2	0.21
ME85017	68	70	2	0.28
ME85017	70	72	2	0.32
ME85017	72	74	2	14.47
ME85017	74	76	2	3.10
ME85017	76	78	2	0.08
ME85017	78	80	2	0.28
ME85017	80	82	2	0.17
ME85017	82	84	2	0.09
ME85017	84	86	2	10.76
ME85017	86	88	2	3.80
ME85017	88	90	2	0.44
ME85017	90	92	2	1.21
ME85017	92	94	2	0.59
ME85018	30	32	2	0.07
ME85018	32	34	2	0.21
ME85018	34	36	2	0.08
ME85018	36	38	1.99	0.65
ME85018	38	40	2	1.54
ME85018	40	42	2	1.20
ME85018	42	44	2	5.80
ME85018	44	46	2	6.29
ME85018	46	48	2	0.65
ME85018	48	50	2	1.55
ME85018	50	52	2	0.21
ME85018	52	54	2	0.57

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME85018	54	56	2	5.20
ME85018	56	58	2	0.64
ME85018	58	60	2	0.32
ME85018	60	62	2	0.19
ME85018	62	64	2	0.09
ME85018	64	66	1.79	0.58
ME85019	48	50	1.4	0.01
ME85019	50	52	2	0.16
ME85019	52	54	2	1.94
ME85019	54	56	2	3.12
ME85019	56	58	2	1.77
ME85019	58	60	2	0.77
ME85019	60	62	2	3.76
ME85019	62	64	2	2.12
ME85019	64	66	2	1.98
ME85019	66	68	2	3.91
ME85019	68	70	2	0.28
ME85019	70	72	2	6.14
ME85019	72	74	2	2.81
ME85019	74	76	2	0.07
ME85019	76	78	2	12.00
ME85019	78	80	2	3.54
ME85019	80	82	2	0.03
ME85019	82	84	2	0.11
ME85019	84	86	2	0.04
ME85019	86	88	2	0.01
ME85019	88	90	2	0.01
ME85019	90	92	2	0.15
ME85019	92	94	2	1.39
ME85019	94	96	2	1.33
ME85019	96	98	2	0.56
ME85019	98	100	2	0.49
ME85019	100	102	2	0.23
ME86020	36	38	1.73	0.01
ME86020	38	40	2	0.19
ME86020	40	42	2	0.54
ME86020	42	44	2	1.99
ME86020	44	46	2	1.32
ME86020	46	48	2	3.06
ME86020	48	50	2	3.82
ME86020	50	52	2	0.26
ME86020	52	54	2	1.87
ME86020	54	56	1.78	0.21
ME86021	56	58	1.92	0.03
ME86021	58	60	2	0.58
ME86021	60	62	2	0.48
ME86021	62	64	2	0.46
ME86021	64	66	2	1.91

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86021	66	68	2	2.52
ME86021	68	70	2	0.16
ME86021	70	72	2	0.15
ME86021	72	74	2	0.23
ME86021	74	76	2	0.20
ME86021	76	78	2	1.45
ME86021	78	80	2	1.93
ME86021	80	82	2	1.52
ME86021	82	84	2	2.53
ME86021	84	86	2	0.01
ME86021	86	88	2	0.01
ME86022	26	28	2	1.17
ME86022	28	30	2	0.93
ME86022	30	32	2	1.18
ME86022	32	34	2	3.22
ME86022	34	36	2	5.26
ME86022	36	38	2	5.21
ME86022	38	40	2	2.28
ME86022	40	42	2	3.39
ME86022	42	44	2	0.03
ME86022	44	46	2	0.28
ME86022	46	48	2	0.79
ME86023	30	32	1.82	0.02
ME86023	32	34	2	0.05
ME86023	34	36	2	0.16
ME86023	36	38	2	0.06
ME86023	38	40	2	0.03
ME86023	40	42	2	0.78
ME86023	42	44	2	0.06
ME86023	44	46	2	0.49
ME86023	46	48	2	0.79
ME86023	48	50	2	1.89
ME86023	50	52	2	0.47
ME86023	52	54	2	0.16
ME86023	54	56	2	0.01
ME86023	56	58	2	0.01
ME86023	58	60	2	0.01
ME86023	60	62	2	3.04
ME86023	62	64	2	0.03
ME86023	64	66	2	0.01
ME86023	66	68	2	0.01
ME86023	78	80	1.86	0.01
ME86024	36	38	2	0.01
ME86024	38	40	1.43	0.74
ME86024	40	42	2	0.37
ME86024	42	44	2	0.95
ME86024	44	46	2	0.01
ME86024	46	48	2	0.04

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86024	48	50	2	0.02
ME86024	50	52	2	0.02
ME86024	52	54	2	0.04
ME86024	54	56	2	0.01
ME86024	56	58	2	0.01
ME86024	58	60	2	0.03
ME86024	60	62	2	0.49
ME86024	62	64	2	2.29
ME86024	64	66	2	0.04
ME86024	66	68	2	0.07
ME86024	68	70	2	0.21
ME86024	70	72	2	1.26
ME86024	72	74	2	0.26
ME86024	74	76	2	1.65
ME86024	76	78	2	0.15
ME86024	78	80	2	0.01
ME86025	30	32	2	1.00
ME86025	44	46	1.8	2.82
ME86025	46	48	2	0.03
ME86025	48	50	1.97	0.06
ME86025	50	52	2	0.10
ME86025	52	54	2	0.20
ME86025	54	56	2	0.28
ME86025	56	58	2	0.01
ME86025	58	60	2	0.07
ME86025	60	62	2	2.39
ME86025	62	64	2	0.91
ME86025	64	66	2	0.04
ME86026	62	64	1.52	0.14
ME86026	64	66	2	0.29
ME86026	66	68	2	0.05
ME86026	68	70	2	0.07
ME86026	70	72	2	0.10
ME86026	72	74	2	0.05
ME86026	74	76	2	0.18
ME86026	76	78	2	0.03
ME86026	78	80	2	0.61
ME86026	80	82	2	0.53
ME86027	64	66	1.86	0.01
ME86027	66	68	2	0.33
ME86027	68	70	2	2.78
ME86027	70	72	2	3.45
ME86027	72	74	2	0.28
ME86027	74	76	2	0.09
ME86027	76	78	2	0.25
ME86027	78	80	2	0.41
ME86027	80	82	1.69	0.41
ME86028	98	100	2	0.06

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86028	100	102	2	0.02
ME86028	102	104	2	0.06
ME86028	104	106	2	0.13
ME86028	106	108	2	0.98
ME86028	108	110	2	1.83
ME86028	110	112	2	3.81
ME86028	112	114	2	2.09
ME86028	114	116	2	5.07
ME86028	116	118	2	5.50
ME86028	118	120	2	4.50
ME86028	120	122	2	3.41
ME86028	122	124	2	4.64
ME86028	124	126	2	1.75
ME86028	126	128	2	0.55
ME86028	128	130	2	2.67
ME86028	130	132	2	2.45
ME86028	132	134	2	6.28
ME86028	134	136	2	0.46
ME86028	136	138	2	0.94
ME86028	138	140	2	0.77
ME86028	140	142	2	2.52
ME86028	142	144	2	3.08
ME86028	144	146	2	2.70
ME86028	146	148	2	0.01
ME86028	148	150	1.35	0.01
ME86029	106	108	2	0.06
ME86029	108	110	2	0.24
ME86029	110	112	2	1.60
ME86029	112	114	2	2.00
ME86029	114	116	2	1.39
ME86029	116	118	2	3.87
ME86029	118	120	2	7.95
ME86029	120	122	2	4.95
ME86029	122	124	2	0.11
ME86029	124	126	2	0.04
ME86029	126	128	2	0.01
ME86029	128	130	2	0.80
ME86029	130	132	2	3.72
ME86029	132	134	2	0.05
ME86029	134	136	2	0.08
ME86029	136	138	2	0.21
ME86029	138	140	2	4.40
ME86029	140	142	2	2.14
ME86029	142	144	2	0.01
ME86029	144	146	2	0.01
ME86029	146	148	2	0.01
ME86029	148	150	2	0.01
ME86029	150	152	2	0.01

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86029	152	154	2	0.22
ME86029	154	156	2	0.17
ME86029	156	158	2	0.84
ME86029	158	160	2	0.01
ME86029	160	162	2	0.01
ME86029	162	164	2	0.25
ME86029	164	166	2	0.02
ME86029	166	168	2	2.46
ME86029	168	170	2	1.68
ME86029	170	172	2	0.01
ME86030	132	134	2	0.26
ME86030	134	136	2	2.09
ME86030	136	138	2	5.42
ME86030	138	140	2	0.38
ME86030	140	142	2	1.77
ME86030	142	144	2	2.96
ME86030	144	146	2	0.05
ME86030	146	148	2	1.12
ME86030	148	150	2	5.54
ME86030	150	152	2	2.24
ME86030	152	154	2	0.17
ME86030	154	156	2	2.49
ME86030	156	158	2	0.07
ME86030	158	160	2	0.04
ME86030	160	162	2	0.18
ME86030	162	164	2	0.18
ME86030	164	166	2	0.20
ME86030	166	168	2	0.56
ME86030	168	170	1.73	0.05
ME86031	96	98	1.68	0.13
ME86031	98	100	2	1.24
ME86031	100	102	2	0.08
ME86031	102	104	2	0.01
ME86031	104	106	2	0.01
ME86031	106	108	2	0.08
ME86031	108	110	2	4.83
ME86031	110	112	2	1.50
ME86031	112	114	2	0.01
ME86031	114	116	1.82	0.01
ME86032	44	46	2	0.02
ME86032	46	48	2	0.24
ME86032	48	50	2	3.14
ME86032	50	52	2	6.20
ME86032	52	54	2	4.89
ME86032	54	56	2	0.75
ME86032	56	58	2	0.07
ME86032	58	60	2	0.02
ME86032	60	62	2	0.02

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86032	62	64	2	0.11
ME86032	64	66	2	0.11
ME86032	66	68	2	0.17
ME86032	68	70	2	0.01
ME86032	70	72	2	0.01
ME86032	72	74	2	0.01
ME86032	74	76	2	0.01
ME86032	76	78	1.98	0.02
ME86033	30	32	2	0.07
ME86033	32	34	2	0.04
ME86033	34	36	2	0.03
ME86033	118	120	2	0.04
ME86033	120	122	1.62	0.01
ME86033	158	160	2	0.78
ME86033	160	162	2	0.27
ME86033	162	164	2	0.43
ME86033	164	166	2	0.07
ME86033	166	168	2	0.44
ME86033	168	170	2	0.57
ME86033	170	172	2	0.14
ME86033	172	174	2	0.12
ME86033	174	176	2	0.04
ME86033	176	178	2	0.17
ME86033	178	180	2	1.46
ME86033	180	182	2	2.04
ME86033	182	184	2	1.71
ME86033	184	186	2	0.86
ME86033	186	188	2	0.47
ME86033	188	190	2	0.12
ME86033	190	192	2	0.01
ME86033	192	194	2	0.08
ME86033	194	196	1.96	0.04
ME86033	196	198	2	0.01
ME86033	198	200	2	0.01
ME86033	200	202	2	0.01
ME86033	202	204	2	0.01
ME86033	204	206	2	1.09
ME86033	206	208	1.96	0.03
ME86033	208	210	2	0.05
ME86033	210	212	2	0.03
ME86033	212	214	2	0.07
ME86033	214	216	2	0.14
ME86033	216	218	2	3.22
ME86033	218	220	2	0.99
ME86033	220	222	2	0.01
ME86033	222	224	2	0.33
ME86033	224	226	2	0.33
ME86033	226	228	2	2.03

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86033	228	230	2	0.03
ME86033	230	232	2	0.03
ME86033	232	234	2	1.86
ME86033	234	236	2	1.76
ME86033	236	238	2	1.50
ME86033	238	240	2	0.74
ME86033	240	242	2	0.67
ME86033	242	244	2	0.26
ME86033	244	246	2	0.01
ME86033	246	248	1.5	0.04
ME86033	248	250	2	0.13
ME86034	38	40	2	0.02
ME86034	40	42	2	0.03
ME86034	42	44	2	0.04
ME86034	160	162	1.37	0.09
ME86034	174	176	1.22	0.10
ME86034	178	180	2	0.49
ME86034	180	182	2	0.84
ME86034	182	184	1.79	0.45
ME86034	206	208	1.65	0.06
ME86034	208	210	2	0.18
ME86034	210	212	2	2.21
ME86034	212	214	2	0.47
ME86034	214	216	2	3.56
ME86034	216	218	2	10.36
ME86034	218	220	2	0.53
ME86034	220	222	2	0.01
ME86034	222	224	2	0.60
ME86034	224	226	2	0.22
ME86034	226	228	2	0.74
ME86034	228	230	2	0.40
ME86034	230	232	2	0.02
ME86034	232	234	2	1.07
ME86034	234	236	2	0.13
ME86034	236	238	2	0.04
ME86034	238	240	2	0.81
ME86034	240	242	2	1.03
ME86034	242	244	2	0.36
ME86034	244	246	2	0.06
ME86035	136	138	2	0.33
ME86035	138	140	2	0.17
ME86035	140	142	2	0.90
ME86035	142	144	2	2.90
ME86035	144	146	2	0.02
ME86035	146	148	2	0.01
ME86035	148	150	2	0.01
ME86035	150	152	2	0.01
ME86035	152	154	2	0.43

Stratabound Minerals Corp.
Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86035	154	156	2	0.72
ME86035	156	158	2	0.28
ME86035	158	160	2	0.01
ME86035	160	162	2	0.01
ME86035	162	164	2	0.01
ME86035	164	166	2	0.01
ME86036	20	22	1.43	0.48
ME86036	140	142	1.49	0.17
ME86036	142	144	2	0.15
ME86036	144	146	2	0.02
ME86036	146	148	2	0.03
ME86036	148	150	2	0.02
ME86036	150	152	2	0.51
ME86036	152	154	2	1.26
ME86036	154	156	1.95	0.01
ME86037	120	122	2	0.02
ME86037	162	164	2	0.09
ME86037	164	166	2	1.17
ME86037	166	168	2	0.17
ME86037	168	170	2	0.05
ME86037	170	172	2	0.91
ME86037	172	174	2	1.04
ME86037	174	176	2	10.92
ME86037	176	178	2	4.83
ME86037	178	180	2	5.24
ME86037	180	182	2	3.65
ME86037	182	184	2	2.65
ME86037	184	186	2	1.34
ME86037	186	188	2	0.03
ME86037	188	190	2	0.09
ME86037	190	192	2	0.86
ME86037	192	194	2	0.15
ME86037	194	196	2	0.12
ME86037	196	198	2	0.04
ME86037	198	200	1.9	0.01
ME86038	144	146	1.99	0.02
ME86038	146	148	2	0.02
ME86038	148	150	2	0.01
ME86038	150	152	2	0.01
ME86038	152	154	2	0.01
ME86038	154	156	2	0.40
ME86038	156	158	2	0.28
ME86038	158	160	2	0.22
ME86038	160	162	2	0.17
ME86038	162	164	2	0.36
ME86038	164	166	2	0.39
ME86038	166	168	2	0.04
ME86039	20	22	2	0.01

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86039	30	32	2	0.01
ME86039	38	40	1.29	0.01
ME86039	40	42	1.64	0.01
ME86039	206	208	1.42	0.38
ME86039	216	218	2	0.03
ME86039	218	220	2	0.03
ME86039	220	222	2	0.15
ME86039	222	224	2	0.15
ME86039	224	226	2	0.55
ME86039	226	228	2	1.92
ME86039	228	230	2	4.11
ME86039	230	232	2	0.60
ME86039	232	234	2	0.04
ME86039	234	236	2	0.40
ME86039	236	238	2	0.81
ME86039	238	240	2	0.28
ME86040	168	170	2	0.01
ME86040	170	172	2	0.02
ME86040	172	174	2	0.01
ME86040	174	176	2	0.03
ME86040	176	178	2	0.01
ME86040	178	180	2	0.04
ME86040	180	182	1.36	0.12
ME86040	184	186	1.53	0.01
ME86040	192	194	2	0.13
ME86040	194	196	2	0.23
ME86040	196	198	2	0.02
ME86040	198	200	2	0.01
ME86041	22	24	1.47	0.01
ME86041	64	66	1.87	0.05
ME86041	202	204	2	0.12
ME86041	204	206	2	0.83
ME86041	206	208	2	0.61
ME86041	208	210	2	0.13
ME86041	210	212	2	2.50
ME86041	212	214	2	4.72
ME86041	214	216	2	0.18
ME86041	216	218	2	0.17
ME86041	218	220	2	0.04
ME86042	88	90	2	0.03
ME86042	90	92	2	0.16
ME86042	92	94	2	1.66
ME86042	94	96	2	0.48
ME86042	96	98	2	0.06
ME86042	98	100	2	2.28
ME86042	100	102	2	7.11
ME86042	102	104	2	3.45
ME86042	104	106	2	0.12

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86042	106	108	2	0.87
ME86042	108	110	2	0.22
ME86042	110	112	2	0.21
ME86042	112	114	2	2.48
ME86042	114	116	2	0.71
ME86042	116	118	2	0.06
ME86042	118	120	2	0.03
ME86042	120	122	2	1.23
ME86042	122	124	2	0.02
ME86043	96	98	1.99	0.01
ME86043	98	100	2	0.04
ME86043	100	102	2	0.35
ME86043	102	104	2	0.09
ME86043	104	106	2	0.09
ME86043	106	108	2	0.13
ME86043	108	110	2	0.36
ME86043	110	112	2	0.84
ME86043	112	114	2	0.35
ME86043	114	116	2	0.19
ME86043	116	118	2	2.55
ME86043	118	120	2	2.64
ME86043	120	122	2	11.90
ME86043	122	124	2	4.06
ME86043	124	126	2	6.40
ME86043	126	128	2	9.91
ME86043	128	130	2	0.14
ME86043	130	132	2	0.04
ME86043	132	134	2	0.76
ME86043	134	136	2	2.83
ME86043	136	138	2	7.67
ME86043	138	140	2	6.54
ME86043	140	142	2	2.57
ME86043	142	144	2	0.01
ME86043	144	146	2	0.01
ME86044	122	124	1.42	0.01
ME86044	124	126	2	0.11
ME86044	126	128	2	2.01
ME86044	128	130	2	1.24
ME86044	130	132	2	4.79
ME86044	132	134	2	2.79
ME86044	134	136	2	3.25
ME86044	136	138	2	0.28
ME86044	138	140	2	0.19
ME86044	140	142	2	0.13
ME86044	142	144	2	0.75
ME86044	144	146	2	0.59
ME86044	146	148	2	1.11
ME86044	148	150	2	1.28

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86044	152	154	2	0.07
ME86045	148	150	2	0.12
ME86045	150	152	2	0.08
ME86045	152	154	2	0.25
ME86045	156	158	1.23	0.16
ME86047	64	66	2	0.01
ME86047	66	68	1.25	0.01
ME86047	152	154	1.98	0.01
ME86047	154	156	2	2.40
ME86047	156	158	2	0.01
ME86047	178	180	1.39	0.01
ME86047	180	182	2	0.17
ME86047	182	184	2	1.12
ME86047	184	186	2	0.27
ME86047	186	188	2	0.03
ME86047	188	190	2	0.03
ME86047	190	192	2	0.03
ME86047	192	194	2	0.35
ME86047	194	196	2	0.74
ME86047	196	198	2	0.20
ME86047	198	200	2	0.58
ME86047	200	202	2	1.31
ME86047	202	204	2	0.77
ME86047	204	206	2	0.35
ME86047	206	208	2	0.79
ME86051	4	6	1.89	5.78
ME86051	6	8	2	0.85
ME86051	8	10	2	0.51
ME86051	10	12	2	0.41
ME86051	12	14	2	0.05
ME86051	14	16	2	1.75
ME86051	16	18	2	3.00
ME86051	18	20	2	0.22
ME86051	20	22	2	2.18
ME86051	22	24	2	2.99
ME86051	24	26	2	10.14
ME86051	26	28	2	2.38
ME86051	28	30	2	0.64
ME86051	30	32	2	0.58
ME86051	32	34	2	0.11
ME86051	34	36	1.71	0.03
ME86052	6	8	2	0.84
ME86052	8	10	2	1.00
ME86052	10	12	2	0.01
ME86052	12	14	2	0.59
ME86052	14	16	2	0.71
ME86052	16	18	1.85	2.45
ME86052	18	20	2	2.14

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86052	20	22	2	5.34
ME86052	22	24	2	5.03
ME86052	24	26	2	3.06
ME86052	26	28	2	17.45
ME86052	28	30	2	5.18
ME86052	30	32	2	4.47
ME86052	32	34	2	0.04
ME86052	34	36	2	0.32
ME86052	36	38	2	0.79
ME86052	38	40	2	1.07
ME86053	10	12	2	2.88
ME86053	12	14	2	3.39
ME86053	14	16	2	0.67
ME86053	16	18	2	0.06
ME86053	18	20	2	0.04
ME86053	20	22	2	0.19
ME86053	22	24	2	3.23
ME86053	24	26	2	0.62
ME86053	26	28	2	5.27
ME86053	28	30	2	0.72
ME86053	30	32	2	0.04
ME86053	32	34	1.53	0.01
ME86054	2	4	1.6	0.01
ME86054	4	6	2	0.02
ME86054	6	8	2	0.01
ME86054	8	10	2	0.19
ME86054	10	12	2	0.07
ME86054	12	14	1.99	0.04
ME86054	14	16	2	1.63
ME86054	16	18	2	5.65
ME86054	18	20	2	2.40
ME86054	20	22	2	1.35
ME86054	22	24	2	1.65
ME86054	24	26	2	0.06
ME86054	26	28	2	0.50
ME86054	28	30	1.55	0.99
ME86054	30	32	1.43	0.01
ME86054	32	34	2	0.01
ME86054	34	36	2	1.04
ME86054	36	38	1.44	0.07
ME86055	6	8	1.77	0.40
ME86055	8	10	2	0.11
ME86055	10	12	2	0.16
ME86055	12	14	2	0.11
ME86055	14	16	2	0.95
ME86055	16	18	2	3.07
ME86055	18	20	2	7.26
ME86055	20	22	2	4.72

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86055	22	24	2	4.14
ME86055	24	26	2	3.94
ME86055	26	28	2	1.77
ME86055	28	30	2	0.17
ME86055	30	32	2	0.86
ME86055	32	34	2	1.71
ME86055	34	36	2	0.11
ME86055	36	38	2	0.01
ME86056	8	10	2	0.13
ME86056	10	12	2	0.51
ME86056	12	14	2	0.42
ME86056	14	16	2	1.12
ME86056	16	18	2	1.87
ME86056	18	20	2	0.45
ME86056	20	22	2	1.20
ME86056	22	24	2	3.21
ME86056	24	26	2	2.22
ME86056	26	28	1.43	0.20
ME86057	4	6	2	1.26
ME86057	6	8	2	2.97
ME86057	8	10	2	1.51
ME86057	10	12	2	0.05
ME86057	12	14	2	2.02
ME86057	14	16	2	0.14
ME86057	16	18	2	2.89
ME86057	18	20	2	3.84
ME86057	20	22	2	0.03
ME86057	22	24	2	0.01
ME86057	24	26	2	0.01
ME86057	26	28	2	0.01
ME86058	6	8	2	0.01
ME86058	8	10	2	0.94
ME86058	10	12	2	0.68
ME86058	12	14	2	0.68
ME86058	14	16	2	1.50
ME86058	16	18	2	0.12
ME86058	18	20	2	2.69
ME86058	20	22	2	1.10
ME86058	22	24	2	0.01
ME86058	24	26	2	0.14
ME86058	26	28	2	0.87
ME86058	28	30	2	0.04
ME86058	30	32	1.87	0.03
ME86059	12	14	2	0.05
ME86059	14	16	2	0.18
ME86059	16	18	2	0.04
ME86059	18	20	2	0.03
ME86059	20	22	2	2.44

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86059	22	24	2	2.59
ME86059	24	26	2	0.82
ME86059	26	28	2	0.03
ME86059	28	30	2	0.04
ME86060	160	162	1.83	0.01
ME86060	162	164	2	0.03
ME86060	164	166	2	0.08
ME86060	166	168	2	2.29
ME86060	168	170	2	2.35
ME86060	170	172	2	2.35
ME86060	172	174	2	2.59
ME86060	174	176	2	5.52
ME86060	176	178	2	2.26
ME86060	178	180	2	1.29
ME86060	180	182	2	1.34
ME86060	182	184	2	1.41
ME86060	184	186	2	1.88
ME86060	186	188	2	0.79
ME86060	188	190	2	0.08
ME86060	190	192	1.89	0.01
ME87061	190	192	2	0.02
ME87061	192	194	2	0.39
ME87061	194	196	2	0.37
ME87061	196	198	2	0.02
ME87061	198	200	2	0.01
ME87061	200	202	2	0.01
ME87061	202	204	2	0.01
ME87061	204	206	2	0.46
ME87061	206	208	2	0.02
ME87061	208	210	2	0.01
ME87061	210	212	2	0.01
ME87061	212	214	2	0.01
ME87061	214	216	2	0.24
ME87061	216	218	2	0.93
ME87061	218	220	2	1.10
ME87061	220	222	2	0.49
ME87061	222	224	2	0.52
ME87061	224	226	2	0.60
ME87061	226	228	2	0.23
ME87061	228	230	2	0.01
ME87062	194	196	1.54	0.15
ME87062	290	292	2	0.01
ME87062	300	302	1.55	0.01
ME87062	302	304	2	0.02
ME87062	304	306	2	1.21
ME87062	306	308	1.5	0.22
ME87062	308	310	2	0.01
ME87062	310	312	2	0.01

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME87062	312	314	2	0.01
ME87063	6	8	2	0.08
ME87063	40	42	1.57	0.04
ME87063	42	44	2	0.09
ME87063	44	46	2	0.07
ME87063	46	48	2	0.09
ME87063	48	50	2	0.35
ME87063	50	52	2	0.16
ME87063	252	254	2	0.01
ME87063	254	256	2	0.01
ME87063	256	258	2	2.43
ME87063	258	260	2	0.91
ME87063	260	262	2	4.80
ME87063	262	264	2	2.62
ME87063	264	266	2	3.96
ME87063	266	268	2	1.13
ME87063	268	270	2	1.08
ME87063	270	272	2	1.55
ME87063	272	274	1.7	3.63
ME87063	274	276	2	0.62
ME87063	276	278	2	0.50
ME87063	278	280	2	0.11
ME87063	280	282	2	0.90
ME87063	282	284	2	0.17
ME87063	284	286	2	0.02
ME87063	286	288	2	0.01
ME87063	288	290	1.86	0.01
ME87064	16	18	2	0.01
ME87064	18	20	2	0.20
ME87064	20	22	2	0.11
ME87064	22	24	2	0.19
ME87064	24	26	2	0.35
ME87064	26	28	2	0.14
ME87064	28	30	2	0.15
ME87064	30	32	2	0.05
ME87065	56	58	1.56	0.01
ME87065	58	60	2	0.15
ME87065	60	62	2	0.60
ME87065	62	64	2	0.19
ME87065	130	132	2	0.03
ME87065	132	134	2	0.10
ME87065	138	140	1.6	0.03
ME87065	162	164	1.54	0.31
ME87065	164	166	2	0.48
ME87065	166	168	2	0.24
ME87065	168	170	2	0.32
ME87065	170	172	2	0.19
ME87065	172	174	2	0.28

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME87065	174	176	2	0.82
ME87065	176	178	2	0.58
ME87065	178	180	2	0.11
ME87065	180	182	2	0.15
ME87065	182	184	2	0.22
ME87065	184	186	2	1.55
ME87065	186	188	2	0.48
ME87065	188	190	2	0.33
ME87065	190	192	2	0.22
ME87065	246	248	2	0.10
ME87065	248	250	2	0.13
ME87065	250	252	1.41	0.01
ME87065	304	306	1.81	0.45
ME87065	306	308	2	0.02
ME88074	4	6	2	0.01
ME88074	6	8	2	0.01
ME88074	8	10	1.45	0.01
ME88074	64	66	1.38	0.06
ME88074	66	68	2	0.42
ME88074	222	224	1.95	0.01
ME88074	224	226	2	0.19
ME88074	226	228	2	0.60
ME88074	228	230	2	0.45
ME88074	230	232	2	0.07
ME88074	232	234	2	0.14
ME88074	234	236	2	0.40
ME88074	236	238	2	0.01
ME88075	144	146	2	0.14
ME88075	146	148	2	0.48
ME88075	148	150	2	0.06
ME88076	240	242	2	0.12
ME88076	242	244	2	0.03
ME88076	244	246	2	1.08
ME88076	250	252	2	0.58
ME88076	252	254	2	0.45
ME88076	254	256	2	0.40
ME88076	256	258	2	1.86
ME88076	258	260	2	5.39
ME88076	260	262	2	4.42
ME88076	262	264	2	3.95
ME88076	264	266	2	5.99
ME88076	266	268	2	2.07
ME88076	268	270	1.44	0.03
ME88076	270	272	1.3	0.32
ME88076	272	274	2	0.10
ME88076	274	276	1.7	0.02
ME88077	228	230	1.5	0.01
ME88077	230	232	2	0.01

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME88077	232	234	2	0.01
ME88077	234	236	2	0.01
ME88077	238	240	1.87	0.01
TR04-01-16A	4	6	2	0.20
TR04-01-16A	6	8	2	0.15
TR04-01-16A	8	10	2	0.04
TR04-01-16A	10	12	2	0.35
TR04-01-16A	12	14	2	1.81
TR04-01-16A	14	16	2	8.44
TR04-01-16A	16	18	2	7.54
TR04-01-16A	18	20	2	4.22
TR04-01-16A	20	22	2	2.18
TR04-01-16A	22	24	2	1.10
TR04-01-16A	24	26	2	0.75
TR04-01-16A	26	28	2	0.23
TR04-01-16A	28	30	2	1.01
TR04-01-16A	30	32	2	0.47
TR04-01-16A	32	34	2	0.48
TR04-03-15A	14	16	2	0.01
TR04-03-15A	16	18	2	0.10
TR04-03-15A	18	20	2	0.48
TR04-03-15A	20	22	2	1.65
TR04-03-15A	22	24	2	0.18
TR04-03-15A	24	26	2	0.08
TR04-03-15A	26	28	2	0.09
TR04-03-15A	28	30	2	0.04
TR04-03-15A	30	32	2	0.88
TR04-03-15A	32	34	2	1.04
TR04-03-15A	34	36	2	0.06
TR04-03-15A	36	38	2	0.07
TR04-03-15A	38	40	2	0.02
TR04-03-15A	40	42	2	0.09
TR04-03-15A	42	44	2	3.74
TR04-03-15A	44	46	2	0.11
TR04-03-15A	46	48	2	0.04
TR04-03-15A	48	50	2	0.02
TR04-03-15A	50	52	2	0.02
TR04-03-15A	52	54	2	0.01
TR04-03-15A	54	56	2	0.01
TR04-04-15	10	12	2	0.03
TR04-04-15	12	14	2	0.02
TR04-04-15	14	16	2	0.04
TR04-04-15	16	18	2	0.17
TR04-04-15	18	20	2	1.13
TR04-04-15	20	22	2	1.93
TR04-04-15	22	24	2	2.26
TR04-04-15	24	26	2	0.03
TR04-04-15	26	28	2	0.03

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
TR04-04-15	28	30	2	0.85
TR04-04-15	30	32	2	0.21
TR04-04-15	32	34	2	1.87
TR04-04-15	34	36	2	7.90
TR04-04-15	36	38	2	3.13
TR04-04-15	38	40	2	0.03
TR04-04-15	40	42	2	3.18
TR04-04-15	42	44	2	8.11
TR04-04-15	44	46	2	0.18
TR04-04-15	46	48	2	0.15
TR04-04-15	48	50	2	0.28
TR04-04-15	50	52	2	0.41
TR04-04-15	52	54	2	1.39
TR04-05-14B	8	10	1.6	0.01
TR04-05-14B	10	12	2	0.01
TR04-05-14B	12	14	2	0.01
TR04-05-14B	14	16	2	0.03
TR04-05-14B	16	18	2	0.62
TR04-05-14B	18	20	2	0.10
TR04-05-14B	20	22	2	0.01
TR04-05-14B	22	24	2	0.07
TR04-05-14B	24	26	2	0.68
TR04-05-14B	26	28	2	0.08
TR04-05-14B	28	30	2	0.26
TR04-05-14B	30	32	2	0.01
TR04-05-14B	32	34	2	3.92
TR04-05-14B	34	36	2	3.04
TR04-05-14B	36	38	2	8.09
TR04-05-14B	38	40	2	1.55
TR04-05-14B	40	42	2	0.40
TR04-05-14B	42	44	2	0.09
TR04-05-14B	44	46	2	0.35
TR04-05-14B	46	48	2	0.05
TR04-05-14B	48	50	2	0.70
TR04-05-14B	50	52	2	0.06
TR04-06-14A	12	14	2	0.01
TR04-06-14A	14	16	2	0.01
TR04-06-14A	16	18	2	0.05
TR04-06-14A	18	20	2	0.02
TR04-06-14A	20	22	2	1.08
TR04-06-14A	22	24	2	1.17
TR04-06-14A	24	26	2	0.14
TR04-06-14A	26	28	2	0.16
TR04-06-14A	28	30	2	0.65
TR04-06-14A	30	32	2	0.01
TR04-06-14A	32	34	2	0.02
TR04-06-14A	34	36	2	2.73
TR04-06-14A	36	38	2	5.86

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
TR04-06-14A	38	40	2	0.28
TR04-06-14A	40	42	2	0.30
TR04-06-14A	42	44	2	0.30
TR04-06-14A	44	46	2	0.10
TR04-06-14A	46	48	2	1.16
TR04-06-14A	48	50	2	4.82
TR04-06-14A	50	52	2	0.46
TR04-07-14	8	10	2	0.02
TR04-07-14	10	12	2	0.02
TR04-07-14	12	14	2	0.01
TR04-07-14	14	16	2	0.04
TR04-07-14	16	18	2	0.02
TR04-07-14	18	20	2	0.05
TR04-07-14	20	22	2	0.49
TR04-07-14	22	24	2	0.10
TR04-07-14	24	26	2	0.01
TR04-07-14	26	28	2	0.66
TR04-07-14	28	30	2	0.75
TR04-07-14	30	32	2	3.42
TR04-07-14	32	34	2	6.27
TR04-07-14	34	36	2	3.88
TR04-07-14	36	38	2	6.67
TR04-07-14	38	40	2	6.82
TR04-07-14	40	42	2	0.17
TR04-07-14	42	44	2	0.13
TR04-07-14	44	46	2	1.23
TR04-07-14	46	48	2	1.28
TR04-07-14	48	50	2	0.12
TR04-07-14	50	52	2	0.08
TR04-07-14	52	54	2	0.12
TR04-07-14	54	56	2	0.10
TR04-07-14	56	58	2	0.06
TR04-07-14	58	60	2	0.02
TR04-07-14	60	62	2	0.04
TR04-07-14	62	64	2	0.05
TR04-08-13	18	20	2	0.04
TR04-08-13	20	22	2	0.01
TR04-08-13	22	24	2	0.19
TR04-08-13	24	26	2	0.17
TR04-08-13	26	28	2	0.44
TR04-08-13	28	30	2	0.48
TR04-08-13	30	32	2	1.70
TR04-08-13	32	34	2	3.42
TR04-08-13	34	36	2	3.24
TR04-08-13	36	38	2	3.91
TR04-08-13	38	40	2	1.92
TR04-08-13	40	42	2	1.64
TR04-08-13	42	44	2	3.63

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
TR04-08-13	44	46	2	1.86
TR04-08-13	46	48	2	1.74
TR04-09-13A	26	28	2	0.04
TR04-09-13A	28	30	2	0.04
TR04-09-13A	30	32	2	0.04
WG05001	166	168	1.6	0.01
WG05001	174	176	2	0.01
WG05001	176	178	1.8	0.01
WG05001	230	232	1.4	0.43
WG05001	232	234	2	0.01
WG05001	234	236	2	0.91
WG05001	236	238	2	0.29
WG05001	238	240	2	0.75
WG05001	240	242	2	0.01
WG05001	242	244	2	0.01
WG05001	244	246	2	0.01
WG05001	246	248	2	0.01
WG05001	248	250	2	0.24
WG05001	250	252	2	0.01
WG05001	252	254	2	1.22
WG05001	254	256	2	1.37
WG05001	256	258	2	0.02
WG05001	258	260	2	0.01
WG05001	260	262	2	0.01
WG05001	262	264	2	0.01
WG05002	120	122	2	0.01
WG05002	122	124	2	0.47
WG05002	124	126	2	0.64
WG05002	126	128	2	0.80
WG05002	128	130	2	0.32
WG05002	130	132	2	0.16
WG05002	132	134	2	0.56
WG05002	134	136	2	4.11
WG05002	136	138	2	2.95
WG05002	138	140	2	4.91
WG05002	140	142	2	1.89
WG05002	142	144	2	0.93
WG05002	144	146	2	0.38
WG05002	146	148	2	0.83
WG05002	148	150	1.5	0.01
WG05002	150	152	1.7	0.37
WG05002	152	154	1.6	0.17
WG05002	160	162	1.5	0.30
WG05002	166	168	2	0.05
WG05002	168	170	1.5	0.02
WG05003	8	10	2	1.73
WG05003	10	12	2	1.36
WG05003	12	14	1.2	0.12

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
WG05003	26	28	2	0.47
WG05003	28	30	2	1.27
WG05003	30	32	2	6.92
WG05003	32	34	2	2.67
WG05003	34	36	2	2.11
WG05003	36	38	2	1.11
WG05003	38	40	2	1.40
WG05003	40	42	2	3.95
WG05003	42	44	2	5.10
WG05003	44	46	2	1.52
WG05003	46	48	2	0.02
WG05003	48	50	2	0.11
WG05003	50	52	2	0.37
WG05003	52	54	2	1.53
WG05003	54	56	2	1.09
WG05003	56	58	2	0.01
WG05004	46	48	2	0.03
WG05004	54	56	2	0.03
WG05004	56	58	2	0.02
WG05004	58	60	2	0.91
WG05004	60	62	2	0.11
WG05004	62	64	2	0.09
WG05004	64	66	2	0.01
WG05004	66	68	2	0.56
WG05004	68	70	2	0.67
WG05004	70	72	2	3.19
WG05004	72	74	2	1.60
WG05004	74	76	2	0.04
WG05004	76	78	2	0.51
WG05004	78	80	2	2.96
WG05004	80	82	2	6.35
WG05005	88	90	2	0.32
WG05005	90	92	2	0.09
WG05005	92	94	2	0.01
WG05005	94	96	2	0.13
WG05005	96	98	2	0.01
WG05005	98	100	2	0.03
WG05005	100	102	2	0.11
WG05005	102	104	2	0.04
WG05005	104	106	2	0.82
WG05005	106	108	2	1.48
WG05005	108	110	2	0.71
WG05005	110	112	2	0.30
WG05005	112	114	2	1.05
WG05005	114	116	2	0.04
WG05005	116	118	2	0.03
WG05005	118	120	2	0.12
WG05005	120	122	2	0.53

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
WG05006	20	22	1.5	1.34
WG05006	22	24	2	1.96
WG05006	24	26	2	1.13
WG05006	26	28	2	2.18
WG05006	28	30	2	1.01
WG05006	30	32	2	3.80
WG05006	32	34	2	2.34
WG05006	34	36	2	0.78
WG05006	36	38	2	2.39
WG05006	38	40	2	2.77
WG05006	40	42	2	4.19
WG05006	42	44	2	1.72
WG05006	44	46	2	1.01
WG05006	46	48	2	1.45
WG05006	48	50	2	4.85
WG05006	50	52	2	1.74
WG05006	52	54	2	2.07
WG05006	54	56	2	0.38
WG05007	32	34	1.5	0.76
WG05007	34	36	2	0.11
WG05007	36	38	2	0.58
WG05007	38	40	2	1.09
WG05007	40	42	2	4.08
WG05007	42	44	2	2.88
WG05007	44	46	2	0.80
WG05007	46	48	2	0.01
WG05007	48	50	2	0.01
WG05007	50	52	2	2.04
WG05007	52	54	2	0.04
WG05007	54	56	2	1.02
WG05007	56	58	2	3.83
WG05007	58	60	2	1.00
WG05007	60	62	2	0.24
WG05007	62	64	2	0.44
DDH06037	28	30	1	0.06
DDH06037	36	38	1	0.07
DDH06037	38	40	0.5	0.01
DDH06037	54	56	0.5	0.10
DDH06037	58	60	0.5	0.02
DZ06015	6	8	0.5	0.01
DZ06015	36	38	0.2	0.01
DZ06015	58	60	0.2	0.02
DZ06015	64	66	0.2	0.32
DZ06015	72	74	0.9	0.01
DZ06016	42	44	0.8	0.03
DZ06016	46	48	0.5	0.05
DZ06017	24	26	0.2	0.01
DZ06017	36	38	1	0.08

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
DZ06017	44	46	0.2	0.23
DZ06017	46	48	0.1	0.01
DZ06017	50	52	0.2	0.01
DZ06017	54	56	1.1	0.01
DZ06017	58	60	0.3	0.01
DZ06018	22	24	0.5	0.01
DZ06018	24	26	0.5	0.01
ME85001	66	68	0.92	0.02
ME85003	4	6	0.51	0.01
ME85003	8	10	0.53	0.01
ME85003	20	22	0.66	0.57
ME85003	66	68	0.45	0.17
ME85004	32	34	0.01	0.82
ME85004	34	36	0.29	0.82
ME85004	88	90	1.08	0.01
ME85005	58	60	0.43	0.01
ME85005	88	90	0.39	0.01
ME85006	14	16	0.76	0.01
ME85006	42	44	0.67	0.01
ME85007	8	10	0.86	0.21
ME85007	44	46	0.81	0.07
ME85008	16	18	0.32	0.01
ME85008	44	46	1.11	0.01
ME85009	28	30	0.74	0.01
ME85009	74	76	0.07	0.01
ME85012	56	58	0.43	0.02
ME85016	64	66	0.01	1.89
ME85017	46	48	0.4	0.01
ME85017	94	96	0.49	0.03
ME85018	28	30	0.84	0.01
ME85019	102	104	0.58	0.01
ME86021	88	90	0.39	0.01
ME86022	24	26	0.09	0.03
ME86022	48	50	0.02	0.11
ME86023	68	70	0.06	0.01
ME86023	76	78	1.19	0.01
ME86024	34	36	0.95	0.01
ME86024	80	82	0.77	0.01
ME86025	28	30	1.04	0.07
ME86025	32	34	0.92	0.27
ME86025	66	68	0.14	0.01
ME86026	82	84	0.91	0.01
ME86028	96	98	0.16	0.25
ME86029	104	106	0.71	0.01
ME86029	172	174	0.82	0.02
ME86030	130	132	0.89	0.01
ME86032	42	44	0.06	0.01
ME86033	28	30	0.43	0.07

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86033	36	38	1.19	0.03
ME86033	116	118	0.65	0.07
ME86033	142	144	0.46	0.34
ME86033	156	158	0.72	0.01
ME86033	250	252	0.72	0.01
ME86034	36	38	0.51	0.01
ME86034	44	46	0.2	0.07
ME86034	128	130	0.31	0.41
ME86034	130	132	1.06	0.25
ME86034	162	164	1.07	0.01
ME86034	164	166	0.49	0.07
ME86034	166	168	0.42	0.07
ME86034	186	188	1.07	0.55
ME86034	246	248	0.07	0.03
ME86035	28	30	0.13	0.01
ME86035	30	32	1.09	0.07
ME86035	44	46	0.3	0.03
ME86035	48	50	0.01	0.03
ME86035	50	52	1.05	0.03
ME86035	114	116	1.09	0.03
ME86035	116	118	0.74	0.01
ME86035	120	122	0.77	0.01
ME86035	134	136	0.36	0.17
ME86035	166	168	0.53	0.01
ME86036	18	20	0.66	0.01
ME86037	36	38	0.16	0.03
ME86037	38	40	0.61	0.03
ME86037	118	120	0.37	0.01
ME86037	122	124	0.22	0.03
ME86037	130	132	0.13	0.03
ME86037	140	142	0.61	0.27
ME86037	160	162	0.54	1.07
ME86038	142	144	0.31	0.01
ME86038	168	170	0.1	0.15
ME86039	18	20	0.34	0.01
ME86039	22	24	0.56	0.01
ME86039	28	30	0.43	0.01
ME86039	32	34	0.61	0.01
ME86039	204	206	1.02	0.63
ME86039	214	216	0.51	0.03
ME86039	240	242	0.73	0.17
ME86040	166	168	0.38	0.01
ME86040	190	192	0.74	0.07
ME86040	200	202	0.7	0.01
ME86041	20	22	1.15	0.02
ME86041	28	30	0.86	0.01
ME86041	30	32	1.09	0.03
ME86041	32	34	0.77	0.01

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME86041	66	68	0.14	0.03
ME86041	200	202	0.5	0.03
ME86041	220	222	0.68	0.03
ME86042	86	88	1.13	0.01
ME86042	124	126	0.68	0.01
ME86043	146	148	0.3	0.01
ME86044	150	152	1.08	1.76
ME86044	154	156	0.49	0.09
ME86045	146	148	0.8	0.15
ME86045	154	156	1	0.26
ME86047	62	64	0.3	0.01
ME86047	158	160	0.6	0.01
ME86047	208	210	0.48	0.07
ME86052	4	6	0.51	0.58
ME86052	40	42	1.15	0.34
ME86053	8	10	0.86	0.07
ME86055	38	40	0.1	0.01
ME86056	6	8	1.01	0.03
ME86057	2	4	0.95	1.30
ME86057	28	30	0.35	0.03
ME86058	4	6	0.51	0.01
ME86059	10	12	1.03	0.06
ME86059	30	32	0.33	0.07
ME87061	188	190	0.28	0.01
ME87061	230	232	0.43	0.01
ME87062	196	198	0.29	0.07
ME87062	288	290	0.14	0.01
ME87062	314	316	0.25	0.01
ME87063	4	6	0.51	1.39
ME87063	8	10	0.7	0.01
ME87063	52	54	0.43	0.10
ME87063	92	94	0.91	0.21
ME87063	160	162	0.3	0.01
ME87063	162	164	0.63	0.01
ME87063	164	166	0.2	0.01
ME87063	230	232	0.3	0.01
ME87063	250	252	0.54	0.01
ME87064	14	16	0.02	0.01
ME87065	64	66	0.1	0.03
ME87065	128	130	0.16	0.03
ME87065	134	136	0.57	0.02
ME87065	136	138	0.38	0.18
ME87065	154	156	0.16	0.21
ME87065	192	194	0.63	0.01
ME87065	202	204	0.7	0.07
ME87065	204	206	0.67	0.05
ME87065	232	234	0.91	0.01
ME87065	244	246	1.11	0.01

Stratabound Minerals Corp.

Elmtree Project - WGZ 2.0 Meter Composites (Au)

Hole ID	From (m)	To (m)	Length Included (m)	Au (g/t)
ME87065	308	310	0.63	0.02
ME88074	2	4	0.95	0.01
ME88074	68	70	0.88	0.37
ME88074	238	240	0.68	0.01
ME88075	142	144	1	0.26
ME88075	150	152	0.83	0.01
ME88076	246	248	0.13	0.86
ME88076	248	250	0.89	1.08
ME88077	236	238	1.13	0.01
ME88077	240	242	0.13	0.01
TR04-01-16A	2	4	1	0.85
TR04-03-15A	12	14	1	0.02
TR04-04-15	8	10	1	0.07
TR04-06-14A	10	12	1	0.05
TR04-07-14	64	66	1	0.05
TR04-08-13	16	18	1	0.03
TR04-08-13	48	50	1	0.21
TR04-09-13A	20	22	0.3	0.01
TR04-09-13A	22	24	0.7	0.01
TR04-09-13A	32	34	1	0.02
WG05001	172	174	0.4	0.01
WG05001	224	226	0.4	0.02
WG05001	228	230	0.3	0.03
WG05001	264	266	1	0.03
WG05002	32	34	0.5	0.01
WG05002	40	42	0.5	0.01
WG05002	112	114	0.9	0.73
WG05002	116	118	0.4	0.05
WG05002	118	120	0.5	0.01
WG05002	154	156	0.6	0.30
WG05002	158	160	0.7	0.19
WG05002	164	166	1.1	0.10
WG05003	6	8	0.3	0.01
WG05003	14	16	1	0.41
WG05004	44	46	0.1	0.03
WG05004	48	50	0.2	0.06
WG05004	52	54	0.8	1.07
WG05004	82	84	0.9	0.11
WG05005	122	124	0.5	0.04
WG05006	56	58	0.7	0.07
WG05007	22	24	0.4	0.03
WG05007	64	66	0.5	0.53

Stratabound Minerals Corp.

Elmtree Project - SGZ Weighted Average Core Intervals (Au)

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
DDH06037	30.5	33.5	3	0.59
DDH06038	15	28	13	0.46
DDH06038	50	54	4	0.39
DDH06039	36	39	3	0.51
DDH06039	45	48	3	0.34
DDH06039	56.5	59.5	3	0.64
DDH06039	82	85	3	0.39
DDH06039	95	98.5	3.5	1.06
DDH06040	109	112	3	0.41
DDH06040	120	128.5	8.5	0.49
DDH06040	133	136	3	1.29
DDH06041	59.02	122	62.98	0.49
DZ06014	93	116.5	23.5	1.69
DZ06014	135	138	3	0.84

Stratabound Minerals Corp.

Elmtree Project - DZ Drill Core Sample Intervals (Au)

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
DDH06019	37.2	39.2	2	0.83
DDH06019	53.86	58	4.14	0.50
DDH06019	105	107	2	1.03
DDH06019	124	127	3	1.29
DDH06019	148.5	150.5	2	0.69
DDH06020	120	124.5	4.5	0.62
DDH06020	129.5	131.5	2	0.85
DDH06020	138	141	3	1.48
DDH06021	82.49	84.89	2.4	1.87
DDH06021	88.95	92.95	4	0.77
DDH06021	98.93	104.44	5.51	1.06
DDH06021	122	125	3	1.05
DDH06021	127.5	129.5	2	0.51
DDH06022	17.5	21	3.5	0.58
DDH06022	24.06	28.57	4.51	1.02
DDH06023	9	12.5	3.5	0.70
DDH06023	84	86	2	0.61
DDH06023	90	92	2	1.84
DDH06024	37.49	39.5	2.01	1.28
DDH06024	134.5	136.5	2	2.06
DDH06024	161	163	2	1.76
DDH06024	165.5	171	5.5	1.97
DDH06024	187.5	193.5	6	1.11
DDH06025	148	150	2	0.54
DDH06025	152.5	154.98	2.48	1.23
DDH06025	159	162	3	1.05
DDH06025	243	252.5	9.5	2.86
DDH06026	43	45	2	1.04
DDH06026	129.5	131.5	2	0.86
DDH06026	148.5	153.5	5	0.84
DDH06028	44	46	2	0.50
DDH06028	54	60.5	6.5	2.52
DDH06028	68	70	2	0.58
DDH06028	122.5	127	4.5	2.17
DDH06029	61.5	63.5	2	0.54
DDH06029	76	78	2	0.86
DDH06029	114	116	2	0.96
DDH06029	122.5	129.5	7	1.31
DDH06029	131	133	2	0.66
DDH06030	103	106.5	3.5	3.74
DDH06030	108	110	2	1.79
DDH06030	116.5	118.5	2	1.29
DDH06031	121	123.5	2.5	0.77
DDH06031	125.5	127.49	1.99	1.22
DDH06032	108.5	110.5	2	0.92
DDH06032	120.5	122.5	2	0.62
DDH06033	84.5	90	5.5	0.75
DDH06033	96.5	98.5	2	1.02
DDH06033	194	196	2	0.50
DDH06034	68.5	72.5	4	1.30
DDH06034	81	83.5	2.5	0.58

Stratabound Minerals Corp.

Elmtree Project - DZ Drill Core Sample Intervals (Au)

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
DDH06034	95	97	2	1.29
DDH06034	118.5	122.5	4	2.33
DDH06034	157.5	159.5	2	1.01
DDH06035	5	7	2	0.57
DDH06035	34.5	36.43	1.93	0.51
DDH06035	50.05	55.05	5	1.38
DDH06035	63.06	66.56	3.5	1.08
DZ06001	10	12	2	1.18
DZ06001	31.5	33.5	2	0.50
DZ06001	35.5	37.5	2	0.66
DZ06001	42	49.4	7.4	0.73
DZ06002	34.8	41.7	6.9	1.32
DZ06002	50	59.1	9.1	1.98
DZ06003	66	71.5	5.5	0.81
DZ06003	132	133.99	1.99	0.52
DZ06003	140	143	3	1.78
DZ06005	35	40.4	5.4	2.62
DZ06005	58.8	61	2.2	1.03
DZ06006	13.9	15.9	2	0.77
DZ06006	22.5	25.3	2.8	1.17
DZ06006	35.3	40.7	5.4	0.76
DZ06008	19.7	23.3	3.6	1.18
ME85014	31.99	33.99	2	3.02
ME85014	39.62	49.38	9.76	1.47
ME85014	74.37	77.42	3.05	0.56
ME85015	31.7	33.7	2	0.67
ME85015	34.75	36.73	1.98	0.56
ME86048	77.11	85.04	7.93	0.83
ME86048	115.5	117.5	2	0.73
ME86049	8.53	10.53	2	0.93
ME86049	12.95	23.77	10.82	1.05
ME86049	34.44	36.44	2	0.58
ME86049	57.91	59.91	2	1.05
ME86050	39.62	41.76	2.14	2.06

Stratabound Minerals Corp.

Elmtree Project - DZ Weighted Average Drill Core Intervals (Zn, Pb, Ag Zone)

Hole ID	From (m)	To (m)	Length (m)	Ag (g/t)	Pb (%)	Zn (%)
DDH06019	37.2	39.2	2	21.79	0.75	0.65
DDH06021	72.5	74.5	2	10.39	0.63	0.69
DDH06022	26	28	2	19.62	1.43	2.39
DDH06022	50.3	52.3	2	12.52	0.58	0.64
DDH06023	34	36	2	31.61	0.70	0.71
DDH06023	89.5	91.5	2	108.65	0.62	0.82
DDH06024	37.49	39.5	2.01	37.81	1.67	3.12
DDH06024	161	163	2	74.92	0.31	0.43
DDH06024	169	171	2	14.25	0.39	0.68
DDH06025	152.5	155	2.5	20.98	0.08	1.43
DDH06025	159	162	3	41.93	1.00	2.41
DDH06025	243	245	2	15.27	0.48	1.85
DDH06026	48.5	50.5	2	7.63	0.19	0.84
DDH06028	124	126	2	13.10	1.23	1.08
DDH06028	165	167	2	25.12	0.41	1.33
DDH06030	103	106.5	3.5	47.43	0.33	4.96
DDH06030	108	110	2	23.93	0.22	1.75
DDH06030	116	118	2	67.03	0.49	1.27
DDH06031	129	131	2	13.10	0.17	2.41
DDH06032	108.5	110.5	2	53.37	0.58	2.03
DDH06033	194	196	2	26.89	0.33	1.41
DDH06035	110.5	112.5	2	30.34	0.46	1.20
DZ06002	53.8	59.1	5.3	73.40	3.94	3.14
DZ06003	66	68.6	2.6	81.77	3.18	2.96
DZ06005	35	39.2	4.2	116.83	1.34	5.44
DZ06005	58.8	61	2.2	61.86	1.08	0.89
DZ06008	19.7	23.3	3.6	37.47	1.10	2.66

ALS Chemex

Sample Preparation Package – PREP-31

Standard Sample Preparation: Dry, Crush, Split and Pulverize

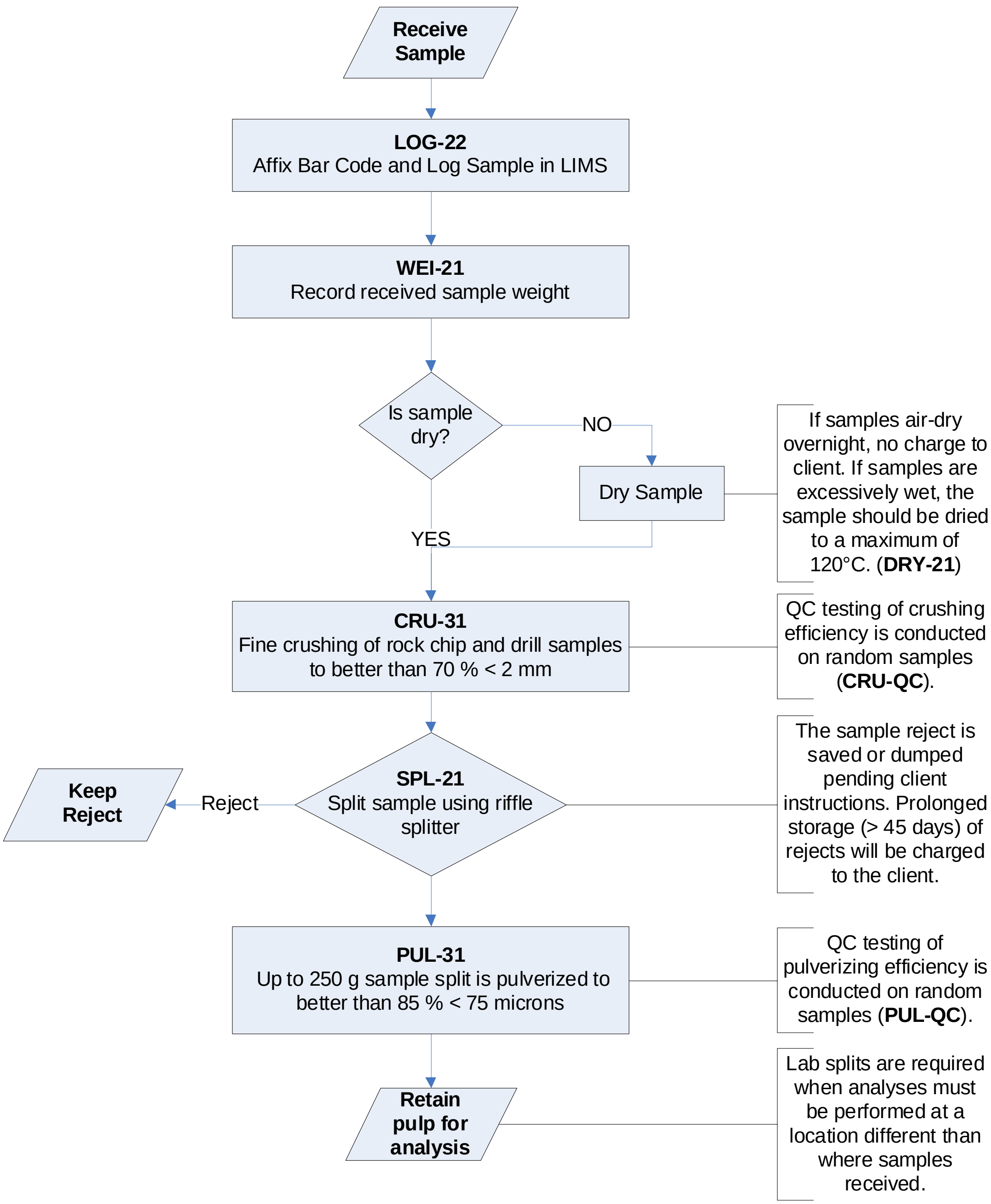
Sample preparation is the most critical step in the entire laboratory operation. The purpose of preparation is to produce a homogeneous analytical sub-sample that is fully representative of the material submitted to the laboratory.

The sample is logged in the tracking system, weighed, dried and finely crushed to better than 70 % passing a 2 mm (Tyler 9 mesh, US Std. No.10) screen. A split of up to 250 g is taken and pulverized to better than 85 % passing a 75 micron (Tyler 200 mesh, US Std. No. 200) screen. This method is appropriate for rock chip or drill samples.

Method Code	Description
LOG-22	Sample is logged in tracking system and a bar code label is attached.
CRU-31	Fine crushing of rock chip and drill samples to better than 70 % of the sample passing 2 mm.
SPL-21	Split sample using riffle splitter.
PUL-31	A sample split of up to 250 g is pulverized to better than 85 % of the sample passing 75 microns.

ALS Chemex

Flow Chart - Sample Preparation Package – PREP-31
Standard Sample Preparation: Dry, Crush, Split and Pulverize



ALS Chemex

Ore Grade Analysis by XRF – ME-XRF10

Sample Decomposition: 50% $Li_2B_4O_7$ – 50% $LiBO_2$ (WEI-GRA06)
Analytical Method: X-Ray Fluorescence Spectroscopy (XRF)

A calcined or ignited sample (0.9 g) is added to 9.0g of Lithium Borate Flux (50 % - 50 % $Li_2B_4O_7$ – $LiBO_2$), mixed well and fused in an auto fluxer between 1050 - 1100°C. A flat molten glass disc is prepared from the resulting melt. This disc is then analysed by X-ray fluorescence spectrometry.

Element	Symbol	Units	Lower Limit	Upper Limit
Barium	Ba	%	0.01	50
Niobium	Nb	%	0.01	10
Antimony	Sb	%	0.01	50
Tin	Sn	%	0.01	60
Tantalum	Ta	%	0.01	50
Thorium	Th	%	0.01	15
Uranium	U	%	0.01	15
Tungsten	W	%	0.01	50
Zirconium	Zr	%	0.01	50

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Elements listed below are available upon request

Element	Symbol	Units	Lower Limit	Upper Limit
Iron	Fe_2O_3	%	0.01	100
Potassium	K_2O	%	0.01	100
Magnesium	MgO	%	0.01	100
Sodium	Na_2O	%	0.01	100

ALS Chemex

<u>Assay Procedure</u> – ME-OG62

Ore Grade Elements by Four Acid Digestion Using Conventional ICP-AES Analysis

Sample Decomposition: HNO_3-$HClO_4$-HF-HCl Digestion (ASY-4A01)
Analytical Method: Inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP - AES)*

Assays for the evaluation of ores and high-grade materials are optimized for accuracy and precision at high concentrations. Ultra high concentration samples (> 15 -20%) may require the use of methods such as titrimetric and gravimetric analysis, in order to achieve maximum accuracy.

A prepared sample is digested with nitric, perchloric, hydrofluoric, and hydrochloric acids, and then evaporated to incipient dryness. Hydrochloric acid and de-ionized water is added for further digestion, and the sample is heated for an additional allotted time. The sample is cooled to room temperature and transferred to a volumetric flask (100 mL). The resulting solution is diluted to volume with de-ionized water, homogenized and the solution is analyzed by inductively coupled plasma - atomic emission spectroscopy or by atomic absorption spectrometry.

***NOTE**: ICP-AES is the default finish technique for ME-OG62. However, under some conditions and at the discretion of the laboratory an AA finish may be substituted. The certificate will clearly reflect which instrument finish was used.

Element	Symbol	Units	Lower Limit	Upper Limit
Silver	Ag	ppm	1	1500
Arsenic	As	%	0.01	30
Bismuth	Bi	%	0.01	30
Cadmium	Cd	%	0.0001	10
Cobalt	Co	%	0.001	20
Chromium	Cr	%	0.002	30

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Element	Symbol	Units	Lower Limit	Upper Limit
Copper	Cu	%	0.01	40
Iron	Fe	%	0.01	100
Manganese	Mn	%	0.01	50
Molybdenum	Mo	%	0.001	10
Nickel	Ni	%	0.01	30
Lead	Pb	%	0.01	20
Zinc	Zn	%	0.01	30

Eastern Analytical Ltd. Preparation and Analytical Procedures

SAMPLE PREPARATION
ROCK/CORE
Samples are organized and labeled when they enter the lab. They are then placed in drying ovens until they are completely dry.
After drying is complete samples are taken and crushed in a Rhino Jaw Crusher to approximately 75% -10 mesh material.
The complete sample is rifle split until we are left with approximately 250 – 300 grams of material. The remainder of the sample is bagged and stored as coarse reject.
The 250 – 300 gram split is then pulverized using a ring mill to approximately 98% -150 mesh material.
SOILS/STREAMS/SILTS
Soils are dried at 90^{o}F. They are then pounded with a rubber mallet in the soil bag. Then the soil is screened through a 80 mesh screen. The -80 fraction is rolled and kept as the sample. The +80 mesh fraction is discarded.

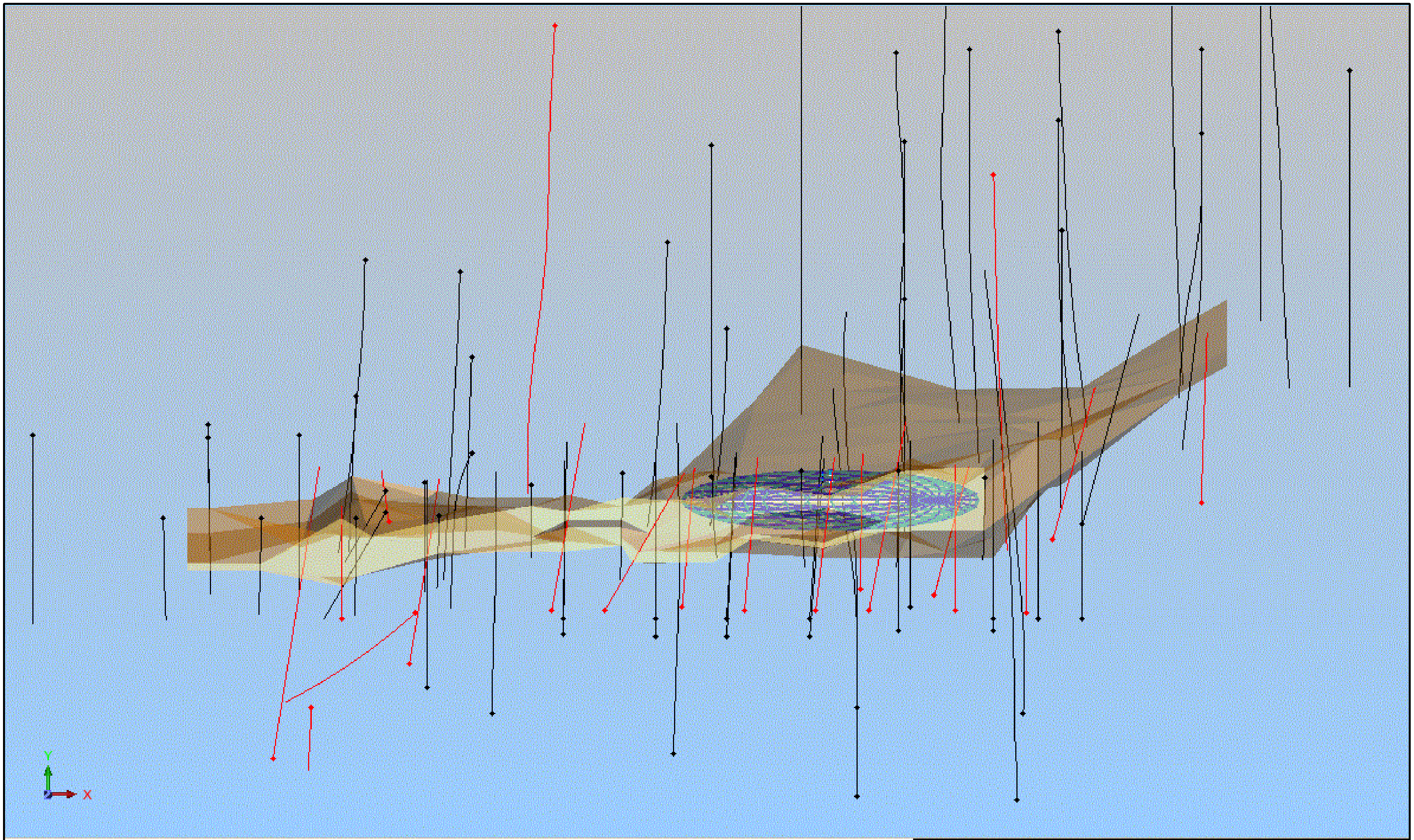
ASSAY PROCEDURE FOR CU/PB/ZN/NI/CO
A 0.200g sample is digested in a beaker with 10ml of nitric acid and 5ml of hydrochloric acid for 45 minutes. Samples are then transferred to 100ml volumetric flasks and then analyzed on the AA.
Lower detection limit is 0.01%, no upper detection limit.

ASSAY PROCEDURE FOR AG
A 1000mg sample is digested in a 500ml beaker with 10ml of hydrochloric acid and 10ml of nitric acid with the cover left on for 1 hour. Remove the covers and evaporate to a moist paste. Add 25ml of hydrochloric acid and 25ml of deoinized water, heat gently and swirl to dissolve solids. Cool, transfer to 100ml Volumetric and analyze on the AA.Lower detection limit is 0.01oz/t, no upper detection limit.

PROCEDURE FOR AR-ICP30
Each rack is to contain one blank, two CanMet standards and 37 unknowns, of which two will be duplicates.
A 0.500 gram sample is digested with 2ml HNO3 in a 95^{o}C water bath for ½ hour, after which 1ml HCL is added and the samples is returned to the water bath for an additional ½ hour. After cooling, samples are diluted to 10ml with deionized water, stirred and let stand for 1 hour to allow precipitate to settle. They are now prepared for ICP analysis.

Updated January 25, 2008

APPENDIX 2

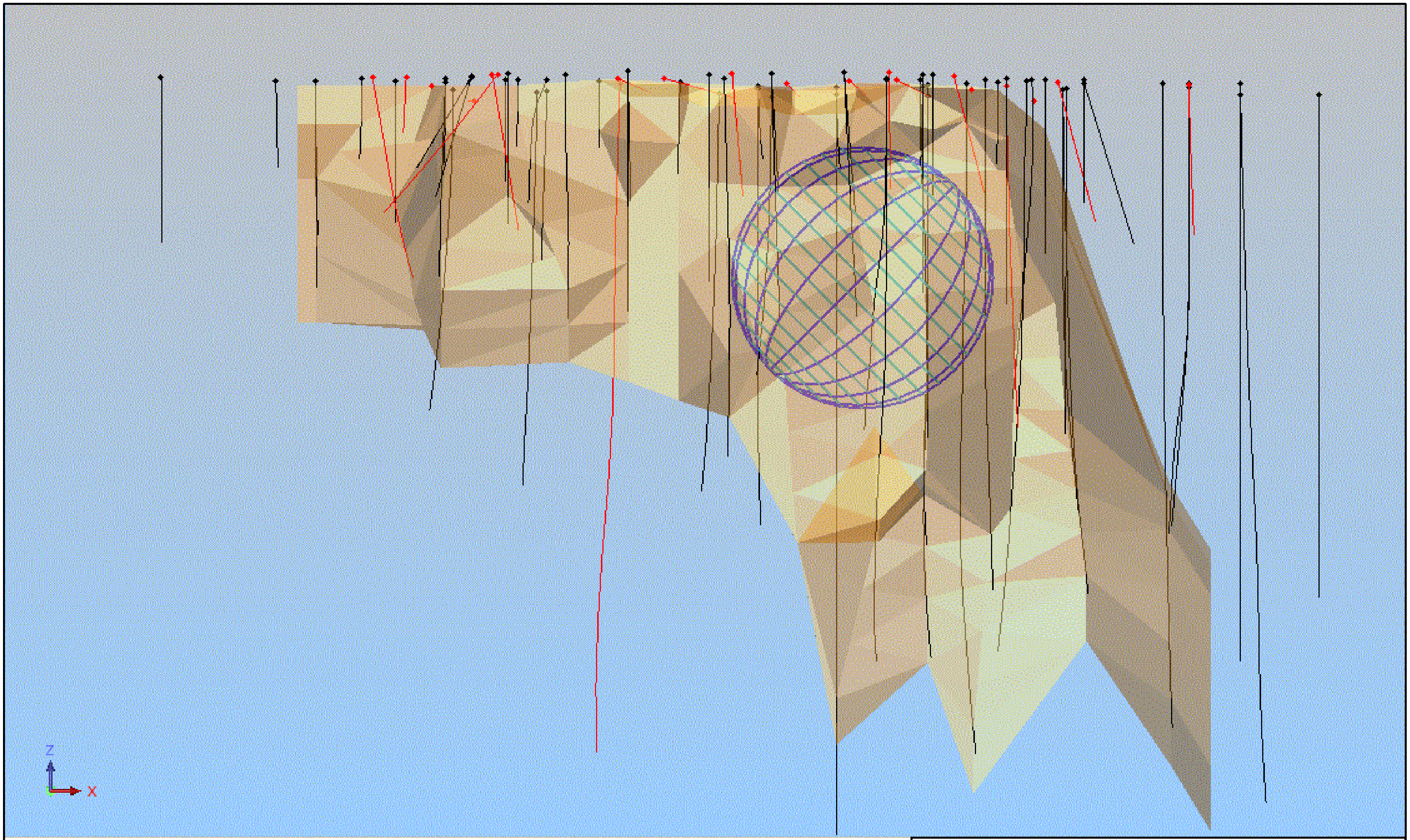


Stratabound MINERALS CORP.

WGZ Search Ellipse
Plan View

Date: Apr. 2008

mercator GEOLOGICAL SERVICES

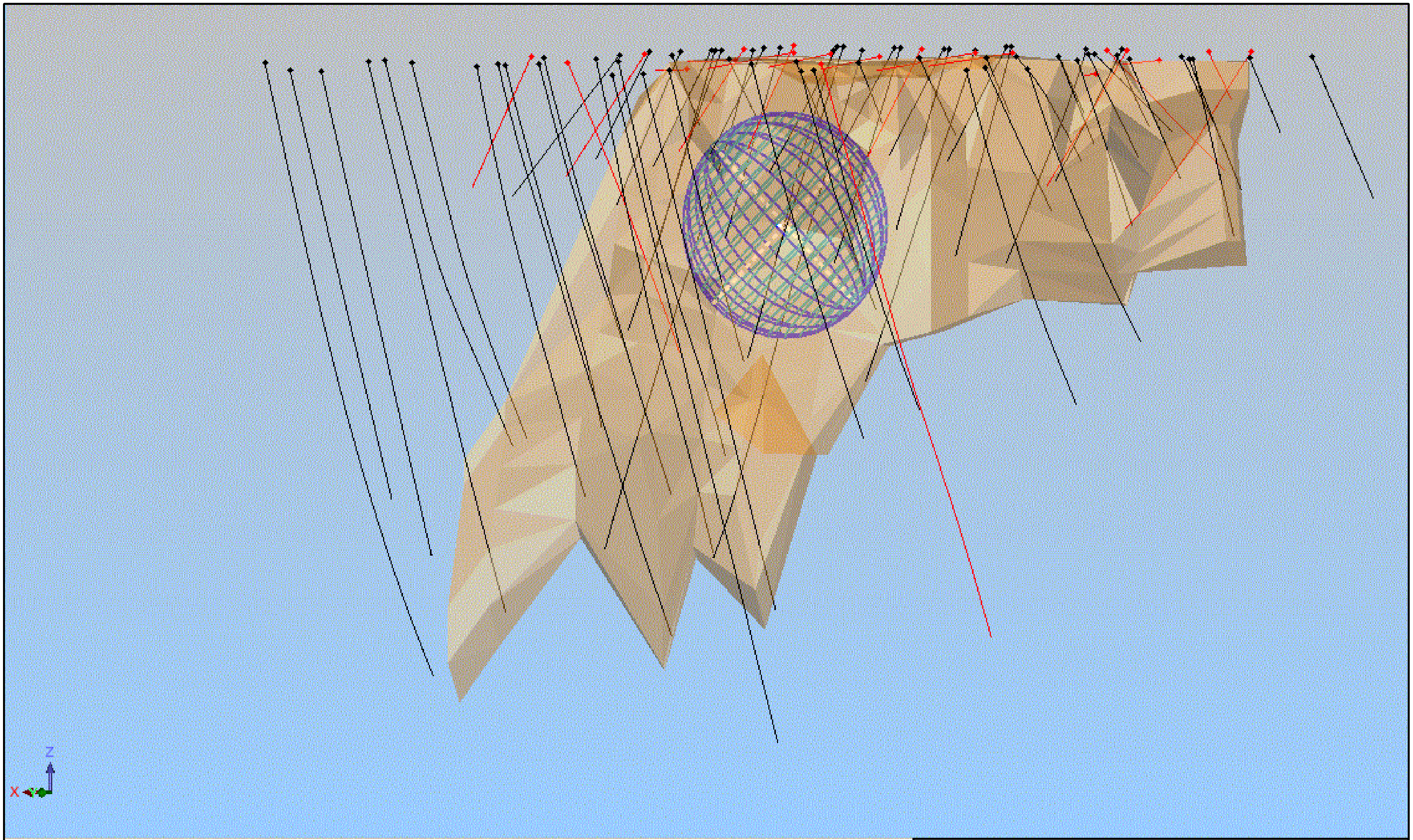


Stratabound MINERALS CORP.

WGZ Search Ellipse
Looking North

Date: Apr. 2008

mercator GEOLOGICAL SERVICES



Stratabound MINERALS CORP.

WGZ Search Ellipse
Looking Southeast

Date: Apr. 2008

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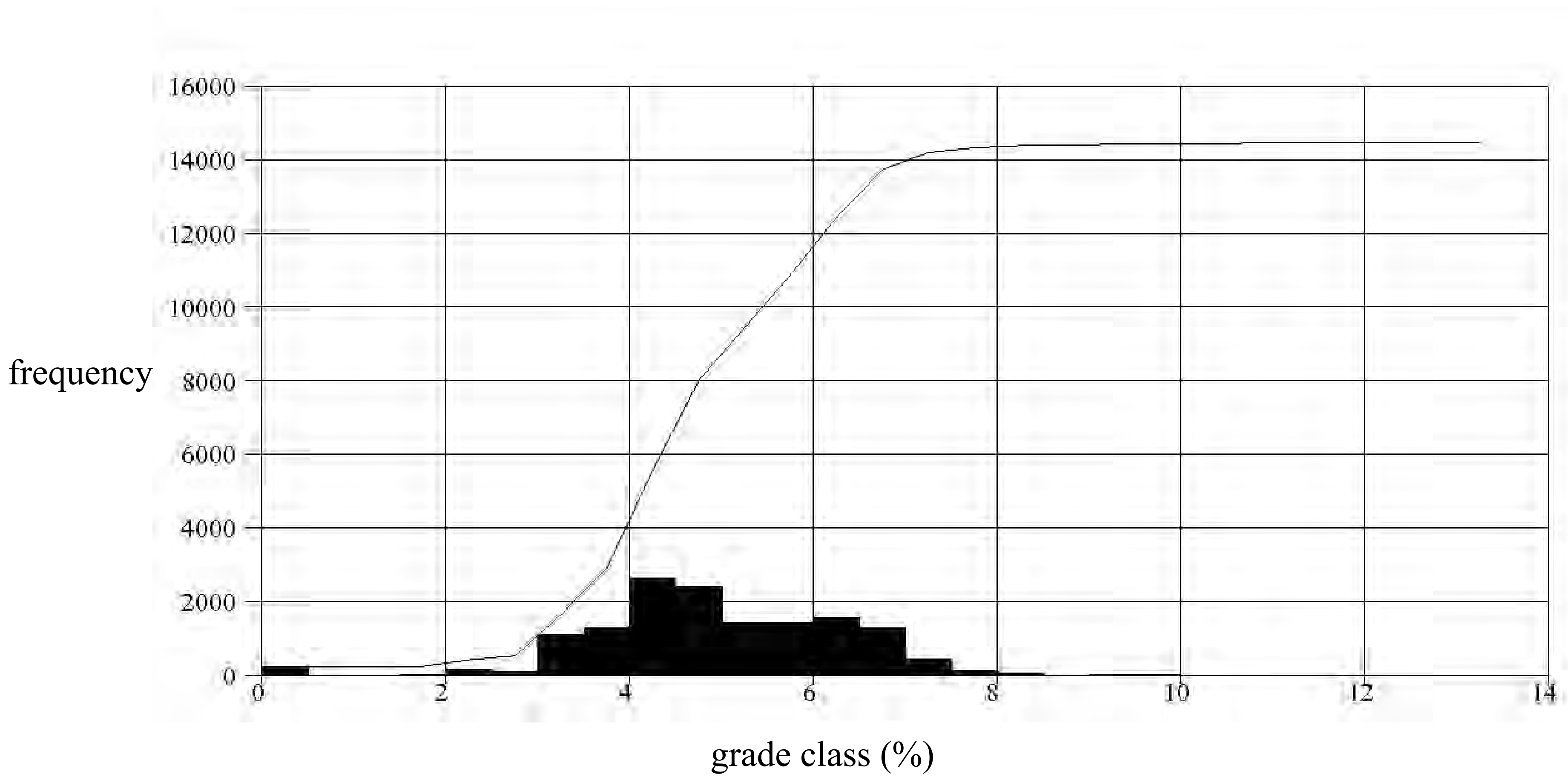
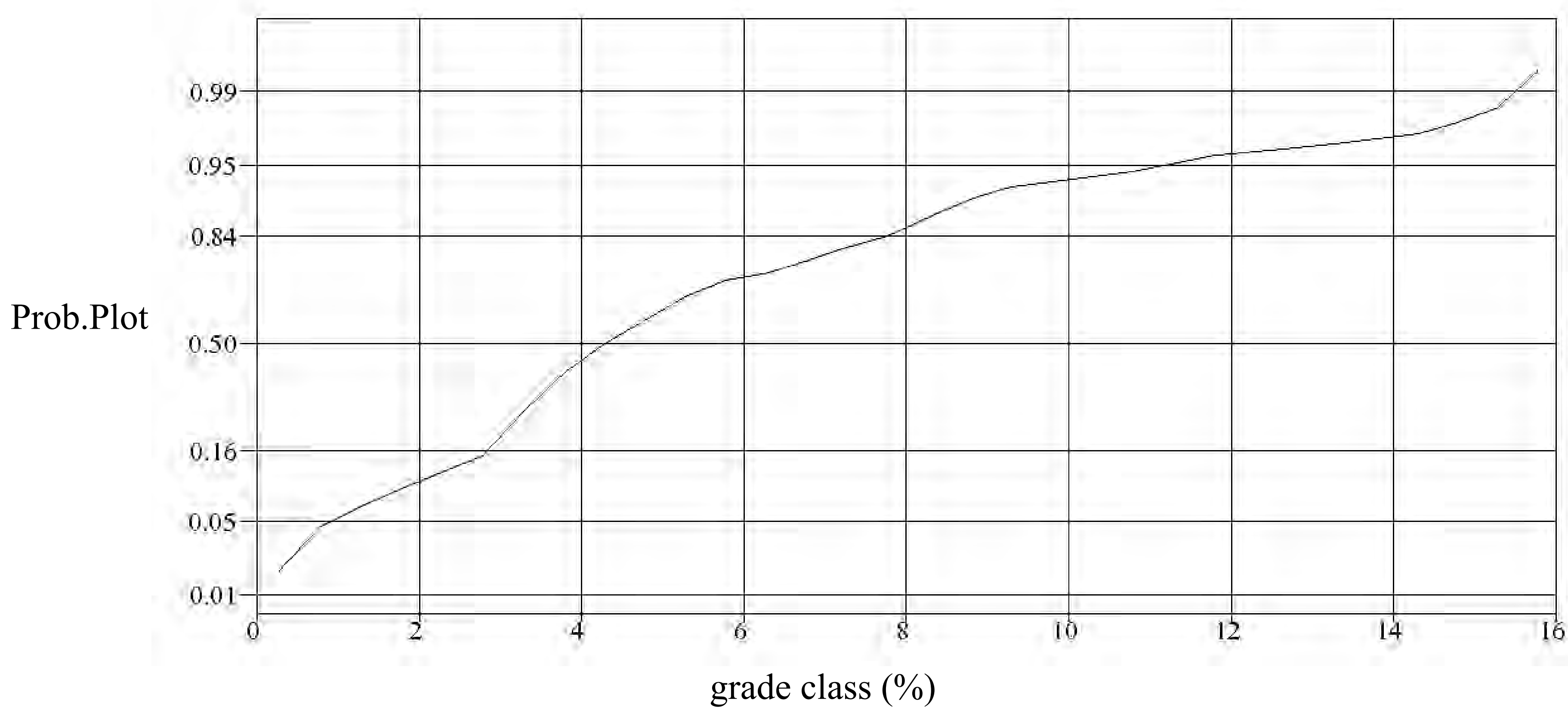
Cumulative Frequency of WGZ High Grade Solid: Au in 2.0 m Composites



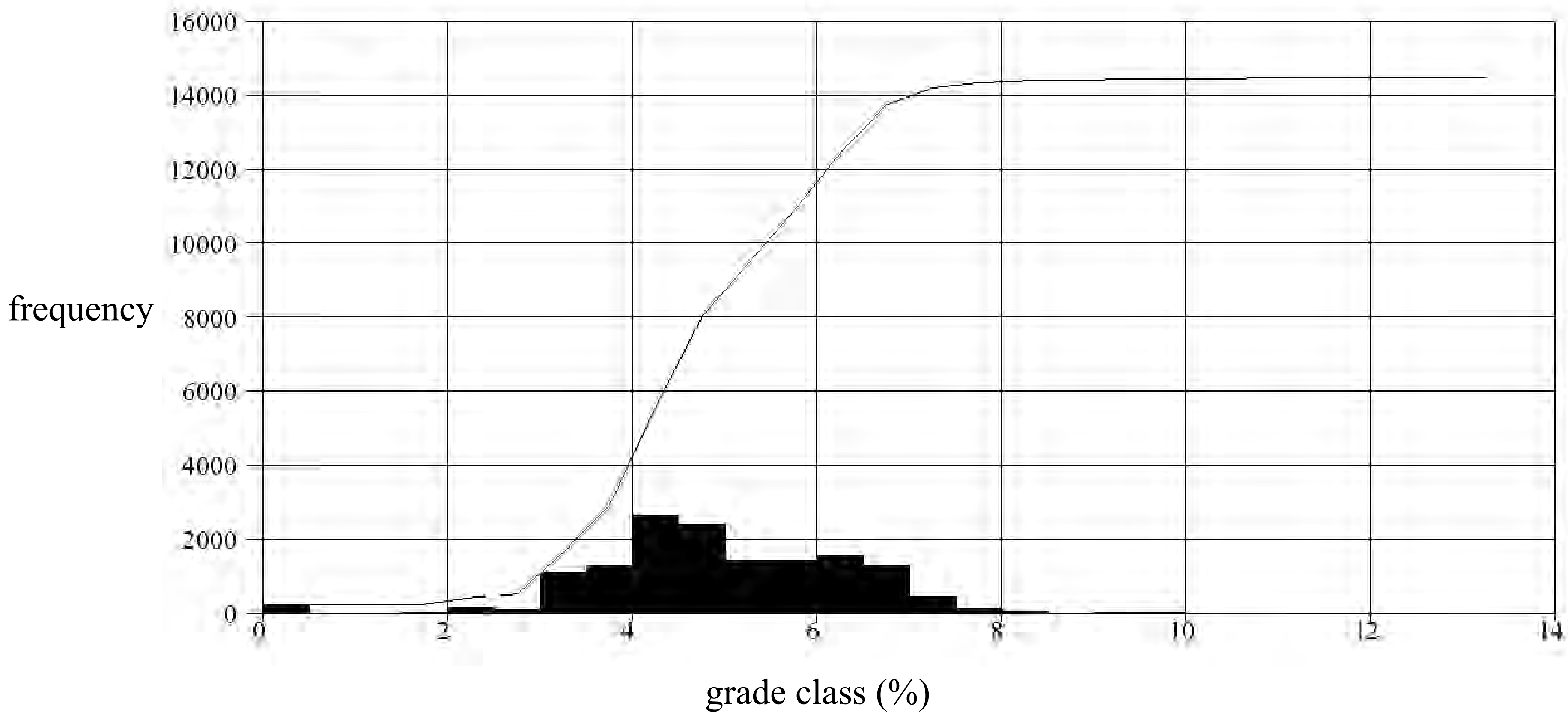
Au (n=168)

Probability Plot of WGZ High Grade Solid: Au in 2.0 m Composites



Au (n=168)

Cumulative Frequency of WGZ High Grade Solid: Au Block Grades

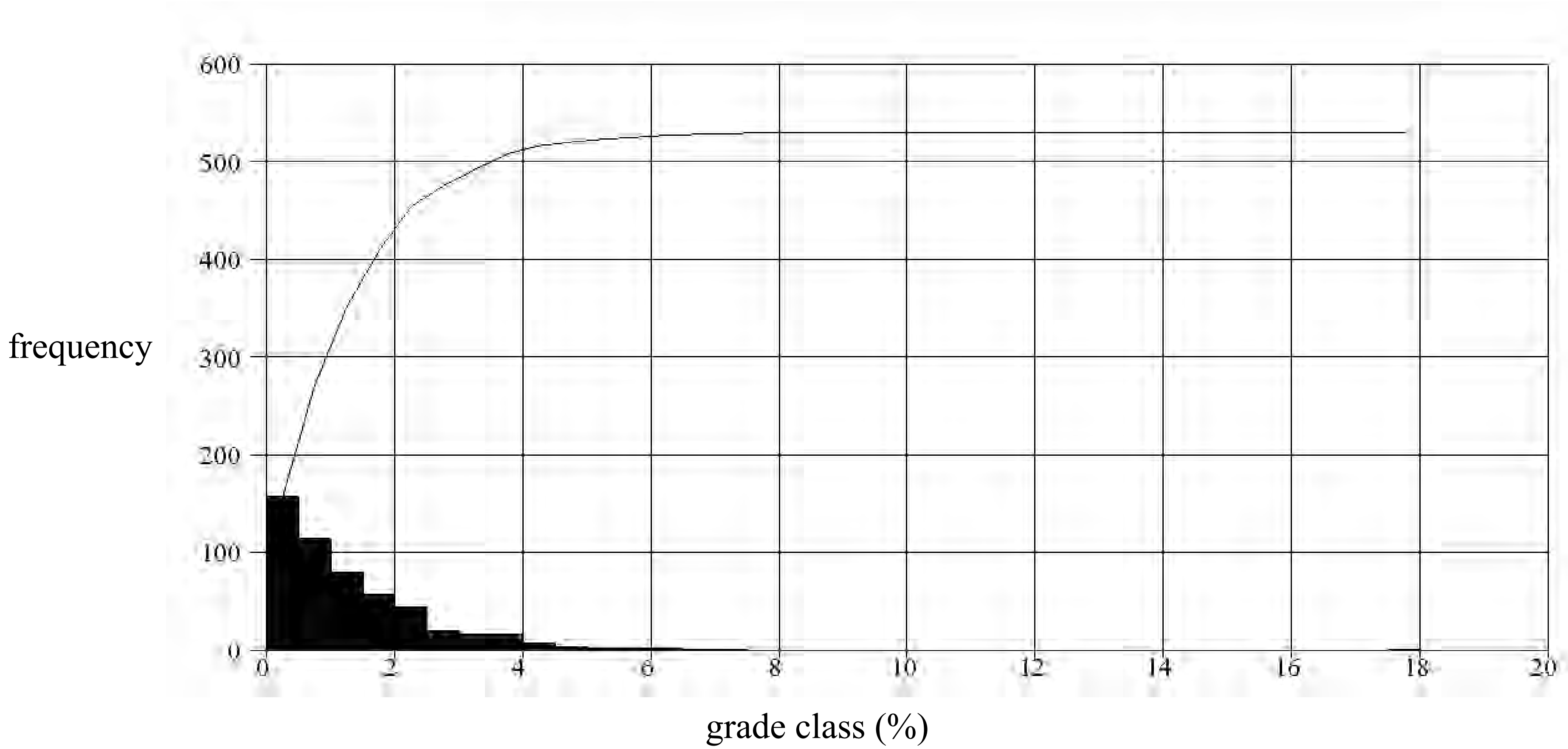


Au (n=14454)

Probability Plot of WGZ High Grade Solid: Au Block Grades

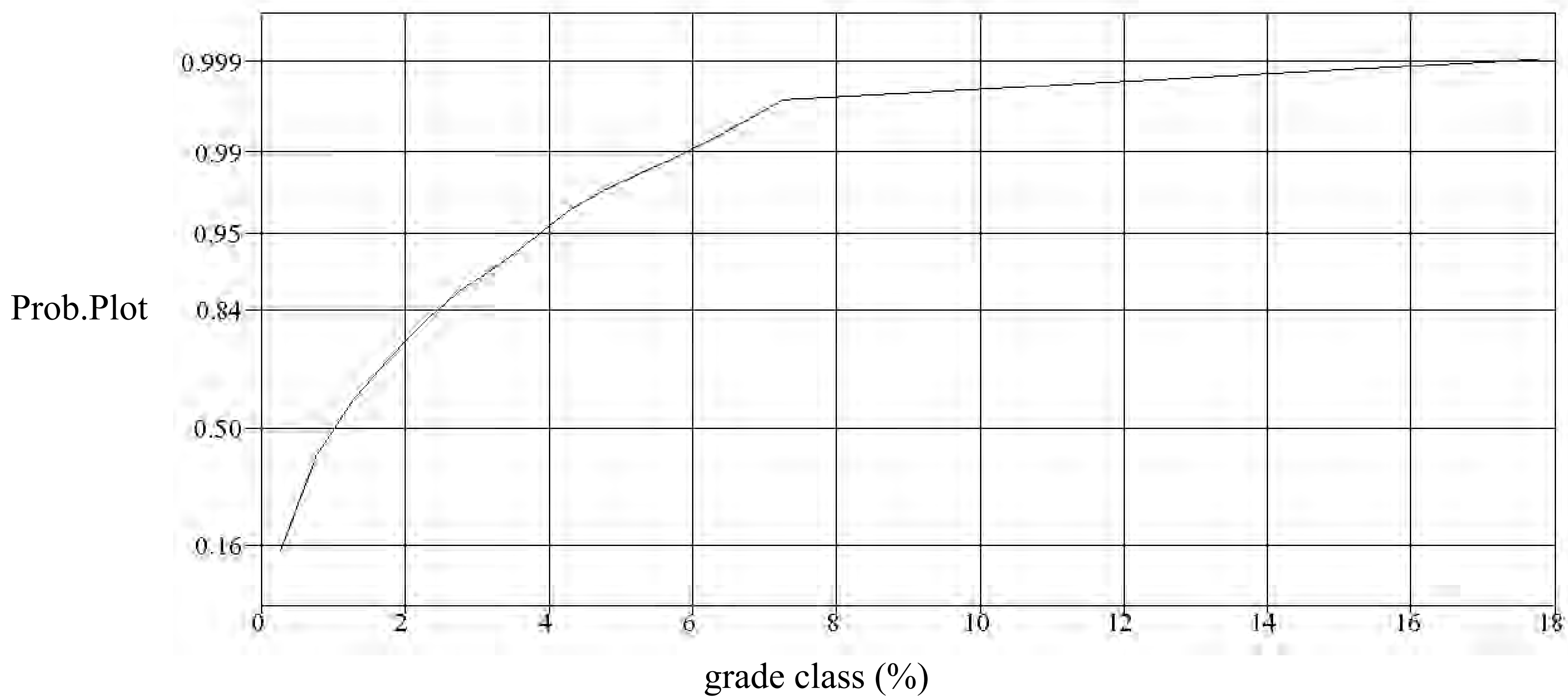
Au (n=14454)

Cumulative Frequency of WGZ Low Grade Solid: Au in 2.0 m Composites



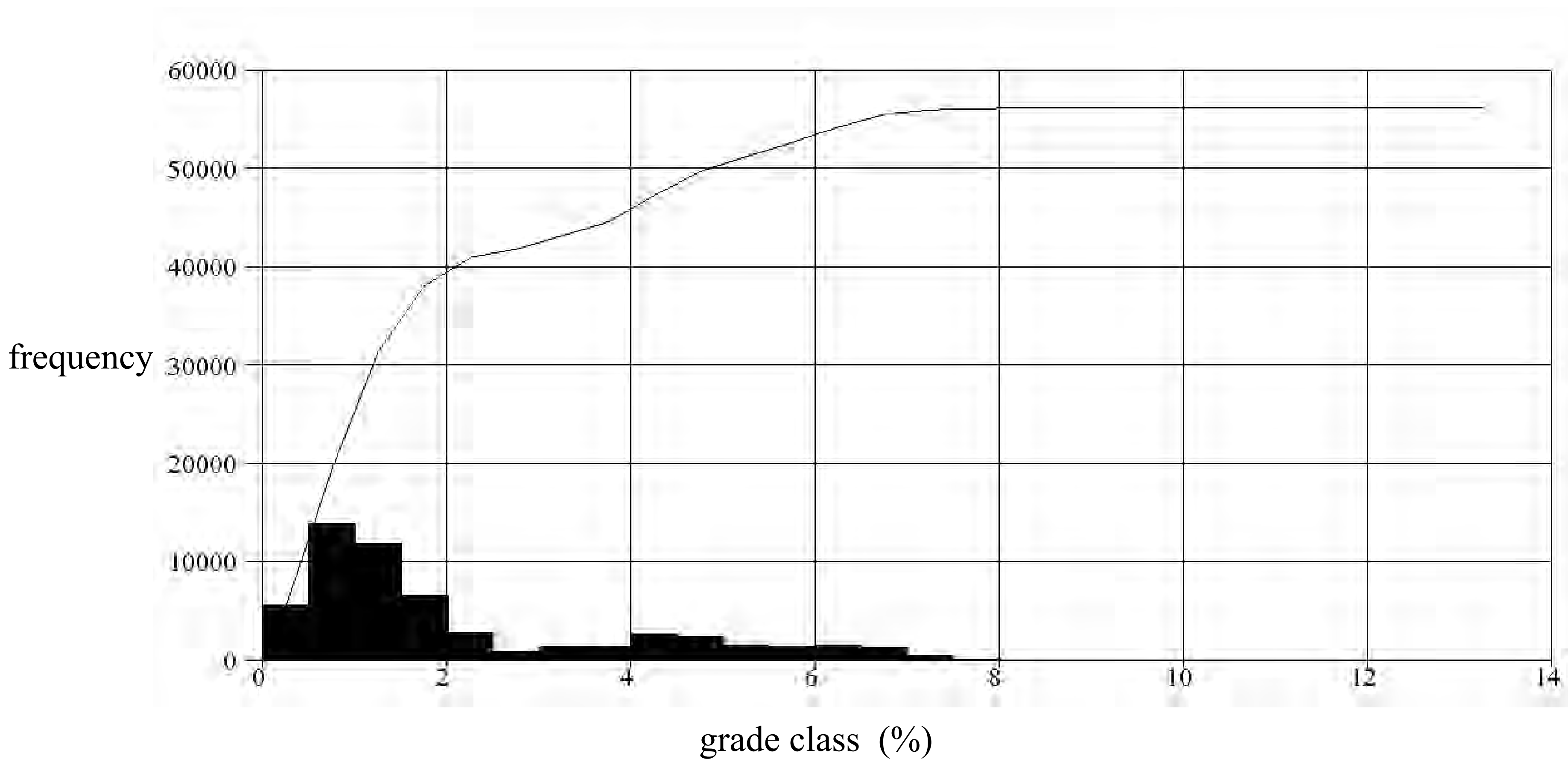
Au   (n=530)

Probability Plot of WGZ Low Grade Solid: Au in 2.0 m Composite



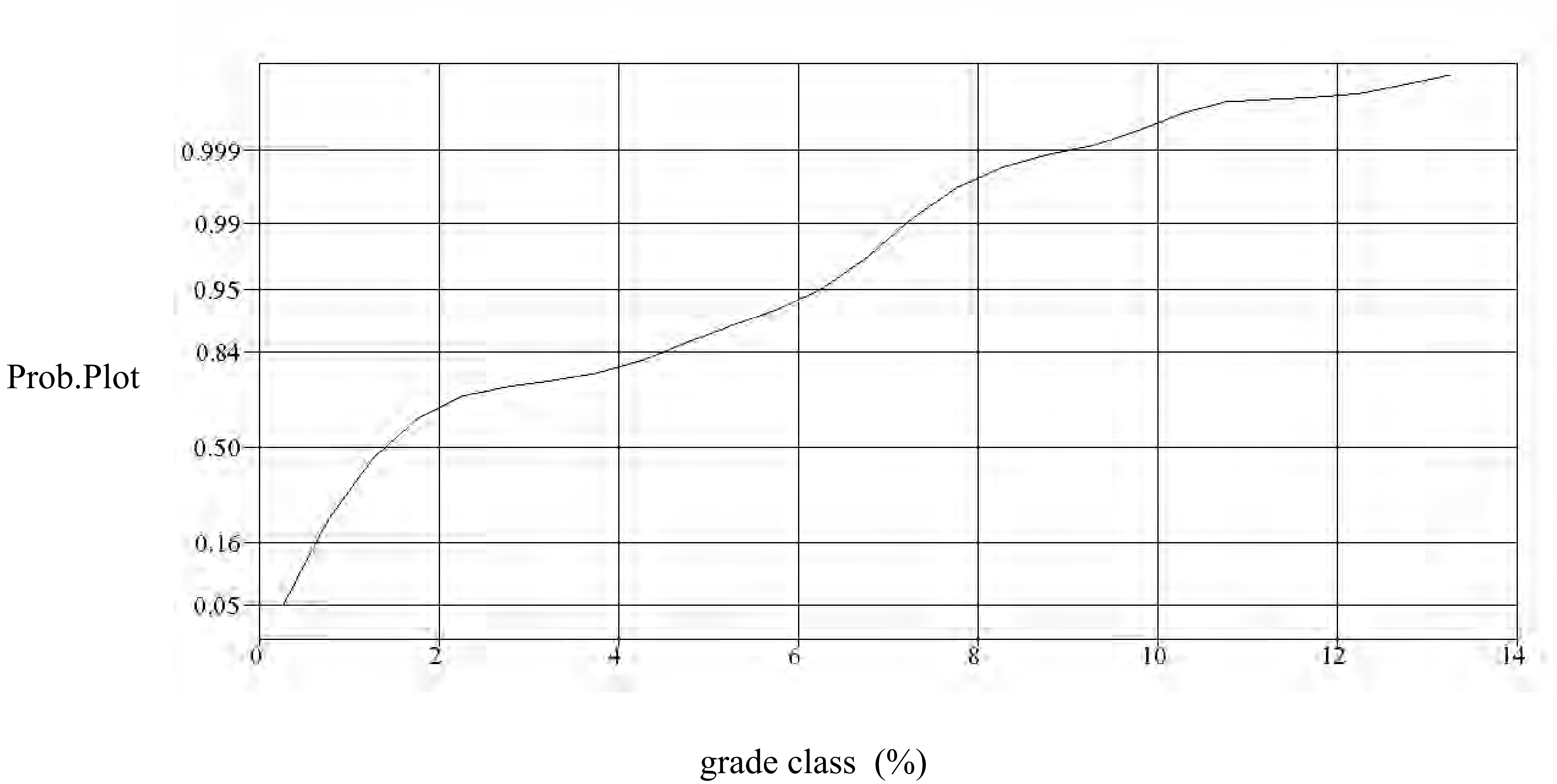
Au (n=530)

Cumulative Frequency of WGZ Low Grade Solid: Au Block Grades



Au (n=56192)

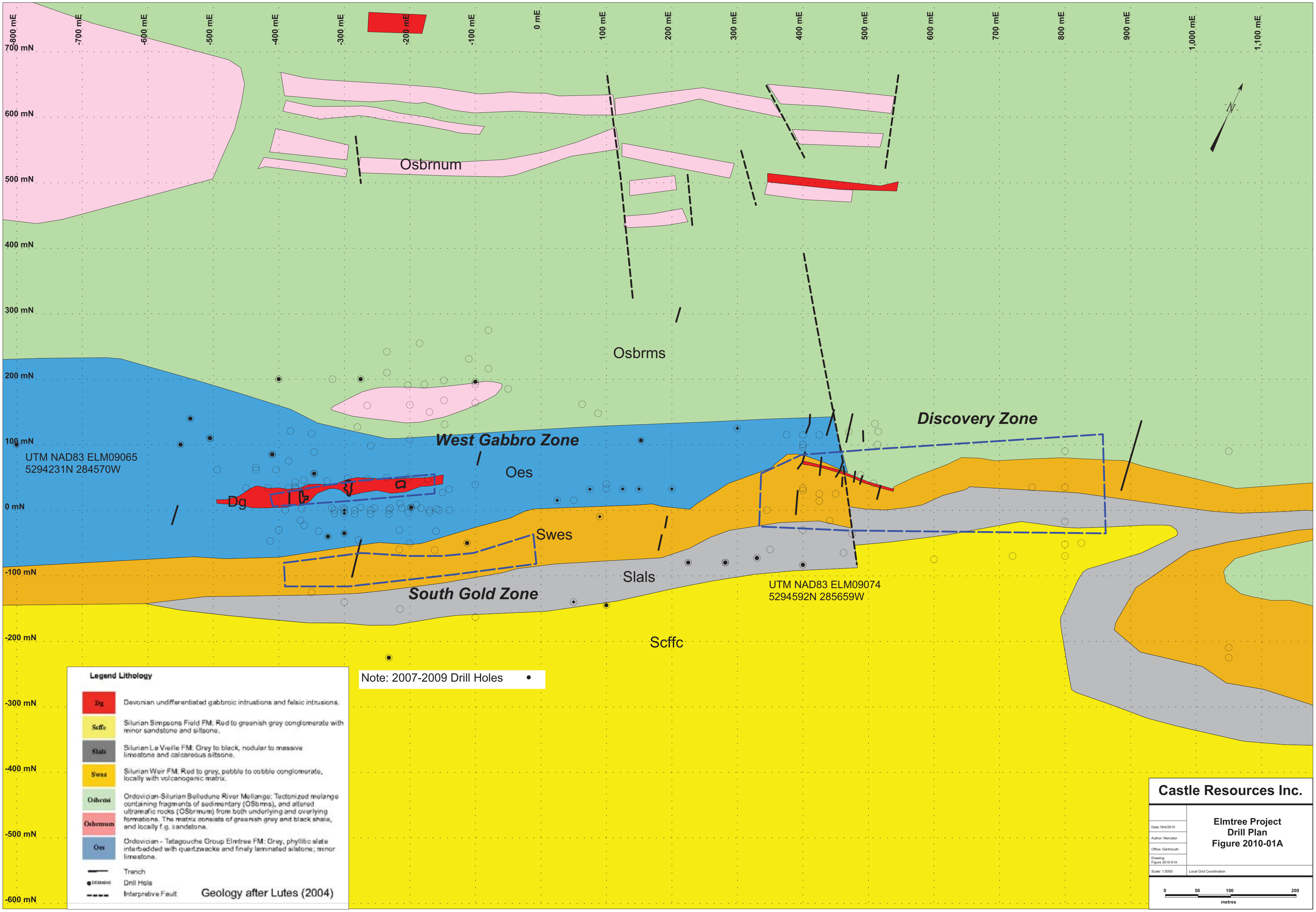
Probability Plot of WGZ Low Grade Solid: Au Block Grades



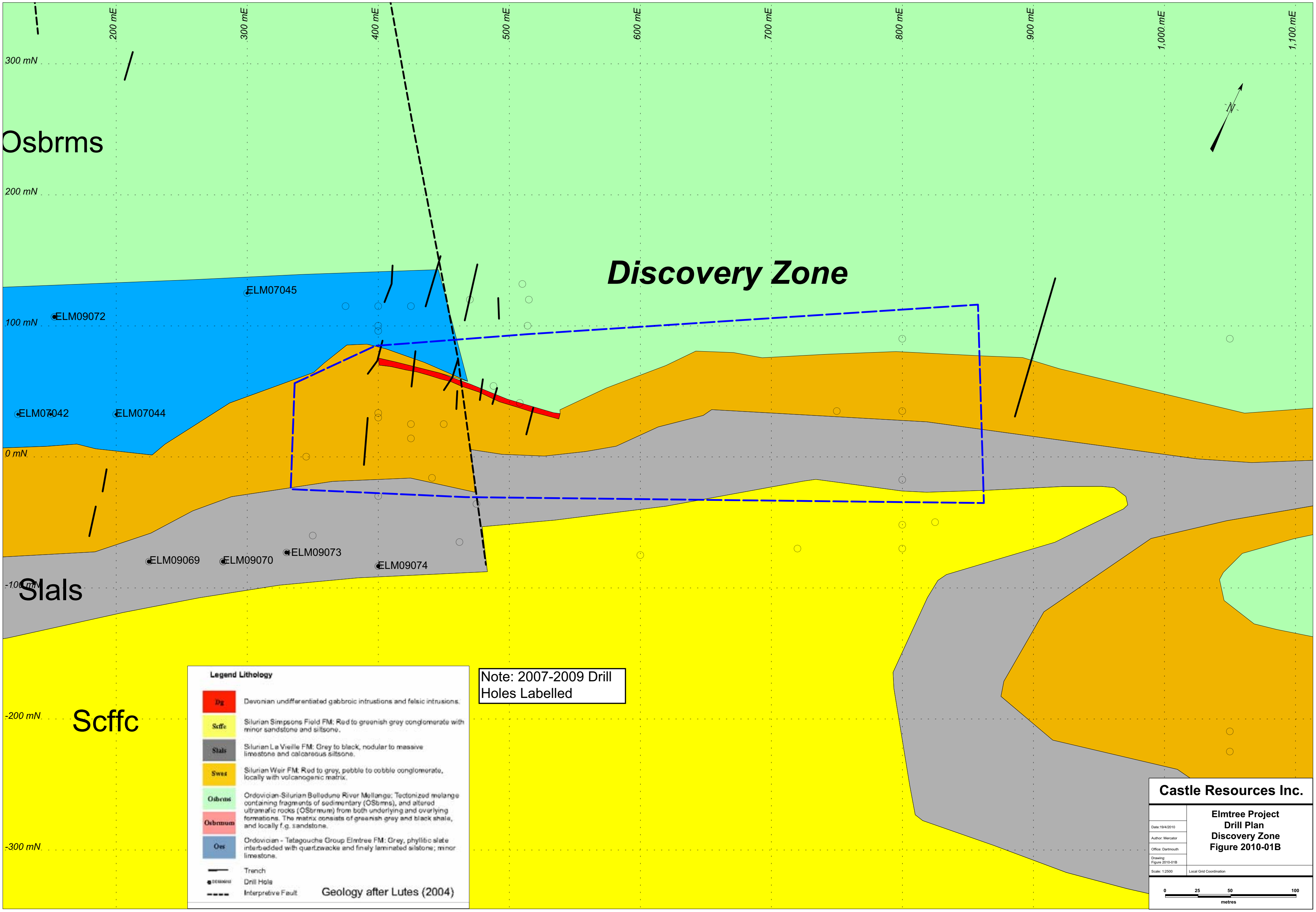
Au (n=56192)

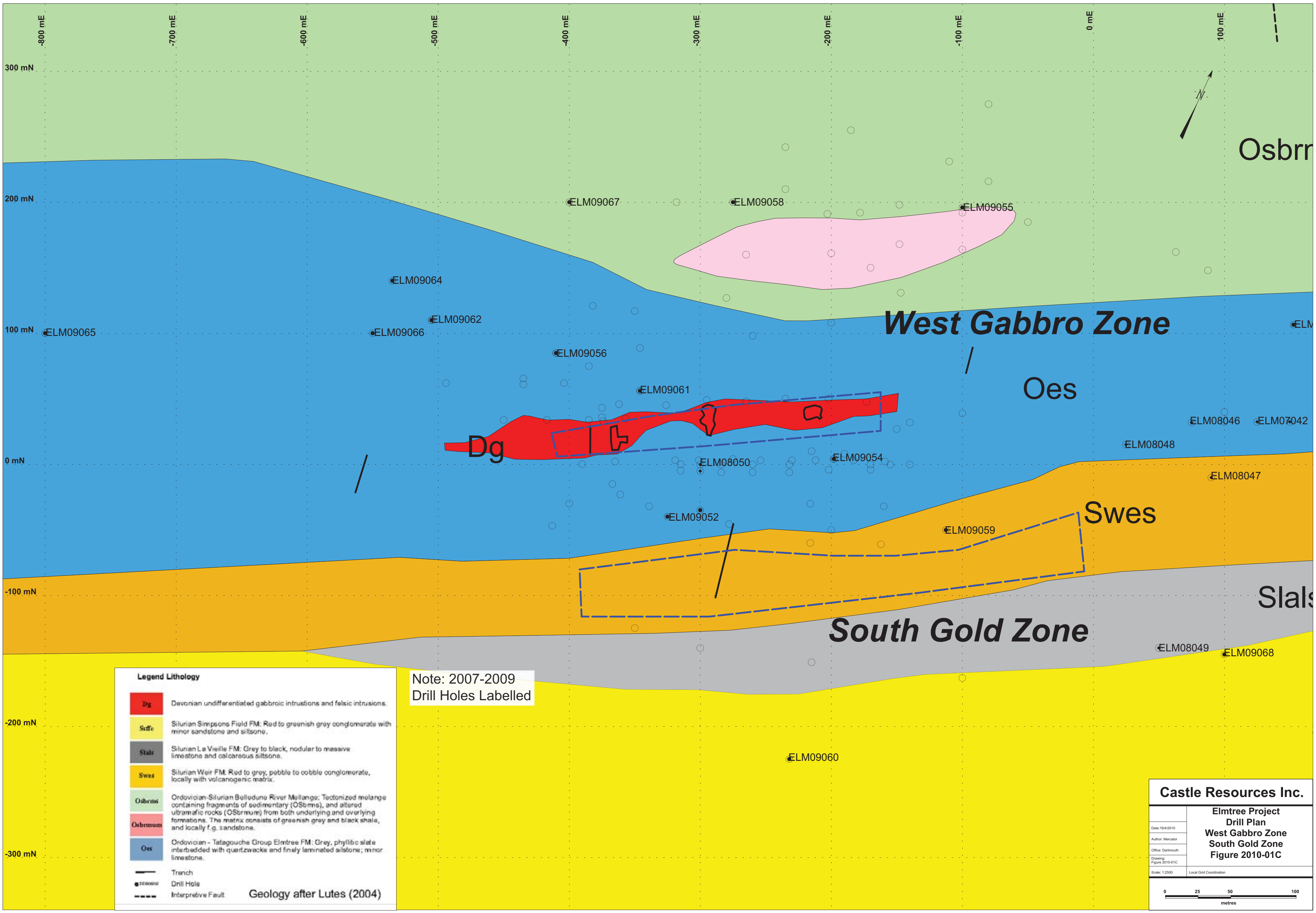
APPENDIX 3

SURPAC - Mercator Geological Services Limited

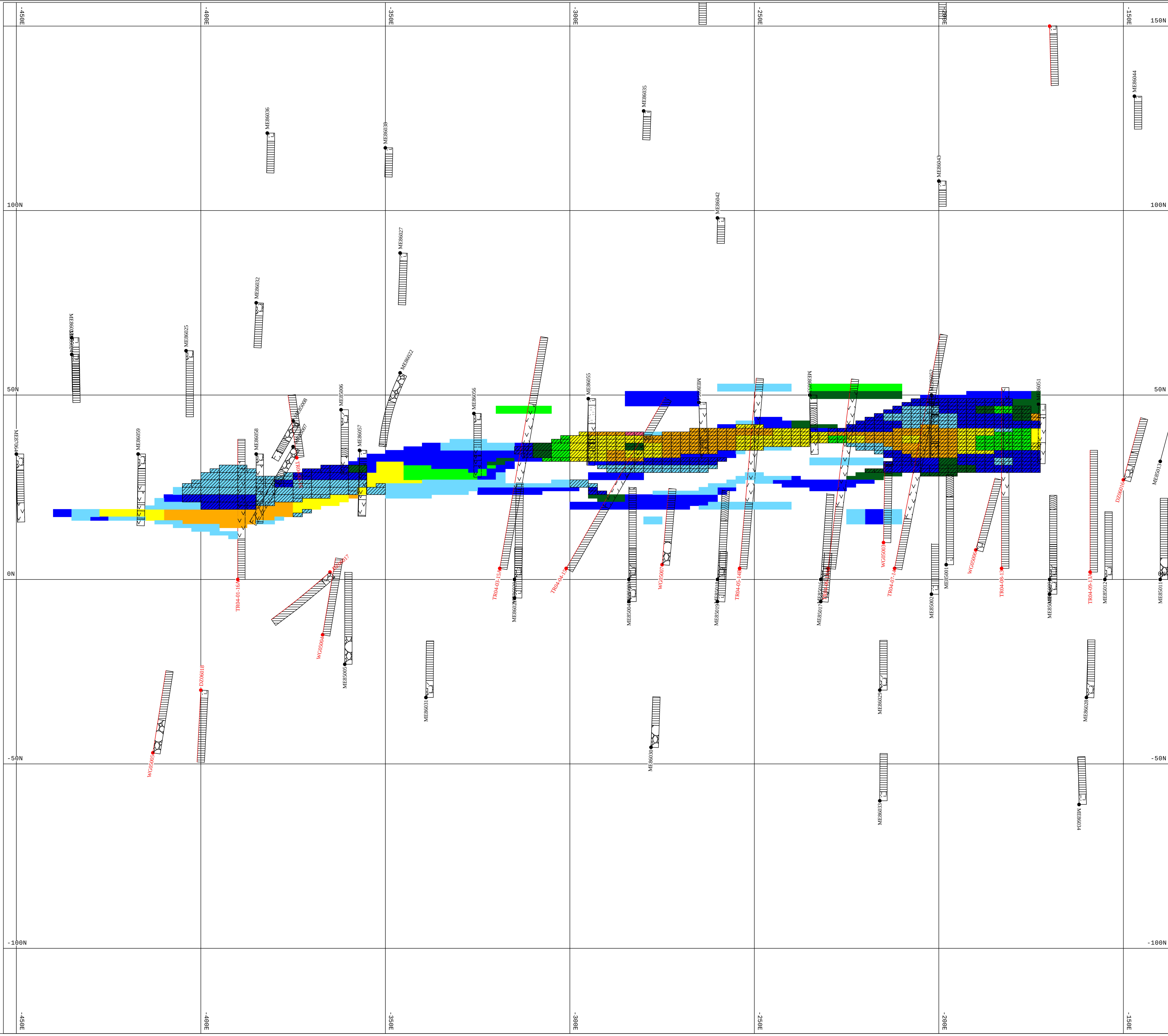


-800 mE
-700 mE
-600 mE
-500 mE
-400 mE
-300 mE
-200 mE
-100 mE
0 mE
100 mE
200 mE
300 mE
400 mE
500 mE
600 mE
700 mE
800 mE
900 mE
1,000 mE
1,100 mE
700 mN
600 mN
500 mN
400 mN
300 mN
200 mN
100 mN
0 mN
-100 mN
-200 mN
-300 mN
-400 mN
-500 mN
-600 mN
N
Osbrnum
Osbrms
Discovery Zone
West Gabbro Zone
Oes
UTM NAD83 ELM09065
5294231N 284570W
Dg
Swes
Slals
South Gold Zone
UTM NAD83 ELM09074
5294592N 285659W
Scffc
Note: 2007-2009 Drill Holes
Legend Lithology
Dg Devonian undifferentiated gabbroic intrustions and felsic intrusions.
Scffc Silurian Simpsons Field FM: Red to greenish grey conglomerate with minor sandstone and siltsone.
Slals Silurian La Vieille FM: Grey to black, nodular to massive limestone and calcareous siltsone.
Swes Silurian Weir FM: Red to grey, pebble to cobble conglomerate, locally with volcanogenic matrix.
Osbrms Osbrnum Ordovician-Silurian Belledune River Mellange: Tectonized melange containing fragments of sedimentary (OSbrms), and altered ultramafic rocks (OSbrnum) from both underlying and overlying formations. The matrix consists of greenish grey and black shale, and locally f.g. sandstone.
Oes Ordovician - Tetagouche Group Elmtree FM: Grey, phyllitic slate interbedded with quartzwacke and finely laminated silstone; minor limestone.
Trench
Drill Hole
Interpretive Fault
Geology after Lutes (2004)
Castle Resources Inc.
Date:19/4/2010
Author: Mercator
Office: Dartmouth
Drawing: Figure 2010-01A
Scale: 1:5000
Elmtree Project
Drill Plan
Figure 2010-01A
Local Grid Coordination
0
50
100
200
metres


200 mE
300 mE
400 mE
500 mE
600 mE
700 mE
800 mE
900 mE
1,000 mE
1,100 mE
300 mN
200 mN
100 mN
0 mN
-100 mN
-200 mN
-300 mN
N
Osbrms
Discovery Zone
Slals
Scffc
ELM07045
ELM09072
ELM07042
ELM07044
ELM09069
ELM09070
ELM09073
ELM09074
Legend Lithology
Dg
Devonian undifferentiated gabbroic intrustions and felsic intrusions.
Scffc
Silurian Simpsons Field FM: Red to greenish grey conglomerate with minor sandstone and siltsone.
Slals
Silurian La Vieille FM: Grey to black, nodular to massive limestone and calcareous siltsone.
Swes
Silurian Weir FM: Red to grey, pebble to cobble conglomerate, locally with volcanogenic matrix.
Osbrms
Osbrmum
Ordovician-Silurian Belledune River Mellange: Tectonized melange containing fragments of sedimentary (OSbrms), and altered ultramafic rocks (OSbrmum) from both underlying and overlying formations. The matrix consists of greenish grey and black shale, and locally f.g. sandstone.
Oes
Ordovician - Tetagouche Group Elmtree FM: Grey, phyllitic slate interbedded with quartzwacke and finely laminated silstone; minor limestone.
Trench
Drill Hole
Interpretive Fault
Geology after Lutes (2004)
Note: 2007-2009 Drill Holes Labelled
Castle Resources Inc.
Elmtree Project
Drill Plan
Discovery Zone
Figure 2010-01B
Date:19/4/2010
Author: Mercator
Office: Dartmouth
Drawing: Figure 2010-01B
Scale: 1:2500
Local Grid Coordination
0
25
50
100
metres



-800 mE
-700 mE
-600 mE
-500 mE
-400 mE
-300 mE
-200 mE
-100 mE
0 mE
100 mE
300 mN
200 mN
100 mN
0 mN
-100 mN
-200 mN
-300 mN
Osbrr
ELM09067
ELM09058
ELM09055
ELM09064
ELM09062
ELM09065
ELM09066
West Gabbro Zone
ELM09056
ELM09061
Oes
Dg
ELM08046
ELM07042
ELM08048
ELM08050
ELM09054
ELM08047
ELM09052
ELM09059
Swes
Slals
South Gold Zone
ELM08049
ELM09068
ELM09060
Note: 2007-2009
Drill Holes Labelled
Legend Lithology
Dg
Devonian undifferentiated gabbroic intrusions and felsic intrusions.
Ssffe
Silurian Simpsons Field FM: Red to greenish grey conglomerate with minor sandstone and siltsone.
Slals
Silurian La Vieille FM: Grey to black, nodular to massive limestone and calcareous siltsone.
Swes
Silurian Weir FM: Red to grey, pebble to cobble conglomerate, locally with volcanogenic matrix.
Osbrms
Osbrmum
Ordovician-Silurian Belledune River Mellange: Tectonized melange containing fragments of sedimentary (OSbrms), and altered ultramafic rocks (OSbrmum) from both underlying and overlying formations. The matrix consists of greenish grey and black shale, and locally f.g. sandstone.
Oes
Ordovician - Tetagouche Group Elmtree FM: Grey, phyllitic slate interbedded with quartzwacke and finely laminated silstone; minor limestone.
Trench
Drill Hole
Interpretive Fault
Geology after Lutes (2004)
Castle Resources Inc.
Elmtree Project
Drill Plan
West Gabbro Zone
South Gold Zone
Figure 2010-01C
Date:19/4/2010
Author: Mercator
Office: Dartmouth
Drawing: Figure 2010-01C
Scale: 1:2500
Local Grid Coordination
0
25
50
100
metres



Indicated Resource

Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
- SS5 - Meleange - Basal Conglom
- OS1 - Graphitic Argillite
- OS2 - Greywacke
- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Au Grade (g/t)

- 0.50 - 1.00
- 1.00 - 2.00
- 2.00 - 3.00
- 3.00 - 4.00
- 4.00 - 5.00
- 5.00 - 7.50
- 7.50 - 10.00
- 10.00

mercator
GEOLOGICAL SERVICES

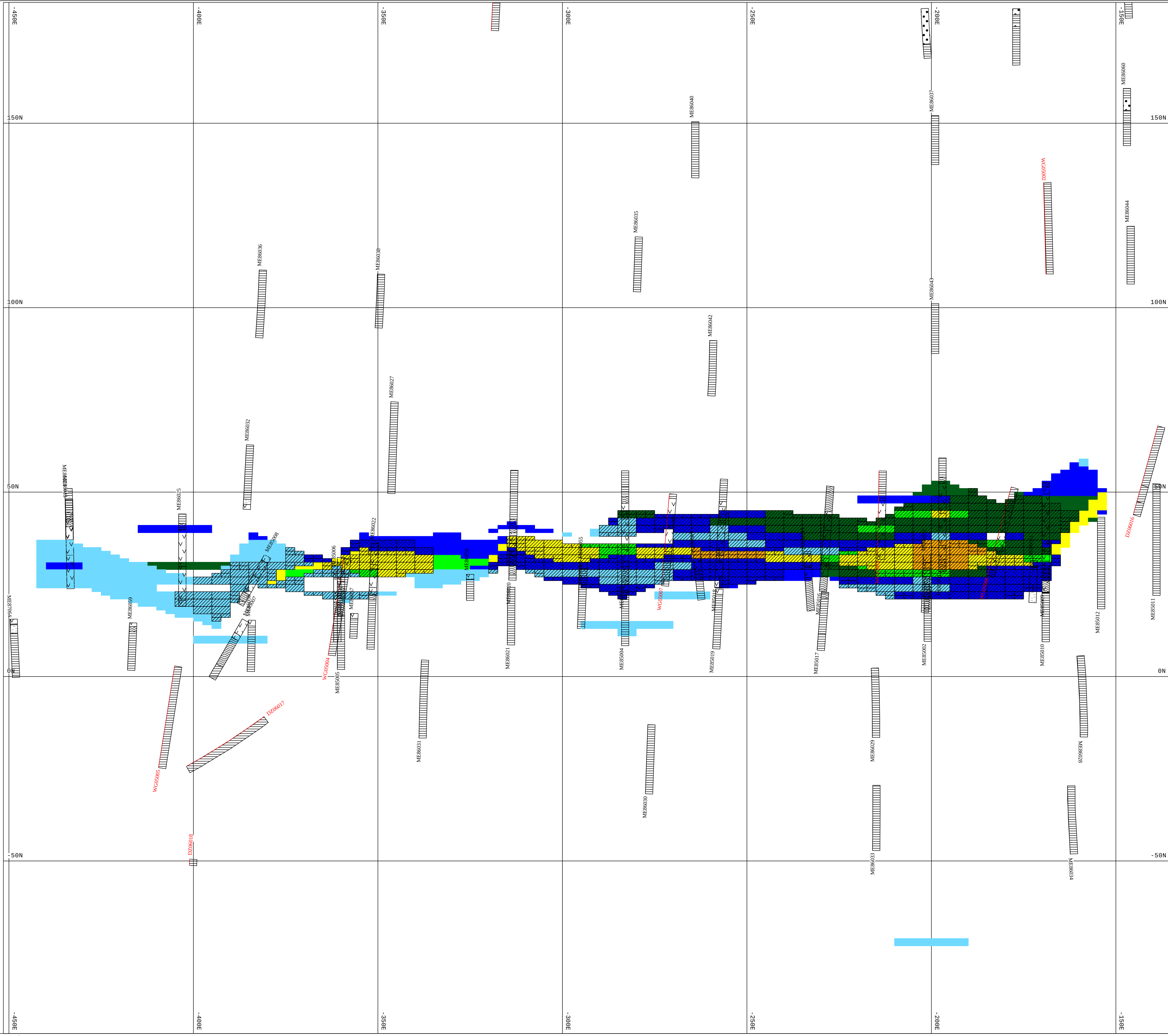
Scale Bar (meters): 1: 500

Stratabound MINERALS CORP

Stratabound Minerals Corp.
Elmtree Deposit - WGZ
Level Plan 140 El
Au Block Model Grade

Mercator Geological Services Limited

Scale: 1: 500	LOCAL GRID	Date: 18-Apr-08



Indicated Resource

Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
- SS5 - Meleange - Basal Conglom
- OS1 - Graphitic Argillite
- OS2 - Greywacke
- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Au Grade (g/t)

- 0.50 - 1.00
- 1.00 - 2.00
- 2.00 - 3.00
- 3.00 - 4.00
- 4.00 - 5.00
- 5.00 - 7.50
- 7.50 - 10.00
- 10.00

mercator
GEOLOGICAL SERVICES

Scale Bar (meters): 1: 500

Stratabound MINERALS CORP

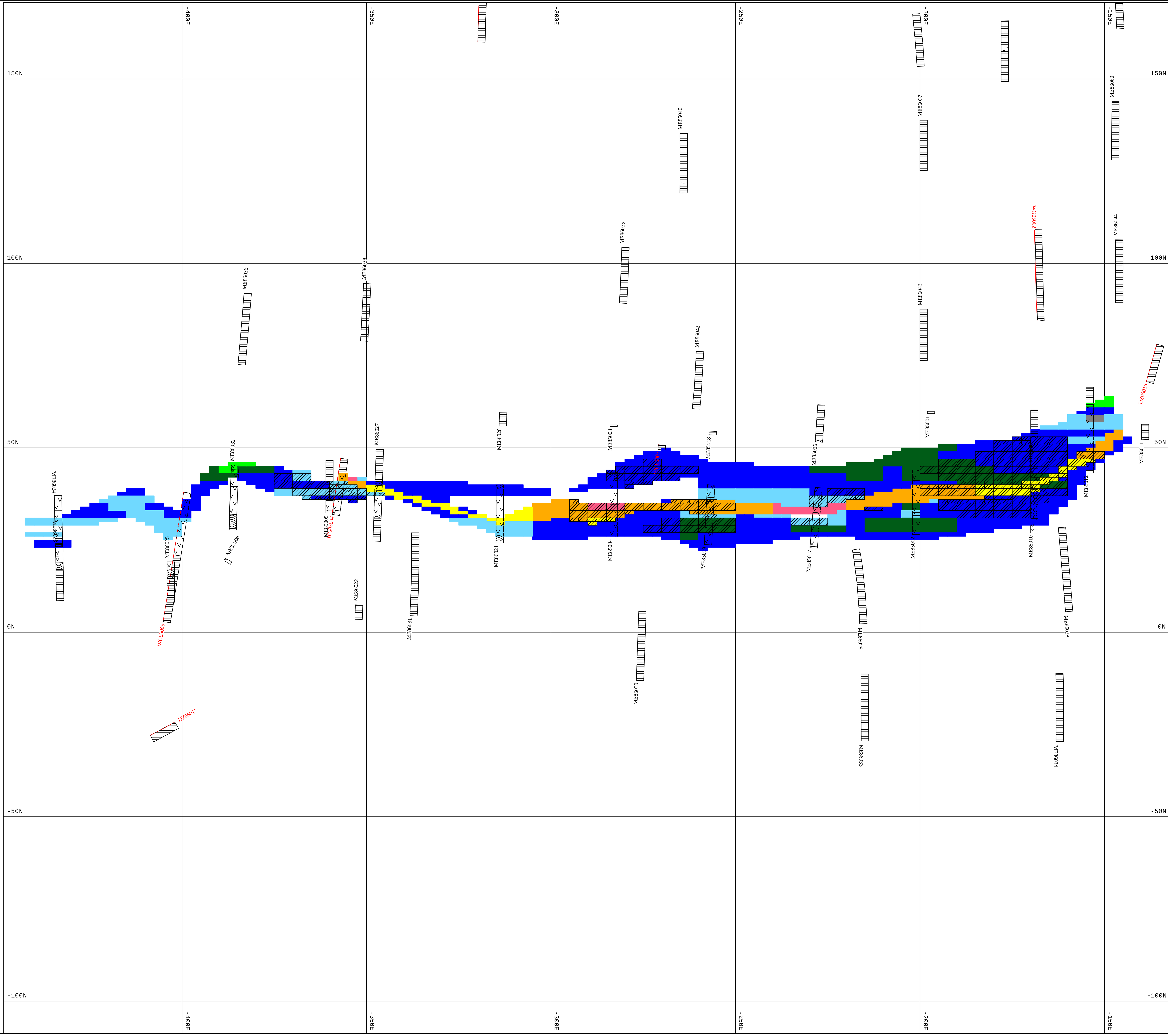
Stratabound Minerals Corp.
Elmtree Deposit - WGZ
Level Plan 115 El
Au Block Model Grade

Mercator Geological Services Limited

Scale: 1: 500	LOCAL GRID	Date: 18-Apr-08

wgz_levelplan_115el

SURPAC - Surpac Minex Group



Indicated Resource

Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
- SS5 - Meleange - Basal Conglom
- OS1 - Graphitic Argillite
- OS2 - Greywacke
- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Au Grade (g/t)

- 0.50 - 1.00
- 1.00 - 2.00
- 2.00 - 3.00
- 3.00 - 4.00
- 4.00 - 5.00
- 5.00 - 7.50
- 7.50 - 10.00
- 10.00

mercator
GEOLOGICAL SERVICES

Scale Bar (meters): 1: 500

Stratabound MINERALS CORP

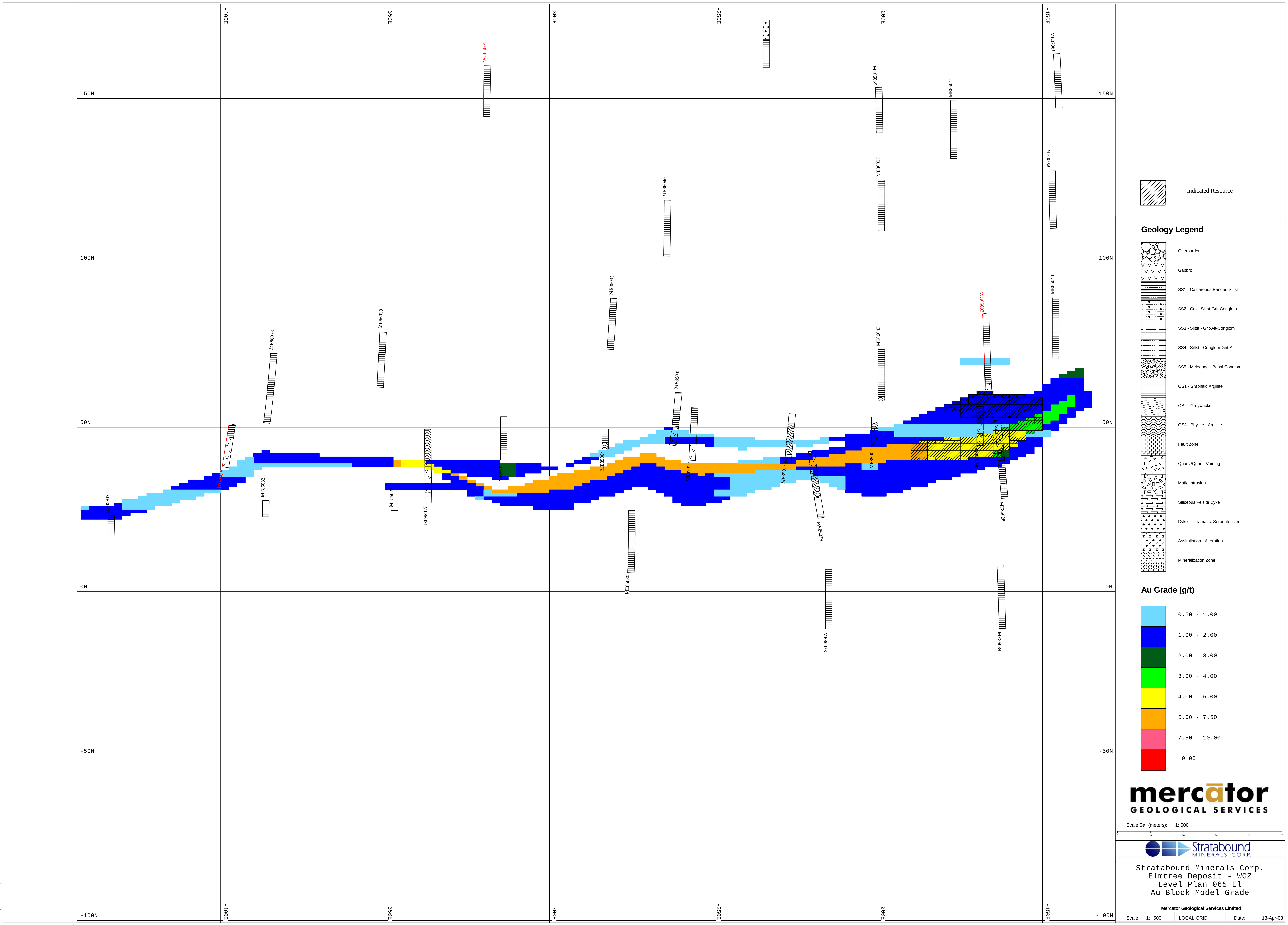
Stratabound Minerals Corp.
Elmtree Deposit - WGZ
Level Plan 090 El
Au Block Model Grade

Mercator Geological Services Limited

Scale: 1: 500	LOCAL GRID	Date: 18-Apr-08

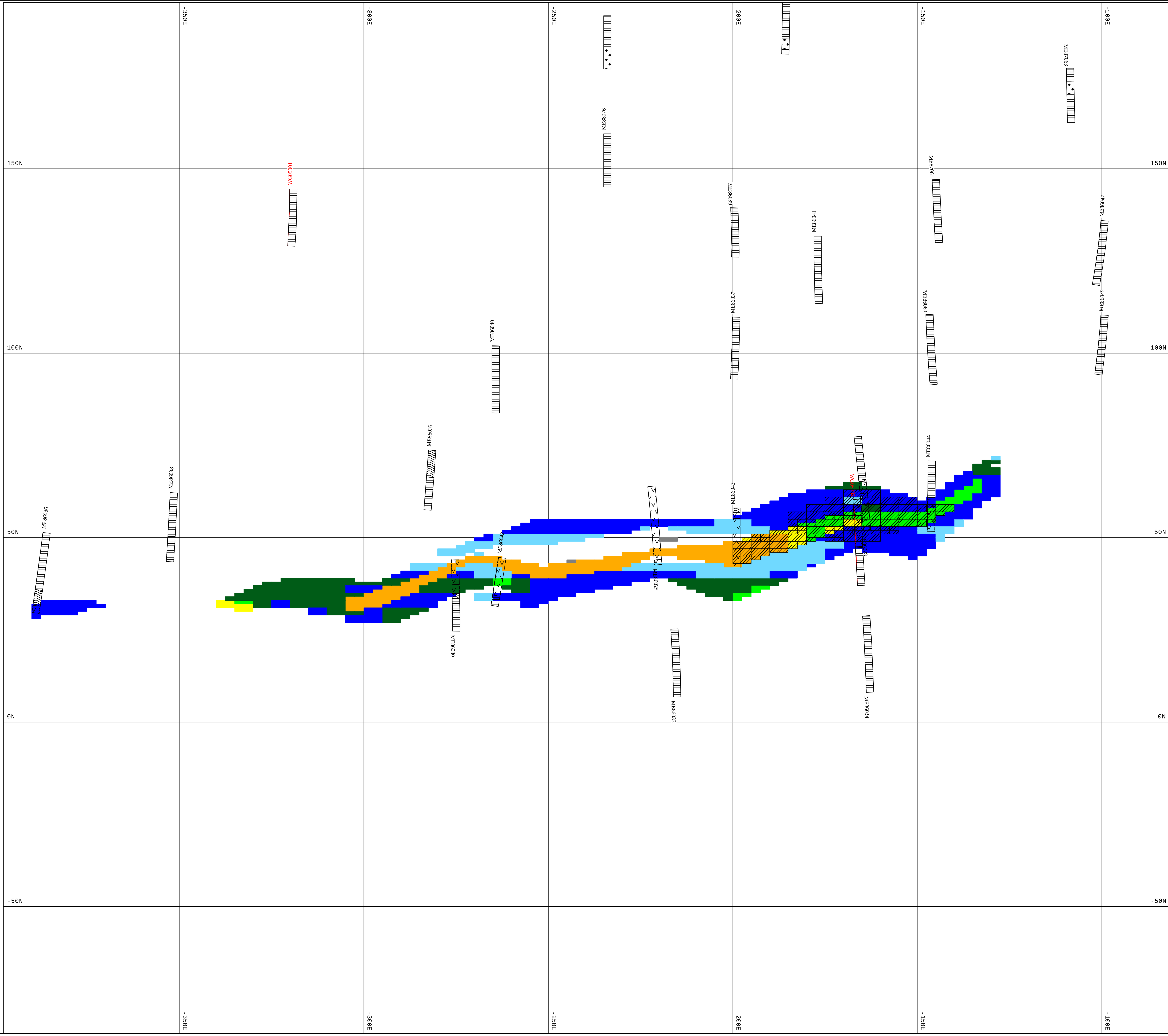
wgz_levelplan_090el

SURPAC - Surpac Minex Group



wgz_levelplan_065el

SURPAC - Surpac Minex Group



Indicated Resource

Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
- SS5 - Meleange - Basal Conglom
- OS1 - Graphitic Argillite
- OS2 - Greywacke
- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Au Grade (g/t)

- 0.50 - 1.00
- 1.00 - 2.00
- 2.00 - 3.00
- 3.00 - 4.00
- 4.00 - 5.00
- 5.00 - 7.50
- 7.50 - 10.00
- 10.00

mercator GEOLOGICAL SERVICES

Scale Bar (meters): 1: 500

Stratabound MINERALS CORP

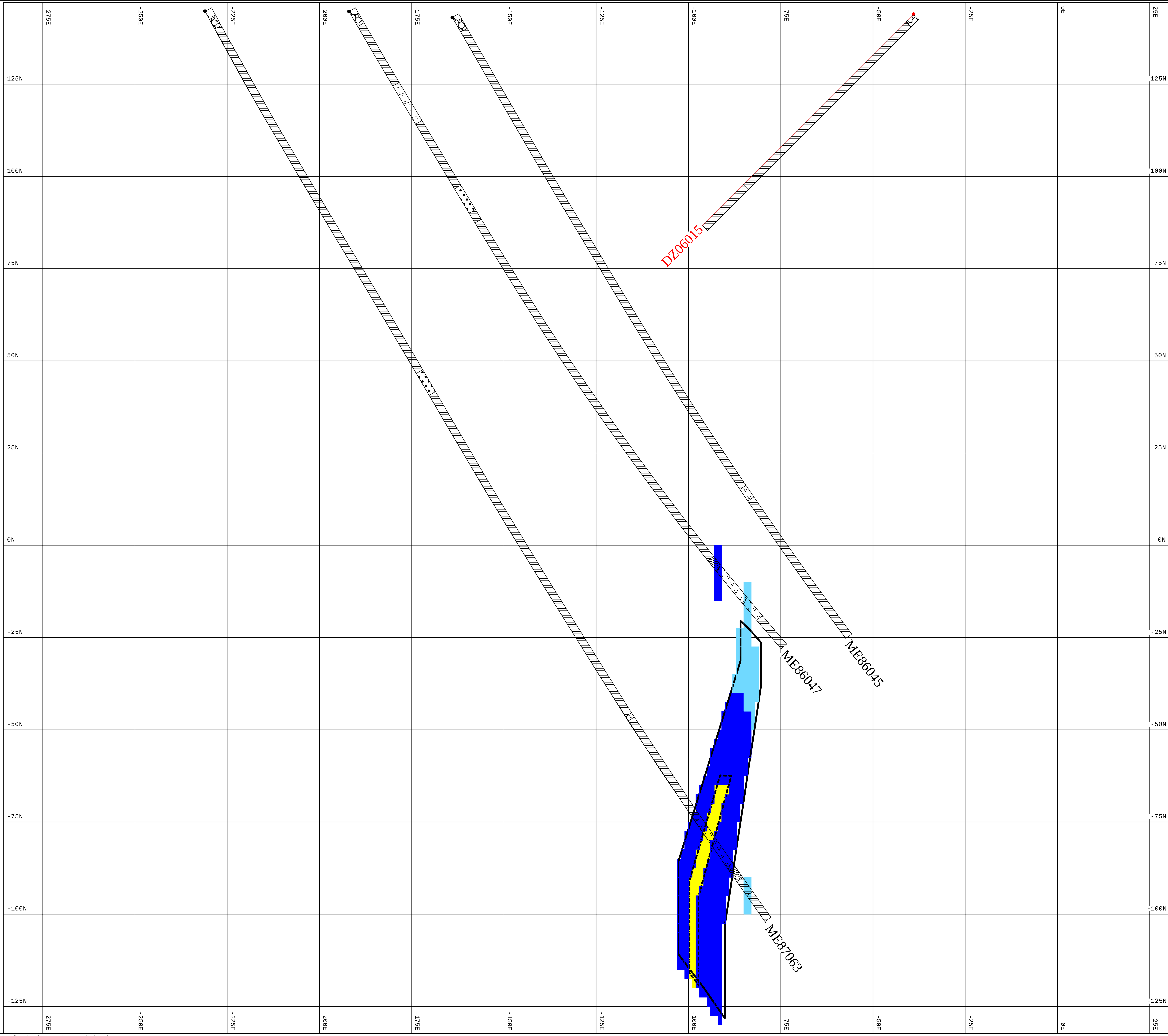
Stratabound Minerals Corp.
Elmtree Deposit - WGZ
Level Plan 040 El
Au Block Model Grade

Mercator Geological Services Limited

Scale: 1: 500 | LOCAL GRID | Date: 18-Apr-08

wgz_levelplan_040el

SURPAC - Surpac Minex Group



Indicated Resource

Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
- SS5 - Meleange - Basal Conglom
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- OS2 - Greywacke
- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Au Grade (g/t)

- 0.50 - 1.00
- 1.00 - 2.00
- 2.00 - 3.00
- 3.00 - 4.00
- 4.00 - 5.00
- 5.00 - 7.50
- 7.50 - 10.00
- 10.00

mercator GEOLOGICAL SERVICES

Scale Bar (meters): 1: 500

Stratabound MINERALS CORP

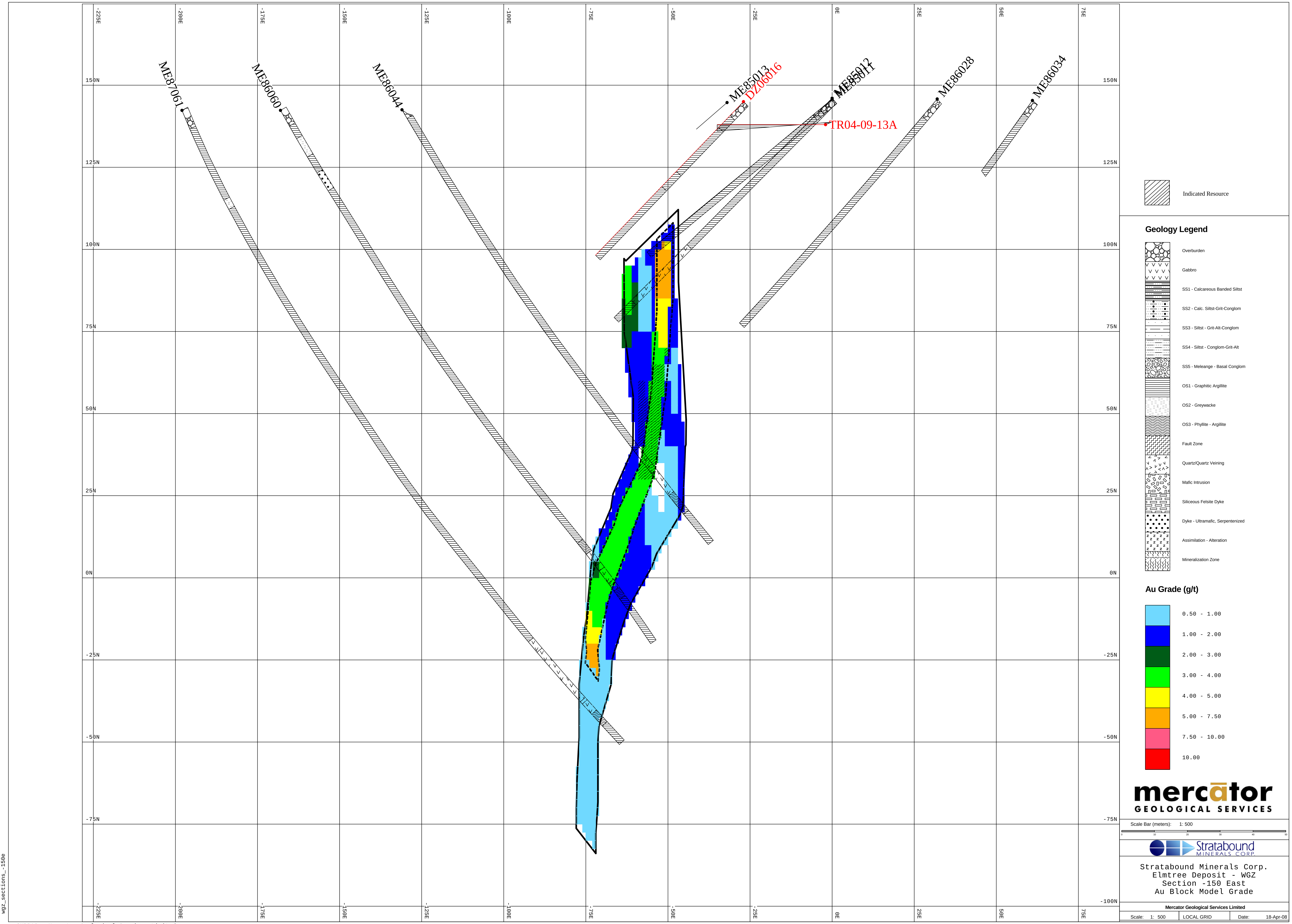
Stratabound Minerals Corp.
Elmtree Deposit - WGZ
Section -100 East
Au Block Model Grade

Mercator Geological Services Limited

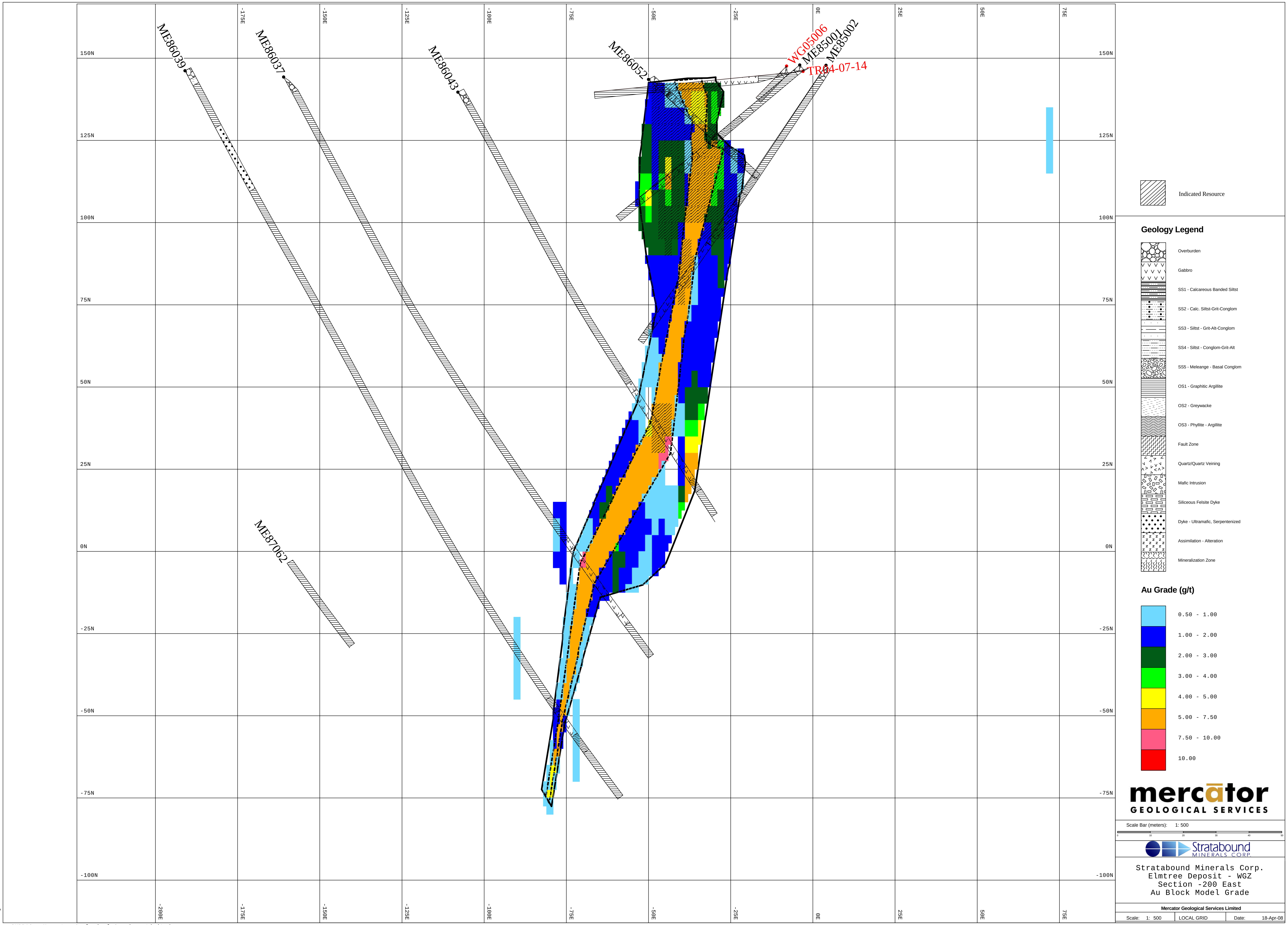
Scale: 1: 500	LOCAL GRID	Date: 18-Apr-08

wgz_sections_-100e

SURPAC - Mercator Geological Services Limited

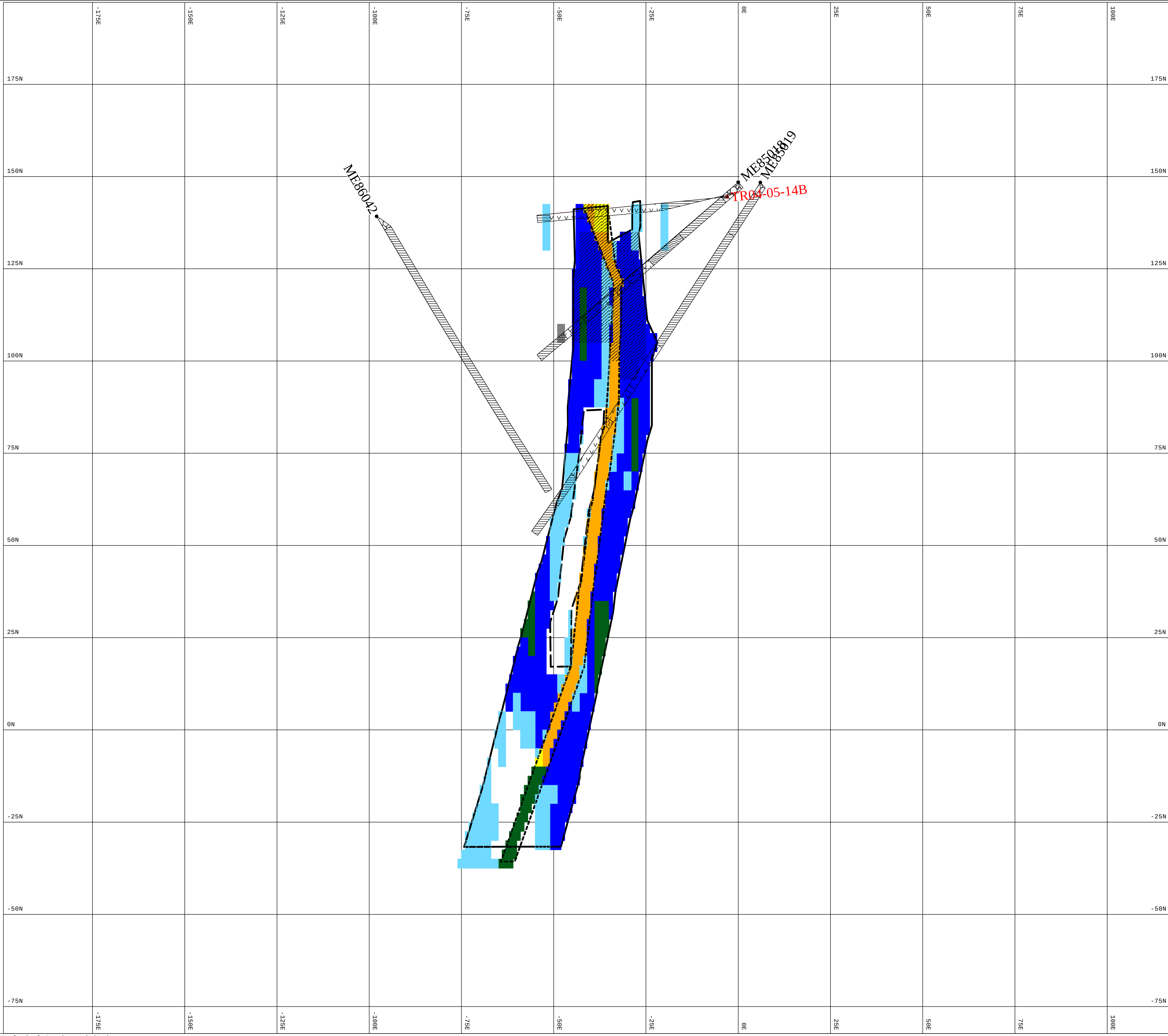


SURPAC - Mercator Geological Services Limited



wgz_sections_-200e

SURPAC - Mercator Geological Services Limited



Indicated Resource

Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
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- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Au Grade (g/t)

- 0.50 - 1.00
- 1.00 - 2.00
- 2.00 - 3.00
- 3.00 - 4.00
- 4.00 - 5.00
- 5.00 - 7.50
- 7.50 - 10.00
- 10.00

mercator GEOLOGICAL SERVICES

Scale Bar (meters): 1: 500

Stratabound MINERALS CORP.

Stratabound Minerals Corp.
Elmtree Deposit - WGZ
Section -250 East
Au Block Model Grade

Mercator Geological Services Limited

Scale: 1: 500 | LOCAL GRID | Date: 18-Apr-08

wgz_sections_-250e

SURPAC - Mercator Geological Services Limited

Indicated Resource

Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
- SS5 - Meleange - Basal Conglom
- OS1 - Graphitic Argillite
- OS2 - Greywacke
- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Au Grade (g/t)

- 0.50 - 1.00
- 1.00 - 2.00
- 2.00 - 3.00
- 3.00 - 4.00
- 4.00 - 5.00
- 5.00 - 7.50
- 7.50 - 10.00
- 10.00

mercator
GEOLOGICAL SERVICES

Scale Bar (meters): 1: 500

Stratabound
MINERALS CORP

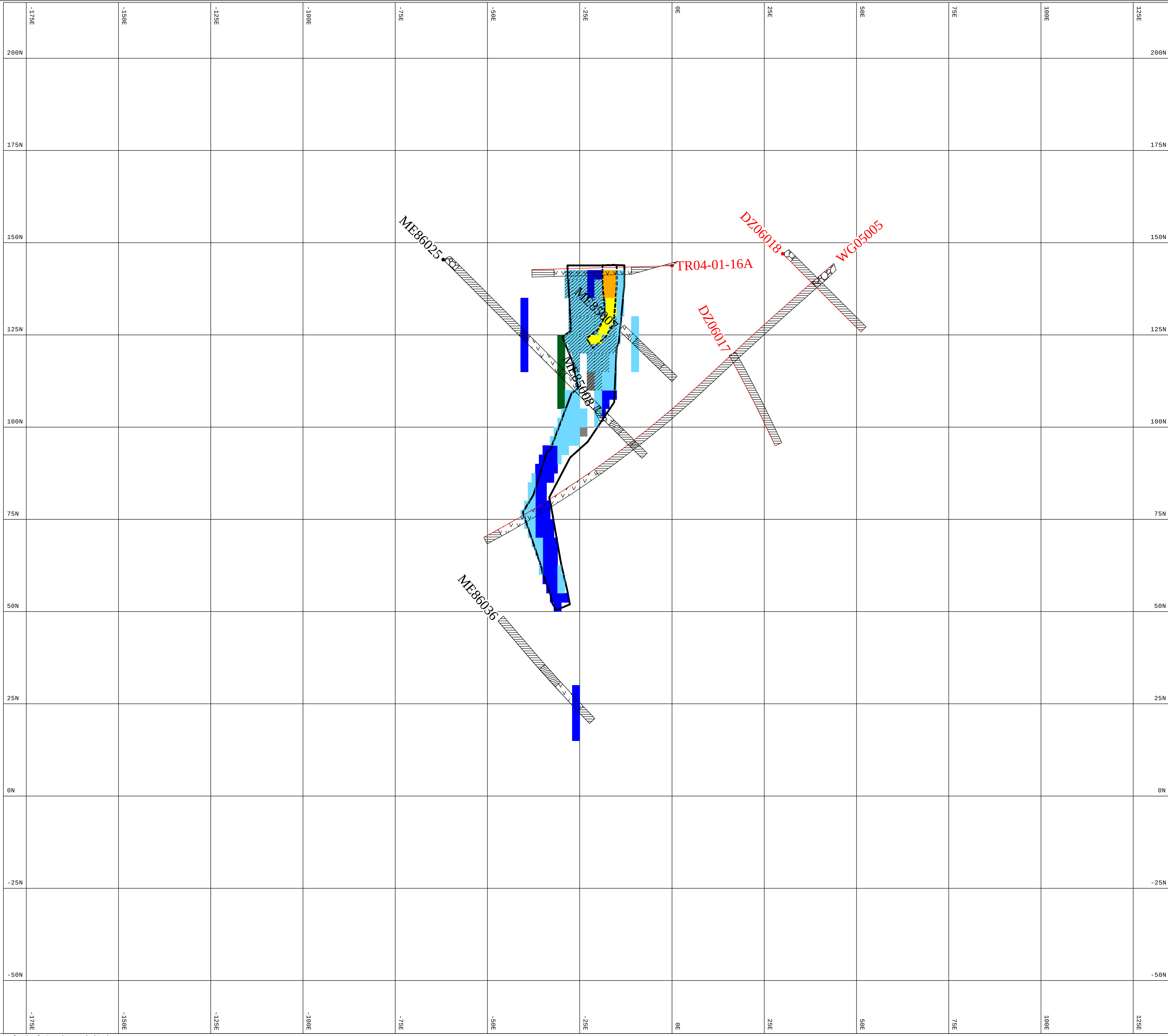
Stratabound Minerals Corp.
Elmtree Deposit - WGZ
Section -300 East
Au Block Model Grade

Mercator Geological Services Limited

Scale: 1: 500 | LOCAL GRID | Date: 18-Apr-08

wgz_sections_-300e

SURPAC - Mercator Geological Services Limited



Indicated Resource

Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
- SS5 - Meleange - Basal Conglom
- OS1 - Graphitic Argillite
- OS2 - Greywacke
- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Au Grade (g/t)

- 0.50 - 1.00
- 1.00 - 2.00
- 2.00 - 3.00
- 3.00 - 4.00
- 4.00 - 5.00
- 5.00 - 7.50
- 7.50 - 10.00
- 10.00

mercator
GEOLOGICAL SERVICES

Scale Bar (meters): 1: 500

Stratabound
MINERALS CORP

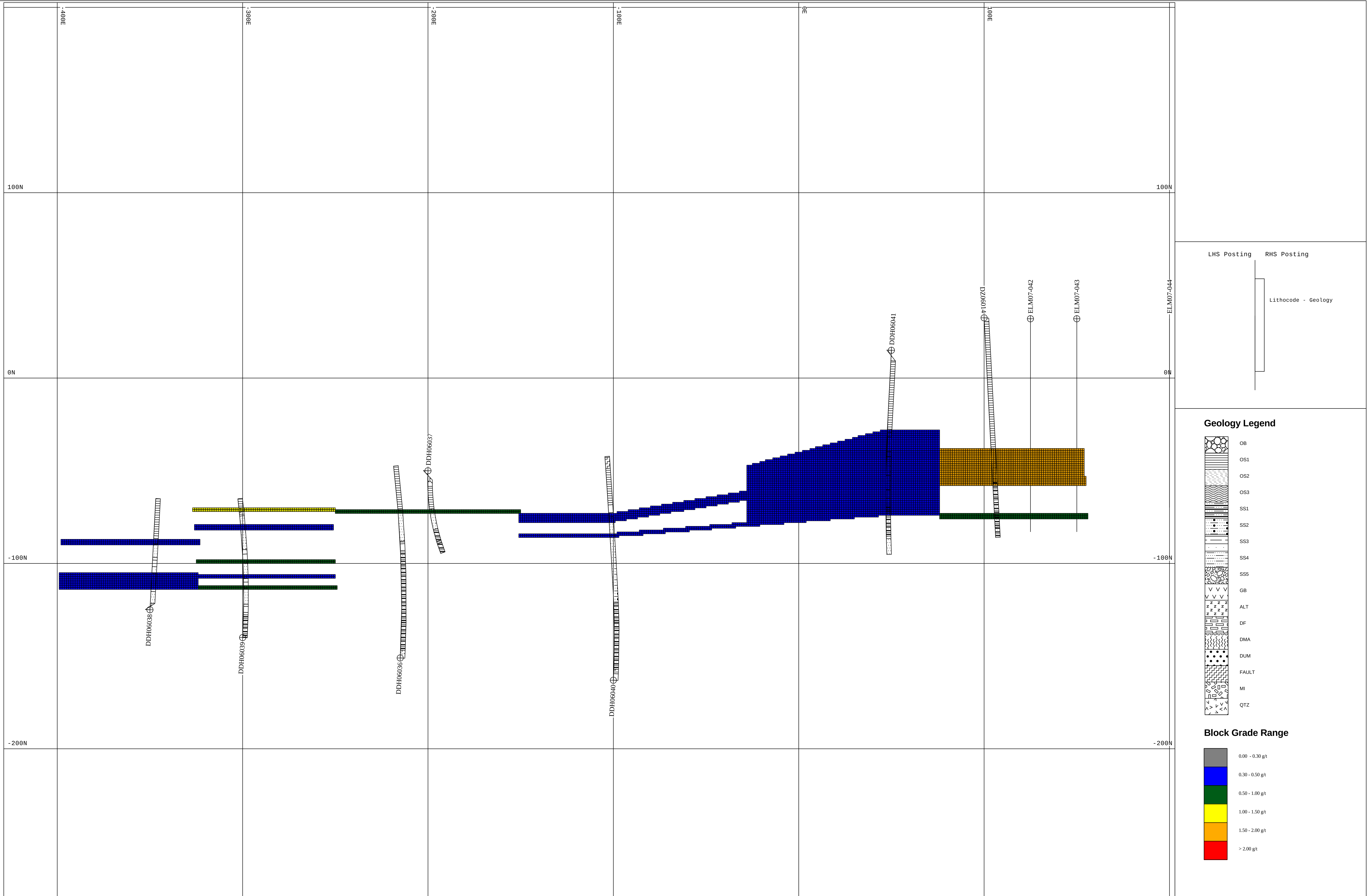
Stratabound Minerals Corp.
Elmtree Deposit - WGZ
Section -400 East
Au Block Model Grade

Mercator Geological Services Limited

Scale: 1: 500	LOCAL GRID	Date: 18-Apr-08

wgz_sections_-400e

SURPAC - Mercator Geological Services Limited



Scale Bar (meters): 1: 1000

0 20 40 60 80 100

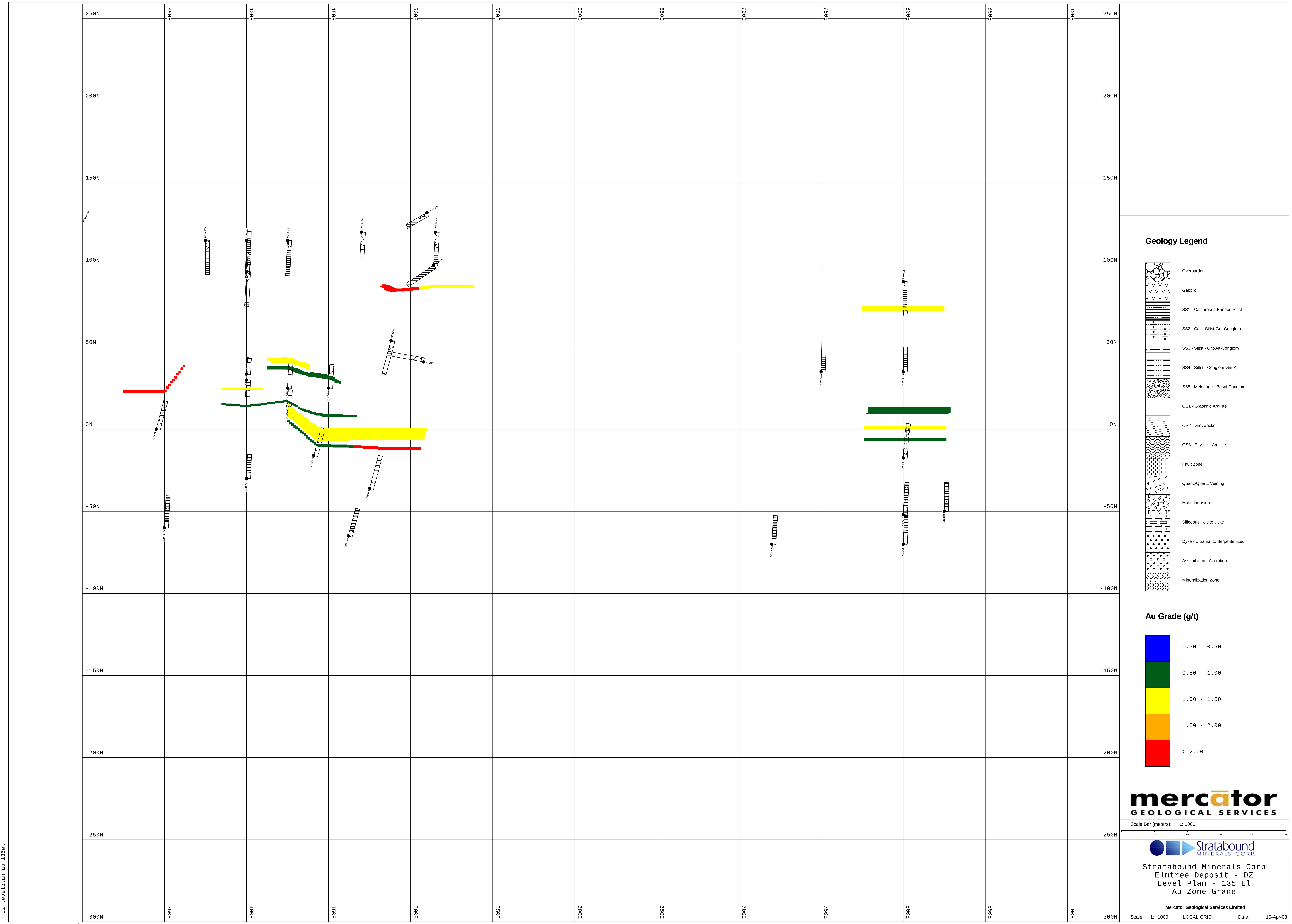
Stratabound Minerals Corp.
Elmtree Deposit-South Gold Zone
Plan View
Level Plan +100 El

Mercator Geological Services Limited

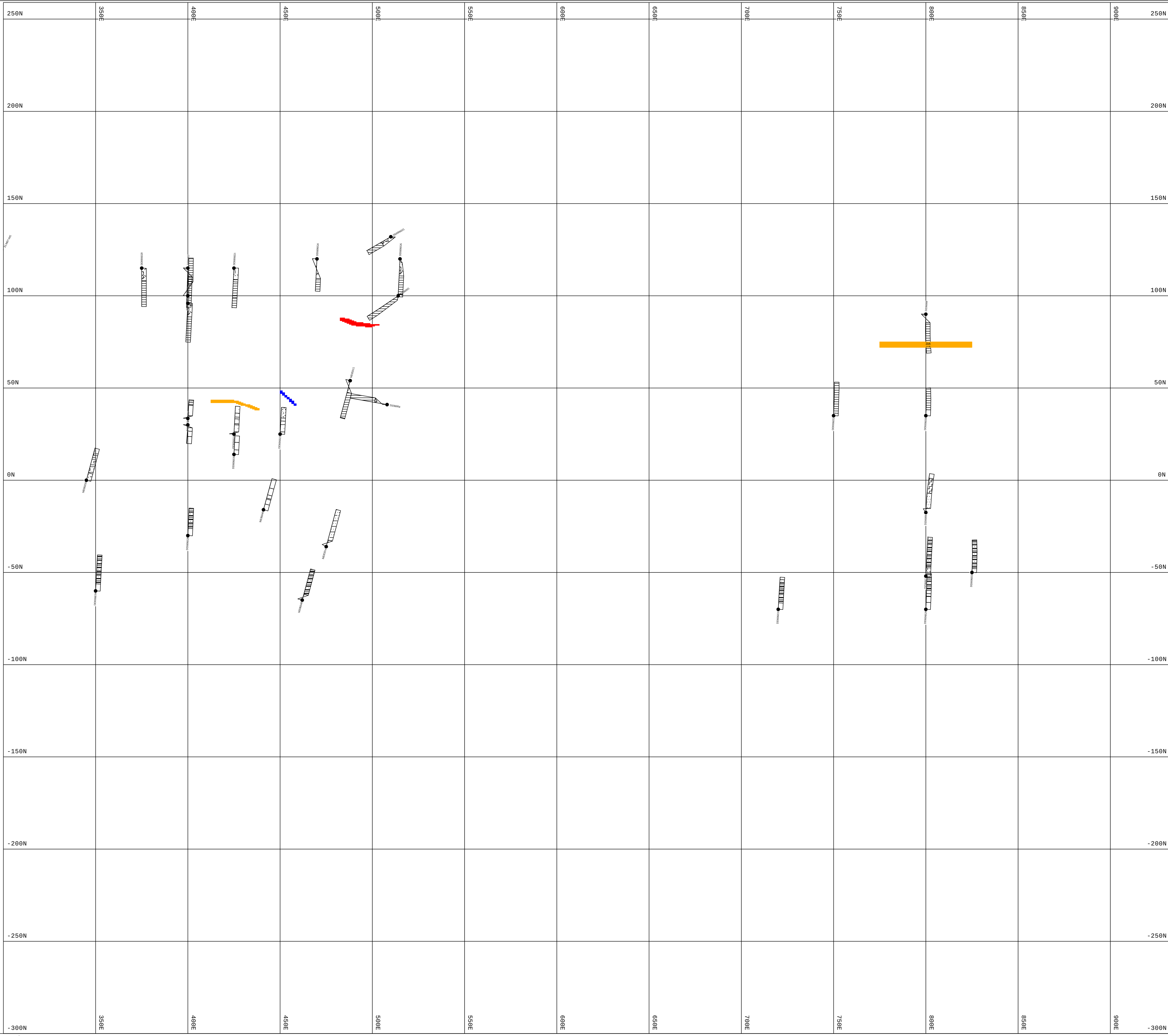
Scale: 1: 1000	LOCAL GRID	Date: 14-Apr-08

sgz_levelplan_100el_01

SURPAC - Surpac Minex Group



SURPAC - Surpac Minex Group



Geology Legend

- Overburden
- Gabbro
- SS1 - Calcareous Banded Siltst
- SS2 - Calc. Siltst-Grit-Conglom
- SS3 - Siltst - Grit-Alt-Conglom
- SS4 - Siltst - Conglom-Grit-Alt
- SS5 - Meleange - Basal Conglom
- OS1 - Graphitic Argillite
- OS2 - Greywacke
- OS3 - Phyllite - Argillite
- Fault Zone
- Quartz/Quartz Veining
- Mafic Intrusion
- Siliceous Felsite Dyke
- Dyke - Ultramafic, Serpentenized
- Assimilation - Alteration
- Mineralization Zone

Pb + Zn Grade (%)

- 0.50 - 1.00
- 1.00 - 1.50
- 1.50 - 2.00
- 2.00 - 2.50
- 2.50 - 5.00
- > 5.00

mercator GEOLOGICAL SERVICES

Scale Bar (meters): 1: 1000

Stratabound MINERALS CORP

Stratabound Minerals Corp.
Elmtree Deposit - DZ
Level Plan - 135 El
Base Metal Zone - Zn + Pb Grade

Mercator Geological Services Limited

Scale: 1: 1000 | LOCAL GRID | Date: 15-Apr-08

dz_levelplan_base_135el

SURPAC - Surpac Minex Group

APPENDIX 4

micon INTERNATIONAL LIMITED | mineral industry consultants

Project Calendar		BASE CASE		Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
Production Schedule period				2009	2010	2011	2012	2013	2014	2015	2016	2017
Mine Operating Days							260	260	260	260	77	0
Ore deliveries				Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
WGZ delivered (kt)		-	926	-	-	-	260.0	260.0	260.0	146.0	-	-
Gold grade	g/t		2.58				2.50	2.45	2.48	3.11		
Silver grade	g/t		-				-	-	-	-		
SGZ delivered (kt)			148	-	-	-	-	-	-	114.0	34.0	-
Gold grade	g/t		1.63							1.62	1.67	
Silver grade	g/t		-							-	-	
DZ delivered (kt)			43	-	-	-	-	-	-	-	43.0	-
Gold grade	g/t		1.56								1.56	
Silver grade	g/t		12.98								12.98	
Total delivered (kt)			1,117	-	-	-	260.0	260.0	260.0	260.0	77.0	-
Gold grade	g/t		2.412	-	-	-	2.50	2.45	2.48	2.46	1.61	-
Silver grade	g/t		0.500	-	-	-	-	-	-	-	7.25	-
Total Waste mined (kt)			7,048				2,026	2,026	1,810	832	354	
Stripping ratio			6.31	-	-	-	7.79	7.79	6.96	3.20	4.60	-
Contained Metal (000 oz)				Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
WGZ gold			76.72	-	-	-	20.91	20.46	20.72	14.62	-	-
WGZ silver			-	-	-	-	-	-	-	-	-	-
SGZ gold			7.76	-	-	-	-	-	-	5.93	1.82	-
SGZ silver			-	-	-	-	-	-	-	-	-	-
DZ gold			2.16	-	-	-	-	-	-	-	2.16	-
DZ silver			17.95	-	-	-	-	-	-	-	17.95	-
Total Contained Gold (000 oz)			86.63	**-**	**-**	**-**	**20.91**	**20.46**	**20.72**	**20.55**	**3.98**	**-**
Total Contained Silver (000 oz)			17.95	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**17.95**	**-**
Ore treated (total)	ktpd:	1.000	1,117	**-**	**-**	**-**	**260.0**	**260.0**	**260.0**	**260.0**	**77.0**	**-**
Gold grade	g/t		2.412	-	-	-	2.50	2.45	2.48	2.46	1.61	-
Silver grade	g/t		0.500	-	-	-	-	-	-	-	7.25	-
WGZ gold	000 oz		76.72	-	-	-	20.91	20.46	20.72	14.62	-	-
WGZ silver			-	-	-	-	-	-	-	-	-	-
SGZ gold	000 oz		7.76	-	-	-	-	-	-	5.93	1.82	-
SGZ silver			-	-	-	-	-	-	-	-	-	-
DZ gold	000 oz		2.16	-	-	-	-	-	-	-	2.16	-
DZ silver			17.95	-	-	-	-	-	-	-	17.95	-
Total Contained Gold (000 oz)			86.63	-	-	-	20.91	20.46	20.72	20.55	3.98	-
Total Contained Silver (000 oz)			17.95	-	-	-	-	-	-	-	17.95	-
Recovered Metal (000 oz)				Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
WGZ gold	000 oz		69.046	-	-	-	18.8	18.4	18.7	13.2	-	-
WGZ silver			-	-	-	-	-	-	-	-	-	-
SGZ gold	000 oz		6.982	-	-	-	-	-	-	5.3	1.6	-
SGZ silver			-	-	-	-	-	-	-	-	-	-
DZ gold	000 oz		1.942	-	-	-	-	-	-	-	1.9	-
DZ silver			10.768	-	-	-	-	-	-	-	10.8	-
Total Recovered Gold (000 oz)			78.0	-	-	-	18.8	18.4	18.7	18.5	3.6	-
Total Recovered Silver (000 oz)			10.768	-	-	-	-	-	-	-	10.8	-
Silver as gold equivalent ounces			0.14	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.14**	**-**
Revenue Calculation				Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
Gold Revenue	CAD 000	945.00	73,681	-	-	-	17,788	17,404	17,624	17,479	3,386	-
Silver Revenue	CAD 000	12.60	136	-	-	-	-	-	-	-	136	-
Gross revenue	***CAD 000***		**73,817**	**-**	**-**	**-**	**17,788**	**17,404**	**17,624**	**17,479**	**3,522**	**-**
Deductions	Gold (CAD 000)		12,810	-	-	-	2,996	2,981	2,989	2,984	861	-
	Silver (CAD 000)		95	-	-	-	-	-	-	-	95	-
Gold NSR	CAD 000	0.87	60,871	-	-	-	14,792	14,423	14,635	14,495	2,525	-
Silver NSR	CAD 000	0.31	40	-	-	-	-	-	-	-	40	-
Net Smelter Return	***CAD 000***		**60,911**	**-**	**-**	**-**	**14,792**	**14,423**	**14,635**	**14,495**	**2,566**	**-**
Royalty		2.0%	1,218	-	-	-	296	288	293	290	51	-
Net revenue		CAD 000	59,693	-	-	-	**14,496**	**14,135**	**14,342**	**14,205**	**2,514**	-
Cash Flow Projection		CAD 000	LOM TOTAL	Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
Revenue	Gross Sales		73,817	-	-	-	17,788	17,404	17,624	17,479	3,522	-
less	Bullion delivery Au		12,810	-	-	-	2,996	2,981	2,989	2,984	861	-
less	Bullion delivery Ag		95	-	-	-	-	-	-	-	95	-
less	Royalty		1,218	-	-	-	296	288	293	290	51	-
	Net Sales Revenue		59,693	-	-	-	14,496	14,135	14,342	14,205	2,514	-
Cash op. costs	Mining Costs		20,413	-	-	-	5,715	5,715	5,175	2,730	1,078	-
	Processing Costs		15,080	-	-	-	3,510	3,510	3,510	3,510	1,040	-
	G&A costs		2,191	-	-	-	510	510	510	510	151	-
	Contingency		-	-	-	-	-	-	-	-	-	-
	Total cash operating costs		37,683	-	-	-	9,735	9,735	9,195	6,750	2,268	-
Net Cash Operating Margin (EBITDA)			22,010	-	-	-	4,761	4,400	5,147	7,455	246	-
Capital Expenditure	Initial/expansion capital		13,050	625	1,875	10,550	-	-	-	-	-	-
	Sustaining capital		937	-	-	-	178	178	178	178	-	225
	Changes in Working Capital		-	-	-	-	2,737	(42)	(38)	(298)	(555)	(1,804)
Net cash flow before tax			8,023	(625)	(1,875)	(10,550)	1,846	4,264	5,008	7,575	801	1,579
			-									
Taxation payable			3,963	-	-	-	-	319	1,285	2,359	-	-
Net cash flow after tax			4,060	(625)	(1,875)	(10,550)	1,846	3,945	3,723	5,216	801	1,579
Cumulative Undiscounted Cash Flow				(625)	(2,500)	(13,050)	(11,204)	(7,259)	(3,536)	1,680	2,481	4,060
Payback period on undiscounted cash flow (years)			3.7				1.0	1.0	1.0	0.7	-	-
Discounted Cash Flow (8 %/y)			93	(579)	(1,608)	(8,375)	1,357	2,685	2,346	3,043	433	790
Cumulative DCF (8 %/y)				(579)	(2,186)	(10,561)	(9,204)	(6,520)	(4,173)	(1,130)	(697)	93
Payback period on discounted cash flow (years)			5.9				1.0	1.0	1.0	1.0	1.0	0.9
Capital expenditure (incl W/Cap)			13,987	625	1,875	10,550	2,915	136	140	(120)	(555)	(1,579)
Ave Revenue per tonne treated			53.44	-	-	-	55.75	54.37	55.16	54.64	32.65	-
Ave Cost per tonne treated			33.74	-	-	-	37.44	37.44	35.37	25.96	29.46	-
Operating Margin			36.9%	0.0%	0.0%	0.0%	32.8%	31.1%	35.9%	52.5%	9.8%	0.0%

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Project Calendar		OPTION 1: TOLL MILLING		Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
Production Schedule period				2009	2010	2011	2012	2013	2014	2015	2016	2017
Mine Operating Days							90	360	0	0	0	0
Ore deliveries				Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
WGZ delivered (kt)		-	926	-	-	-	559.0	367.0		-	-	-
Gold grade	g/t		2.58				2.47	2.74				
Silver grade	g/t		-				-	-				
SGZ delivered (kt)			148	-	-	-	-	148.0		-	-	-
Gold grade	g/t		1.63					1.63				
Silver grade	g/t		-									
DZ delivered (kt)			43	-	-	-	-	43.0		-	-	-
Gold grade	g/t		1.56					1.56				
Silver grade	g/t		12.98					12.98				
Total delivered (kt)			1,117	-	-	-	559.0	558.0	-	-	-	-
Gold grade	g/t		2.412	-	-	-	2.47	2.35	-	-	-	-
Silver grade	g/t		0.500	-	-	-	-	1.00	-	-	-	-
Total Waste mined (kt)			7,048				3,913.0	3,135.0		-	-	
Stripping ratio			6.31	-	-	-	7.00	5.62	-	-	-	-
Contained Metal (000 oz)				Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
WGZ gold			76.70	-	-	-	44.41	32.29	-	-	-	-
WGZ silver			-	-	-	-	-	-	-	-	-	-
SGZ gold			7.76	-	-	-	-	7.76	-	-	-	-
SGZ silver			-	-	-	-	-	-	-	-	-	-
DZ gold			2.16	-	-	-	-	2.16	-	-	-	-
DZ silver			17.95	-	-	-	-	17.95	-	-	-	-
Total Contained Gold (000 oz)			86.62	**-**	**-**	**-**	**44.41**	**42.21**	**-**	**-**	**-**	**-**
Total Contained Silver (000 oz)			17.95	**-**	**-**	**-**	**-**	**17.95**	**-**	**-**	**-**	**-**
Ore treatment schedule		Checksum		Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
Ore treated (total)	ktpd:	2,500	1,117	**-**	**-**	**-**	**217.0**	**900.0**	**-**	**-**	**-**	**-**
Gold grade	g/t		2.412	-	-	-	2.47	2.40	-	-	-	-
Silver grade	g/t		0.500	-	-	-	-	0.62	-	-	-	-
WGZ gold	000 oz		76.70	-	-	-	17.24	59.46	-	-	-	-
WGZ silver			-	-	-	-	-	-	-	-	-	-
SGZ gold	000 oz		7.76	-	-	-	-	7.76	-	-	-	-
SGZ silver			-	-	-	-	-	-	-	-	-	-
DZ gold	000 oz		2.16	-	-	-	-	2.16	-	-	-	-
DZ silver			17.95	-	-	-	-	17.95	-	-	-	-
Total Contained Gold (000 oz)			86.62	-	-	-	17.24	69.38	-	-	-	-
Total Contained Silver (000 oz)			17.95	-	-	-	-	17.95	-	-	-	-
Recovered Metal (000 oz)				Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
WGZ gold	000 oz		69.034	-	-	-	15.5	53.5	-	-	-	-
WGZ silver			-	-	-	-	-	-	-	-	-	-
SGZ gold	000 oz		6.985	-	-	-	-	7.0	-	-	-	-
SGZ silver			-	-	-	-	-	-	-	-	-	-
DZ gold	000 oz		1.942	-	-	-	-	1.9	-	-	-	-
DZ silver			10.768	-	-	-	-	10.77	-	-	-	-
Total Recovered Gold (000 oz)			78.0	-	-	-	15.5	62.4	-	-	-	-
Total Recovered Silver (000 oz)			10.768	-	-	-	-	10.8	-	-	-	-
Silver as gold equivalent ounces			0.14	**-**	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**-**
Revenue Calculation				Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
Gold Revenue	CAD 000	945.00	73,673	-	-	-	14,662	59,011	-	-	-	-
Silver Revenue	CAD 000	12.60	136	-	-	-	-	136	-	-	-	-
Gross revenue	***CAD 000***		**73,809**	**-**	**-**	**-**	**14,662**	**59,146**	**-**	**-**	**-**	**-**
Deductions	Gold (CAD 000)		12,761	-	-	-	2,493	10,268	-	-	-	-
	Silver (CAD 000)		136	-	-	-	-	136	-	-	-	-
Gold NSR	CAD 000	0.87	60,912	-	-	-	12,169	48,743	-	-	-	-
Silver NSR	CAD 000	0.00	-	-	-	-	-	-	-	-	-	-
Net Smelter Return	***CAD 000***		**60,912**	**-**	**-**	**-**	**12,169**	**48,743**	**-**	**-**	**-**	**-**
Royalty		2.0%	1,218	-	-	-	243	975	-	-	-	-
Net revenue		CAD 000	59,694	-	-	-	**11,926**	**47,768**	-	-	-	-
Cash Flow Projection		CAD 000	LOM TOTAL	Yr-3	Yr-2	Yr-1	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6
Revenue	Gross Sales		73,809	-	-	-	14,662	59,146	-	-	-	-
less	Bullion delivery Au		12,761	-	-	-	2,493	10,268	-	-	-	-
less	Bullion delivery Ag		136	-	-	-	-	136	-	-	-	-
less	Royalty		1,218	-	-	-	243	975	-	-	-	-
	Net Sales Revenue		59,694	-	-	-	11,926	47,768	-	-	-	-
Cash op. costs	Mining Costs		24,861	-	-	-	13,158	11,703	-	-	-	-
	Processing Costs		20,106	-	-	-	3,906	16,200	-	-	-	-
	G&A costs		763	-	-	-	153	610	-	-	-	-
	Contingency		-	-	-	-	-	-	-	-	-	-
	Total cash operating costs		45,729	-	-	-	17,216	28,513	-	-	-	-
Net Cash Operating Margin (EBITDA)			13,964	-	-	-	(5,291)	19,255	-	-	-	-
Capital Expenditure	Initial/expansion capital		6,200	625	1,875	3,700	-	-	-	-	-	-
	Sustaining capital		(140)	-	-	-	10	-	(150)	-	-	-
	Changes in Working Capital		-	-	-	-	2,468	3,128	(5,596)	-	-	-
Net cash flow before tax			7,904	(625)	(1,875)	(3,700)	(7,768)	16,126	5,746	-	-	-
			-									
Taxation payable			3,041	-	-	-	-	2,983	58	-	-	-
Net cash flow after tax			4,863	(625)	(1,875)	(3,700)	(7,768)	13,143	5,688	-	-	-
Cumulative Undiscounted Cash Flow				(625)	(2,500)	(6,200)	(13,968)	(825)	4,863	4,863	4,863	4,863
Payback period on undiscounted cash flow (years)			2.1				1.0	1.0	0.1	-	-	-
Discounted Cash Flow (8 %/y)			1,696	(579)	(1,608)	(2,937)	(5,710)	8,945	3,585	-	-	-
Cumulative DCF (8 %/y)				(579)	(2,186)	(5,123)	(10,833)	(1,888)	1,696	1,696	1,696	1,696
Payback period on discounted cash flow (years)			2.5				1.0	1.0	0.5	-	-	-
Capital expenditure (incl W/Cap)			6,060	625	1,875	3,700	2,478	3,128	(5,746)	-	-	-
Ave Revenue per tonne treated			53.44	-	-	-	54.96	53.08	-	-	-	-
Ave Cost per tonne treated			40.94	-	-	-	79.34	31.68	-	-	-	-
Operating Margin			23.4%	0.0%	0.0%	0.0%	-44.4%	40.3%	0.0%	0.0%	0.0%	0.0%