Report to:

URSA MAJOR MINERALS INC.

Shining Tree

Project No.0550980201-REP-L0001-00

Report to:

URSA MAJOR MINERALS INC.

SHINING TREE

ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS OF ONTARIO

Authorized by the Association of Professional Geoscientists of Ontario to offer professional geoscience services.

FEBRUARY 2006

Prepared by Rob Carter Date February 14, 2006

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REVISION HISTORY

REV. NO	ISSUE DATE	PREPARED BY AND DATE	REVIEWED BY AND DATE	APPROVED BY AND DATE	DESCRIPTION OF REVISION

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1.0 SUMMARY

The Shining Tree Property (Property) of the Fawcett Township is located about 120 km north of the city of Sudbury and 8km east of the town of Shining Tree. Other mining communities in the area include the towns of New Liskeard, Haileybury and Cobalt, which are located about 125km east and the historic mining town of Timmins is 130km to the north.

URSA Major Minerals Incorporated (URSA Major) has signed an option agreement to secure a 100% interest in 40 contiguous unpatented mining claims located in Fawcett Township, within the Larder Lake Mining Division, Ontario.

Access to the Property is via a forestry road approximately 6.8 kms from the south side of Provincial Highway 560. The road is useful for accessing the majority of the Property; other minor forestry roads allow access to other parts of the claim group. A helicopter pad is located on the Property.

Amenities suitable for exploration and mining operations are within the populated centres that are relatively in close proximity to the Property. In addition, there is hydroelectric power in the town of Shining Tree and along the paved Highway 560. Water supplies for mining and process methods are located on or adjacent to the Property. Most of the claims lie between Granite Lake (in the southwest) and the West Montreal River (in the east). Zig Zag Lake lies within the middle of the property.

URSA Major has retained Wardrop Engineering Inc. (Wardrop) to provide an independent resource estimation of the magmatic hosted nickel-copper mineralization on the Property. Preliminary work required the organization of the historic and current project data to enable the calculation of a resource estimation that conforms to the CIM Mineral Resource and Mineral Reserve definitions referred to in National Instrument (NI) 43-101, Standards of Disclosure of Mineral projects.

Geologically, Fawcett Township is located within the southwestern portion of the Abitibi Greenstone belt. A diverse assemblage of rock types is exposed on the property of interest with ages ranging from Archean through to Proterozoic. Ultramafic and mafic rocks intercalated with narrow clastic sedimentary units underlie most of the Shining Tree property. These rock types belong to the Archean Deloro assemblage and in most cases they have a southeast-northwest strike. Neo-Archean anorthositic gabbro is exposed in the south-central part of the property while Proterozoic diabase dykes, which are oriented north-south, cross-cut all other rock types. All of the units have been deformed and metamorphosed to at least greenschist facies.

The Property consists of primarily two distinct types of mineralization, a magmatic nickel-copper-cobalt with platinum group elements hosted in a gabbro-anorthosite complex and base metal sulphides associated with felsic volcanic rocks. The magmatic mineralization is the subject of this report. The third type of mineralization is a shear zone hosted gold mineralization, which was discovered more than a century ago.

The nickel-copper mineralization found at the Shining Tree deposit is in the form of massive, semi-massive and/or disseminated sulphides consisting of sulphide assemblages of pyrrhotite, pyrite, pentlandite and chalcopyrite. Tholeiitic intrusions similar to the Shining Tree deposit occur in a variety of terranes and appear to have been deformed and metamorphosed. Mineralization typically forms lenticular shoots, where many of the orebodies are subvertically oriented cigar-shaped zones of mineralization within similarly oriented masses of peridotite, gabbro and amphibolite

The nickel-copper mineralization was drilled from 1991 to 2005 consisting of four different drilling programs for a total of 24 drill holes. The majority of the drilling (16 holes) was drilled by FNX, which intersected notable nickel-copper values from near surface to a depth of greater than 400m. URSA Major conducted an eight hole drill program in the fall of 2005. Drilling was completed on 25m spacings to delineate the upper southeast portion of the zone. The drilling increased the confidence of this area and better defined the mineralization extents.

1.1 RESOURCE STATEMENT

Wardrop completed an estimation of the mineral resource of the nickel-copper mineralization on the Property based on the 24 holes, 1618 assays having a combined length of 6517m of drilling. This has resulted in an Indicated resource of 1.02 million tonnes grading 0.71% nickel and 0.36% copper plus an Inferred resource of 1.49 million tonnes grading 0.67% nickel and 0.36% copper at a cut-off of 0.30% nickel equivalent.

100% data verification on the drill hole database was carried out by Wardrop from drill logs and assay certificates. A site visit was conducted on November 30, 2005 and Rob Carter, P.Eng., completed review of approximately 25% of the drill core on December 1, 2005. The database verification, site visit and review of drill core conducted by Wardrop found no discrepancies with the geological information meeting industry standards.

The resource estimate is based on an interpreted mineralization envelope of greater than 0.30% nickel-equivalent (NIEQ, where NIEQ equals Ni% + Cu%/4) from eighteen holes. Bulk density of 3.14 tonnes/m^3 was used for determining the tonnage. Estimation of the resource used the interpolation methods of nearest neighbour, inverse distance squared and ordinary kriging. The methods were validated by comparison of global mean grades, visual coded block grades and swath plots. No significant discrepancies exist between the methods and ordinary kriging was selected for the resource tabulation.

1.2 RECOMMENDATIONS

Additional drilling is recommended in the upper southeast portion of the zone in order to better define the on strike extents. Infill holes will improve the spatial continuity of the mineralization in order to improve the resource classification. The lower portion of the mineralized envelope that lies below 220m from surface is defined by three holes. This area requires additional drilling information in order to increase the confidence and upgrade the area from Inferred to Indicated. The additional drilling will provide valuable information for grade continuity and especially on the mineralization contact at depths.

Metallurgical testing on previously drilled core should be implemented as grade and mineralogy will determine the recovery of metals and the economics of the deposit.

Supplementary bulk density determinations on specific mineralization types should be investigated and assigned to resource block model data for estimating.

Furthermore, a preliminary economic investigation should be undertaken to determine the extent of mining the mineralization by open-pit methods.

2.0 INTRODUCTION AND TERMS OF REFERENCE

2.1 INTRODUCTION

The Shining Tree Property (Property) is located in the Fawcett Township approximately 120 km from Sudbury and 8 km east of the town of Shining Tree. URSA Major Minerals Inc. (URSA Major) holds 100% interest in Property with a group of contiguous unpatented mining claims in the Larder Lake Mining Division. The Property consists of two distinct types of mineralization, a magmatic nickel-copper-cobalt with platinum group elements hosted in a gabbro-anorthosite complex and base metal sulphides associated with felsic volcanic rocks. The magmatic mineralization is the subject of this report.

2.2 TERMS OF REFERENCE

URSA Major has retained Wardrop Engineering Inc. (Wardrop) to provide an independent resource estimation of the magmatic hosted mineralization on the Property. Preliminary work required the organization of the historic and current project data to enable the calculation of a resource estimation that conforms to the CIM Mineral Resource and Mineral Reserve definitions referred to in National Instrument (NI) 43-101, Standards of Disclosure of Mineral projects.

Historic information on the Property was obtained from the Ministry of Northern Development and Mines (MNDM) in Sudbury, Ontario, assessment files 41P11SE8603 and 41P11SE00881 and a drill hole database from URSA Major. The assessment files consisted of drill logs, assay certificates, assessment reports and geophysical results on the Property. The 2005 drill program, which included drill logs, assay certificates and land survey data was received personally from URSA Major.

Rob Carter, P. Eng., directed the resource estimation and reviewed the geological data. Tim Maunula, P.Geo., has carried out a peer review of all the work associated with this report. Rob Carter visited the Property on November 30, 2005 and reviewed the drill core on December 1, 2005, see Appendix A for site visit photos.

3.0 RELIANCE ON OTHER EXPERTS

Wardrop has followed standard professional procedures in preparing the contents of this resource estimation report. Data used in this report has been verified where possible and Wardrop has no reason to believe that the data was not collected in a professional manner.

4.0 PROPERTY DESCRIPTION AND LOCATION

URSA Major holds 100% interest in the Property with a group of contiguous unpatented mining claims in Fawcett Township, Ontario. The Property is located by provincial highway access approximately 210 km north of Sudbury and 8 km east of town of Shining Tree at 47° 34’ North Latitude, -177° 11’ West Longitude (UTM 5267350N / 486750E on Transverse Mercator Projection, NAD 83 Datum, Zone 1), see Figure 4.1.

The Property consists of relatively subdued relief although there are a few steeper slopes and incised channels within the glacial outwash-plain sands and gravels, which cover the bedrock. This type of topographic relief tends to create meandering watercourses leading to poorly organized drainage and abundant swampy conditions. The largest river system in the area is the West Montreal River and its tributaries. Drainage flows into the Ottawa and St. Lawerence Rivers to the north and west. The relatively uniform topography has maximum elevations above sea level of 370 metres in the north and 400 metres in the southern portion of the claim group. The area was logged some 10 years ago and natural growth bushes and small trees are now common on the Property.

This claim group is located in the Larder Lake Mining Division, see Figure 4.2. Table 4.1 shows the current claims status that requires $17,196 to maintain tenure. URSA Major has filed work report number W0580.01932 on December 8, 2005 for a total of $150,694 with approval on this submission still pending. Once approved all claims will be in good standing for one additional year with a reserve of $133,498 available.

Figure 4.1 Property Location Map

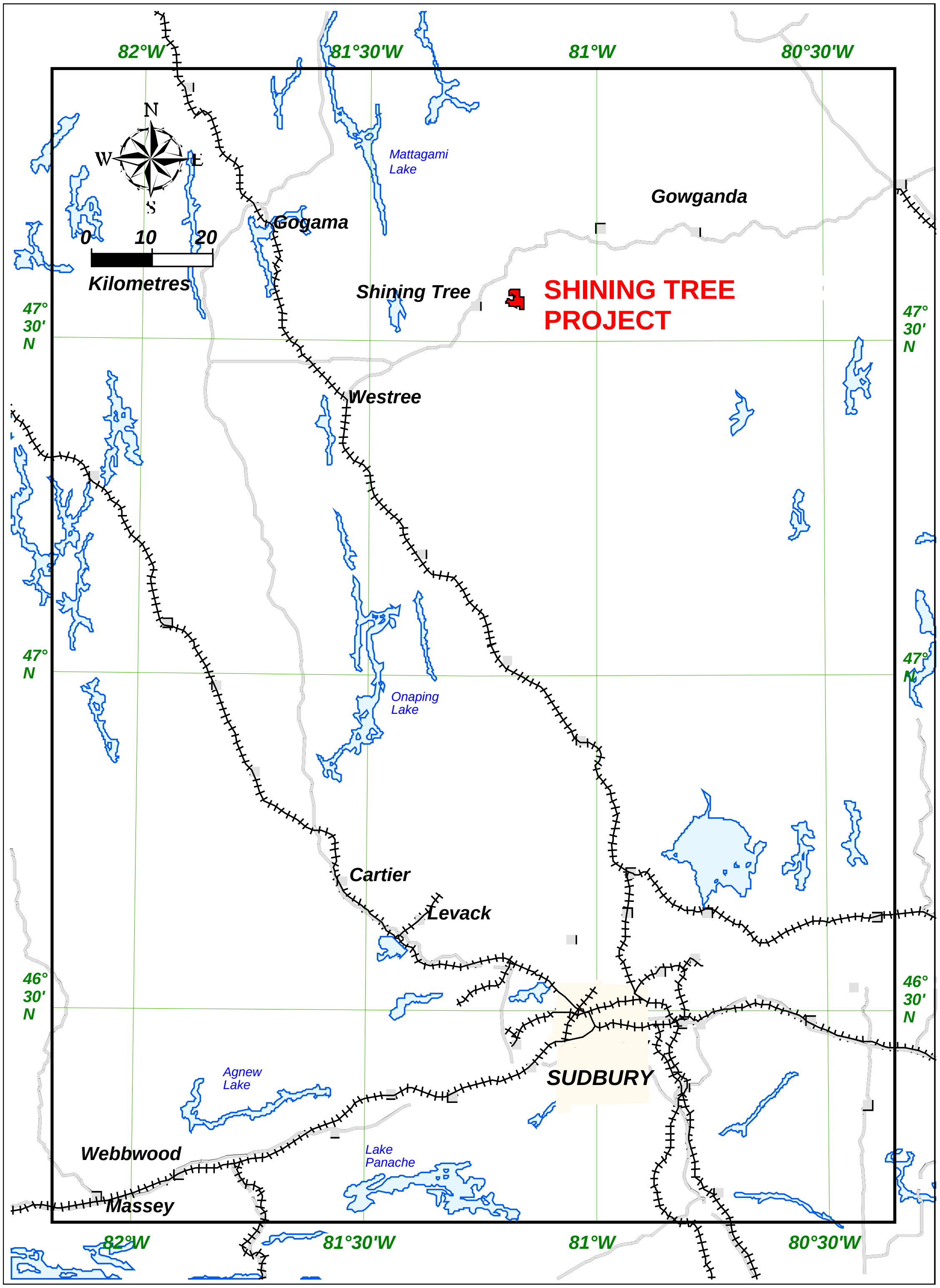
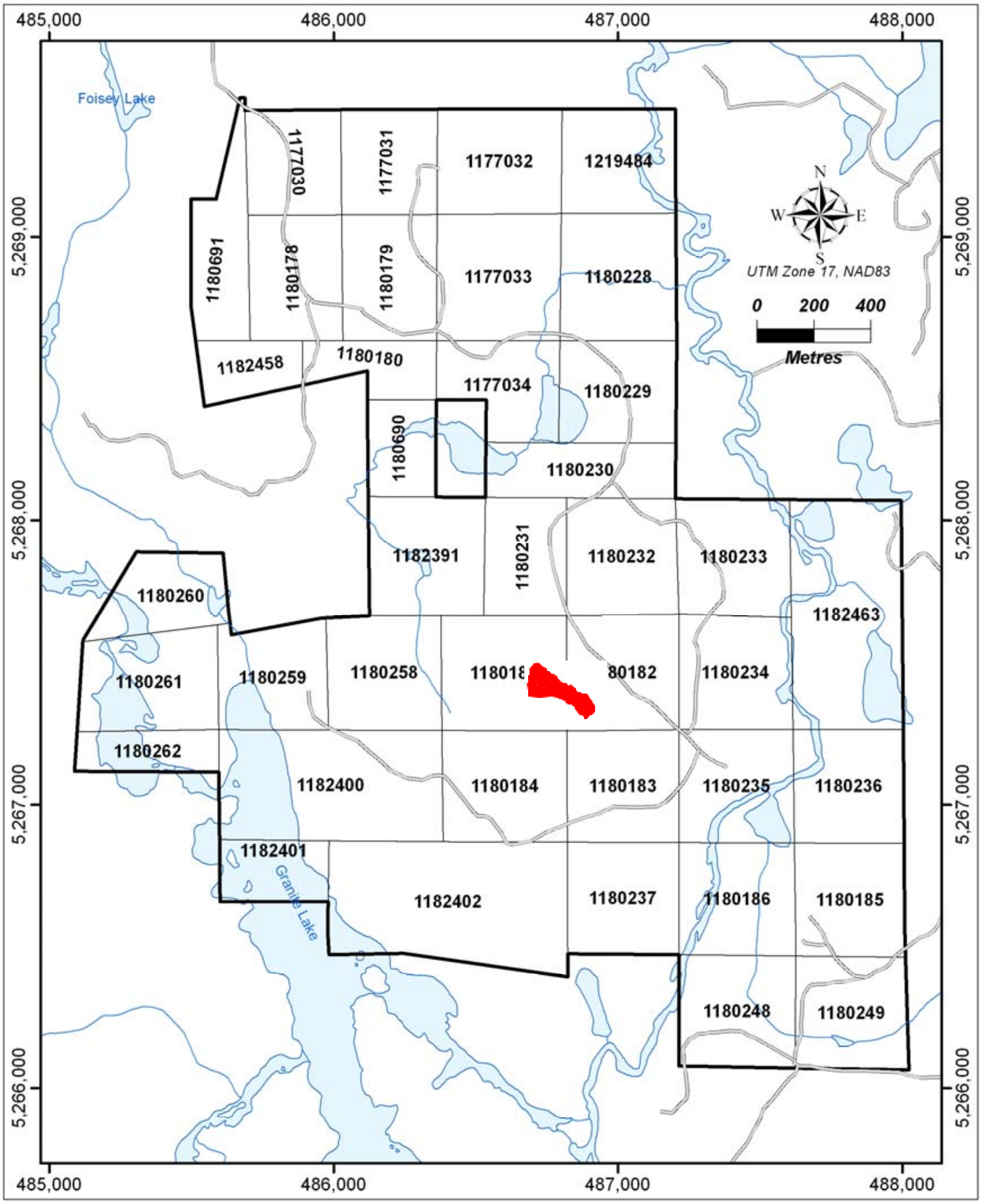


Figure 4.2 Property Map Displaying the Contiguous Unpatented Mining Claims and Nickel-Copper Mineralization



URSA MAJOR MINERALS INC.
Shining Tree Project, Fawcett Twp., Larder Lake Mining Division, Ontario
CLAIM CONFIGURATION

Table 4.1 Claim Status

Recorded	Due Date	Work Required	Total Applied	Reserve	Work report pending W0580.01932		
					applied	performed	assigned
1991-Aug-28	2005-Aug-28	$800	$9,600	$0	$800	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$476	$400	$876	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Apr-12	2005-Dec-12	$400	$4,800	$0	$400	$0	$0
1991-Nov-06	2005-Nov-06	$400	$4,800	$0	$400	$0	$0
1991-Nov-06	2005-Nov-06	$400	$4,800	$0	$400	$0	$0
1991-Oct-31	2005-Oct-31	$400	$4,800	$0	$400	$0	$0
1991-Oct-31	2005-Oct-31	$800	$9,600	$3	$800	$803	$0
1991-Apr-08	2006-Apr-08	$400	$5,200	$0	$400	$0	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$0	$400	$0	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$0	$400	$0	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$0	$400	$0	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$0	$400	$0	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$403	$400	$803	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$487	$400	$887	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$0	$400	$0	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$0	$400	$0	$0
1991-Apr-12	2006-Apr-12	$400	$5,200	$0	$400	$0	$0
1997-Mar-07	2006-Jan-07	$400	$2,400	$0	$400	$0	$0
1991-Nov-06	2006-Nov-06	$400	$5,200	$0	$400	$0	$0
1991-Nov-06	2006-Nov-06	$400	$5,200	$0	$400	$0	$0
1991-Oct-31	2006-Oct-31	$800	$10,400	$0	$800	$0	$0
1991-Apr-08	2007-Apr-08	$400	$5,600	$0	$400	$0	$0
1991-Apr-08	2007-Apr-08	$400	$5,600	$0	$400	$0	$0
1991-Apr-08	2007-Apr-08	$396	$5,604	$1,679	$396	$2,075	$0
1991-Apr-08	2007-Apr-08	$400	$5,600	$82,927	$400	$96,927	$13,600
1991-Apr-08	2007-Apr-08	$400	$5,600	$45,643	$400	$46,043	$0
1991-Apr-08	2007-Apr-08	$400	$5,600	$1,880	$400	$2,280	$0
Total		$17,196	$214,404	$133,498	$17,196	$150,694	$13,600

Most of the claims lie between Granite Lake (in the southwest) and the West Montreal River (in the east). Zig Zag lake lies within the middle of the property

Wardrop is not aware of any current or pending challenges to the ownership of the lands that comprise the Property. The latter was determined through examination of the claim abstracts that are maintained by MNDM.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Property is located approximately 8 kms due east of the town of Shining Tree and 210 km north and east by provincial highway from Sudbury, see Figure 5.1. To the east of the claim group are the towns of New Liskeard, Haileybury and Cobalt. These settlements are located about 125 km from the Property. Other larger centres include Timmins (130 kms to the north), Kirkland Lake (135 kms to the east-northeast).

Access to the Property is via a forestry road approximately 6.8 kms from the south side of Highway 560. The road is useful for accessing the majority of the Property; other minor forestry roads allow access to other parts of the claim group. A helicopter pad is located on the Property.

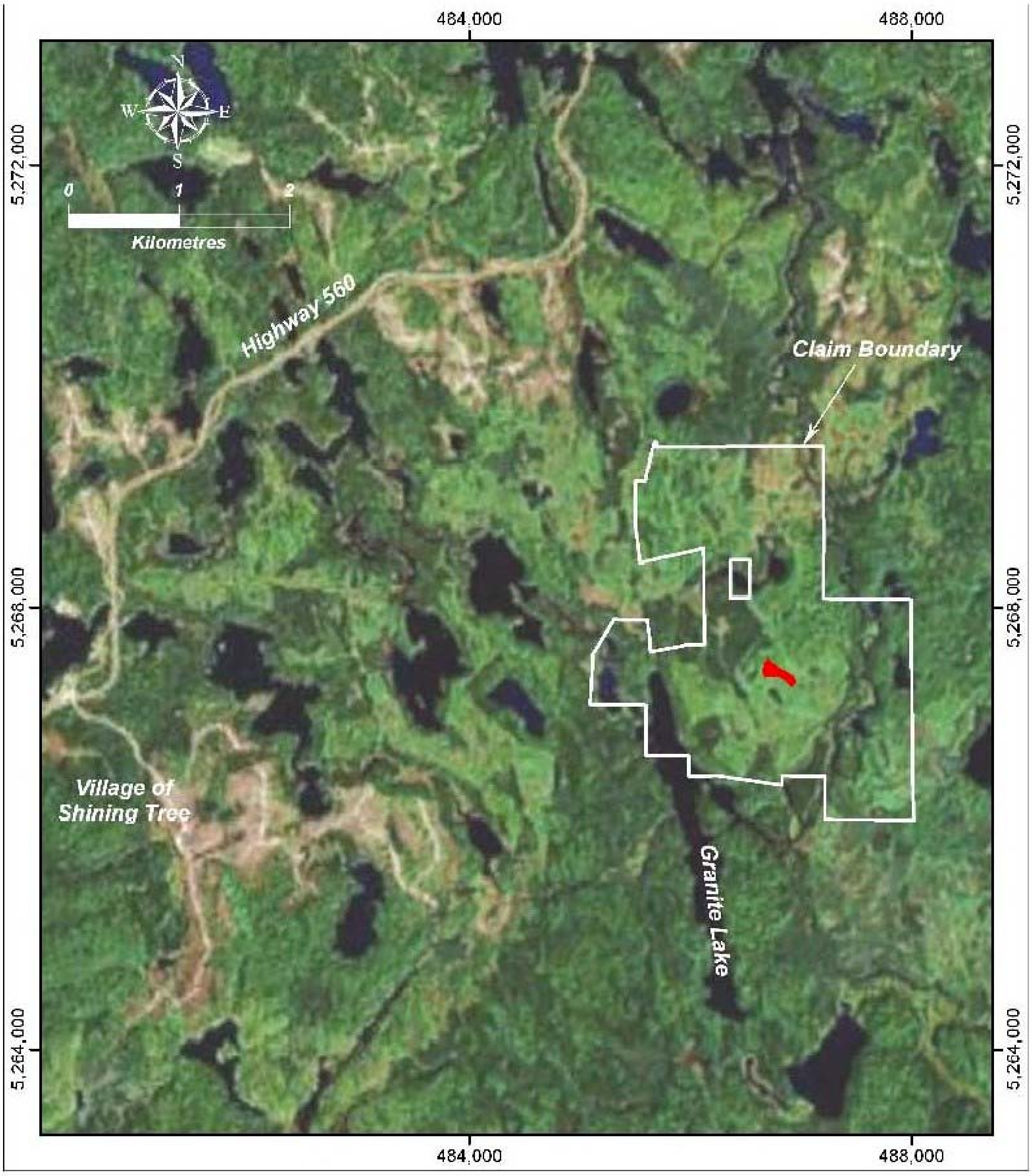
A northern boreal forest climate is typical of this area. Winter conditions are characterised by moderately cold winters from November to mid-March with snow accumulations in the order in the order of 60 cm to 200 cm with lows of –30° Celsius. Summer conditions can be dry and relatively hot with an average of 35cm in precipitation with temperatures in the upper twenty degrees Celsius. Exploration drilling programs can be performed throughout the year.

Amenities suitable for exploration and mining operations are located within the populated centres that are relatively in close proximity of the Property. In addition, there is hydroelectric power in the town of Shining Tree and along the paved Highway 560. Water supplies for mining and process methods are located on or adjacent to the Property. Most of the claims lie between Granite Lake (in the southwest) and the West Montreal River (in the east). Zig Zag Lake lies within the middle of the property.

The Property consists of relatively subdued relief although there are a few steeper slopes and incised channels within the glacial outwash-plain sands and gravels, which cover the bedrock. This type of topographic relief tends to create meandering watercourses leading to poorly organized drainage and abundant swampy conditions. The largest river system in the area is the West Montreal River and its tributaries. Drainage flows into the Ottawa and St. Lawrence Rivers to the north and west. The relatively uniform topography has maximum elevations above sea level of 370 metres in the north and 400 metres in the southern portion of the claim group. The area was logged some 10 years ago and natural growth bushes and small trees are now common on the Property.

Water supplies for mining and process methods and sands and gravels for construction purposes are located on or adjacent to the Property.

Figure 5.1 Physiography Map of the Shining Tree Property, (Google Earth, 2005).



6.0 HISTORY

Geological investigations in the Shining Tree area by the Federal and Provincial government surveys began in the mid-1890s (Carter, 1987). Exploration for metallic mineral deposits in the same area began over 100 years ago with the search for fault-related gold mineralization and cobalt-type silver deposits. Gold mineralization was discovered at Papoose Creek in 1918 in the vicinity of the present-day claim 1230888. This discovery began a period of sporadic interest in gold exploration that persists to this day. To date, however, no economic gold deposits have been discovered.

In the early 1970s Amax Potash Ltd performed various types of geological and geophysical surveys over the northern portion of the current Shining Tree claim group. In addition, the company drilled a single hole in the same area and intersected minor pyrite and pyrrhotite in graphitic argillite. This intersection, within felsic volcanic rocks, is from an area close to the Fort Knox Gold (FNX) base metal discoveries on their North Grid.

Government regional surveys have provided a lot of information about the geological and metallogenic environment of the Shining Tree area. In 1988 the Geological Survey of Canada released the results of a combined regional lake sediment sampling and water geochemistry reconnaissance surveys (Hornbrook et al, 1988). None of the samples on or near the current claim group returned anomalous values. This may be due to the fact that the area is underlain by transported material in the form of eskers and/or glacial outwash deposits; hence, the contents of lake-bottom sediments may not reflect locally derived material. It is interesting that some of the samples returned multi-element values in metallic suites that would be compatible with the five-element Cobalt type mineralization.

A staking rush occurred in the Shining Tree area after the ‘Temagami Land Caution’ was removed. This pre-emptive staking did not produce any new discoveries and most of the claims were dropped the following year. However, in 1991, FNX staked a portion of ground that lies within the north-western part of Fawcett Township. These claims covered coincident airborne electromagnetics (AEM) and magnetic anomalies. FNX conducted geological, geophysical and geochemical surveys on their grids as well as diamond drilling on select targets within the North and South Grids.

FNX drilled two holes on the North Grid and the best assay returned values of 1.31% Zn and 0.06% Cu over a narrow width (0.6m). The combined meters for these two holes amounted to 518m. Nine other holes were drilled on the South Grid (for a total of 2675m) and the best intersection returned a value of 1.03% Ni and 0.43% Cu over 33.8m. The difference in metal type for these two drill programs reflects the two styles of mineralization on the claim group. The current option agreement covers both the zinc and nickel enrichment, although the focus of this report lies with the nickel-copper mineralization.

FNX reached an agreement with INCO in 1992 to expand upon the work program that was undertaken in 1991. A new grid was cut (referred to as the 307 grid) and additional drilling was performed on the North and South Grids. A single hole on the North Grid intersected three discrete zones of base metal mineralization from a volcanogenic massive sulphide (VMS) target. The best values that returned from this hole (424m in length) were 1.74% Pb and 0.33% Zn over 1.6m. Detailed geophysical surveys on the South Grid were followed up with a 2511m drilling program targeting nickel-copper mineralization, which intersected values up to 1.39% Ni and 0.81% Cu over 6.55m.

FNX again became the operator of the property in 1994-95 during which time they drilled two holes on the North Grid (for 535m) and three holes on the South Grid (for 354.8m). No significant values were returned from the North Grid drilling while the best intersection from the South Grid program returned values of 2.06% Ni and 1.07% Cu over 7.56m.

INCO and FNX again joined forces in 1997 and formed a joint venture partnership to evaluate magnetic highs on the remainder of the property. These highs had been previously defined by an OGS-funded survey in 1990. No significant mineralization could be attributed to these magnetic highs and in fact most of the anomalies reflect mafic to ultramafic rock types.

In 1998, Tindale and Annett acquired an interest in the pre-existing Gold Belle property in the western part of the group. Work on the option agreement, which was bolstered by the addition of staked mining claims, consisted of line cutting, grid mapping and a very low frequency electromagnetics (VLF-EM) survey. A mafic-felsic sequence of volcanic rocks was defined along with an ultramafic sill. A VLF-EM anomaly along one of the contacts was investigated further with an horizontal loop electromagnetic (HLEM) survey (in 1998) but it failed to detect a conductive zone in the bedrock.

7.0 GEOLOGICAL SETTING

7.1 REGIONAL GEOLOGY

The Shining Tree project lies within the southern part of the Archean Abitibi Greenstone Belt. This greenstone belt contains nine lithotectonic assemblages that outcrop within the Superior Province of the Canadian Shield.

Carter's (1977, 1987) maps for the Shining Tree project show that both Archean and Proterozoic rocks are present, see Figure 7.1. A mixed sequence of mafic to intermediate and felsic volcanic rocks make up the bulk of the Deloro assemblage (2730 to 2724Ma) that underlies one half of the township. These tholeiitic to calc-alkaline rocks also contain local accumulations of cherty iron formation near the top of the assemblage. Alteration of the felsic rocks is considered to be favourable indicators for base metal massive sulphide mineralization.

A minor amount of the Pacaud assemblage outcrops in the northwestern part of the property. Typically, the latter consists of mid-ocean ridge type mafic volcanic rocks with local accumulations of komatiitic volcanic rocks. Enriched alumina signatures suggest that the komatiites are favourable for Munro-type nickel-copper-PGE deposits. In contrast, an alumina-depleted ultramafic to mafic sill is also exposed in Fawcett Township and it's petrochemistry suggests that it may have formed in deeper sections of the mantle when compared to the source region for the komatiitic flows. In addition, this intrusion is not considered to be a good source rock for nickel-copper deposits (in contrast to the komatiites).

The regional Michiwakenda Fault offsets a large intrusion, known as the Miramichi Batholith. Apparent movement on this fault is sinistral, at least from the map pattern. However, there is no documentation of this offset from field based observations (such as stretching lineations). Much of the southwest portion of the township is underlain by the batholith.

Huronian sedimentary rocks of the Gowganda Formation unconformably overlie the Archean rocks. In turn, the Lorrain Formation overlies these rocks. Syndepositional faulting along the edges of the sedimentary basin assisted in preserving this sequence of rocks in this area. Nipissing diabase rocks are also exposed within the Huronian sequence.

Figure 7.1 Regional Geology of the Shining Tree, Fawcett Township Area (Carter, 1977)

LEGEND

Early to Late Precambrian

Mafic Intrusive Rocks

Middle Precambrian

Mafic Intrusive Rocks (Nipissing Diabase)

Huronian Supergroup: Cobalt Group; Lorrain Formation

Huronian Supergroup: Cobalt Group; Gowganda Formation

Early Precambrian (Archean)

Felsic Intrusive Rocks

Ultramafic Intrusive Rocks

Metasediments

Felsic Metavolcanics

Intermediate Metavolcanics

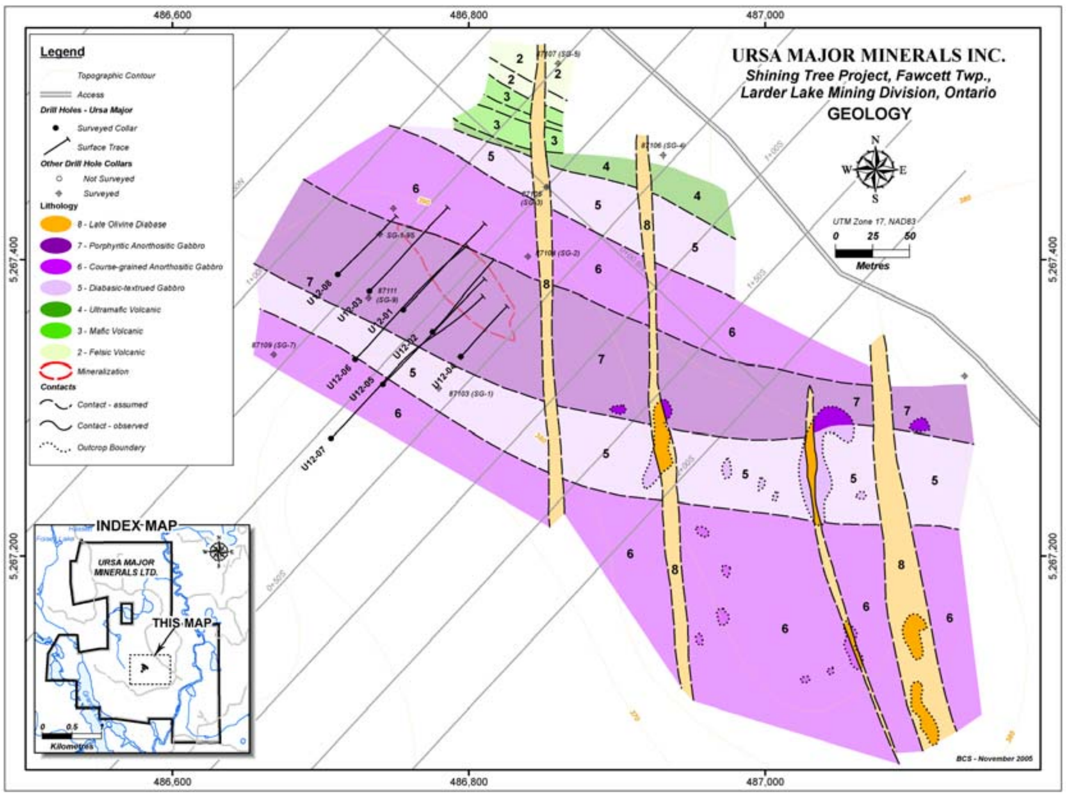
Mafic Metavolcanics

Iron Formation

7.2 PROPERTY GEOLOGY

A compilation map created by INCO Exploration Services is used here, in part, to describe the property geology, see Figure 7.2. Although there are some outcrops in the area, the surficial cover is generally too extensive to facilitate credible map-making. Consequently, this map appears to have been created by projecting the existing drill hole information to surface without additional information from any local exposures.

Figure 7.2 INCO Exploration Property Geology Map



Other aphanitic volcanic rocks contain quartz phenocrysts and/or locally developed vesiculation. Pillowed textures in mapped felsic rocks suggest that portions of these lithologies may in fact be strongly altered mafic and/or intermediate rocks. Minor rhyolites or rhyodacites proper have also been mapped on the property.

Some of the thinly-bedded sediments display ripple marks and flame structures. The preservation of these features suggests that the deformation, if present, is localised within discrete shear zones and any folding is likely to be gentle to moderate.

Other rock types in the vicinity include non-magnetic dunitic intrusions. Given the absence of a magnetic response, as well as the relative depth of the overburden in this area, it is conceivable that this rock type is present in other parts of the property. Indeed, Tindale

(1996) mapped peridotitic rocks in the northwestern parts of the township, which suggests a wider area of exposure for this type of rock.

Within the area of the nickel deposit there are multiple intrusions of anorthositic gabbro. Previous workers have suggested that the earliest phase is represented by a diabasic-textured gabbro followed by a medium- to coarse-grained gabbro that has an anorthosite appearance. The final phase, and probably the most critical in terms of the sulphide mineralization, is a glomeroporphyritic gabbro that is accompanied by localised magmatic brecciation. The latter has been suggested as a means to precipitating the nickel-rich sulphide deposit.

8.0 DEPOSIT TYPE

The nickel-copper-PGE sulphide mineralization on the property appears to be developed in a brecciated zone within a multi-phase gabbro-anorthosite body. Previous interpretations suggest that the pipe-like breccia zone is the host for the bulk of the mineralization with narrow, lower grade intersections in the structural hanging wall. The deposit has a strike-length of about 100m and is generally about 30m wide. It has a steep dip in the upper sections (around 85 degrees to the southwest) and a shallower dip (around 75 degrees) in the lower parts of the deposit. Drill testing has intersected mineralization at depths of around 500m below surface.

Sulphide minerals occuring in the mineralization include pentlandite, pyrrhotite, chalcopyrite and pyrite. The central core of the perceived pipe contains lesser amounts of pyrite and the grade of nickel and copper appears to be lower. In comparison, the margins of the body generally contain wider sections of net-texture and massive sulphide material with higher nickel and copper grades.

Petrographic studies by INCO indicate that the nickel is contained within discrete micron-size grains of pentlandite rather than as exsolutions within pyrrhotite. The same study also suggests that the pentlandite would be relatively easy to liberate during the milling process. Platinum group elements are contained in minerals such as merenskyite.

Harron (2004) compares the Shining Tree deposit to geologically similar deposits associated with the East Bull Lake intrusion (west of Sudbury). At these locations gabbroic breccias with base metal mineralization and moderate PGE values are present. The age of the gabbroic host rock and sulphide mineralization is 2460 +/-30 Ma (Jago, 1992) and is distinctly older than the age of Nipissing Intrusives at approximately 2200 Ma.

In terms of an exploration strategy, the nickel-copper deposits respond favourably to magnetic and IP/Resistivity surveys. More traditional methods, such as soil and lake-bottom sediment sampling, have limited applicability due to the depth of the overburden. Standard prospecting and mapping are also questionable tools for base metal exploration given the paucity of outcrop in some parts of the project area.

9.0 MINERALIZATION

The nickel-copper mineralization found at the Shining Tree deposit is in the form of massive, semi-massive and/or disseminated sulphides consisting of sulphide assemblages of pyrrhotite, pyrite, pentlandite and chalcopyrite The area has been geologically investigated by Moreton (2005) and Peredery (1991).

Typical magmatic nickel-copper-platinum group element deposits are generally associated with mafic and/or ultramfic igneous rock composition, (Eckstrand, 1995). The sulphide concentrations occur at or near the base of their magmatic host bodies. Ores usually consist in a sulphide assemblage of pyrrhotite-pentlandite-chalcopyrite, either as massive suphides, sulphide-matrix breccias, or disseminations of sulphides.

Tholeiitic intrusions occur in a variety of terranes and appear to have been deformed and metamorphosed. Mineralization typically forms lenticular shoots, where many of the orebodies are subvertically oriented cigar-shaped zones of mineralization within similarly oriented masses of peridotite, gabbro and amphibolite.

10.0 EXPLORATION

10.1 HISTORIC EXPLORATION

Diamond drilling commenced in 1991 by FNX/INCO on the South Grid once ground geophysics were carried out over two airborne electromagnetics anomalies discovered by Ontario Geological Survey (OGS). The drilling outlined significant magmatic nickel-copper mineralization within a complex of gabbro-anorthosite intrusion.

10.2 GEOPHYSICS

INCO along with FNX completed a variety of geophysical surveys over the Property, which included magnetometer, horizontal loop electromagnetics, vertical loop, gravity, induced polarization and surface and borehole pulse electromagnetics during their partnership of drilling from 1991 to 1992 (Froude, 1993).

Froude (1993) discussed the successful horizontal loop MaxMin surveys, which located the airborne electromagnetic anomalies discovered by the Ontario Geologicval Survey (OGS) in the late 1980's. The pulse electromagnetic surveys indicated that the mineralization was a steeply dipping body with a possible elliptical cross section. Borehole pulse electromagnetic surveys were completed on the following holes: 87103-0, 87106-0, 87107-0, 87109-0 and 87110-0, 87112-0, 87114-0 by Exsics Exploration Ltd. UTEM surveys by Lamontagne Geophysics were carried out on holes 87115 and 87116.

In 1998, Tindale and Annett carrried out line cutting, grid mapping and a VLF-EM survey over the pre-existing Gold Belle property in the western part of the group.

10.3 2005 EXPLORATION

URSA Major cut a field grid over the Property to facilitate the positioning of their eight drill hole progarm. The grid was essential to precisely orient the new grid parallel to the historic FNX/INCO drilling grid. In addition to the drilling completed by URSA Major they contracted Paul H. Torrance Surveying of Elliot Lake, Ontario to perform a field survey in order to determine the historic collar positions in relation to their new holes.

11.0 DRILLING

The Shining Tree nickel-copper mineralization was drilled from 1991 to 2005 during four different drilling programs for a total of 24 drill holes see Table 11.1.

Table 11.1 Summary of Drilling

Year	Drill Hole	Metres	Core Size	Number of Assays
1991	87103-0	167.64	AQ thinwall	15
	87104-0	106.68	AQ thinwall	44
	87105-0	182.88	AQ thinwall	40
	87106-0	331.01	AQ thinwall	1
	87107-0	529.13	AQ thinwall	91
	87108-0	263.96	AQ thinwall	73
	87109-0	381.3	BQ	139
	87110-0	433.43	AQ thinwall	107
	87111-0	279.2	AQ thinwall	108
1992	87112-0	549.58	BQ	75
	87114-0	683.39	BQ	155
	87115-0	529.47	BQ	14
	87116-0	748.63	BQ	9
1994	SG-2-94	87.48	BQ	62
	SG-3-94	122.54	BQ	27
1995	SG-1-95	144.79	BQ	25
2005	U12-01	110.5	NQ	35
	U12-02	89.1	NQ	34
	U12-03	108	NQ	18
	U12-04	65.1	NQ	33
	U12-05	148.1	NQ	42
	U12-06	165	NQ	49
	U12-07	212	NQ	33
	U12-08	78	NQ	18

From 1991 to 1992 FNX and INCO drilled on what they called the South Grid, which is the area hosting the nickel-copper mineralization. Nine holes were drilled in 1991 and 4 in 1992 for a total of 2,675 metres and 2,511 metres respectively. Drilling contractors were Sparta Drilling of Connaught, Ontario and Heath and Sherwood of Kirkland, Ontario. As the operator of the Property, FNX drilled three holes for a total of 355 metres from 1994 to1995.

The most recent drilling on the Property was conducted by URSA Major in the fall of 2005. The eight hole program totalled 976 metres was completed by drilling contractor George Downing Drilling of Grenville Sur La Rouge, Quebec.

Drilling was completed on approximately 25 metre spacings to delineate the upper southeast portion of the zone. This drilling increased the confidence of this area and better defined the mineralization extents near surface.

12.0 SAMPLING METHOD AND APPROACH

The deposit has been drilled by a total of 24 drill holes; 18 drill holes intersected notable mineralization. The 2005 drilling was conducted on a spacing of 25 metres over five sections in the upper southeast portion of the zone. Historic drilling was completed on 25 metre to 50 metre spacing along the strike of the zone. With the exception of hole SG-1-95, which was drilled near parallel to strike of the mineralization, all holes were drilled at an azimuth of approximately 43 degrees when drilled from the hangingwall or 223 degrees on the footwall side of the deposit.

Bedrock sampling of the outcrops on the property has not been conducted on the Property due to approximately 20 metres of overburden.

12.1 2005 SAMPLING

The eight hole 2005 program performed by Ursa Major was sampled and assayed for the following elements: gold, platinum, palladium, nickel, copper and cobalt. A nominal sample length of one metre was taken except where increased sulphide material was identified over smaller widths. In all holes, the mineralized gabbro breccia was sampled from upper through to lower mineralized contacts. A minimum of one shoulder sample was assayed on either side of the zone to check for mineralization in the country rock. All the samples were sawn in half by a diamond saw in preparation for analysis.

12.2 HISTORIC SAMPLING

The historic drill programs performed by FNX sampled 985 intervals for assaying. The samples were assyed for the following elements in Table 12.1.

Table 12.1 Historic Number of Elements Sampled and Assayed by Element

	Number of Elements Assayed						
Total Samples	**Gold**	**Platinum**	**Pallidium**	**Silver**	**Nickel**	**Copper**	**Cobalt**
985	966	642	645	71	976	985	304

13.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

In preparing samples for cutting/shipping, the geologist along with core technician both play a crucial role in the quality control of samples submitted for assays. A double check is conducted by comparing the sample tags with those identified by the geologist and any discrepancies found before the samples are sent to the laboratory.

13.1 2005 SUMMARY AND PROCEDURES

A total of 262 samples half split core samples were taken from the 2005 eight hole drill program. In addition to these samples, 19 blanks and 20 reference standards were submitted, representing 15% of the samples from the program. The blanks and standards were inserted into the sample stream and submitted to SGS-XRAL in Garson, near Sudbury, Ontario. Pulp reject material from 28 samples were reassayed at SGS-XRAL, along with these duplicates, six of the half split core samples were selected and split to a quarter of the original core size and submitted as a check on the laboratory procedures.

Doug MacMillian field geologist at the Shining Tree Property monitored all drilling runs at the drill site. The box tops were left off until a quick visual inspection of the hole could be made. The boxes were closed and then transported a short distance to a convenient staging area. An URSA Major employee then transported the drill core by road from the drill site to the Agnew Lake core storage site. A check of the box and drill hole numbers was completed at the pick-up and drop-off sites. The holes were laid out on the logging tables and were logged by Chris Moreton, PhD, P.Geo. and marked for sampling. A field blank was inserted into the stream at this point (field blank being a piece of unmineralized drill core from URSA Major's Shakespeare deposit area). In addition, six existing samples from the drill program were split again down to a quarter of the original core size and submitted as a check on laboratory procedures. Photographs were taken of four boxes of core from each hole.

The core was split in half using a diamond saw with half going for analysis and bagged and the other half staying in the box as a representative sample. URSA Major personnel used well-established quality assurance and quality control protocol from their Shakespeare project. Samples were broken into smaller pieces and placed in clearly labelled bags. These bags were placed into large rice bags that were labelled and tied off. Each sample number, as well as the bag that it was in, was recorded on the sample sheet and submitted to the preparation facilities of SGS-XRAL in Garson, near Sudbury.

After the samples, blanks and quarter duplicates were pulverized they were returned to URSA Major. Certified reference materials were then inserted into the sample stream and the complete batch of samples were renumbered. These samples were then boxed and transported by bus to the Toronto facilities of SGS-XRAL. A certificate of receipt was issued and a work order number was attached to the batches. At this point the samples were analysed according to the instructions on the following elements: gold, platinum, palladium, nickel, copper and cobalt. The Laboratory has control of the samples.

Figures 13.1 and 13.2 show the analysis from the low grade LDI-1 reference standard (acquired from the Geoscience Laboratories in Sudbury) for nickel and copper respectively. The results show good precision of the laboratory between the best value of 0.065% nickel and 0.041% copper to the assayed values of 0.07% and 0.05% respectively. However, these low grade reference samples with good precision have a difference of approximately 10%, which reflects the accuracy of assaying method of ICA50 with a detection limit of 0.01% on these very low grade samples.

Figures 13.3 and 13.4 show the analysis from the WMG-1 reference standard (acquired from CANMET Mining and Mineral Sciences Laboratories, Ottawa, Ontario) for nickel and copper respectively. The results show good accuracy and precision of the laboratory between the best value of 0.27% nickel and 0.59% copper to the assayed values.

Figures 13.5 and 13.6 display the comparison of original assayed value and the pulp reject duplicate assays and the six quarter split duplicates for nickel and copper respectively. The comparison has good accuracy with an R^2 value of 0.9997 for nickel and 0.9996 for that of copper.

A total of 19 blank non-mineralized norite were submitted to test for cross-contamination from sample to sample during the crushing and pulp separation. Of the 19 samples, fifteen assayed at 0.009% nickel and seventeen assayed at 0.009% copper. The remainder of the samples returned grades between 0.01 to 0.02%. In reviewing the results some minor cross contamination is evident however, having negligible affects.

13.2 HISTORIC

The historic QA/QC methods or security procedures used are not known on the 985 samples. It should be noted that some form of QA/QC procedures were in place in reviewing copies of assay sheets there are notes of standards and duplicates beside some samples.

13.3 RE-SAMPLING AND RE-ASSAYING PROGRAM

The three historic drill holes were transported to the URSA Major core logging facility at the Shakespeare project site at Agnew Lake. Care was taken as not to disturb the core in each box in order to preserve the sample distribution. The existing half core was measured off and tagged for sampling. A diamond saw was used to quarter the core, with half going for analysis and the other half staying in the box as a representative sample. Unmineralized check samples were inserted into the sample stream at this point.

A total of 97 samples samples were bagged and delivered to the sample preparation site of SGS-XRAL in Garson, near Sudbury. After preparation the samples were returned to

Shakespeare and 10 certified reference materials standards and 10 blanks were inserted into the sample stream. The whole suite of samples was then re-numbered and shipped to SGS-XRAL for analysis in Toronto.

Figure 13.1 Comparison of SGS-XRAL Assayed Values to LDI-1 Standard Reference Best Value for Nickel

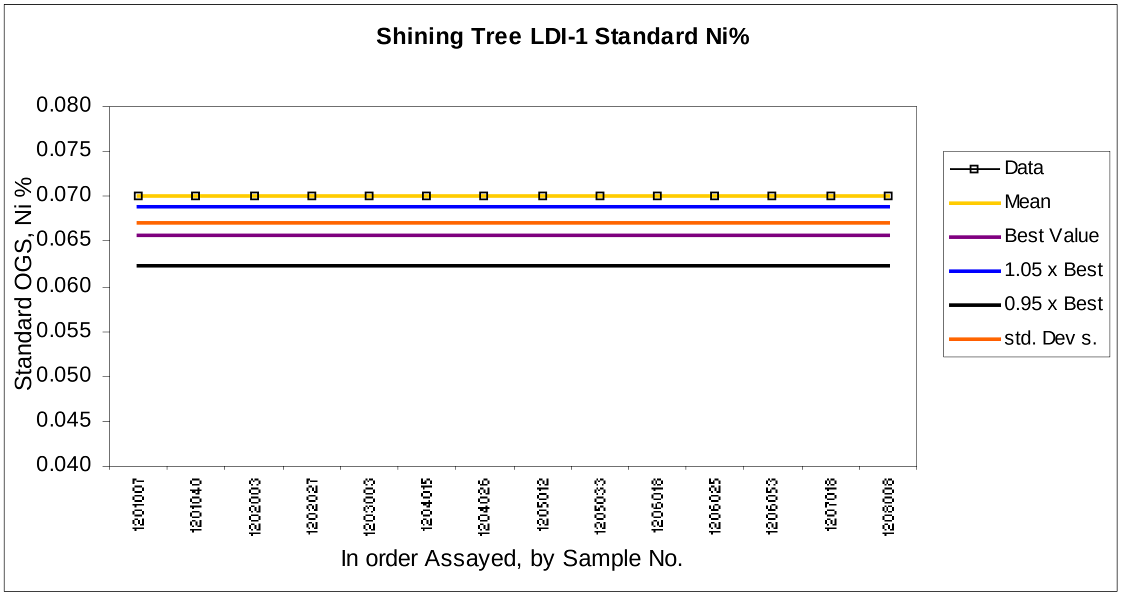


Figure 13.2 Comparison of SGS-XRAL Assayed Values to LDI-1 Standard Reference Best Value for Copper

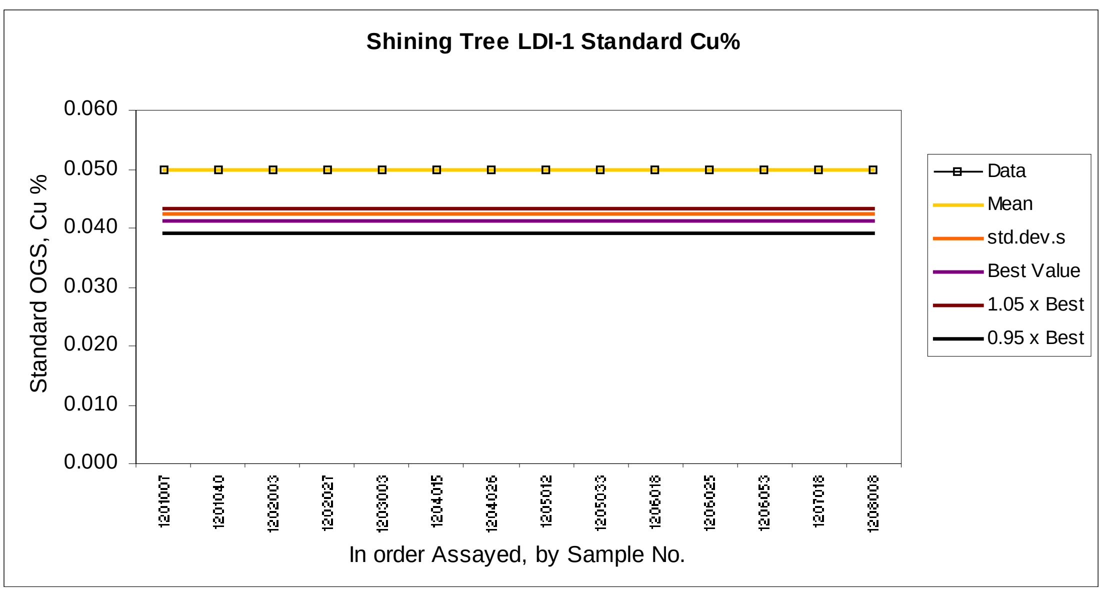


Figure 13.3 Comparison of SGS-XRAL Assayed Values to WMG-1 Standard Reference Best Value for Nickel

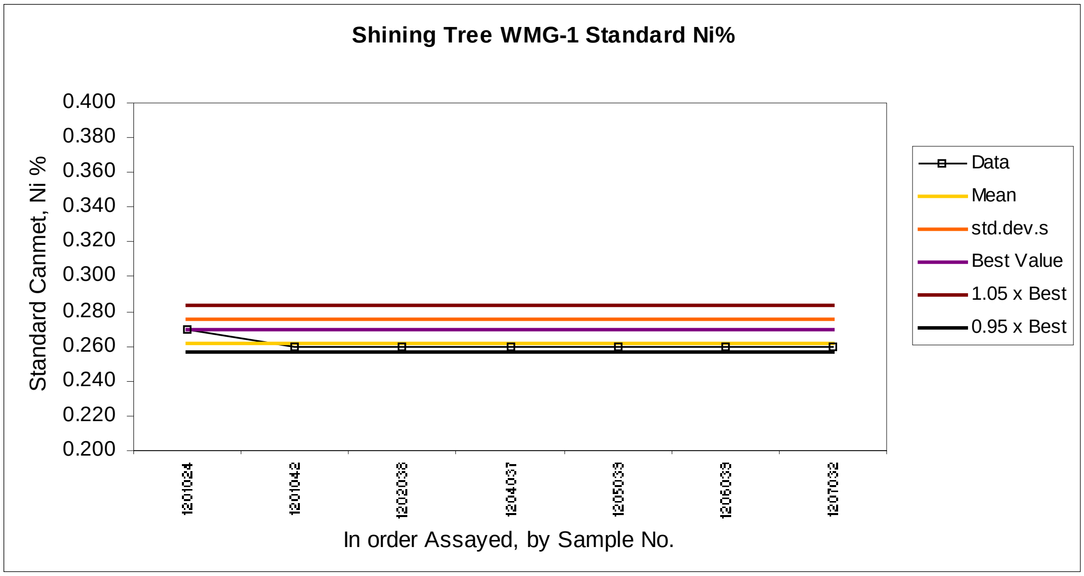


Figure 13.4 Comparison of SGS-XRAL Assayed Values to WMG-1 Standard Reference Best Value for Copper

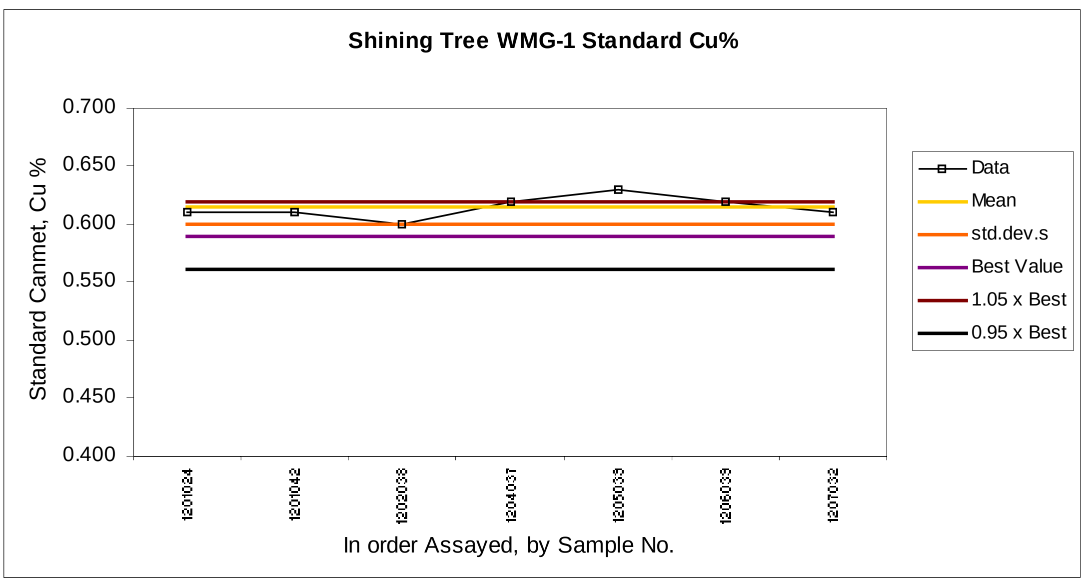


Figure 13.5 Comparison of Original Assayed Value of Nickel to the Pulp Reject Duplicate and the Quarter Sampled Assays

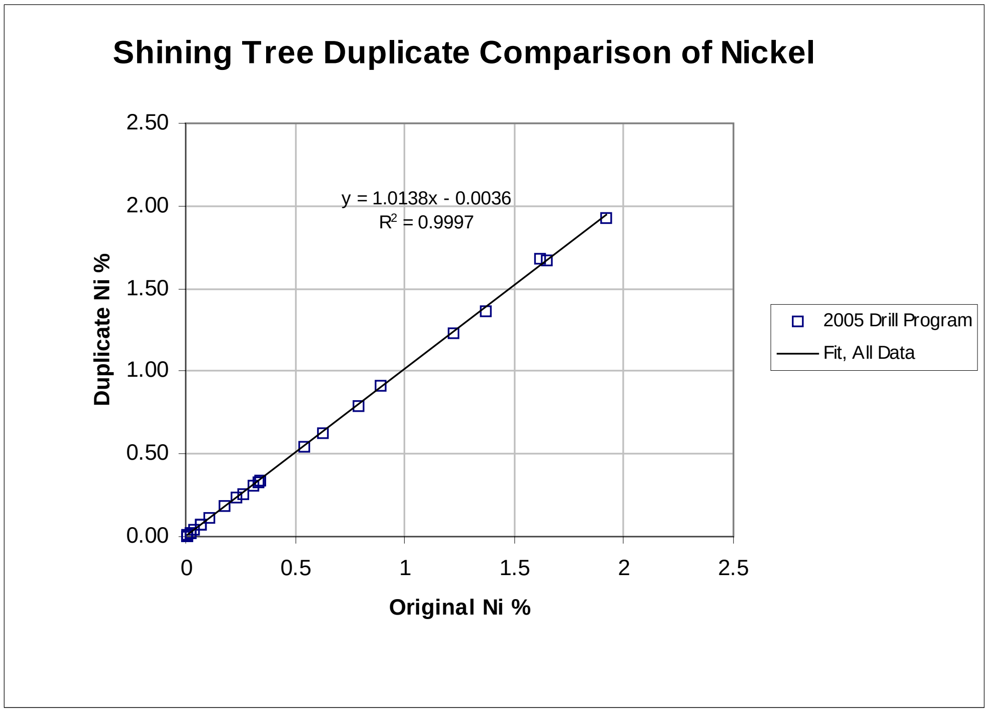
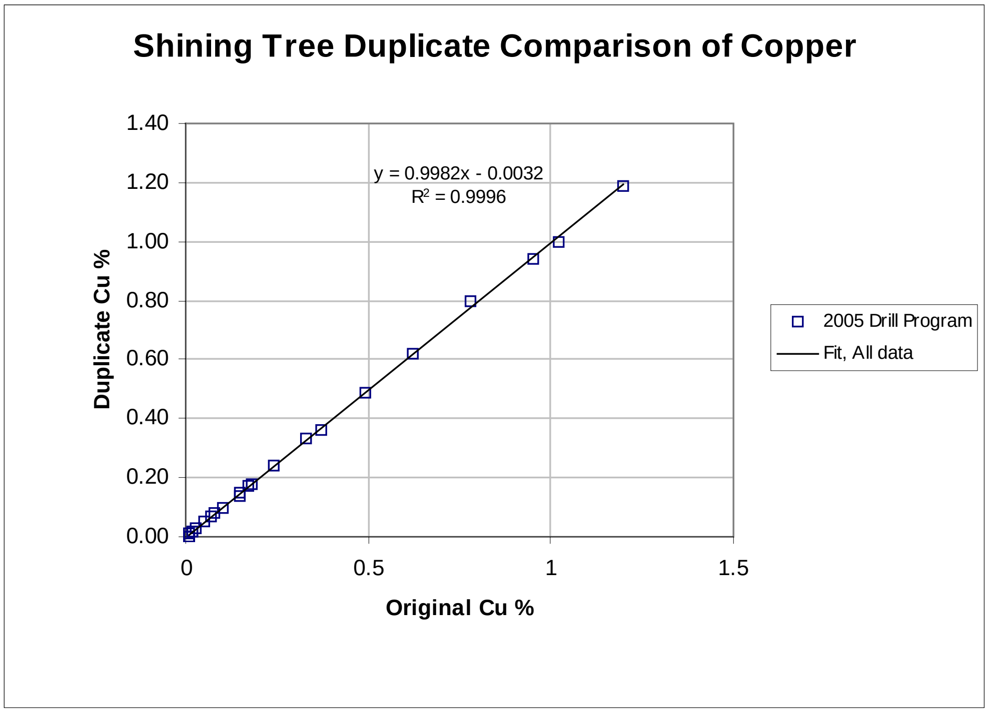


Figure 13.6 Comparison of Orginal Assayed Value of Copper to the Pulp Reject Duplicate and the Quarter Sampled Assays



14.0 DATA VERIFICATION

14.1 ASSAYS

Wardrop carried out an independent validation on the drill hole database using original drill logs and assay certificate information. The validation included the eight drill holes drilled by Ursa Major in 2005 and 16 historic holes drilled by FNX. A complete 100% data verification was completed on the assay sampling intervals from the drill logs and assay values from the assay certificates. Table 14.1 addresses the 0.19% errors found during the data validation. The errors were corrected in the database accordingly.

Table 14.1 Database Validation Errors

	Samples	Records	Error Records	% of Records with Errors
Assay	1247	8597	16	0.19%

14.2 COLLAR POSITIONS

A total of 14 drill hole collars were found during the site visit and handheld Global Positioning System (GPS) measurements recorded. The collar positions recorded were compared with collars in the database, which were surveyed by Paul H. Torrance Surveying Ltd., Geomatic Services of Elliot Lake, Ontario, in October 2005, results are shown in Table 14.2. Apart from drill hole 87108-0 and 87103-0 the majority of the positions show acceptable differences within a few metres.

Table 14.2 Comparison of Database Collar Positions and GPS Readings

	Absolute difference in metres		
Drill Hole	**Easting**	**Northing**	**Elevation**
SG-1-95	0.98	1.45	3.36
87103-0	1.20	3.64	10.21
87107-0	1.62	2.64	8.33
87108-0	14.50	8.70	1.25
87109-0	1.51	5.01	1.80
87111-0	1.38	3.70	2.02
87115-0	1.83	3.69	5.66
U12-01	1.25	1.87	1.45
U12-02	2.33	1.74	2.27
U12-03	0.08	3.53	3.34
U12-05	0.95	0.08	0.21
U12-06	0.24	3.41	0.41
U12-07	0.13	0.42	4.05
U12-08	1.68	4.23	3.46
Average	**2.12**	**3.15**	**3.42**

14.3 CORE REVIEW

Wardrop carried out a geological core review on lithology, mineralization and sampling; checking against drill logs on holes 87103-0, 87108-0, U12-03, U12-04 and U12-06. Observations from the review accounting for 25% of the drilling generally matched those of the drill logs and no notable discrepancies were revealed.

14.4 HISTORIC VERIFICATION

A check on the sampled assay results from three historic drilll holes (87103-0, 87104-0 and 87105-0), which intersected the nickel-copper mineralization on the Property were re-sampled and re-assayed as part of a due diligence program by URSA Major between May 24, 2005 and July 20, 2005. The sampling selection was conducted by contract Geologist Chris Moreton, PhD, P.Geo. Assaying was completed at SGS-XRAL in Garson, near Sudbury, Ontario and results shown in Table 14.3 are within an acceptable variance threshold and no concerns were raised over the integrity of the re-sampling data. Appendix B contains graphs comparing the nickel and copper original versus re-assayed values.

Table 14.3 Historic Re-sampling and Re-assaying

		Weighted Average					Weighted Average				
Drill Hole	**Number of Samples**	**Historic Cu%**	**Re-Assayed Cu%**	**Absolute Difference**	**Mean of Cu%**	**Variance of Cu**	**Historic Cu%**	**Re-Assayed Cu%**	**Difference**	**Mean of Cu%**	**Variance of Cu**
87103	13	0.134	0.114	0.021	0.124	17%	0.213	0.242	0.029	0.227	13%
87104	44	0.330	0.354	0.024	0.342	7%	0.724	0.723	0.001	0.723	0%
87105	40	0.321	0.298	0.023	0.310	7%	0.719	0.700	0.020	0.709	3%

15.0 ADJACENT PROPERTIES

Three types of metallic mineral deposits have been discovered within the confines of claim boundaries: lode gold deposits, volcanogenic massive sulphide (VMS) base metal deposits and nickel-copper sulphide deposits.

An example of a lode gold deposit is the Gold Belle property which lies approximately 320m northwest of Zig Zag Lake (using ERMES to locate the deposit). This deposit is similar to other Archean lode gold deposits that are associated with brittle-ductile shear zones. Typically, the gold in these shear zones is associated with pyrite and quartz while the wall rock alteration minerals are quartz and carbonate. Although the country rocks are often ultramafic to mafic in composition this is not always the case since felsic hosts are locally present. In addition, there is often a spatial association with porphyritic diorite, tonalite, granodiorite and/or syenite. The width of the mineralized zones can vary due to the anastomosing nature of the brittle-ductile shear zone. To date, the sporadic work on the Gold Belle property has failed to develop any sizeable resource.

Native gold is relatively common in these types of deposits although there is also an association with pyrite, arsenopyrite, chalcopyrite, sphalerite, galena and/or molybdenite. In general, the gold is better represented in the vein rather than in the wall rock. Hydrothermal fluids depositing the gold also altered the wall rock through the introduction of sulphur- and carbonate-bearing minerals, along with wholesale chloritisation, silicification and alkali metasomatism. This style of alteration tends to destroy the magnetite in the mafic units creating distinct magnetic lows in the vicinity of the shear zones. Consequently, the better geophysical method for exploration is IP and resistivity.

VMS style base metal mineralization has been reported for the northern part of the Shining Tree property claim group. Minor zinc and copper mineralization was intersected by FNX in the early 1990s and this type of mineralization has been interpreted as a syngenetic massive sulphide. Pyrite and pyrrhotite mineralization associated with graphitic argillite was intersected by Amax in the early 1970s and this too has been interpreted as VMS style. However, Harron (2004) suggests that the mineralization has a style that is more akin to the Cobalt silver deposits. He believes that there is greater potential to discover a ‘five element’ type of deposit rather than a true VMS base metal deposit. Until more work is done on this style of mineralization no further comment can be made.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

No mineral processing and/or metallurgical testing has been conducted on the nickel-copper mineralization from the Property.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Mineral resource estimation was conducted by Wardrop, which includes data from historic drilling and drilling from the fall 2005 drill program of the nickel-copper mineralization on the Property. The estimation was conducted on copper, nickel and cobalt metal types.

17.1 DATA

A database was created of drilling information in the vicinity of the nickel-copper mineralization. A total of 24 drill holes comprise the database that includes: collar, survey, geological and assay information. Table 17.1 summarizes the records in the database.

Table 17.1 Summary of Drill Hole Database

	Drill holes	Collar	Survey	Geology	Assay
Records	24	24	365	477	1618

17.2 EXPLORATORY DATA ANALYSIS

Exploratory data analysis was completed on assay and composite drilling data within the interpreted mineralization.

17.2.1 ASSAYS

A total of 616 assay intervals from 18 drill holes were selected as they intersected the interpreted mineralization. Data analysis was conducted by creating probability and histogram figures of the data see Appendix C. Table 17.2 displays the results of the selected assay information. The record count in the table differs from the selected assay intervals due to a few non-assayed internal dike and quartz geological sections that were not sampled and portions of drill holes not assayed on each metal type. For the purpose of the resource estimation these internal sections were assigned zero values. A few holes non-assayed for cobalt entirely were left as blank and therefore not assigned zero values.

Table 17.2 Summary of Selected Assay Data from Interpreted Mineralization

	Records	Minimum	Maximum	Mean
Cu%	609	0.01	2.00	0.33
Ni%	609	0.01	3.64	0.66
Co%	462	0.00	0.11	0.03
Au ppb	609	0	938	54.75
Ag ppb	3	0.1	0.3	0.2
Pd ppb	462	0	357	75.49
Pt ppb	462	0	460	116.85

17.2.2 CAPPING

In reviewing the probability distribution of the assay information see Appendix C, there are breaks in the slope near the 99% cumulative probability implying that a few higher grade samples are spatially discontinuous from the remainder of the data set. Table 17.3 displays the capping limitations of the resource estimation.

Table 17.3 Summarizes the Capping and Affected Number of Records

	Assay Records	Capped Value
Cu%	5	1.56%
Ni%	5	2.50%
Co%	4	0.08%

17.2.3 COMPOSITES

While compositing down-hole, often the last composite is only a fraction of a composite interval and it is necessary to compare these fractional composites with the full interval composites because they will all have the same weighting for estimating. Box plots were created by metal type displaying all composites, greater than or equal to half the composite length and less than half the composite length (see Appendix D to review composite interval lengths.) Table 17.4 shows the composite values based on the above criteria and by metal type. It is evident from Table 17.4 that these fractional composites less than half the one metre composite length contain on average higher grades and should not have the same weighting. Discarding these composites strictly because of being a fractional interval is also not justified. A decision of average weighting these composites with the adjacent one metre up-the-hole composite was used to take advantage of the higher grades in a conservative manner.

Table 17.4 Composite Summary Data

		Cu%			Ni%				Co%		
Composite Length	Records	Min	Max	Mean	Min	Max	Mean	Records	Min	Max	Mean
All	603	0.00	1.79	0.32	0.00	2.79	0.63	566	0.00	0.86	0.02
>= 0.5 m	596	0.00	1.79	0.31	0.00	2.79	0.62	559	0.00	0.86	0.02
< 0.5m	7	0.14	1.47	0.53	0.60	2.22	1.44	7	0.00	0.07	0.04

Selected assays were composited into one metre down-hole composites while honouring the intrepreted mineralization envelope. The one metre composite length is close to the average assay interval of 0.97 metre. Table 17.5 shows the composite summary information by metal used in estimating

Table 17.5 Resource Estimation Composite Data

	Cu%			Ni%				Co%		
Records	Min	Max	Mean	Min	Max	Mean	Records	Min	Max	Mean
596	0.00	1.56	0.31	0.00	2.50	0.62	559	0.00	0.08	0.02

17.3 BULK DENSITY

Bulk density determinations were conducted in January 2006 by Harold Tracanelli, P. Geo., on 30 core samples from seven drill holes. Typically a four to six inch representative segment of the interval was identified and used for the determination.

The dry weight of the sample material was measured and recorded. Then the sample is placed into a small light weight frabricated basket and lowered into a large tub of water suspended from a thin fishing line that is attached to a scale. The basket with the core sample is suspended in the middle of the tub so as to not touch the bottom and sides of the tub and the weight measured and recorded. A more detailed description of the bulk density procedures is attached in Appendix E. The determination of the bulk density is calculated as follows:

Bulk Density = (weight of sample in grams dry)/
(weight of sample in grams dry – weight of sample in grams suspended)

The sample suite used for the bulk density determinations included a full range of mineralization types and varying assay values. Table 17.6 displays the bulk density information with copper and nickel assay values for the associated intervals.

Table 17.6 Bulk Density Determination Calculations

	Records	Min	Max	Mean
Bulk Density	30	2.81	3.46	3.14
Cu%	30	0.03	1.18	0.31
Ni%	30	0.04	2.26	0.68

The mean values of the thirty bulk density is 3.14 tonnes/m^3 and is to determine the tonnage of the resource estimation by multiplying by the volume of each block in the resource block model.

17.4 EQUIVALENCY FORMULA

An equivalency formula was developed for the Shining Tree Property in order to create a geological interpretation, based on copper and nickel values. The nickel-equivalent (NIEQ) does not include any metal recovery factors in the calculation and is based on average metal prices over the past three years. The NIEQ is a 1:4 ratio parts nickel to copper as shown below:

NIEQ = Ni% + Cu%/4

17.5 GEOLOGICAL INTERPRETATION

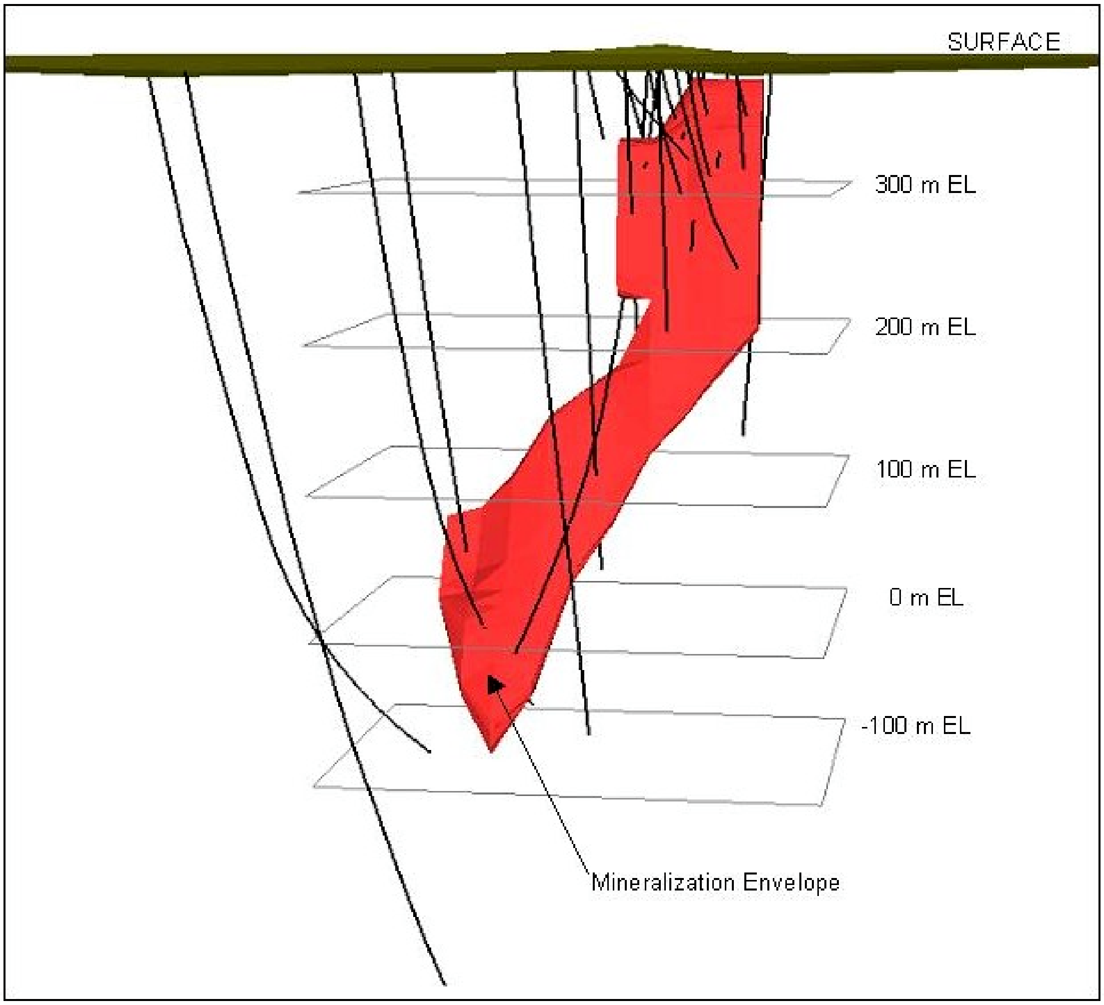
The mineralization on the Property was interpreted into a three-dimensional wireframe based on an approximate NIEQ cut-off of greater than 0.3%. The interpreted zone was built on 25 metre sections looking at an azimuth of 312.8 degree and verified with plan interpretations using Datamine Version 2.1.1444.0 (Datamine) software. Polyline interpretations were digitized on 10 sections and these interpretations were linked with tag strings and triangulated in order to create a three-dimensional wireframe solid. The wireframe volume is 869,326 m^3 and was validated in Datamine with no errors.

The wireframe incorporates 18 holes with the majority of the drilling within approximately 210 metres from surface see Table 17.7. Figure 17.1 shows the mineralized zone as a wireframe solid and drill holes used to complete the interpretation.

Table 17.7 Drill Holes

BHID	Average Elevation	Approximate Elevation From Surface
SG-2-94	352	33
87104-0	345.9	39.1
U12-04	341.5	43.5
U12-02	336.9	48.1
U12-02	336.5	48.5
U12-03	325.5	59.5
SG-3-94	321.8	63.2
87103-0	302.4	82.6
87105-0	301.2	83.8
SG-1-95	299.5	85.5
U12-05	292.5	92.5
U12-07	275	110
87111-0	250.6	134.4
U12-07	233.6	151.4
87108-0	177.5	207.5
87109-0	89	296
87110-0	36.2	348.8
87112-0	-21.8	406.8

Figure 17.1 Interpreted Wireframe of Mineralization with Drill Hole Locations



17.6 SPATIAL ANALYSIS

Variography, using Sage2001, was completed on the nickel, copper and cobalt values. Downhole variograms were created to determine the nugget effect and then correlograms were modelled to determine spatial continuity of the composited mineralization. Table 17.8 summarizes the results of the variography. We decided to use the nickel correlogram parameters for grade estimation of all the metal types as it identified spatial continuity similar to the mineralized envelope shape and because the copper and cobalt correlograms did not show good results. See Appendix F for individual variography on each metal.

17.7 RESOURCE BLOCK MODEL

Drill hole spacing varies from less than 25 m within the upper southeast portion, to greater than 50 m in the lower northwest portion of the mineralized zone. A block size of 5 x 5 x 5 m was selected in order to accommodate the more closely spaced drill holes and width of the mineralization. Table 17.9 summarizes the block limits in NAD 83 coordinates for the Shining Tree resource block model.

17.8 INTERPOLATION PLAN

The interpolation plan of the Shining Tree resource model was completed using the following estimation methods: nearest neighbour (NN), inverse distance squared (ID2) and ordinary kriging (OK).

The estimations were designed as a three-pass system. In the first pass the search distance for estimating is 7.5 x 3.8 x 13.4 m, which was designed to estimate blocks when a minimum of six composites were found up to a maximum of 20 for a estimation using only five composites from any one hole. This pass requires a minimum of two holes in order to estimate a block. The search distance in the second pass is five times the search distances of the first pass and the third pass fifteen times of the first pass. However, a minimum of three composites was only required on the third pass.

17.9 MINERAL RESOURCE CLASSIFICATION

Several factors were used in the determination of the mineral resource classification as follows:

- CIM requirements and guidelines
- Experience with similar deposits
- Spatial continuity of the mineralization

No known environmental, permitting, legal, title, taxation, socio-economic, marketing or other relevant issues are known to the authors that may affect the estimate of a mineral resource. Mineral reserves can only be estimated on the basis of an economic evaluation that is used in a preliminary feasibility or a feasibility study on a mineral project, thus no reserves have been estimated. As per NI 43-101, mineral resources that are not mineral reserves do not have demonstrated economic viability. The summary of the mineral resource classification is outlined in Table 17.10.

Classification of Indicated resource is defined as follows:

Search parameters of 37.5 x 19.0 x 67.0 metres
Minimum of two drill holes
Minimum of six composites, and maximum of five from any one hole

The remainder of the interpreted three-dimensional wireframe was classifed as Inferred based on search parameters of 112.5 x 57.0 x 201 metres, minimum 3 composites and maximum of five from any one hole. The location of Indicated and Inferred resources on the Property are shown in Figure 17.2.

Table 17.8 Shining Tree Variography

		Rotation			1st Structure				2nd Structure			
		Z	Y	X	Sill	X	Y	Z	Sill	X	Y	Z
Metal	Nugget	VANGLE1	VANGEL2	VANGLE3	Parameter	ST1PAR1	ST1PAR2	ST1PAR3	Parameter	ST2PAR1	ST2PAR2	ST2PAR3
Ni,Cu and Co	0.15	-6	93	31	0.73	7.5	3.8	13.4	0.12	33.4	26.4	374.7

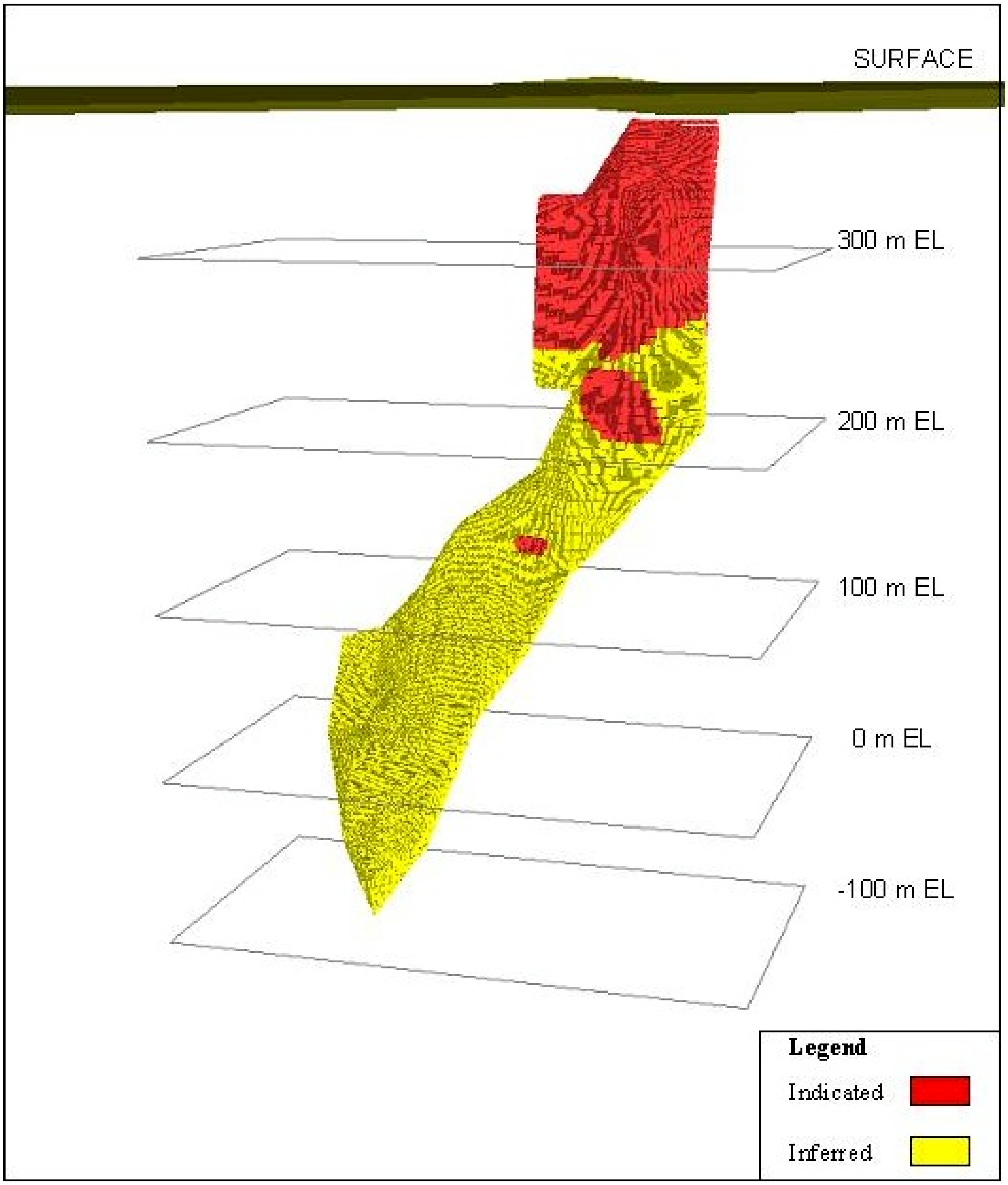
Table 17.9 Block Model Limits

Coordinate	Number of Blocks	Minimum	Maximum
X	50	486600	486850
Y	50	5267300	5267550
Z	100	-100	400

Table 17.10 Summarizes the Resource Classification Criteria

	Search Parameters (metres)			Number of Composites		
Resource Classification	X	Y	Z	Minimum	Maximum	Maximum per Drill Hole
Indicated	37.5	19.0	67.0	6	20	5
Inferred	112.5	57.0	201.0	3	20	5

Figure 17.2 Location of the Indicated and Inferred Resources



17.10 MINERAL RESOURCE TABULATION

The mineral resource estimation for the Shining Tree project is tabulated in Tables 17.11 and 17.12 for the Indicated and Inferred resources respectively. The resources are tabulated based on the NIEQ greater than 0.3% and displaying every 0.1% to an upper bound of 1.5% as defined in the Equivalency Formula section of this chapter of the report.

Table 17.11 Shining Tree Cumulative Indicated Resources by NIEQ% Cut-off

NIEQ% Cut-off	Tonnes	Ni%	Cu%	Co%
>1.5	40,000	1.47	0.73	0.04
>1.4	70,000	1.40	0.69	0.03
>1.3	100,000	1.33	0.65	0.03
>1.2	140,000	1.27	0.62	0.03
>1.1	200,000	1.20	0.59	0.03
>1.0	270,000	1.13	0.55	0.03
>0.9	370,000	1.05	0.51	0.03
>0.8	470,000	0.99	0.48	0.03
>0.7	550,000	0.94	0.46	0.03
>0.6	650,000	0.89	0.44	0.03
>0.5	770,000	0.82	0.41	0.02
>0.4	910,000	0.76	0.38	0.02
>0.3	1,020,000	0.71	0.36	0.02

Table 17.12 Shining Tree Cumulative Inferred Resources by NIEQ% Cut-off

NIEQ% Cut-off	Tonnes	Ni%	Cu%	Co%
>1.5	40,000	1.39	0.70	0.05
>1.4	80,000	1.33	0.69	0.05
>1.3	140,000	1.27	0.67	0.05
>1.2	200,000	1.22	0.64	0.05
>1.1	290,000	1.16	0.60	0.04
>1.0	360,000	1.11	0.57	0.04
>0.9	460,000	1.06	0.54	0.04
>0.8	580,000	0.99	0.51	0.04
>0.7	690,000	0.94	0.49	0.04
>0.6	830,000	0.87	0.46	0.03
>0.5	1,050,000	0.79	0.42	0.03
>0.4	1,340,000	0.71	0.38	0.03
>0.3	1,490,000	0.67	0.36	0.03

17.11 BLOCK MODEL VALIDATION

The Shining Tree resource estimation grade model was validated by the following methods:

- Comparison of the global mean based on NN, ID2 and OK estimation methods.
- Visual comparison of colour coded block grades for the three estimation methods of NN, ID2 and OK.
- Swath plot comparisons of the estimated methods of NN, ID2 and OK in section and plan

17.11.1 GLOBAL COMPARISON

The global block model estimation for the OK method was compared to that of the global estimation of the NN and ID2 model values. Table 17.13 shows the comparisons for the three estimation methods using all the blocks. In general there is agreement between the OK model and NN and similar values were identified by ID2.

Table 17.13 Global Resource by Estimation Method

Estimation Method	Tonnes	Ni%	Cu%	Co%
NN	2,730,000	0.67	0.35	0.02
ID2	2,730,000	0.60	0.31	0.02
OK	2,730,000	0.64	0.34	0.02

There are larger discrepancies between the method values as a result of lower drill density in some portions of the model. There is a degree of smoothing apparent from the OK, which reflects the estimation method.

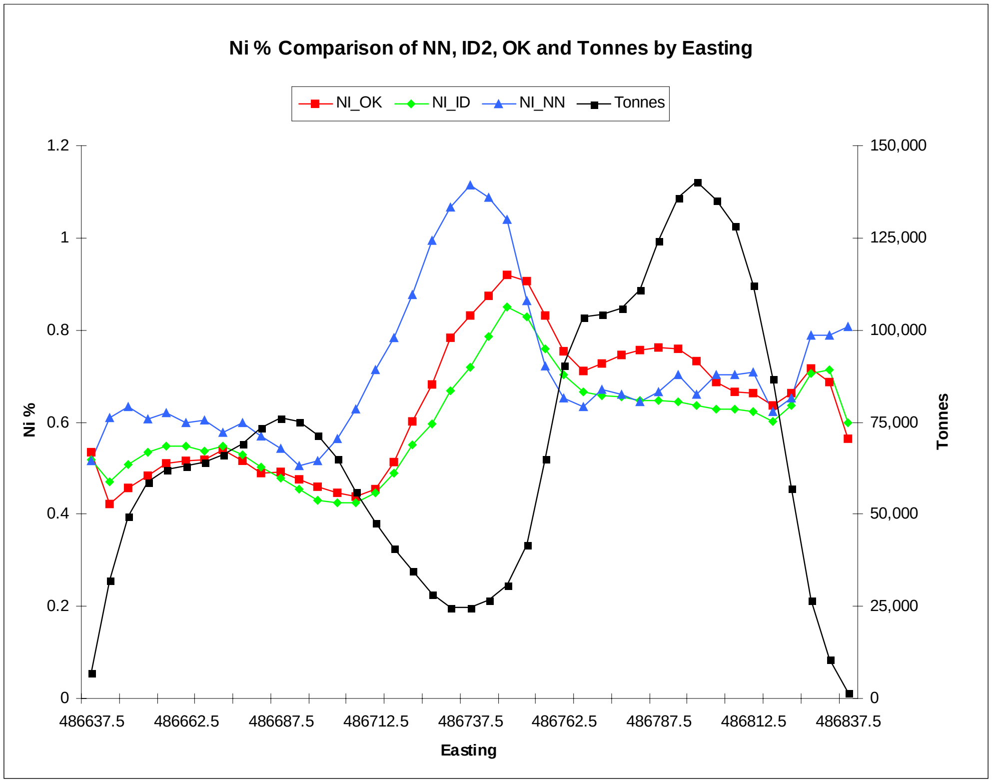
17.11.2 VISUAL COMPARISON

The visual comparisons of block model grades with composite grades for each of the three metals show a reasonable correlation between the values. No significant discrepancies were apparent between section and plan views. Appendix G contains representative sections for the OK block model estimates and drill hole composites.

17.11.3 SWATH PLOT COMPARISON

Swath plots of the estimated blocks on easting, northing sections and by elevation is another mode of direct comparison between the models. Generally ordinary kriging reflects the greatest smoothing followed by inverse distance squared weighting and than nearest neighbour estimation methods. Along the margins of mineralization and in areas of data density extremes the apparent relationships between the grade estimations may change. This is reflected in the swath plots as the depth increases and data density drops off. The swath plots show a general similar grade trend for the models see Figures 17.3, 17.4 and 17.5.

Figure 17.3 Swath Plot Comparison in Easting for Nickel and Copper by Estimation Method and Tonnage



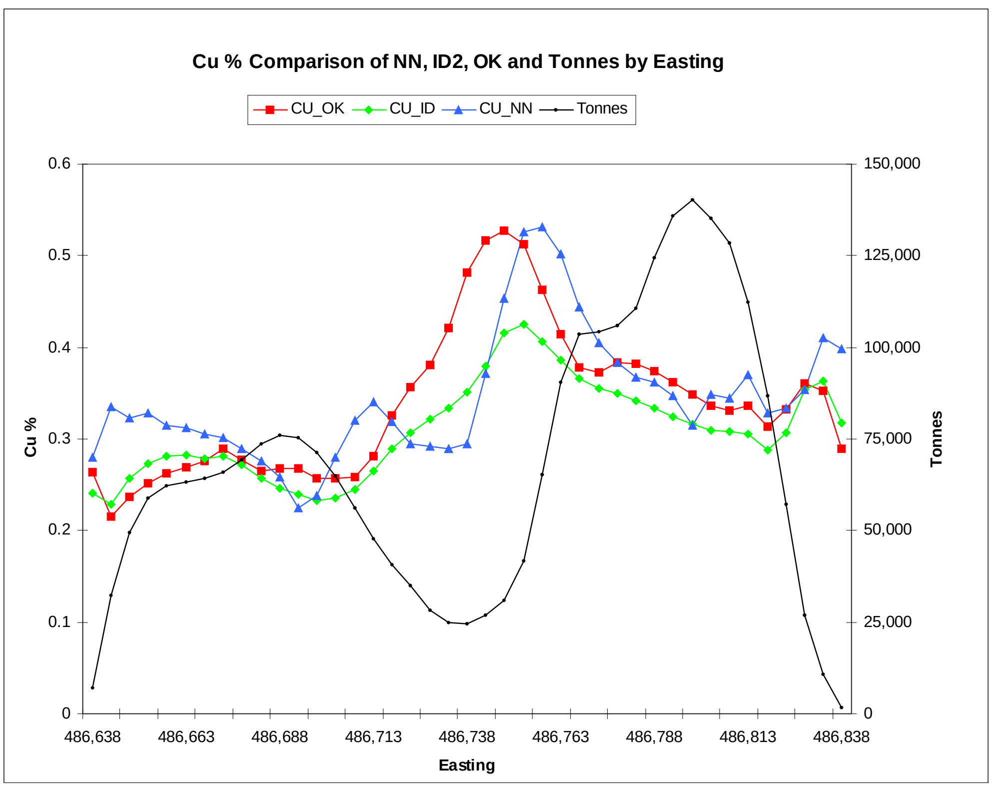
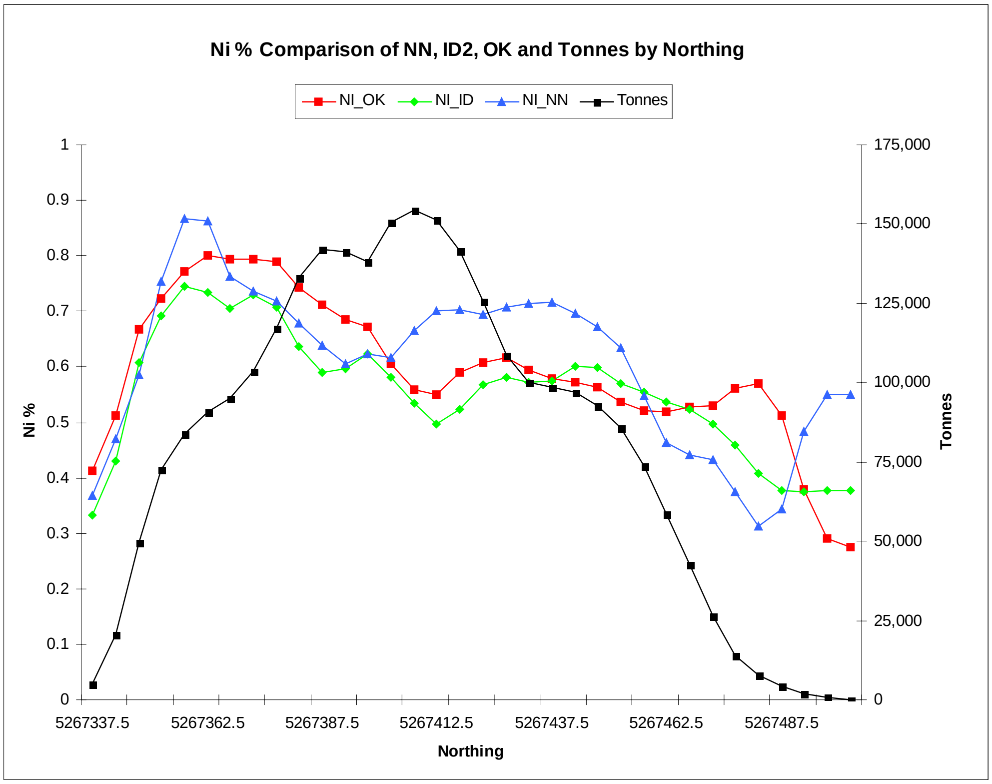


Figure 17.4 Swath Plot Comparison in Northing for Nickel and Copper by Estimation Method and Tonnage



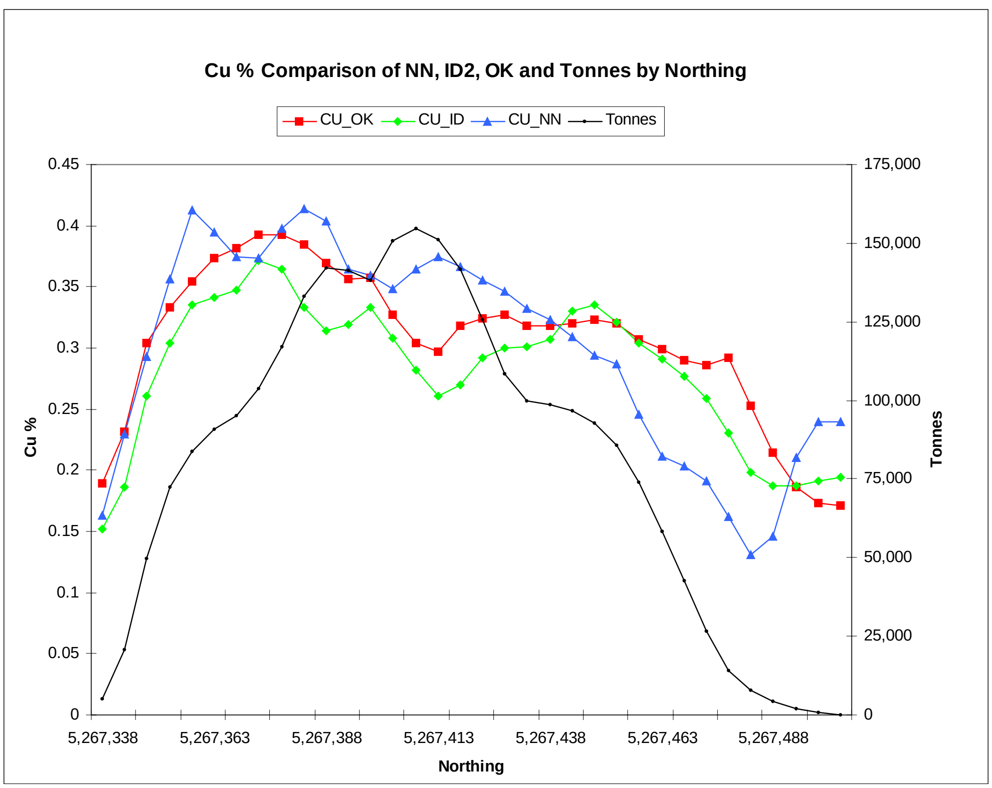
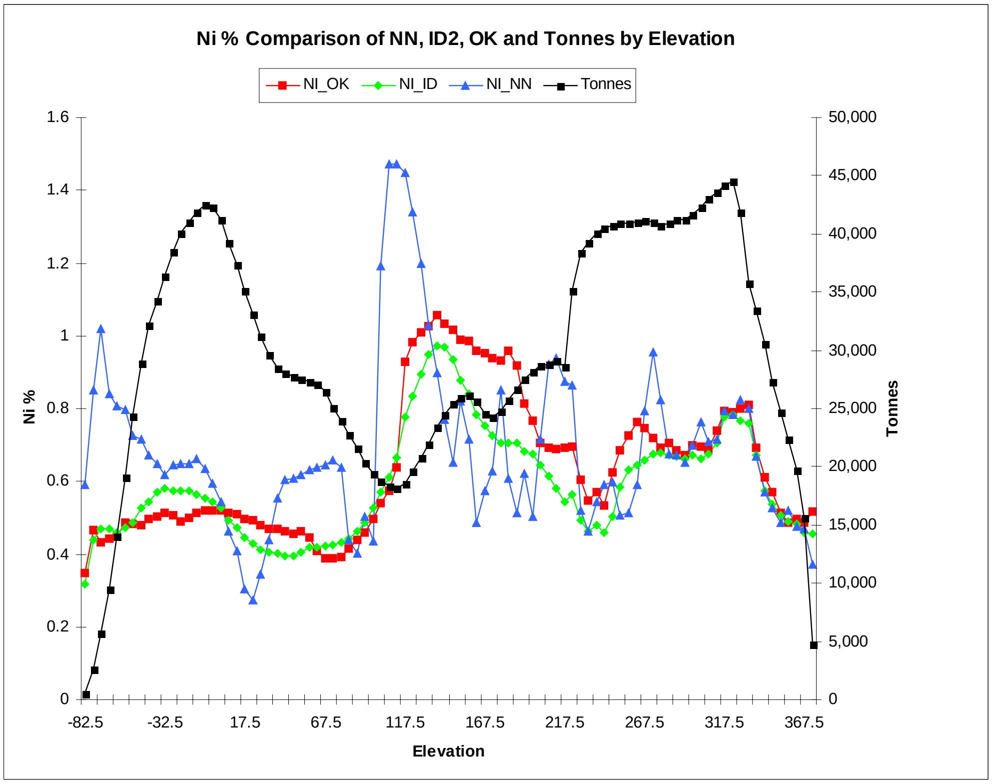
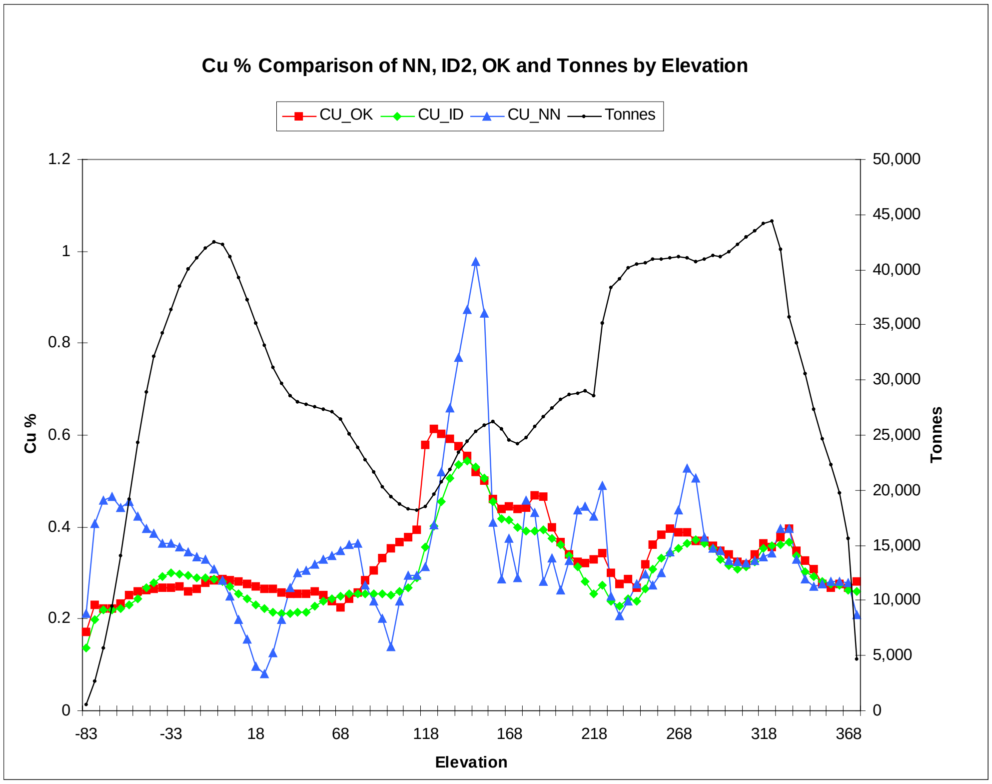


Figure 17.5 Swath Plot Comparison in Elevation for Nickel and Copper by Estimation Method and Tonnage





18.0 CONCLUSIONS & RECOMMENDATIONS

18.1 CONCLUSIONS

Wardrop has conducted a mineral resource estimate on the Shining Tree Property. The nickel-copper mineralization is hosted within a gabbro-anorthositic complex. The resource was estimated from an interpreted mineralized envelope based on a 0.30% nickel-equivalent cut-off from eighteen drill holes.

Data verification of the drill hole database, drill core review and site visit suggested that the information is reliable and is believed to be accurate.

At a nickel-equivalent cut-off grade of 0.30% the Property contains an Indicated resource of 1.02 million tonnes grading 0.71% nickel and 0.36% copper plus an Inferred resource of 1.49 million tonnes grading 0.67% nickel and 0.36% copper.

The resource was interpolated by the following three methods of: nearest neighbour, inverse distance squared and ordinary kriging. No significant discrepancies exist between the methods and ordinary kriging is used for the resource tabulation.

18.2 RECOMMENDATIONS

Additional, drilling is recommended in the upper southeast portion of the zone in order to better define the on strike extents. Infill holes will improve the spatial continuity of the mineralization in order to improve the resource classification. The lower portion of the mineralized envelope that lies below 220m from surface is defined by three holes. This area requires additional drilling information in order to increase the confidence and upgrade the area from Inferred to Indicated. The additional drilling will provide valuable information for grade continuity and especially on the mineralization contact at depths.

Metallurgical testing on previously drilled core should be implemented as grade and mineralogy will determine the recovery of metals and the economics of the deposit.

Supplementary bulk density determinations on specific mineralization type should be investigated and assigned to resource block model data for estimating.

Furthermore, a preliminary economic investigation should be undertaken to determine the extent of mining the mineralization by open-pit methods.

19.0 REFERENCES

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20.0 CERTIFICATE OF AUTHORS

I, Robert Carter of Oakville, Ontario, do hereby certify that as author of this Shining Tree Property Technical Report, dated February 14, 2006, I hereby make the following statements:

I am Geologist with Wardrop Engineering Inc. with a business address at 604-330 Bay Street, Toronto, ON, M5H 2S8.

- I am a graduate of University of Manitoba (B.Sc. Geological Engineering, 1997).
- I am a member in good standing of the Association of Professional Engineers of Ontario, Registration #00089189.
- I am a member in good standing of the Association of Professional Engineers & Geoscientists of the Province of Manitoba, Registration #21836.
- I have practised my profession in mineral exploration continuously since graduation.
- 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 purpose of NI 43-101.
- I am responsible for all sections of this technical report titled “Shining Tree”, dated February 10, 2006. I have visited the Property on November 30, 2005 and reviewed drill core on December 1, 2005.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- As of the date of this Certificate, to my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
- I am independent of the Issuer applying the tests set out in Section 1.5 of National Instrument 43-101.
- I have read National Instrument 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.
- I consent to the filing of this Technical Report with any stock exchange or other regulatory authority and any publication by them, including electronic publication in the

public company files on their web sites accessible by the public, of this Technical Report.

Signed and dated this 14th day of February 2006 at Toronto, Ontario.

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