Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada

Report Prepared for

Queenston Mining Inc.

Report Prepared by

SRK Consulting (Canada) Inc.
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Cover: Drilling at the Upper Beaver Project, during August 2012

IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* Technical Report for Queenston Mining Inc. (Queenston) by SRK Consulting (Canada) Inc. (SRK). The quality of information, conclusions, and estimates contained herein is consistent with the quality of effort involved in SRK's services. The information, conclusions, and estimates contained herein are based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Queenston subject to the terms and conditions of its contract with SRK and relevant securities legislation. The contract permits Queenston to file this report as a Technical Report with Canadian securities regulatory authorities pursuant to National Instrument 43-101. Except for the purposes legislated under provincial securities law, any other uses of this report by any third party is at that party's sole risk. The responsibility for this disclosure remains with Queenston. The user of this document should ensure that this is the most recent Technical Report for the property as it is not valid if a new Technical Report has been issued.

Executive Summary

Introduction

The Upper Beaver project is a pre-development, gold-copper exploration project located near Kirkland Lake in Ontario, Canada. Queenston Mining Inc. (Queenston) holds a 100 percent interest in the project.

This technical report documents the third Mineral Resource Statement prepared for the Upper Beaver project (the first by SRK) pursuant to the guidelines of the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1. The Mineral Resource Statement reported herein was prepared in conformity with generally accepted CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines*.

The previous mineral resource models were prepared by Watts, Griffis and McOuat Limited (WGM) in 2008 and was updated in 2011. A Preliminary Economic Assessment (PEA) of the Upper Beaver project was completed by P&E Mining Consultants Inc. (P&E) as documented in a technical report dated March 30, 2012. This third mineral resource model considers an additional 114 core boreholes (64,891 metres) drilled since June 2011.

The technical information and economic parameters used in the PEA are still considered relevant to the Upper Beaver project and are reproduced in full in this report. It is important to note that the results of the PEA results reported herein are based on the earlier June 2011 mineral resource model and that the studies related to the PEA were not updated to consider the new mineral resource model documented herein.

Property Description and Ownership

The project is situated in the Upper Beaver Claim block, which covers approximately 627 hectares located in the Gauthier and McVittie townships in Northern Ontario, Canada. The Upper Beaver project consists of 45 patented claims covering 746 hectares and three leased claims (one lease) covering 54 hectares, all having surface and mining rights. The property patented minerals rights are owned 100 percent by Queenston with certain claims subject to royalties to other parties.

The property is accessible from Highway 66 via a paved road to the village of Dobie, which is located 11 kilometres west of the town of Larder Lake. From the village of Dobie, the Beaverhouse Road travels approximately 6 kilometres northeast to Beaverhouse Lake. The historic Upper Beaver East and West mines and the new advanced exploration project site are each located within 200 metres of the Beaverhouse Road. The nearest large town, Kirkland Lake, lies approximately 25 kilometres to the west. Kirkland Lake is a historic and active gold mining town with an approximate population of 10,000.

History

There is a relatively continuous history of mining and mineral exploration in the region of the Upper Beaver project; shaft sinking on many mine properties began as early as 1912. Intermittent underground production finally ceased at the last operating mine in the township in 1971 at the Upper Canada mine.

Queenston began exploration activities at the Upper Beaver in 2000 after re-acquiring 100 percent interest in the property.

Geology and Mineralization

The Upper Beaver property lies in the eastern portion of the Kirkland Lake gold camp of northern Ontario, within part of the southern Abitibi Greenstone Belt of the Superior Province of the Canadian Shield. The area is underlain by a succession of Archean supracrustal rock assemblages that from oldest to youngest are represented by the Tisdale, Blake River, and Timiskaming assemblages, which are in turn intruded by a series of syenitic intrusions.

The Upper Beaver property is underlain by volcanic, volcaniclastic, and epiclastic rocks of the Gauthier (Upper Tisdale) and Lower Blake River Groups. On the project scale, rocks of the Gauthier Group are represented by intermediate to felsic ash, lapilli tuff, chert, and minor carbonaceous sedimentary rocks, which occupy the north limb of the east-west trending, easterly plunging Spectacle Lake Antiform. These are overlain by the volcanic rocks of the Blake River Group, which are represented by pillowed to massive iron-rich tholeiites with lesser magnesium-rich tholeiites and related interflow clastic sedimentary rock. The geology of the Upper Beaver property is lithologically complex with a wide variety of rock types intersected by core drilling. Outcrop exposures on the property are relatively sparse.

The Upper Beaver Intrusive Complex is a roughly circular polyphase intrusion measuring approximately 1 kilometre in diameter, consisting of a main igneous body with associated dikes emplaced within mafic volcanic rocks of the Blake River Group.

The gold-copper mineralization discussed herein is mainly hosted in the Upper Beaver Intrusive complex. It is associated with disseminated sulphide (mainly pyrite and chalcopyrite) and minor sulphide veining in strongly altered rock. The copper mineralization is often associated with gold, but also occurs separately. The controls on the distribution of the copper mineralization remain poorly understood. It is an atypical association for the gold mineralization of the Kirkland Lake district. Drilling data has defined six steeply dipping zones (200, North Contact, Porphyry East, Porphyry West, Q, and Syenite Breccia) as steeply dipping vein and fracture systems; and one shallow dipping zone, which consists of replacement style mineralization (South Contact).

Exploration and Drilling

In 2000, Queenston initiated reconnaissance drilling in order to confirm gold mineralization within the Upper Beaver project area. Between 2005 and 2012, various phases of resource delineation drilling were completed. Since 2000, Queenston had drilled 353 core boreholes and wedge cuts (222,524 metres) in the vicinity of the Upper Beaver project to explore and define the gold and copper mineralization.

The procedures used by Queenston to acquire and manage exploration data meet or exceed generally recognized industry best practices. After review, SRK considers that the Upper Beaver exploration data are of sufficient quality to support mineral resource evaluation. In the opinion of SRK, the sampling procedures used by Queenston conform to industry best practice and the resultant drilling pattern is sufficiently dense to interpret the geometry and the boundaries of the gold-copper mineralization with confidence. All drilling sampling was conducted by appropriately qualified personnel under the direct supervision of appropriately qualified geologists.

Queenston used Swastika Laboratories, Inc. of Swastika, Ontario as the primary laboratory for preparing and assaying all samples from the Upper Beaver project, except for the period of March to July 2011 when Accurassay Laboratories of Thunder Bay, Ontario acted as the primary laboratory for the project. At both laboratory facilities, samples were prepared and assayed for gold using standard lead fusion fire assay procedure with atomic absorption or gravimetric finish. For copper assays, samples were digested by aqua regia and assayed using a atomic absorption spectroscopy finish

The analytical quality control program developed by Queenston is appropriate for this exploration project and was overseen by appropriately qualified geologists. In the opinion of SRK, the exploration data from the Upper Beaver project were acquired using sampling preparation, security, and analytical procedures that are consistent with, and often exceed, generally accepted industry best practices and are, therefore, adequate for a resource delineation exploration property. After review, SRK considers that the sampling approach used by Queenston did not introduce a sampling bias.

Data Verifications

Queenston’s exploration work was conducted under a quality management system involving all stages of exploration, from drilling to resource estimation. All field data were recorded digitally using standardized

Microsoft Excel spreadsheet templates that ensured all relevant information was captured, with appropriate validation procedures in place.

In accordance with National Instrument 43-101 guidelines, Mr. Sébastien Bernier, P.Geo. (APGO #1847) and Mr. Glen Cole, P.Geo. (APGO#1416), full time employees of SRK, visited the Upper Beaver project site on August 1 and 2, 2012. During the site visit, active drilling was taking place. The purpose of the site visit was to inspect the property, ascertain the geological setting of the Upper Beaver project and witness the extent of the exploration work carried out on the property.

SRK collected 26 core samples for verification assaying during the site visit. SRK collected quarter core samples from the remaining half split core to replicate 26 original sampling intervals in Boreholes UB09-148 and UB11-174. The verification samples were sent by SRK to AGAT Laboratories, Inc. The verification samples collected by SRK confirm that there is gold and copper mineralization in the sampled borehole core. The SRK results are comparable to the Queenston results.

In the opinion of SRK, the results of the analytical quality control data received from the Swastika and Accurassay laboratories from February 2007 to August 2012 are sufficiently reliable for the purpose of resource estimation. Other than indicated above, the data sets examined by SRK do not present obvious evidence of analytical bias.

Mineral Resource Estimates

The Mineral Resource Statement presented herein represents the third mineral resource evaluation prepared for the Upper Beaver property pursuant to the Canadian Securities Administrators' National Instrument 43-101. The mineral resource model prepared by SRK considers 353 core drilled by Queenston during the period of 2000 to 2012. The resource modelling work was completed by Mr. Sébastien Bernier (APGO#1847) under the supervision of Mr. Cole (APGO#1416). Mr. Bernier and Mr. Cole are independent Qualified Persons as defined by National Instrument 43-101. The effective date of the Mineral Resource Statement is September 20, 2012.

The Upper Beaver exploration database was audited by SRK. The current drilling information is sufficiently reliable to interpret with confidence the boundaries of the gold mineralization and that the assaying data is sufficiently reliable to support mineral resource estimation. The exploration database contains information for 353 inclined NQ core boreholes (222,524 metres). SRK considered assay data available to August 16, 2012.

The geological interpretation prepared by Queenston using a 1.00 gram of gold per tonne (gpt gold) cut-off grade is consistent with what SRK examined during the site visit. Only the gold mineralization was considered for defining the boundaries of the gold-copper mineralization considered for mineral resource modelling. Six steeply dipping zones (200, North Contact, Porphyry East, Porphyry West, Q, and Syenite Breccia) and one flat dipping zone (South Contact) have been defined from the drilling data and were considered as resource domains.

The mineral resources were modelled using a geostatistical block modelling approach constrained by the seven resource domains. An unrotated block model aligned with the local mine grid was constructed. The parent block size was set at 5 by 2 by 5 metres. The subcell function of CAE Studio 3 was used but only parent blocks were estimated.

Gold and copper assay data were composited to 1.0 metre length and extracted for geostatistical analysis and variography. For gold and copper, SRK evaluated the spatial distributions using variogram and correlogram and its normal score transform. The block model was populated with gold and copper grade using ordinary kriging. Three estimation runs were used considering increasing search neighbourhoods and less restrictive search criteria. The first estimation pass considered search neighbourhoods adjusted to full range of the modelled correlogram. A uniform specific gravity value of 2.75 was applied to all mineral resource domains.

Blocks estimated during the first estimation run considering full variogram ranges and informed by at least three boreholes were classified in the Indicated category within the meaning of the CIM *Definition Standards* *for Mineral Resources and Mineral Reserves*. Blocks estimated during the second and third estimation pass were classified in the Inferred category.

The “reasonable prospects for economic extraction” requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade that takes into account extraction scenarios and processing recoveries. SRK considers that the gold-copper mineralization at the Upper Beaver project is amenable to underground extraction. SRK considers that it is appropriate to report the mineral resources of the Upper Beaver project at a cut-off grade of 2.00 gpt gold.

The Mineral Resource Statement for the Upper Beaver gold project is presented in Table i was prepared by Mr. Sébastien Bernier (APGO#1847) under the supervision of Mr. Cole (APGO#1416). Mr. Bernier and Mr. Cole are independent Qualified Persons as defined by National Instrument 43-101. The effective date of the Mineral Resource Statement is September 20, 2012.

Table i: Mineral Resource Statement*, Upper Beaver project, Ontario, Canada, SRK Consulting (Canada) Inc., September 20, 2012

Resource	Quantity	Grade		Contained Metal	
Category	(000 t)	Au (gpt)	Cu (%)	Au (ounces)	Cu (pounds)
Indicated	6,870	6.62	0.37	1,461,000	56,006,000
Inferred	4,570	4.85	0.32	712,000	32,218,000

* Reported at a cut-off grade of 2.00 grams of gold per tonne based on underground mining scenario, metal prices of US$1,300 per ounce for gold, US$3.00 per pound for copper, metallurgical recovery of 98 percent for gold. All figures are rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have a demonstrated economic viability.

Conclusion and Recommendations from the Resource Modelling Work

The Mineral Resource Statement prepared by SRK reflects the current knowledge about the distribution of the gold and copper mineralization and the associated grade trends. Mineralization within the Upper Beaver deposit remains open at depth. The geological setting and character of the gold and copper mineralization delineated to date on the Upper Beaver project are of sufficient merit to justify additional exploration expenditures.. SRK recommends that additional infill and delineation drilling and engineering studies are undertaken to support the preparation of a Feasibility Study.

The proposed drilling program aims at improving the delineation of the gold and copper mineralization and at expanding the mineral resource. Core drilling should be favoured to extend the gold and copper mineralization at depth. Geotechnical assessment of the deposit should also be considered during the drilling program.

Summary of the PEA Technical Report

SRK considers that significant components of the PEA technical report prepared by P&E Mining Consultants, Inc. (P&E) and dated March 30, 2012 remain valid. The PEA technical report was based on resources described in a previous resource estimation technical report prepared by Watts, Griffis and McOuat Limited (WGM) and dated June 15, 2011. The PEA's information has not been updated to consider the revised mineral resource statement discussed herein. The sections below summarize the PEA results and present the key conclusions and recommendations reproduced. This information has not been updated to consider the revised mineral resource statement discussed herein.

Potentially Economic Portion of the Mineral Resources

A potentially economic portion of the mineral resources was estimated as a basis for the preparation of a Preliminary Economic Assessment. The envisaged underground longhole mining method is estimated to experience mining dilution in the order of 20 percent at zero grade. Mine recovery (extraction) is estimated to be 95 percent. Including mining dilution and recovery, the evaluation shows that the potentially economic portion of the Indicated mineral resources represents 3,713,000 tonnes at a grade of 5.24 gpt gold and 0.41 percent copper. The potentially economic portion of the Inferred mineral resources represents 3,181,000 tonnes at a grade of 4.97 gpt gold and 0.32 percent copper. The potentially economic portion of the mineral resources contains Inferred mineral resources, which have not been sufficiently drilled to confidently demonstrate economic viability. In addition, the work undertaken to date on the potential mining and milling operation at the property is considered to be at conceptual levels of study only.

Conceptual Mining and Processing Plan

A conceptual mining and processing plan has been developed to assess the potential of economically extracting metals from the Deposit. The PEA envisages the development of an underground trackless mining operation with a steady state production rate of 2,000 tonnes per day (tpd) of mill feed.

Access to the deposit would be via a 6.5-metre diameter, concrete lined 1,300-metres deep fresh air shaft. Two hoists would be configured to transport workers and materials between surface and the underground levels. A series of three internal declines would be located in the vicinity of the stoping operations. The primary mining method would be conventional longitudinal longhole retreat with paste backfill. Sublevels would be developed at 35-metre vertical intervals. Drifts- in-ore would be developed to the full width of the deposit. These drifts would provide access for the successive operations of slot raise development, blasthole drilling and blasting and backfill placement. Remotely operated underground load/haul/dump (LHD) units would remove broken mineralization from the stope and from the excavated drifts-in-ore. The stopes would be backfilled primarily with cemented paste backfill, supplemented with waste rock. Stope mining would commence at the -375-metre and -900-metre loading pocket levels and proceed upwards through the mineralization.

It is estimated that 217 stopes would be mined over the mine life. This would generate an average of 2,000 tpd composed of 1,749 stoping tonnes and 251 tonnes from the drift-in-ore and slot raise development.

Gold and copper mineralization would be processed in a 2,000 tpd expandable mill and paste backfill plant using conventional crushing, grinding, flotation and CIL processes. The current flow sheet does not include a gravity circuit as more testing is required to determine if this step is warranted, particularly as the design considerations would examine this mill as a future central facility for all of Queenston's projects within the Kirkland Lake gold camp. P&E has included the capital cost of a gravity circuit in the process plant estimate. Metallurgical testwork completed by SGS Lakefield Research Limited indicates gold recovery of 98 percent and copper recovery of 90 percent using simple floatation and cyanidation. Payable gold and copper are estimated at 95 percent for gold and 90 percent for copper. Approximately, 80 percent of the gold is recovered in flotation with the balance being recovered from CIL. The projected gold-rich copper concentrate would be shipped to a smelter off site.

Ore extraction and processing commences in the third year following the commencement of project development with commercial production during the fourth year.

Power to the property would be supplied by extending the existing 115-kV line 2 kilometres to a substation then through a new 7 kilometres long 44-kV transmission and communications line to the property. Overall site power consumption during potential mining and milling operations is estimated to be approximately 15 MW.

Tailings generated by the processing of the mineralized rock from the mine, will disposed into the existing historical tailings management facility (TMF), approximately 4 kilometres from the site. Separate engineering and environmental studies are currently underway on this facility. The TMF design would incorporate features to manage the chemical and physical stability of the deposited tailings in accordance with existing and new practices. Approximately 45 – 65 percent of the tailings would be deposited in the TMF. The remainder would be converted to paste backfill and deposited underground during the stoping operations.

Major surface facilities to support the Upper Beaver mine would include an administration/engineering building, mineral process and paste backfill plant, warehouse, fuel storage, explosive storage, effluent treatment facility, fire protection and maintenance shop. While a construction camp for the project development phase is included in this study, it would not be required during operations.

Environmental Impact and Rehabilitation

Rehabilitation measures will be designed to ensure the long-term physical and chemical stability of the site in accordance with Ontario's closure plan approval process. The rehabilitation measures would return the site to a productive land use.

Environmental baseline studies to support the advanced exploration project permitting process and permit applications are underway. The terms of reference for the environmental assessment of the proposed producing mine and mill have yet to be established.

The current development plan envisions the expansion of the historic tailings impoundment site in order to support future mining. Testing to date indicates that the Upper Beaver mill tailings would be non-acid generating. The Project would be developed, operated and closed in accordance with environmental and health and safety regulatory requirements.

Capital and Operating Costs

The estimated total capital costs for the project is C$418.1 million. This is composed of approximately C$240.1 million in preproduction capital costs and C$178.0 million in sustaining capital costs. The estimated total average operating cost of the mine is C$73.06 per tonne of rock milled.

Financial Evaluation

The project shows was evaluated on an after-tax cash flow basis and it generates a net cash flow of C$413.9 million, an after-tax internal rate of return of 22.1 percent and an after-tax net present value of C$233.4 million for a discount rate of 5 percent. In the base case scenario, the project has a payback period of approximately 2.5 years from the start of commercial production. The base case scenario is based on metal prices of US$1,275 per ounce of gold and US$3.00 per pound of copper, and an exchange (US$/C$) rate of 0.96. The average life-of-mine cash costs is US$416 per ounce of gold, net of copper credits, at an average operating cost of C$73.06 per tonne of rock processed.

This after-tax base case NPV is most sensitive to the gold metal price followed by the capital cost, operating costs and discount rate.

Conclusions and Recommendations

P&E concluded that the Upper Beaver project has economic potential as an underground mining and mineralized material processing operation producing gold doré and copper concentrate.

P&E recommended that Queenston advance the project with extended and advanced technical studies particularly in metallurgical, geotechnical and environmental matters with the intention to proceed the project to a feasibility stage.

Specifically, it is recommended that Queenston take the following actions to develop the project to a preliminary feasibility study level:

- Complete detailed engineering and develop an exploration shaft which will provide access for bulk sampling and confirm the mineability/continuity of the deposit. This will include shaft sinking contractor selection and hoists procurement;
- Update current mineral resource by incorporating all new drilling that was not included in the 2011 WGM mineral resource;
- Complete the permitting procedure to procure an Advanced Exploration Permit for shaft sinking;
- Continue with baseline studies to support the environmental permitting process;
- Continue to engage the community and aboriginal groups in the project development. It is expected that Queenston will continue to work cooperatively with aboriginal communities to communicate the project's scope, impacts and benefits during the advanced exploration and production stages; and
- Carry out additional metallurgical testwork to improve metallurgical recoveries and process optimization. It is also recommended that tests on direct cyanidation of the mineralization be carried out.

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1 Introduction and Terms of Reference

The Upper Beaver project is a pre-development gold-copper exploration project, located near Kirkland Lake in Ontario, Canada. Queenston Mining Inc. (Queenston) holds a 100 percent interest in the project.

The gold-copper mineralization at the Upper Beaver project is associated with disseminated sulphide and pervasive magnetite, feldspar, actinolite, epidote, carbonate and muscovite alteration. It is atypical for the gold mineralization of the Kirkland Lake district. Six steeply dipping zones (200, North Contact, Porphyry East, Porphyry West, Q and Syenite Breccia) and one flat dipping zone (South Contact) have been defined from core drilling data and were considered as resource domains.

In July 2012, Queenston commissioned SRK Consulting (Canada) Inc. (SRK) to visit the property and prepare an updated mineral resource estimate for the Upper Beaver project. The services were rendered between July 2012 and November 2012 leading to the preparation of the mineral resource statement reported herein, which was disclosed publicly by Queenston in a news release on September 26, 2012.

This technical report documents the third mineral resource statement prepared for the Upper Beaver project. It was prepared following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1. The Mineral Resource Statement reported herein was prepared in conformity with generally accepted CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines*.

The previous mineral resource models were prepared by Watts, Griffis and McOuat Ltd. (WGM) in 2008 and was updated in June 2011 and was used to prepare a Preliminary Economic Assessment for the project which is also documented in a technical report prepared by P&E Mining Consultants Inc. (P&E) and dated March 30, 2012.

1.1 Scope of Work

The scope of work, as defined in a letter of engagement executed on July 31, 2012 between Queenston and SRK includes the construction of a mineral resource model for the gold-copper mineralization delineated by drilling on the Upper Beaver project and the preparation of an independent technical report in compliance with National Instrument 43-101 and Form 43-101F1 guidelines.

This work typically involves the assessment of the following aspects of this project:

- Topography, landscape, access;
- Regional and local geology;
- Exploration history;
- Audit of exploration work carried out on the project;
- Geological modelling;
- Mineral resource estimation and validation;
- Preparation of a mineral resource statement; and
- Recommendations for additional work.

1.2 Work Program

The mineral resource statement reported herein is a collaborative effort between Queenston and SRK personnel. The exploration database compiled and maintained by Queenston was audited by SRK. The geological model and outlines for the gold-copper mineralization were constructed by Queenston from a two-dimensional geological interpretation. In the opinion of SRK, the geological model is a reasonable representation of the distribution of the targeted mineralization at the current level of sampling. The geostatistical analysis, variography and grade models were completed by SRK during the months of August and September, 2012. The mineral resource statement reported herein was presented to Queenston in a memorandum report on September 20, 2012 and disclosed publicly in a news release dated September 26, 2012.

The technical report was assembled in Sudbury and Toronto during the months of October and November, 2012.

1.3 Basis of Technical Report

This report is based on information collected by SRK during a site visit performed on August 1st and 2nd, 2012 and on additional information provided by Queenston throughout the course of SRK's investigations. Other information was obtained from the public domain. SRK has no reason to doubt the reliability of the information provided by Queenston. This technical report is based on the following sources of information:

- Discussions with Queenston personnel;
- Inspection of the Upper Beaver project area, including borehole core;
- Review of exploration data collected by Queenston;
- Information extracted from the WGM June 2011 technical report;
- Information extracted from the P&E March 2012 technical report; and
- Additional information from public domain sources.

1.4 Qualifications of SRK and SRK Team

The SRK Group comprises of more than 1,400 professionals, offering expertise in a wide range of resource engineering disciplines. The independence of the SRK Group is ensured by the fact that it holds no equity in any project it investigates and that its ownership rests solely with its staff. These facts permit SRK to provide its clients with conflict-free and objective recommendations. SRK has a proven track record in undertaking independent assessments of mineral resources and mineral reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies, and financial institutions worldwide. Through its work the SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

The resource evaluation work and the compilation of this technical report were completed by Sébastien Bernier, P.Geo. (APGO#1847) under the supervision of Glen Cole, P.Geo. (APGO#1416). By virtue of their education, membership to a recognized professional association and relevant work experience, Mr. Bernier and Mr. Cole are independent Qualified Persons as this term is defined by National Instrument 43-101. Additional contributions were provided by Oy Leuangthong, P.Eng. (PEO #90563867) for geostatistical studies and variography and Daniel Hewitt, P.Eng. (PEO#1946501) for the preparation of the Mineral Resource Statement. Ms Iris Lenauer and Ms Zoe

Demidjuk assisted with the compilation of portions of the technical report under the supervision of Mr. Bernier and Mr. Cole.

Mr. Bernier is a Senior Consultant (Resource Geology) with SRK. He has been practicing his profession continuously since 2001. He as co-authors several Technical Reports and worked on numerous projects around the world, including North America, South America, Africa and Australia. His expertise is in three-dimensional geological modeling, geostatistical analysis, variography and mineral resource estimation for a base and precious metals, uranium and lithium. Mr. Bernier visited the project between August 1 and 2, 2012.

Mr. Cole is a Principal Consultant (Resource Geology) with SRK. He has been practicing his profession continuously since 1986 and has extensive experience in estimating mineral resources in South and North America as well as in Southern and West Africa. Mr. Cole visited the project between August 1 and 2, 2012.

Dr. Leuangthong is a Principal Consultant (Geostatistics) with SRK. She has been practising her profession continuously since 1998. Her areas of expertise are resource estimation, conditional simulation, and uncertainty assessment using geostatistics. Dr. Leuangthong did not visit the property.

Mr. Hewitt is a Principal Consultant (Mining) with SRK. He has been practicing as a professional engineer continuously since 1978 and has experience in several underground mine methods at operations in Canada. Mr. Hewitt visited the project on two occasions between May 23 and 24, 2012 and on August 22, 2012.

Ms. Zoe Demidjuk is a Consultant (Geology) with SRK. She assisted with the compilation and review of the analytical quality control data. Ms. Demidjuk did not visit the property.

Ms Iris Lenauer is a Consultant (Geology) with SRK. She assisted with the compilation of the technical report. Ms. Lenauer did not visit the property.

Dr. Jean-Francois Couture, P.Geo. (APGO#0197), a Corporate Consultant (Geology) with SRK, reviewed drafts of this technical report prior to their delivery to Queenston as per SRK internal quality management procedures. Dr. Couture did not visit the project.

1.5 Site Visit

In accordance with National Instrument 43-101 guidelines, Mr. Bernier and Mr. Cole visited the Upper Beaver project between August 1 and 2, 2012 accompanied by Mark Masson P.Geo., Project Geologist and by Bill McGuinty P.Geo., Vice-President Exploration of Queenston.

The purpose of the site visit was to review the digitalization of the exploration database and validation procedures, review exploration procedures, define geological modelling procedures, examine borehole core, interview project personnel and collect all relevant information for the preparation of a revised mineral resource model and the compilation of a technical report.

The site visit also aimed at investigating the geological and structural controls on the distribution of the gold-copper mineralization in order to aid the construction of three dimensional gold mineralization domains.

SRK was given full access to relevant data and conducted interviews of Queenston personnel to obtain information on the past exploration work, to understand procedures used to collect, record, store and analyze historical and current exploration data.

1.6 Acknowledgement

SRK would like to acknowledge the support and collaboration provided by Queenston personnel for this assignment. Their collaboration was greatly appreciated and instrumental to the success of this project. Mark Masson P.Geo., Project Geologist and Christal Hanuszczak, Staff Geologist both contributed to parts of this technical report.

Bill McGuinty P.Geo., Vice-President Exploration for Queenston, was instrumental to the success of the project.

1.7 Declaration

SRK's opinion contained herein and effective **September 20, 2012**, is based on information collected by SRK throughout the course of SRK's investigations, which in turn reflect various technical and economic conditions at the time of writing. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report may include technical information that requires subsequent calculations to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of Queenston, and neither SRK nor any affiliate has acted as advisor to Queenston, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

1.8 Cautionary Note Regarding the Preliminary Economic Assessment Study

This technical report includes the results a preliminary economic assessment prepared by P&E Mining Consultants Inc. and documented in a technical report entitled "Technical Report and Preliminary Economic Assessment of the Upper Beaver Gold-Copper Deposit Kirkland Lake, Ontario, Canada" dated March 30, 2012. The information contained in Sections 12, 14 to 21, and portions of Sections 24 and 25 of this technical report were derived from that Preliminary Economic Assessment (PEA) technical report.

The PEA was based on the June 15, 2011 Mineral Resources Statement prepared by Watts, Griffis and McOuat Limited. The results of the PEA continue to be relevant and are valid for the Mineral Resource Statement on which the PEA was based. However, the results of the PEA have not been updated to consider the new Mineral Resource Statement presented herein and, therefore, may not necessarily be extrapolated to the new Indicated, and Inferred categories reported in this report.

The relevant information about the PEA technical report is reproduced here to assure that this technical report is not misleading.

2 Reliance on Other Experts

SRK has not performed an independent verification of land title and tenure information as summarized in Section 3 of this report. SRK did not verify the legality of any underlying agreement(s) that may exist concerning the permits or other agreement(s) between third parties, but have relied on Broden Ladner Gervais LLP as expressed in a legal opinion provided to Queenston on November 7, 2012. A copy of the title opinions is provided in Appendix A. The reliance applies solely to the legal status of the rights disclosed in Sections 3.1 and 3.2 below.

SRK was informed by Queenston that there are no known litigations potentially affecting the Upper Beaver project.

SRK has relied on the metallurgical analysis and recommendations of Peter W. Godbehere, B.Sc., an independent consultant based in Rouyn-Noranda, Quebec. Mr. Godbehere worked for Noranda Inc. and Falconbridge Ltd. from 1969-2004 (almost) continuously, holding various positions as mill metallurgist, mill superintendent, manager Chadbourne mining division, manager, metallurgy and superintendent of business development, primarily at the Horne Smelter, Quebec. Presently, Mr. Godbehere is a consultant in metallurgy, mineral dressing, metal accounting and small mine development for junior exploration, major mining and metallurgical and mine contracting companies. Mr. Godbehere is not a qualified person pursuant to National Instrument 43-101, but Mr. Rene Jackilometrean, P. Eng. of Lakefield Research has supervised and reviewed the underlying metallurgical testing and reporting that is contained in this Technical Report on which Mr. Godbehere based his comments.

3 Property Description and Location

The Upper Beaver property is located in the northeastern portion of Gauthier Township, Figure 1. The property is accessible from Highway 66 via a paved road to the village of Dobie, which is located 11 kilometres west of the town of Larder Lake.

From the village of Dobie, the Beaverhouse Road (a seasonal gravel road) travels approximately 6 kilometres northeast to Beaverhouse Lake. The historic Upper Beaver East and West mines and the new Advanced Exploration Project site are each located within 200 metres of the Beaverhouse Road. Numerous old drill access and logging roads, as well as recently constructed logging roads, provide access throughout the property.

The nearest large town, Kirkland Lake, lies approximately 25 kilometres to the west. Kirkland Lake is a historic and active gold mining town with an approximate population of 10,000.

The geographical coordinates of the proposed Upper Beaver advanced exploration shaft are Universal Transverse Mercator (UTM) 5,335,980 North, 592,150 East, (North American Datum 83).

3.1 Mineral Tenure

The project is situated in the Upper Beaver Claim block which covers approximately 627 hectares located in the Gauthier and McVittie townships (Figure 2).

The Upper Beaver project consists of 45 patented claims covering 746 hectares and three leased claims (one lease) covering 54 hectares, all having surface and mining rights. The property patented minerals rights are owned 100 percent by Queenston with certain claims subject to royalties to other parties.

There are seven unpatented mining claims covering 123 hectares. In total, the Upper Beaver project covers an area of 923 hectares. The claims are detailed in Appendix B. Some surface rights ownership over unpatented claims and some mineral patents belonging to Queenston are held by various third party owners. All of the surface rights in the Upper Beaver project that are not owned by Queenston are located to the southwest of the Upper Beaver shaft site.

All patented claims and leases have been legally surveyed as they are titled properties filed with the Ontario Land Titles office. The unpatented claims have not been surveyed. One lease, Gauthier L106884 (67180), expires August 1st, 2013 but is renewable for 21 years. Unpatented claims are in good standing to 2014 or 2015 depending on the claims and are renewable through assignment of work credits from other contiguous claims where exploration is done on the Upper Beaver property. To maintain the property, approximately C$10,000 per year is required in mining and surface right taxes and lease fees. No costs for unpatented claims.

In addition to the specific shaft sinking activity, the Upper Beaver project will require infrastructure support via roads and high voltage power lines, and the proposed diversion of waste rock to a storage area. Mineral rights along this infrastructure corridor are held by Queenston and surface rights are held by Queenston and others.

The gold-copper mineral resources discussed herein are located in claims LS339, L6246, L6247, L7055, L2602 and L2587.

The Upper beaver property (patented claims) were acquired by Upper Canada Gold Mines Inc., a predecessor company to Queenston in 1965 and the property was mined by Upper Canada Mines until the Upper Canada mine closed in 1971 . All Upper Canada mining assets, including Upper Beaver, were transferred to Queenston in the 1970s as a result of corporate consolidation. In 1989, Queenston formed a joint venture (Beaverhouse Resources) with Pamorex Minerals Inc., and subsequently with Pamorex Inc. successor of Royal Oak Mines Ltd. This joint venture continued exploration activities until 1997, discovering four new gold zones. In 2000, Royal Oak withdrew from the joint venture and Queenston regained a 100 percent interest in the property. Queenston subsequently acquired two additional patented claims located on the west side of the property from a private interest.

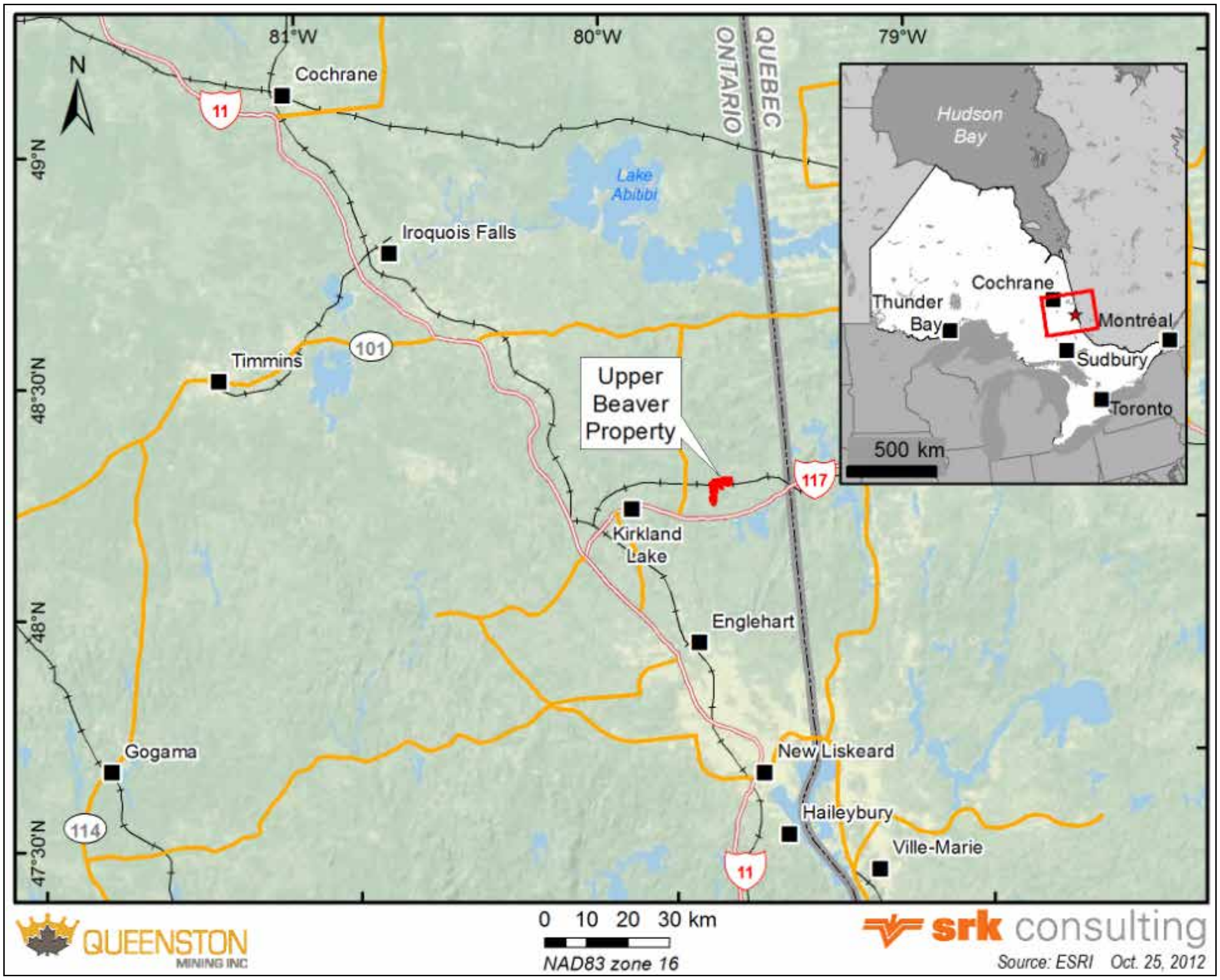


Figure 1: Location of the Upper Beaver Property

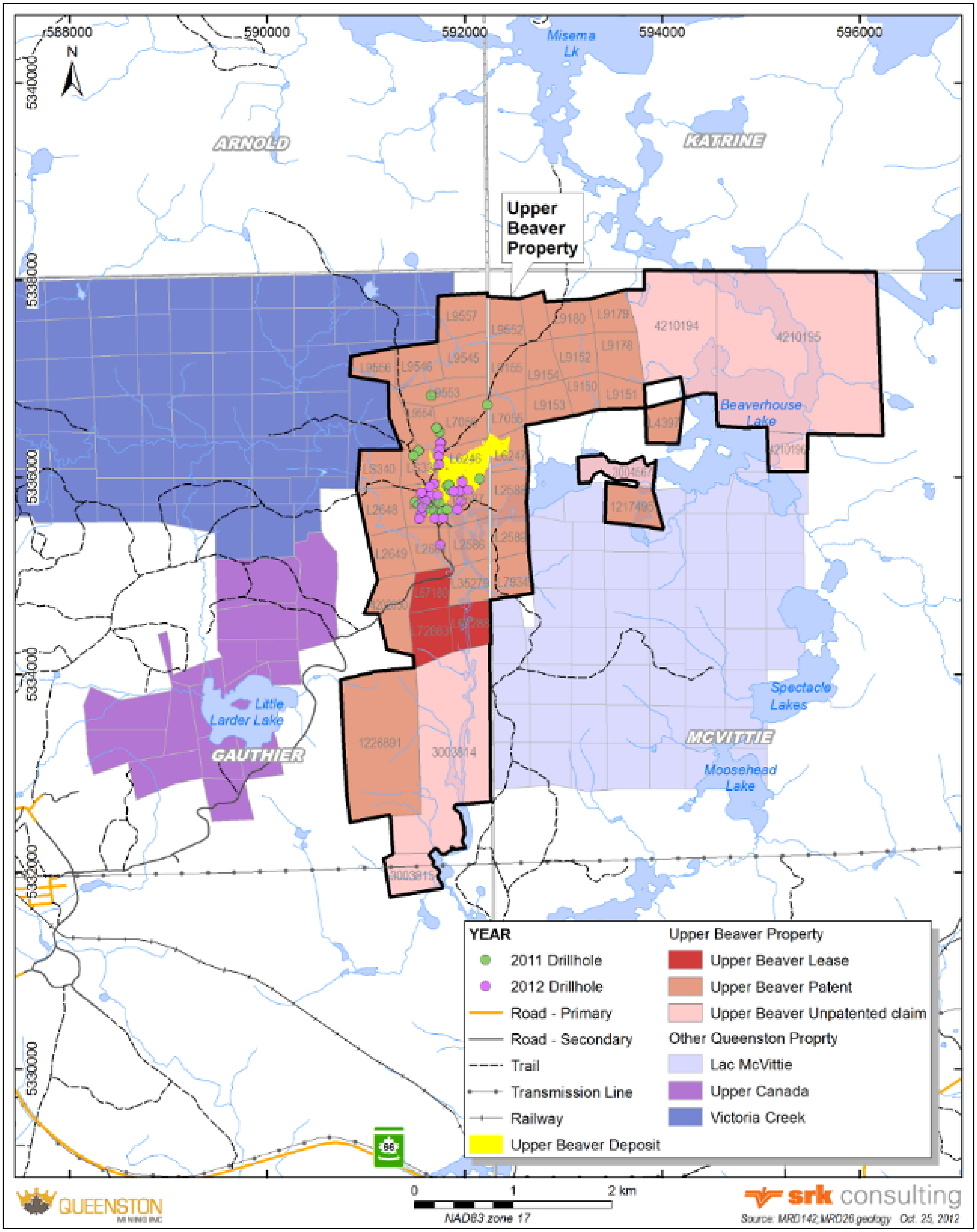


Figure 2: Upper Beaver Property Claims

3.2 Underlying Agreements

Contact Diamond Mines Corp., formerly Sudbury Contact Mines Ltd., holds 100 percent of the diamond rights only on the 35 leased and patented claims. On Claims L2648 and L2649, Timmins Forest Products holds a 2 percent net smelter return (NSR) royalty. Queenston has the right to purchase 50 percent of the royalty, at any time, for C$1,000,000 and retains a First Right of Refusal on any third party offer to purchase the royalty.

3.3 Permits and Authorization

No permits were required to conduct the drilling programs.

3.4 Environmental Considerations

SRK understands that there are limited environmental liabilities associated with past exploration and mining activities on the property. There are some mill tailings from the 1920s stamp mills, but their extent is unknown due to the re-vegetation of the mine site. The last production (1965–1972) from the property was trucked to the Upper Canada mill located 7 kilometres to the southwest and tailings were stored at this operation.

Three shafts are located on the property. Shaft #3 on the west shore of York Lake was the main production shaft for the previous underground operation. It extends to a depth of 605 feet (184 metres), with an internal winze from the 500 to the 1,250-foot level. Levels are established at 80, 200, 350 and 500 feet, and, at 125-foot intervals from the 500-foot level to 1,250 feet (381 metres). The shaft is capped. A waste pile from the early 1919–1935 underground development is located east of Shaft #3 at the edge of Beaverhouse Lake. This waste material is non-acid generating and about 60 percent of it was used in 2003 to local build roads. Shaft #1 is located further east, on the east shore of York Lake. It is 102 feet (31 metres) deep and waste rock filled. Less is known about Shaft #2, but historic plans show it to be 68 metres south-southwest of Shaft #3 at the northern end of the G Vein. The shaft (estimated at 15 metres deep) is now incorporated into the G Vein open cut, which is backfilled with waste rock.

In addition to the three shafts, two adits dating to 1912–1919 on the H and K veins are present. Both are backfilled. As noted above, an open cut on the G Vein was backfilled with mine rock, along with capping of various raises, and refurbishment of the fencing and timber at the remaining hazards between 2001 and 2004.

Queenston began engagement activities with Aboriginal groups in 2009 and has been conducting meetings with representative of three First Nations and the Métis Nation of Ontario on a regular basis since that time. Queenston is working to advice about current and future exploration activities and is seeking to develop agreements with each Aboriginal group. It is expected that under the auspices of such agreements these communities may be engaged to assure concerns related to their Traditional values are known and incorporated into Queenston's mitigation strategy.

3.5 Mining Rights in Ontario

The Upper Beaver project is located in Ontario, a province that has a well understood permitting process in place and one that is coordinated with the federal regulatory agencies. As is the case for similar mine developments in Canada, the project may be subject to federal and provincial environmental assessment processes based on certain project triggers. Due to the complexity and size of such projects, various federal and provincial agencies have jurisdiction to either provide authorizations or permits that enable project construction to proceed.

Federal agencies that have significant regulatory involvement at the pre-production phase include the Canadian Environmental Assessment Agency, Environment Canada, Natural Resources Canada as well as Fisheries and Oceans Canada. On the provincial agency side, the Ontario Ministry of Northern Development and Mines, Ministry of Environment, Ministry of Transportation as well as the Ministry of Natural Resources each have key project development permit responsibilities.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Accessibility

The property is accessible from Highway 66. Beaverhouse Road crosses Highway 66, 11 kilometres west of the town of Larder Lake. Beaverhouse Road is a gravel road that extends from the village of Dobie to Beaverhouse Lake, a distance of 7 kilometres. Numerous old drill access roads and recently constructed logging roads provide excellent access to the property.

4.2 Local Resources and Infrastructure

The property is located approximately 25 kilometres east of the town of Kirkland Lake, Ontario (Figure 3). Kirkland Lake is the main commercial centre for the north part of the Timiskaming District and it has skilled and capable workforce with experience in mining and mineral exploration.

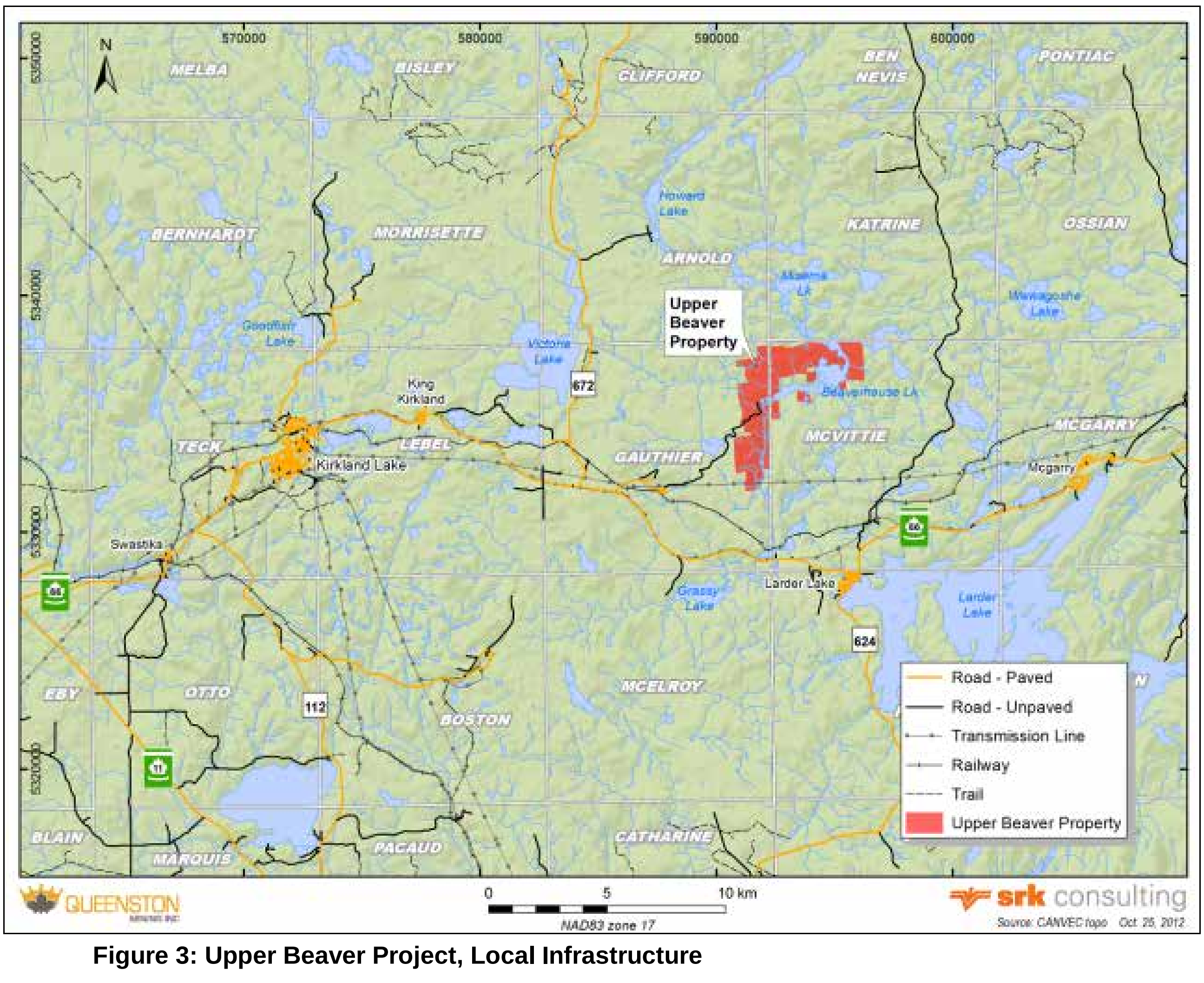


Figure 3: Upper Beaver Project, Local Infrastructure

There is no electrical power into the property. The closest power line from which adequate power for mine operations is available is located 7 kilometres to the south-southwest near the Upper Canada mine site at Dobie, Ontario.

Water is available from rivers, ponds, and creeks within the Upper Beaver property.

4.3 Climate

The region has a mid-latitude continental climate, with temperatures ranging from 30 degrees Celsius in the summer to -35 degrees Celsius in the winter. Winters are long and cold, with mean monthly temperatures below freezing for five months of the year (November to March). Annual precipitation is about 975 millimetres, with half of that in the summer months.

The winter snow pack averages 50 centimetres to 90 centimetres. Lake ice forms by mid-November and usually melts by mid-April. Field operations are possible year round with the exception of limitations imposed by lakes and swamps and the periods of break-up and freeze-up.

Vegetation is mixed bush with spruce, fir, larch, jack pine, poplar, birch, ash, and alders. The patented claims were recently logged. Soil conditions and drainage tend to dictate the type of vegetation from open wet swamps to bare outcrop scarps.

4.4 Physiography

The topography is hummocky. Relief is in the order of 50 metres from lakes, rivers and alder swamps at waterway margins, to higher outcrop knobs with local jack pine (Figure 4). Overburden depths ranges from absent up to 30 metres of clay till. Outcrop exposure averages 10 to15 percent from low-lying exposures to more prominent knobs.

Figure 4: Typical Landscape in the Project Area

5 History

There is a relatively continuous history of mining and mineral exploration in the region of the Upper Beaver project. Work is known to have occurred in the 100 square kilometre Gauthier Township as early as 1912 and National Air Photos from the 1920s show the Beaverhouse Lake Road, on which the project is located, as the only road access in the area in that period, presumably servicing the early mine operations.

Shaft sinking on many mine properties began as early as 1912 at Upper Beaver and in the late 1920s and early 1930s at Anoki, Oriole, Queenston, Upper Canada, and Brock. Most underground production ceased in the early 1970s.

An open pit operation was active at the McBean mine (formerly the Queenston) in the 1980s and the most recent underground exploration was completed by Contact Mines at the Victoria Creek Project in the 1990s.

Gold was discovered west of Beaverhouse Lake in 1912 by Alfred Beauregard. Past gold and copper production is summarized in Table 1.

A summary of previous work on the property is given in Table 2.

Table 1: Summary of Historic Mine Production – Upper Beaver Mine (Lovell et al., 1979)

Period	Source	Production
1912–1944	La Mine d'Or Huronia, Argonaut Gold Mines Limited and Toburn Mines	38,347 ounces of gold and 1,030,783 pounds of copper from 119,372 tonnes grading 9.99 grams of gold per tonne and 0.39 percent copper.
1965–1971	Upper Canada/Upper Beaver Mines	102,362 ounces of gold and 10,924,529 pounds of copper from 407,306 tonnes grading 7.82 grams of gold per tonne and 1.22 percent copper.
Total		**140,709 ounces of gold and 11,955,312 pounds of copper from 526,678 tonnes grading 8.31 grams of gold per tonne and 1.03 percent copper.**

Table 2: Summary of Historical Exploration / Mining at the Upper Beaver Gold-Copper Project Between 1912 and 1995 (modified from Watts, Griffis and McOuat Limited, 2011)

Company	Period	Exploration Activity
Mines D'Or Huronia	1912 – 1919	· Sinking of Shafts #1 and #3, development and production; and · Ten mine levels developed up to 1,250 feet below surface
Argonaut Gold Mines Limited	1919 – 1928	· Gold production under lease agreement; · 200 tonnes per day mill construction; and · Mine closed in 1928 due to insufficient ore in lower levels.
Beaverhouse Lake Mines	1935	· Property acquisition; and · Surface exploration program, new gold bearing veins discovered.
Toburn Mines	1937 – 1939	· Property option; and · Underground development and mining to 350 feet level.
Ventures Limited	1939	· Mine dewatered to 500 feet level; and · 800 feet of new lateral development.
Toburn Mines	1951	· Geological mapping and surface drilling program.
Augustus Exploration Limited	1961	· Mine dewatering; · Surface drilling program; and · Underground drilling program.
Upper Canada Mines	1964	· Property acquisition; · Airborne electromagnetic survey; and · Geological mapping program.
	1965 – 1971	· Mine dewatering and underground development; · Mining rate of 750 tonnes per day, ore trucked to Upper Canada mill; · Geophysical test surveys, magnetometer, self-potential and vertical loop electromagnetic, horizontal loop electromagnetic , Induced polarization surveys; and · Surface drilling of four core boreholes (71-1 to 71-4) · Mine closed in 1971.
	1974	· Surface drilling of two core boreholes; · Magnetometer, horizontal loop electromagnetic and very-low frequency electromagnetic surveys.
Queenston Gold Mines Limited	1985	· Detailed surface mapping; · Rock geochemical survey; · Limited stripping; and · Magnetometer survey.
Pamorex Minerals Inc. / Queenston Mining Inc.	1989 – 1990	· Joint venture formed: · Detailed geological mapping and sampling: · Overburden stripping and trenching; · Various geophysical surveys; and · 12 core boreholes and two wedges drilled, 20,844 feet of drilling.
Beaverhouse Resources Limited / Queenston Mining Inc.	1991	· 17 core boreholes program, 24,693 feet of drilling.
	1995	· 10 core boreholes program, 12,833 feet of drilling; and · Induced polarization and downhole electromagnetic surveys.

5.1 Exploration by Queenston 2000–2012

In 2000, Queenston re-acquired 100 percent interest on the property from the Beaverhouse Resources Joint Venture after the withdrawal of partner Royal Oak Resources. Significant core drilling exploration and resource definition programs have been conducted from surface at the Upper Beaver project. Details regarding the various drilling programs are provided in Section 9.

In 2005, line cutting and an induced polarization survey was completed to assist the drilling program. In 2007, Queenston mandates Aeroquest International Limited (Aeroquest) to complete a helicopter AeroTEM electromagnetic and magnetic survey of the property. Quantec Geoscience Inc. (Quantec) completed a Titan-24 Array-DCIP and magneto-telluric survey.

5.2 Previous Mineral Resource Estimates

Mineral resources were previously evaluated in 1974, 2008, and 2011 (Table 3). Mineral resources were first estimated by L.J. Cunningham in 1974. This historical resource estimate was prepared prior to the development of National Instrument 43-101 and the results from this estimate should not be relied upon. Mineral Resource Statements presented in Table 3 have been superseded by the Mineral Resource Statement presented in Section 13.

In 2008, Queenston commissioned WGM to prepare an initial Mineral Resource Statement pursuant to National Instrument 43-101 for the Upper Beaver project. This mineral resource estimate considered drilling information to March 2008 and is documented in a technical report prepared by WGM and dated November 6, 2008.

In 2011, WGM prepared an updated Mineral Resource Statement for the Upper Beaver project to include drilling information obtained up to February 2011. The technical report prepared by WGM was dated June 15, 2011.

Table 3: Previous Mineral Resource Estimates for the Upper Beaver Gold-Copper Project

Year	Author	Classification	Cut-off (gpt gold)	Quantity (x1000 tonnes)	Grade (gpt gold)	Grade (% copper)
1974	Cunningham *	Unclassified		200	7.89	1.23
2008	WGM	Indicated	3.0	1,373	8.5	0.43
		Inferred		1,061	7.7	0.39
2011	WGM	Indicated	2.5	3,074	6.98	0.54
		Inferred		3,093	6.19	0.41

* Historical mineral resource estimate prepared before the development of National Instrument 43-101. The reader is cautioned that these estimates should not be relied upon.

6 Geological Setting and Mineralization

6.1 Regional Geology

The Upper Beaver property lies in the eastern portion of the Kirkland Lake gold camp of northern Ontario, within part of the southern Abitibi Greenstone Belt of the Superior Province of the Canadian Shield (Figure 5).

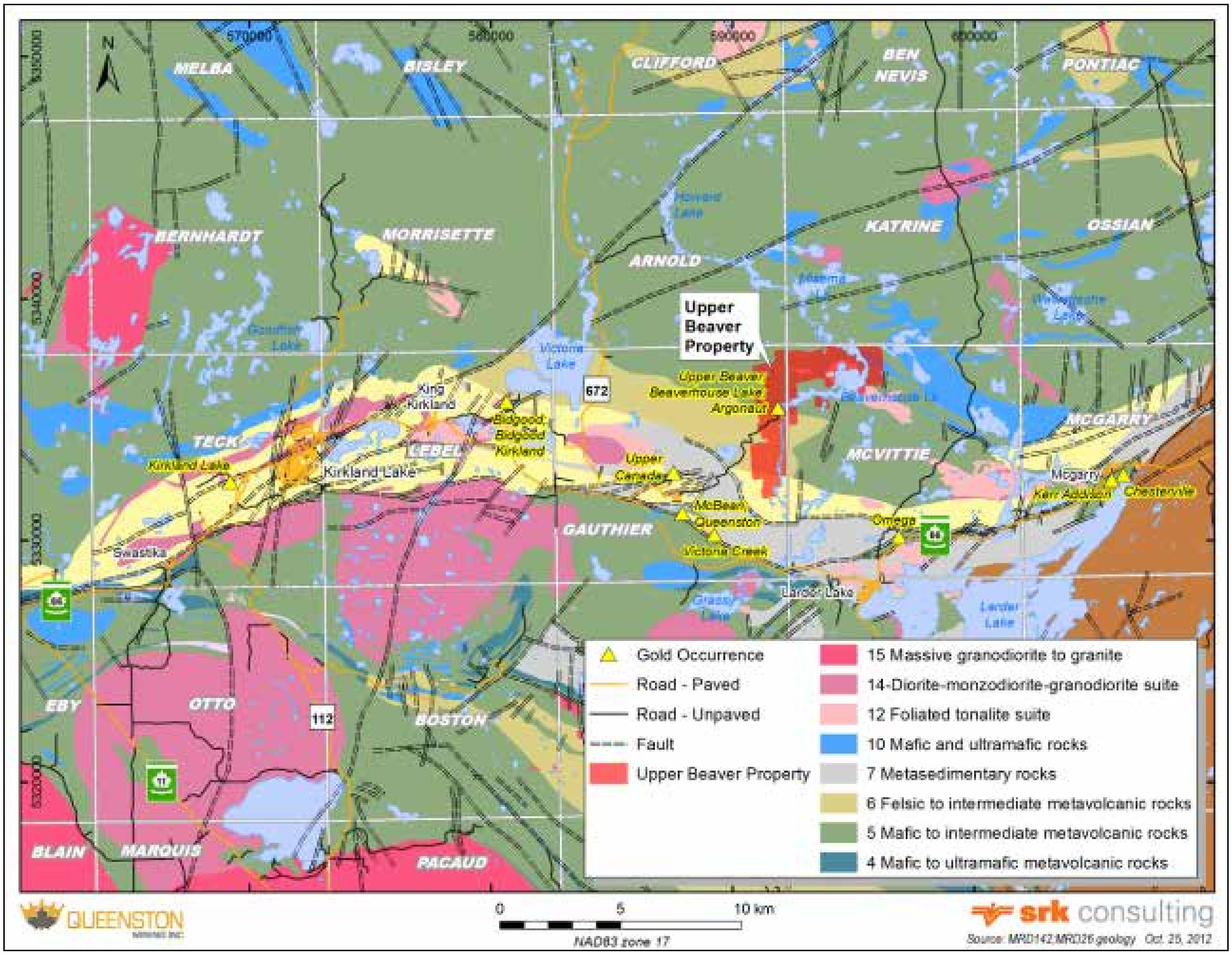


Figure 5: Regional Geology Setting

The area is underlain by a succession of Archean supracrustal rock assemblages that from oldest to youngest are represented by the Tisdale, Blake River and Timiskaming assemblages (Table 4) which are in turn intruded by a series of syenite intrusions.

Table 4: Summary of Archean Assemblages

Timiskaming	2676-2670 Ma. Clastic sedimentary rocks and some intercalated alkaline volcanic rocks. Syenite intrusions.
	Unconformity
Blake River	Upper Blake River: 2701- 2696 Ma; calc-alkaline basalt and andesite with some areas underlain by bimodal tholeiitic basalt and rhyolite. Lower Blake River: 2704-2701 Ma, Tholeiitic mafic volcanics with lesser amounts felsic volcanic rocks and turbiditic sedimentary rocks.
	Victoria Creek Deformation Zone
Tisdale	Upper Tisdale: 2704-2706 Ma Gauthier Group; Mainly calc-alkaline felsic to intermediate volcanic rocks with volcaniclastic sedimentary units. Lower Tisdale: 2707-2710 Ma, Larder Lake Group, mainly tholeiitic mafic volcanic rocks with some komatiite, intermediate to felsic calc-alkaline volcanic rocks and iron formation

The Tisdale Assemblage in the Kirkland Lake area is subdivided into the Lower, Larder Lake Group (2,710 to 2,707 Ma, Ayer et al. 2005) and an Upper, Gauthier Group (2706 to 2704 Ma, Ayer et al. 2005). The Larder Lake Group is characterized by dominantly tholeiitic mafic volcanic rocks with lesser komatiite, intermediate to calc-alkaline volcanic rocks and iron formations. The Gauthier Group is predominantly composed of calc-alkaline, felsic to intermediate volcanic rocks with associated volcaniclastic sediments.

The Blake River Assemblage is subdivided into a lower and upper unit. The lower unit is constrained by age dating at 2,704 to 2,701 (Ayer et al. 2005) Ma and consists of tholeiitic mafic volcanic rocks with lesser felsic volcanic rocks and epiclastic sedimentary rock. The upper unit is dominated by calc-alkaline, basaltic to andesitic volcanic rock with lesser tholeiitic basalt and rhyolite that are dated between 2701 to 2696 Ma (Ayer et al. 2005).

Timiskaming rocks (2676 to 2670 Ma, Ayer et al. 2005) consist predominantly of clastic sedimentary rock and tuffaceous units that unconformably overly the older volcanic rocks and are intruded by alkali intrusive rocks.

Gold deposits in the Kirkland Lake area are genetically and spatially related to major regional structures, most notably the east-west trending Cadillac-Larder Lake Break or deformation zone, which is a crustal-scale tectonic zone of ductile and brittle deformation. The historic Kerr Addison mine is the archetype for this model, occurring in komatiitic ultramafic to tholeiitic mafic volcanic rocks and sedimentary rock of the Larder Lake Group (Lower Tisdale Group).

Other examples of this type include the Omega, McBean, and Anoki mines. The prolific Kirkland Lake mines are associated with the east-northeast trending Kirkland Lake Main Break, a brittle-ductile fault zone within Timiskaming Assemblage rocks. Southwest of the Upper Beaver property, the historic Upper Canada deposit lies along the Upper Canada Break, which is interpreted to be a regional splay off of the Larder Lake Break and is also hosted by Timiskaming age lithologies. The Victoria Creek deposit, located 5.5 kilometres west of the Upper Beaver property, occurs in calc-alkaline Upper Tisdale assemblage rocks. It is associated with the Victoria Creek Deformation zone, which marks the contact of the Upper Tisdale with the Lower Blake River Groups. Farther to the north, the east-west trending Destor-Porcupine Break is host to the Holt-McDermott and Holloway mines, which are largely associated to basaltic volcanic rocks.

6.2 Property Geology

The Upper Beaver property is underlain by volcanic, volcaniclastic, and epiclastic rocks of the Gauthier (Upper Tisdale) and Lower Blake River Groups (Figure 6).

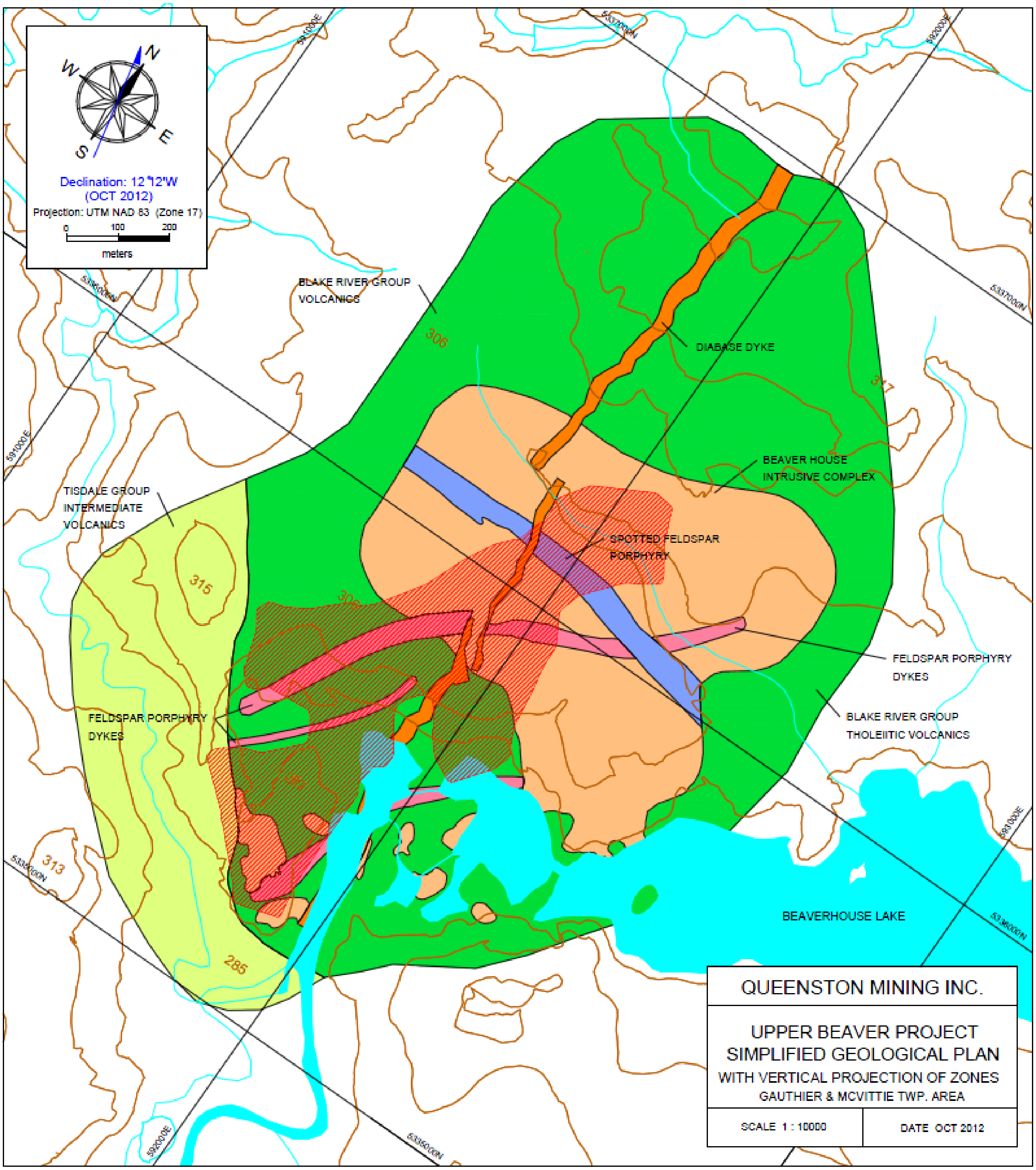


Figure 6: Simplified Geological Plan, Red Hatching Portion Represents the Surface Projection of the Gold-Copper Mineralization

On the project scale, rocks of the Gauthier Group are represented by intermediate to felsic ash, lapilli tuff, chert, and minor carbonaceous sedimentary rock, which occupy the north limb of the east-west trending, easterly plunging Spectacle Lake Antiform. These are overlain by Blake River Assemblage volcanic rocks, which are represented by pillowed to massive iron-rich tholeiites with lesser magnesium-rich tholeiites and related interflow clastic sediments. These are in turn cut by a series of intrusive plugs and dikes of syenite, mafic syenite, feldspar porphyry, quartz feldspar porphyry, and diorite.

The contact between the Tisdale and Blake River Groups is in part marked by the Victoria Creek Deformation Zone, which manifests itself as a broad zone of ductile shearing accompanied by strong sericitic alteration. The contact is inferred to be relatively complex. East of the Upper Beaver Shaft #3, the contact strikes northeast and dips 30 to 40 degrees northwest, while to the southwest of the Shaft #3, the contact strikes northwest and dips 65 to 70 degrees to the northeast. North-south trending diabase dike(s) associated with the regionally extensive Matachewan dike swarm crosscut all lithologies within the property area.

The geology on the Upper Beaver property is lithologically complex with a wide variety of rock types intersected by the core drilling programs to date. Outcrop exposures on the property are relatively sparse, the majority of which is located in the southern and central portions of the property along the shores of York Lake, Beaverhouse Lake, the Misema River, and Victoria Creek. The past producing Upper Beaver mine site is located on the western shore of York Lake in an area of large outcrops where the initial surface discoveries are located. The remainder of the property is covered by a regionally extensive cover of glacio-lacustrine and glacio-fluvial deposits comprised primarily of sand and clay, which ranges from less than a metre to 30 metres in thickness.

6.3 Lithology

On the Upper Beaver property, six major lithological units can be identified from core and limited surface outcrops. From the oldest to the youngest, these units are described in this section based on the current understanding of the Upper Beaver project litho-stratigraphic history. From these six units, two of the major lithological units, the diabase and the spotted feldspar porphyry, display post-ore emplacement and transect the mineralization. Alphanumeric codes adjacent to the rock type correspond with the geologic codes used within the logging process and on geological cross-sections used for interpretation. Core photos of lithological units are presented in Appendix C.

6.3.1 Tisdale Group (V9, V9L)

The Tisdale assemblage effectively forms the basement for the Upper Beaver property and is located in the western and southern sections of the claim group. In the west, the group strikes north-westerly and dips steeply to the east at 65 to 80 degrees, while in the southern portions of the claim group, the Tisdale strikes in an east-west direction and dips 40 to 60 degrees. The relationship between the Tisdale and the overlying Blake River Group is not fully understood as the contact relations are ambiguous. The regionally extensive Victoria Creek Deformation Zone was thought to mark the contact between the two groups in the immediate area. However drilling, predominantly east of the diabase dike, displays a sequence consisting both of deformed, sheared to brecciated rocks along the contact zone and undeformed lithologies that exhibit gradational and intercalated relationships.
The upper part of the Tisdale Assemblage, where observed in drilling, is dominated by calc-alkaline, felsic to intermediate pyroclastic rocks consisting of ash, lapilli tuff and tuff breccias. The unit generally displays moderate to strong, pervasive sericitic alteration and a penetrative foliation to shear fabric, although in some occurrences the units appear to be virtually undeformed.

6.3.2 Blake River Group

The Blake River Group (formerly Kinojevis Group) is represented on the property by iron-rich tholeiitic to basaltic mafic volcanic rocks located in a locally developed, volcaniclastic-epiclastic sedimentary basin. The mafic volcanic rocks are dominated by massive, aphyric volcanic flows with lesser pillowed and vesicular flows, pillow breccias and hyaloclastite. Large, spherical pillow flows are readily evident in outcrop in the vicinity of the historical Beaverhouse and Argonaut mines workings. However, facing directions have proven to be somewhat ambiguous. In core, limited amounts of top indicators, such as vesicles and flow breccias horizons, suggest that the volcanic sequence is upright, facing north-north-west.

Underlying the mafic volcanic rock sequence is a locally developed sedimentary basin that is defined by a sequence of coarse, heterolithic volcaniclastic rocks, volcaniclastic conglomerate, basaltic breccias, well-bedded cherty to arenaceous sedimentary rock, minor tuff, and graphitic argillite. Top indicators within this sedimentary package indicate that the sequence is upright. The sedimentary sequence within the vicinity of the historical Beaverhouse and Argonaut mines is apparently flat lying to gently dipping to the east.

Mafic Volcanic Rocks (V7, V7G, V7G)

Mafic volcanic rocks on the property are dominantly massive flows which are typically very fine grained to aphanitic, aphyric, dark green to greyish-green in colour. Small amounts of vesicular and pillowed flows have been recognized. In general, pillow flows are poorly developed with a few rare exceptions, and generally the pillows are quite small and tend to be rounded in shape. In places, pillow breccias and hyaloclastite are readily identifiable. Flow banding is occasionally recognized along with flow contacts and in most instances the flows appear to average between 1 to 5 metres in thickness. The rocks vary from being very weakly to locally quite strongly magnetic. Locally relatively coarse grained, gabbroic textured flows have been identified. Narrow intervals of high magnesium tholeiitic flows are rare, but are generally identifiable by their bluish-green colouration and tendency to alter to a talcose assemblage.

Volcaniclastic Rocks (S1, VCIC)

Within the mine workings of the historic Upper Beaver mine, a well-defined basinal sequence of rocks consisting of volcaniclastic breccia/conglomerate, well-bedded arenaceous to cherty sedimentary rocks with minor intercalated ash tuff and massive to well-bedded graphitic argillite with diagenetic pyrite nodules can be recognized. The basin is primarily defined on the western side of the diabase dike that splits the deposit and occurs at approximately the -200 to -500 metre elevations below surface. The basin is roughly circular in shape with a diameter of approximately 200 to 300 metres and a thickness of 200 to 300 metres.

Volcaniclastic breccia/conglomerate is an extremely variable unit but is typically matrix supported, poorly sorted, and comprised of angular to subrounded clasts of intrusive rocks, which are commonly porphyritic, mafic volcanic and cherty sedimentary clasts within a very fine grained matrix. In places, the matrix appears to be comprised of finely crystalline material, suggesting a possible magmatic origin. However, in most instances the matrix is comprised of very fine grained carbonate and chlorite.

Cherty Arenaceous Sedimentary Rocks (CHSD, S3, S4)

Generally, cherty arenaceous sedimentary rocks underlie the volcaniclastic breccias, although in many instances chert is intercalated with breccias in the same stratigraphic elevation. The relationship suggests that deposition was at least partly coeval with volcaniclastic rocks.

The sedimentary rocks are characterized by a light grey to buff to pinkish-brown colouration and range from aphanitic, glassy chert to very fine granular arenite and wacke. They are generally well-bedded averaging a few millimetres in thickness and typically very fine grained. In places, slump features are readily recognizable. Graded bedding observed in some borehole core suggests that bedding is right side up and younging upwards. Minor ash tuff is observed in places interbedded with the sediments.

Graphitic Argillite (GS)

Dark grey to black, massive to well-bedded graphitic argillite primarily develops at the base of the sedimentary package, although locally it is seen to be intimately intercalated within the sediments. The argillite horizon ranges in thickness from less than 1 metre to a maximum of 20 metres. The argillite is discontinuous and pinches and swells rapidly. Diagenetic pyrite nodules and disrupted beds are common within this unit.

6.3.3 Upper Beaver Intrusive Complex

The Upper Beaver Intrusive Complex is a roughly circular body measuring approximately 1 kilometre in diameter, and is best described as a poly-phasic intrusive complex, consisting of a main igneous body with associated dikes, sills and apophyses displaying crosscutting relationships with associated intrusive breccias indicative of periodic depressurization. This body has been emplaced within mafic volcanic flows, volcaniclastic and epiclastic rocks of the Blake River Group. The relationship of the intrusive body with the underlying basement rocks of the intermediate Tisdale Group pyroclastics is still not fully understood as the contact relations are equivocal.

All intrusive rocks identified to date, including the dike rocks, (excluding the diabase) are variably plagioclase+amphibole+/-quartz phyric and are interpreted to have evolved from a differentiated syenite complex. Five main subcategories of the intrusive complex have been delineated based upon textures, grain size, and mineralogy. These include syenite (1S), mafic syenite (1SMa), diorite (2D), porphyritic mafic syenite (1SMap), and micro-phyric mafic syenite (1SMamp), and are briefly described below.

Syenite (1S)

The syenite subcategory is reserved for massive, fine to very fine grained rocks with a characteristic reddish-brown colour and commonly contain 1 to 5 percent very fine grained amphibole crystals, generally less than 2 millimetres in diameters, within an aphanitic, feldspathic groundmass. Angular mafic xenoliths are fairly common within this unit. This subunit typically occurs as narrow, dike-like masses or as limited phases within a broader package of more mafic syenite, within which the unit typically displays gradational contacts.

Mafic Syenite (1SMa)

Mafic syenite is volumetrically the most abundant rock type observed within the Upper Beaver Intrusive Complex. This rock type is quite variable in texture but typically fine-grained to medium-grained, green-brown to reddish-brown amphibole. Amphibole is subhedral, equigranular to amphibole phyric (upwards of 5 to15 percent) within a feldspathic groundmass. The unit is characteristically weakly magnetic and displays both sharp and gradational contacts with surrounding intrusive lithologies.

Diorite – Leucocratic Mafic Syenite (2D)

Diorite is a leucocratic, massive, “salt and pepper” textured, equigranular variety that locally develops within the broadly extensive mafic syenite package where it displays sharp crosscutting features. It is also observed as having gradational contacts with surrounding intrusive phases. The subunit contains up to 15 to 20 percent very fine grained amphibole within a feldspathic groundmass and is generally very weakly to non-magnetic.

Porphyritic Mafic Syenite (1SMap)

The porphyritic variety of mafic syenite is characterized by 3 percent to 10 percent subhedral to euhedral plagioclase phenocrysts averaging 5 to 7 millimetres within a fine to very fine grained plagioclase-amphibole matrix. The plagioclase commonly displays concentric zoning. A characteristic feature of this unit is its heterogeneous nature. It commonly displays rapid variations in colour, texture and grain size, grading from coarsely porphyritic to almost aphanitic across intervals of less than 1 metre. The rock is typically non-magnetic to weakly magnetic and angular mafic xenoliths are quite common.

Micro-Phyric Mafic Syenite (1SMamp)

The micro-phyric variety of mafic syenite is a melanocratic rock that is characteristically dark green, very fine grained to aphanitic with 2 percent to 5 percent subhedral to euhedral amphibole micro-crysts, rarely exceeding 1 to 2 millimeters in length. The amphiboles commonly display well defined crystal habits (“coffin” shapes) and are frequently a pale brown to translucent colour. The unit is typically very weakly magnetic and is generally pervasively chloritized.

Intrusive Magmatic and Hydrothermal Breccias (4G)

Although not considered as a major lithological unit, a wide variety of magmatic and/or hydrothermal (?) breccias are recognized from core drilling on the Upper Beaver project. These breccias display a wide variety of textural features and alteration patterns, but primarily consist of angular to subrounded variable intrusive clasts within a highly altered very fine grained matrix.

6.3.4 Syenite Porphyry / Feldspar Porphyry / Quartz Feldspar Porphyry

Within the mine workings of the historic Upper Beaver mine, three prominent syenite porphyry or feldspar porphyry dikes were identified and were named for prominent persons associated with the mine in the last mining period. From south to north the dikes were named the Botsford, Bragg, and Tully dikes. These dikes are spatially related to the Upper Beaver mineralization, especially the Porphyry Zone and are important as marker units for geological interpretation.

These feldspar porphyry dikes are comprised of 25 percent to 50 percent, blocky to tabular, subhedral to euhedral plagioclase phenocrysts typically ranging between 1 to 5 millimeters in size, plus 1 percent to 5 percent subhedral to anhedral amphibole crystals from 1 to 3 millimeters, within an aphanitic, feldspathic matrix. Rare subhedral to anhedral, translucent quartz phenocrysts up to 2 millimeters are also identifiable. The term “crowded” porphyry is often used in core logging to refer to these dikes due to the densely packed nature of the plagioclase phenocrysts in contrast to the sparse phenocryst density observed in the spotted feldspar porphyry. Mafic inclusions and xenoliths are relatively common and can reach up to 5 centimetres in size.

The “crowded” porphyry dikes range from a few metres to a maximum of 25 to 30 metres in width and have been traced along strike by drilling for approximately 500 metres and to a depth of more than 1,000 metres. The dikes occur as subparallel units that strike between 25 to 50 degrees and dip steeply to the north-west varying between 60 to 85 degrees. The most southerly of the dikes (the Botsford dike) has a shallower dip in the upper elevations, where the dike dips at approximately 40 to 45 degrees northwest down to about the -250 metre elevation below surface before steepening to an average dip of 65 degrees. In places the dikes are observed to locally coalesce down-dip and along strike. As the dikes approach the central core of the Upper Beaver Intrusive Complex, identification of the dikes becomes increasingly problematic, due to the difficulty in differentiating because of the abundance of porphyritic rocks in this area. Large masses of “crowded” porphyry have been identified in drilling, often exceeding 100 metres in width, which are likely a combination of dikes and host intrusive.

The “crowded” porphyry dikes are used as marker indicators due to the readily identifiable nature of the lithology as they crosscut all of the other lithological units except for the diabase and spotted porphyry. The dikes are spatially related to most mineralization developed at the Upper Beaver project and are quite frequently host to mineralized zones. Zonal mineralization also occur along their contacts or in the immediate or approximate hanging and footwall areas, as is the case for the Porphyry Zone, which accounts for approximately 80 percent of the identified mineral resource to date. In general the “crowded” porphyries are slightly acute to the mineralization.

6.3.5 Spotted Feldspar Porphyry (FPs)

The spotted feldspar porphyry is an irregular to tabular, dike-like intrusive body that strikes roughly east-west and dips southerly at approximately 40 to 50 degrees. The dike averages approximately 20 to 30 meters in thickness and has currently been defined along a strike length of roughly 700 meters. This intrusive body was intersected in the bottom levels of the Upper Beaver mine workings during previous mining, both east and west of the diabase. Due to its geometry it was difficult to effectively truncate the mineralized zones when mining took place and it was, at least partially, responsible for the failure to define further resources at depth. No underground development extended far enough to the north to penetrate into the footwall side of the feldspar porphyries, which would have allowed the previous operators to target (by drilling) the Upper Beaver mineralization below the dike and below the existing mine levels.

Narrower, subsidiary satellite dikes have been intersected in drilling, occurring primarily on the footwall side of the main body. The main dike and associated satellite bodies post-date and crosscut the mineralized zones as well as all lithological units other than the diabase.

The spotted feldspar porphyry is characteristically comprised of 1 percent to 3 percent coarse, blocky subhedral to euhedral plagioclase phenocrysts, which are occasionally concentrically zoned and average 5 to 7 millimeters in size. Additionally 1 percent to 3 percent anhedral to subhedral amphibole micro-crystals, typically less than 1 to 2 millimeters occur. Both minerals occur within an aphanitic, syenitic or feldspathic matrix. The unit is typically mauve to purplish in colour, pervasively hematized, moderately to strongly ankeritic altered, non-magnetic with frequent small angular mafic volcanic xenoliths. To date no significant mineralization has been identified associated with this unit. Defining the geometry of this intrusive body was crucial for the discovering of mineralized zones occurring below it and its limits are hard to define as it trends parallel to the main drilling axis at the property.

6.3.6 Diabase (3D)

A north-south trending, steeply dipping diabase dike(s), presumed to be related to the Matachewan dike swarm, crosscuts all lithologies on the property. The dike is poorly exposed on surface other than a few rare outcrops in the north central portion of the property. To the south the dike lies beneath York Lake and the Misema River. The position of the diabase dike is well defined within the historic mine workings and from current surface and historic underground diamond drilling.

The main dike varies from 10 to 30 meters in width (averages 15 meters), strikes north-south and dips steeply to the west at 80 to 85 degrees to approximately 200 to 300 metres below surface, then dips steeply to the east at 80 to 85 degrees. The diabase is characteristically dark green to black and ranges from aphanitic to medium grained, is generally equigranular with a diabasic texture and is characteristically strongly magnetic. Contact margins commonly display aphanitic, dark green to black chill margins. The magnetic signature is readily identifiable on the airborne magnetic surveys. In a few instances, free quartz microcrystals up to 2 millimetres are recognized thus the unit could be classified as a quartz diabase.

The diabase occupies, at least in part, the north-south trending Misema River fault zone, which is a very strong, broad mud-clay fault zone that lies along the western contact of the diabase and locally cuts within the diabase in the vicinity of the mine. Farther to the north, the diabase diverges away from the fault, which begins to trend more to the west.

The diabase together with the fault zone bisects the ore mineralization into an eastern and western portion and their position creates some specific drilling problems, particularly very bad, blocky and broken ground in which a number of boreholes have been lost. A few, narrow satellite diabase dikes have been intersected in drilling, one in particular that occurs approximately 50 meters east of and runs parallel to the main dike. This diabase strikes north-south, dips steeply east and is roughly 3 metres wide and has been traced over a strike length of 300 metres, and down dip for approximately 300 metres where it seems to pinch out both along strike and down dip.

6.4 Structural Geology

The dominant regional structural feature is the east-west trending Cadillac-Larder Lake Deformation Zone (CLLDZ).

The locus of the CLLDZ is approximately 8 kilometres south of the Upper Beaver mine. This deformation zone includes a number of component faults or breaks that are main controls for gold and copper mineralization. The northeast-trending Upper Canada Break is one such component and is likely a splay fault off the CLLDZ. The projection of the Upper Canada Break and its parallel Upper Canada Break South Branch flank the shafts on the property and appear to control, to some extent, syenite intrusions on the property. The Victoria Creek Deformation Zone lies along the contact between the Tisdale and Blake River assemblages in the property area and also likely represents a component of movement related to the CLLDZ.

6.5 Mineralization

The gold-copper mineralization at the Upper Beaver project is associated with disseminated sulphide (mainly pyrite and chalcopyrite) and minor sulphide veining in strongly altered rock. The copper mineralization is often associated with gold, but also occurs separately. The controls on the distribution of the copper mineralization remain poorly understood. The gold-copper mineralization at the Upper Beaver project is atypical from the gold mineralization of the Kirkland Lake district. Drilling data has defined six steeply dipping zones (200, North Contact, Porphyry East, Porphyry West, Q, and Syenite Breccia) as steeply dipping vein and fracture systems; and one shallow dipping zone, which consists of replacement style mineralization (South Contact) (Figure 7).

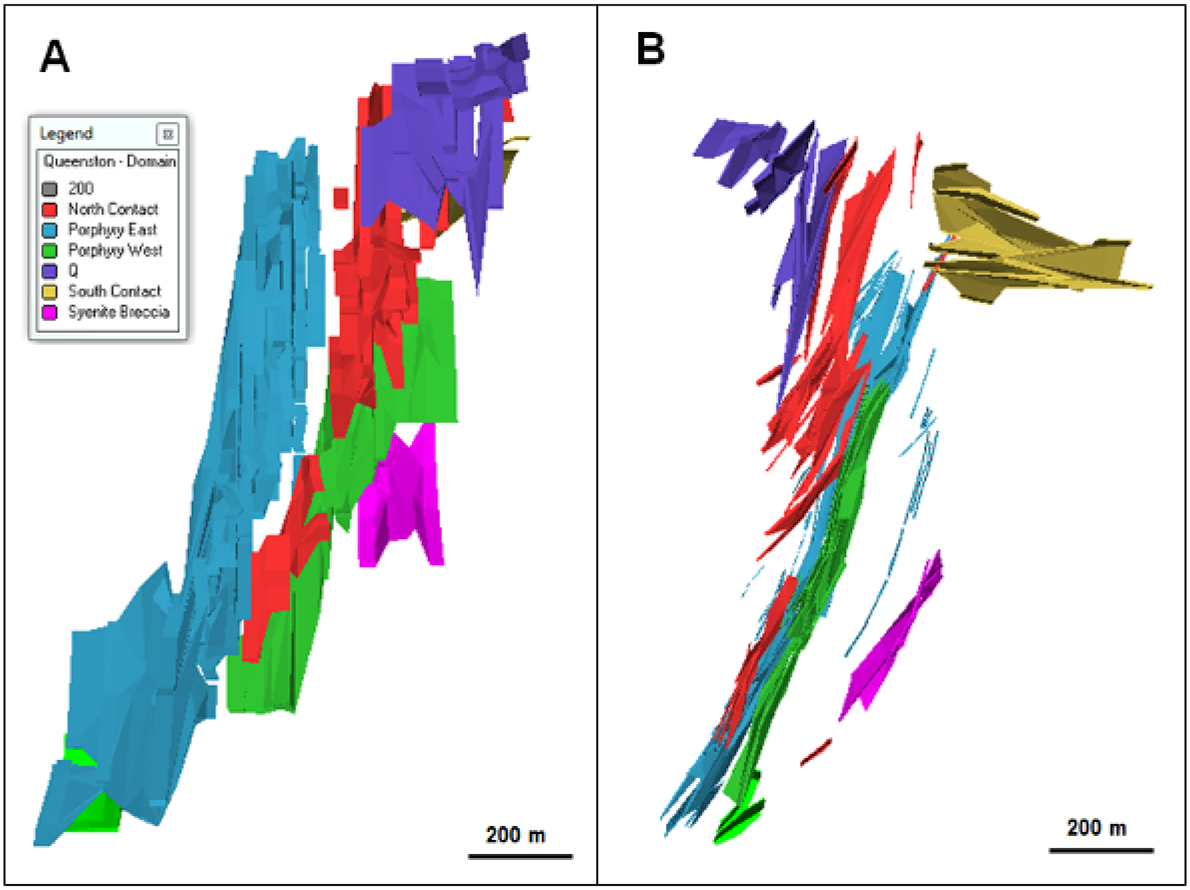


Figure 7: Vertical Section Looking South (A) and East (B) Showing the Various Geology Domains of the Upper Beaver Gold-Copper Project

The mineralization is found within, proximal to and outbound of the Upper Beaver Intrusive Complex and is associated with the widespread development of magnetite-feldspar-actinolite-epidote-carbonate-sericite alteration. According to Kontak et al., 2008, this relationship would be consistent with a magmatic hydrothermal origin, but also shares analogies with syenite associated gold deposits in the southern Abitibi Greenstone Belt and with iron-oxide-copper-gold systems.

The mineralized systems can be described as a multi-generational series of sheeted and conjugated vein arrays and fracture fillings emplaced within a broad brittle deformation corridor measuring up to 400 metres in width. It is interpreted that this structural corridor also controlled the emplacement of the syenite porphyry dikes, which are spatially related to the mineralization. A total of seven distinct mineralization styles have been recognized at the Upper Beaver project:

1. Quartz – calcite – magnetite – chalcopyrite +/- pyrite +/- molybdenite +/-visible gold;
2. Quartz +/- chalcopyrite +/- pyrite +/- molybdenite +/- visible gold;
3. Calcite +/- chalcopyrite +/- pyrite +/- visible gold;
4. Quartz – molybdenite – visible gold;
5. Carbonate – Anhydrite +/- Chalcopyrite +/- pyrite +/- visible gold;
6. Disseminated and fracture controlled mineralization; and
7. Replacement style mineralization – magnetite-epidote-feldspar-hematite-pyrite-chalcopyrite.

Photos of core with the various mineralization styles are presented in Appendix D

The steeply dipping mineralized zones share common characteristics being comprised of auriferous veining, brittle fracture fillings, and disseminations of magnetite-chalcopyrite-pyrite+/-molybdenite and visible gold in varying ratios (Styles 1 to 6 above).

The South Contact Zone (Style 7 above) is unique in its style and orientation and is interpreted to represent an earlier, replacement type mineralization/alteration event centred upon flow banded and fragmental mafic volcanic flows and flow breccias horizons and volcaniclastic rocks.

Visible gold is relatively common and is identified in virtually all of the mineralization styles. Gold typically occurs as very fine grained pin points to pin heads, but coarse gold has also been recognized within veining, fracture systems, along slip planes, and rarely as coarse disseminations in silicified syenite porphyry.

7 Deposit Types

The Kirkland Lake area, within the southern Abitibi Greenstone Belt, is well known for its world class gold deposits with gold production in excess of 75 million ounces of gold (Gosselin and Dubé 2005). The Kerr-Addison mine (historical production of 12 million ounces or gold) and the mines of the Kirkland Lake camp (25 million ounces of gold produced) were the most prolific in the area but differ markedly in their mineralization styles.

The Kerr-Addison mine is associated with the regionally extensive Larder Lake-Cadillac Break and produced ore from pyritized and carbonatized komatiitic flows and from quartz-carbonate-fuchsite veins. The Kirkland Lake deposits are characterized by telluride-bearing, sulphide-poor quartz veins hosted within syenitic, calc-alkaline intrusives and Timiskaming-aged sediments, proximal to the Kirkland Lake Main Break

The exploration model for the Upper Beaver project has been one of an Archean, syenite associated lode gold and disseminated deposits such as those found in the prolific Kirkland Lake camp. Although in some respects the Upper Beaver project shares some similarities with these deposits, such as the presence of an alkali intrusive body, the nature of the mineralization at Upper Beaver is notably different—in particular, the high sulphide gold-copper associated with magnetite-epidote-feldspar-actinolite-sericite-carbonate alteration and the lack of any regionally extensive fault structures. These features are more consistent with some deposits in the Timmins camp (such as the McIntyre mine) along the Destor-Porcupine fault zone. Kontak, et al., (2008) have suggested that the Upper Beaver deposits are consistent with an alkali porphyry copper-gold model.

8 Exploration

Queenston exploration programs at the Upper Beaver property since 2000 have consisted mostly of diamond drilling and some geophysical surveying. In 2000, Queenston drilled one core borehole. In early 2005, Queenston re-established a north-south cutline grid over the north central part of the property with lines spaced at 100-metre intervals. Subsequently, Rémy Belanger Geophysics from Rouyn-Noranda, Quebec was mandated to conduct a frequency domain induced polarization survey over the grid.

A number of anomalies were defined and were tested by drilling later in Phase I, 2005. Most anomalies were attributed to flow top breccias and iron-rich (magnetite-enriched) tholeiitic basalts; some to mineralized zones. Exploration programs in 2006 consisted almost exclusively of core drilling, which is further detailed in the next section.

In 2007, Aeroquest International Limited was contracted to carry out a helicopter-borne geophysical survey over the property and the adjacent Lac-McVittie joint venture property also owned by Queenston. The survey was conducted using an AreoTEM II (Echo) time domain system and a high-sensitivity cesium vapour magnetometer. The total survey coverage was 297.8 line kilometres flown at 100-metre line spacing in a 147 – 327 degree survey flight direction (Figure 8).

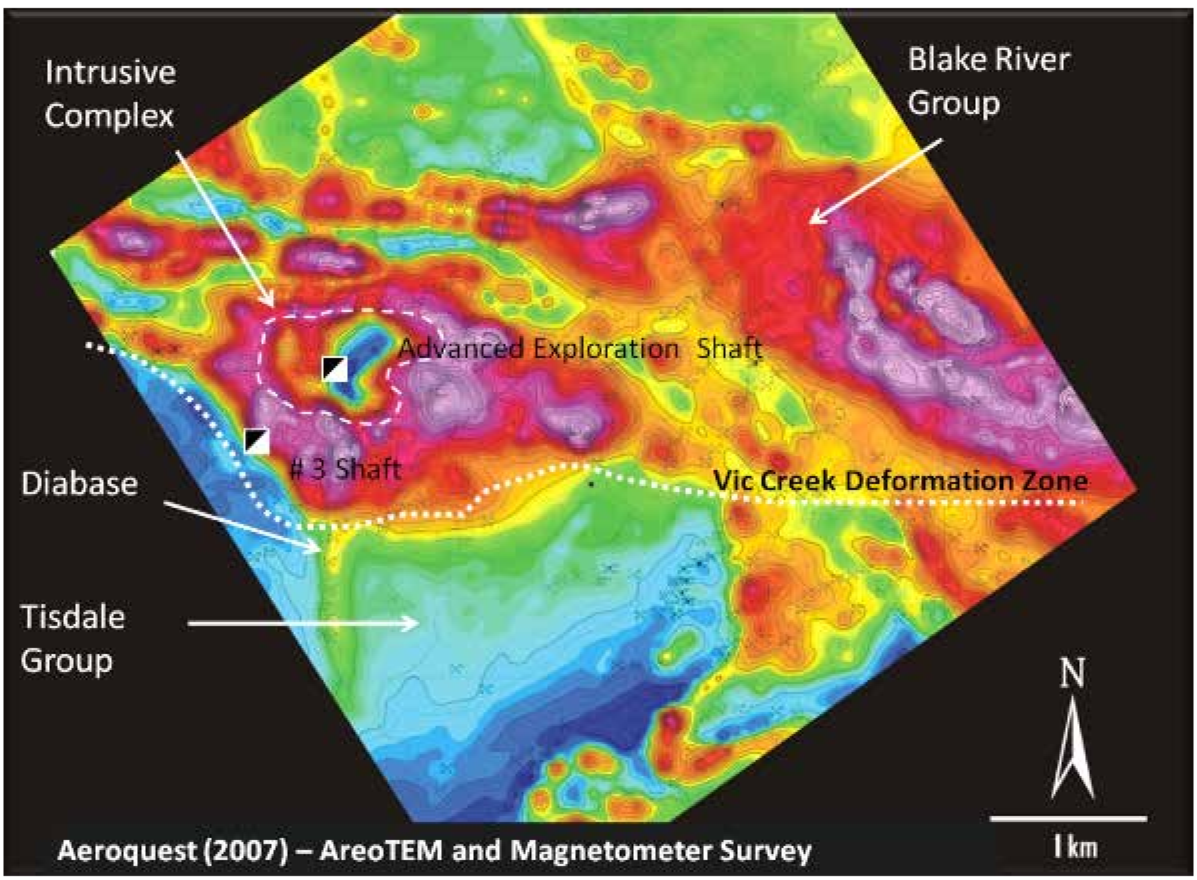


Figure 8: AreoTEM and Magnetometer Survey Summary Map Completed by Aeroquest in 2007

The purpose of the survey was to determine the geophysical signature or “footprint” of the Upper Beaver gold-copper deposit and identify other potential targets on the properties. The magnetometer survey was successful in outlining the geological characteristics of the properties.

In the western portion of the survey area on the Upper Beaver property, the syenite plug that lays north of the historic mine workings and hosts the gold-copper mineralization at depth is identified by an oval shaped magnetic-low feature. This feature is surrounded by a high magnetic response occurring in the Lower Blake River volcanic rocks indicating the presence of magnetite, an important component of the mineralized system that hosts the Upper Beaver gold-copper deposit. A similar magnetic-high response in the same package of rocks located 4 kilometres to the east has been identified by the survey.

The most significant electromagnetic responses are located in the southern portion of the survey area within a magnetic-low feature that outlines the Upper Tisdale felsic pyroclastic assemblage. Here the survey has located a cluster of airborne electromagnetic anomalies in an area where previous drilling had intersected semi-massive pyrite, minor chalcopyrite, sphalerite and arsenopyrite with trace gold.

In September and October 2007, Quantec Geoscience Ltd. completed a four-line Titan24 DCIP (DC resistivity and induced polarization) and MT (tensor-magnetotelluric) survey over the property. The purpose of the survey was to determine the geophysical characteristics of the new gold-copper mineralization discovered and to identify other, deeper targets on the property that display similar characteristics.

The Titan 24 inversion results over the Upper Beaver mineralization identified responses (strong chargeability with coincident DC and MT low resistivity) for the mineralized zones previously known as the South Contact, Beaver North, and North Basalt. The survey also identified at least five other anomalies that could represent significant sulphide mineralization, alteration and/or structure. Exploration and resource definition diamond drilling continued throughout 2007 and 2008.

After completion of the 2008 mineral resource estimate by WGM, Queenston embarked on a program of deep exploration to explore and extend the deposit below a depth of 800 metres. Borehole UB08-139 intersected a high grade, wide intersection in the Porphyry Zone assaying 30.3 grams of gold per tonne and 1.0 percent copper over 20.8 metres.

During 2009, drilling continued at the Upper Beaver property with the objective of improving resource quality and extending the limits of the 2008 resource envelope. Drilling focused mainly on an infill drilling campaign to test continuity between boreholes included in the 2008 resource estimate. During the year, several boreholes were drilled to test for deep extension of the deposit from 800 metres to 1,200 metres below the surface. A total of 18 core boreholes and 23 wedge cuts were drilled in 2009.

In 2010, drilling at the deposit was focused on developing mineral resources to the Indicated category below the base of the resource defined in the 2008 estimate, located deeper than 800 metres below surface. Work continued to focus on the steeply plunging Porphyry zones, which represent the bulk of economic mineralization identified at the property. A total of 13 core boreholes and 29 wedge cuts were drilled during 2010 (22,533 metres).

Drilling continued at the Upper Beaver project throughout 2011 with three drills testing exploration targets and one drilling a test borehole in the proposed advanced exploration project shaft location. Exploration included 44,313 metres of diamond drilling in 84 core boreholes and wedges, updated resource estimation and baseline environmental studies. The exploration drilling targeted both the eastern and western portions of the deposit and tested for shallow mineralization above the mineral resource.

The shallow drilling program targeted an area 100 to 400 metres northeast of the historic Upper Beaver mine workings where only limited drilling was completed during the operation of the mine. The drilling completed in this area intersected narrow high-grade gold-copper mineralization often within a broader low-grade zone hosted in an altered mafic volcanic assemblage intruded by narrow feldspar porphyry and syenite dikes (Q Zone). Results also continued to enhance the continuity of the mineralization within the existing limits of the mineral resource.

A large diameter pilot borehole has been completed to a depth of 1,200 metres at the proposed future site of an exploration shaft. The entire borehole intersected massive syenite-porphyry and was subjected to detailed rock engineering and environmental studies.

Application for permitting the advanced underground exploration shaft program was submitted and filed by the Ontario Ministry of Northern Development and Mines with a schedule to begin breaking ground in late 2012.

In 2012, the company also received a Preliminary Economic Assessment (PEA). The Queenston commissioned P&E Mining Consultants Inc. of Brampton to complete this work and to evaluate the economic viability of developing a new mine and processing facility for the Upper Beaver project. On February 16, 2012, Queenston announced the positive results of an independent PEA on the Upper Beaver project. As a result of the positive PEA, Queenston is advancing the project to feasibility and has approved the development of an exploration shaft to provide access for bulk sampling and confirm the mine ability/continuity of the deposit.

9 Drilling

Since 2000, Queenston has continuously been exploring and defining the Upper Beaver deposits with core drilling. A summary of core drilling completed by Queenston on the Upper Beaver Project is tabulated in Table 5. A comprehensive complete list of all Queenston borehole collars is provided in Appendix E.

Table 5: Summary of Core Drilling Completed by Queenston on the Upper Beaver Gold-Copper Project

Year	Number of Boreholes	Total Length (metres)
2000	1	596
2005	33	16,647
2006	43	32,410
2007	53	42,602
2008	23	21,461
2009	44	20,986
2010	42	22,931
2011	66	38,772
2012	48	26,119
Total	**353**	**222,524**

9.1 Pre-2000 Drilling

SRK has not reviewed pre-2000 drilling on the property except for what is listed in the History section of this report. No pre-2000 boreholes inform the mineral resource model discussed herein.

9.2 Drilling by Queenston 2000 – 2008

Core drilling to test induced polarization geophysical anomalies and follow up on earlier drill results was started in May 2005. Phase I consisted of 15 boreholes (UB-05-01 to UB-05-15) totalling 5,913 metres. A Phase II program, which consisted of five boreholes (UB-05-16 to UB-05-20) totalling 2,420 metres, was planned to follow up the results of the first phase. Phase II was completed in August, 2005.

Phase III extended from September 25, 2005 to November 03, 2006. It consisted of 54 boreholes (UB-05-21 to UB-06-74) totalling 40,720 metres.

Core drilling in 2006 continued to encounter high grade mineralization over wide intervals. After completing a preliminary resource model, Queenston carried out an infill definition drilling program in preparation. The Phase IV infill drill program started in January 2007 and was completed by March 2008. The purpose of this work was to define the Upper Porphyry Zone at nominal 50-metre spacing between -400 and -700 metres below surface. After intersecting a high grade zone in Borehole UB07-100 at -810 metres, the infill drilling was extended to the -800-metre level. The drilling also tested the Syenite, North Contact, Lower Porphyry, Lower Gauthier, and Syenite Breccia zones, which occur in a broad alteration corridor above and below the main Upper Beaver Porphyry Zone. The program consisted of 60 core boreholes, including wedge holes (UB-07-75 to UB-08-128) aggregating 49,060 metres.

The Phase I to Phase IV programs aggregated 100,672 metres. All drilling was nominally NQ and carried out by a single contractor—Benoit Diamond Drilling Ltd. from Val d'Or, Quebec.

9.3 Drilling by Queenston 2008 – 2011

All core drilling was conducted by Benoit Diamond Drilling of Val d'Or, Quebec, and Major Diamond Drilling Group of Winnipeg, Manitoba who acquired Benoit Diamond Drilling. Borehole core was nominal NQ diameter during all phases of the drilling programs. Three HQ diameter boreholes were also completed during the period. The borehole core, plus rejects and pulps from the sampling programs, are stored at the Upper Canada mine site.

All borehole collars were spotted by Northland Technical Surveys, Kirkland Lake, Ontario, using a Total Station, NAD 83 UTM co-ordinates and geodetic elevation system. During drilling, down-hole attitude surveying was conducted using a Reflex instrument. Upon completion, the boreholes were re-surveyed by Halliburton Sperry Drilling Services, North Bay, Ontario, by using a north-seeking gyroscopic system.

A small percentage of boreholes that experienced technical difficulties such as broken rod-strings, or which were otherwise abandoned before reaching targeted areas, were subsequently not surveyed by the gyroscopic system. Borehole casings were left in place, capped and marked with wooden posts with aluminum tags or with metal flag casing caps identified with metal tags.

9.3.1 2008 – 2009 Drill Program

During the period of March 19, 2008 to April 2009 a total of 16,572 metres of core drilling were completed in 19 boreholes on the Upper Beaver project, including 12 boreholes from surface, six wedge cuts and one extension to existing Borehole UB06-63.

Borehole targets for the 2008 – 2009 drilling campaign were two-fold. Boreholes were designed to test the Titan-24 anomalies outlined in the north end of the property, north of the North Basalt Zone, and in the area south of the old mine workings, beneath and along the south shore of Beaverhouse Lake. No significant auriferous zones were outlined during this exploratory drilling.

The remainder of the drilling from the period focused on exploring for the deep, down-dip extension of the east and west Porphyry zones below the -800-metre elevation.

9.3.2 2009 – 2010 Infill Drilling Program

From June 2009 to January 2010 a second infill core drilling program was undertaken in order to infill the deposit between the -400- to -800-metre elevations outlined in the 2008 technical report. Drilling was focused primarily on the east and west Porphyry zones, which accounted for approximately 80 percent of the resource outlined by WGM in 2008. Pierce point locations were developed from three-dimensional modelling of the zones and longitudinal sections, in order to achieve approximately 25-metre spacing relative to previous drilling within the resource block. It was determined that the most efficient way of ensuring accurate intersection of outlined pierce point locations was primarily by wedging from pre-existing boreholes. In about half of the cases, new boreholes were required to be drilled from surface, using controlled drilling techniques necessary to hit the tight target areas outlined. Sixteen core boreholes were completed in the infill program, eight from surface and eight wedge cuts, totalling 8,950 metres. All but two of the boreholes, which intersected post-mineralization dikes, successfully intersected the mineralized zones.

9.3.3 2009 – 2011 Deep Exploration and Definition Drill Program

During the period from April 2009 to February 2011 exploration and definition drilling continued (Boreholes UB09_140 to UB11_171). A total of 43,566 metres in 83 core boreholes (including 8,950 metres for infill program, surface holes and wedge cuts) was completed during this period. Drilling primarily focused upon further exploring and expanding the Porphyry zones at depth, below the -800-metre elevation, and at the limits of the known mineralization with the goal of further expanding the resource within these zones.

Boreholes were designed to target the down-dip/down-plunge extension of the Porphyry zones based on an interpreted attitude of the vein system striking 50 to 60 degrees and dipping 60 to 70 degrees to the northwest. Drilling to date has defined a plunge of the core of the vein system to be approximately 50 degrees to the northeast.

9.4 Drilling by Queenston 2011 – 2012

Three additional phases of core drilling were completed on the Upper Beaver property after the preparation of the previous mineral resource model prepared by WGM in 2011. All programs targeted the Porphyry zones. Additionally, mineralization in both the hanging wall and footwall of the Porphyry Zone was tested as a result of borehole planning.

During this period, a total of 64,891 metres of core drilling in 114 boreholes has been completed, including 69 boreholes from surface, 44 wedge cuts, and 1 extension to existing Borehole UB09-149. The programs were subdivided below into the West Shallow program, Infill program and Deep Exploration program.

The mineral resource model reported herein considers drilling information up to an including Borehole UB12_238.

9.4.1 West Shallow Program

A total of 14,783 metres of drilling was completed in 33 boreholes in this area. All of the boreholes were drilled from surface. This program was multi purposed to target and test the Q zones above the -400-metre elevation level, the North Contact Zone, the Porphyry zones and the South Contact Zone where feasible.

9.4.2 Deep Exploration Program

The Deep Exploration program continues to explore the extension of the East Porphyry Zone at a depth of 1,200 metres below the surface. To date, a total of 3,961 metres of core drilling in five boreholes, a pilot borehole, and four wedge cuts have been completed. Mineralization was intersected below previous Borehole UB10-163, between 1,225 metres to 1,350 metres below surface elevation. Boreholes UB11-200 and 200W1 and Boreholes UB12-200W2, 200W3, and 200W4 formed part of this project. These intersections have extended the Porphyry Zone down-dip and down-plunge by an additional 200 metres.

Below the porphyry targets, a new zone was intersected in the same borehole series and named the Footwall/200 Zone. The zone has mineralogy, alteration, and orientation similar to the Porphyry Zone. This zone is located approximately 70 metres to 120 metres below and in the footwall to the Porphyry Zone.

9.4.3 Infill Program

The infill drilling program focused improving the delineation of the zones of mineralization considered in the WGM mineral resource model. Drilling focussed mainly on the east and west Porphyry zones between 300 to 1,100 metres below the surface. For shallower parts of the deposit, boreholes from surface were drilled and below the - 400-metre elevation, pilot boreholes and wedge boreholes were utilized where necessary. Targets were developed from the previous three-dimensional model of the mineralized zones and from longitudinal sections with the objective of achieving a nominal 25-metre spacing.

9.4.4 Shaft Pilot Hole

A geotechnical core borehole was designed to test the proposed location for the advanced exploration shaft by testing ground conditions and environmental characteristics, and condemning the area for possible mineralization. The core was oriented using Verti-Ori core orientation and borehole surveying equipment.

9.5 Drilling Planning, Site Preparation and Set-up

For the 2005 Phase I and II programs, borehole collars were spotted using global positioning system (GPS) and the north trending (100-metre spaced lines) cut grid on the property established for the induced polarization geophysical survey. Casings for most of the boreholes were subsequently surveyed in 2005 by Northland Technical Surveys (Northland) of Kirkland Lake, Ontario using Total Station, NAD 83 UTM co-ordinates and geodetic elevation. Since these two initial drilling programs, all borehole sites were all (except for one borehole) spotted directly by Northland using Total Station.

Two fore sights were used to determine the boreholes azimuth because of the configuration of the drill shack. Drillers lined up the drills for azimuth. The drillers contacted the project geologist by phone when the first down-hole survey test results were taken 15 metres below the casing. As a guideline, if the test results were within ± 0.5 degree of the planned dip and within ± 2 degrees of the planned azimuth, the borehole was continued.

When the results were unsatisfactory, the drillers were instructed to pull the casing and restart the borehole. The drillers submitted daily work reports for day and night shifts for each drill rig. The drillers were in radio and/or cell phone contact with their foreman, Queenston's Kirkland Lake exploration office and/or the project geologist at his local residence in case of any problems or questions.

9.5.1 Down-hole Survey

Down-hole attitude surveys for Phase I Boreholes UB-05-01 to UB-05-15 were acquired by Reflex EZ-SHOT. For subsequent drilling, EZ-SHOT was largely used for surveying only during drilling. After the boreholes were completed, they were resurveyed using a north seeking gyroscopic system by Halliburton Sperry Drilling Services (Halliburton) North Bay, Ontario. However, for a number of boreholes, Halliburton was not available in a timely manner, and some boreholes were lost in faults or were blocked by cave after the drill was dismounted. Therefore, a number of boreholes only have EZ-SHOT surveys.

Beginning in 2006 and continuing to the present, all boreholes are spotted by Northland and subsequently down-hole surveyed by Halliburton.

9.6 Core Logging

After pulling the rods, the core was placed in wooden core boxes by the drillers. The boxes were collected up by Queenston technicians at the drill site every morning and delivered to the core logging facility at the former Upper Canada mine site.

Queenston used a well-designed procedure for logging the borehole core and the subsequent integration of this information into the exploration database. Field logging was recorded digitally using standardized Microsoft Excel spreadsheet templates that ensured that all relevant information was captured. Various levels of descriptive input were recorded, with appropriate validation procedures in place.

All borehole core was routinely photographed. The standardized logging procedures include collection of lithological, structural, mineralization and alteration features, and geotechnical parameters such as rock quality determination (RQD), joint/fracture analyses, material type, and rock strength.

9.7 Core Sampling

Core displaying obvious mineralization and alteration was sampled. The samples were marked by the geologist and sample tickets were inserted in the core box. Depending on the lithology, alteration, and mineralization sample widths may vary but were predominantly confined to 0.5 metres or 1.0 metre lengths.

The samples were entered on the borehole logs and for each sample the percentage of quartz-carbonate veining, percent pyrite/pyrrhotite, percent magnetite and percent chalcopyrite were estimated and entered on the log. After logging was completed, the core was photographed and the boxes were returned to the racks. Digital photographs were stored in folders by borehole along with the digital logs. The samples were then cut in half by a Queenston technician using a diamond core saw.

Half the core was placed in a plastic bag with a sample ticket and the other half was put back in the box with a duplicate sample ticket at the end of the sampled interval. Samples with visible gold had blanks inserted following the sample and were flagged for the core cutter to take special care to clean the saw blade after cutting the potentially high grade sample in order to avoid contamination of the next sample. The assay laboratory was also advised of visible gold samples to avoid batch contamination. The bagged samples were placed in rice bags, a laboratory work order was prepared and the samples were delivered by truck to Swastika Laboratories Ltd. (Swastika) of Swastika, Ontario.

Metal tags with the borehole number and the depth of the borehole for the contained core interval were nailed onto the end of each core box. The boxes with core from mineralized zones were placed in racks outside for future reference including a few uncut boxes above and below the sampled zone. Boxes which had not been sampled were stored on pallets. Starting in 2007, some old boreholes and the unmineralized upper portions of boreholes with no samples were stacked on wooden pallets to save core rack space.

9.8 SRK Comments

In the opinion of SRK, the sampling procedures used by Queenston conform to industry best practice and the resultant drilling pattern is sufficiently dense to interpret the geometry and the boundaries of the gold-copper mineralization with confidence. All drilling sampling was conducted by appropriately qualified personnel under the direct supervision of appropriately qualified geologists.

10 Sample Preparation, Analyses, and Security

10.1 Sample Preparation and Analyses

10.1.1 Primary Analytical Laboratories

Queenston used standard documented procedures for all aspects of the field sampling, including sample description, handling, and preparation for dispatch to the assay laboratory. Queenston used Swastika Laboratories Ltd (Swastika) of Swastika, Ontario as the primary laboratory for preparing and assaying all samples from the Upper Beaver project. Swastika is not fully accredited by the Standards Council of Canada, but does have a certificate of laboratory proficiency issued by the council, and participates in the Proficiency Testing Program for Mineral Analysis Laboratories (PTP-MAL).

During the period of March to July 2011, Accurassay Laboratories of Thunder Bay, Ontario, which is accredited to ISO 17025:2005 by the Standards Council of Canada, acted as the primary laboratory for the project. The main reason for the switch in primary laboratory during this period was the increased back-log and turn-around times for analytical results from Swastika Laboratories due to exceptionally high client sample volumes. In August 2011, Swastika Laboratories returned to being the primary lab for the project.

Sampling was completed by Queenston personnel. Samples were collected from split core typically between 0.5 and 1.0 metre in length. Samples were bagged, labeled, and sent to Swastika (or Accurassay Laboratories) for preparation. Upon receipt, the sample labels were compared with the master shipping list to ensure all samples were accounted for and correctly labeled.

At both Swastika and Accurassay Laboratories, samples were prepared using a standard rock preparation procedure. The entire sample was dried and crushed to a quarter inch in a Rhino jaw crusher. The crusher was cleaned between each sample using an air compressor. The crusher was cleaned with sterile equipment between sample batches. The sample was then further crushed to10-mesh size in a roll crusher. The crusher was cleaned between each sample using an air compressor and a wire brush. The crusher was cleaned with sterile equipment between sample batches.

The first sample of each batch was sieved to 10-mesh to determine if 90 percent passed 10-mesh. If not, the roll crusher was adjusted and another test was performed. A sample of 400 grams was then separated from the entire crushed sample using a Jones-type splitter and this portion was pulverized to 100-mesh using a ring and puck pulveriser. The sprayer was cleaned between each sample using an air compressor. The sprayer was cleaned with silica between sample batches. The remaining portion of the 10-mesh sample was saved in the original sample bag as the “coarse reject.”

The first sample of each batch was screened to 100-mesh. If 90 percent did not pass, the sputtering time was increased and then another test was performed. The rejections were sent back to Queenston for storage at the Upper Canada mine site. All assay values determined by both Swastika and Accurassay Laboratories used a fire assay methodology with an atomic absorption spectroscopy finish on 30-gram subsamples. On samples found to have assay values greater than 1.0 gram per tonne (gpt) gold a fire assay was repeated with a gravimetric finish. For copper assays, sample digestion was by aqua regia (nitric and hydrochloric acids) in a hot water bath until the pulp is fully dissolved. Samples which on initial assay returned greater than 1 percent (10,000 ppm) copper were re-assayed using a smaller charge.

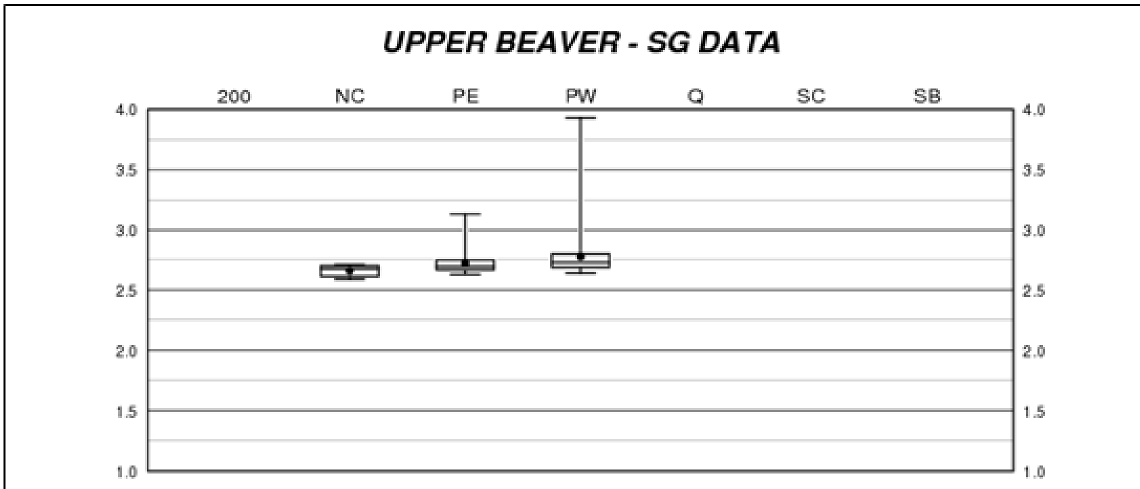
10.1.2 Secondary Check Laboratories

A number of laboratory facilities have been used by Queenston as check laboratories. During the period from 2005 to 2008, check assays were sent to Polymet Labs of Cobalt, Ontario and Laboratoire Expert of Rouyn-Noranda, Quebec. In 2009, SGS Laboratories, Inc. was used as the check laboratory, and in 2010 Laboratoire Expert was again utilized. The check assay program conducted in 2011was undertaken by AGAT Laboratories of Sudbury, Ontario. SGS Laboratories and AGAT Laboratories are fully accredited by the Standards council of Canada to conform to the requirements of CAN-P-1579 and CAN-P-4E (ISO/IEC 17025:2005).

Laboratoire Expert and Polymet Labs have certificates of laboratory proficiency issued by the Standards Council of Canada and participate in the Proficiency Testing Program for Mineral Analysis Laboratories (PTP-MAL) but are not accredited to ISO 17025:2005 by the Standards Council of Canada.

10.2 Specific Gravity Data

Specific gravity was measured by Swastika (Swastika) in Swastika, Ontario using a pycnometer on the pulp material prepared for assaying as part of the routine assaying procedures. The specific gravity database contains 146 measurements, but only 100 from the resource domains. Only three of the seven domains (North Contact, Porphyry East and Porphyry West) have specific gravity data (Figure 9). Considering that the specific gravity database is relatively small, SRK applied the average value of the 100 measurements inside the resource domains to all resource domains. An average value of 2.75 was used to convert volumes into tonnages.



	200	NC	PE	PW	Q	SC	SB	
Number of data	0	9	28	63	0	0	0	Number of data
Mean	-1.0	2.66	2.7221	2.7773	-1.0	-1.0	-1.0	Mean
Std. Dev.	-1.0	0.0452	0.0915	0.1717	-1.0	-1.0	-1.0	Std. Dev.
Coef. of Var.	-1.0	0.017	0.0336	0.0618	-1.0	-1.0	-1.0	Coef. of Var.
Maximum	-1.0	2.71	3.13	3.93	-1.0	-1.0	-1.0	Maximum
Upper quartile	-1.0	2.7025	2.75	2.8	-1.0	-1.0	-1.0	Upper quartile
Median	-1.0	2.68	2.695	2.73	-1.0	-1.0	-1.0	Median
Lower quartile	-1.0	2.615	2.67	2.69	-1.0	-1.0	-1.0	Lower quartile
Minimum	-1.0	2.59	2.63	2.64	-1.0	-1.0	-1.0	Minimum

Figure 9: Summary of the Specific Gravity Database

10.3 Quality Assurance and Quality Control Programs

Quality control measures are typically set in place to ensure the reliability and trustworthiness of exploration data. These measures include written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

Analytical control measures typically involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation and assaying. They are also important to prevent sample mix-up and to monitor the voluntary or inadvertent contamination of samples.

Assaying protocols typically involve regularly duplicating and replicating assays and inserting quality control samples to monitor the reliability of assaying results throughout the sampling and assaying process. Check assaying is normally performed as an additional test of the reliability of assaying results; it generally involves re-assaying a set number of sample rejects and pulps at a secondary umpire laboratory.

Queenston implemented a quality assurance and quality control program at the Upper Beaver project in January 2007, commencing with Borehole UB07-75 (Queenston, 2012).

Queenston relied partly on the internal analytical quality control measures implemented by Swastika and Accurassay Laboratories. In addition, Queenston implemented external analytical control measures on all sampling. This consisted of using control samples in all sample batches submitted for assaying.

Eleven commercially certified gold standard reference materials sourced from Rocklabs Ltd. (Rocklabs) of New Zealand and one commercially certified copper standard reference material sourced from Natural Resources Canada’s (NRCan’s) CANMET Mining and Mineral Services Laboratories (CANMET-MMSL) in Canada were used on sampling. They are listed in Table 6. Blanks consist of the half of a BQ diameter core taken from visually barren (although there is a natural variance in the background gold content) mafic volcanic, basaltic flows rocks from past exploration drilling programs on Queenston projects (Queenston, 2012). Secondary vein material is removed as much as possible from the sample set.

A blank and a gold standard are inserted into the sampling stream every 25 samples, while copper standards are randomly inserted, particularly following zones that contain appreciable copper mineralization (Queenston, 2012). Blanks are also inserted into the sample stream immediately following a sample with visible gold identified (Queenston, 2012).

Gold standards are alternated between a lower gold grade standard (typically around 1 gpt gold) and higher gold grade standard (about 5 gpt gold; Queenston, 2012). The actual gold standard varies over time due to the availability from the manufacturer (Queenston, 2012).

Check assaying was completed on at least 5 percent of rejects and or pulps once to twice a year (Queenston, 2012).

Table 6: Specifications of Standard Reference Materials Used by Queenston for the Upper Beaver project Between February 2007 and August 2012

Certified Standard Name	QMI Standard Name	Source	Expected Value	Expected Standard Deviation	Number of Samples
OxE74	QMI Std 7	Rocklabs	0.615 ppm Au	0.017 ppm Au	97
SH41	QMI Std 11	Rocklabs	1.344 ppm Au	0.041 ppm Au	254
SH55	QMI Std 16	Rocklabs	1.375 ppm Au	0.045 ppm Au	450
Si42	QMI Std 10	Rocklabs	1.761 ppm Au	0.054 ppm Au	136
SJ39	QMI Std 6	Rocklabs	2.641 ppm Au	0.083 ppm Au	36
SJ32	QMI Std 2	Rocklabs	2.645 ppm Au	0.068 ppm Au	192
SK33	QMI Std 3	Rocklabs	4.041 ppm Au	0.103 ppm Au	115
SK43	QMI Std 8	Rocklabs	4.086 ppm Au	0.093 ppm Au	76
OxL51	QMI Std 1	Rocklabs	5.850 ppm Au	0.123 ppm Au	311
SL46	QMI Std 5	Rocklabs	5.867 ppm Au	0.170 ppm Au	567
SL61	QMI Std 14	Rocklabs	5.931 ppm Au	0.177 ppm Au	457
HV-2	QMI Cu Std	NRCan’s CANMENT-MMSL	0.57 % Cu	0.03 % Cu	63

10.4 SRK Comments

SRK reviewed the field procedures and quality control measures used by Queenston. The analysis of the analytical quality control data is presented in Section 11 below. In the opinion of SRK, Queenston personnel used care in the collection and management of field and assaying exploration data.

The analytical quality control program developed by Queenston is appropriate for this exploration project and was overseen by appropriately qualified geologists. In the opinion of SRK, the exploration data from the Upper Beaver project were acquired using sampling preparation, security, and analytical procedures that are consistent with, and often exceed, generally accepted industry best practices and are, therefore, adequate for a resource delineation exploration property. After review, SRK considers that the sampling approach used by Queenston did not introduce a sampling bias.

11 Data Verification

11.1 Verifications by Queenston

Queenston conducted exploration work on the Upper Beaver project under a quality management system involving all stages of exploration, from drilling to resource estimation. Field data are recorded digitally using standardized Microsoft Excel spreadsheet templates ensuring that all relevant information is captured. Various levels of descriptive input were recorded, with appropriate validation procedures in place.

Field and assay data were transferred into the master database with additional auditing performed by project geologists and Queenston's Vice-President of Exploration. Data were stored in a Microsoft Access database.

In the opinion of SRK, the field procedures used by Queenston meet or exceed industry best practices. Sample shipments and assay deliveries were routinely monitored as produced by the preparation and assaying laboratories. Assay results and quality control data produced by the various laboratories were inspected visually and analyzed using various bias and precision charts.

Analytical data passed a rigorous quality control test before validation into the master database. Sample batches from the analytical laboratories that failed quality control tests were re-analyzed before being accepted into the master database.

11.2 Verifications by SRK

11.2.1 Site Visit

In accordance with National Instrument 43-101 guidelines, Mr. Sébastien Bernier, P.Geo. (APGO#1847), and Mr. Glen Cole, P.Geo. (APGO#1416), visited the Upper Beaver project site between August 1 and 2, 2012. During the site visit, active drilling was taking place. The purpose of the site visit was to inspect the property, ascertain the geological setting of the Upper Beaver project, and witness the extent of the exploration work carried out on the property.

All aspects that could materially impact the integrity of the resource estimate were reviewed with Queenston staff. SRK was given full access to project data. SRK was able to interview exploration staff to ascertain exploration procedures and protocols.

The location of several borehole collars was verified in the field by SRK. The collars were clearly marked by a metal rod capping the casing left in place with a metal flag marking the borehole number. No discrepancies were found between the location, numbering or orientation of the boreholes verified in the field and the maps and the database examined by SRK.

SRK reviewed core from five boreholes drilled by Queenston (UB08-139, UB09-100-W1, UB09-135-W2, UB09-148, and UB10-161-W2) and found the logging information to accurately reflect actual borehole core. The lithology and gold-copper mineralization contacts checked by SRK matched the information reported in the core logs. Generally, the boundaries of the auriferous zones examined in core matched the boundaries determined from assay results.

SRK collected 26 core samples for independent verification assaying. SRK collected quarter core samples from the remaining half split core to replicate 26 original sampling intervals in Boreholes UB09-148 and UB11-174. The verification samples were sent by SRK to AGAT Laboratories Inc., based in Sudbury, Ontario, for preparation and assaying. At AGAT, the SRK samples were assayed for gold using a standard fire assay procedure and for a suite of 32 elements using four-acid digestion followed by inductively coupled plasma atomic emission spectrometry. The AGAT Sudbury laboratory is accredited under ISO/EIC Guideline 17025:2005 by the Standards Council of Canada for the procedures used to prepare and assay the SRK samples. Assay certificates for SRK core samples are presented in Appendix F.

The verification samples were solely taken to verify the presence of gold and copper in the core from the Upper Beaver gold-copper deposit examined by SRK. Such a small sample collection cannot be considered statistically representative for assessing the gold and copper grades of this deposit.

The comparison between the gold and copper assay results of the SRK samples and the original Queenston results is summarized in Table 7. The verification samples collected by SRK confirm that there is gold and copper mineralization in the sampled borehole core. The SRK results are comparable to the Queenston results.

Table 7: Assay Results for SRK Verification Samples Collected by SRK

Borehole Number	Queenston Sample ID	SRK Sample ID	From	To	Gold Grade (gpt*)		Copper Grade (%)	
					Swastika	AGAT	Swastika	AGAT
UB11-174	3620967	Q259078	1198.0	1199.0	2.30	5.91	0.27	0.17
UB11-174	3620968	Q259079	1199.0	1200.0	6.62	9.61	0.63	0.77
UB11-174	3620969	Q259080	1200.0	1200.5	21.38	20.30	2.18	2.07
UB11-174	3620970	Q259081	1200.5	1201.0	6.52	13.50	0.31	1.18
UB11-174	3620971	Q259082	1201.0	1202.0	3.16	2.90	1.11	1.11
UB11-174	3620972	Q259083	1202.0	1205.5	1.51	0.84	0.95	0.84
UB11-174	3620973	Q259084	1205.5	1203.0	28.33	15.20	1.55	0.96
UB11-174	3620974	Q259085	1203.0	1204.0	2.24	5.15	0.21	0.22
UB11-174	3620975	Q259086	1204.0	1204.5	6.20	7.21	0.19	0.27
UB11-174	3620976	Q259087	1204.5	1205.0	24.91	32.90	1.52	0.78
UB11-174	3620977	Q259088	1205.0	1206.0	9.54	9.19	0.45	0.35
UB11-174	3620978	Q259089	1206.0	1206.5	0.63	1.73	0.15	0.12
UB11-174	3620979	Q259090	1206.5	1207.0	0.10	1.25	0.01	0.26
UB11-174	3620980	Q259091	1207.0	1207.5	1.82	1.01	0.26	0.26
UB11-174	3620981	Q259092	1207.5	1208.5	18.27	9.44	1.52	1.77
UB11-174	3620982	Q259093	1208.5	1209.0	1.06	0.16	0.11	0.07
UB09-148	3620983	Q259094	1227.0	1228.0	1.07	2.06	0.40	0.21
UB09-148	3620984	Q259095	1228.0	1228.5	2.33	4.36	1.43	0.59
UB09-148	3620985	Q259096	1228.5	1229.2	1.89	1.24	0.29	0.33
UB09-148	3620986	Q259097	1229.2	1229.7	9.12	14.90	2.94	2.93
UB09-148	3620987	Q259098	1229.7	1230.5	89.56	59.40	8.24	6.29
UB09-148	3620988	Q259099	1230.5	1231.0	44.98	45.40	10.08	9.04
UB09-148	3620989	Q259100	1231.0	1231.5	5.79	1.06	0.41	0.41
UB09-148	3620990	Q271522	1231.5	1232.0	5.04	3.73	0.28	0.24
UB09-148	3620991	Q271523	1232.0	1232.5	1.58	0.94	0.09	0.08
UB09-148	3620992	Q271524	1232.5	1233.0	26.47	15.90	0.63	0.36

* gpt = grams per tonne

11.2.2 Database Verification

Queenston used documented procedure for logging the borehole core and the subsequent integration of this information into the exploration database. Field logging was recorded digitally using standardized Microsoft Excel spreadsheet templates that are equipped with a series of rigorous internal checks that prevent entry errors, including duplications and missing intervals that may occur during logging.

During the site visit, SRK reviewed and verified the logging procedures with several logging geologists. SRK also performed a series of statistical test on the database as part of the mineral resource estimation process. No errors were found. SRK is of the opinion that the database is adequate and sufficiently reliable to support mineral resource estimation. However, the database did not contain certificate numbers for more than 50 percent of the assays. SRK recommends that certificate numbers be imported into the database prior to next year's resource update so that an audit can be conducted.

11.2.3 Verifications of Analytical Quality Control Data

SRK analysed the analytical quality control data accumulated by Queenston for the Upper Beaver project for the period from February 2007 to August 2012.

Queenston provided SRK with external analytical control data containing the assay results for the quality control samples in Microsoft Excel spreadsheets.

SRK aggregated the assay results of the external analytical control samples for further analysis. Control samples (blanks and standards) were summarized on time series plots to highlight the performance of the control samples. Paired data (check assays) were analyzed using bias charts, quantile-quantile, and relative precision plots.

The external analytical quality control data produced for the Upper Beaver project are summarized in Table 8 and presented in graphical format in Appendix G. The external quality control data produced on this project represents 6.0 percent of the total number of samples assayed for gold and 2.6 percent for copper.

The performance of the control samples inserted with samples submitted for assaying at Swastika and Accurassay Laboratories is below expectations, with some evidence of cross-sample contamination indicated by field blanks. Table 9 lists the failures of five field blanks placed following a sample identified with visible gold. Although the cause of these anomalous blanks is unclear, contamination in the sample preparation process is suspected. SRK recommends that Queenston investigates the cause of these anomalous blanks as a potential contamination issue could negatively impact the integrity of the database used for resource modelling.

The field blank is not barren in copper. Considering that the average copper grade of Upper Beaver project is approximately 0.3 percent copper, the field blank used is acceptable for copper. The standards are too often outside two standard deviations. Many failures appear to be caused by the mislabelling of standards and blanks. Paired data for check assays show that assay results analysed by umpire laboratories Laboratoire Expert, SGS Laboratories and AGAT Laboratories don't always agree with the primary laboratories Swastika Laboratories and Accurassay Laboratories (see Appendix G).

Table 8: Summary of Analytical Quality Control Data Produced by Queenston on the Upper Beaver Gold Project Between February 2007 and August 2012

	Swastika		**Accurassay**		**Total**		**(%)**		**Comment**
	Au	**Cu**	**Au**	**Cu**	**Au**	**Cu**	**Au**	**Cu**	
Sample Count					91,055	87,953			
Field Blank	2,071	1,403	785	784	2,856	2,187	3.14	2.49	Barren, mafic volcanic rocks
Standards	1,925	63	766	0	2,691	63	2.96	0.07	
OxE74 (QMI Std 7)	97				97	0			Rocklabs (0.615 ± 0.017 ppm Au)
SH41 (QMI Std 11)	150		104		254	0			Rocklabs (1.344 ± 0.041 ppm Au)
SH55 (QMI Std 16)	301		149		450	0			Rocklabs (1.375 ± 0.045 ppm Au)
Si42 (QMI Std 10)			136		136	0			Rocklabs (1.761 ± 0.054 ppm Au)
SJ39 (QMI Std 6)	36				36	0			Rocklabs (2.641 ± 0.083 ppm Au)
SJ32 (QMI Std 2)	192				192	0			Rocklabs (2.645 ± 0.068 ppm Au)
SK33 (QMI Std 3)	115				115	0			Rocklabs (4.041 ± 0.103 ppm Au)
SK43 (QMI Std 8)	76				76	0			Rocklabs (4.086 ± 0.093 ppm Au)
OxL51 (QMI Std 1)	311				311	0			Rocklabs (5.850 ± 0.123 ppm Au)
SL46 (QMI Std 5)	352		215		567	0			Rocklabs (5.867 ± 0.170 ppm Au)
SL61 (QMI Std 14)	295		162		457	0			Rocklabs (5.931 ± 0.177 ppm Au)
HV-2 (QMI Cu Std)		63			0	63			CANMET-MMSL (0.57 ± 0.03% Cu)
Pulp Replicates									
Field Duplicates									
Total QC Samples					**5,547**	**2,250**	**6.09**	**2.56**	
Check Assays	**FA-AAS**	**FA-GRAV**	**Cu**		**Total**	**Total**			
Swastika vs AGAT	490	183	502		673	502			
Accurassay vs AGAT	480		480		480	480			
Swastika vs SGS	337				337	0			
Swastika vs Expert	476	30	40		506	40			
Total Check Assays					**1,996**	**1,022**	**2.19**	**1.16**	

For Laboratoire Expert gold data, 56.7 percent of samples analysed by fire assay with atomic absorption spectroscopy finish have a rank half absolute difference (HARD) below 10 percent and 66.7 percent for samples analysed by fire assay with gravimetric finish. For copper data, 7.5 percent of samples have a HARD below ten percent.

For SGS, 38.3 percent of the samples have a HARD below 10 percent. For AGAT Laboratories gold data, 47.8 percent of the samples versus Swastika Laboratories and 41.3 percent of the samples versus Accurassay Laboratories analysed by fire assay with AAS finish have a HARD below 10 percent and 67.8 percent for samples versus Swastika Laboratories analysed by fire assay with gravimetric finish. For copper data, 76.7 percent of samples versus Swastika Laboratories and 61.7 percent of the samples versus Accurassay Laboratories have a HARD below 10 percent.

SRK considers the problem noted above to be relatively minor and not a risk to the integrity or the validity of the assaying results delivered by the primary laboratories. In the opinion of SRK, the analytical quality control data examined for the period between February 2007 and August 2012 are sufficiently reliable for the purpose of resource estimation. However, SRK strongly recommends investigating the cause of the potential sample contamination, the poor performance of the reference material, and the poor performance of check assays at both laboratories. Analytical quality control results delivered by the laboratories should be verified to identify problematic batches of samples. Any failure should be investigated on an ongoing basis to identify problems and request the laboratory to re-assay problematic batches, when necessary. This would allow the laboratory to show better performance in quality control analysis. Analysis of analytical quality control data should be documented in a formal monthly quality control report.

Other than indicated above, the data sets examined by SRK do not present obvious evidence of analytical bias.

Table 9: Field Blank Failures Displaying Signs of Possible Contamination at Swastika and Accurassay Laboratories

BoreholeID	SampleID	BatchID	Batch Date	Lab	Au (gpt)
UB11_175W3	175422	11 2459	09/07/2011	Swastika	3.50
UB11_175W3	175431	11 2459	09/07/2011	Swastika	15.76
UB12_200W2	1243541	12 919	12/04/2012	Swastika	1.79
UB12_227W1	268589	12 2060	19/07/2012	Swastika	2.62
UB11_174W5	178551	201160456	02/09/2011	Accurassay	5.548

12 Mineral Processing and Metallurgical Testing

The information contained in this section was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading “Cautionary Note Regarding the Preliminary Economic Assessment” in Subsection 1.8 of this report.

12.1 Historical Overview

Samples of Upper Beaver ore are thought to have been first tested by American Cyanimid Co. in 1939. From material grading 10.9 grams of gold per tonne (gpt) and 0.9 percent copper, recoveries of 96 percent and 95 percent respectively of the gold and copper were achieved with a combination of jigging (42 percent recovery to a bullion form), copper-gold flotation and cyanidation of the flotation tailings. The next documented series of tests was performed by H. Lynch of Upper Canada Mines Ltd. (Upper Canada) in 1963. Jigging was attempted, but the laboratory equipment was said to be inadequate and the test results unsatisfactory.

Using a procedure involving flotation and cyanidation of the flotation tailings, 94 percent and 95.5 percent of the copper was recovered from two composite samples with 86.6 percent and 89.6 percent gold flotation recovery, which increased to 96.2 percent and 96.9 percent after cyanidation of the flotation tailings. Direct cyanidation was also attempted but the presence of 1 percent copper resulted in significant solution fouling problems unless extreme cyanide levels were employed.

The best result was 92 percent gold extraction after 72 hours with very high cyanide consumption. Lynch's work was carried out at a fineness of grind of 65 – 70 percent passing 200 mesh, following the earlier work of American Cyanimid and testing by Faraday Mines. Lynch stated that flotation cleaning was unnecessary as the copper minerals floated cleanly in the rougher stage at good grades.

Faraday Mines undertook three tests of Upper Beaver ore in 1964 and were able to recover 95.5 – 97.2 percent of the copper in a copper-gold concentrate, together with 84.5 – 87 percent of the gold, which could be increased to 96.8 percent by cyanidation of the flotation tailings. These tests were performed at a fineness of grind of 56 percent passing 200 mesh. Dick Roach, the Faraday Mill Superintendent described the Upper Beaver ore as 'one of the most free-milling ores he had ever seen'.

In 1964, J. Botsford, Upper Canada General Manager, recommended putting the Upper Beaver deposit into production by retro-fitting of the Upper Canada mill with a separate milling circuit to include jigging and flotation. Kilborn Engineering was consulted on flow sheet design and equipment selection. The 150 tonnes per day flowsheet eventually developed and constructed had no jigging stage. The flotation circuit comprised seven Denver No. 24 cells – four roughing, two scavenging and a single cleaner cell.

The flotation tailing was thickened and introduced to an agitator at the tail end of the Upper Canada cyanidation circuit. Early production figures from February to November 1965 showed 37,277 tons milled at 12.3 gpt gold and 0.64 percent copper, with recoveries of 90 percent for copper and 93.6 percent for gold. First shipments of concentrate to the Horne Smelter in Rouyn-Noranda, Quebec, assayed 189 gpt gold and 23.3 percent copper.

12.2 Recent Testwork

12.2.1 Samples

In 2008-9 a limited scoping program of metallurgical tests was conducted by SGS-Lakefield on two Upper Beaver ore composites representing high (H) and low (L) copper-gold grades. This program was followed by additional testwork in 2010 -11 at SGS evaluating a high grade composite sample (UB-MET) from Upper Beaver, as well as samples from other deposits.
The results of the analysis of two samples are presented in Table 10 with the current study head values included for comparison.

Table 10: SGS Sample Head Grade

SGS Report	Sample	Au, g/t	Ag, g/t	Cu, %
2009	H	9.64	6.54	1.17
2009	L	4.82	0.8	0.16
2011	UB-MET	28.1	13.9	2.37
Current Study		6		0.44

12.2.2 Grinding

Two Bond ball mill index measurements were made with one for each report. The “H” sample yielded an index of 17.0 kWh/t and the UB-MET sample reetuned14.1kWh/t. It was noted that the “L” sample took twice as long to grind as did the “H” sample, suggesting that rock hardness increases with decreasing grade. The highest measured value of 17 kWh/t is selected for this study.

12.2.3 Gravity Separation

Gravity separation was conducted prior to flotation as a matter of course in almost all tests. The results indicate that a gravity concentrate could be produced containing about one third of the gold and a relatively minor percentage of the copper. Although not definitive, there was no indication that coarse gold is present.

One flotation test was conducted on “H” sample without prior gravity concentration. The results indicated no net benefit to gravity concentration in terms of overall gold recovery. Subject to more definitive testwork, gravity concentration is not included in the flowsheet.

12.2.4 Flotation

Copper floats very well as indicated in Figure 10, which summarizes the results of cleaner flotation tests at a primary grind of approximately 70 microns. (The slightly inferior result for the higher grade sample was attributed to minor sample oxidation).

At these high grades, there should be no difficulty in producing a saleable concentrate. The rougher flotation tests on the “L” sample at a head grade of 0.15 percent copper suggest that it may be difficult to produce a saleable grade from that material.

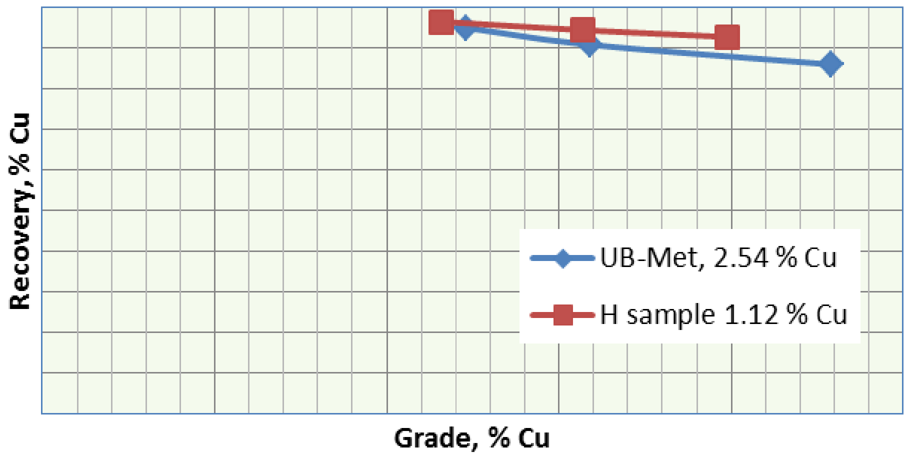


Figure 10: Copper Recovery vs. Grade

Production from the Upper Canada mill treating Upper Beaver mineralization by flotation, yielded 90% recovery to a 23.3 percent copper concentrate from a head grade of 0.64 percent copper, which is close to the current planned mine grade. These data are generally consistent with the SGS results and it is therefore assumed that a copper recovery of 90 percent to a saleable concentrate can be obtained.

12.2.5 Cyanidation

There are no test data on direct cyanidation of the mineralization in the Deposit and a future test program should include this option.

Cyanidation of flotation tailings was conducted in both SGS testwork programs. Tests at a typical grind of about 70 microns for 72 hours yielded excellent gold extractions. Interpretation is made somewhat difficult by the use of gravity in all tests and the grades of the tested samples but in general overall gold recoveries exceeding 98 percent were obtained. At the proposed head grade of 6 gpt gold, and based on residue assay correlation with allowance for soluble losses, an overall gold recovery of 98 percent is predicted for a circuit comprising flotation of a copper concentrate plus cyanidation of rougher flotation tailings. The amount of gold that reports to the copper concentrate may be very high, at perhaps 80 percent, but there is potential to modify this through further testwork if economics warrant.

12.3 Environmental Evaluation

12.3.1 Shaft Pilot Hole Testing

Base line acid rock drainage (ARD) and metal leaching (ML) testing has been conducted on the rock to be mined from the Upper Beaver advanced exploration shaft. This test was conducted using rock samples obtained from a shaft pilot hole completed in September 2011. This rock represents the majority of material to be produced from the mine during the advanced exploration project. This preliminary ARD and ML testing is summarized below.

Representative core samples were taken from the Upper Beaver pilot borehole in March 2012 to analyze for ARD and ML potential. Core was selected to create six distinct intervals using a composite of core samples (S1 to S6) based on lithology. Test work completed on each sample included whole-rock major elemental analysis, inductively coupled plasma-optical emission spectrometry/mass spectroscopy (ICP-OES/MS) strong acid digest elemental analyses, distilled water extraction, modified acid base accounting (ABA), and net acid generation (NAG) testing.

Whole-rock element analysis of the waste rock samples showed high percentages of silicon, ranging from 23.5 weight percent (wt%) to 32.1 wt% in all six samples. Aluminum was present ranging from 7.4 wt% to 9.1 wt%. Iron, magnesium, calcium, potassium, and sodium were found ranging from 0.2 wt% to 5.1 wt%. Loss-on-ignition results were 2.9 wt% and 9.7 wt%.

The ICP-OES/MS trace metal scan results show metals present at concentrations greater than 0.1 wt% in all samples include: aluminum (6.9 wt% to 8.1 wt%), calcium (1.4 wt% to 4.7 wt%), iron (0.3 wt% to 6.6 wt%), potassium (0.4 wt% to 3.6 wt%), magnesium (0.2 wt% to 2.2 wt%), sodium (1.3 wt% to 4.0 wt%), and titanium (0.1 wt% and 0.4 wt%). These are similar to the results of the whole-rock analysis. However, the soluble portions of the above mentioned metals are all quite low, ranging from 0.000005 percent to 3.4 percent. Most of the metals have soluble percentages of less than 0.1 percent.

Results from the distilled water extraction of samples were within metal mining effluent regulation (MMER) limits for all parameters for comparative purposes.

The results from the modified ABA tests indicate the potential for acid consumption and not acid generation. All samples produced a positive Net Neutralizing Potential (NNP) (ranging from 10.9 to 156 tonnes of calcium carbonate per 1,000 tonnes [t CaCO3 /1000 t]). Five of the six samples had net potential ratio (NPR) values greater than 4 (30.8 to 195), showing that there is no potential for ARD. Only one sample had an NPR lower than 4, S5 (3.04), indicating that there is a low ARD potential. Sample S5 also had the lowest NNP (10.9) indicating that it has uncertain behavior. However, when plotting NNP against the NAG pH, all samples including S5, fall into the neutral area. Further NAG testing also indicates that all samples are acid consuming rather than generating at both pH of 4.5 and 7.0 after oxidation. All pH readings taken for samples during ABA testing were alkaline, 8.4 to 9.56, showing that no samples are currently acidic. The final pHs after oxidation during the NAG testing were also alkaline, ranging from 10.65 to 11.19.

All samples have high pH values (greater than 8.4), showing an alkaline environment rather than acidic. The waste rock samples are acid-consuming according to the ABA testing completed to date. This was further confirmed with the NAG testing. All samples had alkaline pHs and results from the distilled water extraction proved to be below the MMER limits. ARD testing will continue as the project progresses.

12.3.2 Laboratory Generated Tailings from Upper Beaver Ore

2009 Mineralized Samples – Laboratory Generated Tailings

The testwork done in 2009 on the tailings generated in the laboratory from the Upper Beaver area ore (i.e., the F9-Rougher Tailing Sample) were: Inductively coupled plasma-optical emission spectrometry/mass spectroscopy (ICP-OES/MS) strong acid digest elemental analyses, synthetic precipitation leaching procedure (SPLP) extraction, ICP-OES/MS analysis of the fresh tailings filtrate solution, modified acid base accounting (ABA), and Net Acid Generation (NAG) testing.

The strong acid digest produced similar results in the laboratory processed tailings sample as the actual tailings from historic mine operations located in nearby Little Larder Lake. The same seven elements were elevated (i.e., > 1 wt%) or 10,000 micrograms per gram (µg/g): silicon, aluminum, calcium, iron, potassium, magnesium and sodium.

The SPLP results determine the mobility of contaminants from the tailings under acidic conditions. For the F9-Rougher Tailing Sample, the pH of the leachate was adjusted to 4.2 and added to the sample. All MMER controlled parameters reported were within the limits. The final pH was alkaline, 9.39, which is indicative of the buffering capacity of the sample.

ICP-OES/MS analysis of the fresh tailings filtrate solution was also done. The analysis reported a pH of 8.34, which represents a significant alkalinity concentration (102 milligrams per litre [mg/L]) and a non-detect acidity (less than [<] 2 mg/L). The analytical results on the fresh tailings filtrate were all within the MMER limits. This laboratory generated tailings sample reports similar ABA results to the 2011 tailings samples. They indicate the potential for acid consumption, not generation. The Table 11 illustrates how to interpret the ABA data.

Table 11: Interpreting ABA Data

	ARD potential
NPR<1	likely
1<NPR<2	possibly
NPR 2-4	low
NPR>4	none
NNP < -20	potentially acid generating
NNP > -20 to < 20	uncertain behaviour
NNP > 20	potentially acid neutralizing

Source: DRAFT Guidelines and Recommended Methods for the Prediction of Metal Leaching and Acid Rock Drainage at Minesites in British Columbia.

ABA test results showed a large positive net neutralizing potential (NNP) (87.6 tonnes of calcium carbonate per 1000 tonnes [t $CaCO_3$ /1000 t]) and a high NPR (255). This indicated the significant neutralization capacity of this sample. It also had an alkaline pH (9.11) and an aggressive fizz rating (3), which indicates that significant neutralizing minerals were available within the sample.

NAG testing results further corroborated that the sample contains acid consuming minerals. It showed a final pH of 10.93 and produced NAG results of 0 kilogram H_2SO_4 per tonne at both pH 4.5 and 7.

The 2009, F9-Rougher Tailing Sample is acid-consuming according to the ABA testing and further confirmed with the NAG testing. The SPLP leachate and tailing water analyses reported all MMER-controlled parameters at concentrations well within the specified limits.

2011 Ore Samples – Laboratory Generated Tailings

There was one composite sample taken in February 2011 that was tested for ARD, Upper Beaver (i.e., CN-17[UB-Met]). The sample underwent grinding and cyanidation prior to conducting the ARD testwork to simulate the milling process. The testwork done on the cyanidation residue (or tailings) was: ICP-OES/MS strong acid digest elemental analyses, modified ABA, and NAG testing.

The strong acid digest produced similar results in this laboratory generated tailing sample (CN-17(UB-Met)) as the F9-Rougher Tailing Sample. The same seven elements were elevated (i.e., > 1 wt% or 10,000 µg/g), silicon, aluminum, calcium, iron, potassium, magnesium and sodium.

Results of the modified ABA tests conducted on the UB-Met sample indicated the potential for acid consumption. This was corroborated by the NAG test results which reported no net acidity generated and the final pH values were very alkaline (pH = 11.41).

According to the results from the above tests, the tailings generated from processing the ore from the Upper Beaver area is acid consuming. However, as indicated previously the actual ore from the proposed Upper Beaver advanced exploration shaft has not yet been characterized with respect to ARD and ML characteristics.

12.3.3 Ancillary Testing for Acid Rock Drainage and Metal Leaching in the Project Area

Queenston has been conducting preliminary characterization of material from mining features in the larger area of Queenston's Gauthier Township holdings where Upper Beaver advanced exploration infrastructure or future mine development may occur. None of these features currently forms part of the Upper Beaver advanced exploration project.

Baseline testing for ARD and ML has been done to obtain background information on materials previously excavated and processed in the project area. Samples were obtained from the tailings impoundment area west of Little Larder Lake and fines were obtained from the base of the McBean waste rock pile in the spring of 2011. No significant acid generating potential has been identified.

12.4 Metallurgy

Samples of Upper Beaver ore are thought to have been first tested by American Cyanimid Co. in 1939. The next documented series of tests was performed in 1963. Jigging was attempted, but the laboratory equipment was said to be inadequate and the test results unsatisfactory. Using a procedure involving flotation and cyanidation of the flotation tailings, 94 percent and 95.5 percent of the copper was recovered from two composite samples with 86.6 percent and 89.6 percent gold flotation recovery, which increased to 96.2 percent and 96.9 percent after cyanidation of the flotation tailings. Direct cyanidation was also attempted but the presence of 1 percent copper resulted in significant solution fouling problems unless extreme cyanide levels were employed.

Faraday Mines undertook three tests of Upper Beaver ore in 1964 and were able to recover 95.5 percent to 97.2 percent of the copper in a copper-gold concentrate, together with 84.5 percent to 87 percent of the gold, which could be increased to 96.8 percent by cyanidation of the flotation tailings. These tests were performed at a fineness of grind of 56 percent passing 200 mesh and the ore proved to be free milling.

In 1964, Upper Canada Gold Mines recommended putting the Upper Beaver deposit into production by retro-fitting of the Upper Canada mill with a separate milling circuit to include jigging and flotation. A 150 tonnes per day flow sheet was developed and constructed, but had no jigging stage. The flotation circuit comprised seven Denver No. 24 cells – four roughing, two scavenging and a single cleaner cell. The flotation tailing was thickened and introduced to an agitator at the tail end of the Upper Canada cyanidation circuit.

Early production figures from February to November 1965 showed 37,277 tons milled at 12.3 gpt gold and 0.64 percent copper, with recoveries of 90 percent for copper and 93.6 percent for gold. First shipments of concentrate to the Horne Smelter in Rouyn-Noranda, Quebec, assayed 189 gpt gold and 23.3 percent copper. Production at the mine continued to 1971.

In July 2008, Queenston authorized a limited bench scale testing program at SGS–Lakefield with the primary objective of confirming metallurgical performance of earlier testwork and mine production as part of the recent Upper Beaver property Mineral Resource assessment. Two samples were provided; the master composite sample was selected from copper-rich gold-bearing intersections, while the secondary sample was prepared from copper-poor intersections. A Bond ball mill work index test was also completed on the high copper sample. Two gravity concentration tests have been performed on the high copper sample using a Knelson concentrator at varying fineness's of grind. To date, a total of six flotation tests have been undertaken. Copper recoveries in the roughing stage have varied from 96.5 percent to 98.3 percent, with the better of the two cleaning tests giving a cleaner concentrate of 19.9 percent copper at a recovery of 96.3 percent. Flotation recovery of gold in the roughing stage has ranged from 83.1 percent to 88.7 percent. Combined gold recovery from gravity and flotation in one test was 92.5 percent, and 94.2 percent in another test at a 14.2 percent copper grade, versus the range of 84.5 percent to 89.6 percent reported in earlier flotation testwork.

In 2011, an additional sample was tested by SGS Lakefield. A single gravity separation test of a mineral composite with a P80 of 120 micrometre ("µm") resulted in gold recovery from a Mozley concentrate of 37.7 percent in 0.10-0.16 wt%. A finer grind size than a P80 of 120 µm may improve the gold and silver liberation.

The copper and gold flotation test on the UB-MET gravity tailing, using a rougher-cleaner flotation, showed that an acceptable first cleaner concentrate grade of 22.6 percent copper was obtained and the copper and gold recoveries in the concentrate were 94.7 percent and 94.0 percent, respectively. The mass pull was 10.4 percent. For the UB-MET flotation tails, the best gold extraction was 89.5 percent and the overall gold recovery by the gravity-flotation-cyanidation flowsheet was 99.6 percent.

This sample was obtained from core which defined the lower portion of the Porphyry Zone. The grade of the submitted composite (UB-MET) was 28.1 gpt gold, 13.9 gpt silver and 2.37 percent copper. The chemical analysis of the 2011 Upper Beaver metallurgical sample is summarized below in Table 12.

A single gravity separation test of the UB-MET composite with a P80 of 120 µm resulted in gold recovery from a Mozley concentrate of 37.7 percent in 0.10 – 0.16 mt%. A finer grind size than a P80 of 120 µm may improve the gold and silver liberation.

The copper and gold flotation test on the UB-MET gravity tailing, using a rougher-cleaner flotation, showed that an acceptable first cleaner concentrate grade of 22.6 percent copper was obtained and the copper and gold recoveries in the concentrate were 94.7 percent and 94.0 percent, respectively. The mass pull was 10.4 percent. For the UB-MET flotation tails, the best gold extraction was 89.5 percent and the overall gold recovery by the gravity-flotation-cyanidation flowsheet was 99.6 percent.

Table 12: Chemical Analysis of 2011 Upper Beaver Metallurgical Sample UB-MET

Element	unit	UB-MET	Element	unit	UB-MET
Au	gpt	28.1	Ba	gpt	1340
Ag	gpt	13.9	Be	gpt	0.78
S	%	3.13	Bi	gpt	<20
S=	%	2.64	CaO	%	5.08
Fe	%	14.4	Cd	gpt	<2
Cu	%	2.37	Co	gpt	38
As	%	<0.001	Cr_20_3	%	0.0074
Te	gpt	<50	K2O	%	2.13
C(g)	%	<0.05	Li	gpt	<20
SiO_2	%	42	MgO	%	1.65
Al_2O_3	%	11	MnO	%	0.037
Fe_2O_3	%	---	Mo	gpt	190
MgO	%	---	Na_2O	%	2.73
CaO	%	---	Ni	gpt	86
Na_2O	%	---	P_20_5	%	0.18
K2O	%	---	Pb	gpt	<40
TiO_2	%	---	Sb	gpt	<20
P_2O_5	%	---	Se	gpt	<30
MnO	%	---	Sn	gpt	<20
Cr_2O_3	%	---	Sr	gpt	882
V_2O_5	%	---	TiO_2	%	0.47
LOI	%	---	Tl	gpt	<30
Sum	%	---	U	gpt	<20
			V_20_5	%	0.022
			Y	gpt	6.6
			Zn	gpt	296
Specific Gravity	-	3.06			
pH in grinding water	-	7.6			
SO_4= in grinding water	mg/L	920			

13 Mineral Resource Estimates

13.1 Introduction

The Mineral Resource Statement presented herein represents the third mineral resource evaluation prepared for the Upper Beaver project in accordance with the Canadian Securities Administrators' National Instrument 43-101. This section describes the resource estimation methodology and summarizes the key assumptions considered by SRK.

The mineral resource estimation process, including the data review, geological modelling review, geostatistical analysis, variography, selection of resource estimation parameters, and grade interpolation was completed by Sébastien Bernier, P.Geo. (APGO#1847) under the supervision of Glen Cole, P.Geo. (APGO#1416). Mms. Bernier and Cole are independent Qualified Persons pursuant to National Instrument 43-101 and have visited the property on August 1 and 2, 2012. Daniel Hewitt, P.Eng. (PEO#19465012) assisted with the preparation of the Mineral Resource Statement.

SRK met with Queenston staff at the project site on August 1 and 2, 2012 to review drilling and logging procedures, examine core, and review Queenston's geological modelling methodology. The digital borehole database and resource domains were presented to SRK on August 16, 2012. SRK audited the exploration data and geological interpretation provided by Queenston. Upon review, the project data and geological interpretation were found to be sufficiently reliable for the purpose of modelling the boundaries of the gold mineralization with confidence and to support mineral resource evaluation. Only the gold values were considered for modelling the boundaries of the gold-copper mineralization.

The database used to estimate the Upper Beaver project mineral resources was audited by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for gold-copper mineralization and that the assay data are sufficiently reliable to support mineral resource estimation. SRK considers the gold mineralization at the Upper Beaver project amenable for underground extraction. The Mineral Resource Statement is reported at a cut-off grade of 2.00 grams of gold per tonne (gpt gold).

CAE Mining Studio 3 was used to construct the geological solids, prepare assay data for geostatistical analysis, construct the block model, estimate metal grades and tabulate mineral resources. All variogram analysis and modelling was performed using CAE Studio 3 and the Geostatistical Software Library (GSLib; Deutsch and Journel, 1998).

13.2 Resource Estimation Procedures

The mineral resources reported herein have been estimated using a geostatistical block modelling approach informed from core borehole data. Resource domains were defined using a traditional wireframe interpretation constructed from a sectional interpretation of the drilling data.

The evaluation of mineral resources involved the following procedures:

- Database compilation and verification;
- Importing three-dimensional wireframe models and verification;

- Extensive validation of database and wireframe models prepared by Queenston;
- Data extraction and processing (compositing and capping), statistical analysis and variography;
- Selection of estimation strategy and estimation parameters;
- Block modelling and grade estimation;
- Validation, classification and tabulation;
- Assessment of “reasonable prospects for economic extraction” and selection of reporting cut-off grades; and
- Preparation of the Mineral Resource Statement.

13.3 Resource Database

The Upper Beaver exploration database up to August 16, 2012 comprises of 1,328 core boreholes (382,250 metres), 380 of which were drilled by Queenston between 1989 and 2012 (305,568 metres). The historical information was only used to guide the geological modelling. Only Queenston sampling data was used for grade estimation. SRK received the borehole sampling data in an Access file and subsequently converted the data into a series of CSV files for import into CAE Studio 3. SRK performed the following validation steps: Checked minimum and maximum values for each quality value field and confirmed/edited those outside of expected ranges; and checked for gaps, overlaps and out of sequence intervals assays tables.

Mr. Sébastien Bernier, P.Geo., and Mr. Glen Cole, P.Geo., from SRK visited the Upper Beaver project between August 1 and 2, 2012. During the site visit SRK witnessed the extent of the surface exploration work completed by Queenston on the project, visited drill sites, and reviewed core from five core boreholes drilled by Queenston (UB08-139, UB09-100-W1, UB09-135-W2, UB09-148 and UB10-161-W2). SRK also collected 26 core samples for independent verification assaying. SRK is satisfied that the exploration work carried out by Queenston has been conducted in a manner consistent with industry best practices and that exploration drilling data are sufficiently reliable for the purpose of supporting a mineral resource evaluation.

13.4 Solid Body Modelling

The gold-copper mineralization at the Upper Beaver project is associated with disseminated sulphide (mainly pyrite and chalcopyrite) and minor sulphide veining in strongly altered rock. The copper mineralization if often associated with gold, but also occurs separately. The controls on the distribution of the copper mineralization remain poorly understood. The gold-copper mineralization is associated with pervasive magnetite, feldspar, actinolite, epidote, carbonate and muscovite alteration. It is atypical from the gold mineralization of the Kirkland Lake district. Six steeply dipping zones (200, North Contact, Porphyry East, Porphyry West, Q and Syenite Breccia) and one flat dipping zones (South Contact) have been defined from the drilling data (Figure 11) and were considered as resource domains

The geological interpretation prepared by Queenston using a 1 gpt gold cut-off grade is consistent with what SRK examined during the site visit. Only the gold mineralization was considered for defining the boundaries of the gold-copper mineralization considered for mineral resource modelling. The associated copper mineralization is considered a by-product of the gold mineralization and was not modelled separately.

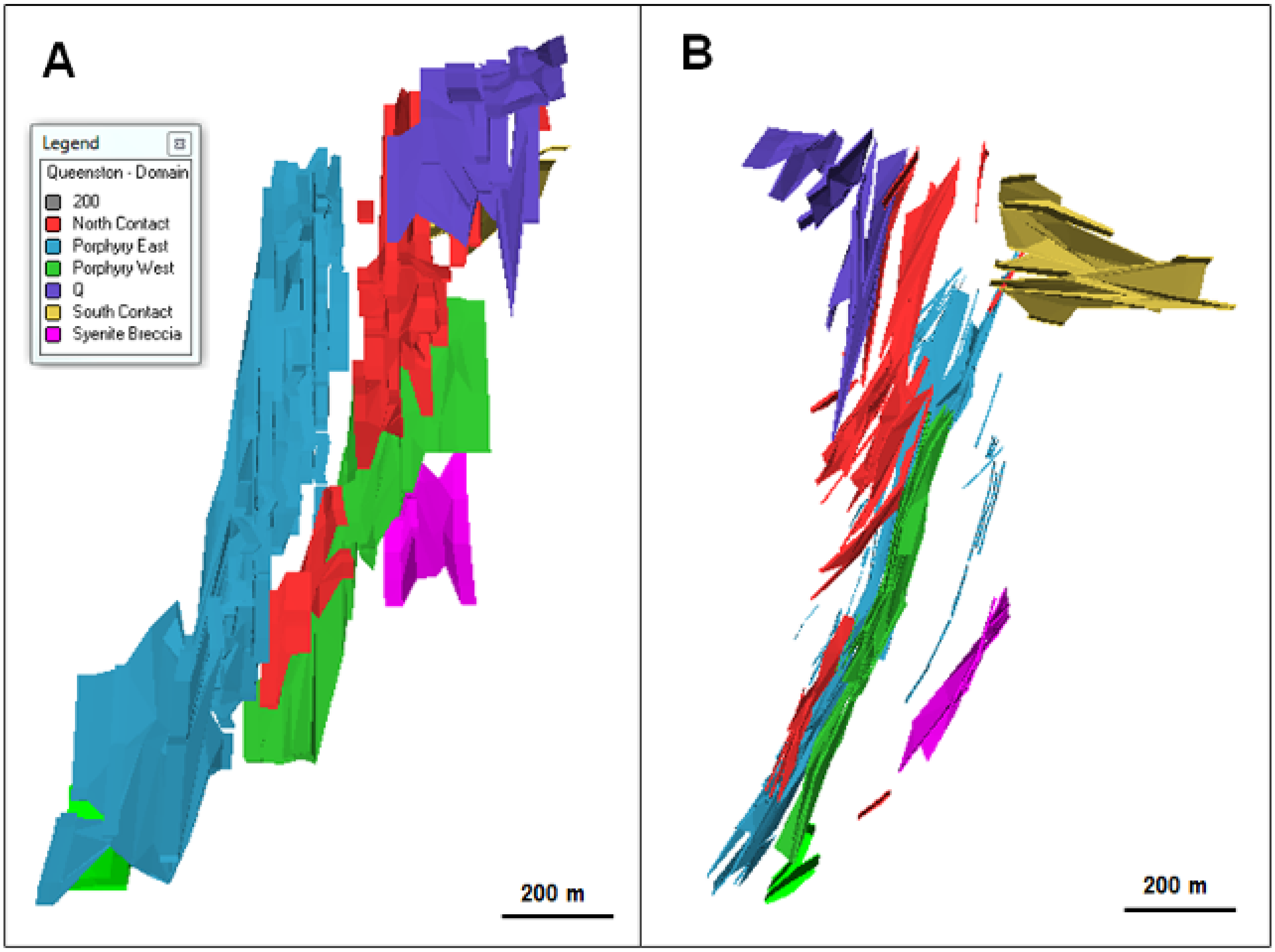


Figure 11: Vertical Section Looking South (A) and East (B) Showing the Various Geology Domains of the Upper Beaver Project

13.5 Compositing

Borehole gold assay data were extracted and examined for determining an appropriate composite length (Figure 12).

A modal composite length of 1.0 metre was applied to all the data. The impact of gold and copper outliers was examined on composited data using log probability plots and cumulative statistics. Basic statistics for gold assays, composites and capped composites are summarized in Table 13, Table 14 and Table 15.

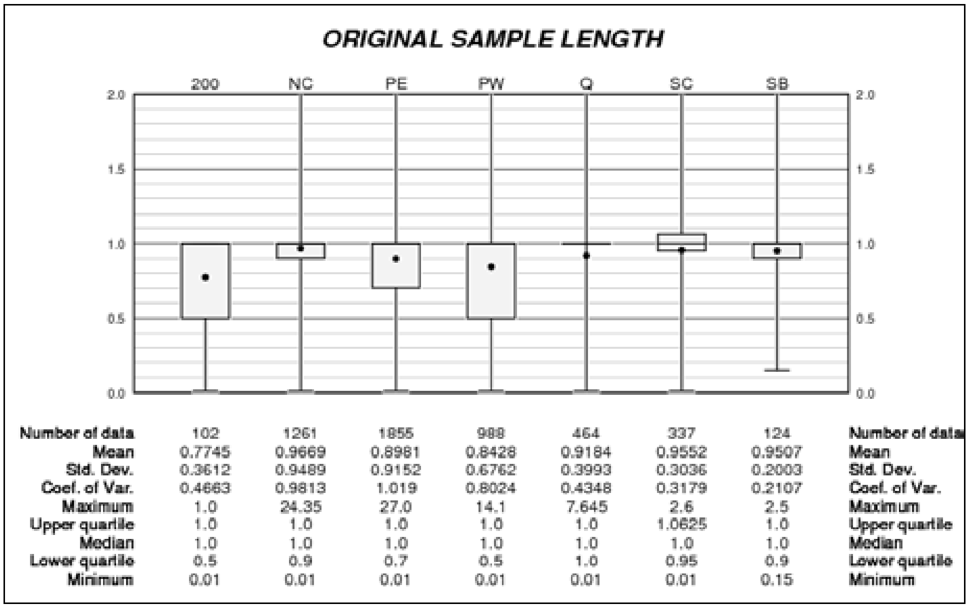


Figure 12: Distribution of the Sample Length Intervals

Table 13: Basic Statistics – Original Data

Domain	Element	Sample Count	Minimum	Maximum	Mean	Standard Deviation	Coefficient of Variation
200	Au (gpt)	102	0.09	133.16	9.42	21.63	2.30
	Cu (%)	102	0.01	11.70	1.14	1.99	1.76
North Contact	Au (gpt)	1,261	0.00	610.47	3.07	15.15	4.94
	Cu (%)	1,261	0.00	12.12	0.24	0.73	3.04
Porphyry East	Au (gpt)	1,855	0.00	1,351.90	6.13	34.13	5.57
	Cu (%)	1,855	0.00	13.30	0.21	0.62	2.97
Porphyry West	Au (gpt)	988	0.00	188.40	6.55	15.80	2.41
	Cu (%)	988	0.00	10.95	0.59	1.26	2.12
Q	Au (gpt)	464	0.00	130.17	3.51	10.21	2.91
	Cu (%)	464	0.00	3.34	0.26	0.43	1.66
South Contact	Au (gpt)	337	0.00	158.41	3.74	12.27	3.29
	Cu (%)	337	0.00	16.08	0.29	1.44	4.89
Syenite Breccia	Au (gpt)	124	0.00	196.10	3.91	15.52	3.97
	Cu (%)	124	0.00	2.47	0.05	0.20	3.98

Table 14: Basic Statistics – Composite Data

Domain	Element	Sample Count	Minimum	Maximum	Mean	Standard Deviation	Coefficient of Variation
200	Au (gpt)	79	0.09	133.16	9.42	19.88	2.11
	Cu (%)	79	0.05	10.41	1.14	1.98	1.75
North Contact	Au (gpt)	1,190	0.00	255.33	3.15	11.27	3.57
	Cu (%)	1,190	0.00	10.72	0.25	0.69	2.79
Porphyry East	Au (gpt)	1,627	0.00	979.17	6.30	29.64	4.70
	Cu (%)	1,627	0.00	6.70	0.21	0.53	2.50
Porphyry West	Au (gpt)	819	0.00	127.88	6.75	13.43	1.99
	Cu (%)	819	0.00	10.44	0.61	1.14	1.87
Q	Au (gpt)	427	0.00	130.17	3.52	10.07	2.86
	Cu (%)	427	0.00	3.34	0.26	0.43	1.64
South Contact	Au (gpt)	323	0.00	137.12	3.76	10.97	2.92
	Cu (%)	323	0.00	15.46	0.30	1.36	4.62
Syenite Breccia	Au (gpt)	118	0.00	98.20	3.91	10.27	2.63
	Cu (%)	118	0.00	1.24	0.05	0.14	2.71

Table 15: Basic Statistics – Capped Composite Data

Element	Source	Sample Count	Minimum	Maximum	Mean	Standard Deviation	Coefficient of Variation	Number of Capped
200	Au (gpt)	79	0.09	18.00	5.40	6.25	1.16	9
	Cu (%)	79	0.05	2.75	0.79	0.88	1.11	6
North Contact	Au (gpt)	1,190	0.00	13.00	2.18	3.05	1.40	33
	Cu (%)	1,190	0.00	3.80	0.23	0.51	2.22	9
Porphyry East	Au (gpt)	1,627	0.00	100.00	5.29	12.08	2.28	13
	Cu (%)	1,627	0.00	2.75	0.20	0.43	2.16	12
Porphyry West	Au (gpt)	819	0.00	75.00	6.56	12.05	1.84	5
	Cu (%)	819	0.00	5.00	0.58	0.96	1.65	13
Q	Au (gpt)	427	0.00	18.00	2.61	3.71	1.42	10
	Cu (%)	427	0.00	2.25	0.26	0.41	1.58	3
South Contact	Au (gpt)	323	0.00	9.00	2.25	2.59	1.15	18
	Cu (%)	323	0.00	0.90	0.14	0.20	1.49	10
Syenite Breccia	Au (gpt)	118	0.00	11.00	2.74	3.22	1.18	6
	Cu (%)	118	0.00	0.25	0.04	0.06	1.60	3

13.6 Evaluation of Outliers

For each domain, a capping value was determined by analyzing histograms and cumulative frequency plots of in-situ gold composites in each domain separately. Examples of the basic statistics, histograms and cumulative probability plots examined for the Porphyry West domain are provided in Figure 13 and Figure 14.

The plots for all other domains are available in Appendix H.

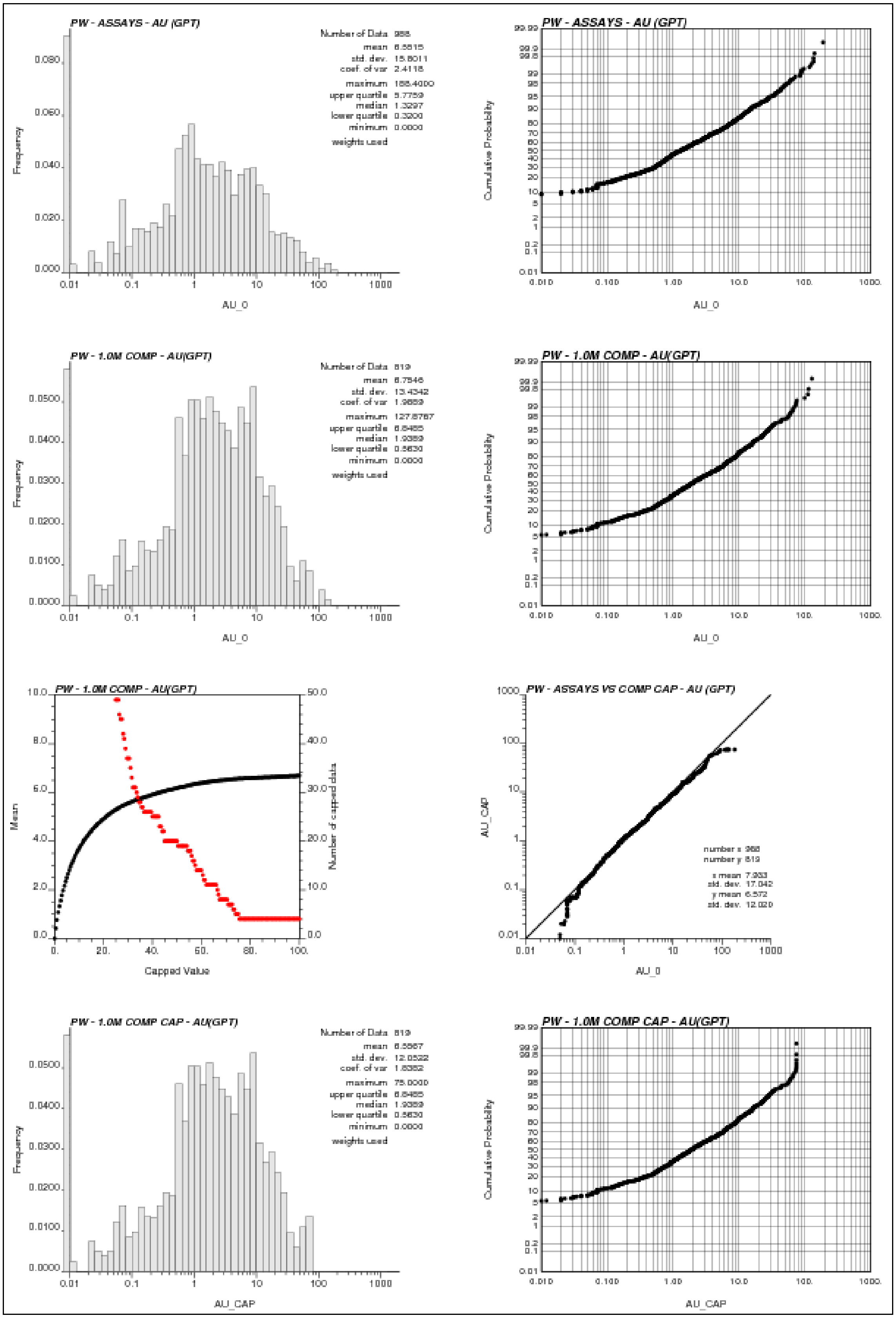


Figure 13: Basic Statistics of the Gold Assay Data for the Porphyry West Domain

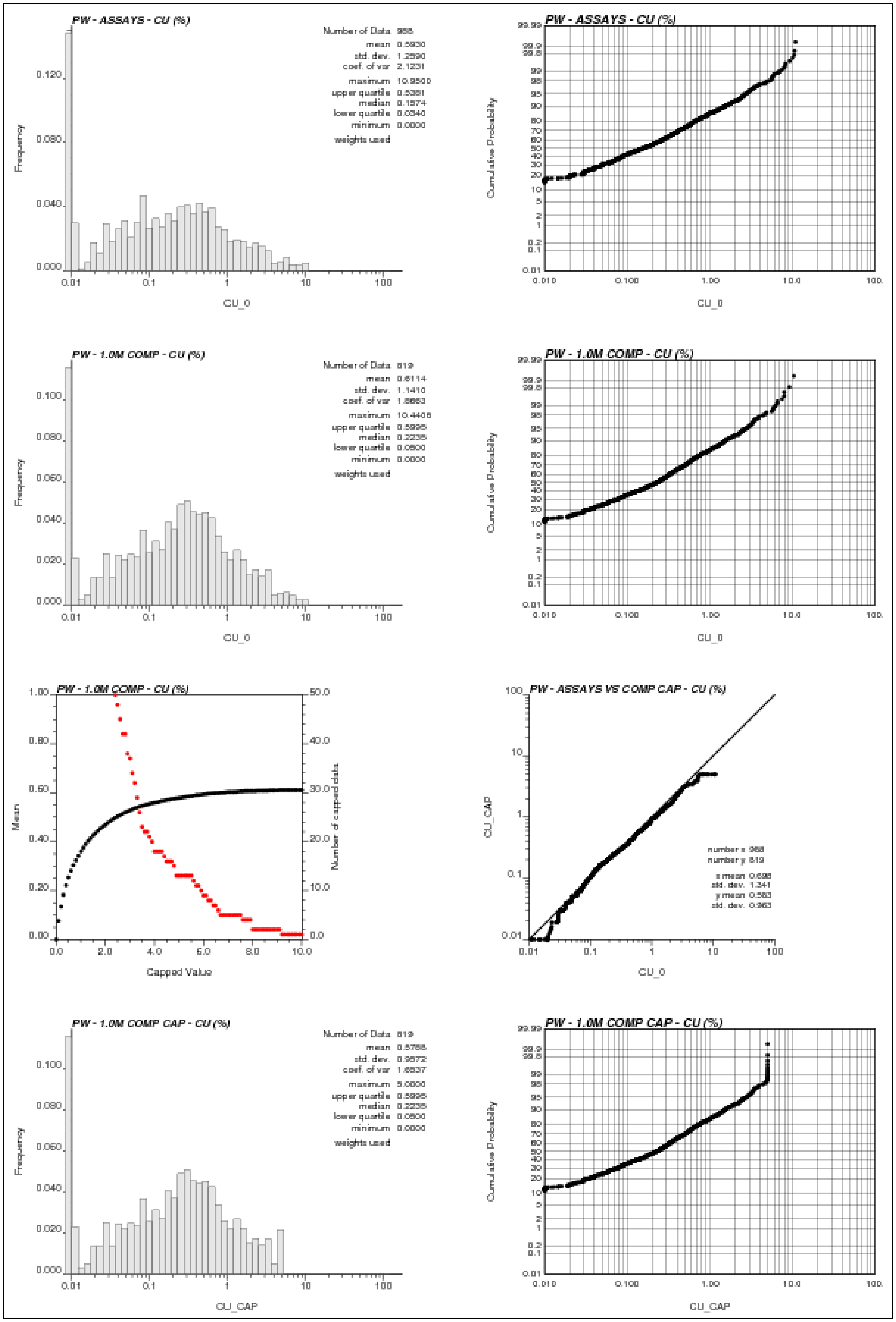


Figure 14: Basic Statistics of the Copper Assay Data for the Porphyry West Domain

13.7 Statistical Analysis and Variography

For gold and copper, SRK evaluated the spatial distributions using variogram and correlogram for each element and its normal score transform. A total of four spatial metrics were considered to infer the correlation structure of each element for use in the grade estimation. Continuity directions were assessed based on the orientation of the resource domains, composites and their spatial distribution. Further, variogram calculation considered sensitivities on orientation angles prior to finalizing the correlation orientation. All variogram analysis and modelling was performed using CAE Studio 3 and the Geostatistical Software Library (GSLib; Deutsch and Journel, 1998). Variogram modelling is based on the combination of the four metrics, and in all cases, the correlogram yields reasonably clear continuity structures that are amenable to variogram fitting. Due to a lack of data across-strike (short axis) the variogram model has often been modelled to honour the thickness of the geological domain. The modelled variograms used for the estimation of gold and copper for each domain are presented in Appendix I.

Figure 15 shows an example of the correlogram calculated and modelled for gold and copper, respectively, in the Porphyry West domain.

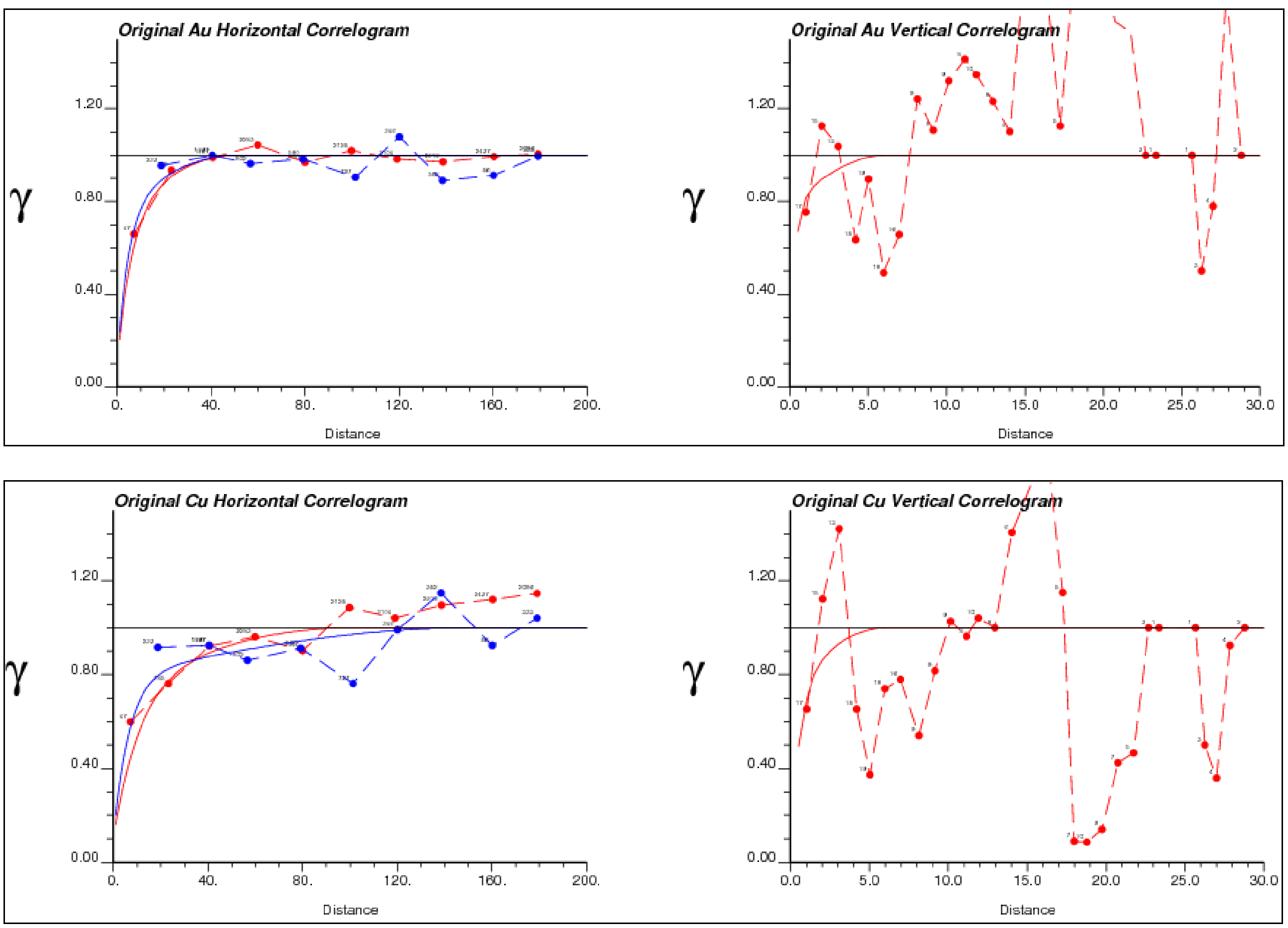


Figure 15: Correlogram of Gold (Top) and Copper (Bottom) for the Porphyry West Domain that forms the Basis for Variogram Fitting

Note: The correlogram is inverted for the purposes of variogram modelling. The solid lines correspond to the fitted model while the dashed lines correspond to the experimental variogram in those same directions.

Table 16 and Table 17 summarize respectively the modelled gold and copper variograms. Gold and copper were estimated using ordinary kriging informed by capped composite data. Three estimation passes were used to inform model blocks, using increasing search neighbourhoods sized from variography results. The search parameters used for estimating gold and copper are summarized in Table 18. Each domain was estimated separately using composites from that domain only.

Table 16: Gold Variogram Parameters for the Upper Beaver Project

Domain	Structure	Contribution	Model	R1x (m)	R1y (m)	R1z (m)	Angle[1] 1	Angle[1] 2	Angle[1] 3	Axis 1	Axis 2	Axis 3
200	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.80	Exp	3.3	3.3	0.3	50	60	40	3	1	2
	C2	0.10	Sph	70	70	6	50	60	40	3	1	2
North Contact	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.80	Exp	1.7	1.7	0.3	50	60	40	3	1	2
	C2	0.10	Sph	60	30	6	50	60	40	3	1	2
Porphyry East	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.75	Exp	6.7	8.3	0.3	50	60	40	3	1	2
	C2	0.15	Sph	140	50	6	50	60	40	3	1	2
Porphyry West	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.70	Exp	6.7	5	0.3	50	60	40	3	1	2
	C2	0.20	Sph	50	50	6	50	60	40	3	1	2
Q	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.80	Exp	6.7	6.7	0.3	50	60	40	3	1	2
	C2	0.10	Sph	40	65	6	50	60	40	3	1	2
South Contact	C0	0.10	Nugget	-	-	-	110	30	90	3	1	3
	C1	0.70	Exp	6.7	5	0.3	110	30	90	3	1	3
	C2	0.20	Sph	65	30	6	110	30	90	3	1	3
Syenite Breccia	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.55	Exp	0.7	6.7	0.3	50	60	40	3	1	2
	C2	0.35	Sph	40	120	6	50	60	40	3	1	2

[1] The rotation angles are shown in CAE Studio 3 convention

Table 17: Copper Variogram Parameters for the Upper Beaver Project

Domain	Structure	Contribution	Model	R1x (m)	R1y (m)	R1z (m)	Angle[1] 1	Angle[1] 2	Angle[1] 3	Axis 1	Axis 2	Axis 3
200	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.80	Exp	3.3	3.3	0.3	50	60	40	3	1	2
	C2	0.10	Sph	75	75	6	50	60	40	3	1	2
North Contact	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.65	Exp	5	6.7	0.3	50	60	40	3	1	2
	C2	0.25	Sph	130	50	6	50	60	40	3	1	2
Porphyry East	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.70	Exp	10	2.8	0.7	50	60	40	3	1	2
	C2	0.20	Sph	200	100	6	50	60	40	3	1	2
Porphyry West	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.70	Exp	11.7	6.7	0.7	50	60	40	3	1	2
	C2	0.20	Sph	100	150	6	50	60	40	3	1	2
Q	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.60	Exp	3.3	3.3	0.3	50	60	40	3	1	2
	C2	0.30	Sph	60	60	6	50	60	40	3	1	2
South Contact	C0	0.10	Nugget	-	-	-	110	30	90	3	1	3
	C1	0.70	Exp	10	5	0.3	110	30	90	3	1	3
	C2	0.20	Sph	35	45	6	110	30	90	3	1	3
Syenite Breccia	C0	0.10	Nugget	-	-	-	50	60	40	3	1	2
	C1	0.45	Exp	3.3	3.3	0.3	50	60	40	3	1	2
	C2	0.45	Sph	60	70	6	50	60	40	3	1	2

[1] The rotation angles are shown in CAE Studio 3 convention

Table 18: Summary of Estimation Search Parameters for Gold and Copper

Parameter	1st Pass	2nd Pass	3rd Pass
Element Estimated	Au / Cu	Au / Cu	Au / Cu
Interpolation Method	Ordinary Kriging	Ordinary Kriging	Ordinary Kriging
Search Range X	Variogram Range	Variogram Range	10 m
Search Range Y	Twice Variogram Range	Twice Variogram Range	20 m
Search Range Z	Triple Variogram Range	Triple Variogram Range	30 m
Min Number of Composites	7	4	4
Max Number of Comp	12	16	20
Octant Search	Yes	Yes	No
Min Number of Octant	3	3	-
Min Number of Comp per Octant	2	2	-
Max Number of Comp per Octant	12	12	-
Max Number of Comp per Hole	3	3	3

13.8 Block Model and Grade Estimation

Criteria used in the selection of block size included the borehole spacing, composite assay length, as well as the geometry of the modelled zones. In collaboration with Queenston, SRK chose a block size of 5 by 2 by 5 metres.

Subcells were used, allowing a resolution down to 0.5 metre in all directions to honour the geometry of the modelled mineralization. Sub-cells were assigned the same grade as the parent cell. The block model is not rotated. The block model coordinates are based on a local mine grid developed by Queenston for the Upper Beaver project. The characteristics of the block model are summarized in

Table 19: Upper Beaver Project Block Model Specifications

Axis	Block Size (m)	Origin*	Number of Cells
X	5	9,890	184
Y	2	9,700	450
Z	5	-1070	274

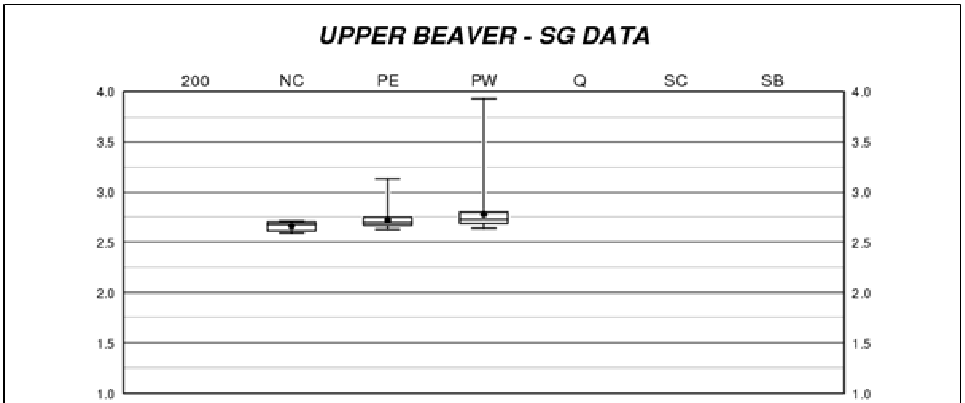
* Local Mine grid

The mine grid is linked to the local UTM grid at the location 9,700 East and 9,400 North which correspond to an easting of 591,839.501m and a northing of 5,334,750.85m .The second point is at the location 12,050 East and 9,400 North which correspond to an easting of 593,764.897m and a northing of 5,336,098.199m (UTM NAD83, zone 17).

13.9Specific Gravity Database

Specific gravity was measured by Swastika using a pycnometer on the pulp material prepared for assaying. The specific gravity database contains 146 measurements, but only 100 from the resource domains. Only three of the seven domains (North Contact, Porphyry East and Porphyry West) have specific gravity data (Figure 16).

Considering that the specific gravity database is relatively small, SRK applied the average value of the 100 measurements inside the resource domains to all resource domains. An average value of 2.75 was used to convert volumes into tonnages.



	200	NC	PE	PW	Q	SC	SB	
Number of data	0	9	28	63	0	0	0	Number of data
Mean	-1.0	2.66	2.7221	2.7773	-1.0	-1.0	-1.0	Mean
Std. Dev.	-1.0	0.0452	0.0915	0.1717	-1.0	-1.0	-1.0	Std. Dev.
Coef. of Var.	-1.0	0.017	0.0336	0.0618	-1.0	-1.0	-1.0	Coef. of Var.
Maximum	-1.0	2.71	3.13	3.93	-1.0	-1.0	-1.0	Maximum
Upper quartile	-1.0	2.7025	2.75	2.8	-1.0	-1.0	-1.0	Upper quartile
Median	-1.0	2.68	2.695	2.73	-1.0	-1.0	-1.0	Median
Lower quartile	-1.0	2.615	2.67	2.69	-1.0	-1.0	-1.0	Lower quartile
Minimum	-1.0	2.59	2.63	2.64	-1.0	-1.0	-1.0	Minimum

Figure 16: Summary of the Specific Gravity Database

13.10 Model Validation and Sensitivity

The block model estimated gold and copper grades were validated through:

- Comparison of the basic statistics of ordinary kriging estimates for gold and copper with de-clustered mean informing capped composite data and with the original source data. The graphical outputs of this comparison is provided in Figure 17 and Figure 18 as well as in Appendix J; and
- Visual comparison of original borehole data with resource blocks data (on plan and section).

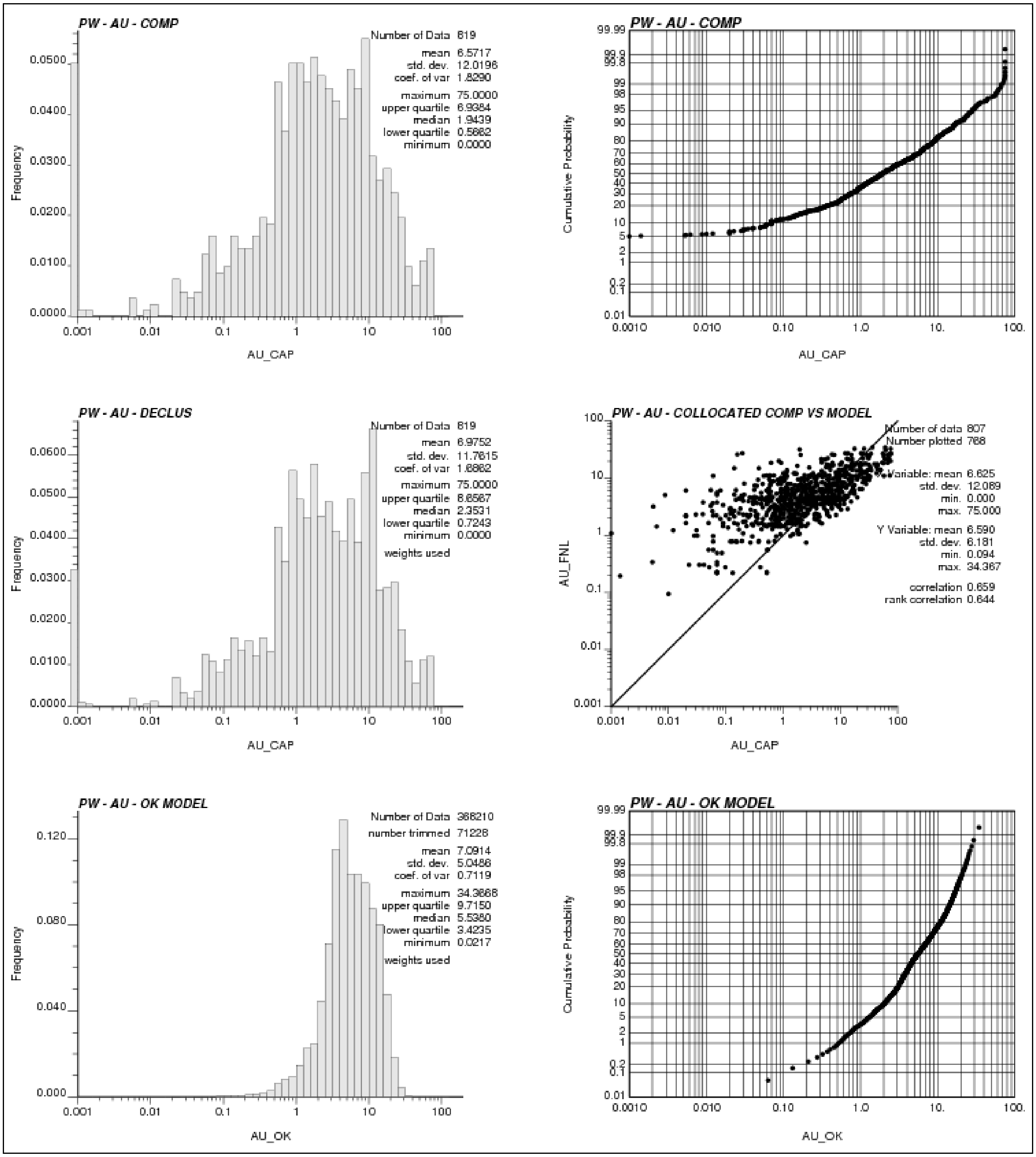


Figure 17: Block Model Validation of the Gold Estimated Value for the Porphyry West Domain

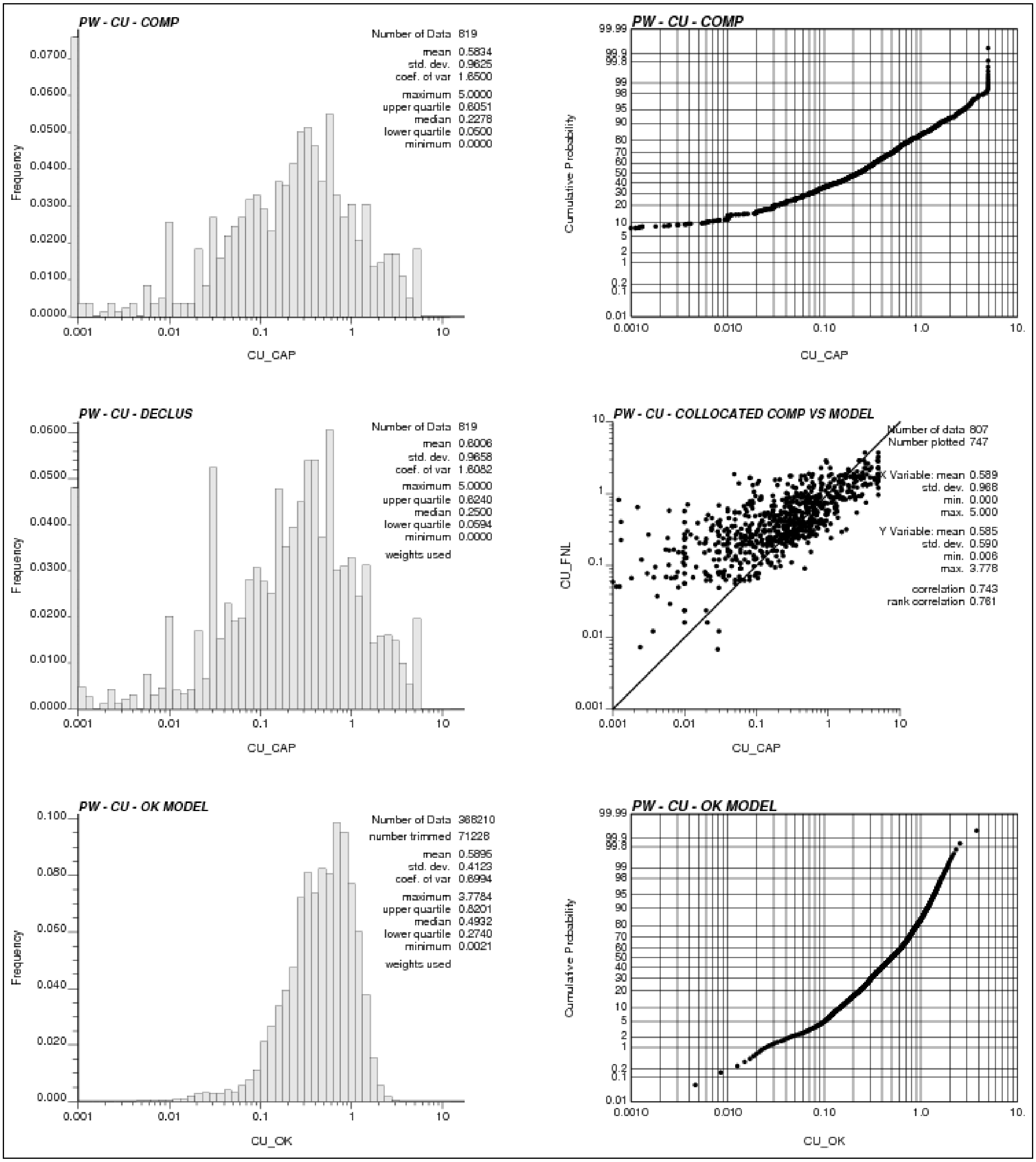


Figure 18: Block Model Validation of the Copper Estimated Value for the Porphyry West Domain

13.11 Mineral Resource Classification

Block model quantities and grade estimates for the Upper Beaver project were classified according to the CIM *Definition Standards for Mineral Resources and Mineral Reserves* (November 2010) by Sébastien Bernier, P.Geo. (APGO#1847).

Mineral resource classification is typically a subjective concept, and industry best practices suggest that resource classification should consider the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates, and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at similar resource classification.

SRK is satisfied that the geological model for the Upper Beaver project honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support resource evaluation and do not present a risk that should be taken into consideration for resource classification. The mineral resource model is informed from core borehole drilled with pierce points generally spaced 25 metres apart. The geological information is sufficiently dense to demonstrate that the gold mineralization is broadly disseminated in the rock mass and adequately delineated by the alteration corridor modelled. The confidence in the geological continuity of the gold mineralization is reasonable.

Generally, for mineralization exhibiting good geological continuity investigated at an adequate spacing with reliable sampling information accurately located, SRK considers that blocks estimated during the first estimation run considering full variogram ranges and informed by at least three boreholes can be classified in the Indicated category within the meaning of the CIM *Definition Standards for Mineral Resources and Mineral Reserves*. For those blocks, SRK considers that the level of confidence is sufficient to allow appropriate application of technical and economic parameters to support mine planning and to allow evaluation of the economic viability of the deposit. Conversely, blocks estimated during the second and third estimation pass considering search neighbourhoods set at twice and triple the variogram ranges should be classified appropriately in the Inferred category because the confidence in the estimates is insufficient to allow for the meaningful application of technical and economic parameters or to enable an evaluation of economic viability.

13.12 Mineral Resource Statement

CIM *Definition Standards for Mineral Resources and Mineral Reserves* defines a mineral resource as:

"[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."

The "reasonable prospects for economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. SRK considers that the gold-copper mineralization at the Upper Beaver project is amenable to underground extraction.

To select an appropriate reporting cut-off grade SRK considered the assumptions listed in Table 20. SRK considers that it is appropriate to report the mineral resources of the Upper Beaver project at a cut-off grade of 2.00 gpt gold.

Table 20: Assumptions Considered for Reporting Cut-Off Grade Determination

Parameter	Value
Production Rate (tonnes per day)	2,000
Mining Cost (US$/tonne)	$35.75
General and Administration (US$/tonne)	$6.00
Process Cost (US$/tonne of ore)	$19.5
Gold Recovery (%)	98%
Copper Recovery (%)	90%
Mining Recovery / Mining Dilution (%)	95 / 15
Gold Price (US$/oz)	$1,300
Copper Price (US$/lb)	$3.00
Revenue Factor	1

Mineral resources were estimated in conformity with generally accepted CIM *Estimation of Mineral Resource and Mineral Reserve Best Practices Guidelines*. The mineral resources may be affected by further infill and exploration drilling that may result in increases or decreases in subsequent resource estimates. The mineral resources may also be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic, and other factors.

The Mineral Resource Statement for the Upper Beaver project is presented in Table 21.

Table 21: Mineral Resource Statement*, Upper Beaver Gold-Copper Project, Ontario, Canada, SRK Consulting (Canada) Inc., September 20, 2012

Resource Category	Quantity (000 t)	Grade Au (gpt)	Grade Cu (%)	Contained Metal Au (ounces)	Contained Metal Cu (pounds)
Indicated	6,870	6.62	0.37	1,461,000	56,006,000
Inferred	4,570	4.85	0.32	712,000	32,218,000

* Reported at a cut-off grade of 2.00 grams of gold per tonne based on underground mining scenario, metal prices of US$1,300 per ounce for gold, US$3.00 per pound for copper, metallurgical recovery of 98 percent for gold and 90 percent for copper. All figures are rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have a demonstrated economic viability.

A detailed tabulation of the contribution of the various domains to the Mineral Resource Statement is presented in Table 22.

Considering a metal price of US$1,300 per ounce for gold, US$3.00 per pound for copper and respective metallurgical recoveries of 98 percent and 90 percent, the copper grade can be expressed as gold equivalent.

A tabulation of the contribution of the various domains to the Mineral Resource Statement with gold and copper expressed as a gold equivalent grade in presented in Table 23.

Table 22: Contribution of Each Domain to the Mineral Resource Statement*

Domain	Category	Tonnage	Grade Au (gpt)	Grade Cu (%)	Contained Ounces Au	Contained Pounds Cu
200	Indicated	355,000	4.96	0.50	57,000	3,891,000
	Inferred	313,000	4.27	0.74	43,000	5,073,000
North Contact	Indicated	742,000	2.84	0.26	68,000	4,256,000
	Inferred	804,000	3.36	0.23	87,000	4,100,000
Porphyry East	Indicated	2,906,000	7.60	0.25	710,000	15,796,000
	Inferred	1,471,000	6.28	0.21	297,000	6,726,000
Porphyry West	Indicated	1,924,000	8.60	0.65	532,000	27,522,000
	Inferred	874,000	6.06	0.66	170,000	12,770,000
Q	Indicated	377,000	3.29	0.35	40,000	2,946,000
	Inferred	496,000	3.50	0.21	56,000	2,305,000
South Contact	Indicated	401,000	2.89	0.15	37,000	1,347,000
	Inferred	369,000	3.08	0.17	37,000	1,367,000
Syenite Breccia	Indicated	161,000	3.35	0.04	17,000	143,000
	Inferred	240,000	2.92	0.03	23,000	177,000
Total	**Indicated**	**6,870,000**	**6.62**	**0.37**	**1,461,000**	**56,006,000**
	Inferred	**4,570,000**	**4.85**	**0.32**	**712,000**	**32,218,000**

* Reported at a cut-off grade of 2.00 grams of gpt gold based on underground mining scenario, metal prices of US$1,300 per ounce for gold, US$3.00 per pound for copper, metallurgical recovery of 98 percent for gold and 90 percent for copper. All figures rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have a demonstrated economic viability.

Table 23: Contribution of Each Domain to the Mineral Resource Statement* In Gold Equivalent

Domain	Category	Tonnage	Grade Au (gpt)	Grade Cu (%)	Grade Au Equivalent (gpt)	Contained Ounces Au Equivalent
200	Indicated	355,000	4.96	0.50	5.68	65,000
	Inferred	313,000	4.27	0.74	5.34	54,000
North Contact	Indicated	742,000	2.84	0.26	3.22	77,000
	Inferred	804,000	3.36	0.23	3.69	95,000
Porphyry East	Indicated	2,906,000	7.60	0.25	7.96	744,000
	Inferred	1,471,000	6.28	0.21	6.58	311,000
Porphyry West	Indicated	1,924,000	8.60	0.65	9.54	590,000
	Inferred	874,000	6.06	0.66	7.02	197,000
Q	Indicated	377,000	3.29	0.35	3.80	46,000
	Inferred	496,000	3.50	0.21	3.81	61,000
South Contact	Indicated	401,000	2.89	0.15	3.11	40,000
	Inferred	369,000	3.08	0.17	3.32	39,000
Syenite Breccia	Indicated	161,000	3.35	0.04	3.41	18,000
	Inferred	240,000	2.92	0.03	2.97	23,000
Total	**Indicated**	**6,870,000**	**6.62**	**0.37**	**7.15**	**1,580,000**
	Inferred	**4,570,000**	**4.85**	**0.32**	**5.32**	**781,000**

* Reported at a cut-off grade of 2.00 gpt gold based on underground mining scenario, metal prices of US$1,300 per ounce for gold, US$3.00 per pound for copper, metallurgical recovery of 98 percent for gold and 90 percent for copper. All figures rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have a demonstrated economic viability.

13.13 Grade Sensitivity Analysis

13.13.1 Sensitivity to Selection of Reporting Cut-off Grade

The mineral resources are fairly sensitive to the selection of a reporting cut-off grade. To illustrate this sensitivity, classified resource model quantities and grade estimates are presented in Table 24 and Table 25 at different cut-off grades. The reader is cautioned that the figures presented in the table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of a cut-off grade. Figure 19 presents this sensitivity as a grade tonnage curve.

Table 24: Indicated Global Quantities and Grade Estimates* at Various Cut-Off Grades

Cut-off (Au gpt)	Tonnage	Grade Au (gpt)	Grade Cu (%)	Contained Ounces Au	Contained Pounds Cu
0.50	9,025,000	5.38	0.32	1,561,000	63,672,000
1.00	8,664,000	5.57	0.33	1,551,000	63,030,000
1.50	7,946,000	5.96	0.34	1,523,000	59,562,000
1.75	7,402,000	6.27	0.36	1,492,000	58,748,000
2.00	**6,866,000**	**6.62**	**0.37**	**1,461,000**	**56,006,000**
2.25	6,347,000	6.99	0.38	1,426,000	53,175,000
2.50	5,845,000	7.38	0.40	1,387,000	51,542,000
3.00	5,008,000	8.16	0.42	1,314,000	46,371,000
3.50	4,325,000	8.93	0.45	1,242,000	42,905,000
4.00	3,815,000	9.63	0.47	1,181,000	39,528,000
5.00	3,122,000	10.77	0.51	1,081,000	35,097,000
6.00	2,605,000	11.82	0.54	990,000	31,015,000
7.00	2,160,000	12.92	0.58	897,000	27,617,000
8.00	1,805,000	13.99	0.61	812,000	24,272,000

* The reader is cautioned that the figures presented in this table should not be misconstrued as a Mineral Resource Statement. The reported quantities and grades are only presented as a sensitivity of the deposit model to the selection of cut-off grade.

Table 25: Inferred Global Quantities and Grade Estimates* at Various Cut-Off Grades

Cut-off (Au gpt)	Tonnage	Grade Au (gpt)	Grade Cu (%)	Contained Ounces Au	Contained Pounds Cu
0.50	6,132,000	3.98	0.29	785,000	39,206,000
1.00	5,878,000	4.12	0.29	779,000	37,579,000
1.50	5,364,000	4.39	0.31	757,000	36,662,000
1.75	4,986,000	4.60	0.31	737,000	34,073,000
2.00	**4,567,000**	**4.85**	**0.32**	**712,000**	**32,218,000**
2.25	4,123,000	5.14	0.34	681,000	30,907,000
2.50	3,757,000	5.41	0.35	654,000	28,991,000
3.00	2,964,000	6.12	0.38	583,000	24,832,000
3.50	2,365,000	6.84	0.40	520,000	20,860,000
4.00	1,948,000	7.51	0.43	470,000	18,469,000
5.00	1,270,000	9.14	0.46	373,000	12,881,000
6.00	886,000	10.72	0.45	305,000	8,793,000
7.00	665,000	12.13	0.46	259,000	6,745,000
8.00	527,000	13.36	0.46	226,000	5,342,000

* The reader is cautioned that the figures presented in this table should not be misconstrued as a Mineral Resource Statement. The reported quantities and grades are only presented as a sensitivity of the deposit model to the selection of cut-off grade.

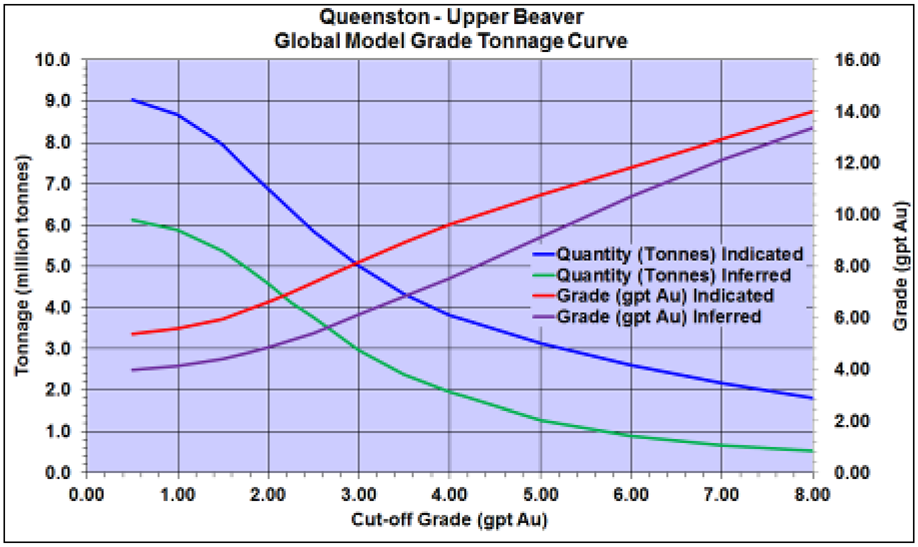


Figure 19: Grade Tonnage Curve

13.13.2 Sensitivity to Capping of Gold and Copper Composites

For both gold and copper, capped composites were used to generate variogram models, assess the model sensitivity and prepare the Mineral Resource Statement. To assess the sensitivity of the Mineral Resource Statement to capping each domain of the block model was also estimated using the same estimation parameters but informed by uncapped composite data. The comparative analysis is presented in Table 26 for gold and Table 27 for copper. In both cases, the values are presented using a cut-off grade of 2.00 gpt gold using the capped gold values.

Table 26: Sensitivity of the Gold Estimates to Capping at a Cut-Off Grade of 2.00 gpt Gold

Classification And Zone	Grade Gold (gpt)			Contained Gold (Ounces)		
	Capped	Uncapped	Change %	Capped	Uncapped	Change %
Indicated						
200	4.96	9.69	96%	57,000	111,000	95%
North Contact	2.84	3.53	24%	68,000	84,000	24%
Porphyry East	7.60	8.45	11%	710,000	789,000	11%
Porphyry West	8.60	8.84	3%	532,000	547,000	3%
Q	3.29	4.19	27%	40,000	51,000	28%
South Contact	2.89	4.72	63%	37,000	61,000	65%
Syenite Breccia	3.35	3.85	15%	17,000	20,000	18%
Total Indicated	**6.62**	**7.53**	**14%**	1,461,000	1,662,000	14%
Inferred						
200	4.27	5.82	36%	43,000	59,000	37%
North Contact	3.36	4.71	40%	87,000	122,000	40%
Porphyry East	6.28	7.04	12%	297,000	333,000	12%
Porphyry West	6.06	6.16	2%	170,000	173,000	2%
Q	3.50	4.68	34%	56,000	75,000	34%
South Contact	3.08	5.17	68%	37,000	61,000	65%
Syenite Breccia	2.92	4.59	57%	23,000	35,000	52%
Total Inferred	**4.85**	**5.84**	**21%**	712,000	858,000	21%

* The reader is cautioned that the figures presented in this table should not be misconstrued as a Mineral Resource Statement. The reported quantities and grades are only presented as a sensitivity of the deposit model to the selection of cut-off grade.

Table 27: Sensitivity of the Copper Estimates to Capping at a Cut-Off Grade of 2.00 gpt Gold

Classification And Zone	Grade Copper (%)			Contained Copper (x 1000 Pounds)		
	Capped	Uncapped	Change %	Capped	Uncapped	Change %
Indicated						
200	0.50	0.60	20%	3,891	4,689	20%
North Contact	0.26	0.27	4%	4,256	4,413	4%
Porphyry East	0.25	0.26	4%	15,796	16,435	4%
Porphyry West	0.65	0.67	4%	27,522	28,565	4%
Q	0.35	0.36	3%	2,946	3,023	3%
South Contact	0.15	0.36	133%	1,347	3,139	133%
Syenite Breccia	0.04	0.04	3%	143	147	3%
Total Indicated	**0.37**	**0.40**	**8%**	**55,900**	**60,412**	**8%**
Inferred						
200	0.74	1.05	43%	5,073	7,250	43%
North Contact	0.23	0.27	16%	4,100	4,776	16%
Porphyry East	0.21	0.22	6%	6,726	7,146	6%
Porphyry West	0.66	0.72	9%	12,770	13,870	9%
Q	0.21	0.22	2%	2,305	2,358	2%
South Contact	0.17	0.32	89%	1,367	2,577	89%
Syenite Breccia	0.03	0.05	47%	177	262	47%
Total Inferred	**0.32**	**0.38**	**18%**	**32,519**	**38,237**	**18%**

* The reader is cautioned that the figures presented in this table should not be misconstrued as a Mineral Resource Statement. The reported quantities and grades are only presented as a sensitivity of the deposit model to the selection of cut-off grade.

13.14 Previous Mineral Resource Estimates

A previous mineral resource model was prepared by WGM in June 2011 and was used to prepare a Preliminary Economic Assessment for the project as is documented in a technical report prepared by P&E Mining Consultants Inc (P&E) and dated March 30, 2012.

The Mineral Resource Statement documented herein represents a significant change relative to the previous mineral resource statement released in June 2011. The increase in tonnage and grade is primarily due to increased drilling and improved domain modelling.

Table 28 (gold) and Table 29 (copper) present the comparison between the 2011 and 2012 mineral resource statements. The percent change for each domain and category is also shown.

Table 28: Comparison Between 2011* and 2012 Mineral Resource Statements for Gold

Classification And Zone	Quantity (000 tonnes)			Grade Gold (gpt)			Contained Gold (000 ounces)		
	2011	2012	Change %	2011	2012	Change %	2011	2012	Change %
Indicated									
200	71	355	400%	4.11	4.96	21%	9	57	533%
North Contact	278	742	167%	4.27	2.84	-33%	38	68	79%
Porphyry East	1,448	2,905	101%	7.66	7.60	-1%	357	710	99%
Porphyry West	771	1,924	150%	8.05	8.60	7%	200	532	166%
Q	NA	377		NA	3.39		NA	40	
South Contact	349	401	15%	5.74	2.89	-50%	64	37	-42%
Syenite Breccia	157	161	3%	4.37	3.35	-23%	22	17	-23%
Total Indicated	**3,074**	**6,866**	**123%**	**6.98**	**6.62**	**-5%**	**690**	**1,461**	**112%**
Inferred									
200	22	313	1,323%	4.13	4.27	3%	3	43	1,333%
North Contact	66	804	1,118%	3.26	3.36	3%	7	87	1,143%
Porphyry East	1,479	1,471	-1%	6.64	6.28	-5%	316	297	-6%
Porphyry West	1,048	874	-17%	6.61	6.06	-8%	219	171	-22%
Q	NA	496		NA	3.50		NA	56	
South Contact	386	369	-4%	4.81	3.08	-36%	60	37	-38%
Syenite Breccia	92	240	161%	3.95	2.92	-26%	12	23	92%
Total Inferred	**3,093**	**4,567**	**48%**	**6.19**	**4.85**	**-22%**	**616**	**712**	**16%**

* Reported at a cut-off grade of 2.50 gpt gold based on underground mining scenario, metal prices of US$1,050 per ounce for gold, metallurgical recovery of 95 percent for gold and exchange rate of C$1.00 equal US$0.95. All figures rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have a demonstrated economic viability.

Table 29: Comparison Between 2011* and 2012 Mineral Resource Statements for Copper

Classification And Zone	Quantity (000 tonnes)			Grade Copper (%)			Contained Copper (Millions Pounds)		
	2011	2012	Change %	2011	2012	Change %	2011	2012	Change %
Indicated									
200	71	355	400%	0.17	0.50	194%	266	3,891	1,363%
North Contact	278	742	167%	0.48	0.26	-46%	2,942	4,256	45%
Porphyry East	1,448	2,905	101%	0.55	0.25	-55%	17,558	15,796	-10%
Porphyry West	771	1,924	150%	0.68	0.65	-4%	11,558	27,522	138%
Q	NA	377		NA	0.35		NA	2,946	
South Contact	349	401	15%	0.47	0.15	-68%	3616	1,347	-63%
Syenite Breccia	157	161	3%	0.08	0.04	-50%	277	143	-48%
Total Indicated	**3,074**	**6,866**	**123%**	**0.54**	**0.37**	**-31%**	**36,217**	**56,006**	**55%**
Inferred									
200	22	313	1,323%	0.15	0.74	393%	73	5,073	6,849%
North Contact	66	804	1,118%	0.43	0.23	-47%	626	4,100	555%
Porphyry East	1,479	1,471	-1%	0.35	0.21	-40%	11,412	6,726	-41%
Porphyry West	1,048	874	-17%	0.48	0.66	38%	11,090	12,770	15%
Q	NA	496		NA	0.21		NA	2,305	
South Contact	386	369	-4%	0.53	0.17	-68%	4,510	1,367	-70%
Syenite Breccia	92	240	161%	0.05	0.03	-40%	101	177	75%
Total Inferred	**3,093**	**4,567**	**48%**	**0.41**	**0.32**	**-22%**	**27,812**	**32,218**	**16%**

* Reported at a cut-off grade of 2.50 gpt gold based on underground mining scenario, metal prices of US$1,050 per ounce for gold, metallurgical recovery of 95 percent for gold and exchange rate of C$1.00 equal US$0.95. All figures rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have a demonstrated economic viability.

14 Mineral Reserve Estimates

There are no mineral reserves estimates for the Upper Beaver project.

15 Mining Methods

The information contained in this section was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading "Cautionary Note Regarding the Preliminary Economic Assessment" in Subsection 1.8 of this report.

The potentially economic portion of the mineral resources extends from the +155 metre elevation to the -1,005 metre elevation, a vertical distance of 1,160 metres. A conceptualized mining plan has been developed to extract the deposit using mechanized trackless mining equipment. This conceptual plan is presented in this section.

Access to the mineral deposits would be via a 6.5 metre diameter, concrete lined fresh air shaft. This vertical shaft would be sunk conventionally to the -1005 metre level (the shaft collar would be located at the 302 metre elevation), for a total depth of 1,307 metres. Lateral development would start at the -375 metre level once the shaft reaches that elevation.

The shaft excavation contractor would then continue sinking the shaft to the -1005 metre level as the -375 metre level lateral development is underway. Once shaft sinking is complete and the shaft has been commissioned two hoists would transport men and materials between surface and the underground levels. A series of three internal declines or ramps located in the vicinity of the stoping operations would eventually connect all working levels in the mine. Once the shaft has been commissioned stope mining would start on the -375 metre level and development on the -900 metre level would commence.

This PEA envisages the development of an underground mine with a steady state production rate of 2,000 tonnes per day (tpd) of mill feed (on a schedule of 350 days per year). The primary mining method is envisaged to be conventional longitudinal longhole retreat with paste backfill in the completed stopes. Sub-levels would be at 35 metre vertical intervals. The average thickness of the Potentially Economic Portion of the Mineral Resource is 5.6 metres.

15.1 Longhole Longitudinal Retreat Mining Method

The mining method selected for the extraction of the mineralized rock is Longhole Longitudinal Retreat mining. Sublevels would be driven in the mineralization every 35 vertical metres to allow access for drilling, blasting and mucking operations. Access to the sublevels would be provided by drifts driven either from the shaft access drifts on every third sublevel or from the internal ramps.

Stope dimensions would nominally be 65 metres long by 35 metres high by 5.6 metres wide. A slot/ventilation/backfill raise would be driven at the extremity of each stope. Successive rows of boreholes would be blasted into the slot raise and the resulting open stope.

Cemented paste backfill and development waste would be placed in the stopes as they retreat from the slot raise to the entrance to the stope. The life of mine (LOM) schedule includes 217 stopes which would produce an average of approximately 1,750 tonnes per day (tpd) of mill feed. Typically, this corresponds to mining four sublevels concurrently (i.e. approximately 440 tpd / sublevel).

15.2 Mine and Stope Development

All excavations in waste rock are classified as mine development. All development in mineralization that produces mill feed is classified as stope development. The LOM schedule includes a total of 24,107 metres of mine development Table 30. In additional there would be 1,307 vertical metres of shaft development and 10,650 cubic metres of shaft station and loading pocket development.

There is a total of 21,919 metres of stope development required over the LOM.

Table 30: Summary of Mine and Stope Development

Level	Stope (ore) Development (m)		Mine Development in Waste (m)						
	Drift	Slot Raise	Shaft Access Drift	Sump	Ramps	Access X-cut & Drift	Orepass X-cut	Orepass	Vent Raise
80 - 155	139	60			1,628	899			217
70 - 80	649					335			
45	189	420	352		271	44			
30	100					180			
10	229	120			271	44	10		
-25	298	150			271	197	10	32	
-60	297	150	294		271	201	10	32	
-95	439	270			271	246	10	34	
-130	525	270			271	243	10	34	
-165	440	270	260		271	270	10	34	
-200	753	360			271	291	10	0	
-235	530	240			843	256	10	32	
-270	585	210	476		271	122	20	32	
-305	463	180			271	155	10	32	
-340	607	240			271	204	20	32	
-375	560	270	437	40	271	218	25	32	
-410	595	240			271	282	22	32	
-445	633	270			271	409	25	34	
-480	554	330	402		271	206	25	34	
-515	548	240			271	253	25	34	
-550	608	330			271	260	30	34	
-585	407	210	330		271	298	20	34	
-620	415	210			271	308	35	34	
-655	467	240			271	223	35	34	
-690	541	360	341		271	280	22	32	
-725	492	270			271	269	25	32	
-760	281	90			271	190	35	32	
-795	435	150	318		271	197	30	32	
-830	486	180			271	201	30	32	
-865	407	240			271	244	25	32	
-900	248	150	303	40	271	283	35	32	
-935	122	60			271	47	10	35	
-970	112	60			271	62	10	35	
-1005	91	60	170		271	72	10	35	
Total	**15,019**	**6,900**	**3,683**	**80**	**10,611**	**7,988**	**604**	**925**	**217**

15.3 Stoping

The Longhole Longitudinal Retreat mining method is initially developed with sublevel drifts developed to the full width of the Deposit every 35 vertical metres ("undercuts" and "overcuts") from the access cross-cuts. A 1.8 metre by 1.8 metre slot / ventilation / backfill raise is then driven at the end of the sublevel drift. Blastholes measuring 92 millimetres (35/8 inches) in diameter would then be drilled from the sublevel either up or down to adjacent sublevels. These blastholes would typically be drilled on a 1.5 metre by 1.5 metre pattern, in order to break the rock into the open slot and stope.

The blasting powder factor necessary to produce adequate fragmentation of the rock, using emulsion explosives, is estimated to be approximately 0.85 kilogram per tonne (kgpt). An estimated 1,750 tonnes of mill feed would be excavated on a daily basis from a combination of stopes. Stope development activities would add another 250 tonnes mill feed to the total, to provide a combined 2,000 tpd of mill feed. A summary of stope drilling and blasting parameters is presented in Table 31.

Stope mining would initially start at the -375 metre level, followed by the -900 metre level approximately six months later. Stope mining would progress upwards from those levels, on a retreat basis, working an average four stopes at any given time. Paste backfill would be placed in the mined out area of the stope, from the level above through piping and boreholes, as stope drill/blast/mucking progresses.

The stope mining cycle would include longhole drilling, blasting, mucking and backfilling. The overall stope mining productivity is estimated to be approximately 450 tpd per stope. At any given time, a minimum of four levels should be available for stope mining, each with at least one stope available for mining. On average this would provide for an average production rate of 450 tpd per level and 1,800 tpd overall. When no development ore is being produced a minimum fifth stope would be available for stope mining. A summary of stoping productivities is presented in Table 32.

Table 31: Stoping Drilling and Blasting Parameters

Total Tonnes Mill Feed per Day from Mining Activities	2,000
Mineralization Specific Gravity.	2.90
Stope Height (m)	35
Nominal Stope Width (m)	5.6
Nominal Stope Length (m)	65
Total Nominal Stope Tonnage	37,035
Slot Raise Tonnage	282
Nominal Sublevel Drift Tonnage	5,291
Nominal Longhole Tonnes	31,463
Longhole Drilling Parameters @ 3.625" Dia Holes	
Total Drilling Per Stope (metres)	3,462
Drillholes Per Stope	115
Drilling Time Per Shift (minutes)	10
Metres Drilled per Shift	76
Total Metres Drilled Per Day	152
Required Metres per Day for Production Schedule	192
Blasting Parameters	
Loading Time Per Shift	10
Stemming Length Per Blasted Hole Length (m)	1.0
Load Length per Hole, (m)	29.0
Length of Holes Loaded Per Ring (metres)	110

Table 32: Stoping Productivities

Operation	Productivity
Drilling (tpd)	1,385
Blasting (tpd)	2,770
Mucking (tpd)	1,385
Backfill (tpd)	2,770
Average Stope Productivity (tpd)	462
Minimum tpd / level	437
Maximum Number of Working Levels	4

15.4 Schedule

15.4.1 Shaft

Site clearing for the shaft collar will start on 'day-one' of the schedule. P&E estimates it will take 15 months to collar the shaft and install the headframe, hoist room and hoists and commission these installations. Shaft sinking will begin at that time and scheduled to be complete 39.6 months from the start of collaring the shaft. Details of the shaft sinking schedule are presented in Table 33.

Table 33: Shaft Sinking Schedule

Description	Month	
	Start	Finish
Collar / Headframe / Hoistroom	0.0	15.0
Collar to 45L Station	15.0	17.3
45L Station	17.3	17.8
45L Station to -80L Station	17.8	19.3
-80L Station	19.3	19.8
-80L Station to -165L Station	19.8	20.8
-165L Station	20.8	21.3
-165L Station to -270L Station	21.3	22.5
-270L Station	22.5	23.0
-270L Station to -375L Station	23.0	24.2
-375L Station	24.2	24.7
-375L Station Mechanical Lip Pocket	24.7	24.9
-375L Station to Loading Pocket No1	24.9	25.4
Loading Pocket No1	25.4	25.6
Install Loading Pocket	25.6	26.1
Loading Pocket Raise	26.1	26.5
Loading Pocket No1 to Spill Pocket No1	26.1	26.2
Spill Pocket No1	26.2	26.3
Spill Pocket No1 to -480 Station	26.3	26.8
-480L Station	26.8	27.3
-480L Station to -585L Station	27.3	28.6
-585L Station	28.6	29.1
-585L Station to -690L Station	29.1	30.3
-690L Station	30.3	30.8
-690L Station to -795L Station	30.8	32.0
-795L Station	32.0	32.5
-795L Station to -900L Station	32.5	33.7
-900L Station	33.7	34.2
-900L Station to Loading Pocket No2	34.2	34.7
Loading Pocket No2	34.7	34.9
Install Loading Pocket	34.9	35.4
Loading Pocket Raise	35.4	35.8
Loading Pocket No2 to -1005L Station	35.4	36.1
-1005L Station	36.1	36.6
Remove Sinking Geer & Commission Shaft	36.6	39.6

15.5 Internal Ramp Development

Internal ramping will be required to allow underground mobile equipment and personnel to travel between levels. Internal ramping will start from the -375L developing up to the -340L and down to the -410L simultaneously, double heading during the 37th month from start. This ramp system will be west of the main dike. Internal ramping will start at the -900L during the 53rd month, from start, developing down to the -935L. This ramp system will be east of the main dike. The balance of internal ramps will be driven as required. Details of the internal ramp development schedule are presented in Table 34.

Table 34: Internal Ramp Development Schedule

Level Interval	Month	
	Start	Finish
130L to 80L E	71.8	74.3
80L to 45L E	70.1	71.8
45L to 10L E	68.4	70.1
10L to -25L E	66.7	68.4
-25L to -60L E	65.0	66.7
-60L to -95L E	63.3	65.0
-95L to -130L E	61.5	63.3
-130L to -165L E	59.8	61.5
-165L to -200L E	58.1	59.8
-200L to -235L E	56.4	58.1
East - West Connection	54.5	56.4
-200L to -235L W	52.8	54.5
-235L to -270L W	51.1	52.8
-270L to -305L W	49.4	51.1
-305L to -340L W	45.9	47.6
-340L to -375L W	36.6	40.0
-375L to -410L W	36.6	40.0
-410L to -445L W	47.0	48.7
-445L to -480L W	77.7	79.4
-480L to -515L W	76.0	77.7
-515L to -550L W	74.3	76.0
-550L to -585L W	72.5	74.3
-585L to -620L W	70.8	72.5
-620L to -655L W	69.1	70.8
-655L to -690L W	67.4	69.1
-690L to -725L W	65.7	67.4
-725L to -760L W	64.0	65.7
-760L to -795L W	62.3	64.0
-795L to -830L W	60.6	62.3
-830L to -865L W	57.2	58.9
-865L to -900L W	53.7	55.4
-900L to -935L E	52.0	53.7
-935L to -970L E	55.4	57.2
-970L to -1005L E	58.9	60.6

15.6 Level Development

Level development will start on the -375L during the 26th month once shaft sinking has reached that level and the lip pocket has been installed. At that point both shaft sinking and level development will proceed, simultaneously. Once the shaft sinking has been completed and the shaft has been commissioned level development on the -900L will begin during the 40th month. Level develop will be completed, as required. All level development will be completed during the 122nd month (on the -480L). Details of the level development schedule are presented in Table 35.

Table 35: Level Development Schedule

Level	Month	
	Start	Finish
115L-150L	97.0	110.8
45L	93.3	97.0
10L	91.5	93.3
-25L	88.2	91.5
-60L	83.1	88.2
-95L	78.7	83.1
-130L	73.8	78.7
-165L	69.6	73.8
-200L	63.6	70.3
-235L	58.9	63.6
-270L	51.8	58.9
-305L	47.6	51.8
-340L	40.0	45.9
-375L	25.0	39.6
-410L	40.0	47.0
-445L	48.7	54.5
-480EL	114.4	121.9
-515EL	109.0	114.4
-550EL	103.3	109.0
-585EL	96.4	103.3
-620EL	91.6	96.4
-655EL	87.0	91.6
-690EL	79.9	87.0
-725EL	75.0	79.9
-760EL	71.6	75.0
-795EL	65.4	71.6
-830EL	59.9	65.4
-865EL	57.0	61.4
-900EL	39.6	57.0
-935EL	60.6	61.8
-970EL	61.8	63.0
-1005EL	63.0	65.3

15.7 Stoping

Commercial stoping (production) will start on the -375L during the 40th month and end during the 154th month (12 years and 10 months) on the -410L, from the start.

16 Recovery Methods

The information contained in this section was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading "Cautionary Note Regarding the Preliminary Economic Assessment" in Subsection 1.8 of this report.

Based on a summary of the metallurgical testwork presented in Section 13 of the PEA report, a conventional process flowsheet is selected, including crushing and grinding to a 70 micron grind at an average rate of 2,000 tpd, followed by flotation recovery of copper to a rougher concentrate. The rougher concentrate is reground and re-floated in a two stage cleaner flotation circuit to yield a final concentrate containing copper at a marketable grade. The concentrate is filtered to an assumed 8 percent moisture content for shipment. Flotation tailings are leached for recovery of gold in a conventional cyanidation circuit.

17 Project Infrastructure

The information contained in this section was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading "Cautionary Note Regarding the Preliminary Economic Assessment" in Subsection 1.8 of this report.

The Upper Beaver project has minimal infrastructure requirements due to its location close to the Highway 66 and Kirkland Lake, Ontario, and due to the infrastructure established during its previous operating history.

17.1 Site Surface Infrastructure

Site surface infrastructure requirements for operation would include buildings, buildings furnishings and surface mobile equipment. The site facilities would include a shaft headframe and hoist room/compressor building; a process plant; a paste backfill plant and distribution system; the tailings / waste rock co-disposal basin and dam; site roads; surface parking areas; fuel, lubricates and oil storage facilities; surface explosive magazines; yard piping; the fire prevention and fighting system; the potable water treatment plant and storage tanks; the tailings water treatment plant and pond and the water management pond building and site run-off. Major surface facilities to support the Upper Beaver mine would include an administration/engineering building, a dry, a warehouse and maintenance shop. Furnishings would include the surface mine shop equipment and tools; the office furniture, computers, etc.; environmental equipment; dry equipment; site communications and medical centre equipment. Surface mobile equipment would include a road grader; a service truck; a garbage truck; a personnel bus; an ambulance; a fire/ rescue truck and pickup trucks.

17.2 Power Supply

Power to the project would be supplied by extending the existing 115-kV line 2 kilometres to a substation then through a new 7 kilometres long 44-kV transmission and communications line to Upper Beaver mine and mill complex. Site overall power consumption is estimated to be between 35 to 40 MW.

17.3 Tailings Management

The conceptual plan for the design of the tailings management facility (TMF) is to take advantage of the historical tailings facility located approximately 4 kilometres from the process plant. Separate engineering and environmental studies are currently underway on this facility. The TMF design would incorporate features to manage the chemical and physical stability of the deposited tailings in accordance with existing and new practices. Approximately, 35 – 55 percent of the tailings would be converted to paste backfill and deposited underground. The remaining tailings would be deposited in the TMF.

17.4 Waste Management

The waste rock dump(s) would be designed, built and closed out so as to minimize long-term impact on the environment. Other waste materials would be recycled (e.g. spent lubricants) or disposed of in accordance with provincial and federal regulations.

17.5 Hazardous Material Storage

Storage facilities for materials such as fuel, explosives and process chemicals have not been detailed at this scoping study level. As the project proceeds, such facilities would be designed to meet all relevant codes and regulations in order to protect employees, the public and the environment.

17.6 Regional Resources

The regional labour force includes experienced equipment operators, mine workers and material and equipment suppliers.

18 Market Studies and Contracts

The information contained in this section was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading "Cautionary Note Regarding the Preliminary Economic Assessment" in Subsection 1.8 of this report.

There were no market studies completed or contracts put in place in support of this technical report.

However, the commercial products produced by this project will be gold bullion for shipment to any of several available refineries and a saleable copper concentrate. Prices for these products will be based on the then-current copper and gold prices less respective smelting and refining charges.

19 Environmental Studies, Permitting, and Social or Community Impact

The information contained in this section was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading "Cautionary Note Regarding the Preliminary Economic Assessment" in Subsection 1.8 of this report.

The project as described in this PEA would be implemented in stages. The first stage (underground exploration and bulk sampling) would involve exploration shaft sinking; lateral development and bulk sampling; the dewatering of the proximate historic Upper Beaver mine workings; and infrastructure construction. Queenston has commenced relevant environmental and social baseline information collection and has initiated and continued discussions with local communities, First Nations, Métis community and other interested people. The second stage (underground mining and on-site processing) would require additional permitting.

P&E has assessed the nature and scope of the project; available environmental and social base line information including public and aboriginal consultation information; relevant regulatory requirements with an emphasis on environmental assessment and permitting requirements; the potential for significant impacts; and the proposed approach to project development, operation and closure.

Queenston has identified advanced exploration permitting, environmental assessment and operations permitting and closure planning requirements for the project in consultation with regulators, and commenced baseline environmental studies and consultations with local communities, aboriginal peoples and other people that could potentially be impacted by the proposed project.

19.1 Project description

The project is situated approximately 25 kilometres east of Kirkland Lake in an area that includes the historic Upper Beaver underground mine that operated between 1914 and 1971, and a historic tailings facility. The historic workings include a 200 metres deep main shaft, a winze and about ten levels. The project site is accessible from the Village of Dobie using Beaverhouse Lake Road which is also used by the Beaverhouse First Nation, anglers, hunters, cottagers and loggers. The scope of the project for the purposes of the present PEA includes:

- An exploration shaft sinking, lateral development and bulk sampling program to confirm the mineability / continuity of the deposit. The historic Upper Beaver mine workings would be dewatered for safety reasons. The circular concrete lined exploration shaft would be sized to accommodate projected future production hoisting and mine servicing requirements;
- Access road improvements;
- The development of a 2 kilometres long, 115 kV line power distribution line from an existing transmission line to a new substation and a 7 kilometres long, 44kV line transmission line from the substation to the proposed mine and mill site;
- The construction of a 2,000 tpd capacity crushing, floatation and carbon in leach (CIL) mineral processing plant. The projected gold-rich copper concentrate would be shipped to a smelter off-site;
- The construction of a tailings management facility (TMF) at an historic tailings facility site. A cyanide destruction process would be used to treat the tailings slurry prior to disposal. The

amount of tailings requiring disposal in the TMF would be reduced by utilizing approximately 35 percent to 55 percent of the mill tailings as underground paste fill. The TMF and effluent treatment facility would be sized to accommodate a minimum 1 in 100 year rain on snow precipitation event;

- The construction of ancillary facilities such as an administration and technical services building, security, weigh station, maintenance shop, warehouse, fuel storage, explosive storage, fire protection, and effluent treatment facilities;
- Pre-production underground mine development including shaft deepening;
- Underground mining (primarily long borehole stoping with paste backfill); and
- Closure and rehabilitation works. The project site would be left in a physically and chemically stable condition offering a return to other productive land use. Waste rock would be disposed at the McBean open pit waste rock stockpile located approximately 5 kilometres away from the project site.

The above referenced scope encompasses a number of environmental best management practices and demonstrated environmental controls such as the use of a cyanide destruction process.

19.2 Environmental Base Line

Environmental base line studies to support the permitting process have commenced. The key results of environmental and social baseline assessment as reported by Story (2011) are summarized below:

- Approximately 90 percent of the project area is situated within the Township of Gauthier which has a population of 133 based on 2006 census information. There are 53 private residences and 12 cottages in the Township. The balance of the project area is situated in a largely uninhabited area of area of McVittie Township;
- Landforms in the project area are predominately bedrock-dominated, glaciofluvial deposits or glaciolacustrine deposits. The local climate is humid continental with warm summers. The forest is dominated by black spruce, poplar, tamarack and balsam fir. Forest harvesting is carried out near and within the project area;
- The project area is a low relief area with sections of undulating to rolling terrain with occasional plateaus, and creeks, rivers and lakes. The major lakes in the project area are Beaverhouse Lake and Little Larder Lake. The major water courses are the Misema River and Victoria Creek. No provincially significant wetlands have been identified in or adjacent to the project area. There is no commercial fishing within the project area. People recreationally and traditionally angle for warm/cool water game fish including pickerel (walleye), northern pike, smallmouth bass and yellow perch in the project area;
- Wildlife habitats in the project area include waterfowl brood rearing habitat, moose calving sites, moose aquatic feeding areas, and late winter moose habitat. Whip-poor-will, one of the species classified as at risk in the Kirkland Lake District and that may reside within the project area, are observed at the project site. No known migration routes or important waterfowl nesting areas are known to exist in the project area;
- The historic Upper Beaver mine, Upper Canada mine, Anoki and McBean mine operated in the project area. The historic tailings area which is predominately associated with the historic Upper Canada and Anoki McBean mines includes a confined tailings impoundment area and older unconfined tailings that extend into Little Larder Lake. Story (2011) reports that the discharge from these tailings areas on the quality of water in the downstream receiver (Victoria Creek) is minimal as only the concentration of total iron exceeded the Provincial Water Quality Objectives at water sampling station V3 in one of four sampling events. The extent to which iron concentrations at Station V3 are influenced by elevated

background iron concentrations is to be assessed as part of planned follow-up studies. Groundwater quality sampling in the project area has commenced; and

- The results of acid base accounting (ABA) tests completed to date indicate that the mill tailings would be non-acid generating. Samples of waste rock to be collected from the exploration shaft pilot borehole and from underground headings will be used to characterize the acid generation potential of the mine waste rock. The results of ABA tests of two samples of waste rock obtained from the historic McBean mine waste rock stockpile indicate that the waste rock is net acid consuming and not acid generating.

19.2.1 Public and Aboriginal consultation

Queenston has started to build / renew its relationships with several First Nations in the region including the Wahgoshig, Beaverhouse, Matachewan and the Temiskaming First Nations, and has been actively engaging the Métis community through the Métis Region 3 Consultation Committee representing regional Métis councils on resource consultation. Queenston's consultation program also extends to associated governing and service support organizations (e.g. Tribal Councils), other interested people and local governments (Story, 2011a, b).

19.2.2 Permitting

Queenston is working to complete the permitting procedure for an Advanced Exploration Permit for its planned exploration shaft sinking and bulk sampling program, and has submitted a Notice of Project Status for its advanced exploration program to the Ministry of Northern Development and Mines (MNDM). Queenston is currently preparing its closure plan for submittal to the MNDM.

Queenston is consulting with regulators with regard to the environmental permitting requirements for the envisaged underground mining and on-site mining operations. The environmental permitting of the proposed mining and processing operations would require an environmental assessment with terms of reference established under a cooperative agreement for projects requiring environmental assessment and approvals under federal and provincial environmental assessment legislation. While the terms of reference for the environmental assessment process have yet to be established:

- Queenston has commenced base line studies and plans to continue them in support of an environmental assessment of the project; and
- Public consultation is a required component of the environmental assessment and closure planning processes. Queenston has already commenced public and aboriginal consultations, and plans to continue to work cooperatively with aboriginal communities as the project scope, impacts and benefits become better understood both at the Advanced Exploration and Productions phases.

It is expected that following the environmental assessment process for the proposed producing mine and mill and regulatory approval to proceed, Queenston would need to apply for required permits including but not limited to certificates of approvals for discharges to air and water including treated process water and treated domestic sewage.

19.2.3 Mine Closure

The present PEA is based on the project being progressively decommissioned and closed out at the end of the mine life. The envisaged closure works include: the removal of mine equipment and recoverable services to surface and their sale or proper disposal; the capping of the mine opening at surface; the dismantling and sale of the mill; the demolition of surface infrastructure components that are not salvaged and sold; and the proper disposal of unused fuel, lubricants and chemicals, and non-hazardous and hazardous solid and liquid wastes. The project site would be rehabilitated and left in a physically and chemically stable environment. The closure approach is based on using passive environmental controls to eliminate the need for active post-closure controls. Environmental monitoring results would be used to assess and demonstrate the effectiveness of the closure and rehabilitation works.

Before the proposed mining and on-site mineral processing operations can begin, Queenston would be required to have its closure plan and financial assurance approved by the Ministry of Northern Development and Mines. The present PEA includes a C$3.6 million financial assurance cost allowance and closure and rehabilitation costs amounting to approximately C$6 million.

20 Capital and Operating Costs

The information contained in this section was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading "Cautionary Note Regarding the Preliminary Economic Assessment" in Subsection 1.8 of this report.

All capital and operating costs are in Canadian dollars, unless otherwise stipulated.

20.1 Capital Cost Estimates

20.1.1 Pre-production Capital Cost Estimates

The pre-production period starts with site clearing and collaring of the shaft and ends when the shaft is commissioned and stope mining starts. Pre-production capital costs include the cost of all surface building, structures and related facilities; mine and stope development on the -340, -375 and -410 Levels; shaft equipment and related facilities; underground mining equipment; surface mobile equipment; electrical power supply infrastructure; underground infrastructure related to the shaft and -340, -375 and -410 Levels; most of the project closure bond and a 15 percent contingency. The total estimated pre-production capital cost is estimated to be C$240.1 million. Details of the Capital Cost Estimate and schedule for the pre-production period are provided in Table 36.

Table 36: Summary of Pre-production Capital Cost Estimates (C$ million)

Description	Year				Total
	1	2	3	4	
Mine & Stope Development			16.1	6.5	22.6
Shaft Development		24.3	24.5	1.2	50.0
Shaft Headframe, Hoist & Hoist Room, LP	1.0	11.4	2.0		14.5
Mine Equipment		11.3	7.1		18.3
U/G Infrastructure			2.7	0.1	2.8
Surface Infrastructure	11.4	17.3			28.7
Process Plant	45.7	22.8			68.5
Closure Bond	3.0	0.3	0.3	0.1	3.6
Contingency (15%)	9.2	13.1	7.9	1.0	31.2
Total	**70.3**	**100.4**	**60.5**	**8.9**	**240.1**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.2 Sustaining Capital Cost Estimates

The commercial production period starts in the second quarter of the fourth year, from the start, and continues until the third quarter of the thirteenth year. Sustaining capital costs during this period include mine and stope development for the rest of the mine; underground infrastructure related to the rest of the mine; some of the project closure bond; a salvage value in Year 13 and a 15 percent contingency. The total estimated sustaining capital cost is estimated to be C$178.0 million.

Details of the Capital Cost Estimate and schedule for the commercial production period are provided in Table 37.

Details of these estimates are provided in the following subsections.

Table 37: Summary of Sustaining Capital Cost Estimates (C$ million)

Description	Year										Total
	4	5	6	7	8	9	10	11	12	13	
Mine & Stope Development	19.4	26.1	24.9	23.2	21.7	22.6	17.0	2.1	0.4	0.3	157.7
U/G Infrastructure	0.4	0.5	0.5	0.5	0.5						2.5
Closure Bond & Salvage	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-7.8	-5.6
Contingency (15%)	3.1	4.0	3.9	3.6	3.4	3.4	2.6	0.4	0.1	-1.1	23.3
Total	**23.1**	**30.9**	**29.5**	**27.6**	**25.9**	**26.3**	**19.8**	**2.7**	**0.8**	**-8.6**	**178.0**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.3 Mine and Stope Development Capital Costs

Mine and stope development costs include the cost of all underground development in both waste rock and ore, excluding all slot raises and shaft and shaft related excavations. This includes: the cost of all internal access ramps; drifting in ore; all crosscuts to the stoping areas; ore passes and ventilation raises. A summary of mine and stope development capital costs is presented in Table 38.

Table 38: Summary of Mine and Stope Development Capital Costs Estimates (C$ million)

Item	Unit Cost ($/m)	Units (m)	Total Cost
Ramp	5,000	10,611	53.1
Drift in Ore	4,500	15,019	67.6
Cross-cuts	4,500	12,655	56.9
Orepass	2,000	925	1.9
Ventilation Raise	4,000	217	0.9
Total		**39,426**	**180.3**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.4 Shaft Development Capital Costs

Once the shaft collar has been excavated to approximately 60 metres below surface and the headframe and hoist room are installed and commissioned, shaft sinking can begin, 15 months from the start of construction.

The vertical 6.5 metre diameter concrete lined shaft would be sunk conventionally sunk from the bottom of the collar, at approximate elevation +242 metres, to the -1,005 metres elevation, a vertical distance of 1,247 metres. There would be two loading pockets installed, one below the -375L Station and the other below the -900L Station.

A temporary mechanical lip pocket would be installed at the -375L Station to facilitate hoisting development waste while the shaft is being sunk from the -375L Station to shaft bottom at the -1,005 metres elevation. It would take approximately 750 days to sink and commission the shaft. A summary the shaft development capital cost and schedule is presented in Table 39.

Table 39: Summary of Shaft Development Capital Costs Estimates (C$ million)

Description	Qty (m or m³)	Year (C$ million) 1	2	3	4	Total ($M)
Collar to 45L Station	197		7.4			7.4
45L Station	900		0.5			0.5
45L Station to -80L Station	125		4.7			4.7
-80L Station	900		0.5			0.5
-80L Station to -165L Station	85		3.2			3.2
-165L Station	900		0.5			0.5
-165L Station to -270L Station	105		3.9			3.9
-270L Station	900		0.5			0.5
-270L Station to -375L Station	105		3.2	0.7		3.9
-375L Station	900			0.5		0.5
-375L Station Mechanical Lip Pocket				0.3		0.3
-375L Station to Loading Pocket No1	45			1.4		1.4
Loading Pocket No1	300			0.2		0.2
Install Loading Pocket				0.5		0.5
Loading Pocket Raise	250			0.1		0.1
Loading Pocket No1 to Spill Pocket No1	15			0.5		0.5
Spill Pocket No1	150			0.1		0.1
Spill Pocket No1 to -480 Station	45			1.4		1.4
-480L Station	900			0.5		0.5
-480L Station to -585L Station	105			3.3		3.3
-585L Station	900			0.5		0.5
-585L Station to -690L Station	105			3.3		3.3
-690L Station	900			0.5		0.5
-690L Station to -795L Station	105			3.3		3.3
-795L Station	900			0.5		0.5
-795L Station to -900L Station	105			3.3		3.3
-900L Station	900			0.5		0.5
-900L Station to Loading Pocket No2	45			1.4		1.4
Loading Pocket No2	300			0.2		0.2
Install Loading Pocket				0.5		0.5
Loading Pocket Raise	250			0.1		0.1
Loading Pocket No2 to -1005L Station	60			1.6	0.3	1.9
-1005L Station	900			0	0.5	0.5
Remove Sinking Geer & Commission Shaft				0	0.5	0.5
Total			**24.3**	**24.5**	**1.2**	**50.0**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.5 Shaft Headframe, Loading Pockets, Hoists and Hoistroom - Capital Costs

A summary the capital costs of the shaft headframe, two loading pocket with rockbreakers and grizzlies, two hoists and hoist room, and schedule of purchases, is presented in Table 40.

Table 40: Summary of Shaft Headframe, Loading Pockets, Hoists and Hoistroom Capital Costs Estimates (C$ million)

Description	Unit Cost (M$)	Units	Total Cost (M$)	Year 1	Year 2	Year 3
Headframe, Hoistroom, Hoists(2)	12.5	1	12.5	1.0	11.4	
Loading Pocket	0.5	2	1.0			1.0
Grizzly / Rockbreaker	0.3	4	1.0			1.0
Total			**14.5**	**1.0**	**11.4**	**2.0**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.6 Mine Equipment Capital Costs

The mine equipment capital costs include: all underground mobile and stationary equipment and all related mine surface equipment. A summary the underground mine equipment capital costs, and schedule of purchases, is presented in Table 41.

Table 41: Summary of Mine Equipment Capital Costs Estimates (C$)

Description	Unit Cost ($)	Units	Total Cost (M$)	Year 2	Year 3
Sandvik Axera 7-260 Development Jumbo - 2 Boom	900,000	2	1.8	0.9	0.9
Cubex ITH Drill	1,000,000	2	2.0	1.0	1.0
Getman Scissor Lift	370,000	1	0.4	0.4	0.0
Sandvik T9 - 6.1 cu.m. LHD	1,225,000	3	3.7	1.2	2.5
EJC30SX	700,000	3	2.1	0.7	1.4
U/G Blasting Tractor	550,000	1	0.6		0.6
Getman ANFO Loader	440,000	1	0.4	0.4	
Cable Bolter	750,000	1	0.8	0.0	0.8
Getman Lube Service Vehicle	340,000	1	0.3	0.3	
M40 Fuel truck	375,000	1	0.4	0.4	
Mechanics Vehicle	55,000	1	0.1	0.1	
Electrician Vehicle	55,000	1	0.1	0.1	
Getman Boom Truck	325,000	1	0.3	0.3	
Grader	370,000	1	0.4	0.4	
Toyotas	55,000	3	0.2	0.2	
Alimak	300,000	1	0.3	0.3	
Shotcrete Machine	100,000	1	0.1	0.1	
Getman Personnel Carrier	300,000	1	0.3	0.3	
Misc. Underground Equipment	Lot		2.1	2.1	
Misc. Surface Equipment	Lot		2.2	2.2	
Mine Equipment Total			**18.3**	**11.3**	**7.1**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.7 Processing Plant Capital Costs

The capital costs of the process plant include direct costs such as site preparation, all concrete work, all structural work, process plant equipment and installation, piping, and all electrical equipment and instrumentation. Indirect process plant capital costs include field supervision and expenses, construction equipment, engineering design and layouts, spare parts and commission costs. A summary of the process plant direct and indirect capital costs is presented in Table 42. The estimated capital cost of a gravity circuit has been included in these costs. The Process Plant construction expenditures are expected to occur in year 1 (2/3 of cost) and year 2 (1/3 of the cost).

Table 42: Process Plant Capital Cost Summary (C$ million)

Description	Total Cost
Direct Cost	**48.3**
Indirect Costs	
Field Supervision	1.7
Field Expense	2.1
Temporary Facilities	1.4
Construction Equipment	1.2
Craft Benefits	3.0
Subtotal Construction Indirect	**9.4**
Engineering	6.4
Freight	1.0
Spare Parts	0.7
Startup	0.2
Subtotal Project Indirect	**17.8**
Direct + Indirect	66.0
Gravity Circuit	2.5
Subtotal	**68.5**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.8 Surface Infrastructure Capital Costs

Surface infrastructure capital costs include site facilities, buildings, buildings furnishings and surface mobile equipment. The capital cost of site facilities includes the cost of: the electric power line, substation, switchgear; the paste backfill plant and distribution system; the tailings / waste rock co-disposal basin and dam; site roads; surface parking areas; the fuel storage; lubrication and oil storage facilities; surface explosive magazines; yard piping; the fire prevention and fighting system; the potable water treatment plant and storage tanks; the tailings water treatment plant and pond and the water management pond building and site run-off.

Buildings capital costs include; the main gate building; the surface mine shop; the warehouse and warehouse equipment; the office building and the dry. The buildings furnishings include; the surface mine shop equipment and tools; the office furniture, computers, etc.; environmental equipment; dry equipment; site communications and medical centre equipment. Surface mobile equipment capital costs include; a road grader; a front-end loader, a service truck; a garbage truck; a personnel bus; an ambulance; a fire/ rescue truck and pickup trucks. The surface infrastructure capital cost summary is presented in Table 43.

Table 43: Surface Infrastructure Capital Cost Summary

Description	Estimated Cost (C$ million)
Site Facilities	23.3
Buildings	2.4
Buildings Furnishings	1.8
Surface Mobile Equipment	1.2
Total	**28.7**

Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.9 Mine Closure and Salvage Capital Costs

A closure bond will be required to remove the process plant, for final tailings construction and seeding; the tailings spillway, final water treatment and remove surface infrastructure and final clean up. It is estimated it will cost $6.0 million to complete this work. Details of this cost estimate are presented in Table 44.

Most of this closure bond will be required during the pre-production period. The balance is spread out, on a yearly basis, over the life of the mine.

The capital cost of removing the shaft headframe, collar house, hoists and hoist room and securing the surface underground mine openings is estimated to be somewhat offset by the salvage value of these facilities. The salvage value, after removal, of the shaft headframe, collar house, hoists, process plant equipment, mine equipment and surface infrastructure is summarized in Table 45

Table 44: Mine Closure Capital Cost Summary

Description	Total (C$)
Remove headframe, collar house, hoists(2) and hoisthouse; Secure surface openings	In Salvage
Remove process plant	4,000,000
Final tailings dam work - 10ha @ C$80k/ha plus C$50k for design work	850,000
Spillway	30,000
Final water treatment (batch)	50,000
Remove surface infrastructure / cleanup	1,000,000
Total	**5,930,000**
Say	**6,000,000**

Table 45: Salvage Value Summary

Item	Salvage Value (C$ million)
Hoists(2)	1.7
Headframe and Collar House	1.1
Plant Equipment	1.4
Mine Equipment	1.5
Surface Infrastructure	2.3
Total	**8.0**

Some values have been rounded. The totals are accurate summations of the columns of data.

20.1.10 Contingency Capital Costs

A 15 percent contingency capital cost on all capital cost items has been estimate separately.

20.2 Operating Cost Estimates

Operating costs include the cost of operating labour, maintenance labour, electrical power, operating materials and supplies, reagents and fuel. The yearly operating cost varies from $70.17 to $77.05 per tonne milled. A summary of the average operating cost estimates for the Upper Beaver project is provided in Table 46. Details of these estimates are provided in the following subsections.

Table 46: Summary of Average Operating Cost per Tonne Milled

Description	Total (C$/t)
Stope Mining	20.70
Paste Backfill	7.00
Tailings to Tailings Dam	1.00
Tailings Pond Water Treatment	0.32
Process Plant	17.81
U/G Haulage	3.50
U/ G Hoisting Services Costs	1.50
Mine Air Heating	3.05
G&A COSTS	6.00
Contingency (20%)	12.18
Total Operating	**73.06**

20.2.1 Mining

On average 1,749 tpd of mill feed would be mined by stoping. The balance of 251 tpd would be extracted by stope development, for a total of 2,000 tpd.

Stope mining operating costs include the cost of material, consumables and labour for stope drilling, blasting, mucking, pipe and accessories, and stope ventilation. The total mining cost also includes the paste backfill cost, haulage cost, hoisting services cost and mine air heating cost.

The estimated operating cost, per tonne of stope ore mined, is summarized in Table 47. The stope development costs have been included in the capital costs for the mine.

Table 47: Summary of Mine Operating Cost

Description	Per Stope Tonne (C$)	Per Tonne Milled (C$)
Drilling & Blasting	4.62	
Slot Raise	0.20	
Ground Support	0.52	
Mucking	1.63	
Pipe & Accessories	0.06	
Stope Fan	0.07	
Total Stoping Consumables	**7.10**	
Services and Power	7.20	
Staff Labour	3.73	
Hourly Labour	5.65	
Total Stoping	**23.68**	**20.70**
Paste Backfill		7.00
U/G Haulage		3.50
U/G Hoisting Services Costs		1.50
Mine Air Heating		3.05
Total Mining (Expensed)		**35.75**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.2.2 Mineral Processing

On average 2,000 tpd mill feed will be processed. The mineral processing operating cost includes the cost of all material, consumables and labour required to process 7,000,000 tonnes per year. This includes all operating and maintenance labour, electrical power requirements, reagents, operating and maintenance supplies. A summary of process plant operating costs, per tonne milled and total cost per year, is presented in Table 48.

Table 48: Summary of Mineral Processing Operating Cost

Item	C$/t	C$/Year
Operating Labour	4.67	3,270,400
Power	3.64	2,546,100
Reagents	4.98	3,485,300
Operating Supplies	1.08	758,100
Maintenance Labour	2.02	1,416,600
Maintenance Supplies	1.41	990,300
Total	**17.81**	**12,466,800**

Note: Some values have been rounded. The totals are accurate summations of the columns of data.

20.2.3 Other Operating Costs

In addition to the mining and processing operating costs, above, there is a tailing–to–tailings-dam cost, a tailings pond water treatment cost and a general and administration cost. The general and administration (G&A) costs include costs for staff, general maintenance, office administration, safety equipment and personal protective equipment (PPE), and engineering tools and professional services cost. In addition to these operating costs a 20 percent contingency on the total operating costs has been added. A summary of these costs per tonne milled is presented in Table 49.

Table 49: Summary of Other Operating Costs

Description	Per Tonne Milled (C$)
Tailings to Tailings Dam	1.00
Tailings Pond Water Treatment	0.32
General and Administration	6.00
Contingency (20%)	12.18
Total Other	**19.50**

21 Economic Analysis

The information contained in this section was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading "Cautionary Note Regarding the Preliminary Economic Assessment" in Subsection 1.8 of this report.

This report is considered by P&E Mining Consultants Inc. to meet the requirements of a technical report pursuant to National Instrument 43-101. This PEA is preliminary in nature and includes Inferred 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 PEA will be realized.

There is no guarantee that Queenston will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise for the deposit to be placed into production.

21.1 Economic Criteria

21.1.1 Physicals

- Mine life:
  - Pre-production: 39 months
  - Production Mining/Milling: Year 4 to 13 for a total of 9.5 years
  - Decommissioning: 6 months in Year 13
- Production rate:
  - 2,000 tpd
- Total production:
  - Total ore production: 6,839,800 tonnes at a grade of 0.37 % copper and 5.1 gpt gold
  - Total concentrate production: 123,100 tonnes
- Metallurgical parameters:
  - Process recovery: 98% gold and 90% copper
  - Concentration ratio: 56
  - Concentrate grade: 18.6% copper
  - Concentrate moisture content: 8%
- Total payable metal:
  - Gold: 1,055,200 ounces of gold
  - Gold: 1,162,300 ounces of gold equivalent
  - Copper: 22,600 tonnes of copper

21.1.2 Revenue

The commercial products produced by the project are copper concentrate and doré. Queenston will be paid once the copper concentrate and doré has been delivered to the smelter and refinery, off-site. The gold and copper prices used in this PEA are US$1,275 per ounce of ogld and US$3.00 per pound copper. Revenues were calculated as net smelter returns (NSRs). The NSR payables were based on the following parameters.

- Smelter treatment charge: C$/DMT: $125.00 per tonne
- Concentrate shipping charge: C$/WMT:10.00 per tonne
- Smelter payable 95% gold and 90% copper
- Refining charges: C$/DMT: $10.00 per ounce of gold, $0.07 pound of copper

The US$/C$ exchange rate used in the PEA is 0.96.

- Net revenue:
  - gold / copper: $1,513.0 million

21.1.3 Costs

- Operating costs:
  - Total average cost: C$73.06 per tonne of ore milled
  - Cash Cost: US$415.99 ounce of gold equivalent

- Capital costs:
  - Preproduction: C$240.0 million
  - Sustaining: C$178.0 million
  - Total capital costs: C$418.1 million

These capital costs include the cost of; mine and stope development; the shaft headframe, hoists, hoist room, shaft stations and loading pockets; the surface power line; mine equipment; surface infrastructure; underground infrastructure; the process plant, a closure bond, salvage value and a 15 percent contingency.

21.2 Cash Flow

An after-tax cash flow (CF) model has been developed for the Upper Beaver project. The model does not take into account the following components:

- Financing cost, other than interest included in capital lease rates;
- Insurance;
- Overhead cost for a corporate office.

Taxes are estimated to be 30 percent of pre-tax cash flow. A cash flow summary is presented in Table 50. All costs are in 1st quarter 2012 Canadian dollars with no allowance for inflation.

Table 50: Summary of Other Operating Costs (C$)

Description	Units / Year	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Waste	t(000's)			140	200	200	200	200	200	200	200	22	0	0	1,562
Development Ore	t(000's)			77	148	151	135	112	93	105	29	6	6	4	865
Cu	%			0.44	0.35	0.47	0.40	0.29	0.17	0.20	0.13	0.12	0.18	0.25	0.33
Au	gpt			5.66	5.14	5.00	5.27	5.23	4.64	4.11	3.56	3.86	4.15	4.05	4.94
Stope Ore	t(000's)			0	501	549	565	588	607	595	671	694	694	564	6,028
Cu	%			0.00	0.37	0.44	0.56	0.56	0.44	0.31	0.18	0.21	0.33	0.40	0.37
Au	gpt			0.00	5.68	6.16	6.02	5.39	4.80	5.71	3.80	4.36	5.06	4.94	5.14
Total	t(000's)			77	649	700	700	700	700	700	700	700	700	567	6,894
Cu	%			0.44	0.37	0.45	0.53	0.52	0.40	0.30	0.18	0.21	0.33	0.40	0.37
Au	gpt			5.66	5.56	5.91	5.87	5.36	4.78	5.47	3.79	4.35	5.05	4.93	5.11
NSR	$/t			244.95	236.83	255.13	258.20	237.29	208.10	229.45	157.08	180.94	215.08	214.08	219.47
Revenue	$M			18.8	153.8	178.6	180.7	166.1	145.7	160.6	110.0	126.7	150.6	121.5	1,513.0
Stope Mining	$M			0.0	11.9	13.0	13.4	13.9	14.4	14.1	15.9	16.4	16.4	13.3	142.7
Paste Backfill	$M			0.5	4.5	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.0	48.3
Tailings to Tailings Dam	$M			0.1	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	6.9
Tailings Pond Water Treatment	$M			0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.2
Process Plant	$M			1.4	11.6	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	10.1	122.8
U/G Haulage	$M			0.3	2.3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.0	24.1
U/G Hoisting Services Costs	$M			0.1	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.9	10.3
Mine Air Heating	$M			1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	21.0
G&A Costs	$M			0.5	3.9	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	3.4	41.4
Contingency (20%)	$M			0.8	7.6	8.2	8.3	8.4	8.5	8.4	8.8	8.9	8.9	7.3	83.9
Total Operating	$M			4.8	45.6	49.2	49.6	50.3	50.8	50.5	52.6	53.3	53.3	43.7	503.6
Mine & Stope Development	$M			16.1	25.9	26.1	24.9	23.2	21.7	22.6	17.0	2.1	0.4	0.3	180.3
Shaft Development	$M		24.3	24.5	1.2										50.0
Shaft Headframe, Hoist & Hoist Room, LP	$M	1.0	11.4	2.0											14.5
Mine Equipment	$M		11.3	7.1											18.3
U/G Infrastructure	$M			2.7	0.5	0.5	0.5	0.5	0.5						5.3
Surface Infrastructure	$M	11.4	17.3												28.7
Process Plant	$M	45.7	22.8												68.5
Closure Bond & Salvage	$M	3.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-7.8	-2.0
Contingency (15%)	$M	9.2	13.1	7.9	4.2	4.0	3.9	3.6	3.4	3.4	2.6	0.4	0.1	-1.1	54.5
Total Capital	**$M**	**70.3**	**100.4**	**60.5**	**32.1**	**30.9**	**29.5**	**27.6**	**25.9**	**26.3**	**19.8**	**2.7**	**0.8**	**-8.6**	**418.1**
Pre-tax Cash Flow	**$M**	**-70.3**	**-100.4**	**-46.4**	**76.2**	**98.5**	**101.6**	**88.3**	**69.0**	**83.8**	**37.5**	**70.7**	**96.5**	**86.4**	**591.3**
Cumulative Pre-tax Cash Flow	**$M**	**-70.3**	**-170.7**	**-217.2**	**-141.0**	**-42.5**	**59.1**	**147.4**	**216.4**	**300.2**	**337.7**	**408.4**	**504.9**	**591.3**	
After Tax Cash Flow	**$M**	**-70.3**	**-100.4**	**-46.4**	**76.2**	**98.5**	**83.9**	**61.8**	**48.3**	**58.7**	**26.3**	**49.5**	**67.5**	**60.5**	**413.9**
Cumulative After Tax Cash Flow	**$M**	**-70.3**	**-170.7**	**-217.2**	**-141.0**	**-42.5**	**41.4**	**103.2**	**151.5**	**210.1**	**236.4**	**285.9**	**353.4**	**413.9**	
After Tax IRR	**%**														**22.1%**
After Tax NPV @ 5%	**$M**														**233.4**

21.3 Base Case Cash Flow Analysis

The following after tax cash flow analysis was completed:

- Net Present Value (NPV) (at 0 percent, 5 percent 7 percent and 10 percent discount rate);
- Internal Rate of Return (IRR);
- Payback period.

The summary of the results of the cash flow analysis is presented in Table 51.

The project was evaluated on an after-tax cash flow basis and generates a net cash flow of C$413.9 million. This results in an after tax Internal Rate of Return (IRR) of 22.1 percent and an after-tax Net Present Value (NPV) of C$233.4 million when using a 5 percent discount rate. In the base case scenario, the project has a payback period of 2.3 years from start of commercial production. The average life-of-mine cash cost is US$416 per ounce gold, net of copper credits, at an average operating cost of C$73.06 per ore tonne ore processed.

Table 51: Base Case Cash Flow Analysis

Description	Discount Rate	Units	Value
Non Discounted After Tax CF		(MC$)	413.9
Internal Rate of Return		%	22.1%
NPV at	0%	(MC$)	413.9
	5%	(MC$)	233.4
	7%	(MC$)	183.3
	10%	(MC$)	124.4
Project Payback Period in Years		Years	2.26

21.4 Sensitivity Analysis

Project risks can be identified in both economic and non-economic terms. Key economic risks were examined by running cash flow sensitivities to:

- Gold metal price
- Operating costs
- Capital costs, and
- Discount Rate

To determine what this project is most sensitive to, each of the sensitivity items were adjusted up and down by 10 percent and 20 percent to see what effect it would have on the NPV at a 5 percent discount rate. The value of each sensitivity item, at 80 percent, 90 percent, base, 110 percent and 120 percent, is presented in Table 52.

Table 52: Sensitivity Item Values

Item	80%	90%	100%	110%	120%
Opex (C$/t)	$58.44	$65.75	$73.06	$80.36	$87.67
Capex (MC$)	$334.5	$376.3	$418.1	$459.9	$501.7
Au Price (US$/oz)	$1,020	$1,148	$1,275	$1,403	$1,530
Discount Rate (%)	4.0%	4.5%	5.0%	5.5%	6.0%

The resultant after-tax NPV at 5 percent value of each of the sensitivity items at 80 percent to 120 percent is presented in Table 53 and Figure 20. This after-tax base case NPV is most sensitive to gold metal price followed by capital costs, operating costs and discount rate

Table 53: Summary of Sensitivity Analysis

NPV at 5% At The Sensitivity Item Values (Table) (MC$)					
Item	**80%**	**90%**	**100%**	**110%**	**120%**
Opex	$280.8	$257.1	$233.4	$209.7	$186.0
Capex	$284.2	$258.9	$233.4	$207.9	$182.4
Au Price	$98.8	$166.3	$233.4	$300.6	$367.4
Discount Rate	$262.5	$247.6	$233.4	$220.0	$207.1

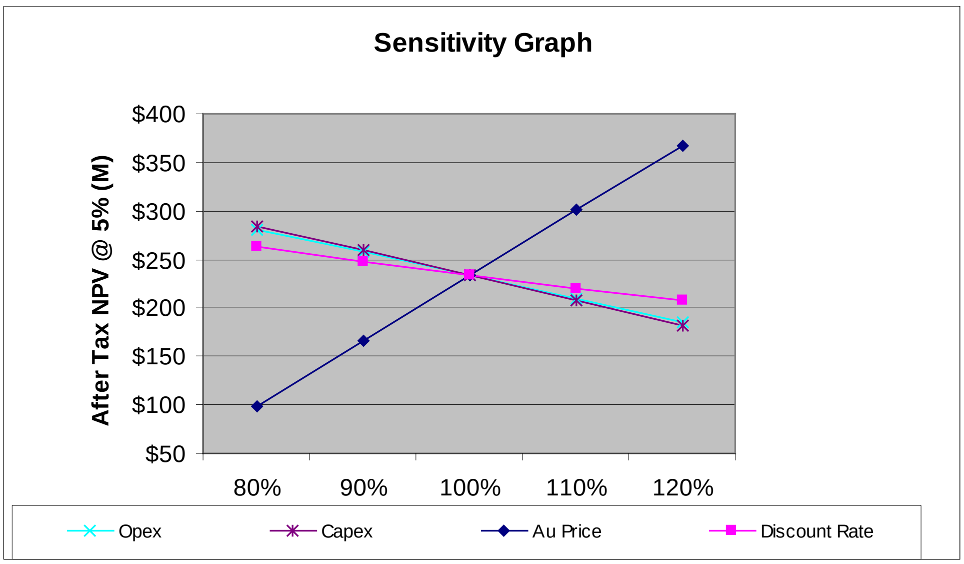


Figure 20: Sensitivity Graph

22 Adjacent Properties

22.1 Lac McVittie

The Lac McVittie property (Figure 21) comprises 59 unpatented mineral claims (955 hectares) and lies east and adjacent to the Upper Beaver property. Prior to the 2009 exploration program on the property, ownership in the joint venture was Barrick Gold Corporation (Barrick) 49 percent, Queenston 41 percent, and Sudbury Contact Mines Limited (Contact) 10 percent. Following the 2009 program, where Queenston was the only participant, the partners' ownership changed to Queenston 65 percent, Barrick 35 percent, and Contact 0 percent.

The property is located approximately 8 kilometres north of the Cadillac-Larder Lake Break and is underlain by volcanic and sedimentary rocks of the Upper Tisdale and Lower Blake River assemblages intruded by small syenite plugs and stocks. The Victoria Creek Deformation Zone is traced across the central portion of the property and the south branch of the Upper Canada Break is interpreted to trend through the northern portion of the claim group. Since 2009, Queenston has completed geophysical surveys and limited diamond drilling with encouraging results.

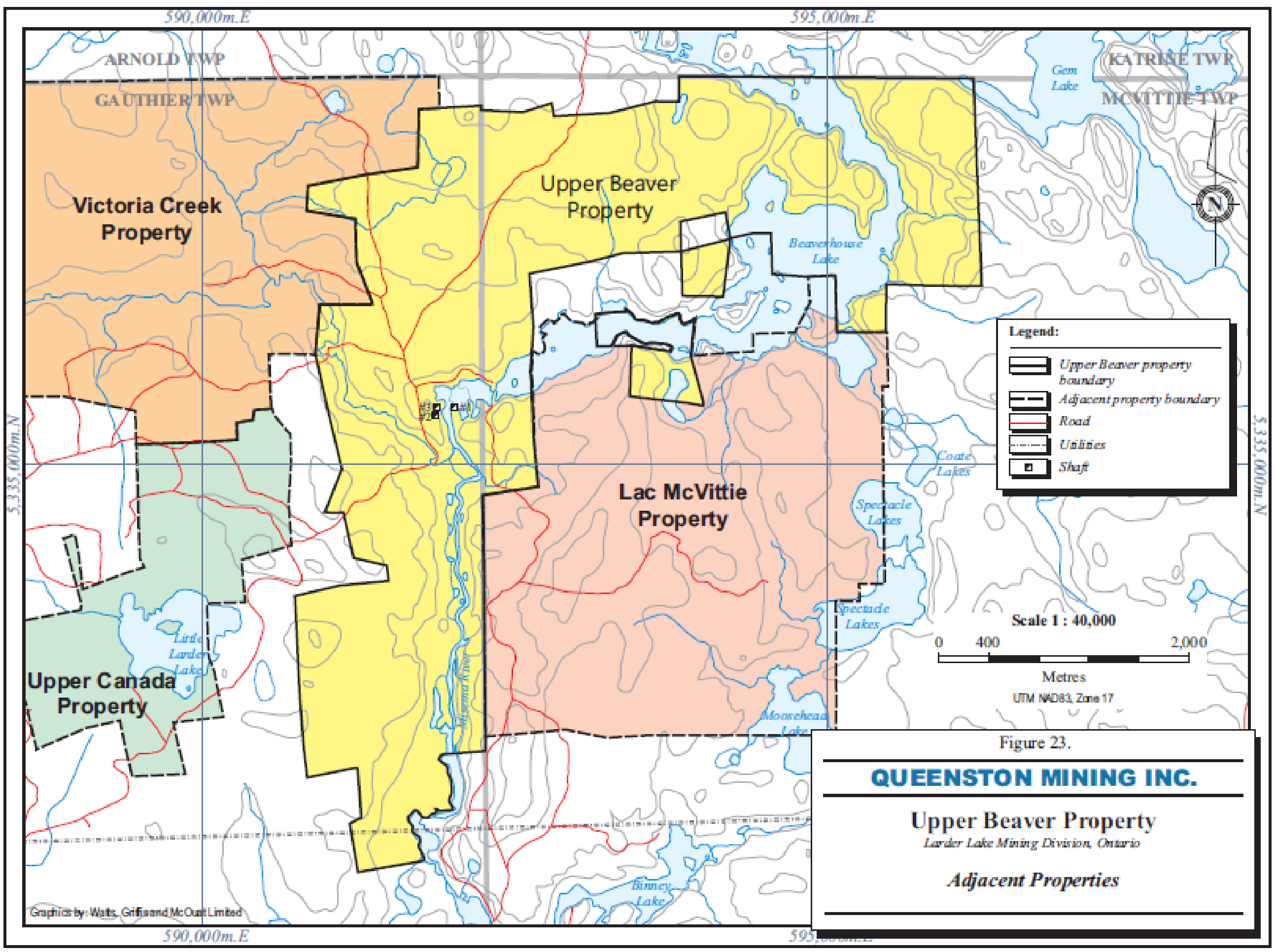


Figure 21: Upper Beaver Property in Relation with the Lac McVittie, Upper Canada and Victoria Creek Properties

22.2 Upper Canada

The Upper Canada property (Figure 21) is owned 100 percent by Queenston and is subject to a 2 percent net smelter return to Franco-Nevada Mining Corporation. It comprises 63 claim units (955 hectares) located in the central portion of Gauthier Township, southwest of the Upper Beaver property. The property is underlain by Timiskaming assemblage flows, tuffs, sediments with syntectonic dikes, sill, and plugs of syenite and porphyry.

The deposit sits within a 300- to 400-metres thick deformation corridor framed by the north and south branches of the Upper Canada Break, a structural splay feature emerging from the Larder Lake Break. The property hosts two gold deposits (Upper Canada and Brock) with past production of approximately 1.5 million ounces of gold.

On May 4, 2011, Queenston announced the completion of an independent mineral resource estimate for the Upper Canada deposit. Indicated and Inferred mineral resources were determined for both near surface mineralization to an average depth from surface of 125 metres within an optimized pit shell, with additional resources possibly amenable to underground mining methods.

22.3 Victoria Creek

In late 2010, Queenston acquired 100 percent of the Victoria Creek mine property (Figure 21) located in north-west Gauthier Township, 8 kilometres north from Queenston's Upper Canada site and 10 kilometres west from the Upper Beaver property.

The property is subject to C$80,384.41 Financial Assurance held by the Ontario Ministry of Northern Development and Mines pursuant to the site's closure plan and a pre-existing net proceeds of production royalty of 10 percent (that can be purchased for C$750,000) on the five patented claims and a 3 percent net smelter return royalty on the lease's four units that comprise the property.

The Victoria Creek property hosts a 1-kilometre long gold deposit and is located at the contact between felsic volcanic rocks in primarily rhyolite pyroclastics (tuffs) of the Gauthier Group, and in mafic volcanic rocks of the Kinojevis Group. It appears to follow and be controlled by the Victoria Creek Deformation Zone that is located in close proximity to this contact and appears to have some relationship to the nearby Upper Beaver mine.

The existence of porphyry intrusive bodies through both deposits also suggests similar probable source locations of fluids. Mineralization consists of grey quartz-carbonate-pyrite boudinaged veinlets associated with disseminated pyrite and pervasive sericitization of host rocks.

An historical 525-metre deep circular two-compartment concrete shaft and 3,870 metres of lateral development on three levels were completed on the property. In addition, 162 surface boreholes consisting of 76,254 metres and 45 underground boreholes consisting of 10,599 metres were completed by a previous operator.

23 Environmental Studies, Permitting and Social or Community Impact

The following Sections 23.1 and 23.2 are excerpts from the PEA completed in March 2012 by P&E Mining Consultants Inc. Subsequent to receipt of the PEA, Queenston initiated exploration efforts towards further underground evaluation of the deposit with a mining shaft. The reader is directed to Section 23.3 – Advanced Exploration for a description of exploration activities currently in progress.

The project as described in the PEA would be implemented in stages. The first stage (underground exploration and bulk sampling) would involve exploration shaft sinking; lateral development and bulk sampling; dewatering of the proximate historic Upper Beaver mine workings; and infrastructure construction. Queenston has commenced relevant environmental and social baseline information collection and has initiated and continued discussions with local communities, First Nations, Métis community and other stakeholders. The second stage (underground mining and on-site processing) would require additional permitting.

P&E has assessed the nature and scope of the project; available environmental and social base line information including public and aboriginal consultation information; relevant regulatory requirements with an emphasis on environmental assessment and permitting requirements; the potential for significant impacts; and the proposed approach to project development, operation and closure.

Queenston has identified advanced exploration permitting, environmental assessment, and operations permitting and closure planning requirements for the project in consultation with regulators. It has commenced baseline environmental studies and consultations with local communities, First Nations, and stakeholders that could potentially be impacted by the proposed project.

23.1 Advanced Exploration

On September 18, 2012 the MNDM filed (approved) the Closure Plan for an Advanced Exploration Project at the Upper Beaver. This approval allows Queenston to begin site preparation and shaft sinking for a new 6.5-metre diameter circular shaft at the project to a depth of 1,300 metres.

Queenston has commenced the construction of the road and power line corridor, site clearing, and expects to start the shaft collar in the fourth quarter of 2012. Construction of the head frame and hoisting facilities are expected to be completed in the third quarter of 2013, with shaft sinking to commence upon the commissioning of hoists.

Prior to the commencement of an advanced exploration project, the Government of Ontario requires a Closure Plan to be developed and filed with the MNDM. The MNDM coordinates the reviews and responses to the plan from various government agencies regarding the operation of the project. The plan will also identify concerns from the public, aboriginal communities, and other communities of interest. For example, during the development of the Closure Plan, Queenston heard concerns regarding water quality, noise levels, increased traffic, and safety from the public, which will be addressed in the development of the shaft sinking operation. The plan includes an operating plan, baseline environmental conditions, a plan and budget to close the operation, and financial assurance to guarantee closure. The Closure Plan and underlying baseline information was prepared by Story

Environmental Inc. with support from Queenston staff and other specialists. The Closure Plan is available for review at the MNDM in Timmins.

In addition to the Closure Plan approval, before shaft sinking can begin a series of other approvals and permits will be required including but not limited to permits to take and discharge water, air emissions and noise, sewage treatment, connection with HydroOne, and construction of a new transformer station.

Queenston has provided financial assurance to the MNDM in the amount of C$1.4 million to cover the cost of closure activities under the Advanced Exploration Closure Plan. This plan and related financial assurance do not contemplate mine production and processing.

24 Interpretation and Conclusions

Based on SRK's review of the exploration database, the findings of this study and the results of the PEA technical report, the following conclusions can be made.

24.1 Exploration and Mineral Resources

Queenston's exploration team used procedures that generally meet or exceed accepted industry best practices to acquire, manage, and interpret exploration data for the Upper Beaver project. The exploration data are sufficiently reliable and the controls on the distribution of the gold and copper mineralization are sufficiently well understood to support mineral resource evaluation.

SRK used ordinary kriging to assign a gold and copper grade to each cell of a block model defined to encompass all areas of gold mineralization. The resultant block estimates were validated by visual comparison with informing data, and by comparing block estimates to informing composites and with other estimators.

The mineral resources have been estimated in conformity with generally accepted CIM *Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines* (November 2003). The block model was classified according to the CIM *Definition Standards for Mineral Resources and Mineral Reserves* (November 2010).

The "reasonable prospects for economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade that takes into account extraction scenarios and processing recoveries. SRK considers that the gold-copper mineralization at the Upper Beaver project is amenable to underground extraction. SRK considers that it is appropriate to report the mineral resources of the Upper Beaver project at a cut-off grade of 2.00 grams of gold per tonne.

The Mineral Resource Statement prepared by SRK reflects the current knowledge about the distribution of the gold and copper mineralization and the associated grade trends. Mineralization within the Upper Beaver deposit remains open at depth. The geological setting and character of the gold and copper mineralization delineated to date on the Upper Beaver project are of sufficient merit to justify additional exploration expenditures.

The information contained in Subsection 24.2 was derived from the PEA technical report and has not been updated. Please refer to the important information under the heading "Cautionary Note Regarding the Preliminary Economic Assessment" in Subsection 1.8 of this report.

24.2 Preliminary Economic Assessment

P&E Mining Consultants Inc. (P&E) offers the following interpretation and conclusions based on their PEA published in March 2012:

- P&E concludes that the deposit has economic potential as an underground mining and milling operation producing copper concentrates and gold doré;
- This report is considered by P&E to meet the requirements of a technical report as defined in National Instrument 43-101. The economic analysis contained in this report is based on Indicated and Inferred resources. The mineral resources in this PEA were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) *Standards on Mineral Resources and Reserves, Definitions and Guidelines* prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council, December 11, 2005;
- There is no guarantee that Queenston will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise for the Upper Beaver property development or that the property will be placed into production;
- The envisaged longhole longitudinal retreat mining method is estimated to experience mining dilution in the order of 20 percent at zero grade. Mine recovery (extraction) is estimated to be 95 percent;
- The project was evaluated on an after-tax cash flow basis and it is estimated that it could generate a net cash flow of C$413.9 million, after tax. This results in an after tax internal rate of return (IRR) of 22.1percent and an after-tax net present value (NPV) of C$233.4 million when using a 5 percent discount rate. In the base case scenario, the project has a payback period of 2.5 years from the start of commercial production. The average life-of-mine cash cost is US$416 per ounce of gold, net of copper credits, at an average operating cost of C$73.06 per tonne ore processed; and
- The after-tax base case NPV is most sensitive to realized copper and gold metal prices and currency exchange rates, followed by capital and operating costs.

25 Recommendations

The character of the Upper Beaver project is of sufficient merit to justify additional exploration and development investments. SRK recommends that additional infill and delineation drilling and engineering studies are undertaken to support the preparation of a Feasibility Study.

The proposed drilling program aims at improving the delineation of the gold and copper mineralization and at expanding the mineral resource. Core drilling should be favoured to extend the gold and copper mineralization at depth. Geotechnical assessment of the deposit should also be considered during the drilling program.

After completion of the proposed drilling program, the mineral resource model should be updated to incorporate this new drilling information.

The following budget encompasses the current multi-year advanced exploration activities initiated with the filing of the Upper Beaver Advanced Exploration Closure Plan in September 2012.

The 3 year project includes the sinking of a 6.5 metre circular shaft to a final depth of 1,300 metres with a bulk sampling program which is intended to access mineralization at a depth of approximately 700 metres.

Also included are activities related to Advanced Exploration and the completion of an Environmental and Social Impact Assessment, detailed metallurgical testing, and continued aboriginal and community consultation (Table 54).

Table 54: Estimated Cost (C$) for the Work Program Proposed for the Upper Beaver Project

Description	2013	2014	2015	2016
Exploration Drilling	$6,000,000	$4,000,000	$4,000,000	
Environmental Assessment Activities	$750,000	$750,000		
First Nation Consultation	$500,000	$500,000	$500,000	$500,000
Metallurgical Testwork	$350,000			
Geotechnical and Condemnation Drilling	$500,000	$500,000		
Underground Exploration		$2,000,000	$3,000,000	$3,000,000
Surface Infrastructure	$20,000,000			$7,000,000
Mining and Development	$20,000,000	$30,000,000	$30,000,000	$20,000,000
Indirect	$2,000,000	$2,000,000	$2,000,000	$2,000,000
Total	**$50,100,000**	**$39,750,000**	**$39,500,000**	**$32,500,000**

(1) Includes personnel and support, drilling contracts, assays and surveys

(2) Air, surface and ground water, flora and fauna, ARD, etc.

(3) Packer testing, RQD and geotechnical logging

(4) Collar, headframe and hoist construction, shaft sinking

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Queenston, Annual Information Form, 2010

Queenston news release dated December 16, 2008 (available online at www.queenston.ca)

Queenston news release dated September 26, 2012 (available online at www.queenston.ca)

Technical Report and Preliminary Economic Assessment of the Upper Beaver Gold-Copper Deposit, Kirkland Lake, Ontario, Canada, for Queenston Mining Inc., by P&E Mining Consultants Inc., dated March 30, 2012

APPENDIX A

Mineral Tenure Information

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Borden Ladner Gervais

File No. 075365-060430

November 7, 2012

Delivered by Email

Queenston Mining Inc.
201 - 133 Richmond Street West
Toronto, ON M5H 2L3

Attention: Jennifer McGuinty
Corporate Secretary

Dear Sirs:

Re: Queenston Mining Inc.

As requested, we are pleased to provide you with our opinions with respect to the subsearches we have conducted in respect of the mining claims described below. In reviewing registered ownership of freehold properties noted below (the "**Properties**"), we have subsearched title to the Properties on the 5th day of November, 2012 and have relied upon the accuracy and completeness of the information contained in the parcel registers (the "**PINs**") for the Properties in the Land Registry Office for the Land Titles Division of Timiskaming (No. 54).

We have made no other searches, investigations or inquiries with respect to the opinions expressed herein regarding the Properties, including, without limitation, any inquiries as to access and inquiries of authorities regarding realty taxes, provincial land taxes, mining taxes, fees exigible as expressed on applicable Crown grants such as assurance fees, building and zoning compliance, utilities, unregistered easements, conservation or environmental matters. In addition, have we not examined any surveys of the Properties for the purposes of this opinion and have not reviewed any encumbrances outstanding or any other instruments registered against the Properties and shown on the PINs. In particular, we have not conducted any searches of adjoining lands to the Properties to confirm compliance with the *Planning Act* (Ontario).

Based solely on our examination of the PINs for the Properties, and the qualifications expressed herein, we are of the opinion that, as of the 5th day of November, 2012, Queenston Mining Inc. is the registered owner of the freehold in the Properties

Lawyers | Patent & Trade-mark Agents

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PROPERTIES

Mining Claim Number	Township	PIN Number
LS339	Gauthier	61226-0093
LS340	Gauthier	61226-0092
L2333	Gauthier	61226-0269
L2334	Gauthier	61226-0254
L2586	Gauthier	61226-0104
L2587	Gauthier	61226-0095
L2588	McVittie	61225-0355
L2589	McVittie	61225-0362
L2601	Gauthier	61226-0105
L2602	Gauthier	61226-0096
L2648 and L2649	Gauthier	61226-0688 (Mining Rights Only)
L6246	Gauthier	61226-0094
L6247	McVittie	61225-0354
L6321	Gauthier	61226-0235
L7055	McVittie	61225-0341
L7056	Gauthier	61226-0047
L7934	McVittie	61225-0372
L8116	Gauthier	61226-0274
L7732, L7914, LS87, JS134, L8796, L8793, L8794, L8795, L9430, L9611, L11787, L11788 and L9698	Gauthier	61226-0099 (Mining Rights Only)
L8873	Gauthier	61226-0268
L9104	Gauthier	61226-0270
L9155	McVittie	61225-0337
L9232	Gauthier	61226-0272
L9360	Gauthier	61226-0271
L9505	Gauthier	61226-0275
L9524	Gauthier	61226-0281 (Mining Rights Only)
L9525	Gauthier	61226-0283 (Mining Rights Only)
L9528	Gauthier	61226-0278
L9545	Gauthier	61226-0020
L9546	Gauthier	61226-0019
L9553	Gauthier	61226-0046
L9554	Gauthier	61226-0048
L9555	Gauthier	61226-0045
L9556	Gauthier	61226-0021
L9557	Gauthier	61226-0016
L35279	Gauthier	61226-0122
L67180, L67288 and L72883	Gauthier	61226-0121

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In reviewing registered ownership of the unpatented mining claims set out below (the "**Claims**"), we have performed an online search of records at the Mines and Mineral Division of the Ministry of Northern Development and Mines ("**MNDM**") effective as of the 31st day of October, 2012.

The opinions in this letter relating to the Claims are subject to the following assumptions, qualifications and restrictions:

(a) that no investigation has been made of the original application for filing, the location of the boundaries of the Claims or the existence of any other interests in the Claims or liens, charges or encumbrances in respect of the Claims;

(b) that we have not examined copies of any documents referred to in the online search;

(c) the accuracy and completeness of the on line search;

(d) that no searches or other investigations were made with respect to tax or other charges assessed by applicable governmental authorities;

(e) that we have not made any inquiries are sought any evidence to determine if the Claims had been staked in accordance with the *Mining Act*, R.S.O. 1990, c. M.14 (the "**Act**") and Regulations thereunder, nor whether any assessment work filed is in accordance with the Act and Regulations, nor whether the Claims are otherwise in compliance with the Act;

(f) that the Claims are subject to the reservations shown in the online records of MNDM; and

(g) that the Claims may be subject to unregistered agreements, liens, charges, encumbrances, transfers or claims of aboriginal peoples.

As a result of the online searches as described above and based on and subject to the qualifications your described, we are of the opinion that as of the 31st day of October, 2012:

1. Queenston Mining Inc. is a recorded holder of those of the Claims listed and described in the chart below and the online search of the records at MNDM; and

2. The Claims are listed in the online records of MNDM as Active.

CLAIMS

Mining Claim Number	Township	Registered Owner
L949781	Gauthier	Queenston Mining Inc. (100%)
L949827	Gauthier	Queenston Mining Inc. (100%)
L1242075	Gauthier	Queenston Mining Inc. (100%)
L1242076	Gauthier	Queenston Mining Inc. (100%)
L1242096	Gauthier	Queenston Mining Inc. (100%)

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Mining Claim Number	Township	Registered Owner
L3010060	Gauthier	Queenston Mining Inc. (100%)
L4202030	Gauthier	Queenston Mining Inc. (100%)

We trust that the above is satisfactory for your purpose. Should you have any questions in regards to this matter, please do not hesitate to contact us.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Alan M. Sless

AMS/bv
Encls.

TOR01: 5044902: v3

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APPENDIX B

List of Claims

Township	Claim Number	Claim Type	Due Date	QMI Rights	Surface Rights Claim Number	Units	Area Hectares
Gauthier	L9553	patented	Annual tax	M&SR	L9553	1	20
Gauthier	L9554	patented	Annual tax	M&SR	L9554	1	12
Gauthier	L9555	patented	Annual tax	M&SR	L9555	1	9
Gauthier	L9556	patented	Annual tax	M&SR	L9556	1	14
Gauthier	L9557	patented	Annual tax	M&SR	L9557	1	21
McVittie	L9155	patented	Annual tax	M&SR	L9155	1	19
Gauthier	L9545	patented	Annual tax	M&SR	L9545	1	20
Gauthier	L9546	patented	Annual tax	M&SR	L9546	1	18
Gauthier	L2601*	patented	Annual tax	M&SR	L2601*	1	18
Gauthier	L2602*	patented	Annual tax	M&SR	L2602*	1	20
Gauthier	LS339	patented	Annual tax	M&SR	LS339	1	15
Gauthier	LS340	patented	Annual tax	M&SR	LS340	1	16
Gauthier	L2648	patented	Annual tax	M&SR	L2648	1	16
Gauthier	L2649	patented	Annual tax	M&SR	L2649	1	16
McVittie	L7934	patented	Annual tax	M&SR	L7934	1	16
McVittie	L7055	patented	Annual tax	M&SR	L7055	1	15
Gauthier	L7056	patented	Annual tax	M&SR	L7056	1	23
Gauthier	L35279‡	patented	Annual tax	M&SR	L35279‡	1	16
Gauthier	L2586*	patented	Annual tax	M&SR	L2586*	1	17
Gauthier	L2587††	patented	Annual tax	M&SR	L2587††	1	21
McVittie	L2588*	patented	Annual tax	M&SR	L2588*	1	19
McVittie	L2589	patented	Annual tax	M&SR	L2589	1	15
Gauthier	L6246††	patented	Annual tax	M&SR	L6246††	1	15
McVittie	L6247*	patented	Annual tax	M&SR	L6247*	1	15
Gauthier	L106884 (67180)‡	lease	08/01/2013	M&SR	L106884 (67180)‡	3	54
Gauthier	4202030‡	unpatented	14/12/2015	MRO	L2694, L5187	2	32
Gauthier	L8793	Patented	Annual tax	MRO	L8793	1	19
Gauthier	L8795	Patented	Annual tax	MRO	L8795	1	16
Gauthier	L9430‡	Patented	Annual tax	MRO	L9430‡	1	14
Gauthier	L8796‡	Patented	Annual tax	MRO	L8796‡	1	16
Gauthier	L8794‡	Patented	Annual tax	MRO	L8794‡	1	17
Gauthier	L11788‡	Patented	Annual tax	MRO	L11788‡	1	16
Gauthier	L9698‡	Patented	Annual tax	MRO	L9698‡	1	17
Gauthier	L9611‡	Patented	Annual tax	MRO	L9611‡	1	18
Gauthier	949827‡	Unpatented	14/11/2014	MRO	L9500	1	16
Gauthier	3010060‡	Unpatented	18/11/2014	MRO	L9764	1	16
Gauthier	949781‡	Unpatented	13/11/2014	MRO	L9912	1	19
Gauthier	L8873‡	Patented	Annual tax	M&SR	L8873	1	17
Gauthier	L2333‡	Patented	Annual tax	M&SR	L2333‡	3	16
Gauthier	L9104‡	Patented	Annual tax	M&SR	L9104‡	1	17
Gauthier	L9360‡	Patented	Annual tax	M&SR	L9360‡	1	20
Gauthier	1242075‡	Unpatented	10/07/2014	MRO	L9532	1	15
Gauthier	1242076‡	Unpatented	10/07/2014	MRO	L9531	1	8
Gauthier	L6321‡	Patented	Annual tax	M&SR	L6321‡	1	27
Gauthier	L9524‡	Patented	Annual tax	MRO	L9524‡	1	10
Gauthier	L9528‡	Patented	Annual tax	M&SR	L9528‡	1	13
Gauthier	L9525‡	Patented	Annual tax	MRO	L9525‡	1	9
Gauthier	L8798 (JS-134) ‡	Patented	Annual tax	MRO	L8798 (JS-134) ‡	1	16
Gauthier	L2334‡	Patented	Annual tax	M&SR	L2334	3	14
Gauthier	1242096‡	Unpatented	08/01/2014	MRO	L30948	1	17
Gauthier	L9505#	Patented	Annual tax	M&SR	L9505	1	12
Gauthier	L8116#	Patented	Annual tax	M&SR	L8116	1	19
Gauthier	L9232#	Patented	Annual tax	M&SR	L9232	1	17

†† Claims location for proposed shaft, hoisting and other facilities and access
* Claims location for current exploration activity and historic mine features at Upper Beaver
‡ Claims location for possible infrastructure improvement or development (roads, power)
\# These claims are included in the project area of the historic McBean Closure Plan; however they have been included in this table since the electrical infrastructure for the Upper Beaver Advanced Exploration Project crosses these claims.

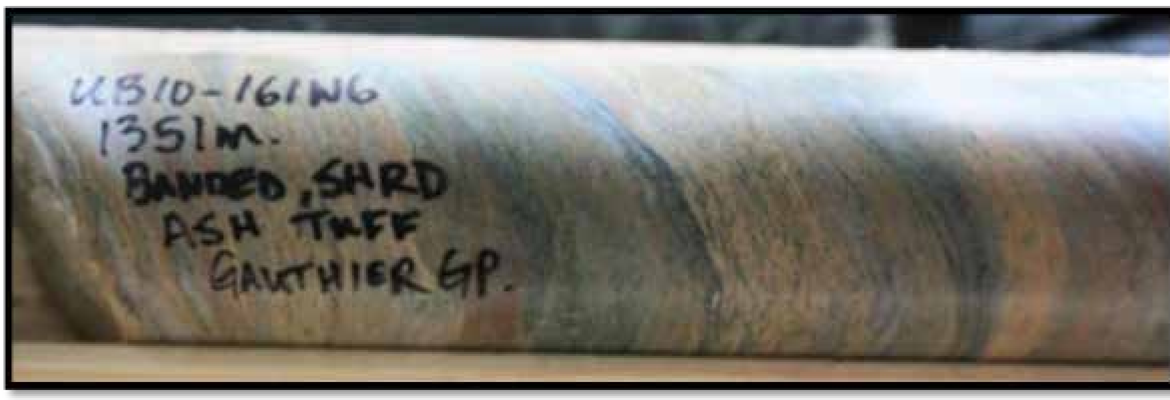
Note: Patented claims are surveyed and areas stated reflect actual area where available. Unpatented claims have are not surveyed and do not necessarily conform to overlying patented surface rights which are surveyed. An unpatented claim has a nominal 16 ha surface area per unit

APPENDIX C

Core Photographs of Lithological Units

Tisdale Group

Intermediate Ash and Lapilli Tuff (V9L)



Banded Ash Tuff (V9)

Lapilli Tuff (V9L)

Blake River Group

Aphanitic Mafic Volcanic (V7) on the left in contact with Mafic Syenite (1SMa)

Gabbroic Basalt (V7G)

Mafic Volcanic Pillow Breccia and Hyaloclastite (V7P Bx)

Volcaniclastic Breccia (VCIC)

Well-Bedded “Cherty” Sediments (CHSD)

Graphitic Argillite (GS)

Upper Beaver Intrusive Complex

Fine-Grained Syenite (1S)

Mafic Syenite (1SMa)

Leucocratic Mafic Syenite – Diorite (2D)

Porphyritic Mafic Syenite (1SMap)

Micro-Phyric Mafic Syenite (1SMamp)

Intrusive Magmatic and Hydrothermal Breccias (4G), Example 1

Intrusive Magmatic and Hydrothermal Breccias (4G), Example 2

Intrusive Magmatic and Hydrothermal Breccias (4G), Example 3

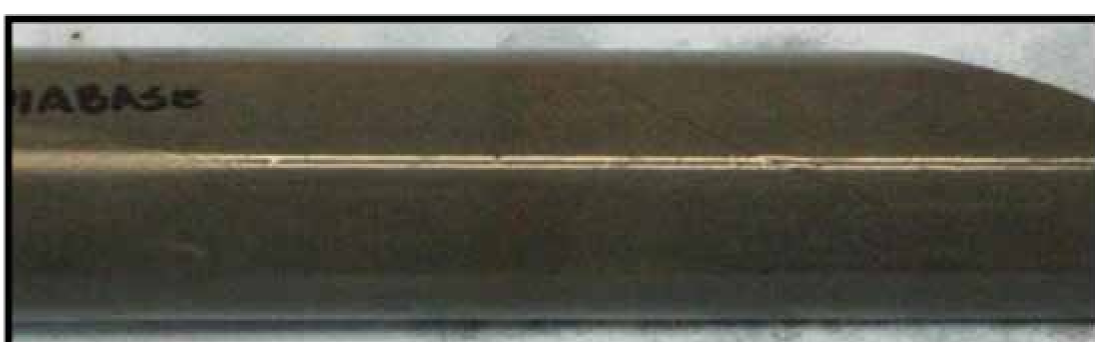
Intrusive Magmatic and Hydrothermal Breccias (4G), Example 4

Syenite Porphyry / Feldspar Porphyry / Quartz Feldspar Porphyry

“Crowded” Feldspar Porphyry – Syenite Porphyry (1Sp)

Spotted Feldspar Porphyry (FPs)

Spotted Feldspar Porphyry (FPs)

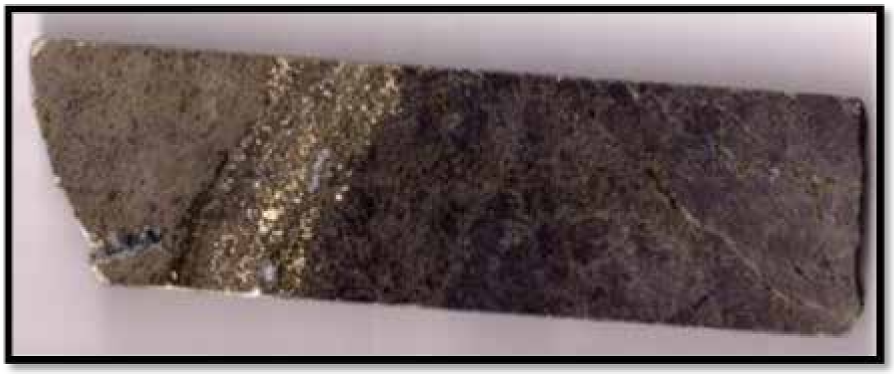


Diabase (3D)

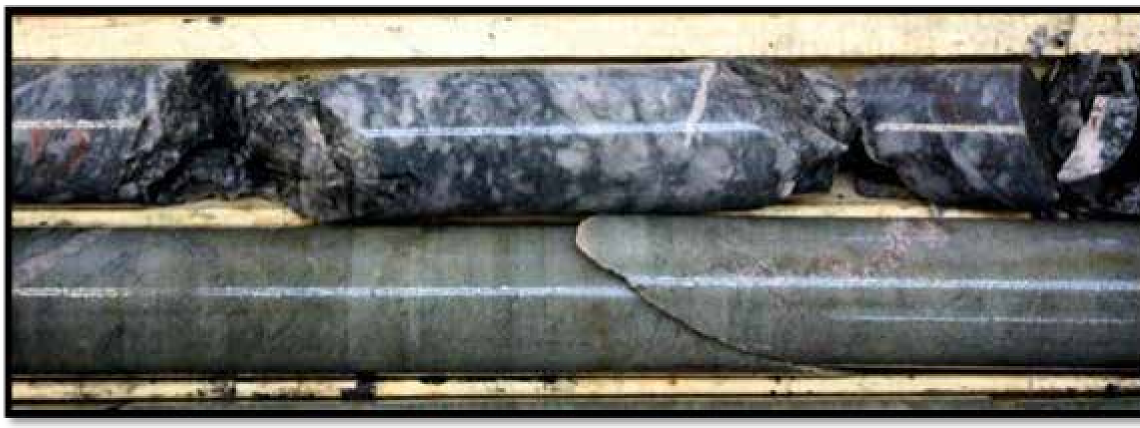
APPENDIX D

Core Photographs of Mineralization Styles

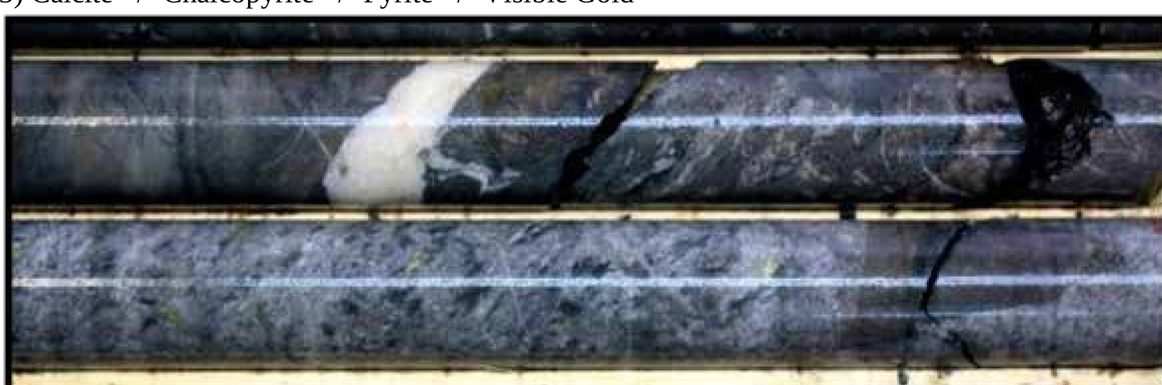
1) Quartz – Calcite – Magnetite – Chalcopyrite +/- Pyrite +/- Molybdenite +/-Visible Gold



2) Quartz +/- Chalcopyrite +/- Pyrite +/- Molybdenite +/- Visible Gold



3) Calcite +/- Chalcopyrite +/- Pyrite +/- Visible Gold



4) Quartz – Molybdenite – Visible Gold

5) Carbonate – Anhydrite +/- Chalcopyrite +/- Pyrite +/- Visible Gold

6) Disseminated and Fracture controlled mineralization

7) Replacement Style mineralization – magnetite-epidote-feldspar-hematite-pyrite-chalcopyrite

APPENDIX E

Queenston Borehole Collar Coordinates

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2000									
UB00_1	592,030.00	5,336,775.00	320.00	11,016.606	10,949.201	320.000	180.00	-70.00	596.0

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2005									
UB05_01	591,733.51	5,335,410.28	285.65	9,991.235	10,001.049	285.654	228.00	-75.00	255.0
UB05_02	591,733.73	5,335,410.43	285.49	9,991.508	10,001.048	285.487	228.00	-55.00	266.8
UB05_03	591,908.79	5,335,275.00	288.26	10,057.285	9,789.721	288.259	235.00	-70.00	266.8
UB05_04	591,908.79	5,335,275.00	288.26	10,057.285	9,789.721	288.259	235.00	-83.00	408.0
UB05_05	591,465.00	5,335,786.00	308.15	9,986.657	10,462.833	308.153	235.00	-70.00	185.8
UB05_06	591,738.69	5,336,051.10	303.77	10,362.883	10,523.116	303.774	180.00	-55.00	656.8
UB05_07	591,441.40	5,336,173.70	302.44	10,189.601	10,794.012	302.439	180.00	-55.00	595.4
UB05_08	592,334.00	5,336,059.00	300.00	10,855.167	10,188.274	300.000	180.00	-50.00	711.0
UB05_09	592,525.00	5,336,319.00	298.30	11,160.725	10,291.789	298.299	180.00	-60.00	558.0
UB05_10	592,227.98	5,336,654.56	316.21	11,109.760	10,737.015	316.210	180.00	-55.00	360.0
UB05_11	592,027.00	5,336,951.00	320.00	11,115.055	11,095.121	320.000	180.00	-55.00	206.9
UB05_12	592,130.00	5,337,164.00	320.00	11,321.567	11,210.582	320.000	190.00	-50.00	165.7
UB05_13	591,928.09	5,336,726.36	317.33	10,905.215	10,967.778	317.333	180.00	-55.00	492.3
UB05_14	591,641.00	5,336,718.00	316.49	10,665.211	11,125.529	316.494	180.00	-65.00	402.0
UB05_15	591,335.00	5,336,840.00	310.00	10,484.447	11,400.928	310.000	180.00	-60.00	382.9
UB05_16	591,838.59	5,335,974.41	302.93	10,400.770	10,403.007	302.925	180.00	-65.00	681.0
UB05_17	591,914.90	5,335,340.54	284.71	10,099.868	9,839.919	284.713	235.00	-85.00	371.4
UB05_18	591,945.29	5,335,226.57	287.07	10,059.423	9,729.118	287.073	235.00	-85.00	435.0
UB05_19	591,933.42	5,335,289.97	287.03	10,086.047	9,787.866	287.030	235.00	-85.00	332.0
UB05_20	591,916.93	5,335,341.89	284.65	10,102.303	9,839.859	284.654	50.00	-69.00	601.5
UB05_21	591,839.45	5,335,891.19	303.91	10,353.759	10,334.330	303.906	180.00	-65.00	820.9
UB05_22	591,836.95	5,336,072.64	302.74	10,455.740	10,484.427	302.735	142.34	-65.50	956.9
UB05_23	591,938.42	5,336,003.97	303.06	10,499.507	10,369.988	303.060	180.00	-64.70	960.3
UB05_24	591,672.99	5,335,959.27	304.57	10,256.408	10,485.549	304.566	135.81	-65.80	976.4
UB05_25	591,747.81	5,335,466.78	286.53	10,035.346	10,039.146	286.532	145.00	-60.00	426.4
UB05_26	591,747.81	5,335,466.78	286.53	10,035.346	10,039.146	286.532	145.00	-72.00	419.0
UB05_27	591,747.81	5,335,466.78	286.53	10,035.346	10,039.146	286.532	145.00	-83.00	412.0
UB05_28	591,634.64	5,335,923.91	305.47	10,204.717	10,478.567	305.469	139.92	-67.10	1,051.0
UB05_29	591,746.92	5,335,465.84	286.12	10,034.077	10,038.880	286.118	55.00	-62.00	537.0
UB05_30	591,502.04	5,335,843.45	304.75	10,049.939	10,488.665	304.748	140.00	-65.00	84.0
UB05_30A	591,502.04	5,335,843.45	304.75	10,049.939	10,488.665	304.748	140.00	-65.00	813.5
UB05_31	591,746.92	5,335,465.84	286.12	10,034.077	10,038.880	286.118	55.00	-72.00	441.0
UB05_32	591,744.43	5,335,464.03	286.08	10,031.004	10,038.831	286.081	235.00	-45.00	414.0
Subtotal	**33**	**Holes**							**16646.7**

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2006									
UB06_33	591,743.64	5,335,463.42	286.00	10,030.005	10,038.780	286.003	235.00	-62.00	321.0
UB06_34	591,720.22	5,335,929.73	304.36	10,278.171	10,434.268	304.362	142.17	-66.10	962.5
UB06_35	591,779.64	5,335,531.40	284.20	10,098.470	10,073.836	284.202	122.00	-75.00	426.0
UB06_36	591,779.64	5,335,531.40	284.20	10,098.470	10,073.836	284.202	122.00	-88.00	393.0
UB06_37	591,708.75	5,335,866.17	305.31	10,232.332	10,388.765	305.311	136.18	-65.90	924.5
UB06_38	591,755.07	5,335,531.35	284.56	10,078.319	10,087.884	284.563	126.00	-74.00	307.0
UB06_39	591,911.76	5,335,330.06	285.53	10,091.291	9,833.130	285.534	325.00	-70.00	336.0
UB06_40	591,911.76	5,335,330.06	285.53	10,091.291	9,833.130	285.534	325.00	-58.00	165.0
UB06_41	591,919.93	5,335,329.24	285.21	10,097.510	9,827.771	285.206	55.00	-45.00	462.0
UB06_42A	591,635.71	5,335,874.89	305.59	10,177.486	10,437.789	305.592	133.22	-65.10	921.0
UB06_43	591,911.76	5,335,330.06	285.53	10,091.291	9,833.130	285.534	344.00	-60.00	519.0
UB06_44	591,991.04	5,335,749.79	302.12	10,396.887	10,131.568	302.116	140.00	-57.30	659.9
UB06_45	591,627.12	5,335,808.33	303.64	10,132.286	10,388.174	303.643	140.00	-66.80	999.2
UB06_46	591,804.39	5,335,992.37	303.09	10,383.046	10,437.323	303.094	140.00	-65.90	960.0
UB06_47	591,653.34	5,335,941.97	305.10	10,230.392	10,482.642	305.096	140.00	-64.40	981.0
UB06_48	591,764.40	5,336,044.09	302.90	10,379.930	10,502.631	302.900	140.00	-66.00	924.0
UB06_49	591,897.46	5,336,055.56	302.27	10,495.526	10,435.741	302.273	140.00	-65.00	867.5
UB06_50	591,872.39	5,336,097.63	301.92	10,499.112	10,484.583	301.922	140.00	-65.00	1,014.0
UB06_51	592,038.51	5,336,463.62	307.16	10,845.047	10,689.203	307.159	318.46	-63.80	761.2
UB06_52	591,939.74	5,335,986.96	303.30	10,490.842	10,355.297	303.302	140.00	-65.00	903.0
UB06_53	591,798.61	5,336,809.79	315.41	10,846.964	11,110.371	315.406	147.40	-67.30	792.3
UB06_54	591,835.08	5,336,929.75	314.87	10,945.629	11,187.745	314.874	144.20	-66.00	922.0
UB06_55	591,976.72	5,336,115.81	298.93	10,595.008	10,439.660	298.927	140.00	-68.00	1,020.0
UB06_56	591,834.90	5,336,929.68	315.04	10,945.437	11,187.794	315.037	140.48	-61.50	898.0
UB06_57	592,149.86	5,336,052.77	300.94	10,700.725	10,288.738	300.937	140.00	-68.00	925.0
UB06_58	591,768.31	5,336,985.86	314.10	10,923.093	11,272.001	314.099	135.00	-67.00	974.7
UB06_59	592,322.41	5,335,982.39	305.19	10,801.743	10,132.148	305.188	143.00	-65.00	990.2
UB06_60	591,712.00	5,336,764.98	314.85	10,750.316	11,123.318	314.853	142.08	-67.10	869.8
UB06_61	592,454.00	5,335,962.00	301.00	10,897.870	10,040.000	301.000	140.00	-67.00	828.0
UB06_62	591,628.00	5,336,707.00	320.00	10,648.252	11,123.970	320.000	136.00	-67.00	681.0
UB06_63	591,565.86	5,336,615.92	306.11	10,545.119	11,084.976	306.109	140.00	-67.00	782.0
UB06_64	591,853.60	5,336,028.46	303.21	10,444.057	10,438.689	303.210	135.96	-63.20	823.4
UB06_65	591,839.29	5,336,749.14	316.10	10,845.526	11,037.357	316.099	138.00	-66.00	726.0
UB06_66	591,926.48	5,336,979.58	316.79	11,049.085	11,176.164	316.791	138.00	-67.00	978.0
UB06_67	591,876.17	5,335,912.12	303.64	10,395.848	10,330.426	303.643	138.97	-65.40	759.5
UB06_68	591,952.89	5,335,811.51	304.37	10,401.025	10,204.007	304.369	137.86	-65.30	654.0
UB06_69	592,201.74	5,336,767.47	315.41	11,152.993	10,844.565	315.409	138.00	-66.00	672.3
UB06_70	591,455.77	5,336,080.27	302.66	10,147.809	10,709.230	302.664	133.40	-70.60	1,152.0
UB06_71	591,865.09	5,336,714.94	316.74	10,847.058	10,994.545	316.737	140.00	-66.00	566.4
UB06_72	591,741.82	5,336,801.81	314.00	10,795.868	11,136.392	314.003	140.02	-69.80	684.0
UB06_73	591,497.40	5,336,709.80	311.27	10,542.857	11,201.140	311.265	145.00	-67.00	603.0
UB06_74	591,623.45	5,336,272.97	302.07	10,395.676	10,770.967	302.069	137.00	-69.00	1,157.0
Subtotal	**42**	**Holes**							**32265.4**

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2007									
UB07_75	591,784.04	5,336,018.72	303.25	10,381.478	10,470.592	303.250	140.00	65.00	902.0
UB07_76	591,629.10	5,335,839.18	304.68	10,151.600	10,412.316	304.677	139.50	66.00	879.4
UB07_77	591,753.00	5,335,977.00	304.60	10,332.129	10,454.201	304.600	140.87	66.80	911.0
UB07_78	591,639.40	5,335,906.65	305.45	10,198.720	10,461.687	305.450	144.15	65.10	908.9
UB07_79	591,753.93	5,335,976.07	304.16	10,332.352	10,452.906	304.163	135.00	63.00	366.5
UB07_80	591,851.42	5,335,926.38	303.42	10,383.746	10,356.302	303.423	141.05	66.80	840.0
UB07_80W	591,851.42	5,335,926.38	303.42	10,383.746	10,356.302	303.423	141.05	66.80	232.0
UB07_81	591,616.11	5,335,940.87	305.21	10,199.257	10,503.089	305.205	139.99	66.10	1,010.9
UB07_82	591,826.18	5,335,961.86	303.40	10,383.408	10,399.843	303.400	138.68	65.20	832.5
UB07_83	591,732.71	5,336,002.82	304.49	10,330.307	10,486.991	304.489	134.75	65.10	898.5
UB07_84	591,578.58	5,335,906.44	304.81	10,148.770	10,496.393	304.809	140.10	64.90	726.2
UB07_85	591,733.21	5,336,002.44	304.40	10,330.502	10,486.391	304.395	135.00	60.00	632.0
UB07_86	591,710.40	5,335,894.42	305.70	10,249.879	10,410.969	305.695	137.70	66.00	888.2
UB07_87	591,836.33	5,336,063.86	302.95	10,450.203	10,477.592	302.954	135.20	62.90	936.0
UB07_87W	591,836.33	5,336,063.86	302.95	10,450.203	10,477.592	302.954	135.20	62.90	406.0
UB07_88	591,810.26	5,336,097.53	302.40	10,448.147	10,520.120	302.400	136.87	64.00	924.0
UB07_88W	591,810.26	5,336,097.53	302.40	10,448.147	10,520.120	302.400	136.87	64.00	280.3
UB07_89	591,683.39	5,335,933.41	305.28	10,250.106	10,458.397	305.276	139.34	65.10	937.7
UB07_90	591,999.74	5,336,003.19	302.80	10,549.304	10,334.187	302.795	141.38	66.80	750.0
UB07_91	591,789.06	5,336,129.59	301.96	10,449.162	10,558.549	301.955	139.00	66.80	1,050.0
UB07_92	591,914.00	5,336,125.00	301.20	10,548.893	10,483.152	301.200	144.74	65.50	1,122.0
UB07_93	591,645.73	5,335,985.19	304.71	10,248.932	10,522.410	304.706	136.73	66.20	833.4
UB07_94	591,895.10	5,336,066.05	302.18	10,499.613	10,445.688	302.180	145.10	66.00	1,019.0
UB07_95	591,758.12	5,336,087.82	302.46	10,399.863	10,542.066	302.462	135.00	67.00	823.0
UB07_96	591,697.00	5,336,000.00	304.80	10,299.434	10,505.152	304.800	140.40	64.70	908.3
UB07_97	591,882.00	5,336,000.00	304.20	10,450.816	10,401.631	303.932	145.47	62.20	895.0
UB07_98	591,697.55	5,335,999.25	304.57	10,299.449	10,504.220	304.567	140.17	67.30	986.7
UB07_99	591,759.74	5,336,086.29	302.18	10,400.313	10,539.884	302.184	130.00	63.00	450.4
UB07_100	591,734.12	5,336,120.00	302.70	10,398.646	10,582.194	302.695	138.71	-68.70	1,238.0
UB07_101	591,984.65	5,335,870.53	303.64	10,460.880	10,234.150	303.639	138.98	54.80	708.0
UB07_102	591,712.72	5,335,959.09	304.45	10,288.853	10,462.619	304.447	140.23	64.80	997.0
UB07_103	591,985.20	5,335,869.91	303.65	10,460.971	10,233.332	303.654	142.34	63.40	731.0
UB07_104	591,738.59	5,335,942.84	304.09	10,300.738	10,434.479	304.093	140.32	65.60	927.3
UB07_105	591,705.07	5,336,075.76	304.18	10,349.479	10,562.595	304.181	135.00	67.00	756.4
UB07_106	591,784.59	5,335,975.25	303.57	10,357.009	10,434.653	303.568	135.37	65.40	892.0
UB07_107	591,703.70	5,336,074.25	304.57	10,347.492	10,562.144	304.567	153.19	67.50	1,081.0
UB07_108	591,767.12	5,335,953.23	303.80	10,330.066	10,426.635	303.802	134.36	62.10	921.0
UB07_109	591,757.22	5,335,874.01	304.63	10,276.535	10,367.403	304.634	133.20	66.80	848.0
UB07_110	591,674.57	5,336,030.50	303.77	10,298.545	10,543.005	303.774	136.78	68.60	1,045.9
UB07_111	591,713.03	5,335,846.86	304.27	10,224.765	10,370.490	304.266	145.00	65.00	877.5
UB07_112	591,675.00	5,336,030.00	303.70	10,298.609	10,542.345	303.700	136.10	65.10	862.0
UB07_113	591,799.88	5,336,114.24	302.20	10,449.225	10,539.766	302.200	139.10	66.20	896.3
UB07_114	591,654.38	5,335,888.95	304.32	10,200.847	10,438.599	304.317	139.27	64.80	758.1
UB07_115	591,799.53	5,336,114.66	302.12	10,449.177	10,540.307	302.118	139.31	70.50	1,056.0
UB07_116	591,633.25	5,335,920.85	305.04	10,201.826	10,476.851	305.040	135.22	67.00	976.2
UB07_116W	591,633.25	5,335,920.85	305.04	10,201.826	10,476.851	305.040	135.22	67.00	323.5
UB07_117	591,868.49	5,336,017.59	303.46	10,450.021	10,421.244	303.462	137.62	62.40	843.0
UB07_118	591,773.71	5,336,069.10	302.20	10,401.901	10,517.790	302.200	140.00	65.00	485.6
UB07_118W	591,773.71	5,336,069.10	302.20	10,324.488	10,542.937	303.533	140.00	65.00	25.3
UB07_119	591,695.86	5,336,045.32	303.53	10,401.901	10,517.790	302.200	135.44	66.50	1,004.0
UB07_120	591,773.71	5,336,069.10	302.20	10,324.488	10,542.937	303.533	135.00	74.00	708.0
UB07_121	591,695.86	5,336,045.32	303.53	10,379.957	10,502.663	302.832	135.96	71.50	937.0
Subtotal	**52**	**Holes**							**42248.0**

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2008									
UB07_122A	591,764.40	5,336,044.13	302.83	10,379.957	10,502.663	302.832	128.00	72.00	363.0
UB08_63E	591,565.00	5,336,626.00	320.00	10,545.119	11,084.976	306.109	140.00	-67.00	793.0
UB08_123	591,827.03	5,336,164.97	302.27	10,500.553	10,565.758	302.273	139.77	-71.50	1,051.0
UB08_124	591,695.14	5,336,045.49	303.81	10,323.992	10,543.489	303.811	132.08	-68.85	703.0
UB08_125	591,825.65	5,336,167.35	302.02	10,323.992	10,543.489	303.811	147.60	-72.53	855.0
UB08_124W	591,695.14	5,336,045.49	303.81	10,500.791	10,568.505	302.022	132.08	-68.90	513.7
UB08_126	591,850.38	5,336,131.80	302.59	10,500.666	10,525.196	302.591	142.20	-70.80	903.0
UB08_127	591,634.76	5,336,002.41	304.24	10,249.825	10,542.812	304.235	139.07	-68.00	1,066.9
UB08_128	591,618.44	5,336,023.22	303.20	10,248.377	10,569.220	303.199	123.25	-69.90	1,002.4
UB08_129	591,966.31	5,335,098.91	282.95	10,003.453	9,612.4612	282.951	114.01	-60.17	884.1
UB08_130	591,696.70	5,336,949.90	313.02	10,843.809	11,283.594	313.018	139.36	-72.04	1,167.9
UB08_131	591,727.43	5,336,917.15	313.45	10,850.201	11,239.145	313.452	320.00	-85.00	747.0
UB08_132	592,395.70	5,335,875.05	288.93	10,800.256	10,002.184	288.918	142.47	-69.39	1,336.8
UB08_132W	592,395.70	5,335,875.05	288.93	10,800.256	10,002.184	288.918	142.47	-69.39	475.2
UB08_133	591,348.78	5,336,848.95	308.33	10,500.868	11,400.363	308.330	126.66	-75.35	1,323.0
UB08_134	591,208.72	5,336,174.21	295.83	9,999.261	10,927.836	295.833	135.00	-80.00	153.0
UB08_134A	591,208.72	5,336,174.21	295.83	9,999.261	10,927.836	295.833	122.20	-81.96	1,235.4
UB08_135	591,627.37	5,336,448.96	303.32	10,499.787	10,912.915	303.323	130.87	-71.83	1,422.4
UB08_136	591,938.08	5,336,535.97	318.03	10,804.247	10,806.064	318.029	140.41	-66.84	1,466.4
UB08_137	591,882.49	5,336,169.30	300.83	10,548.474	10,537.512	300.831	139.07	-78.19	1,097.5
UB08_138	591,882.49	5,336,169.30	300.83	10,548.474	10,537.512	300.831	140.47	-73.51	1,182.1
UB08_139	591,882.49	5,336,169.30	300.83	10,548.474	10,537.512	300.831	139.18	-80.88	1,253.8
UB08_63W1	591,565.86	5,336,615.92	306.11	10,545.119	11,084.976	306.109	140.00	-67.00	465.8
Subtotal	**23**	**Holes**							**21461.4**

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2009									
UB09_63W2	591,565.86	5,336,615.92	306.11	1,0545.119	11,084.976	306.109	140.00	-67.00	567.8
UB09_135W1	591,627.37	5,336,448.96	303.32	1,0499.787	10,912.915	303.323	130.87	-71.83	438.0
UB09_135W2	591,627.37	5,336,448.96	303.32	1,0499.787	10,912.915	303.323	130.87	-71.83	518.4
UB09_135W3	591,627.37	5,336,448.96	303.32	1,0499.787	10,912.915	303.323	130.87	-71.83	45.0
UB09_140	591,559.12	5,336,375.96	302.65	1,0402.014	10,892.237	302.647	141.23	-71.37	889.4
UB09_140A	591,559.12	5,336,375.96	302.65	1,0402.014	10,892.237	302.647	141.23	-71.37	103.2
UB09_100W1	591,734.00	5,336,120.00	302.80	1,0398.549	10,582.257	302.800	138.71	-68.70	442.2
UB09_128W1	591,618.44	5,336,023.22	303.20	1,0248.337	10,569.225	303.200	123.25	-69.90	455.8
UB09_141	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	135.26	-75.83	1,530.0
UB09_124W2	591,695.14	5,336,045.49	303.81	1,0323.992	10,543.489	303.811	132.08	-68.90	187.0
UB09_142	591,695.46	5,336,045.30	303.65	1,0324.141	10,543.151	303.649	136.20	-71.10	84.0
UB09_142A	591,695.46	5,336,045.30	303.65	1,0324.141	10,543.151	303.649	140.00	-68.00	247.3
UB09_141W1	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	135.26	-75.83	574.9
UB09_110W1	591,734.12	5,336,120.00	302.70	1,0398.646	10,582.194	302.695	136.78	68.60	260.0
UB09_141W2	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	135.26	-75.83	181.3
UB09_141W3	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	135.26	-75.83	461.3
UB09_110W2	591,734.12	5,336,120.00	302.70	1,0398.646	10,582.194	302.695	136.78	-68.60	132.0
UB09_110W3	591,734.12	5,336,120.00	302.70	1,0398.646	10,582.194	302.695	136.78	-68.60	505.0
UB09_143	591,584.18	5,336,067.70	303.12	1,0245.808	10,625.305	303.120	140.81	-64.26	422.6
UB09_143W1	591,584.18	5,336,067.70	303.12	1,0245.808	10,625.305	303.120	140.81	-64.26	650.4
UB09_126W1	591,850.38	5,336,131.80	302.59	1,0500.666	10,525.196	302.591	142.20	-70.80	151.0
UB09_144	591,743.43	5,336,069.45	303.08	1,0377.291	10,535.435	303.077	143.58	-66.35	765.0
UB09_145	591,613.04	5,335,969.34	305.84	1,0213.070	10,528.170	305.841	140.00	-63.00	828.6
UB09_141W4	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	135.26	-75.83	65.0
UB09_141W5	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	135.26	-75.83	133.0
UB09_145W1	591,613.04	5,335,969.34	305.84	1,0213.070	10,528.170	305.841	140.00	-63.00	539.0
UB09_146	591,939.85	5,335,932.27	303.87	1,0459.571	10,310.423	303.869	146.12	-59.88	468.0
UB09_147	591,901.04	5,335,971.33	304.45	1,0419.214	10,320.436	304.453	144.77	-62.51	594.0
UB09_148	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	132.79	-67.08	1,404.0
UB09_150	591,849.73	5,335,954.35	303.17	1,0398.400	10,380.183	303.170	144.80	-69.20	231.0
UB09_149	591,945.57	5,335,851.78	303.57	1,0418.111	10,241.196	303.573	143.03	-66.81	449.0
UB09_151	591,917.95	5,335,866.04	303.52	1,0403.655	10,268.723	303.524	147.65	-68.26	421.9
UB09_150W1	591,849.73	5,335,954.35	303.17	1,0398.400	10,380.183	303.170	144.80	-69.20	383.0
UB09_152	591,850.04	5,335,953.96	303.07	1,0398.430	10,379.687	303.071	142.73	-67.29	549.0
UB09_153	591,918.07	5,335,866.13	303.52	1,0403.806	10,268.727	303.520	140.28	-69.60	506.4
UB09_154	591,744.49	5,336,068.62	302.92	1,0377.684	10,534.146	302.917	138.00	-67.00	625.5
UB09_155	591,845.97	5,335,976.91	302.84	1,0408.251	10,400.819	302.836	140.00	-66.00	114.0
UB09_155A	591,845.97	5,335,976.91	302.84	1,0408.251	10,400.819	302.836	140.00	-67.00	92.0
UB09_155B	591,845.97	5,335,976.91	302.84	1,0408.251	10,400.819	302.836	136.30	-66.11	600.0
UB09_148W1	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	132.79	-67.08	325.0
UB09_156	591,823.18	5,336,117.67	302.16	1,0470.278	10,529.220	302.155	142.34	-73.10	883.0
UB09_157	591,243.00	5,336,560.00	302.00	1,0248.534	11,224.266	303.000	138.00	-80.00	1,077.0
UB09_113W1	591,799.88	5,336,114.24	302.20	1,0449.225	10,539.766	302.200	139.10	66.20	624.9
UB09_148W2	591,572.12	5,336,402.35	302.76	1,0427.802	10,906.406	302.757	132.79	-67.08	461.5
Subtotal	**44**	**Holes**							**20986.3**

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2010									
UB10_113W2	591,799.88	5,336,114.24	302.20	10,449.225	10,539.766	302.200	139.10	66.20	472.0
UB10_158	591,944.94	5,335,852.61	303.54	10,418.072	10,242.243	303.544	141.32	-49.95	397.8
UB10_148W3	591,572.12	5,336,402.35	302.76	10,427.802	10,906.406	302.757	132.79	-67.08	410.1
UB10_159	592,025.05	5,335,792.46	301.54	10,449.222	10,147.029	301.540	141.80	-59.96	429.3
UB10_159W1	592,025.05	5,335,792.46	301.54	10,449.222	10,147.029	301.540	141.80	-59.96	204.0
UB10_139W1	591,882.49	5,336,169.30	300.83	10,548.474	10,537.512	300.831	139.18	-80.88	2.0
UB10_139W2	591,882.49	5,336,169.30	300.83	10,548.474	10,537.512	300.831	139.18	-80.88	7.0
UB10_139W3	591,882.49	5,336,169.30	300.83	10,548.474	10,537.512	300.831	139.18	-80.88	733.9
UB10_159W2	592,025.05	5,335,792.46	301.54	10,449.222	10,147.029	301.540	141.80	-59.96	190.0
UB10_148W4	591,572.12	5,336,402.35	302.76	10,427.802	10,906.406	302.757	132.79	-67.08	492.3
UB10_160	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	131.83	-70.80	329.6
UB10_161	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	138.87	-67.05	1,323.0
UB10_148W5	591,572.12	5,336,402.35	302.76	10,427.802	10,906.406	302.757	132.79	-67.08	592.5
UB10_162	591,697.60	5,336,434.00	303.70	10,548.755	10,860.392	303.700	136.64	-66.96	322.0
UB10_161W1	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	138.87	-67.05	3.9
UB10_161W2	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	138.87	-67.05	506.0
UB10_148W6	591,572.12	5,336,402.35	302.76	10,427.802	10,906.406	302.757	132.79	-67.08	699.1
UB10_161W3	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	138.87	-67.05	589.0
UB10_163	591,774.80	5,336,521.70	316.97	10,662.259	10,888.002	316.975	135.00	-68.00	1,642.0
UB10_161W4	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	138.87	-67.05	771.0
UB10_141W5	591,572.12	5,336,402.35	302.76	10,319.524	10,817.632	302.36	135.26	-75.83	207.5
UB10_163W1	591,774.80	5,336,521.70	316.97	10,662.259	10,888.002	316.975	135.00	-68.00	600.0
UB10_161W5	591,534.00	5,336,268.00	302.36	10,662.259	10,888.002	316.975	138.87	-67.05	752.0
UB10_164	591,549.90	5,336,819.95	312.90	10,649.022	11,261.290	312.900	134.40	-65.90	1,825.0
UB10_161W6	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	138.87	-67.05	897.5
UB10_163W2	591,774.80	5,336,521.70	316.97	10,662.259	10,888.002	316.975	135.00	-68.00	551.5
UB10_161W7	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	138.87	-67.05	574.1
UB10_164W1	591,549.90	5,336,819.95	312.90	10,649.022	11,261.290	312.900	134.40	-65.90	150.8
UB10_163W3	591,774.80	5,336,521.70	316.97	10,662.259	10,888.002	316.975	135.00	-68.00	448.5
UB10_165	591,745.01	5,336,454.02	306.28	10,599.057	10,849.602	306.270	138.00	-67.00	1,414.0
UB10_163W4	591,774.80	5,336,521.70	316.97	10,662.259	10,888.002	316.975	135.00	-68.00	452.5
UB10_170	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	131.10	-60.00	1,272.0
UB10_165W1	591,745.01	5,336,454.02	306.28	10,599.057	10,849.602	306.270	138.00	-67.00	568.4
UB10_163W5	591,774.80	5,336,521.70	316.97	10,599.057	10,849.602	306.270	135.00	-68.00	600.2
UB10_170W1	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	131.10	-60.00	491.4
UB10_170W2	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	131.10	-60.00	471.0
UB10_165W2	591,745.01	5,336,454.02	306.28	10,599.057	10,849.602	306.270	138.00	-67.00	607.0
UB10_163W6	591,774.80	5,336,521.70	316.97	10,662.259	10,888.002	316.975	135.00	-68.00	625.0
Subtotal	**38**	**Holes**							**22624.9**

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2011									
UB11_171	591,745.01	5,336,454.02	306.28	10,599.057	10,849.602	306.270	139.80	-64.60	1,326.0
UB11_172	592,230.00	5,336,730.00	300.00	11,154.668	10,797.664	300.000	135.00	-70.00	1,224.0
UB11_173	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	138.80	-72.30	279.0
UB11_170W3	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	131.10	-60.00	664.1
UB11_174	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	1,410.0
UB11_171W1	591,745.01	5,336,454.02	306.28	10,599.057	10,849.602	306.270	139.80	-64.60	507.8
UB11_171W2	591,745.01	5,336,454.02	306.28	10,599.057	10,849.602	306.270	139.80	-64.60	627.0
UB11_170W4	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	131.10	-60.00	435.0
UB11_170W5	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	131.10	-60.00	594.0
UB11_175	591,759.90	5,336,345.00	302.40	10,548.854	10,751.732	302.460	140.00	-71.00	1,269.0
UB11_174W1	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	445.2
UB11_174W2	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.05	492.0
UB11_175W1	591,759.90	5,336,345.00	302.40	10,548.854	10,751.732	302.460	140.00	-71.00	514.8
UB11_175W2	591,759.90	5,336,345.00	302.40	10,548.854	10,751.732	302.460	140.00	-71.00	437.4
UB11_175W3	591,759.90	5,336,345.00	302.40	10,548.854	10,751.732	302.460	140.00	-71.00	609.3
UB11_170W6	591,534.00	5,336,268.00	302.36	10,319.524	10,817.632	302.360	131.10	-60.00	617.6
UB11_176	591,485.97	5,336,212.97	302.62	10,248.636	10,800.632	302.620	138.00	-63.20	1,244.8
UB11_174W3	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	514.6
UB11_174W4	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	148.3
UB11_174W5	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	492.0
UB11_177	591,844.00	5,335,920.01	303.27	10,374.019	10,355.329	303.270	140.00	-60.00	685.0
UB11_175W4	591,759.90	5,336,345.00	302.40	10,548.771	10,751.754	302.400	140.00	-71.00	520.6
UB11_179	591,661.01	5,335,740.98	299.07	10,121.386	10,313.507	299.070	130.00	-55.00	326.0
UB11_178GT	592,150.00	5,335,980.01	302.74	10,659.125	10,229.052	302.740	158.40	-89.80	1,258.4
UB11_174W6	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	514.0
UB11_174W7	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	558.0
UB11_181	591,661.00	5,335,740.90	299.07	10,121.386	10,313.507	299.070	140.00	-40.00	402.0
UB11_182	591,712.00	5,335,699.90	298.50	10,139.664	10,250.675	298.500	130.00	-46.00	325.0
UB11_183	591,695.90	5,335,778.90	301.90	10,171.767	10,324.632	301.900	132.00	-55.00	492.0
UB11_184	591,695.90	5,335,778.90	301.90	10,171.767	10,324.632	301.900	134.00	-46.00	313.0
UB11_185	591,825.00	5,335,905.90	303.80	10,350.355	10,354.667	303.800	140.00	-60.00	735.0
UB11_186	591,745.00	5,335,737.00	300.40	10,187.973	10,262.151	300.400	130.00	-45.00	222.0
UB11_187	591,630.90	5,335,703.00	296.70	10,074.995	10,299.713	296.700	130.00	-60.00	696.0
UB11_188	591,825.00	5,335,905.90	303.80	10,350.355	10,354.667	303.800	140.00	-55.00	693.0
UB11_189	591,630.90	5,335,703.00	296.70	10,074.995	10,299.713	296.700	130.00	-45.00	179.1
UB11_180	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	140.00	-66.00	1,199.4
UB11_180W1	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	140.00	-66.00	526.0
UB11_180W2	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	140.00	-66.00	567.6
UB11_174W8	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	579.0
UB11_174W9	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	612.9
UB11_174W10	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	703.3
UB11_174W11	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	501.0
UB11_174W12	591,715.90	5,336,495.90	306.40	10,599.238	10,900.616	306.400	142.00	-70.50	710.0
UB11_180W3	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	140.00	-66.00	564.3
UB11_180W4	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	140.00	-66.00	610.4
UB11_180W5	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	140.00	-66.00	159.0
UB11_190	591,688.00	5,335,655.00	295.60	10,094.258	10,227.648	295.600	130.00	-45.00	532.4
UB11_191	591,857.94	5,335,859.95	302.56	10,351.000	10,298.126	302.560	140.00	-47.00	576.0
UB11_192	591,737.00	5,335,614.00	289.02	10,110.898	10,165.963	289.020	130.00	-45.00	327.0
UB11_193	591,769.97	5,335,649.97	289.06	10,158.534	10,176.531	289.060	130.00	-45.00	252.0
UB11_194	591,826.00	5,335,670.00	286.00	10,215.923	10,160.816	286.000	130.00	-45.00	121.0
UB11_195	591,891.00	5,335,855.00	302.67	10,375.247	10,275.123	300.000	140.00	-52.00	528.0
UB11_196	591,499.90	5,335,747.40	303.70	9,993.260	10,411.222	300.000	127.80	-60.60	671.0
UB11_197	591,844.00	5,335,920.00	303.30	10,374.006	10,355.326	303.300	140.00	-57.00	597.7
UB11_198	591,499.90	5,335,747.40	303.70	9,993.121	10,411.198	303.700	130.00	-45.00	828.4
UB11_199	591,665.90	5,336,825.90	315.90	10,747.565	11,199.676	315.940	130.00	-70.00	189.0
UB11_200	591,665.90	5,336,825.90	315.90	10,747.475	11,199.657	315.900	130.00	-70.00	586.0
UB11_200W1	591,665.90	5,336,825.90	315.90	10,747.475	11,199.657	315.900	130.00	-70.00	1,188.3
UB11_201	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	135.00	-63.00	1,159.4

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2011									
UB11_201W1	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	135.00	-63.00	502.2
UB11_202	591,538.00	5,335,716.00	302.01	10,006.334	10,363.627	305.000	130.00	-45.00	477.0
UB11_203	591,600.00	5,335,664.00	298.43	10,027.318	10,285.475	298.430	130.00	-45.00	177.7
UB11_204	591,599.90	5,335,730.00	300.70	10,065.076	10,339.608	300.700	130.00	-55.00	225.0
UB11_205	591,599.90	5,335,730.00	300.70	10,065.076	10,339.608	300.700	130.00	-62.00	687.4
UB11_206	591,628.90	5,335,769.90	302.00	10,111.713	10,355.672	302.000	130.00	-56.00	642.2
Subtotal	**65**	**Holes**							**38771.6**

Hole ID	UTM Location X	UTM Location Y	UTM Location Z	Mine Grid Location X	Mine Grid Location Y	Mine Grid Location Z	Azimuth	Dip	Length
2012									
UB12_149E	591,945.57	5,335,851.78	303.57	10,418.111	10,241.196	303.570	143.03	-66.81	525.0
UB12_175W5	591,759.90	5,336,345.00	302.40	10,548.771	10,751.754	302.400	140.00	-71.00	189.0
UB12_200W2	591,749.80	5,336,274.90	301.80	10,747.475	11,199.657	315.900	135.00	-63.00	931.0
UB12_200W3	591,749.80	5,336,274.90	301.80	10,747.475	11,199.657	315.900	135.00	-63.00	574.0
UB12_200W4	591,749.80	5,336,274.90	301.80	10,747.475	11,199.657	315.900	135.00	-63.00	681.5
UB12_207	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	141.00	-60.00	998.0
UB12_207W1	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	141.00	-60.00	470.3
UB12_207W2	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	141.00	-60.00	550.0
UB12_207W3	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	141.00	-60.00	609.0
UB12_207W4	591,749.80	5,336,274.90	301.80	10,500.305	10,700.110	301.800	141.00	-60.00	253.0
UB12_208	591,662.00	5,335,807.90	303.00	10,160.619	10,367.828	303.000	130.00	-55.00	532.0
UB12_209	591,566.00	5,335,626.00	302.20	9,977.674	10,273.835	302.200	130.00	-44.00	621.0
UB12_210	591,759.98	5,336,345.00	302.46	10,548.837	10,751.708	302.460	140.00	-67.00	1,248.0
UB12_210W1	591,759.98	5,336,345.00	302.46	10,548.837	10,751.708	302.460	140.00	-67.00	496.0
UB12_210W2	591,759.98	5,336,345.00	302.46	10,548.837	10,751.708	302.460	140.00	-67.00	567.6
UB12_210W3	591,759.98	5,336,345.00	302.46	10,548.837	10,751.708	302.460	140.00	-67.00	378.6
UB12_211	591,566.00	5,335,626.00	302.20	9,977.674	10,273.835	302.200	130.00	-59.00	474.0
UB12_212	591,543.00	5,335,575.00	305.00	9,929.589	10,245.237	305.000	130.00	-45.00	615.0
UB12_213	591,700.00	5,335,578.90	287.40	10,060.458	10,158.417	287.400	130.00	-45.00	269.5
UB12_214	591,700.00	5,335,578.90	287.40	10,060.458	10,158.417	287.400	130.00	-48.00	522.1
UB12_215	591,755.50	5,335,530.90	284.40	10,078.410	10,087.270	284.400	130.00	-45.00	487.0
UB12_216	591,779.80	5,335,578.00	285.80	10,125.324	10,111.928	285.800	130.00	-45.00	116.3
UB12_217	591,580.00	5,335,746.01	302.19	10,057.945	10,364.126	302.200	130.00	-64.00	537.0
UB12_218A	591,613.00	5,335,750.00	301.10	10,087.276	10,348.483	301.100	130.00	-45.00	345.0
UB12_219	591,613.00	5,335,750.00	301.10	10,087.276	10,348.483	301.100	130.00	-60.00	502.5
UB12_220	591,728.26	5,335,817.26	302.98	10,220.190	10,337.493	302.900	130.00	-45.00	483.0
UB12_221	591,568.98	5,335,689.97	301.38	10,016.686	10,324.527	301.800	90.00	-45.00	665.5
UB12_222	591,749.00	5,336,275.00	301.80	10,499.707	10,700.651	301.800	140.00	-56.00	1,083.0
UB12_222W2	591,749.00	5,336,275.00	301.80	10,499.707	10,700.651	301.800	140.00	-56.00	191.0
UB12_222W2A	591,749.00	5,336,275.00	301.80	10,499.707	10,700.651	301.800	140.00	-56.00	456.0
UB12_223	591,568.98	5,335,689.97	301.38	10,016.686	10,324.527	301.800	90.00	-66.00	717.0
UB12_224	591,743.98	5,336,124.99	302.05	10,409.591	10,580.623	302.050	140.00	-58.00	795.0
UB12_225	591,740.00	5,336,205.00	302.18	10,452.200	10,648.459	302.180	140.00	-67.00	1,080.0
UB12_225W1	591,740.00	5,336,205.00	302.18	10,452.200	10,648.450	302.180	140.00	-67.00	426.8
UB12_226	591,890.95	5,335,855.02	302.44	10,375.220	10,275.170	302.440	140.00	-45.00	482.0
UB12_227	591,689.01	5,335,926.03	304.78	10,250.452	10,449.109	304.700	145.00	-59.00	630.0
UB12_227W1	591,689.01	5,335,926.03	304.78	10,250.452	10,449.109	304.700	145.00	-59.00	346.0
UB12_228	591,743.98	5,336,124.99	302.05	10,409.591	10,580.623	302.050	142.00	-54.00	355.0
UB12_229	591,963.01	5,335,751.99	301.99	10,375.127	10,149.371	301.900	140.00	-45.00	565.5
UB12_230	591,689.01	5,335,926.03	304.78	10,250.480	10,449.127	304.780	145.00	-55.00	579.0
UB12_231	591,565.98	5,335,840.00	305.10	10,100.369	10,449.169	305.100	140.00	-55.00	668.0
UB12_232	591,930.00	5,335,668.00	289.00	10,299.986	10,099.550	289.000	140.00	-45.00	585.0
UB12_233	591,565.98	5,335,840.00	305.10	10,100.229	10,449.144	305.100	140.00	-54.00	681.0
UB12_234	591,647.98	5,335,897.98	305.09	10,200.667	10,449.651	305.000	140.00	-56.00	690.0
UB12_235	591,978.99	5,335,947.04	303.87	10,500.012	10,300.104	303.800	145.00	-45.00	528.0
UB12_238	592,036.97	5,335,864.98	302.53	10,500.462	10,199.584	305.200	140.00	-45.00	552.0
Subtotal	**46**	**Holes**							**26051.2**

APPENDIX F

Certificate of Analysis for SRK Verification Samples

AGAT Laboratories

5623 McADAM ROAD
MISSISSAUGA, ONTARIO
CANADA L4Z 1N9
TEL (905)501-9998
FAX (905)501-0589
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CLIENT NAME: SRK CONSULTING (CANADA)
1984 REGENT STREET SOUTH, STE 101
SUDBURY , ON P3E5S1
(705) 561-7154

ATTENTION TO: SEBASTIEN B. BERNIER

PROJECT NO:

AGAT WORK ORDER: 12U631846

SOLID ANALYSIS REVIEWED BY: Kevin Motomura, ICP Supervisor

DATE REPORTED: Oct 05, 2012

PAGES (INCLUDING COVER): 13

Should you require any information regarding this analysis please contact your client services representative at (905) 501-9998

NOTES

All samples are stored at no charge for 90 days. Please contact the lab if you require additional sample storage time.

Results relate only to the items tested and to all the items tested

AGAT Laboratories

Certificate of Analysis

AGAT WORK ORDER: 12U631846
PROJECT NO:

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CANADA L4Z 1N9
TEL (905)501-9998
FAX (905)501-0589
http://www.agatlabs.com

CLIENT NAME: SRK CONSULTING (CANADA)

ATTENTION TO: SEBASTIEN B. BERNIER

Aqua Regia Digest - Metals Package, ICP-OES finish (201073)

DATE SAMPLED: Aug 17, 2012 | DATE RECEIVED: Aug 17, 2012 | DATE REPORTED: Oct 05, 2012 | SAMPLE TYPE: Drill Core

Sample Description	Analyte:	Ag	Al	As	B	Ba	Be	Bi	Ca	Cd	Ce	Co	Cr	Cu	Fe
	Unit:	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%
	RDL:	0.2	0.01	1	5	1	0.5	1	0.01	0.5	1	0.5	0.5	0.5	0.01
Q259078		3.2	0.89	36	5	827	<0.5	<1	2.24	<0.5	9	13.2	47.5	1680	3.74
Q259079		2.5	1.85	47	6	396	<0.5	<1	3.45	<0.5	<1	19.6	23.2	7650	7.56
Q259080		4.3	0.69	41	5	63	<0.5	<1	7.64	<0.5	<1	8.8	17.2	>10000	4.23
Q259081		26.3	0.33	37	<5	86	<0.5	1	5.88	<0.5	5	5.0	32.3	>10000	2.02
Q259082		2.4	0.42	40	<5	125	<0.5	<1	4.91	<0.5	<1	7.2	30.3	>10000	4.09
Q259083		1.6	0.34	45	<5	122	<0.5	<1	4.38	<0.5	<1	9.2	49.3	8420	2.65
Q259084		6.2	0.34	51	<5	59	<0.5	<1	6.03	<0.5	<1	17.0	21.2	9630	2.77
Q259085		1.7	0.33	47	<5	387	<0.5	<1	3.56	<0.5	13	10.8	26.6	2150	1.96
Q259086		1.3	0.64	44	6	637	<0.5	<1	3.76	<0.5	13	10.1	18.6	2700	1.80
Q259087		5.8	0.68	50	6	172	<0.5	<1	2.41	<0.5	11	10.6	34.9	7760	1.65
Q259088		3.2	0.74	80	<5	488	<0.5	<1	4.84	<0.5	12	17.0	18.5	3470	3.75
Q259089		<0.2	0.85	43	5	148	<0.5	<1	3.47	<0.5	18	11.6	19.3	1200	2.91
Q259090		0.4	0.91	47	8	131	<0.5	<1	3.00	<0.5	10	20.3	9.3	2550	2.72
Q259091		0.8	1.03	53	8	120	<0.5	2	1.43	<0.5	10	42.6	18.8	2640	3.47
Q259092		8.6	1.34	51	11	172	<0.5	16	1.81	<0.5	<1	31.6	11.6	>10000	9.13
Q259093		0.2	1.46	49	7	119	<0.5	5	1.96	<0.5	20	20.1	15.3	663	3.55
Q259094		5.7	1.84	59	7	926	<0.5	4	2.79	<0.5	14	18.3	42.5	2110	4.38
Q259095		2.2	3.06	48	9	403	<0.5	2	2.83	<0.5	21	29.6	96.0	5910	8.20
Q259096		1.6	3.20	50	10	1130	<0.5	7	4.01	<0.5	35	29.7	123	3340	6.25
Q259097		12.1	1.47	45	44	101	1.6	38	2.13	<0.5	<1	44.0	58.7	>10000	21.8
Q259098		28.4	1.23	37	54	71	1.1	33	1.90	<0.5	<1	58.8	47.9	>10000	26.3
Q259099		21.3	1.71	41	19	55	<0.5	16	3.22	<0.5	<1	66.9	62.4	>10000	13.2
Q259100		0.7	3.30	41	9	722	<0.5	<1	3.55	<0.5	20	41.4	103	4110	7.75
Q271522		0.9	3.28	53	11	1100	0.8	14	3.62	<0.5	18	42.7	99.3	2370	9.69
Q271523		0.2	3.08	54	12	437	<0.5	6	4.01	<0.5	20	36.8	103	841	7.12
Q271524		4.6	1.51	59	7	279	1.7	14	1.58	<0.5	4	44.0	27.3	3600	10.6

Certified By:

AGAT CERTIFICATE OF ANALYSIS (V1)

Page 2 of 13

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Certificate of Analysis

AGAT WORK ORDER: 12U631846
PROJECT NO:

CLIENT NAME: SRK CONSULTING (CANADA)

ATTENTION TO: SEBASTIEN B. BERNIER

Aqua Regia Digest - Metals Package, ICP-OES finish (201073)

DATE SAMPLED: Aug 17, 2012 | DATE RECEIVED: Aug 17, 2012 | DATE REPORTED: Oct 05, 2012 | SAMPLE TYPE: Drill Core

Sample Description	Analyte:	Y	Zn	Zr	Cu-OL
	Unit:	ppm	ppm	ppm	%
	RDL:	1	0.5	5	
Q259078		3	14.0	15	
Q259079		4	29.2	18	
Q259080		3	15.1	17	2.07
Q259081		2	21.8	14	1.18
Q259082		3	9.8	16	1.11
Q259083		2	6.1	13	
Q259084		2	25.5	11	
Q259085		3	17.1	13	
Q259086		4	9.8	13	
Q259087		4	23.3	9	
Q259088		4	44.4	11	
Q259089		3	12.8	9	
Q259090		3	10.5	9	
Q259091		3	11.6	9	
Q259092		3	20.5	11	1.77
Q259093		3	18.1	6	
Q259094		4	49.1	15	
Q259095		5	43.4	30	
Q259096		7	50.9	25	
Q259097		3	42.7	26	2.93
Q259098		3	23.7	19	6.29
Q259099		3	39.1	22	9.04
Q259100		6	50.8	19	
Q271522		6	47.6	26	
Q271523		6	44.7	18	
Q271524		4	18.1	14	

Comments: RDL - Reported Detection Limit

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AGAT CERTIFICATE OF ANALYSIS (V1)

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AGAT Laboratories

Certificate of Analysis

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FAX (905)501-0589
http://www.agatlabs.com

CLIENT NAME: SRK CONSULTING (CANADA) ATTENTION TO: SEBASTIEN B. BERNIER

Aqua Regia Digest - Metals Package, ICP-OES finish (201073)

DATE SAMPLED: Aug 17, 2012 DATE RECEIVED: Aug 17, 2012 DATE REPORTED: Oct 05, 2012 SAMPLE TYPE: Drill Core

Analyte:	Ga	Hg	In	K	La	Li	Mg	Mn	Mo	Na	Ni	P	Pb	Rb
Unit:	ppm	ppm	ppm	%	ppm	ppm	%	ppm	ppm	%	ppm	ppm	ppm	ppm
Sample Description RDL:	5	1	1	0.01	1	1	0.01	1	0.5	0.01	0.5	10	0.5	10
Q259078	6	<1	<1	0.21	6	7	0.48	187	56.3	0.07	24.2	821	1.7	21
Q259079	10	<1	<1	0.26	5	20	1.36	319	76.3	0.05	52.9	847	5.3	28
Q259080	8	<1	1	0.12	4	8	0.60	276	132	0.05	32.2	720	2.9	18
Q259081	<5	4	1	0.07	9	3	0.26	115	73.4	0.06	18.4	809	2.0	12
Q259082	6	<1	3	0.11	4	5	0.33	146	187	0.07	35.1	697	1.4	14
Q259083	<5	<1	<1	0.11	4	4	0.26	134	110	0.06	27.6	709	<0.5	14
Q259084	6	2	2	0.14	2	3	0.41	177	63.1	0.05	38.3	725	0.8	19
Q259085	<5	<1	<1	0.17	7	2	0.65	231	19.2	0.08	17.0	997	0.6	17
Q259086	<5	<1	5	0.28	8	4	0.61	240	18.3	0.08	16.5	1040	1.6	29
Q259087	<5	2	<1	0.38	10	4	0.95	292	8.6	0.04	8.9	1030	2.5	32
Q259088	6	12	2	0.25	7	6	0.93	354	9.5	0.09	24.7	874	3.9	27
Q259089	<5	<1	<1	0.34	9	7	0.38	175	9.1	0.05	13.8	971	2.6	34
Q259090	<5	<1	3	0.47	6	4	0.33	157	8.2	0.01	12.4	895	1.9	45
Q259091	5	<1	2	0.50	6	5	0.34	79	12.2	<0.01	16.1	835	4.3	44
Q259092	12	<1	3	0.45	3	9	0.68	160	82.2	<0.01	36.4	849	12.2	43
Q259093	6	<1	1	0.40	9	11	0.71	143	23.0	0.03	15.7	959	3.0	40
Q259094	11	15	<1	0.41	8	24	1.53	315	15.4	0.04	32.4	1320	3.2	43
Q259095	14	<1	<1	0.32	14	49	3.07	424	34.8	0.01	65.1	2230	7.6	34
Q259096	16	2	4	0.35	18	51	3.19	629	12.7	0.02	63.0	2350	8.2	41
Q259097	29	14	<1	0.24	7	25	1.28	225	64.9	0.01	81.7	1150	18.5	26
Q259098	35	7	<1	0.23	2	20	1.01	275	41.2	0.02	90.0	916	42.9	23
Q259099	23	3	<1	0.18	3	26	1.58	369	30.9	<0.01	52.8	1170	67.6	22
Q259100	18	<1	<1	0.22	11	47	3.19	558	12.8	0.02	45.6	2080	10.0	27
Q271522	17	<1	<1	0.18	10	46	3.17	554	11.9	0.02	42.5	2100	9.8	23
Q271523	17	<1	3	0.17	10	42	2.91	622	8.9	0.03	38.6	2140	9.9	23
Q271524	12	<1	<1	0.40	5	16	1.00	196	40.5	0.01	45.0	958	9.9	40

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AGAT CERTIFICATE OF ANALYSIS (V1)

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Results relate only to the items tested and to all the items tested

AGAT Laboratories

Certificate of Analysis

AGAT WORK ORDER: 12U631846
PROJECT NO:

5623 McADAM ROAD
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CLIENT NAME: SRK CONSULTING (CANADA) ATTENTION TO: SEBASTIEN B. BERNIER

Fire Assay - Trace Au, ICP-OES finish (202052)

DATE SAMPLED: Aug 17, 2012 DATE RECEIVED: Aug 17, 2012 DATE REPORTED: Oct 05, 2012 SAMPLE TYPE: Drill Core

	Analyte:	Sample Login Weight	Au	Au-Grav
	Unit:	kg	ppm	g/t
Sample Description	RDL:	0.01	0.001	0.05
Q259078		0.96	5.91	
Q259079		1.06	9.61	
Q259080		0.52	>10	20.3
Q259081		0.48	>10	13.5
Q259082		1.08	2.90	
Q259083		0.46	0.840	
Q259084		0.60	>10	15.2
Q259085		1.00	5.15	
Q259086		0.52	7.21	
Q259087		0.62	>10	32.9
Q259088		1.04	9.19	
Q259089		0.56	1.73	
Q259090		0.56	1.25	
Q259091		0.60	1.01	
Q259092		1.22	9.44	
Q259093		0.54	0.160	
Q259094		1.16	2.06	
Q259095		0.64	4.36	
Q259096		0.86	1.24	
Q259097		0.68	>10	14.9
Q259098		1.18	>10	59.4
Q259099		0.86	>10	45.4
Q259100		0.68	1.06	
Q271522		0.66	3.73	
Q271523		0.62	0.940	
Q271524		0.62	>10	15.9

Comments: RDL - Reported Detection Limit

Certified By:

AGAT CERTIFICATE OF ANALYSIS (V1)

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CLIENT NAME: SRK CONSULTING (CANADA)   ATTENTION TO: SEBASTIEN B. BERNIER

Miscellaneous Techniques - Specific Gravity (201049)

DATE SAMPLED: Aug 17, 2012   DATE RECEIVED: Aug 17, 2012   DATE REPORTED: Oct 05, 2012   SAMPLE TYPE: Drill Core

	Analyte:	Specific Gravity
	Unit:	g/cm3
Sample Description	RDL:	0.01
Q259078		2.73
Q259079		2.90
Q259080		2.75
Q259081		2.74
Q259082		2.83
Q259083		2.76
Q259084		2.83
Q259085		2.73
Q259086		2.69
Q259087		2.71
Q259088		2.76
Q259089		2.79
Q259090		2.84
Q259091		2.79
Q259092		2.98
Q259093		2.80
Q259094		2.81
Q259095		2.91
Q259096		2.79
Q259097		3.42
Q259098		3.62
Q259099		3.22
Q259100		2.85
Q271522		2.84
Q271523		2.78
Q271524		3.02

Comments: RDL - Reported Detection Limit

Certified By:

AGAT CERTIFICATE OF ANALYSIS (V1)   Page 7 of 13

Results relate only to the items tested and to all the items tested

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Quality Assurance

CLIENT NAME: SRK CONSULTING (CANADA) AGAT WORK ORDER: 12U631846

PROJECT NO: ATTENTION TO: SEBASTIEN B. BERNIER

Solid Analysis

RPT Date: Oct 05, 2012		REPLICATE					REFERENCE MATERIAL				
PARAMETER	Batch	Sample Id	Original	Rep #1	RPD	Method Blank	Result Value	Expect Value	Recovery	Acceptable Limits Lower	Acceptable Limits Upper
Fire Assay - Trace Au, ICP-OES finish (202052)											
Au	1	3620967	5.87	6.56	11.1%	< 0.001	1.6	1.52	105%	90%	110%
Fire Assay - Trace Au, ICP-OES finish (202052)											
Au	1	3620979	1.46	1.26	14.7%	< 0.001	1.54	1.52	102%	90%	110%
Fire Assay - Trace Au, ICP-OES finish (202052)											
Au	1	3620991	0.906	0.835	8.2%	< 0.001				90%	110%
Aqua Regia Digest - Metals Package, ICP-OES finish (201073)											
Ag	1	3620967	3.2	2.7	16.9%	< 0.2	12.3	13.0	95%	80%	120%
Al	1	3620967	0.893	0.897	0.4%	< 0.01				80%	120%
As	1	3620967	36	37	2.7%	2				80%	120%
B	1	3620967	5	4	22.2%	< 5				80%	120%
Ba	1	3620967	827	836	1.1%	< 1				80%	120%
Be	1	3620967	< 0.5	< 0.5	0.0%	< 0.5				80%	120%
Bi	1	3620967	< 1	2		< 1				80%	120%
Ca	1	3620967	2.24	2.27	1.3%	< 0.01				80%	120%
Cd	1	3620967	< 0.5	< 0.5	0.0%	< 0.5				80%	120%
Ce	1	3620967	9	9	0.0%	< 1				80%	120%
Co	1	3620967	13.2	13.5	2.2%	< 0.5				80%	120%
Cr	1	3620967	47.5	47.0	1.1%	< 0.5				80%	120%
Cu	1	3620967	1680	1710	1.8%	< 0.5	5436	6000	90%	80%	120%
Fe	1	3620967	3.74	3.78	1.1%	< 0.01				80%	120%
Ga	1	3620967	6	5	18.2%	< 5				80%	120%
Hg	1	3620967	< 1	< 1	0.0%	< 1				80%	120%
In	1	3620967	< 1	< 1	0.0%	< 1				80%	120%
K	1	3620967	0.21	0.21	0.0%	< 0.01				80%	120%
La	1	3620967	6	6	0.0%	< 1				80%	120%
Li	1	3620967	7	7	0.0%	< 1				80%	120%
Mg	1	3620967	0.482	0.486	0.8%	< 0.01				80%	120%
Mn	1	3620967	187	189	1.1%	< 1				80%	120%
Mo	1	3620967	56.3	57.1	1.4%	0.9	319	360	88%	80%	120%
Na	1	3620967	0.07	0.07	0.0%	< 0.01				80%	120%
Ni	1	3620967	24.2	24.3	0.4%	< 0.5				80%	120%
P	1	3620967	821	818	0.4%	< 10	673	600	112%	80%	120%
Pb	1	3620967	1.75	2.36	29.7%	< 0.5				80%	120%
Rb	1	3620967	21	21	0.0%	< 10	11	13	83%	80%	120%
S	1	3620967	0.492	0.495	0.6%	< 0.005				80%	120%
Sb	1	3620967	51	47	8.2%	< 1				80%	120%
Sc	1	3620967	4.55	4.64	2.0%	< 0.5				80%	120%
Se	1	3620967	< 10	< 10	0.0%	< 10				80%	120%
Sn	1	3620967	< 5	< 5	0.0%	< 5				80%	120%
Sr	1	3620967	172	173	0.6%	< 0.5				80%	120%
Ta	1	3620967	< 10	< 10	0.0%	< 10				80%	120%
Te	1	3620967	< 10	< 10	0.0%	< 10				80%	120%

AGAT QUALITY ASSURANCE REPORT (V1) Page 8 of 13

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Quality Assurance

CLIENT NAME: SRK CONSULTING (CANADA) **AGAT WORK ORDER: 12U631846**

PROJECT NO: **ATTENTION TO: SEBASTIEN B. BERNIER**

Solid Analysis (Continued)

RPT Date: Oct 05, 2012		REPLICATE					REFERENCE MATERIAL				
PARAMETER	Batch	Sample Id	Original	Rep #1	RPD	Method Blank	Result Value	Expect Value	Recovery	Acceptable Limits Lower	Acceptable Limits Upper
Th	1	3620967	< 5	< 5	0.0%	< 5				80%	120%
Ti	1	3620967	< 0.01	< 0.01	0.0%	< 0.01				80%	120%
Tl	1	3620967	40	50	22.2%	< 5				80%	120%
U	1	3620967	< 5	< 5	0.0%	< 5				80%	120%
V	1	3620967	30.1	30.0	0.3%	< 0.5				80%	120%
W	1	3620967	< 1	< 1	0.0%	< 1				80%	120%
Y	1	3620967	3	3	0.0%	< 1				80%	120%
Zn	1	3620967	14.0	14.7	4.9%	< 0.5				80%	120%
Zr	1	3620967	15	16	6.5%	< 5				80%	120%
Aqua Regia Digest - Metals Package, ICP-OES finish (201073)											
Ag	1	3620979	0.4	0.3	28.6%	< 0.2	12.2	13.0	94%	80%	120%
Al	1	3620979	0.915	0.968	5.6%	< 0.01				80%	120%
As	1	3620979	47	58	21.0%	< 1				80%	120%
B	1	3620979	8	7	13.3%	< 5				80%	120%
Ba	1	3620979	131	137	4.5%	< 1				80%	120%
Be	1	3620979	< 0.5	< 0.5	0.0%	< 0.5				80%	120%
Bi	1	3620979	< 1	< 1	0.0%	< 1				80%	120%
Ca	1	3620979	3.00	2.95	1.7%	< 0.01				80%	120%
Cd	1	3620979	< 0.5	< 0.5	0.0%	< 0.5				80%	120%
Ce	1	3620979	10	12	18.2%	< 1				80%	120%
Co	1	3620979	20.3	19.8	2.5%	< 0.5				80%	120%
Cr	1	3620979	9.25	9.10	1.6%	< 0.5				80%	120%
Cu	1	3620979	2550	2430	4.8%	< 0.5	5431	6000	90%	80%	120%
Fe	1	3620979	2.72	2.72	0.0%	< 0.01				80%	120%
Ga	1	3620979	< 5	< 5	0.0%	< 5				80%	120%
Hg	1	3620979	< 1	< 1	0.0%	< 1				80%	120%
In	1	3620979	3	< 1		< 1				80%	120%
K	1	3620979	0.472	0.509	7.5%	< 0.01				80%	120%
La	1	3620979	6	6	0.0%	< 1				80%	120%
Li	1	3620979	4	5	22.2%	< 1				80%	120%
Mg	1	3620979	0.33	0.33	0.0%	< 0.01				80%	120%
Mn	1	3620979	157	154	1.9%	< 1				80%	120%
Mo	1	3620979	8.22	8.66	5.2%	< 0.5	317	360	88%	80%	120%
Na	1	3620979	0.01	0.01	0.0%	< 0.01				80%	120%
Ni	1	3620979	12.4	11.9	4.1%	< 0.5				80%	120%
P	1	3620979	895	864	3.5%	< 10	657	600	109%	80%	120%
Pb	1	3620979	1.9	3.2		< 0.5				80%	120%
Rb	1	3620979	45	47	4.3%	< 10	11	13	84%	80%	120%
S	1	3620979	0.360	0.360	0.0%	< 0.005				80%	120%
Sb	1	3620979	41	38	7.6%	< 1				80%	120%
Sc	1	3620979	3.8	3.8	0.0%	< 0.5				80%	120%
Se	1	3620979	< 10	10		< 10				80%	120%
Sn	1	3620979	< 5	< 5	0.0%	< 5				80%	120%
Sr	1	3620979	92.8	93.3	0.5%	< 0.5				80%	120%

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Quality Assurance

CLIENT NAME: SRK CONSULTING (CANADA) AGAT WORK ORDER: 12U631846

PROJECT NO: ATTENTION TO: SEBASTIEN B. BERNIER

Solid Analysis (Continued)

RPT Date: Oct 05, 2012		REPLICATE					REFERENCE MATERIAL				
PARAMETER	Batch	Sample Id	Original	Rep #1	RPD	Method Blank	Result Value	Expect Value	Recovery	Acceptable Limits Lower	Acceptable Limits Upper
Ta	1	3620979	< 10	< 10	0.0%	< 10				80%	120%
Te	1	3620979	< 10	< 10	0.0%	< 10				80%	120%
Th	1	3620979	< 5	< 5	0.0%	< 5				80%	120%
Ti	1	3620979	< 0.01	< 0.01	0.0%	< 0.01				80%	120%
Tl	1	3620979	51	48	6.1%	< 5				80%	120%
U	1	3620979	< 5	< 5	0.0%	< 5				80%	120%
V	1	3620979	17.8	17.9	0.6%	< 0.5				80%	120%
W	1	3620979	< 1	< 1	0.0%	< 1				80%	120%
Y	1	3620979	3	3	0.0%	< 1	6	7	85%	80%	120%
Zn	1	3620979	10.5	10.2	2.9%	< 0.5				80%	120%
Zr	1	3620979	9	10	10.5%	< 5				80%	120%
Aqua Regia Digest - Metals Package, ICP-OES finish (201073)											
Ag	1	3620991	0.2	0.2	0.0%	< 0.2	12.7	13.0	98%	80%	120%
Al	1	3620991	3.08	3.21	4.1%	< 0.01				80%	120%
As	1	3620991	54	57	5.4%	< 1				80%	120%
B	1	3620991	12	11	8.7%	< 5				80%	120%
Ba	1	3620991	437	443	1.4%	< 1				80%	120%
Be	1	3620991	< 0.5	< 0.5	0.0%	< 0.5				80%	120%
Bi	1	3620991	6	12		< 1				80%	120%
Ca	1	3620991	4.01	4.18	4.2%	< 0.01				80%	120%
Cd	1	3620991	< 0.5	< 0.5	0.0%	< 0.5				80%	120%
Ce	1	3620991	20	21	4.9%	< 1				80%	120%
Co	1	3620991	36.8	37.1	0.8%	< 0.5				80%	120%
Cr	1	3620991	103	105	1.9%	< 0.5				80%	120%
Cu	1	3620991	841	836	0.6%	< 0.5	5526	6000	92%	80%	120%
Fe	1	3620991	7.12	7.34	3.0%	< 0.01				80%	120%
Ga	1	3620991	17	18	5.7%	< 5				80%	120%
Hg	1	3620991	< 1	< 1	0.0%	< 1				80%	120%
In	1	3620991	3	3	0.0%	< 1				80%	120%
K	1	3620991	0.172	0.179	4.0%	< 0.01				80%	120%
La	1	3620991	10	10	0.0%	< 1				80%	120%
Li	1	3620991	42	43	2.4%	< 1				80%	120%
Mg	1	3620991	2.91	2.99	2.7%	< 0.01				80%	120%
Mn	1	3620991	622	635	2.1%	< 1				80%	120%
Mo	1	3620991	8.92	7.84	12.9%	< 0.5	317	360	88%	80%	120%
Na	1	3620991	0.03	0.03	0.0%	< 0.01				80%	120%
Ni	1	3620991	38.6	38.9	0.8%	< 0.5				80%	120%
P	1	3620991	2140	2190	2.3%	< 10	661	600	110%	80%	120%
Pb	1	3620991	9.92	9.44	5.0%	< 0.5				80%	120%
Rb	1	3620991	23	24	4.3%	< 10	12	13	95%	80%	120%
S	1	3620991	0.243	0.246	1.2%	< 0.005				80%	120%
Sb	1	3620991	35	28	22.2%	< 1				80%	120%
Sc	1	3620991	12.8	13.8	7.5%	< 0.5				80%	120%
Se	1	3620991	< 10	< 10	0.0%	< 10				80%	120%

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Quality Assurance

CLIENT NAME: SRK CONSULTING (CANADA) **AGAT WORK ORDER: 12U631846**

PROJECT NO: **ATTENTION TO: SEBASTIEN B. BERNIER**

Solid Analysis (Continued)

RPT Date: Oct 05, 2012		REPLICATE					REFERENCE MATERIAL				
PARAMETER	Batch	Sample Id	Original	Rep #1	RPD	Method Blank	Result Value	Expect Value	Recovery	Acceptable Limits Lower	Acceptable Limits Upper
Sn	1	3620991	< 5	< 5	0.0%	< 5				80%	120%
Sr	1	3620991	273	280	2.5%	< 0.5				80%	120%
Ta	1	3620991	< 10	< 10	0.0%	< 10				80%	120%
Te	1	3620991	10	10	0.0%	< 10				80%	120%
Th	1	3620991	< 5	< 5	0.0%	< 5				80%	120%
Tl	1	3620991	< 0.01	0.01		< 0.01				80%	120%
Tl	1	3620991	61	58	5.0%	< 5				80%	120%
U	1	3620991	< 5	< 5	0.0%	< 5				80%	120%
V	1	3620991	105	107	1.9%	< 0.5				80%	120%
W	1	3620991	13	11	16.7%	< 1				80%	120%
Y	1	3620991	6	7	15.4%	< 1	5	7	76%	80%	120%
Zn	1	3620991	44.7	45.9	2.6%	< 0.5				80%	120%
Zr	1	3620991	18	23	24.4%	< 5				80%	120%
Miscellaneous Techniques - Specific Gravity (201049)											
Specific Gravity	1	3620967	2.73	2.74	0.4%	< 0.01				80%	120%
Miscellaneous Techniques - Specific Gravity (201049)											
Specific Gravity	1	3620991	2.78	2.80	0.7%	< 0.01				80%	120%

Certified By:

AGAT Laboratories

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Method Summary

CLIENT NAME: SRK CONSULTING (CANADA) **AGAT WORK ORDER: 12U631846**

PROJECT NO: **ATTENTION TO: SEBASTIEN B. BERNIER**

PARAMETER	AGAT S.O.P	LITERATURE REFERENCE	ANALYTICAL TECHNIQUE
Solid Analysis			
Ag	MIN-200-12020		ICP/OES
Al	MIN-200-12020		ICP/OES
As	MIN-200-12020		ICP/OES
B	MIN-200-12020		ICP/OES
Ba	MIN-200-12020		ICP/OES
Be	MIN-200-12020		ICP/OES
Bi	MIN-200-12020		ICP/OES
Ca	MIN-200-12020		ICP/OES
Cd	MIN-200-12020		ICP/OES
Ce	MIN-200-12020		ICP/OES
Co	MIN-200-12020		ICP/OES
Cr	MIN-200-12020		ICP/OES
Cu	MIN-200-12020		ICP/OES
Fe	MIN-200-12020		ICP/OES
Ga	MIN-200-12020		ICP/OES
Hg	MIN-200-12020		ICP/OES
In	MIN-200-12020		ICP/OES
K	MIN-200-12020		ICP/OES
La	MIN-200-12020		ICP/OES
Li	MIN-200-12020		ICP/OES
Mg	MIN-200-12020		ICP/OES
Mn	MIN-200-12020		ICP/OES
Mo	MIN-200-12020		ICP/OES
Na	MIN-200-12020		ICP/OES
Ni	MIN-200-12020		ICP/OES
P	MIN-200-12020		ICP/OES
Pb	MIN-200-12020		ICP/OES
Rb	MIN-200-12020		ICP/OES
S	MIN-200-12020		ICP/OES
Sb	MIN-200-12020		ICP/OES
Sc	MIN-200-12020		ICP/OES
Se	MIN-200-12020		ICP/OES
Sn	MIN-200-12020		ICP/OES
Sr	MIN-200-12020		ICP/OES
Ta	MIN-200-12020		ICP/OES
Te	MIN-200-12020		ICP/OES
Th	MIN-200-12020		ICP/OES
Ti	MIN-200-12020		ICP/OES
Tl	MIN-200-12020		ICP/OES
U	MIN-200-12020		ICP/OES
V	MIN-200-12020		ICP/OES
W	MIN-200-12020		ICP/OES
Y	MIN-200-12020		ICP/OES
Zn	MIN-200-12020		ICP/OES
Zr	MIN-200-12020		ICP/OES
Cu-OL			ICP/OES
Sample Login Weight	MIN-12009		BALANCE
Au	MIN-200-12006	BUGBEE, E: A Textbook of Fire Assaying	ICP-OES

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Method Summary

CLIENT NAME: SRK CONSULTING (CANADA) **AGAT WORK ORDER: 12U631846**

PROJECT NO: **ATTENTION TO: SEBASTIEN B. BERNIER**

PARAMETER	AGAT S.O.P	LITERATURE REFERENCE	ANALYTICAL TECHNIQUE
Au-Grav			GRAVIMETRIC
Specific Gravity	MIN-200-12024	ASTM D5550-06	Pychnometer

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APPENDIX G

Analytical Quality Control Data and Charts

Time series plots for Field Blanks and Certified Standard Samples Assayed by Swastika Laboratories during February 2007 to August 2012 – Gold Assays

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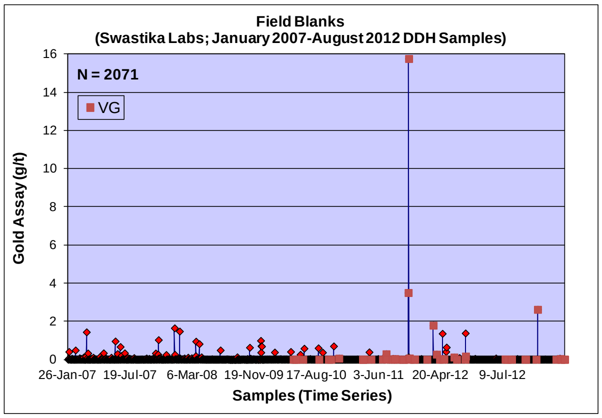
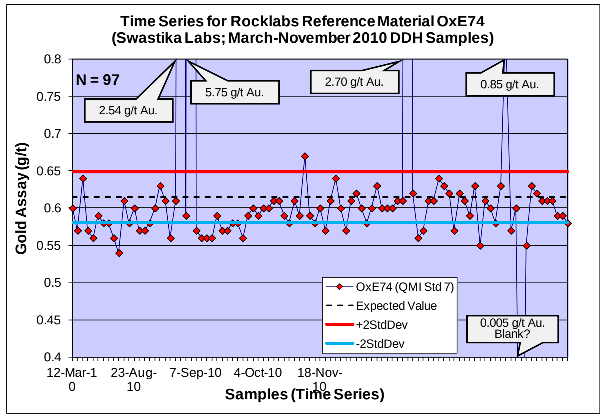
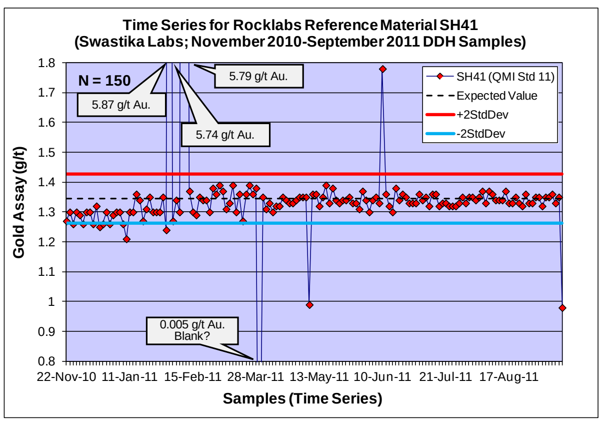
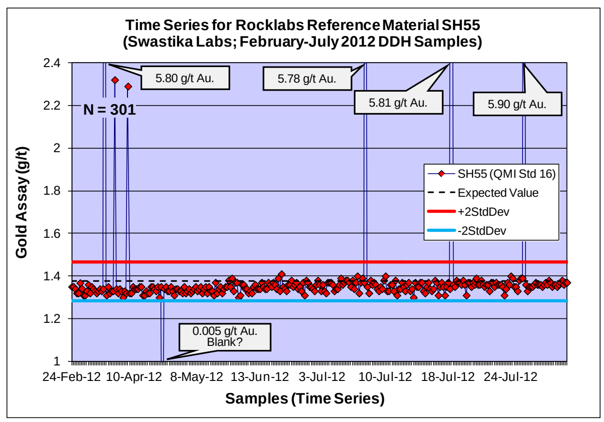
Project	Upper Beaver
Data Series	February 2007 - August 2012
Data Type	DDH Samples
Commodity	Au in g/t
Laboratory	Swastika Labs
Analytical Method	Fire Assay with AAS Finish
Detection Limit	0.01 g/t

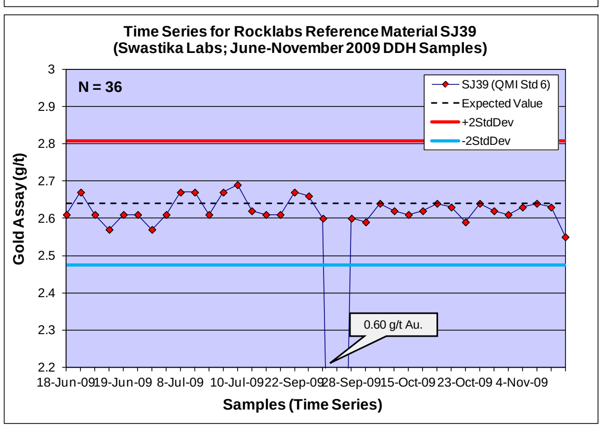
Statistics	Field Blank	#7 OxE74	#11 SH41	#16 SH55	#6 SJ39	#2 SJ32
Sample Count	2,071	97	150	301	36	192
Expected Value	-	0.615	1.344	1.375	2.641	2.645
Standard Deviation	-	0.017	0.041	0.045	0.083	0.068
Mean	0.032	0.686	1.408	1.410	2.567	2.639
Outside 2StdDev	-	41.2%	10.7%	2.3%	2.8%	4.7%
Below 2StdDev	-	35	12	1	1	0
Above 2StdDev	-	5	4	6	0	9

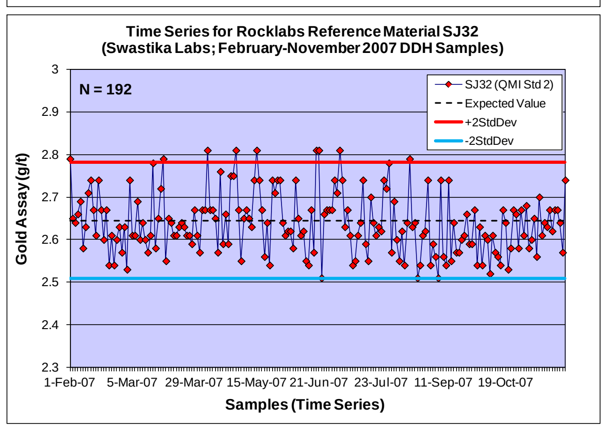












Time series plots for Field Blanks and Certified Standard Samples Assayed by Swastika Laboratories during February 2007 to August 2012 – Gold Assays

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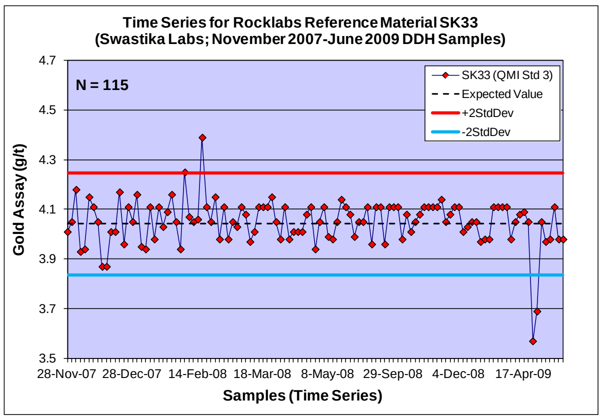
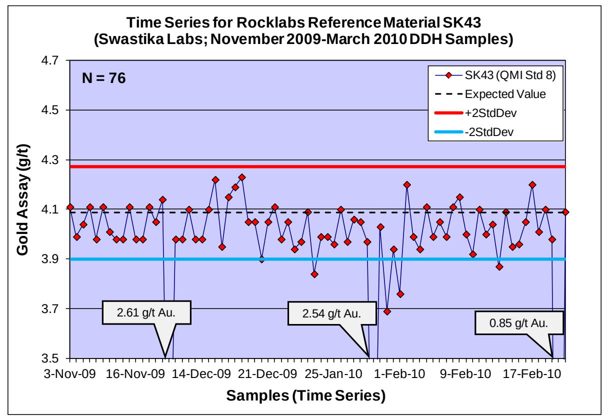
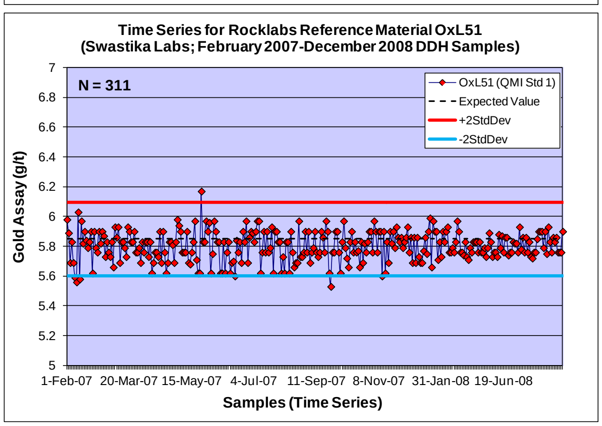
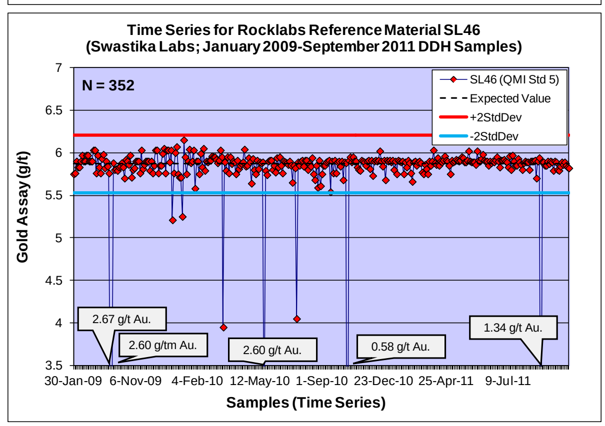
Project	Upper Beaver
Data Series	February 2007 - August 2012
Data Type	DDH Samples
Commodity	Au in g/t
Laboratory	Swastika Labs
Analytical Method	Fire Assay with AAS Finish
Detection Limit	0.01 g/t

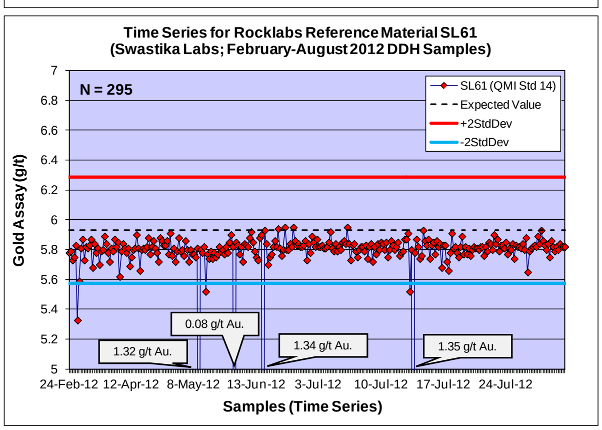
	#3	#8	#1	#5	#14
Statistics	**SK33**	**SK43**	**OxL51**	**SL46**	**SL61**
Sample Count	115	76	311	352	295
Expected Value	4.041	4.086	5.850	5.867	5.931
Standard Deviation	0.103	0.093	0.123	0.170	0.177
Mean	4.049	3.947	5.802	5.803	5.743
Outside 2StdDev	3.5%	9.2%	2.3%	2.6%	2.4%
Below 2StdDev	2	7	6	9	7
Above 2StdDev	2	0	1	0	0







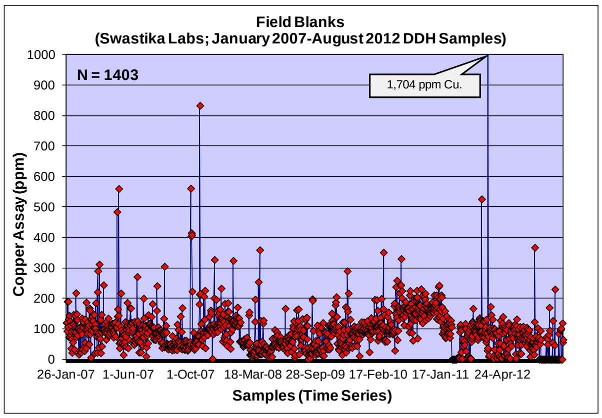


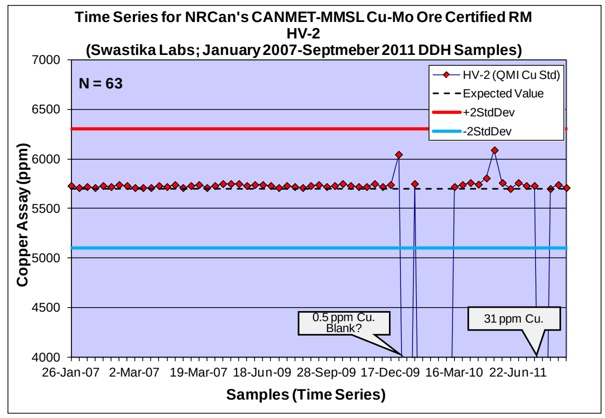


Time series plots for Field Blanks and Certified Standard Samples Assayed by Swastika Laboratories during February 2007 to August 2012 – Copper Assays

Project	Upper Beaver
Data Series	February 2007 - August 2012
Data Type	DDH Samples
Commodity	Cu in ppm
Laboratory	Swastika Labs
Analytical Method	Aqua Regia with AAS Finish
Detection Limit	1 ppm

Statistics	Field Blank	Cu HV-2
Sample Count	1,403	63
Expected Value	-	5,700
Standard Deviation	-	300
Mean	91.23	5,200
Outside 2StdDev	-	9.5%
Below 2StdDev	-	6
Above 2StdDev	-	0





Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Swastika Laboratories versus Laboratoire Expert) – Gold Assays by Fire Assay with AAS Finish

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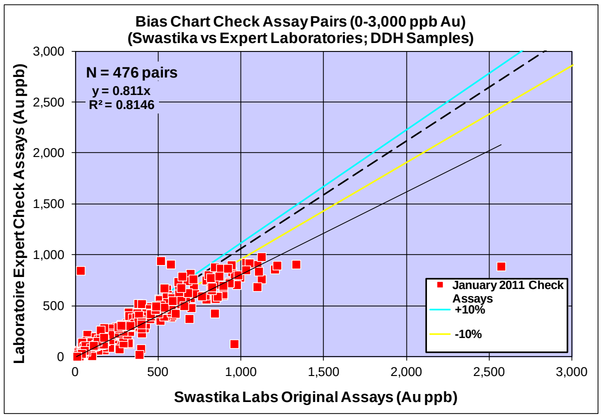
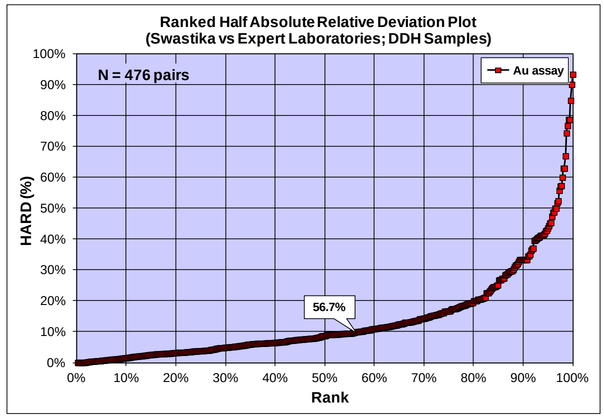
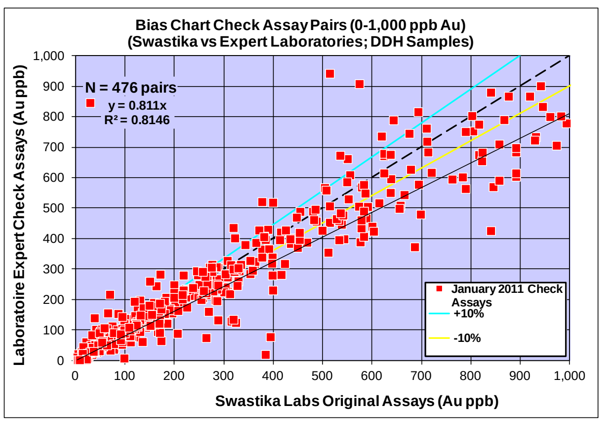
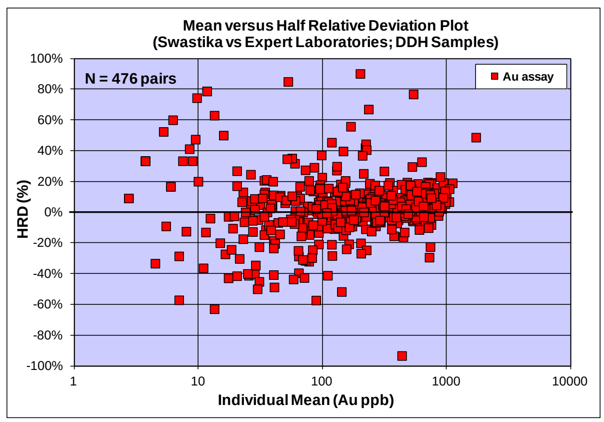
Project	Upper Beaver
Data Series	January 2011 Check Assays
Data Type	DDH Samples
Commodity	Au in ppb
Analytical Method	FA-AAS
Detection Limit	2 ppb vs 5 ppb
Original Dataset	Swastika Labs Original Assays
Paired Dataset	Laboratoire Expert Check Assays

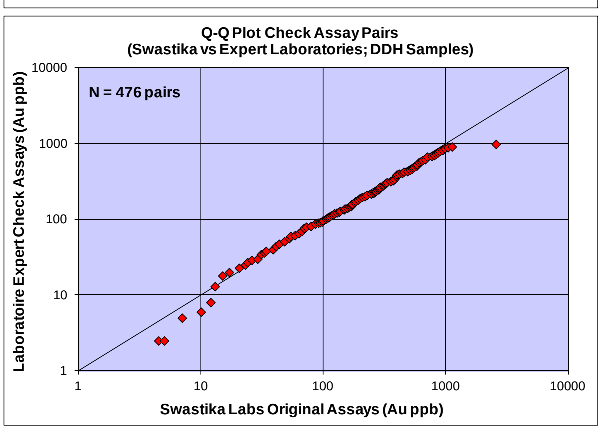
Statistics	Swastika	Expert
Sample Count	476	476
Minimum Value	3	2.5
Maximum Value	2,571	981
Mean	284.53	253.33
Median	171.00	159.00
Standard Error	13.69	11.10
Standard Deviation	298.76	242.11
Correlation Coefficient	0.9117	
Pairs ≤ 10% HARD	56.7%	

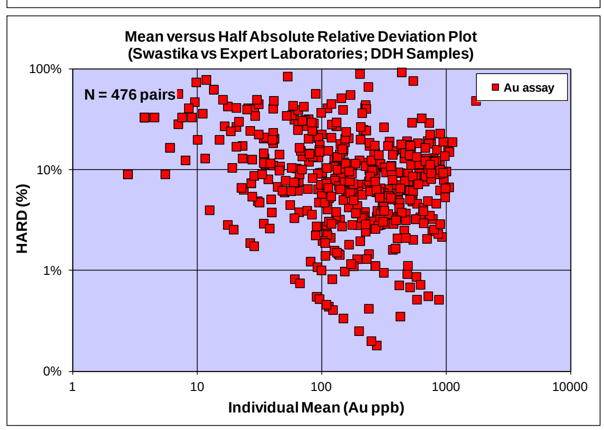










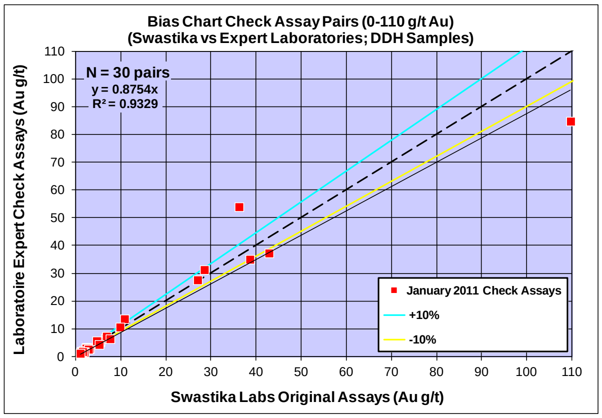


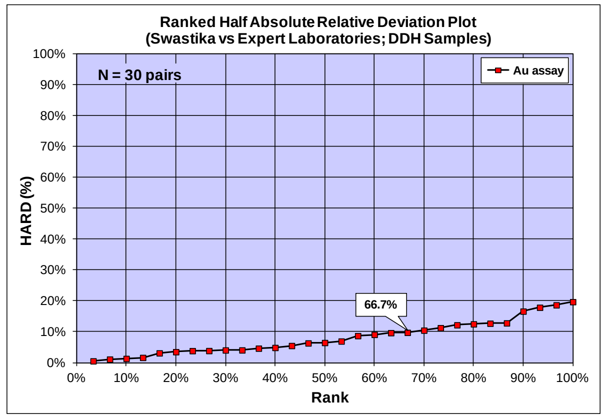
Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Swastika Laboratories versus Laboratoire Expert) – Gold Assays by Fire Assay with Gravimetric Finish

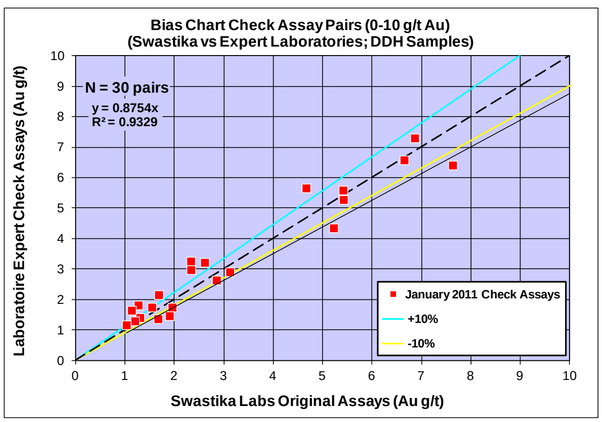
srk consulting

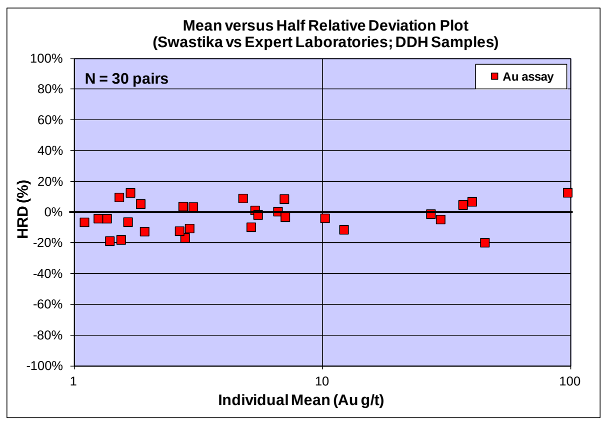
Project	Upper Beaver
Data Series	January 2011 Check Assays
Data Type	DDH Samples
Commodity	Au in g/t
Analytical Method	FA-GRAV
Detection Limit	0.30 g/t vs 0.03 g/t
Original Dataset	Swastika Labs Original Assays
Paired Dataset	Laboratoire Expert Check Assays

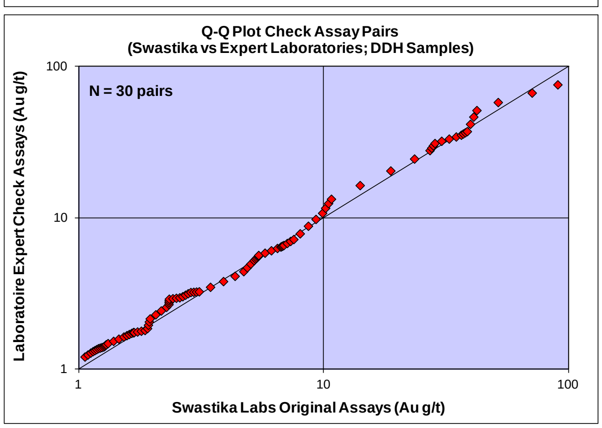
Statistics	Swastika	Expert
Sample Count	30	30
Minimum Value	1.03	1.17
Maximum Value	109.71	84.79
Mean	12.45	12.21
Median	3.89	3.81
Standard Error	4.03	3.49
Standard Deviation	22.05	19.13
Correlation Coefficient	0.9692	
Pairs ≤ 10% HARD	66.7%	

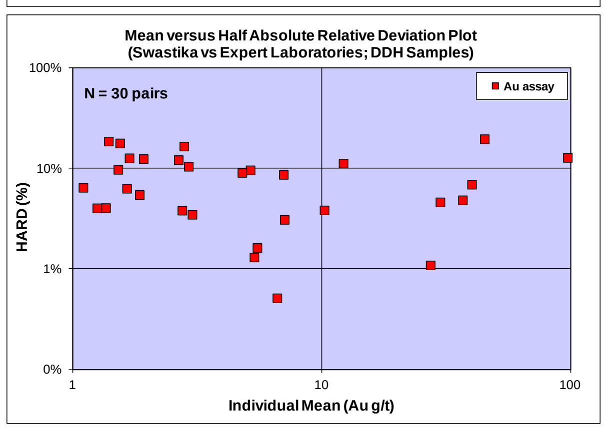










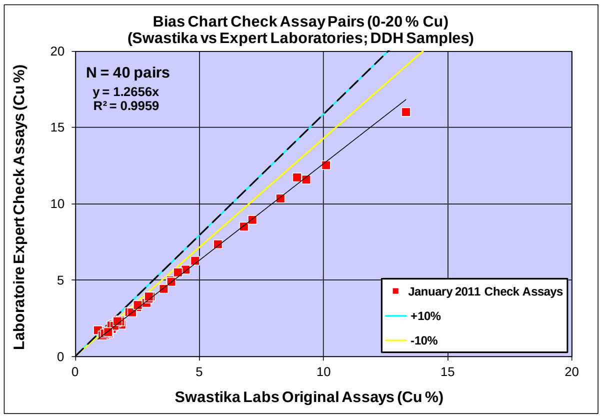


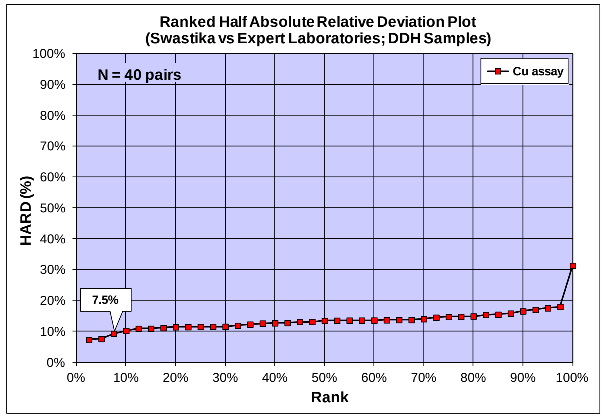
Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Swastika Laboratories versus Laboratoire Expert) – Copper Assays

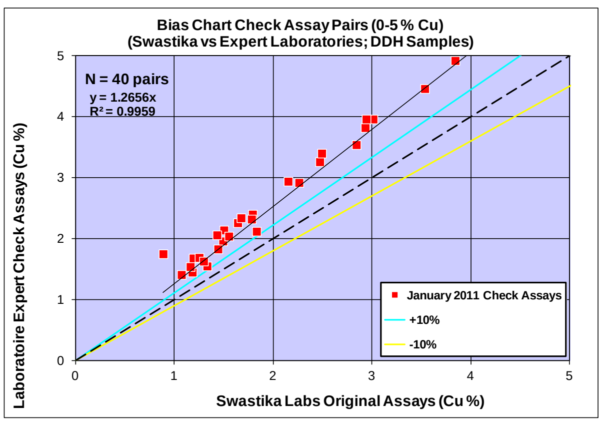
srk consulting

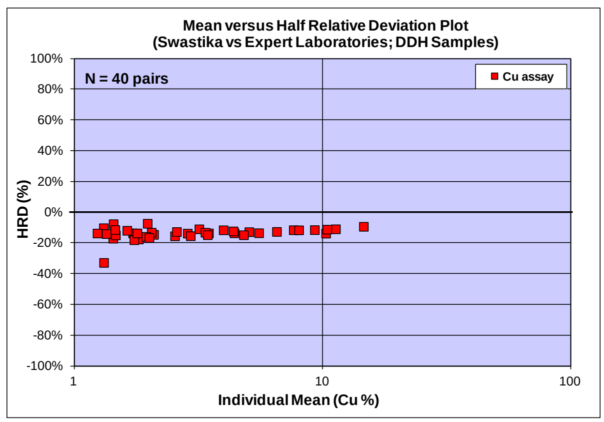
Project	Upper Beaver
Data Series	January 2011 Check Assays
Data Type	DDH Samples
Commodity	Cu in %
Analytical Method	AR-AAS vs Four Acid Digestion-AA
Detection Limit	0.0001% vs 0.01 %
Original Dataset	Swastika Labs Original Assays
Paired Dataset	Laboratoire Expert Check Assays

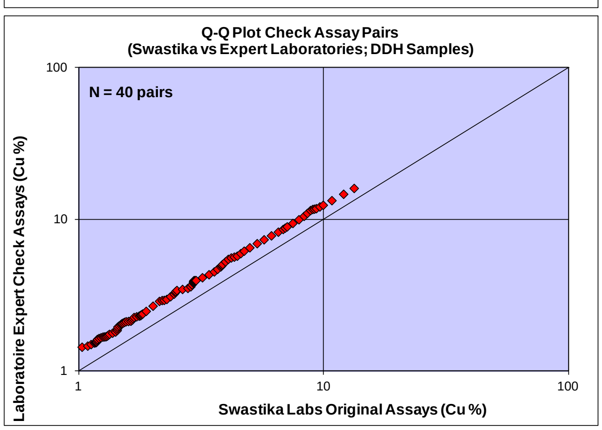
Statistics	Swastika	Expert
Sample Count	40	40
Minimum Value	0.89	1.41
Maximum Value	13.30	16.04
Mean	3.51	4.53
Median	2.37	3.10
Standard Error	0.47	0.58
Standard Deviation	2.96	3.65
Correlation Coefficient	0.9986	
Pairs ≤ 10% HARD	7.5%	

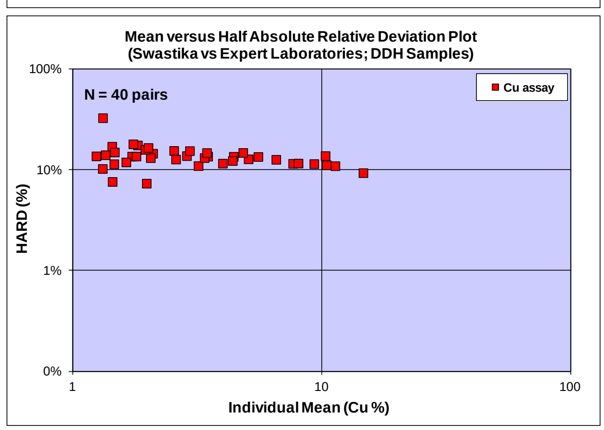










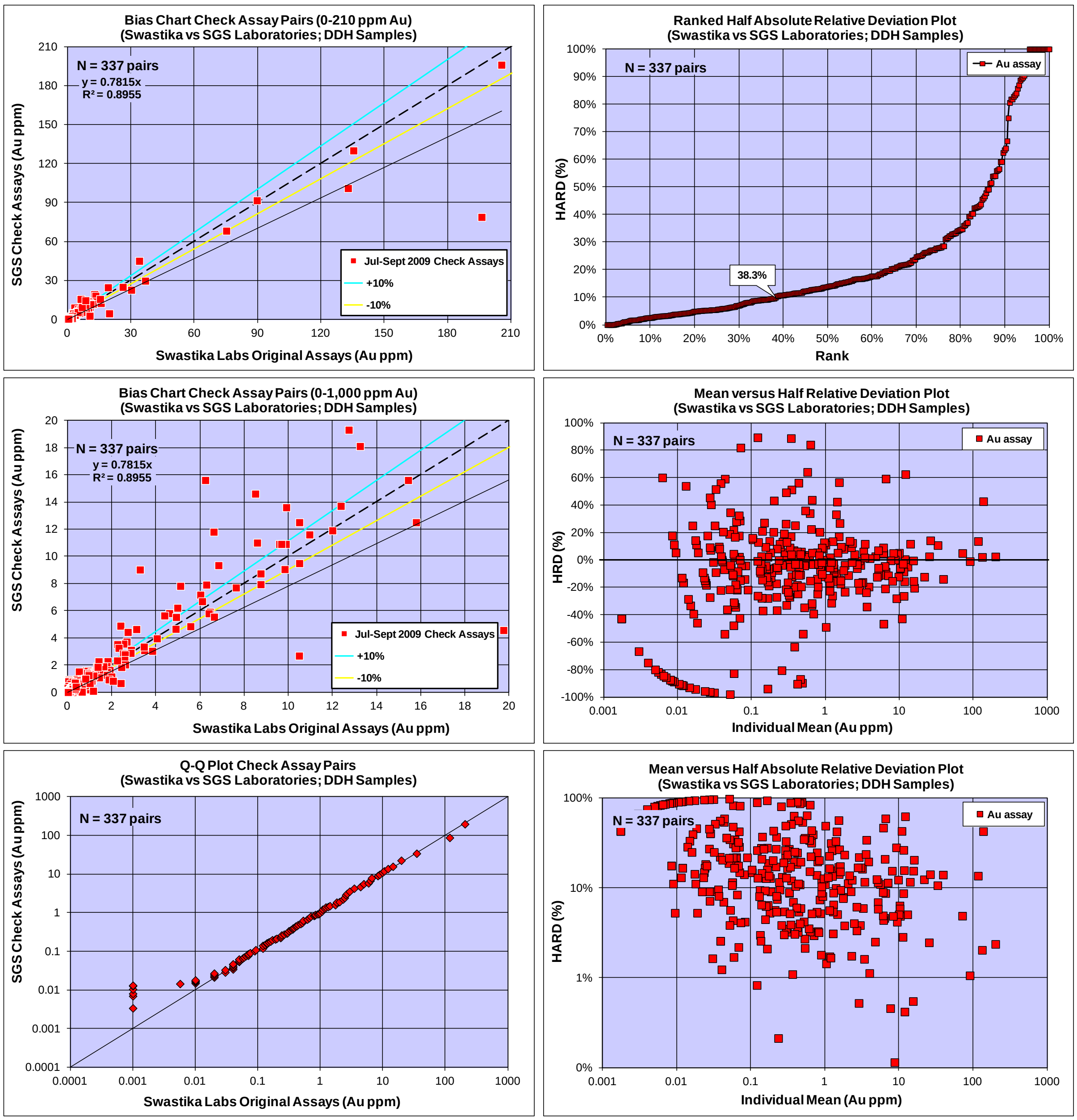


Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Swastika Laboratories versus SGS) – Gold Assays

srk consulting

Project	Upper Beaver
Data Series	Jul-Sept 2009 Check Assays
Data Type	DDH Samples
Commodity	Au in ppm
Analytical Method	FA-AAS vs FA-ICP-OES
Detection Limit	0.002 ppm vs 0.005 ppm
Original Dataset	Swastika Labs Original Assays
Paired Dataset	SGS Check Assays

Statistics	Swastika	SGS
Sample Count	337	337
Minimum Value	0.001	0.0025
Maximum Value	205.51	196.00
Mean	4.35	3.98
Median	0.30	0.30
Standard Error	1.08	0.88
Standard Deviation	19.83	16.22
Correlation Coefficient	0.9470	
Pairs ≤ 10% HARD	38.3%	

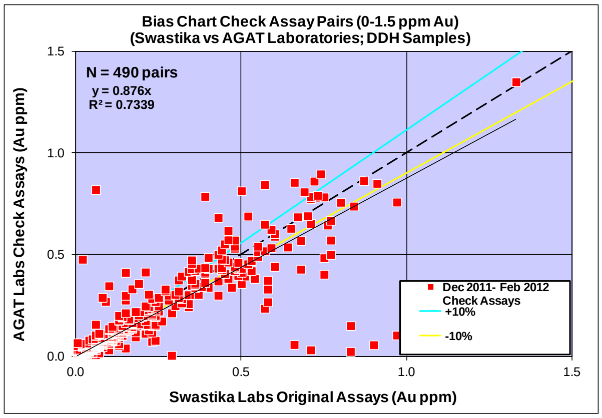


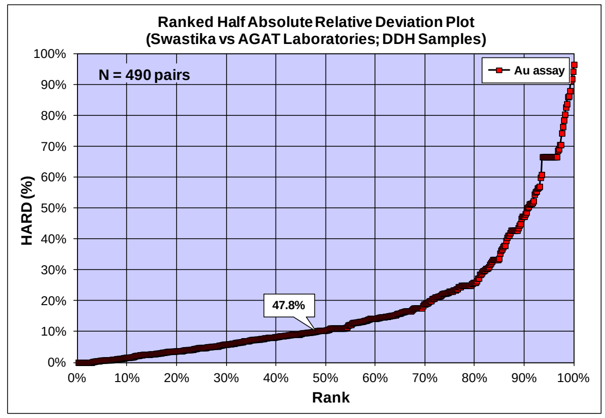
Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Swastika Laboratories versus AGAT Laboratories) – Gold Assays by Fire Assay with AAS Finish

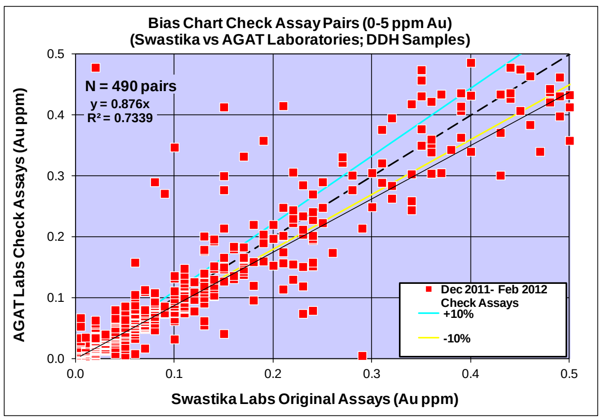
srk consulting

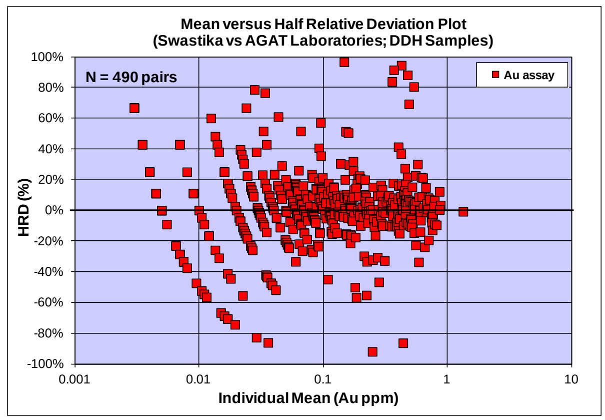
Project	Upper Beaver
Data Series	Dec 2011- Feb 2012 Check Assays
Data Type	DDH Samples
Commodity	Au in ppm
Analytical Method	FA-AAS
Detection Limit	0.01 ppm vs 0.002 ppm
Original Dataset	Swastika Labs Original Assays
Paired Dataset	AGAT Labs Check Assays

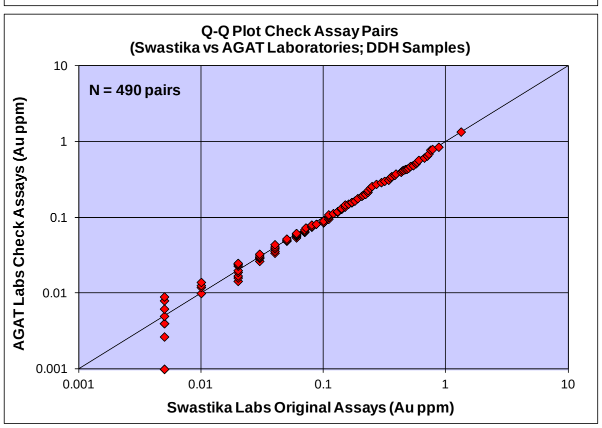
Statistics	Swastika	AGAT
Sample Count	490	490
Minimum Value	0.005	0.001
Maximum Value	1.33	1.35
Mean	0.19	0.18
Median	0.10	0.09
Standard Error	0.01	0.01
Standard Deviation	0.22	0.21
Correlation Coefficient	0.8610	
Pairs ≤ 10% HARD	47.8%	

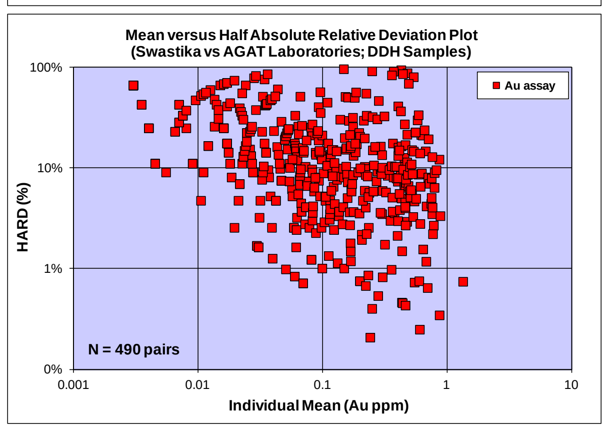












Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Swastika Laboratories versus AGAT Laboratories) – Gold Assays by Fire Assay with Gravimetric Finish

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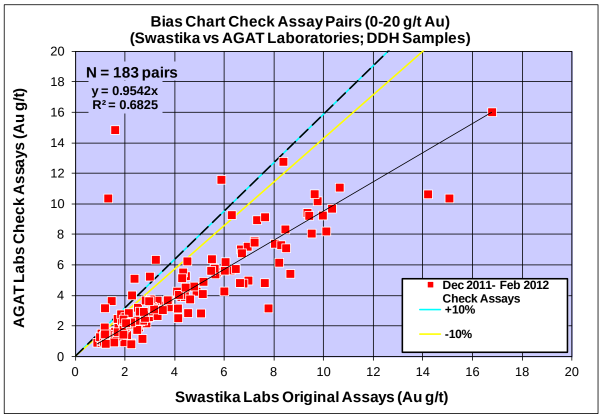
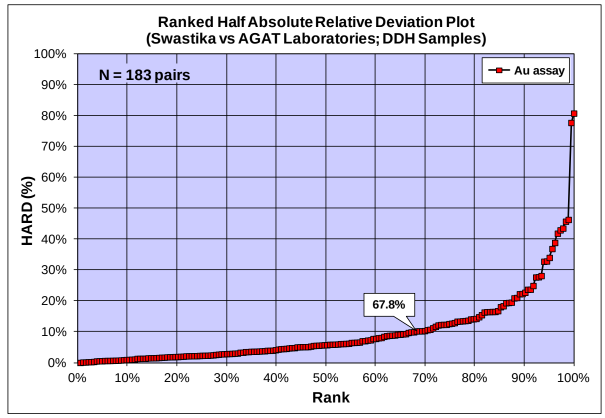
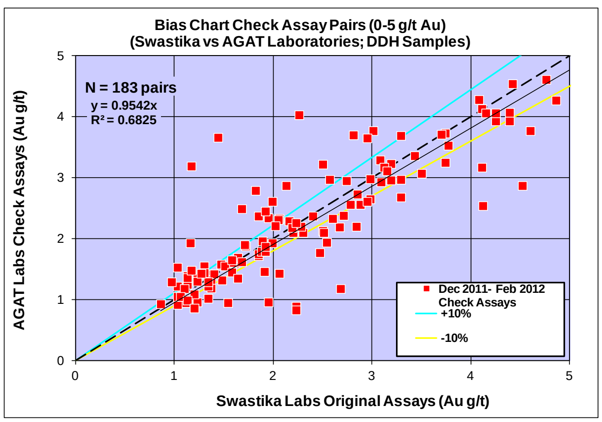
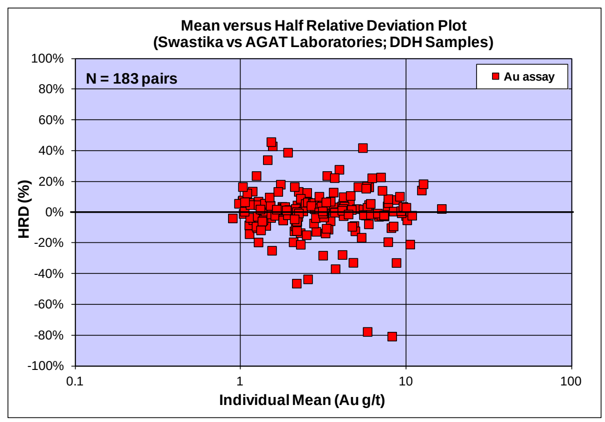
Project	Upper Beaver
Data Series	Dec 2011- Feb 2012 Check Assays
Data Type	DDH Samples
Commodity	Au in g/t
Analytical Method	FA-GRAV
Detection Limit	0.01 g/t vs 0.05 g/t
Original Dataset	Swastika Labs Original Assays
Paired Dataset	AGAT Labs Check Assays

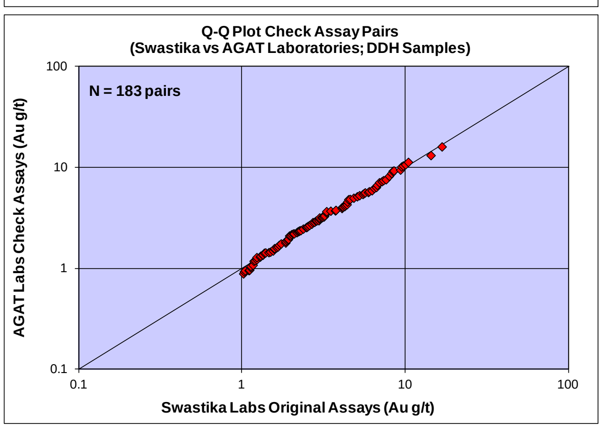
Statistics	Swastika	AGAT
Sample Count	183	183
Minimum Value	0.86	0.83
Maximum Value	16.77	16.03
Mean	3.77	3.83
Median	2.78	2.87
Standard Error	0.21	0.22
Standard Deviation	2.88	2.93
Correlation Coefficient	0.8361	
Pairs ≤ 10% HARD	67.8%	

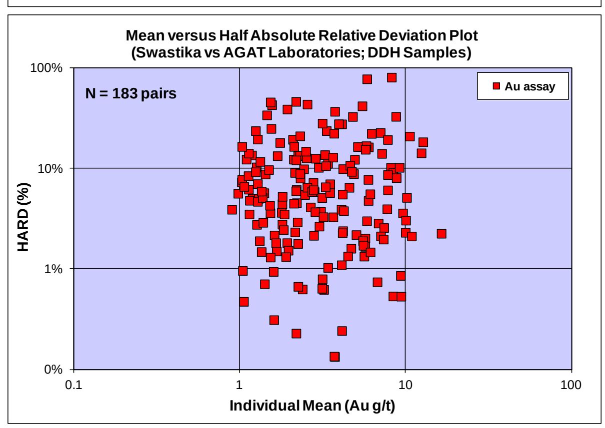












Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Swastika Laboratories versus AGAT Laboratories) – Copper Assays

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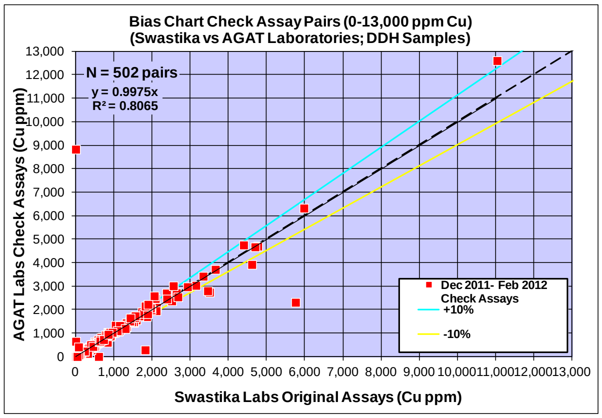
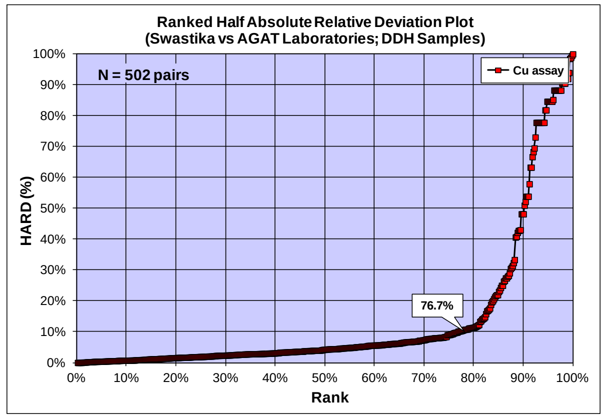
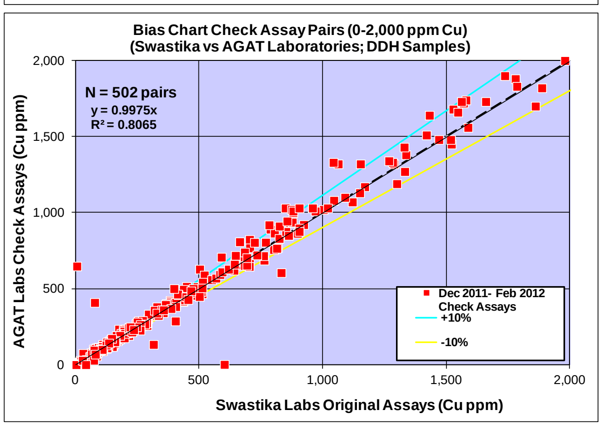
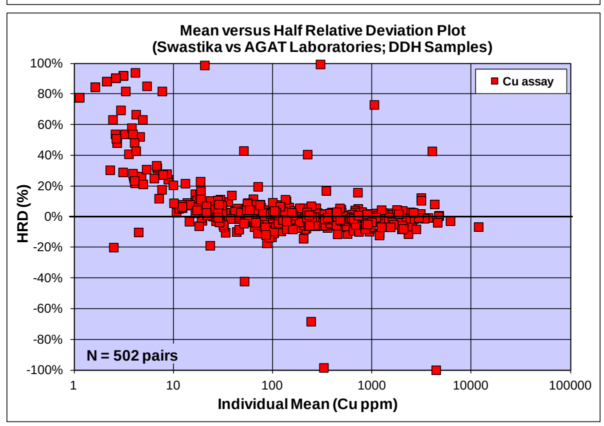
Project	Upper Beaver
Data Series	Dec 2011- Feb 2012 Check Assays
Data Type	DDH Samples
Commodity	Cu in ppm
Analytical Method	AR-AAS vs AR-ICP-OES
Detection Limit	1 ppm vs 0.5 ppm
Original Dataset	Swastika Labs Original Assays
Paired Dataset	AGAT Labs Check Assays

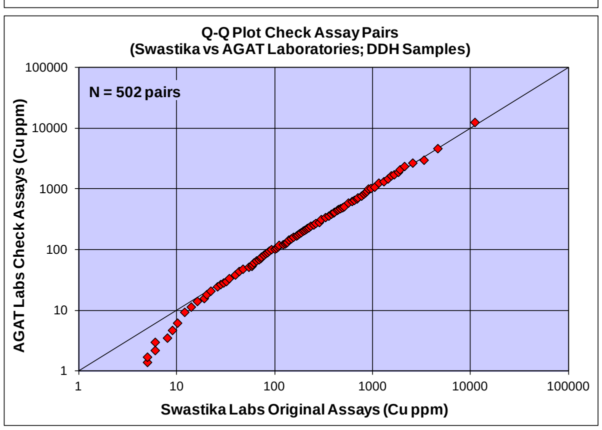
Statistics	Swastika	AGAT
Sample Count	502	502
Minimum Value	1	0.25
Maximum Value	11,040	12,600
Mean	472.29	493.77
Median	139.00	145.50
Standard Error	41.20	45.17
Standard Deviation	923.19	1,012.07
Correlation Coefficient	0.8984	
Pairs ≤ 10% HARD	76.7%	

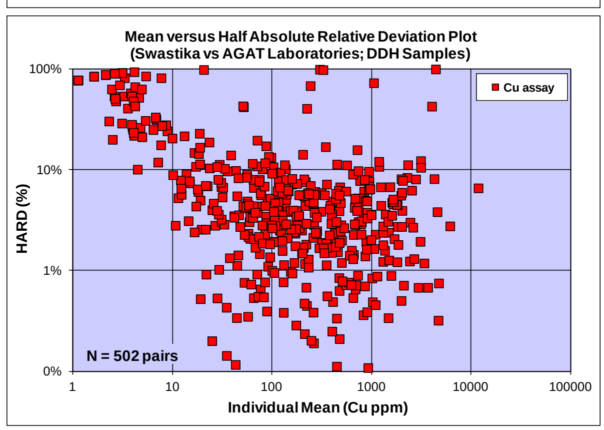












Time series plots for Field Blanks and Certified Standard Samples Assayed by Accurassay Laboratories during February 2007 to August 2012 – Gold Assays

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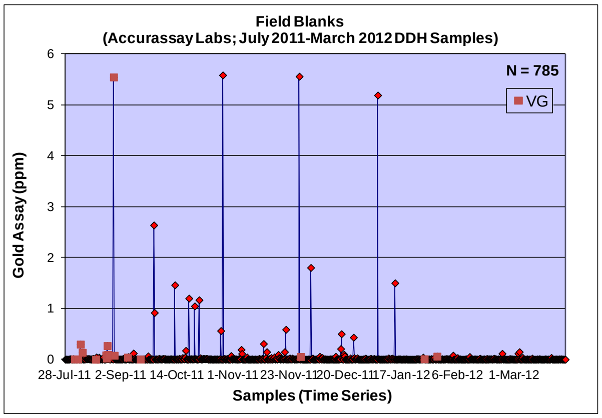
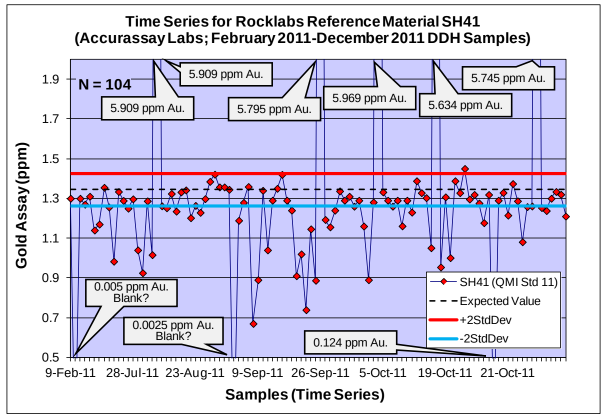
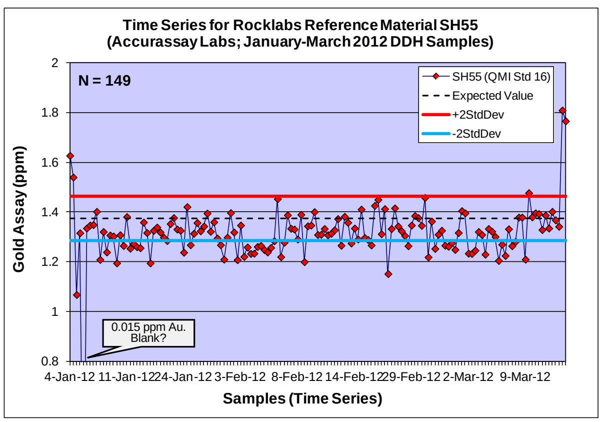
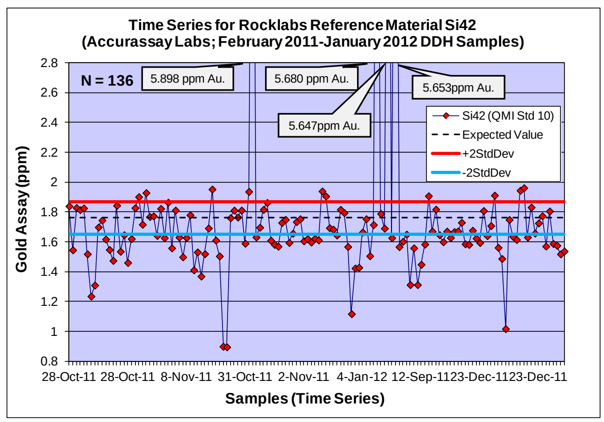
Project	Upper Beaver
Data Series	Feb 2011-Jun 2012 Stds & Field Blk
Data Type	DDH Samples
Commodity	Au in ppm
Laboratory	Accurassay Labs
Analytical Method	Fire Assay with AAS Finish
Detection Limit	0.005 ppm

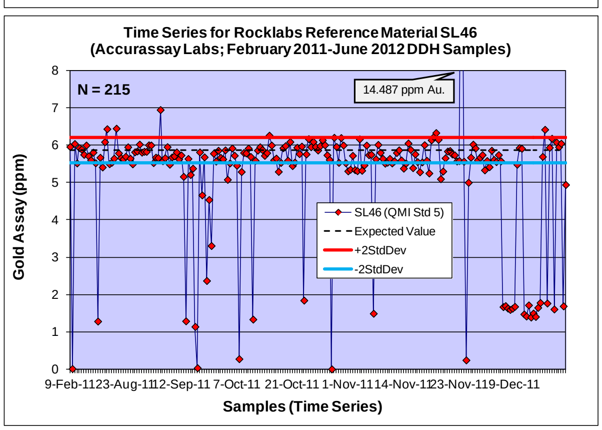
Statistics	Field Blank	#11 SH41	#16 SH55	#10 Si42	#5 SL46	#14 SL61
Sample Count	785	104	149	136	215	162
Expected Value	-	1.344	1.375	1.761	5.867	5.931
Standard Deviation	-	0.041	0.045	0.054	0.170	0.177
Mean	0.057	1.416	1.314	1.765	5.165	5.484
Outside 2StdDev	-	49.0%	36.9%	61.8%	35.3%	63.0%
Below 2StdDev	-	45	50	70	68	101
Above 2StdDev	-	6	5	14	8	1

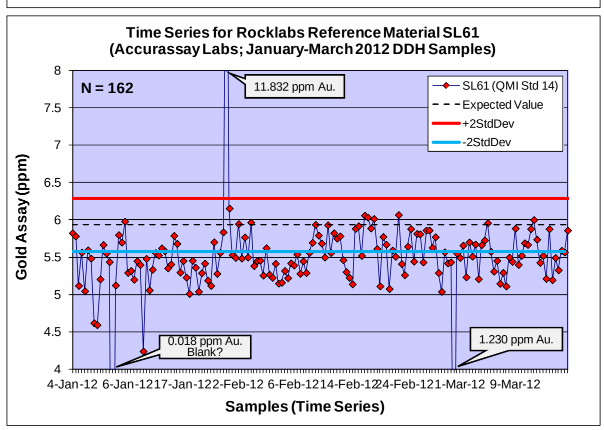












Time series plots for Field Blanks and Certified Standard Samples Assayed by Accurassay Laboratories during February 2007 to August 2012 – Copper Assays

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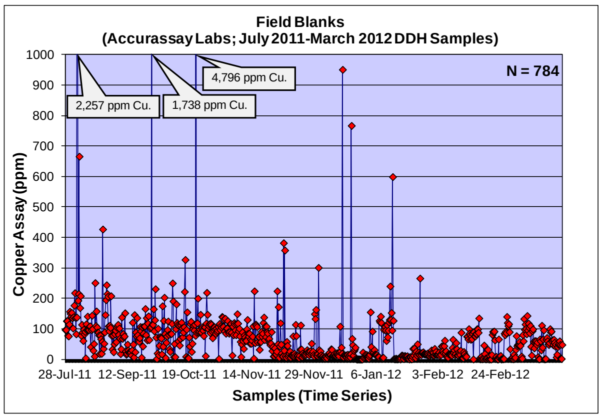
Project	Upper Beaver
Data Series	Feb 2011-Jun 2012 Field Blk
Data Type	DDH Samples
Commodity	Cu in ppm
Laboratory	Accurassay Labs
Analytical Method	Aqua Regia with ICP-OES Finish
Detection Limit	1 ppm

Statistics	**Field Blank**
Sample Count	784
Expected Value	-
Standard Deviation	-
Mean	76
Outside 2StdDev	-
Below 2StdDev	-
Above 2StdDev	-



Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Accurassay Laboratories versus AGAT Laboratories) – Gold Assays

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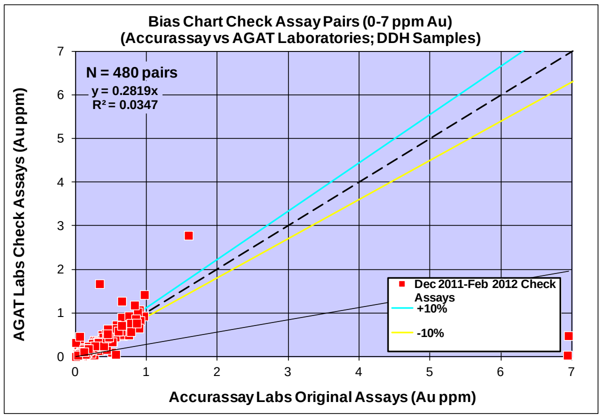
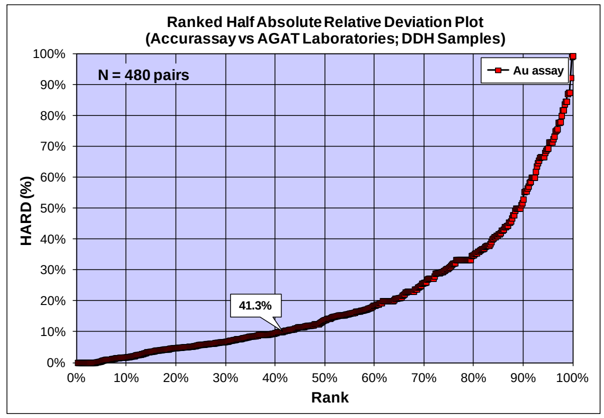
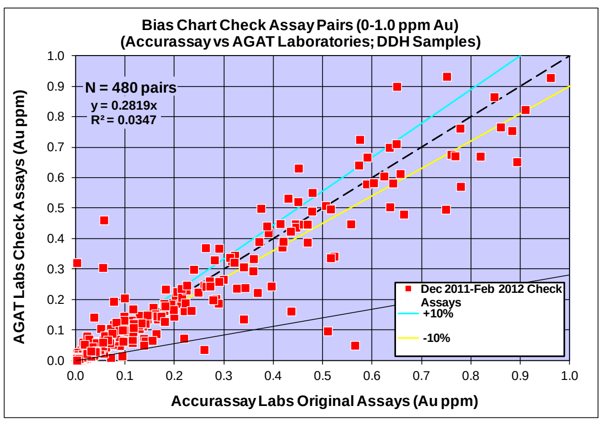
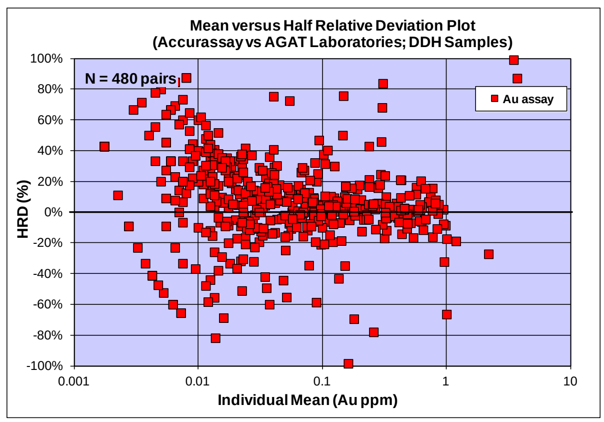
Project	Upper Beaver
Data Series	Dec 2011-Feb 2012 Check Assays
Data Type	DDH Samples
Commodity	Au in ppm
Analytical Method	FA-AAS
Detection Limit	0.005 ppm vs 0.002 ppm
Original Dataset	Accurassay Labs Original Assays
Paired Dataset	AGAT Labs Check Assays

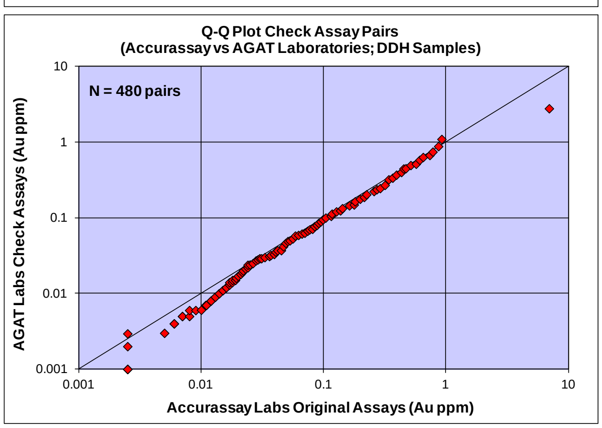
Statistics	Accurassay	AGAT
Sample Count	480	480
Minimum Value	0.0025	0.001
Maximum Value	6.95	2.78
Mean	0.16	0.14
Median	0.04	0.04
Standard Error	0.02	0.01
Standard Deviation	0.49	0.25
Correlation Coefficient	0.4210	
Pairs ≤ 10% HARD	41.3%	

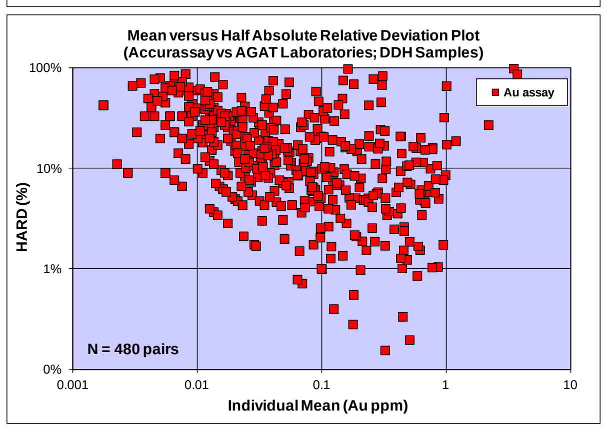










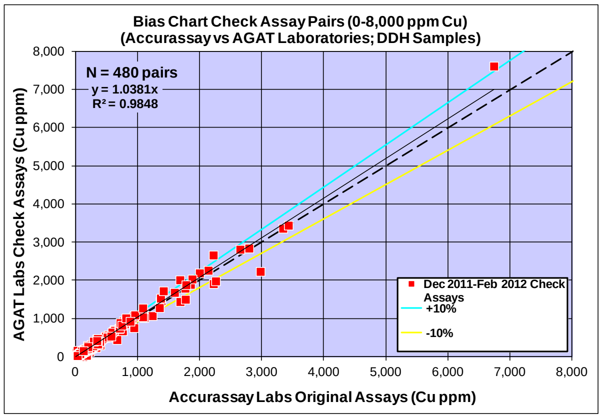


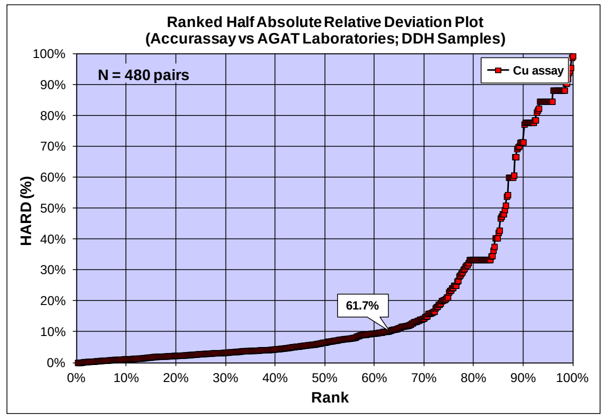
Bias Charts, Quantile-Quantile and Relative Precision Plots for Check Assays (Accurassay Laboratories versus AGAT Laboratories) – Copper Assays

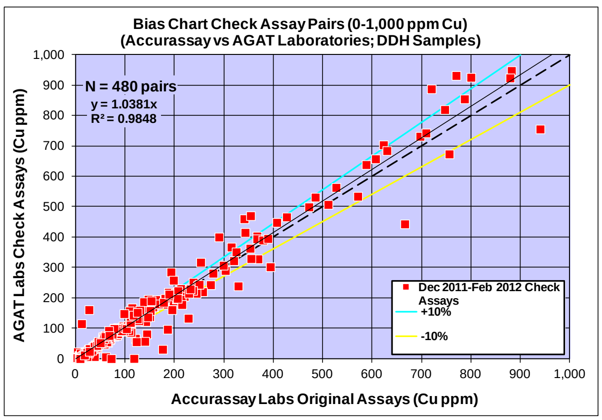
srk consulting

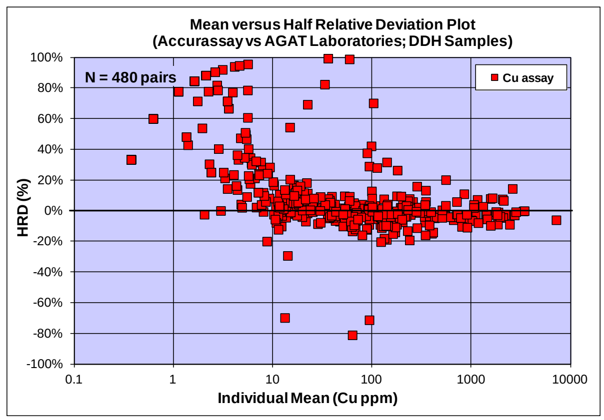
Project	Upper Beaver
Data Series	Dec 2011-Feb 2012 Check Assays
Data Type	DDH Samples
Commodity	Cu in ppm
Analytical Method	AR-ICP-OES
Detection Limit	1 ppm vs 0.5 ppm
Original Dataset	Accurassay Labs Original Assays
Paired Dataset	AGAT Labs Check Assays

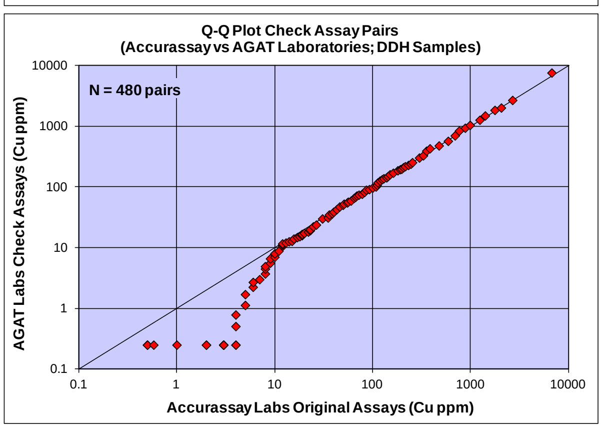
Statistics	Accurassay	AGAT
Sample Count	480	480
Minimum Value	0.50	0.25
Maximum Value	6,741	7,610
Mean	223.11	228.50
Median	40.00	38.80
Standard Error	25.63	26.87
Standard Deviation	561.54	588.63
Correlation Coefficient	0.9924	
Pairs ≤ 10% HARD	61.7%	

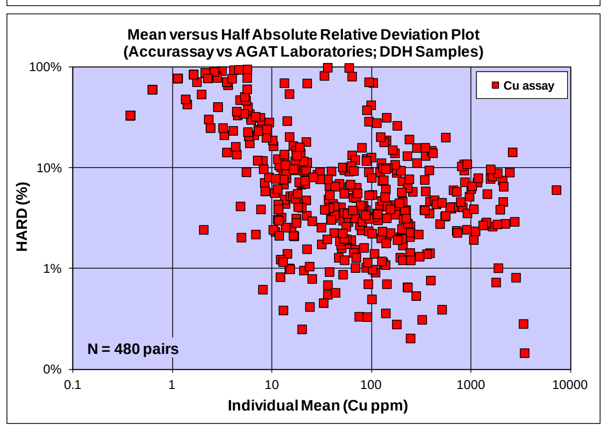








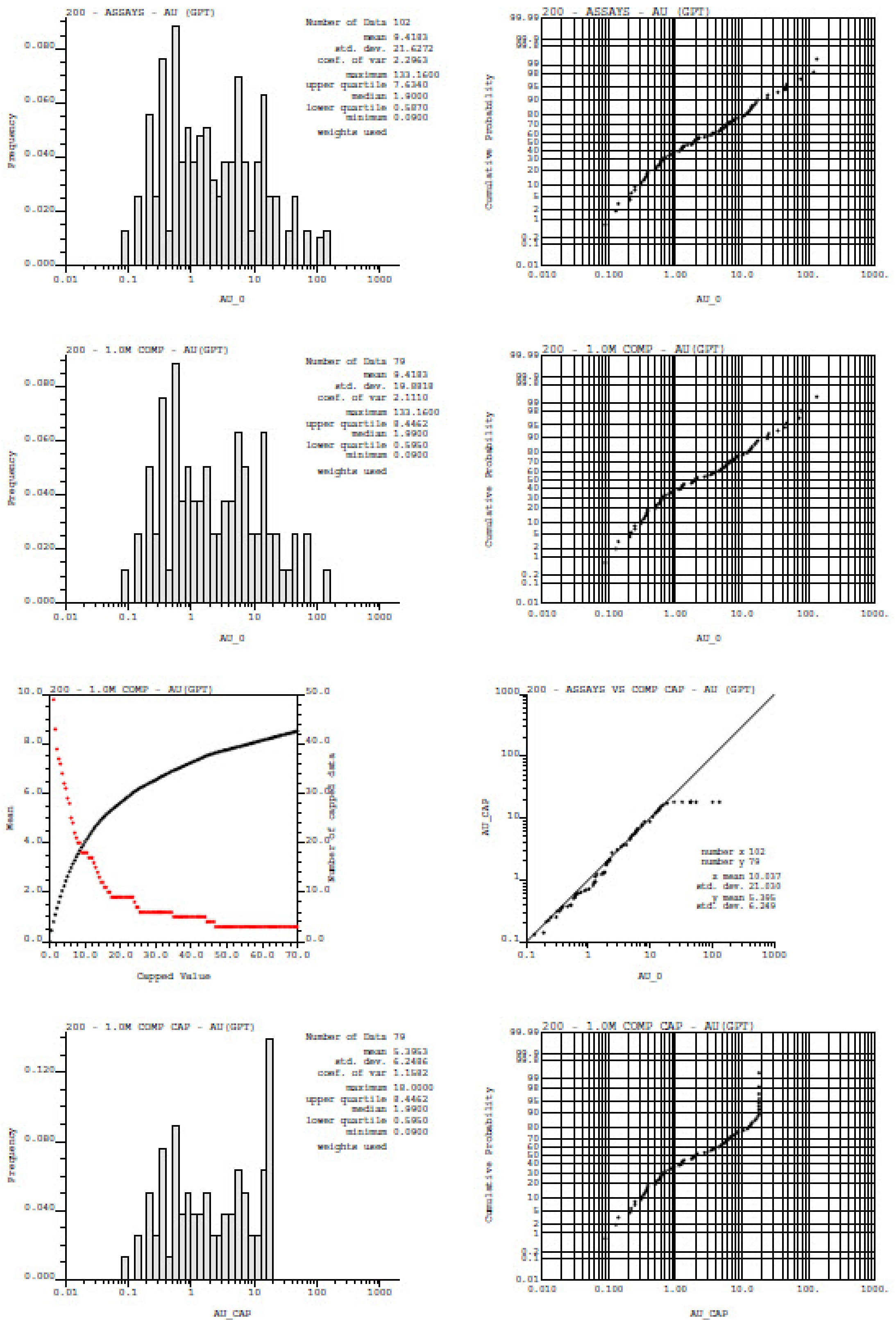




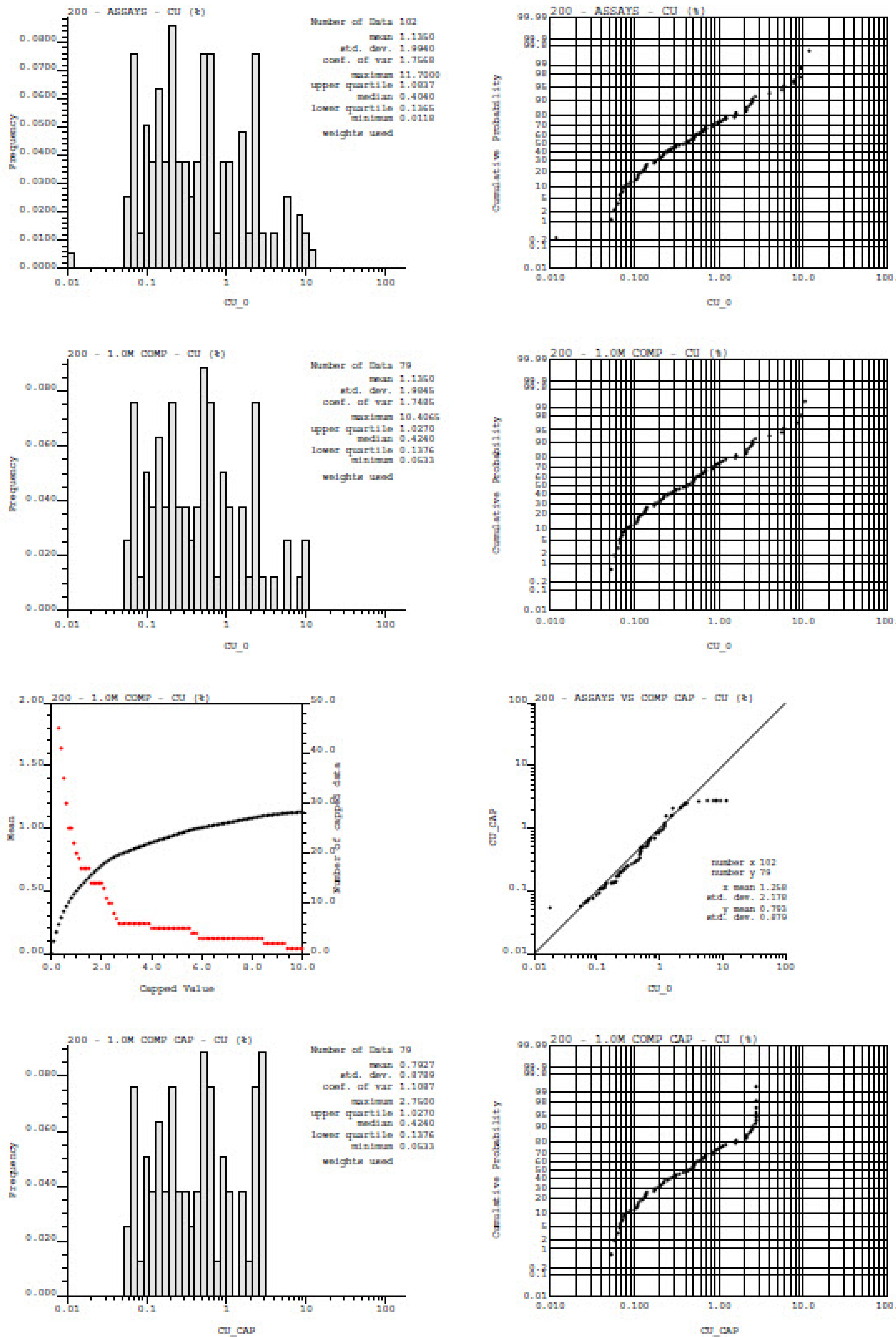
APPENDIX H

Base Statistics

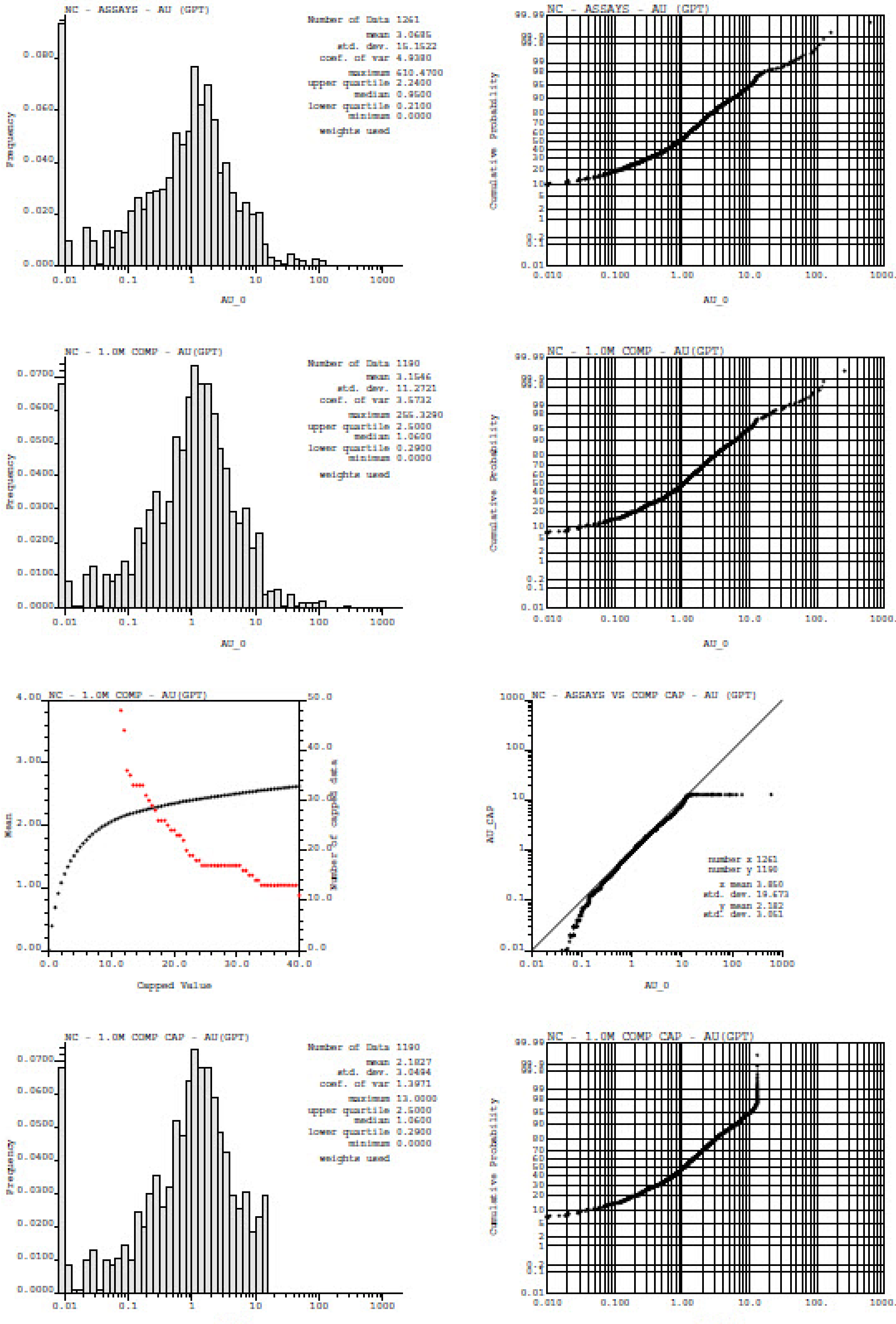
Basic Statistics of Gold Values for the 200 Zone



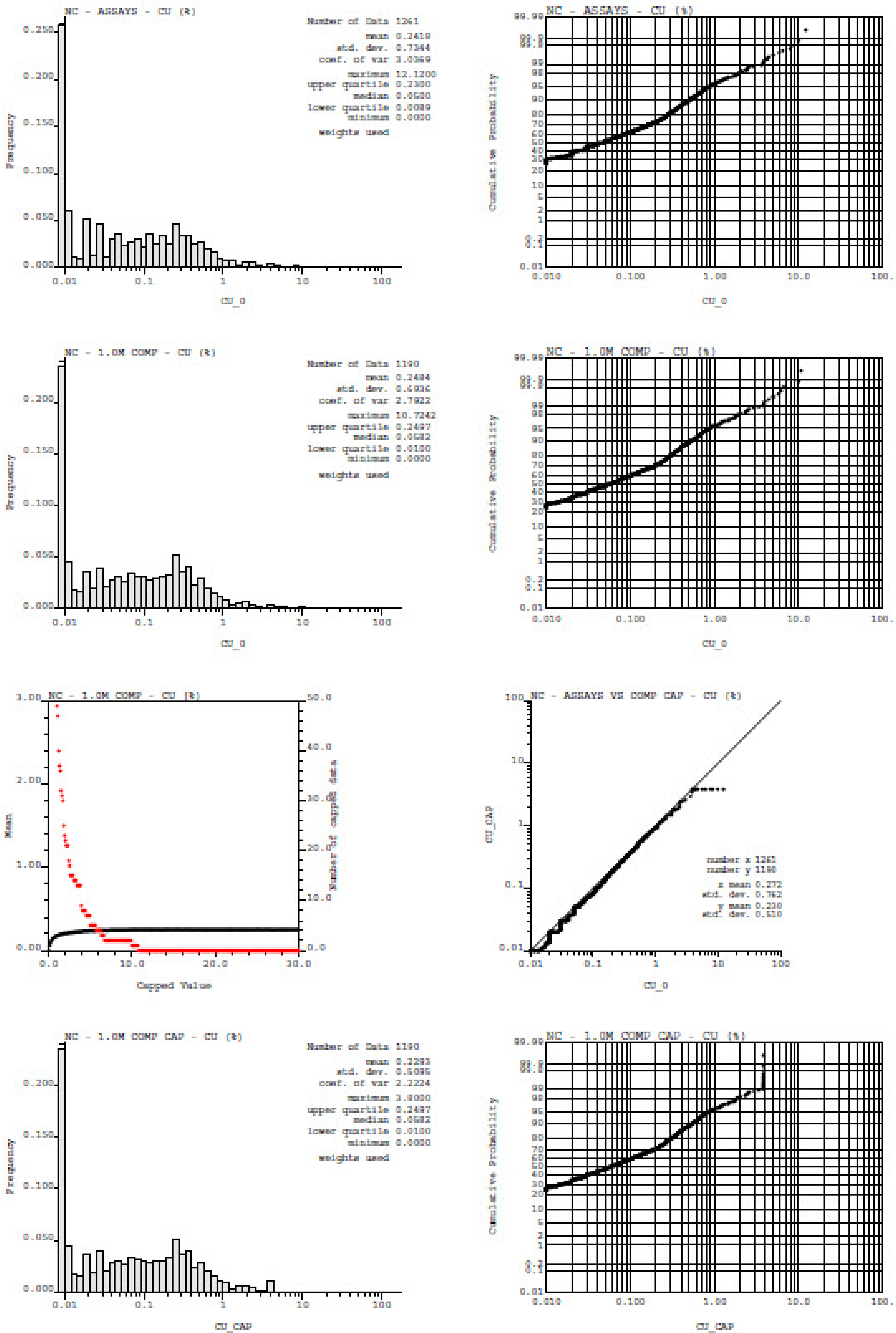
Basic Statistics of Copper Values for the 200 Zone



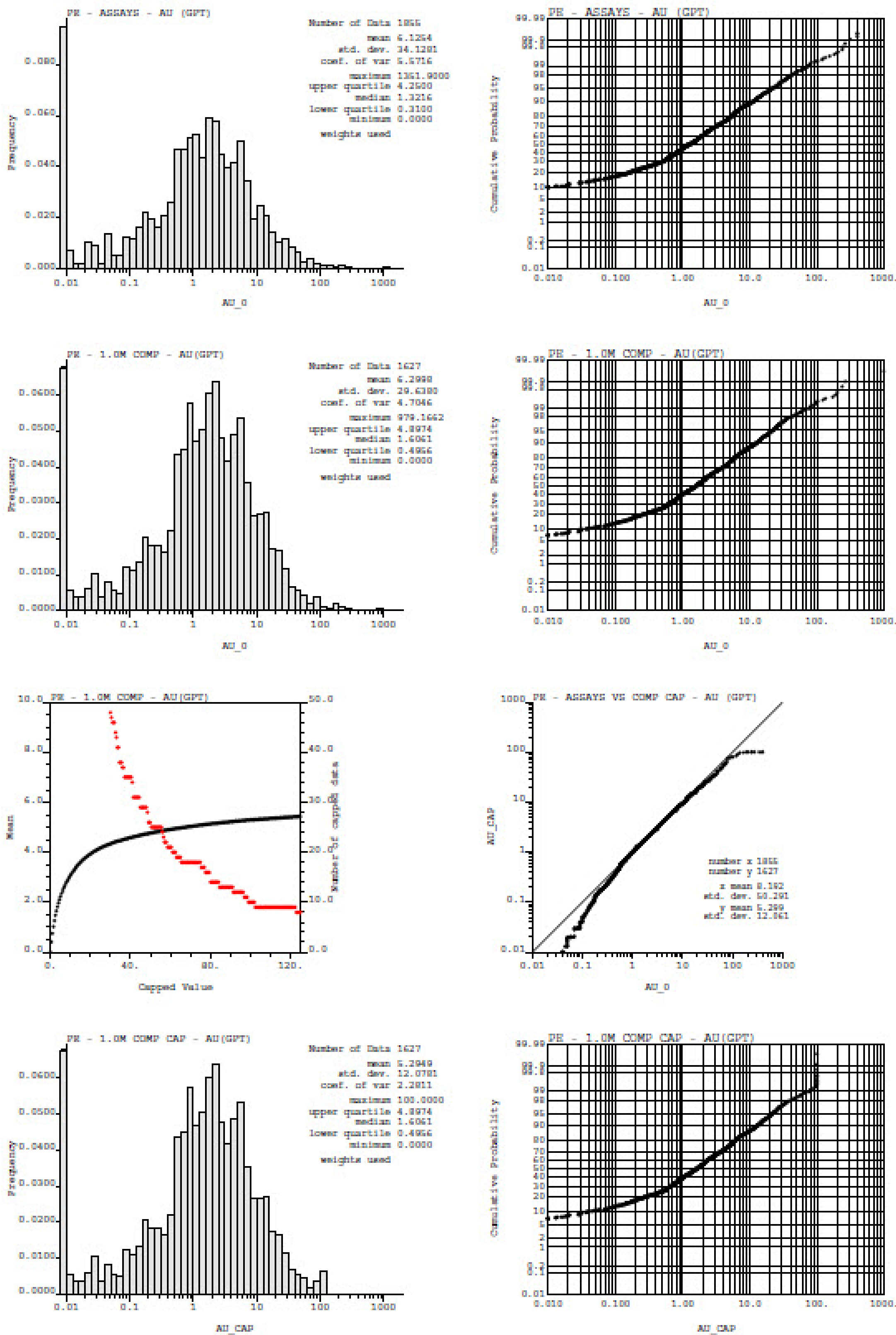
Basic Statistics of Gold Values for the North Contact Zone



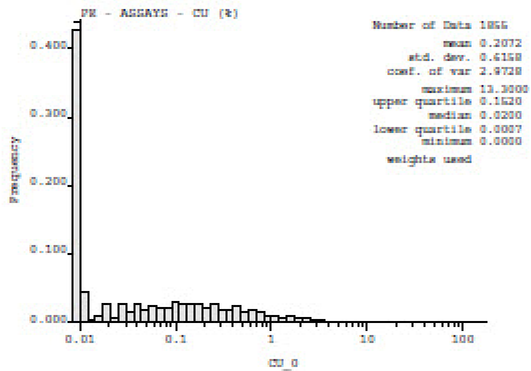
Basic Statistics of Copper Values for the North Contact Zone

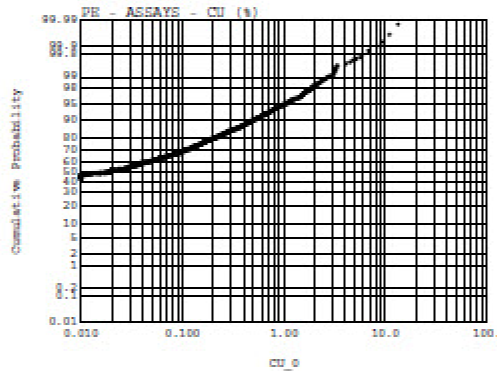


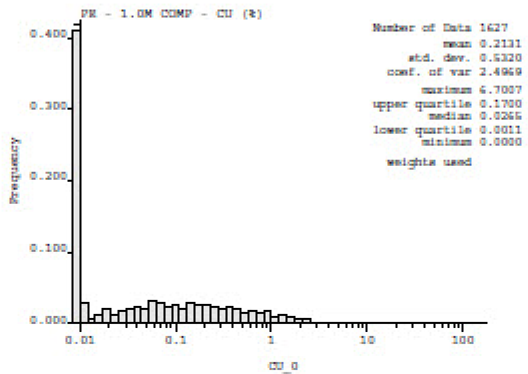
Basic Statistics of Gold Values for the Porphyry East Zone

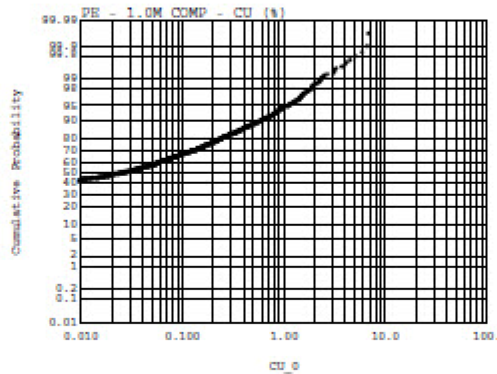


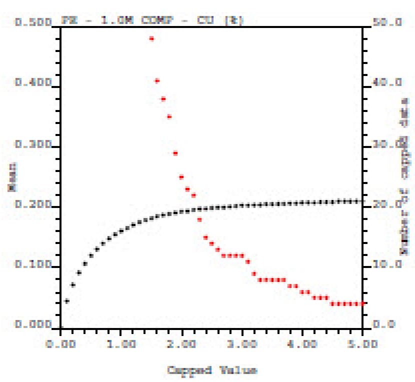
Basic Statistics of Copper Values for the Porphyry East Zone

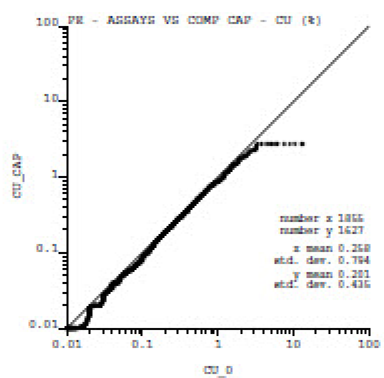


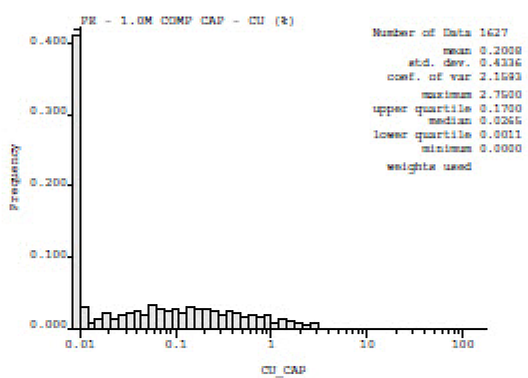


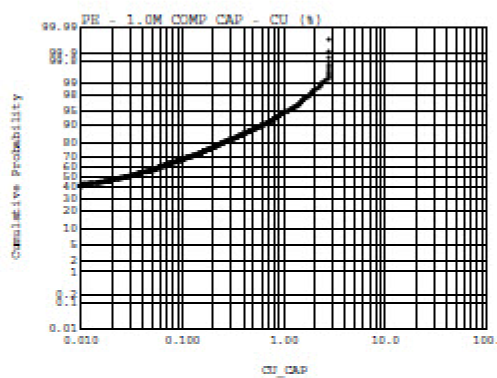




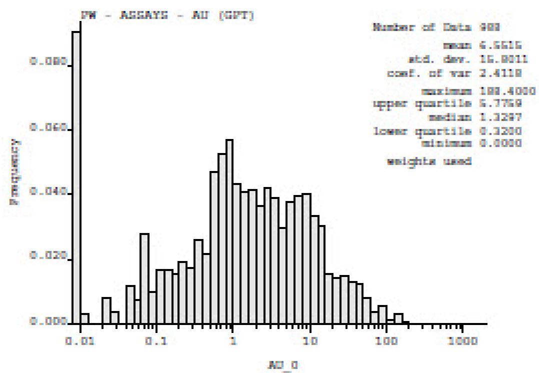


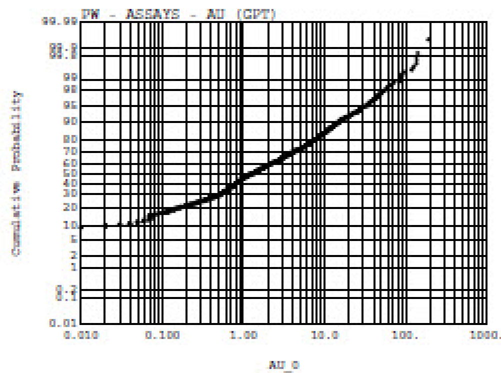


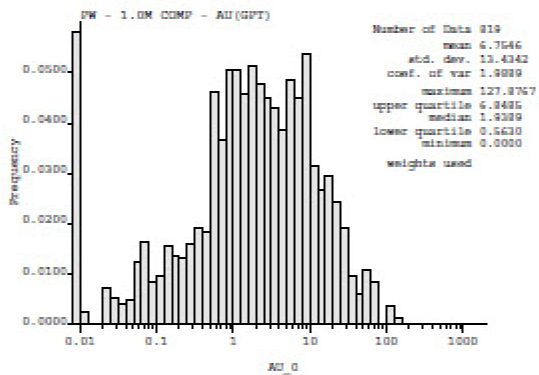


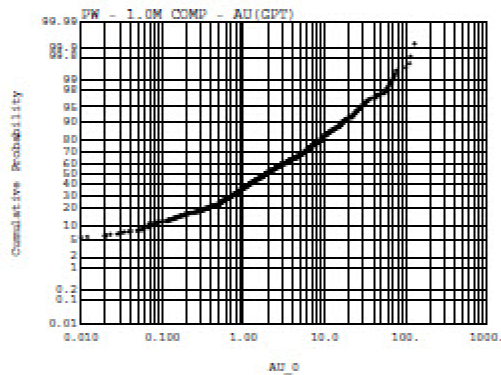


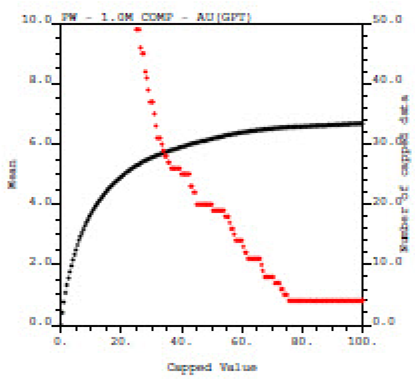
Basic Statistics of Gold Values for the Porphyry West Zone

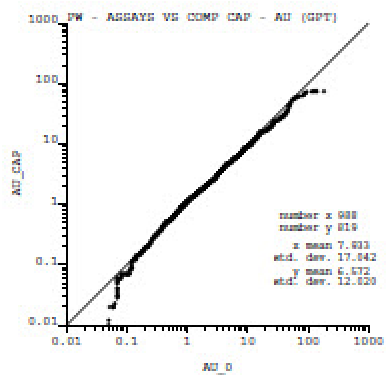


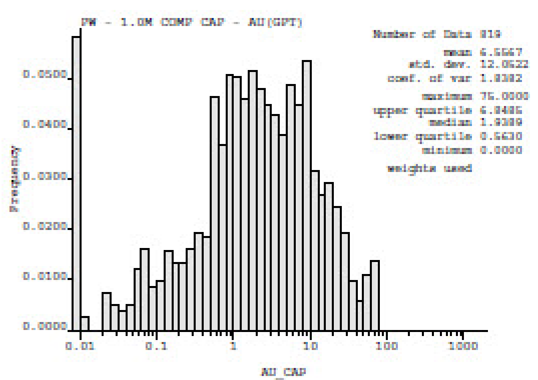


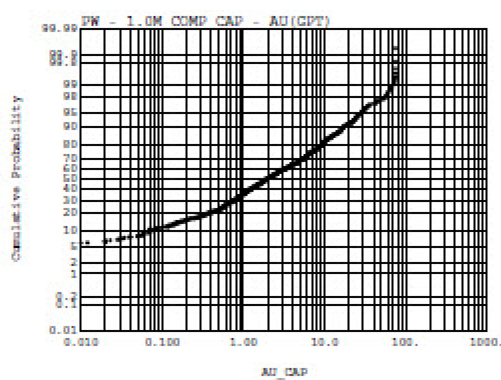




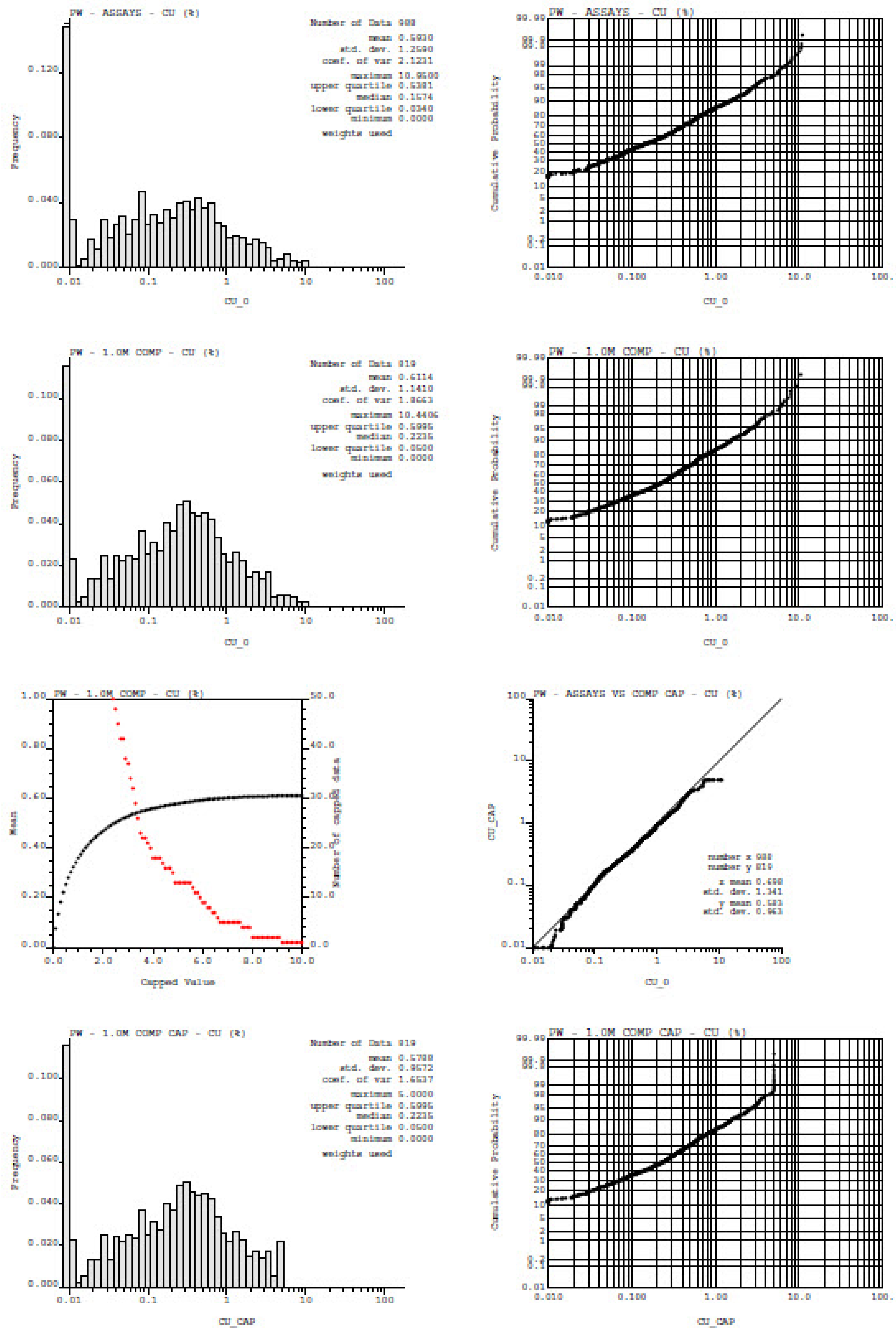




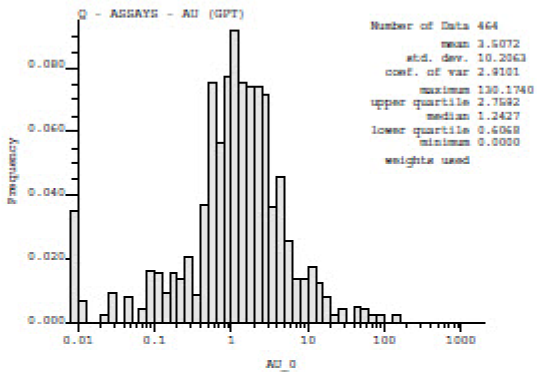


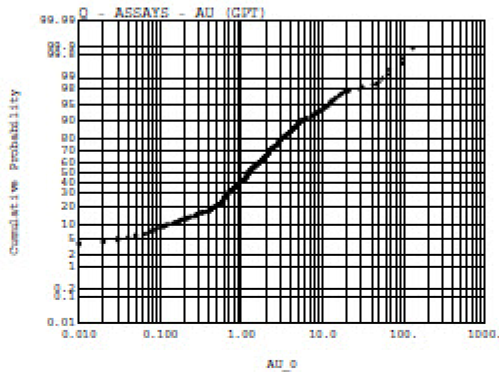


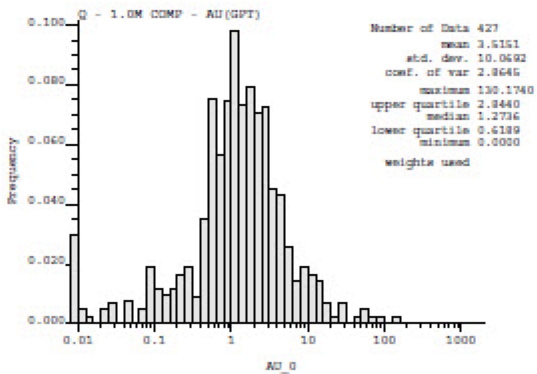
Basic Statistics of Copper Values for the Porphyry West Zone

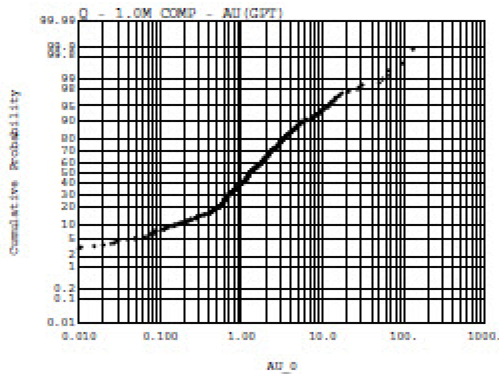


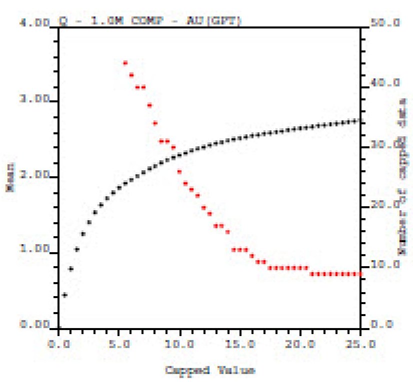
Basic Statistics of Gold Values for the Q Zone

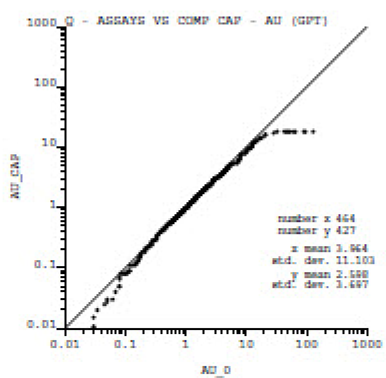


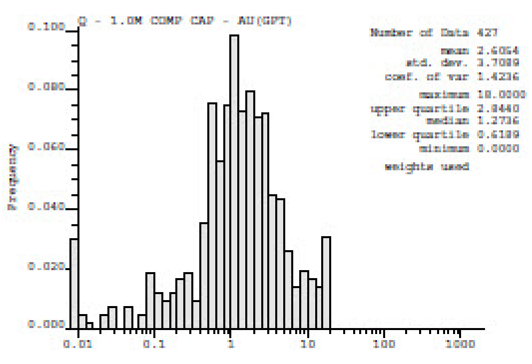


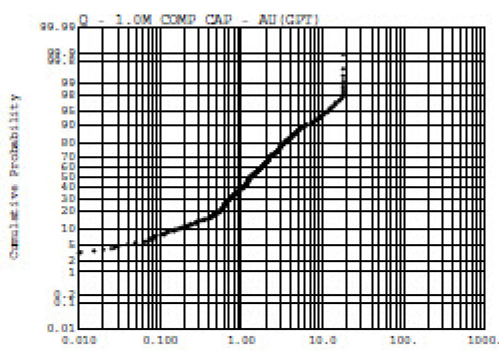




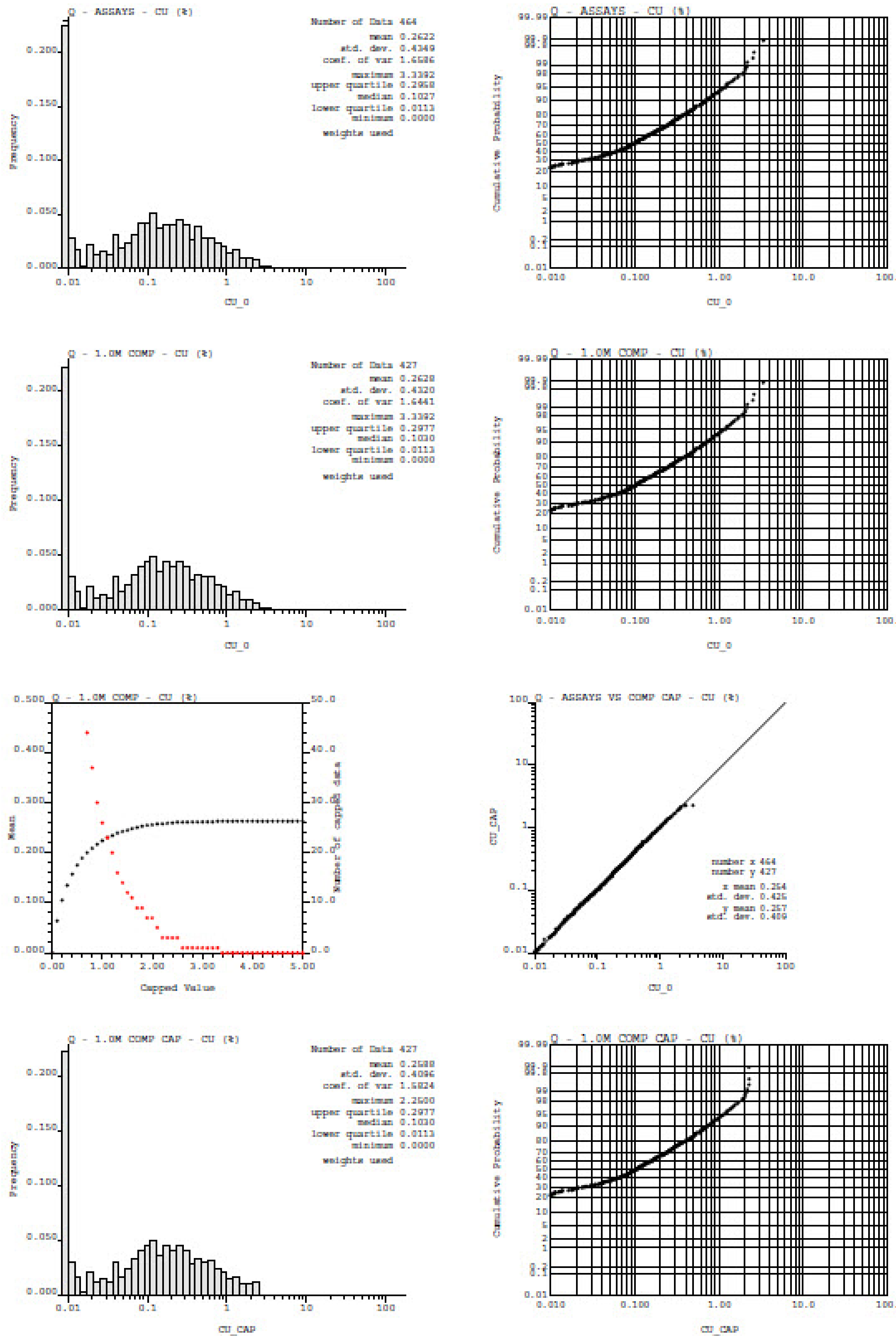




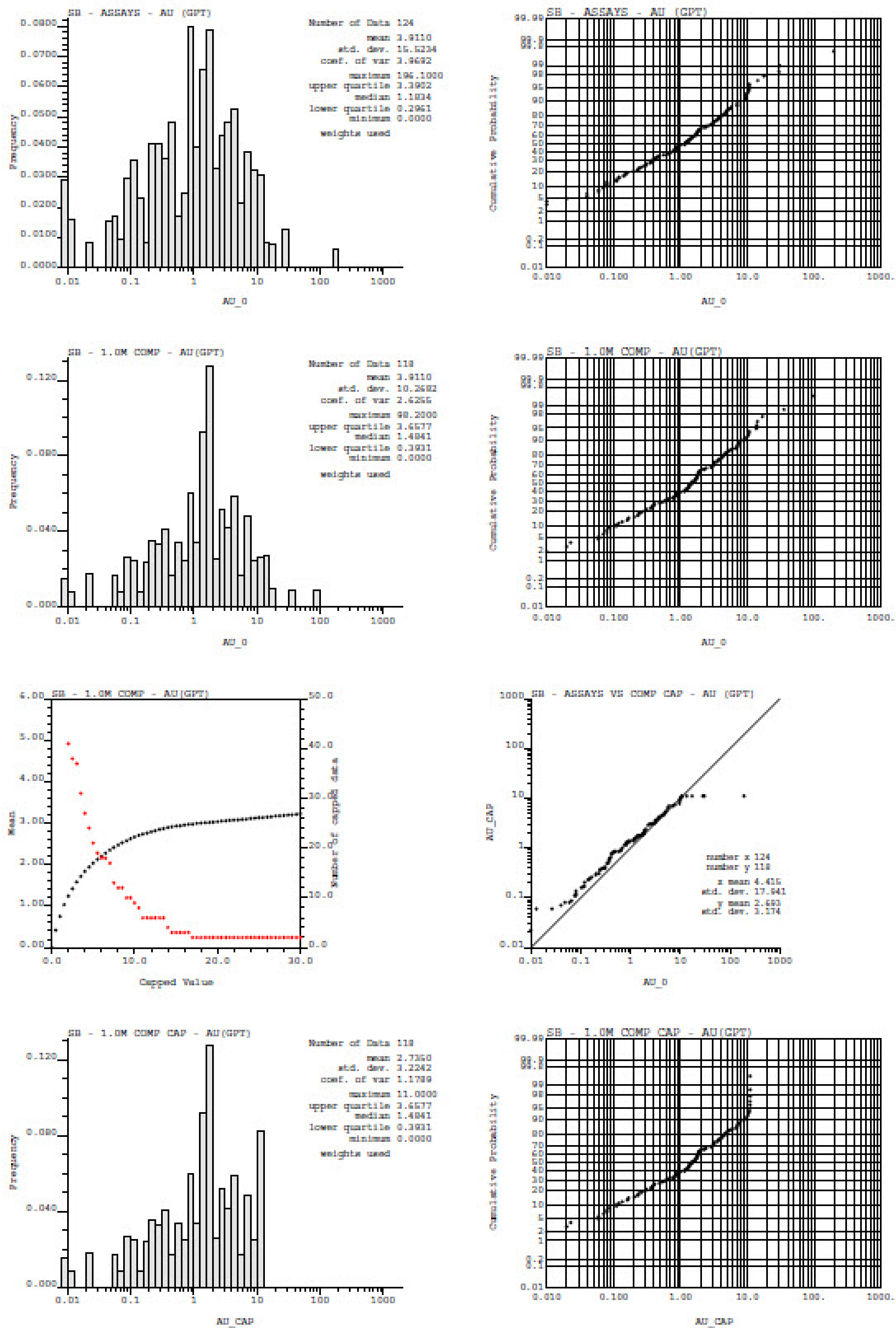




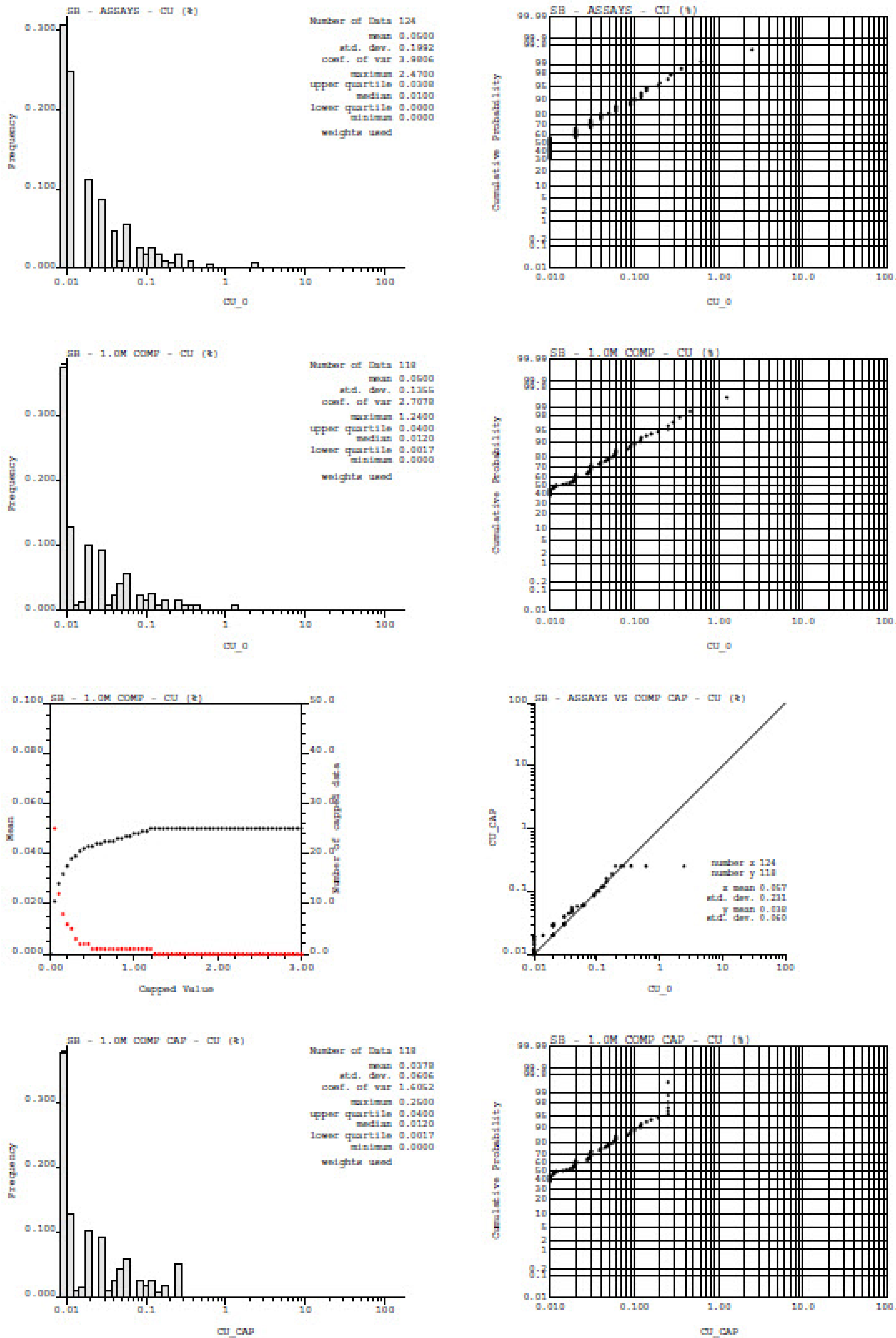
Basic Statistics of Copper Values for the Q Zone



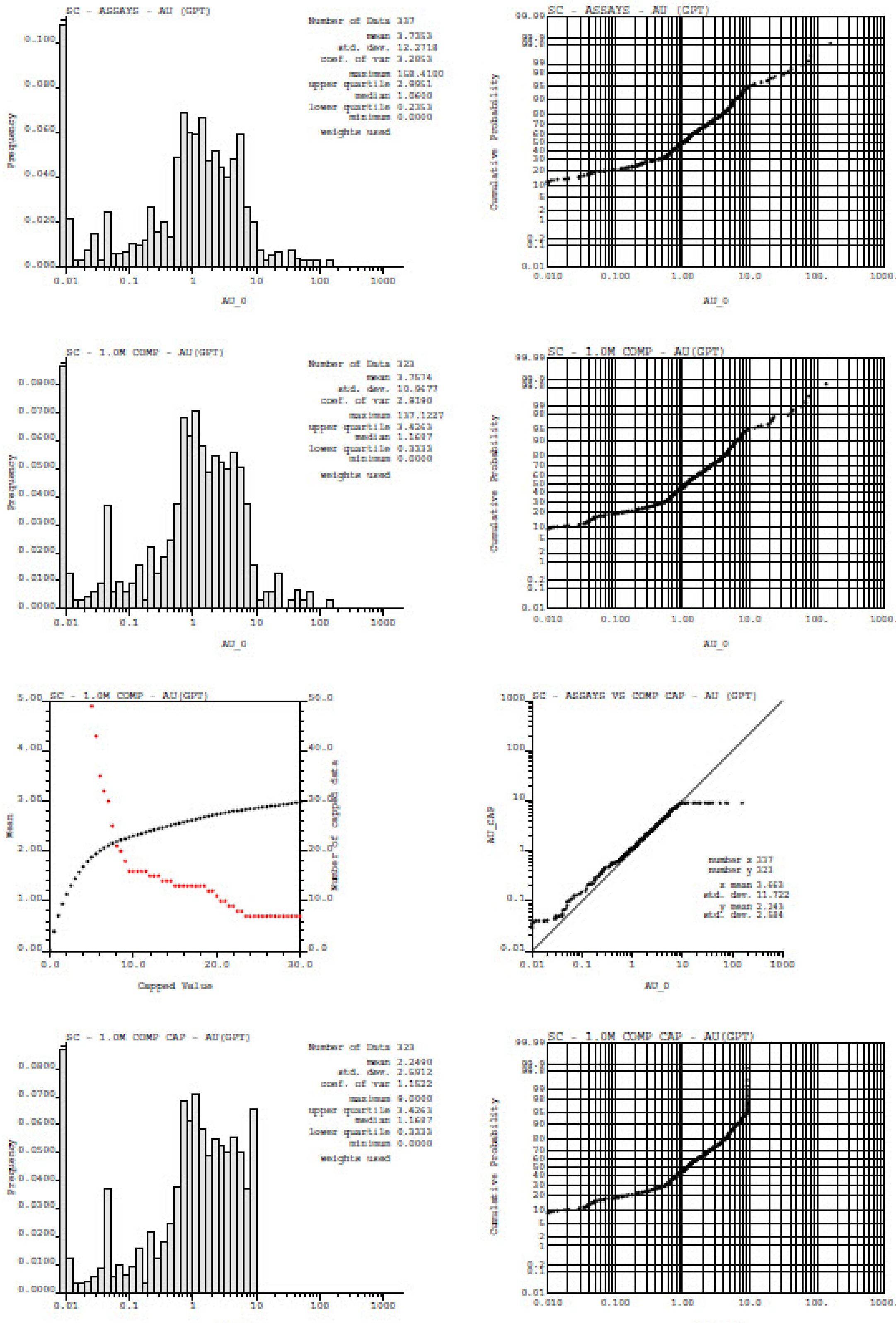
Basic Statistics of Gold Values for the Syenite Breccia Zone



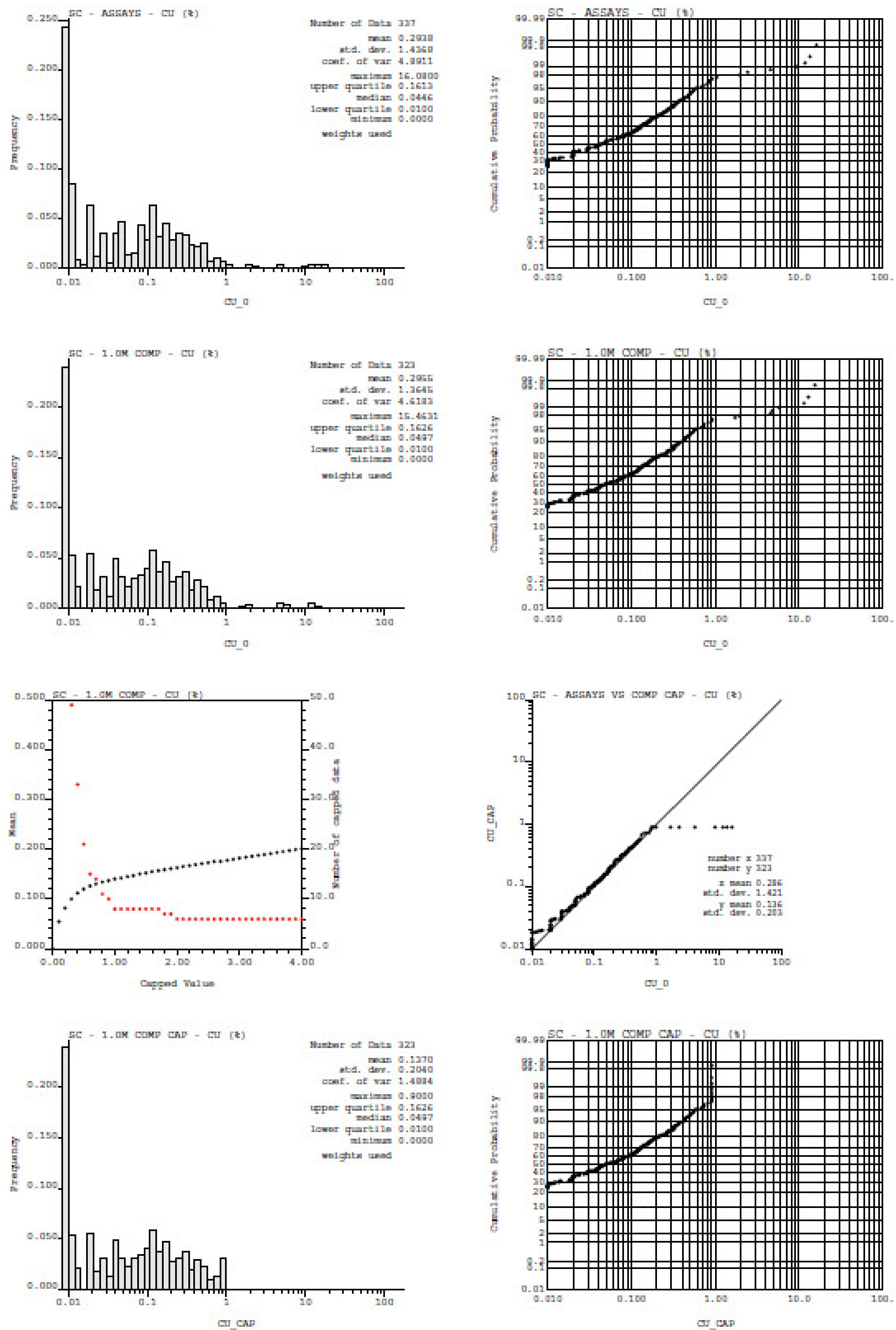
Basic Statistics of Copper Values for the Syenite Breccia Zone



Basic Statistics of Gold Values for the South Contact Zone



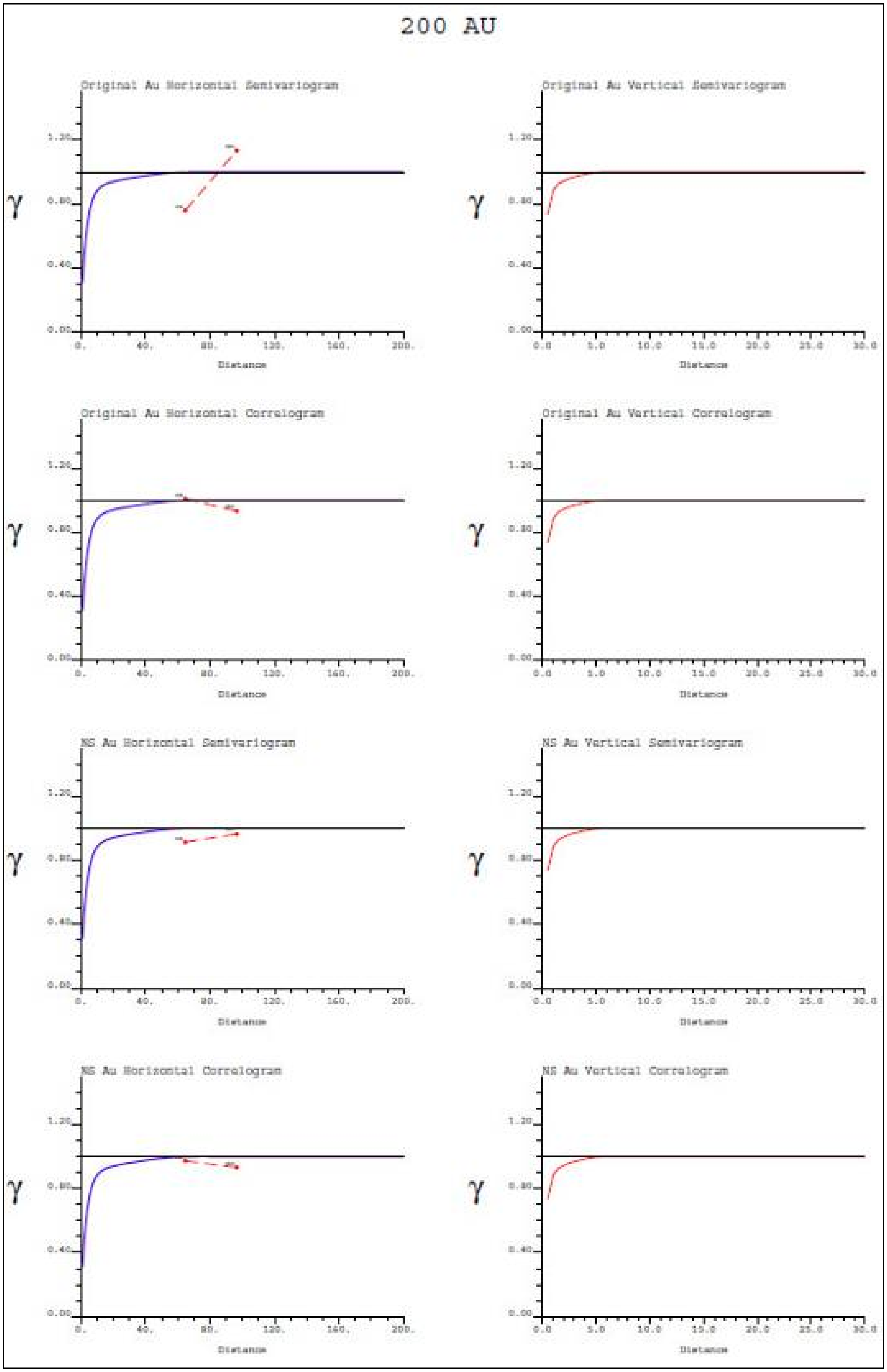
Basic Statistics of Copper Values for the South Contact Zone



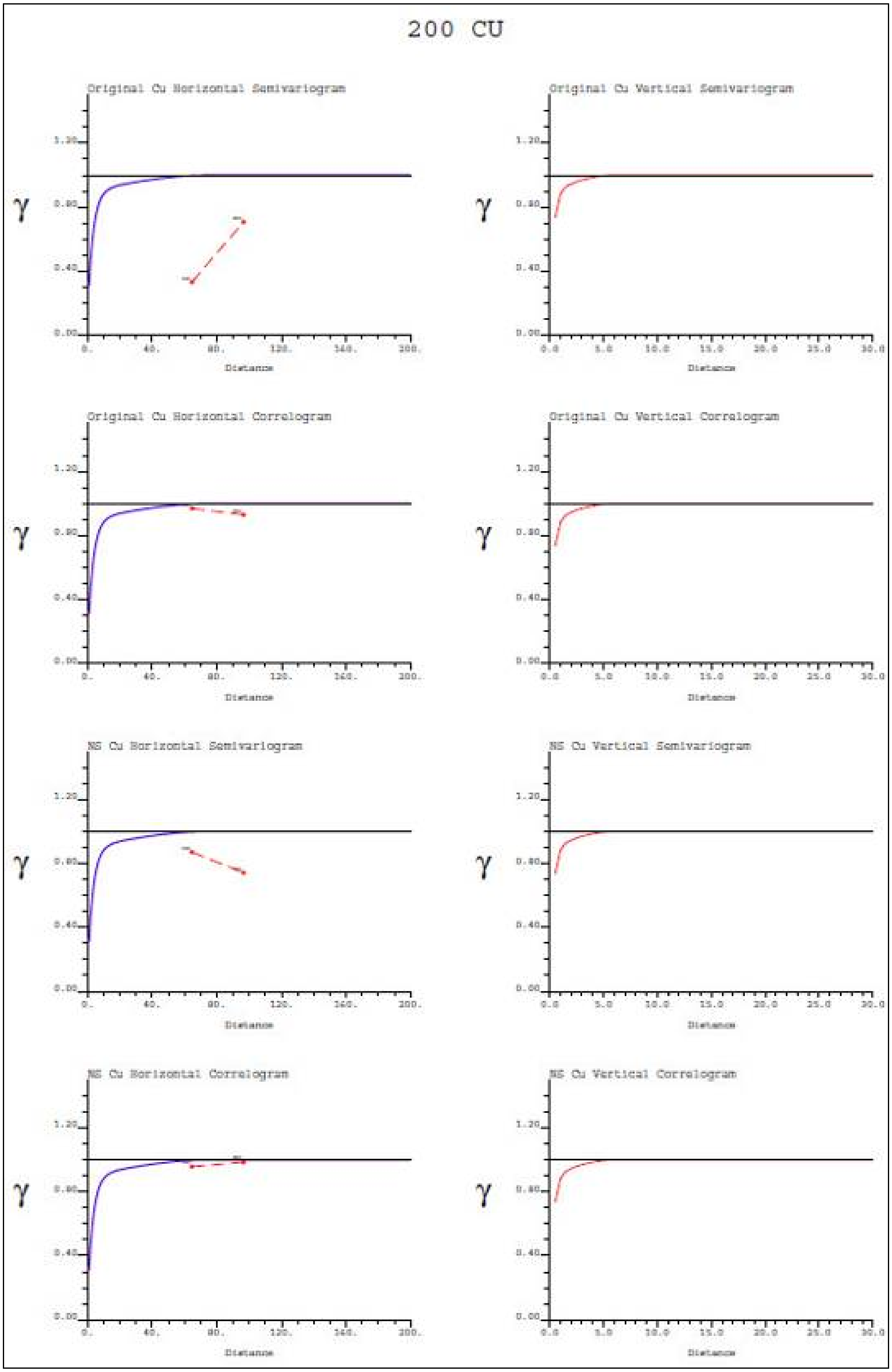
APPENDIX I

Variography

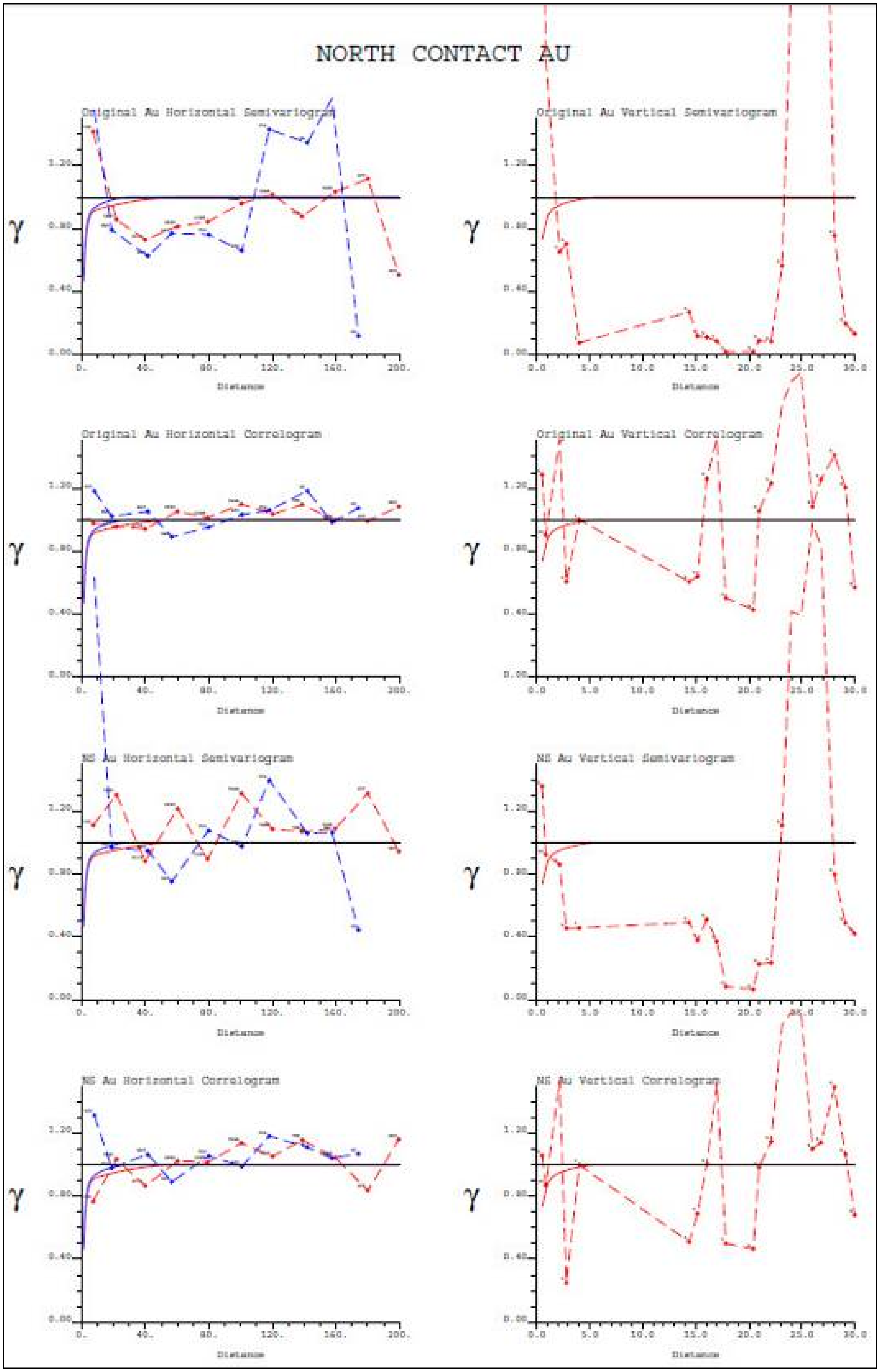
Experimental and Modeled Variograms of Gold Values for the 200 Zone



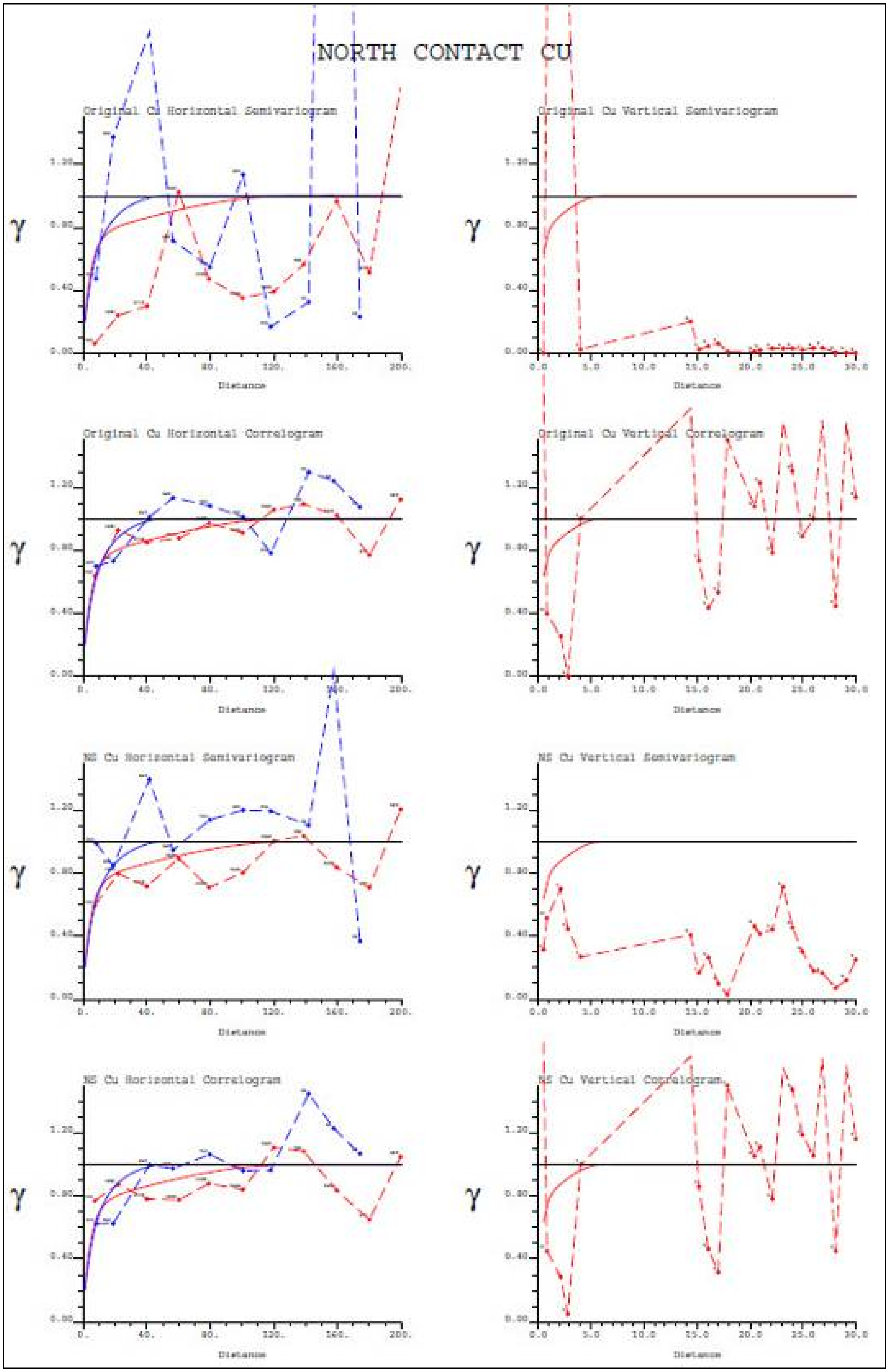
Experimental and Modeled Variograms of Copper Values for the 200 Zone



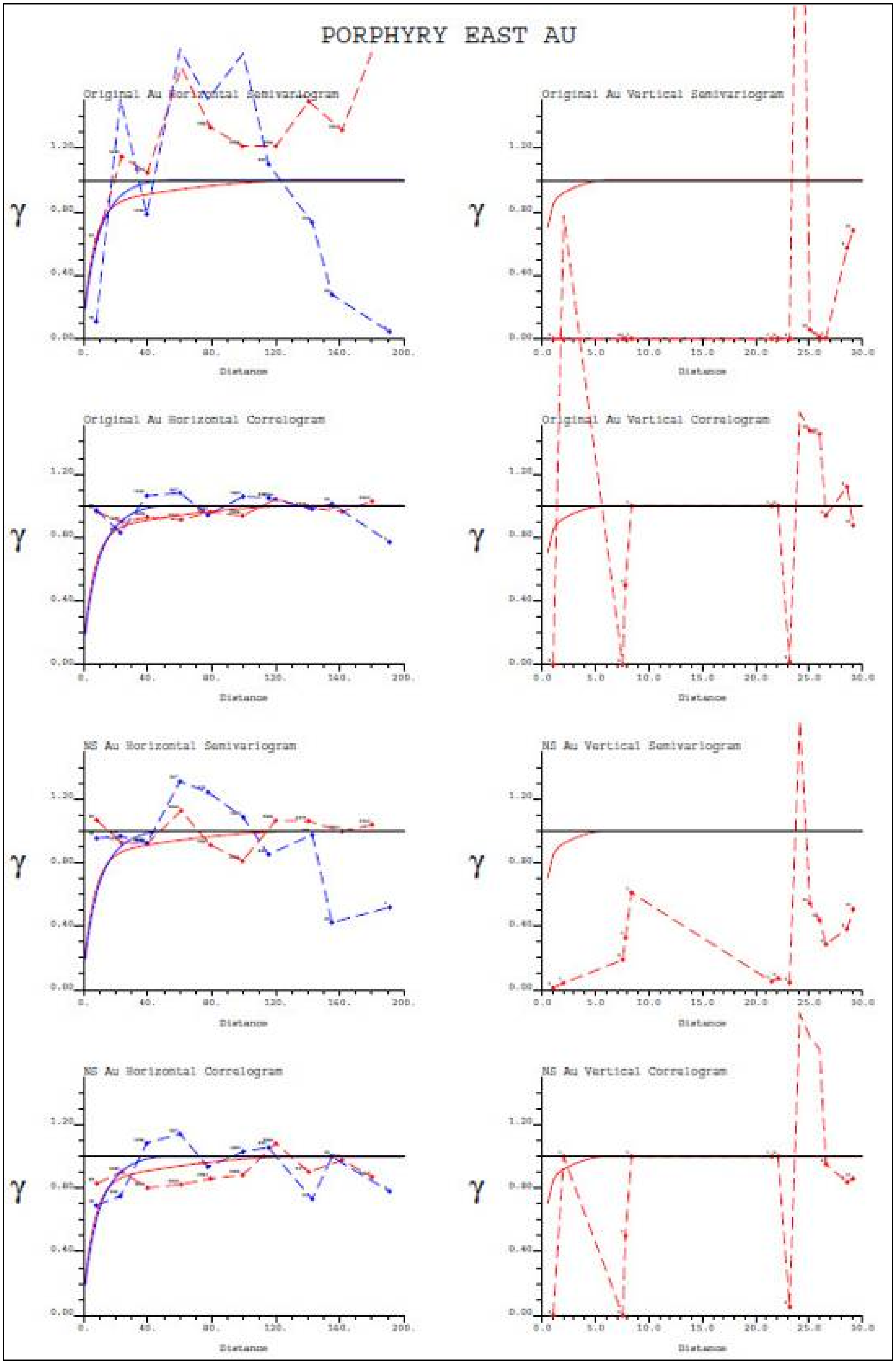
Experimental and Modeled Variograms of Gold Values for the North Contact Zone



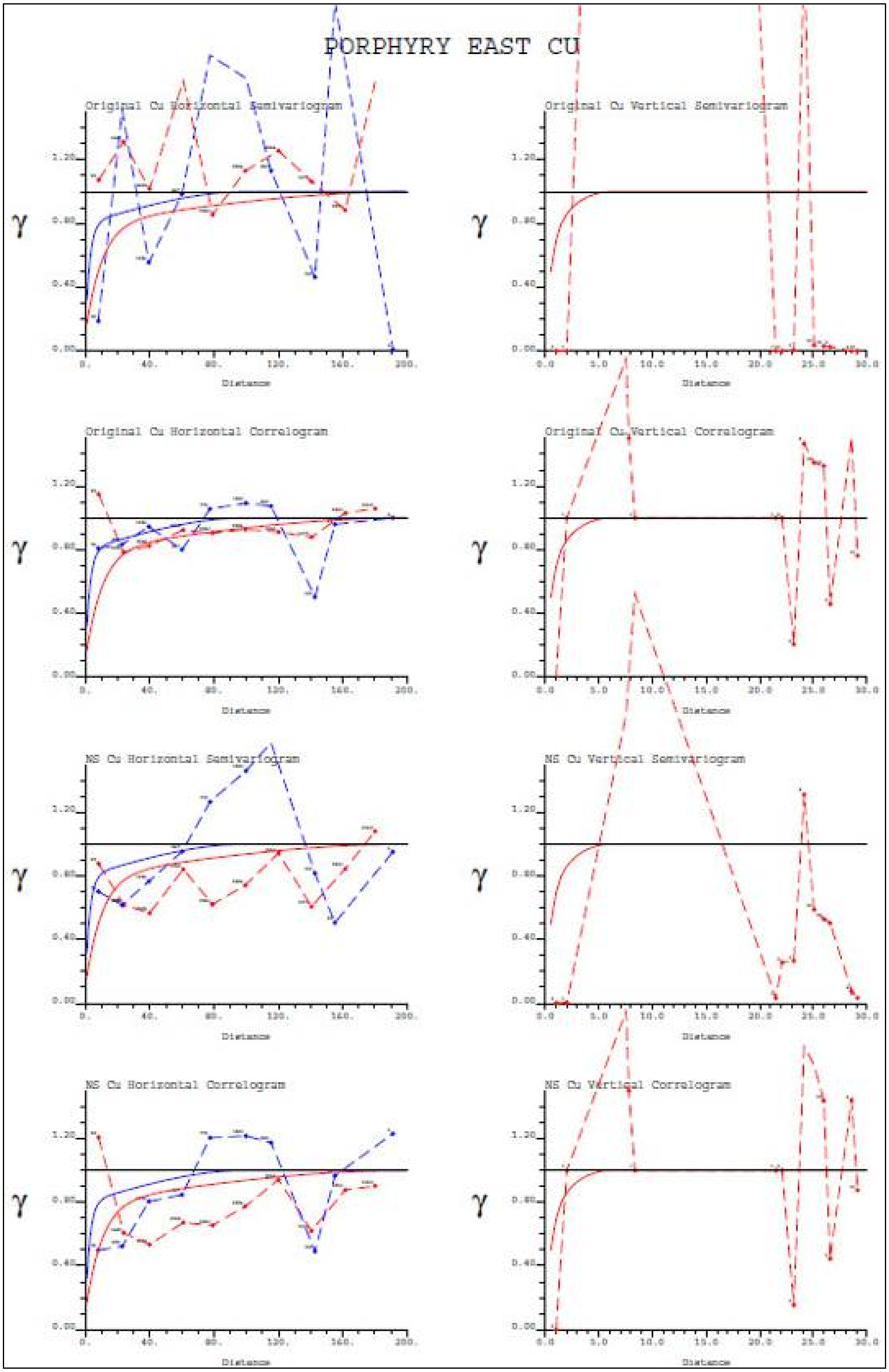
Experimental and Modeled Variograms of Copper Values for the North Contact Zone



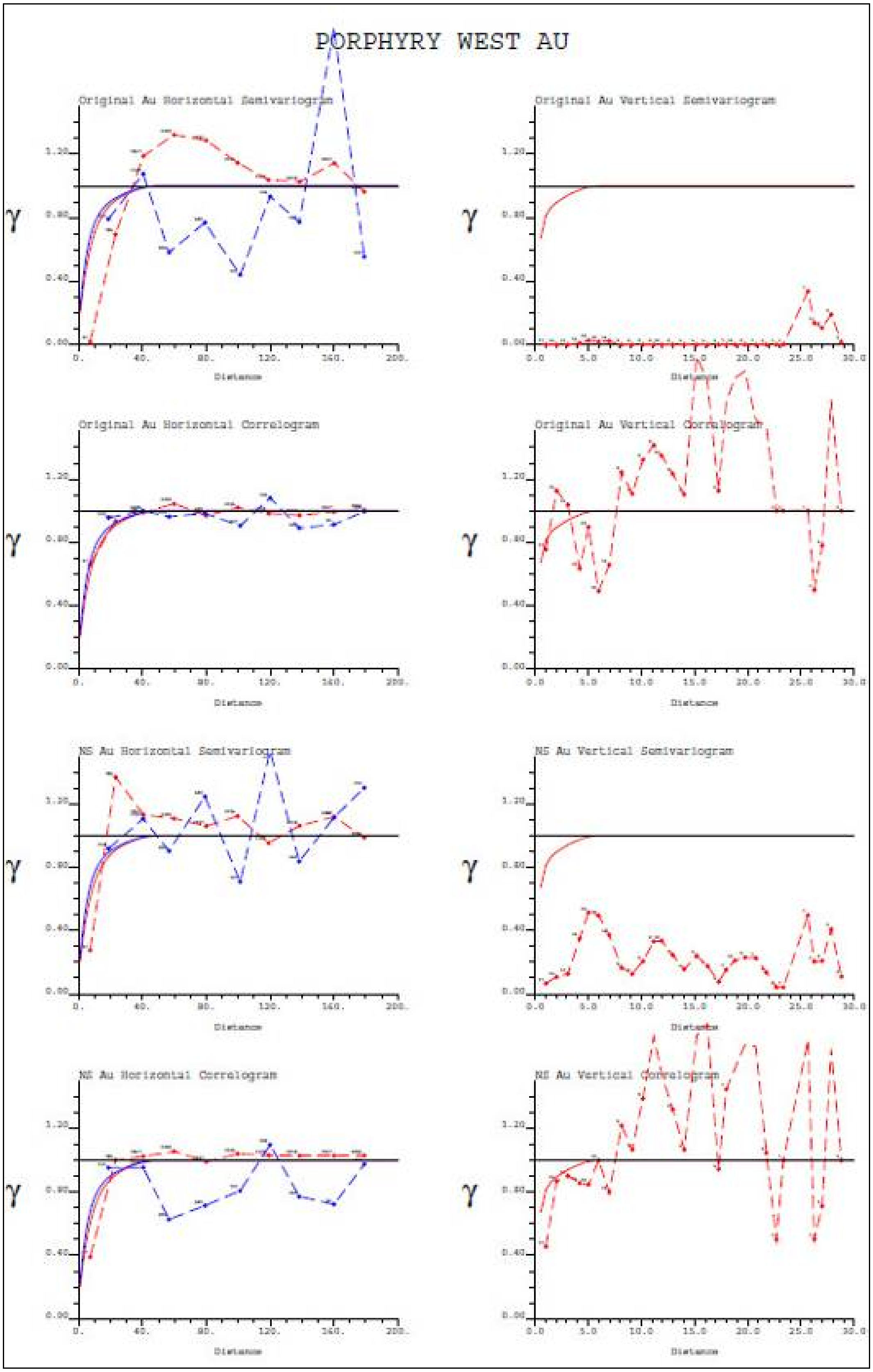
Experimental and Modeled Variograms of Gold Values for the Porphyry East Zone



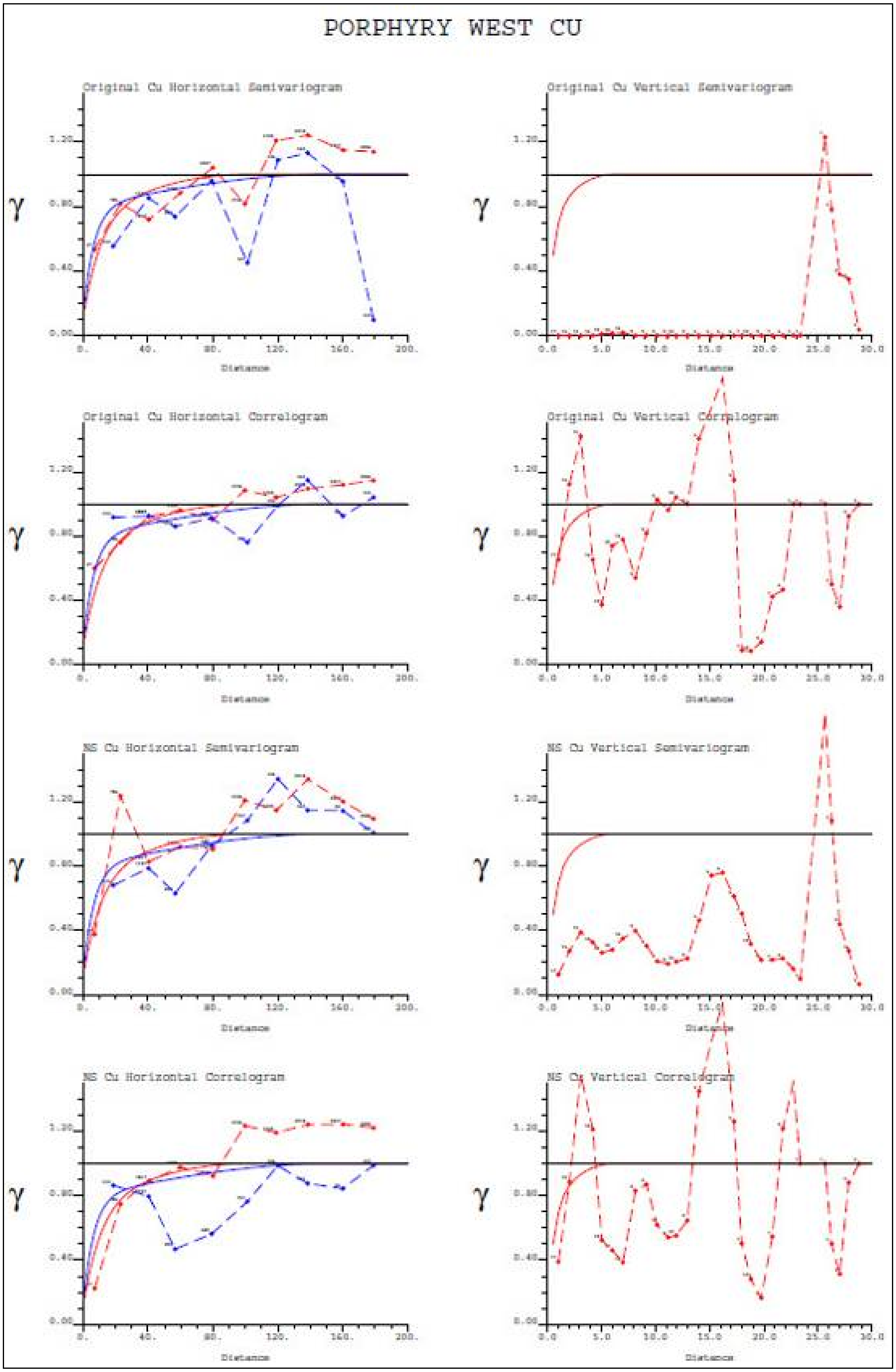
Experimental and Modeled Variograms of Copper Values for the Porphyry East Zone



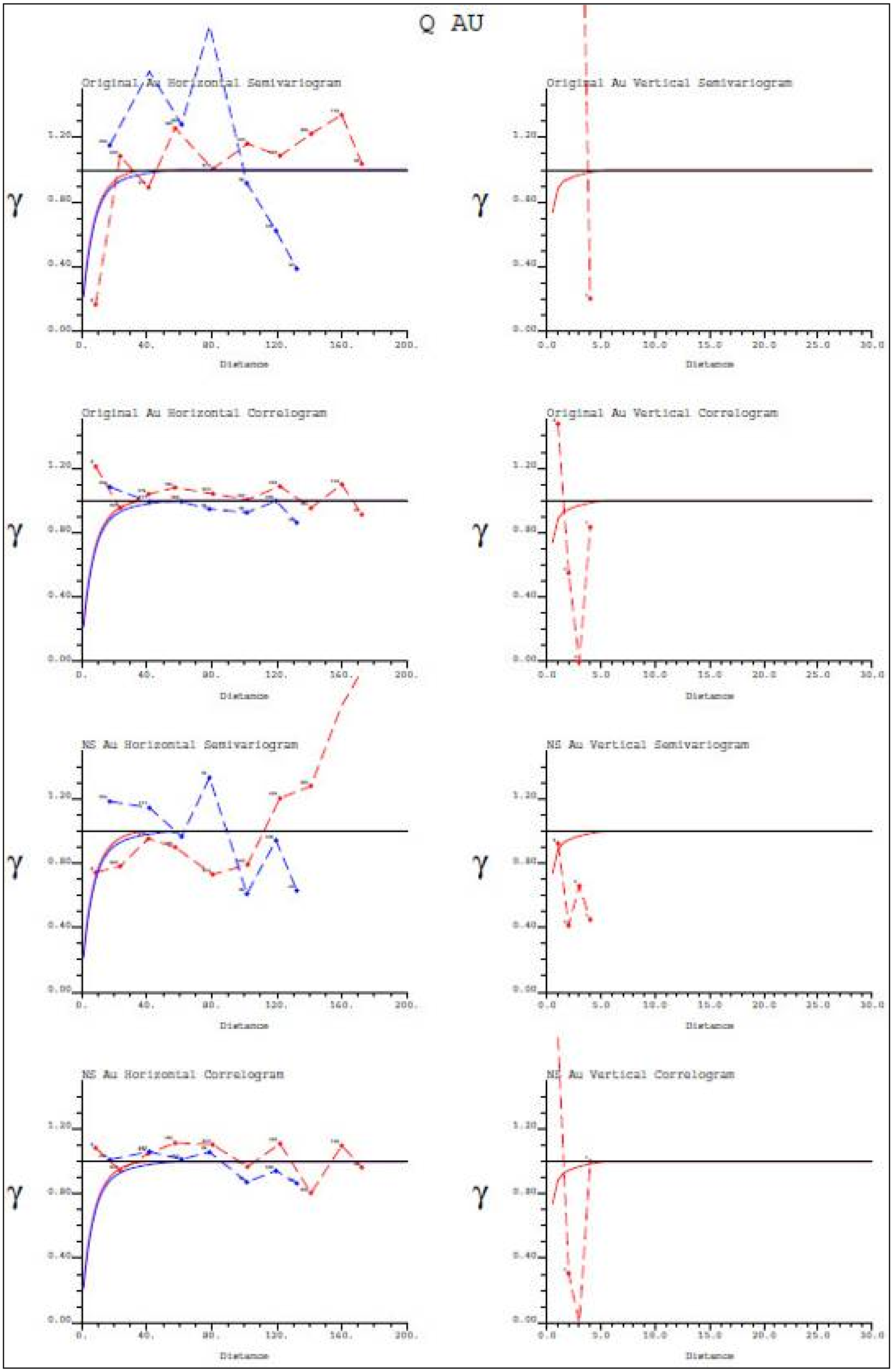
Experimental and Modeled Variograms of Gold Values for the Porphyry West Zone



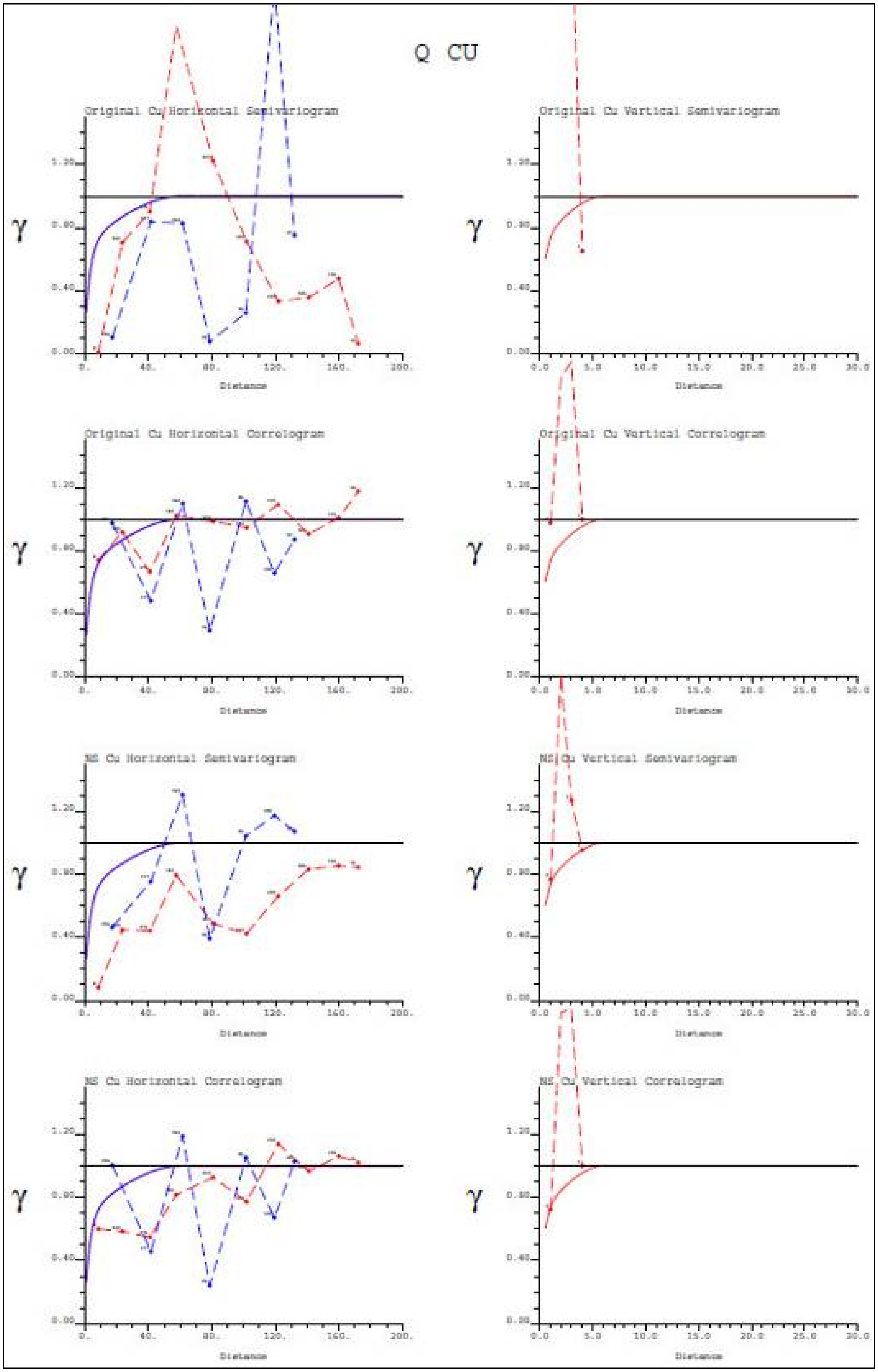
Experimental and Modeled Variograms of Copper Values for the Porphyry West Zone



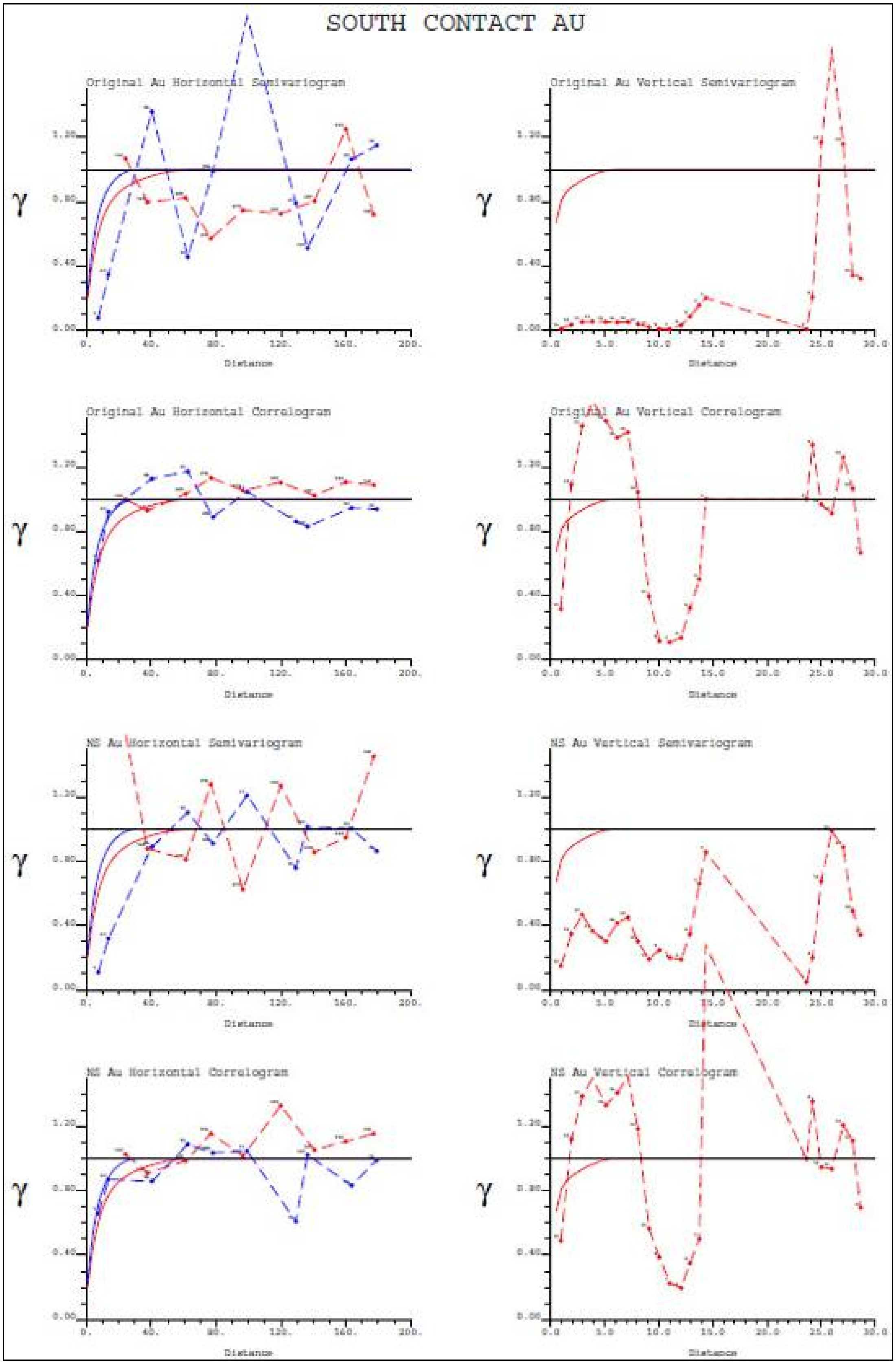
Experimental and Modeled Variograms of Gold Values for the Q Zone



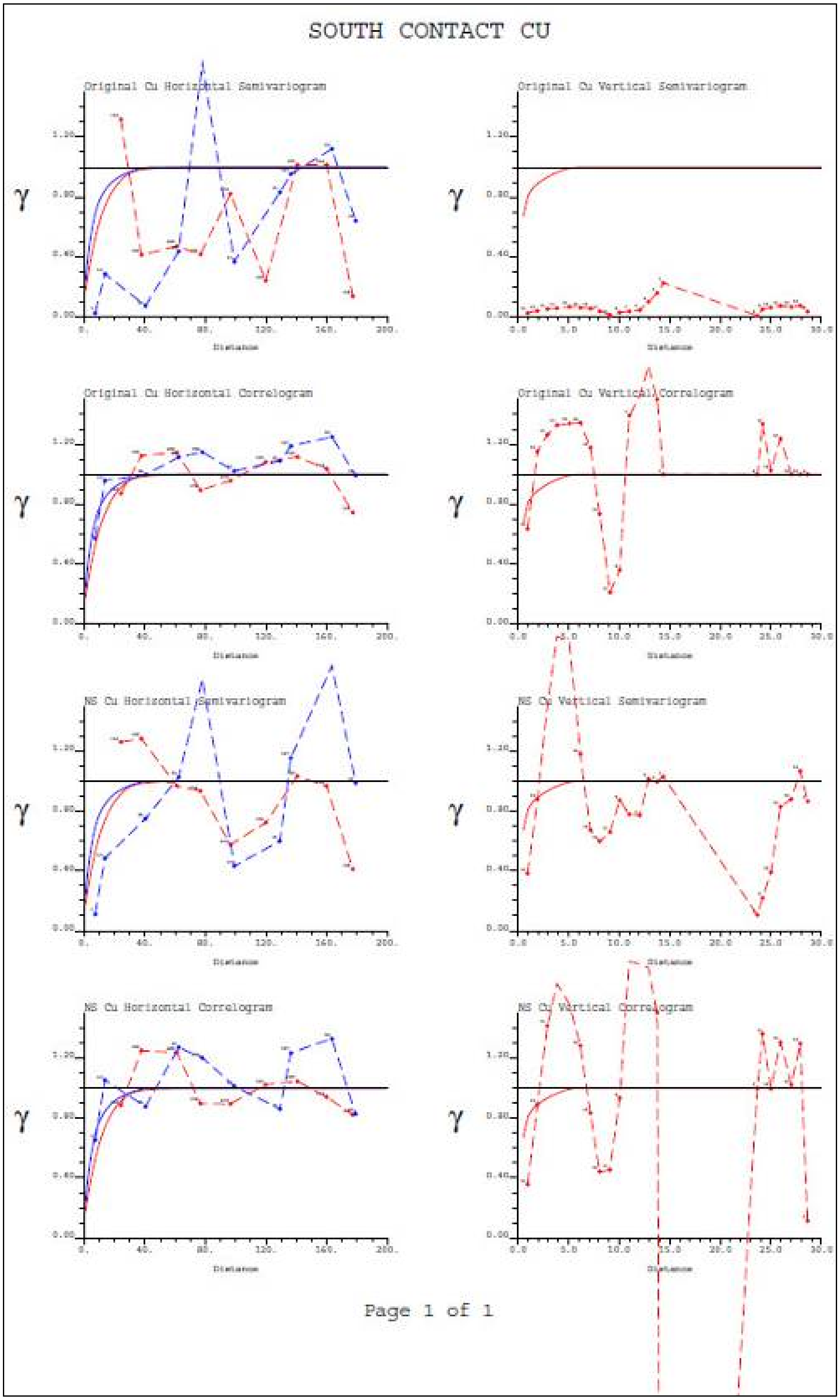
Experimental and Modeled Variograms of Copper Values for the Q Zone



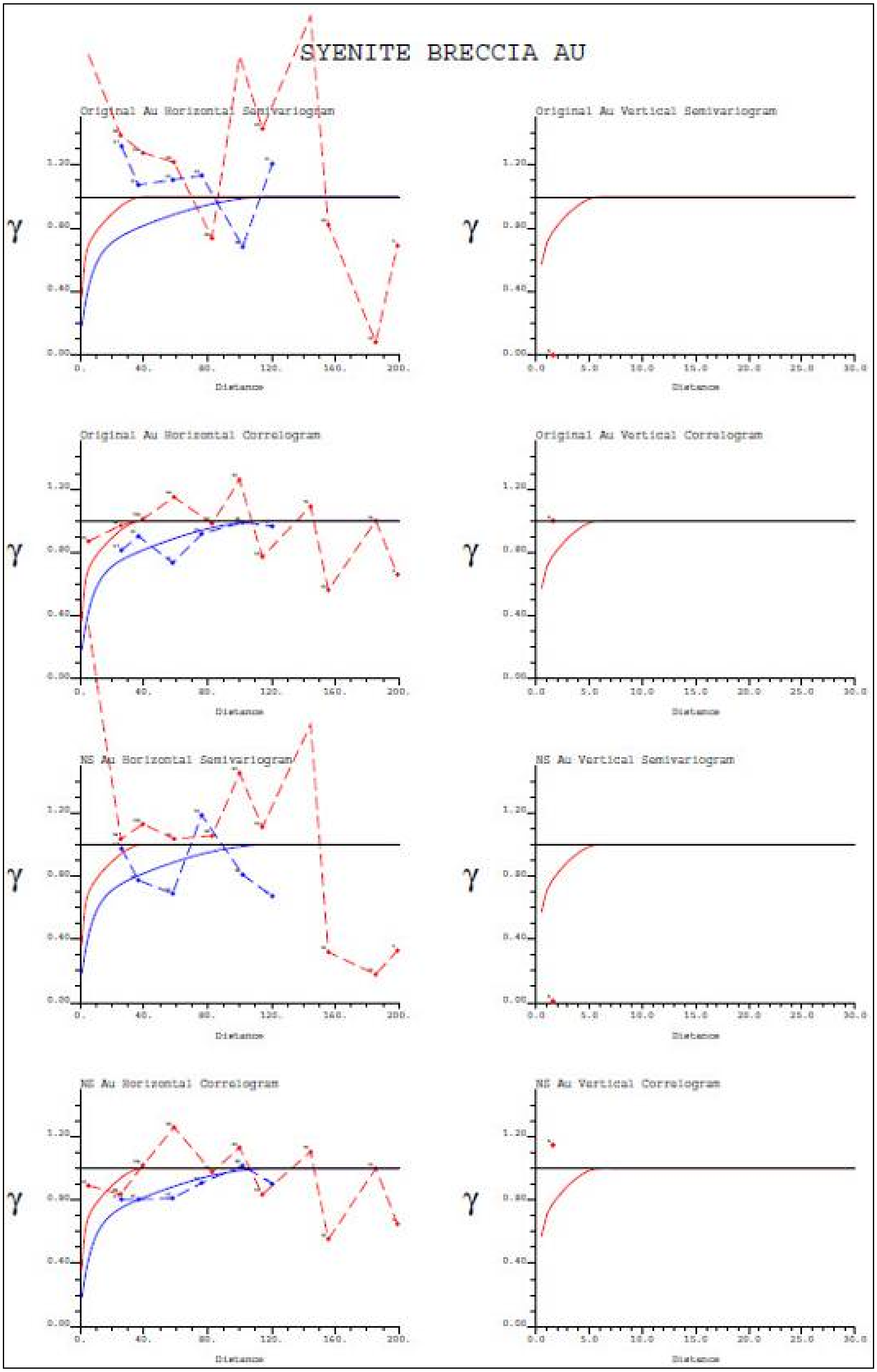
Experimental and Modeled Variograms of Gold Values for the South Contact Zone



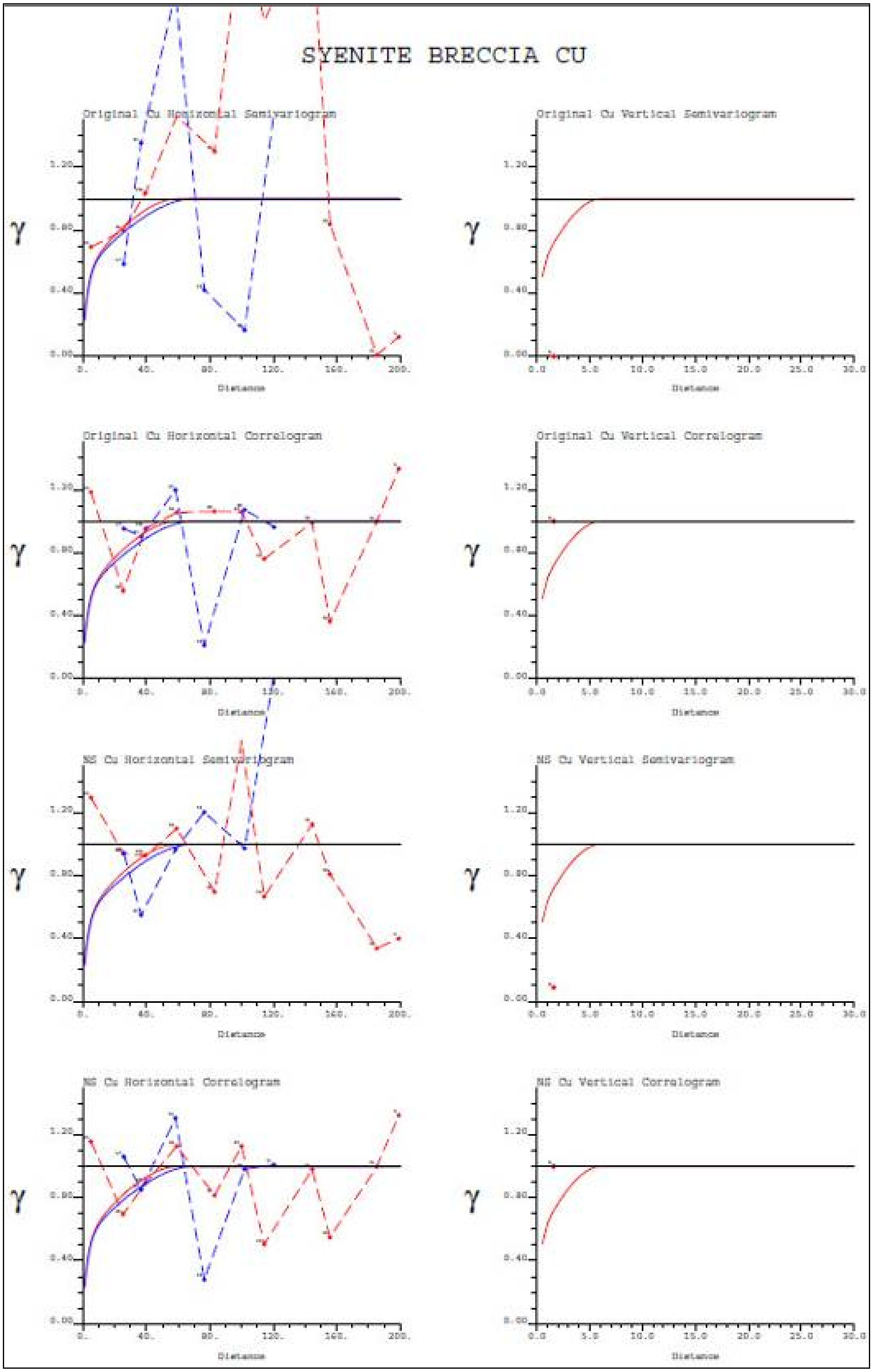
Experimental and Modeled Variograms of Copper Values for the South Contact Zone



Experimental and Modeled Variograms of Gold Values for the Syenite Breccia Zone



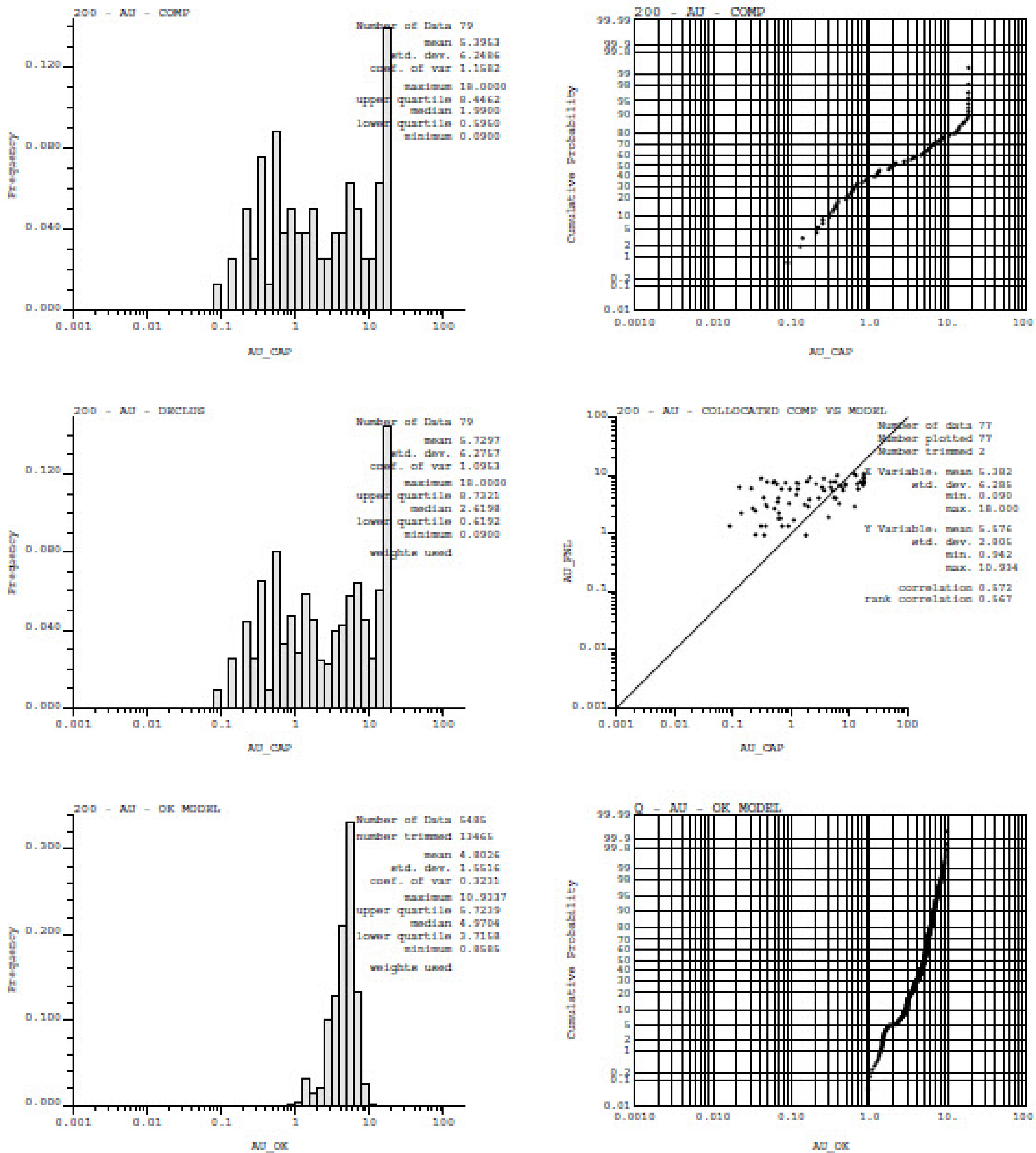
Experimental and Modeled Variograms of Copper Values for the Syenite Breccia Zone



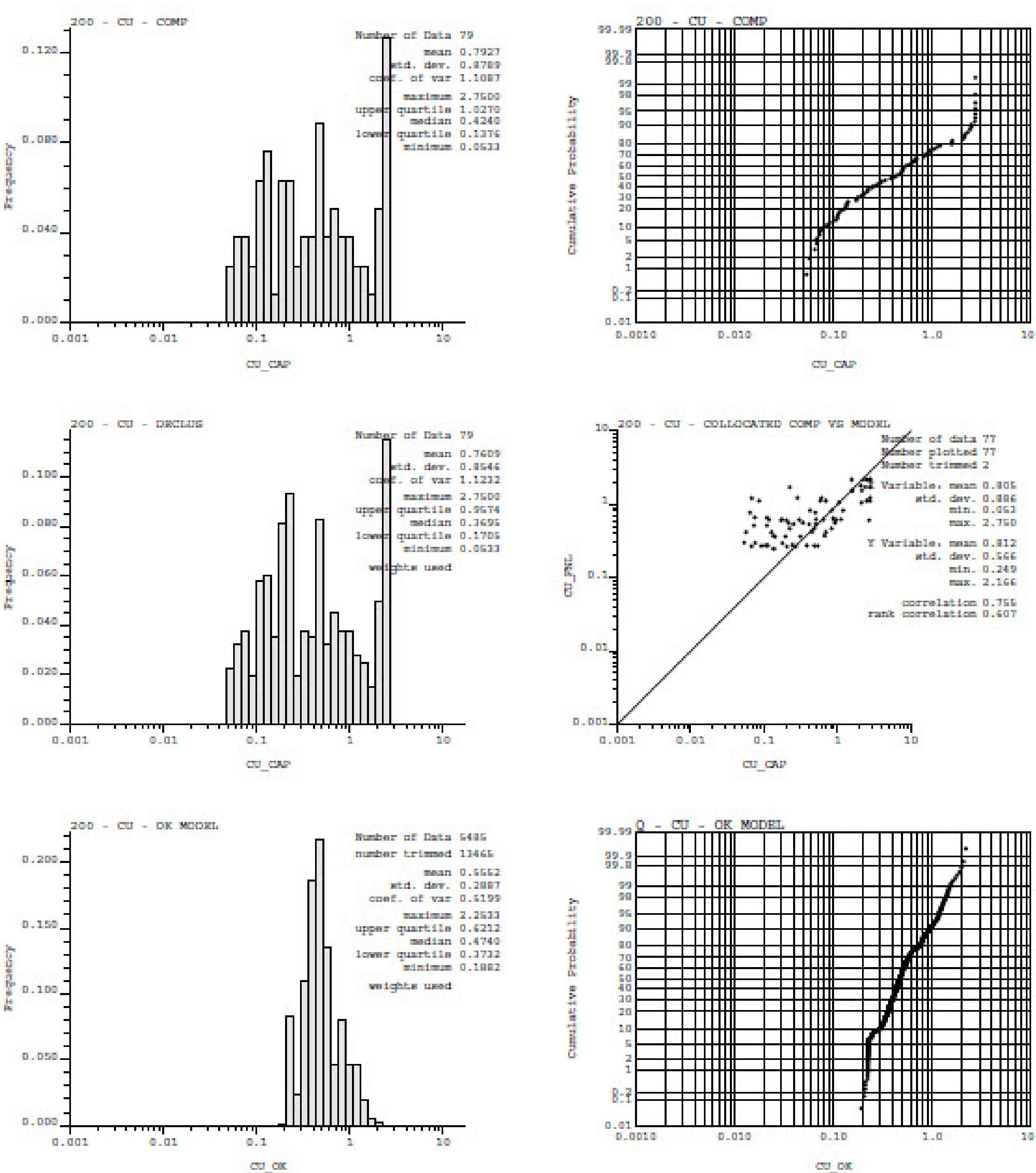
APPENDIX J

Block Model Validation

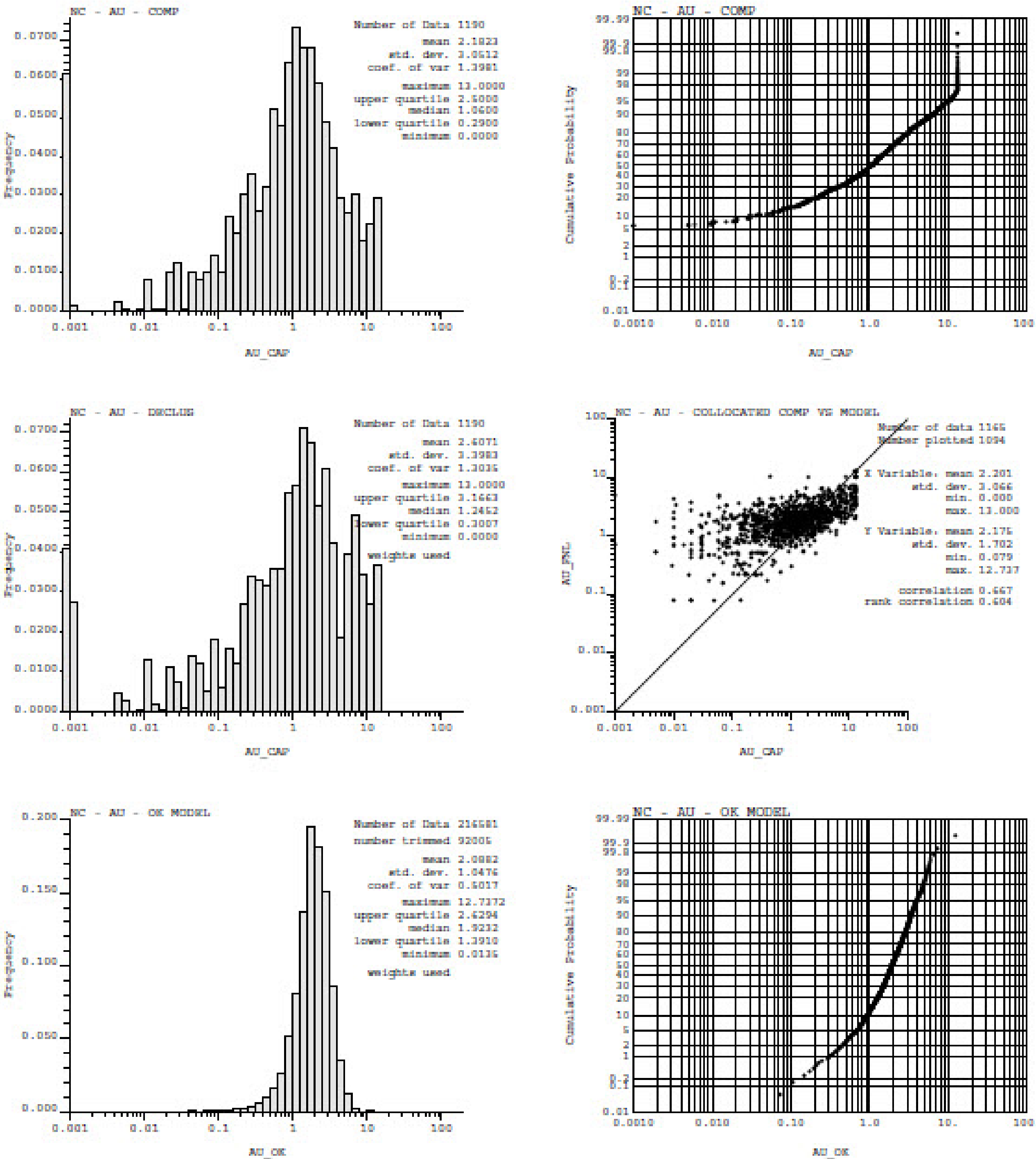
Estimated Gold Values Statistics for the 200 Zone



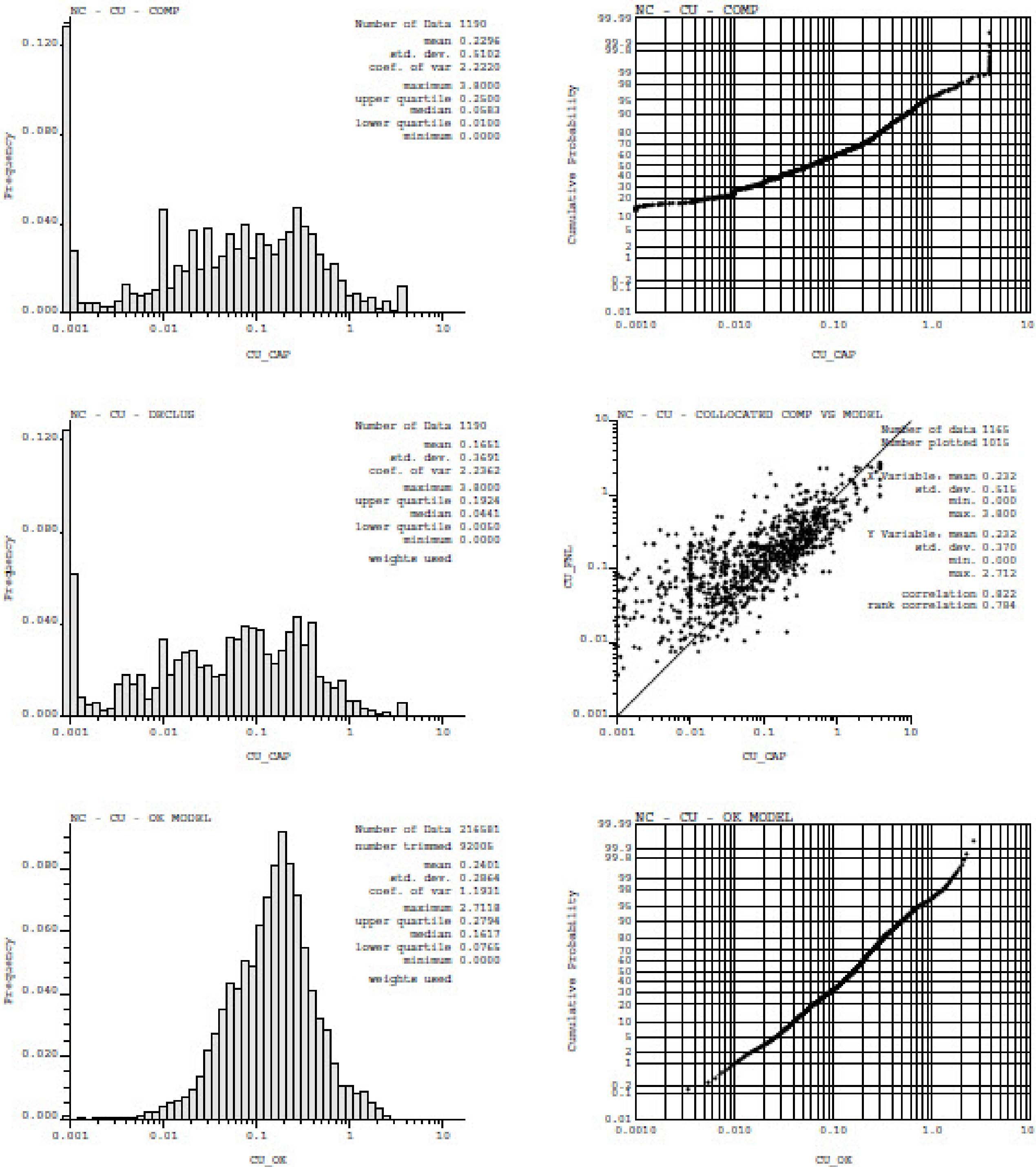
Estimated Copper Values Statistics for the 200 Zone



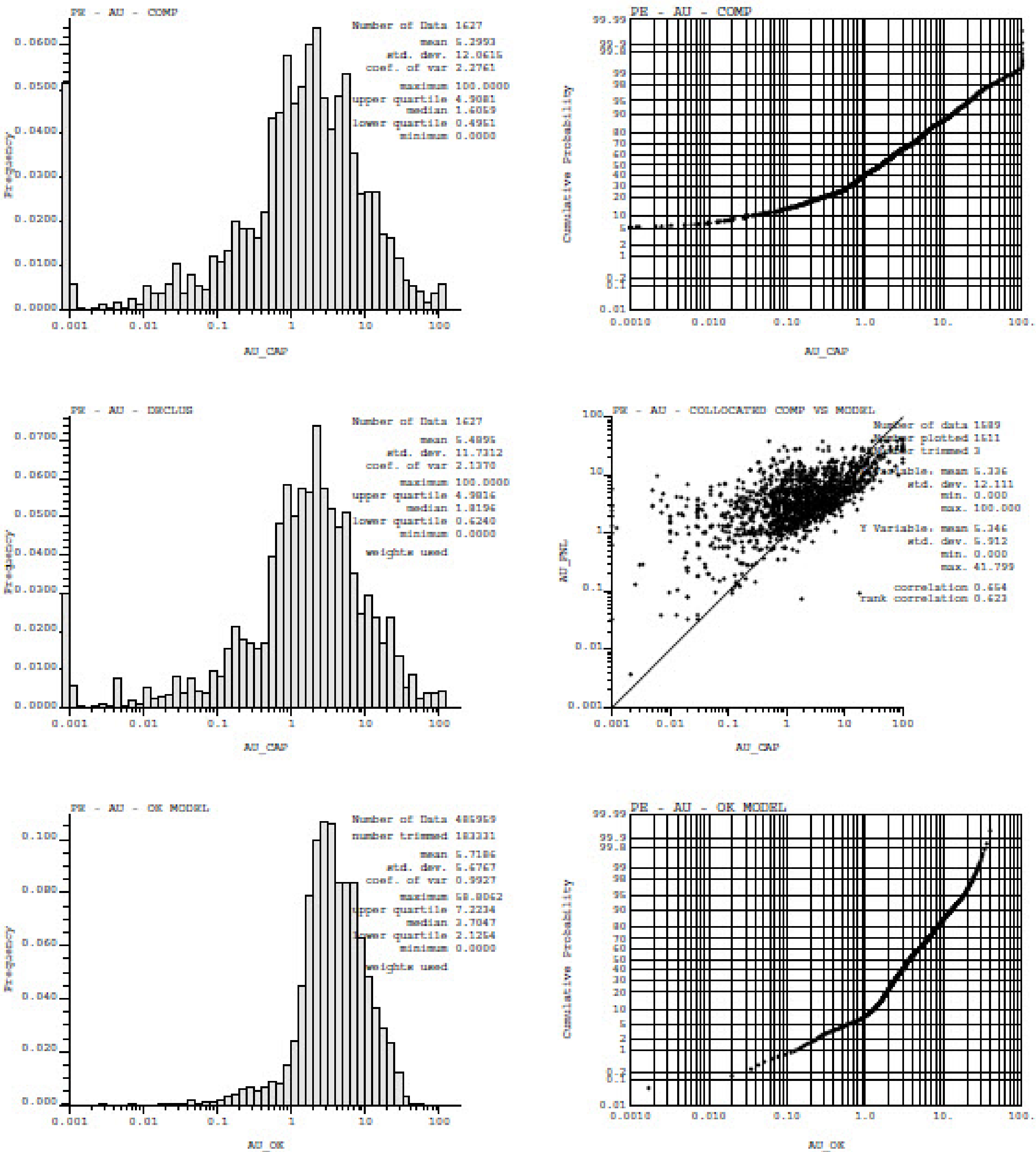
Estimated Gold Values Statistics for the North Contact Zone



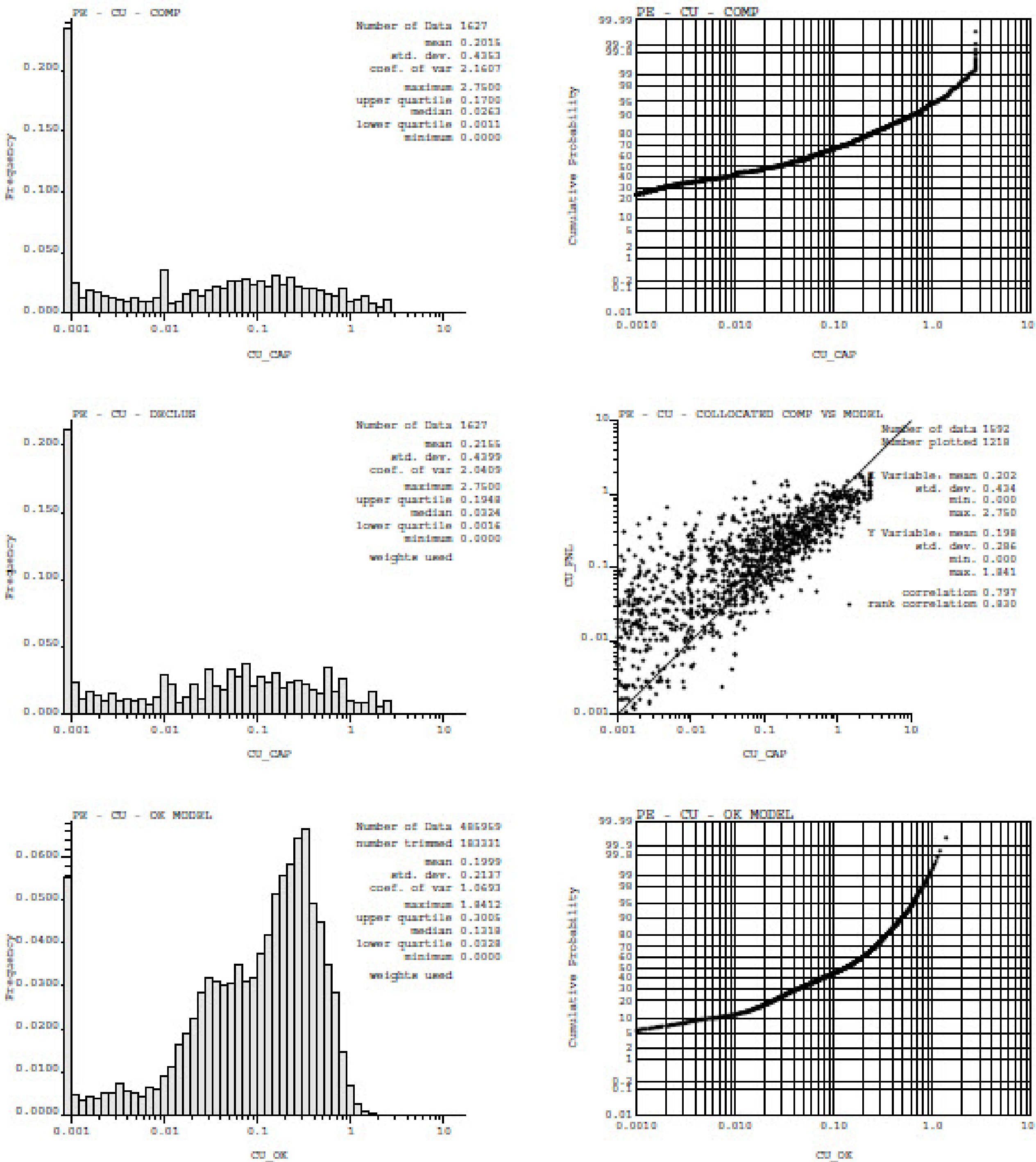
Estimated Copper Values Statistics for the North Contact Zone



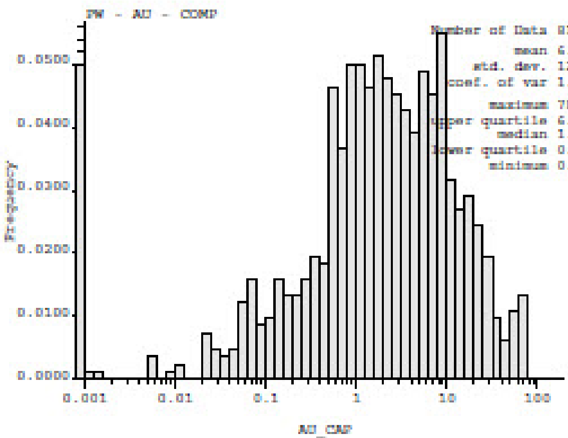
Estimated Gold Values Statistics for the Porphyry East Zone

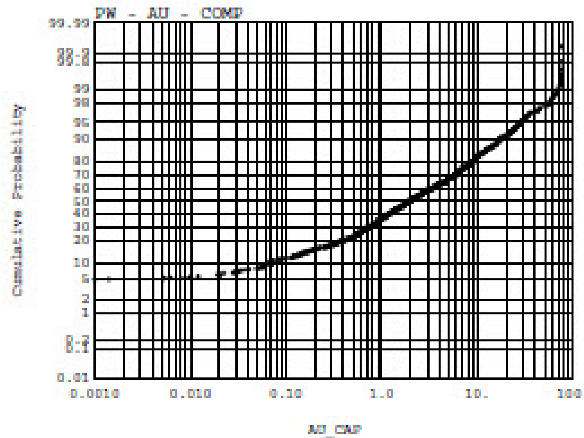


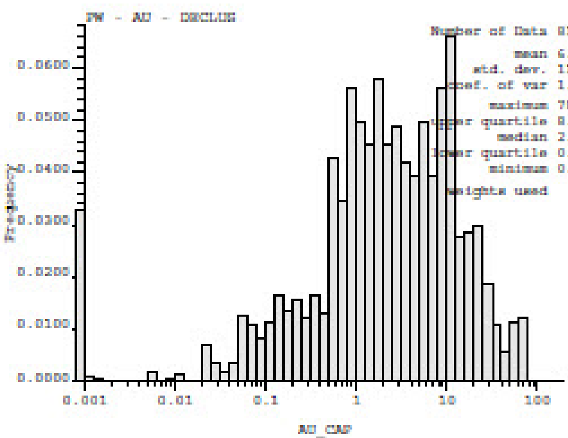
Estimated Copper Values Statistics for the Porphyry East Zone

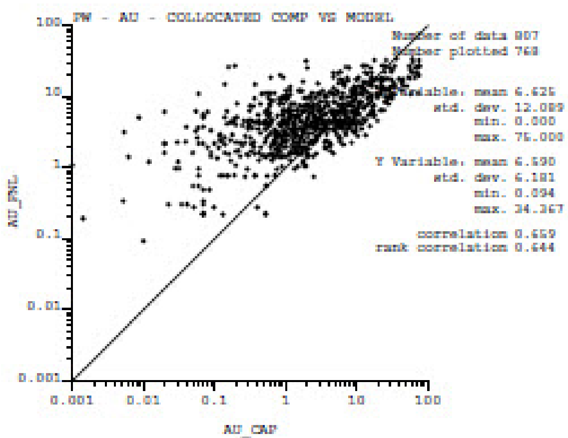


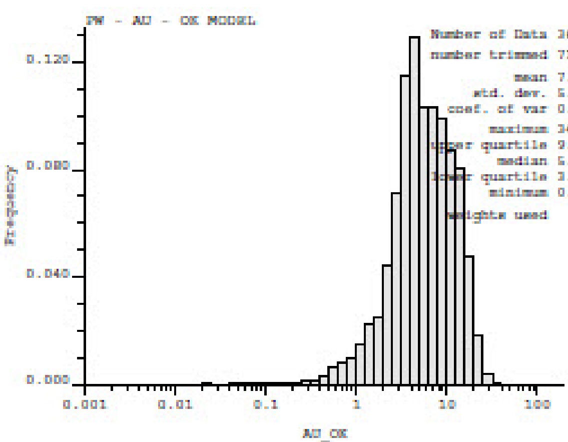
Estimated Gold Values Statistics for the Porphyry West Zone

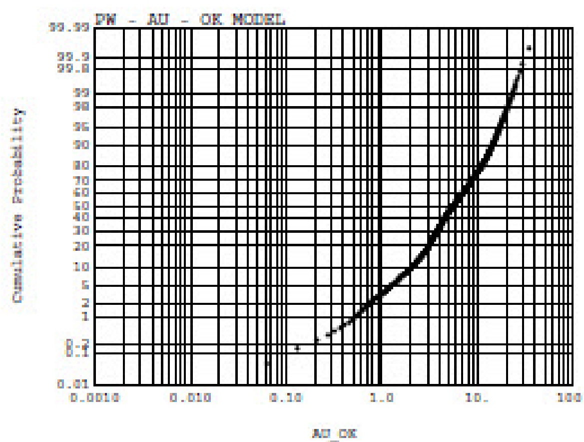




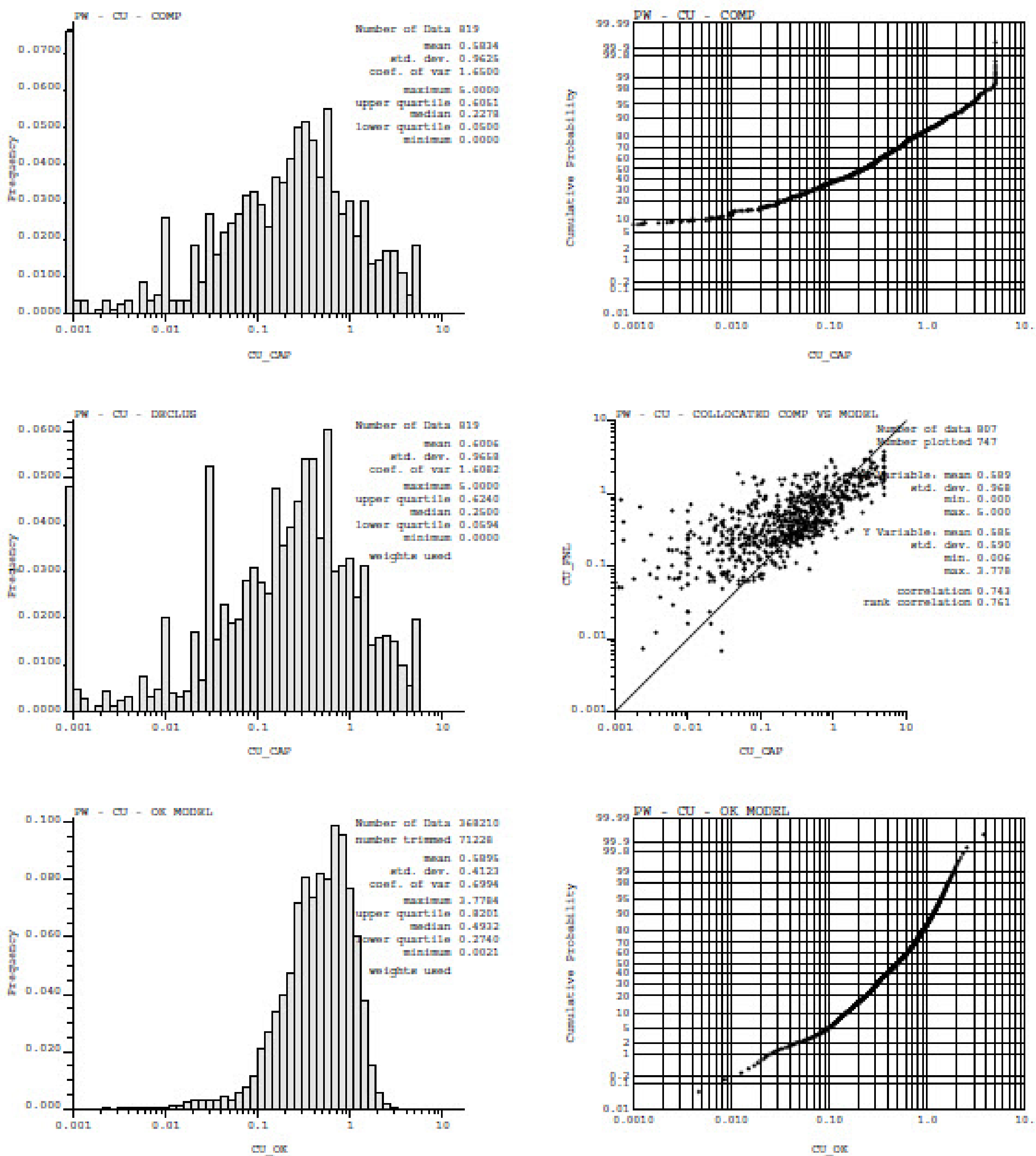




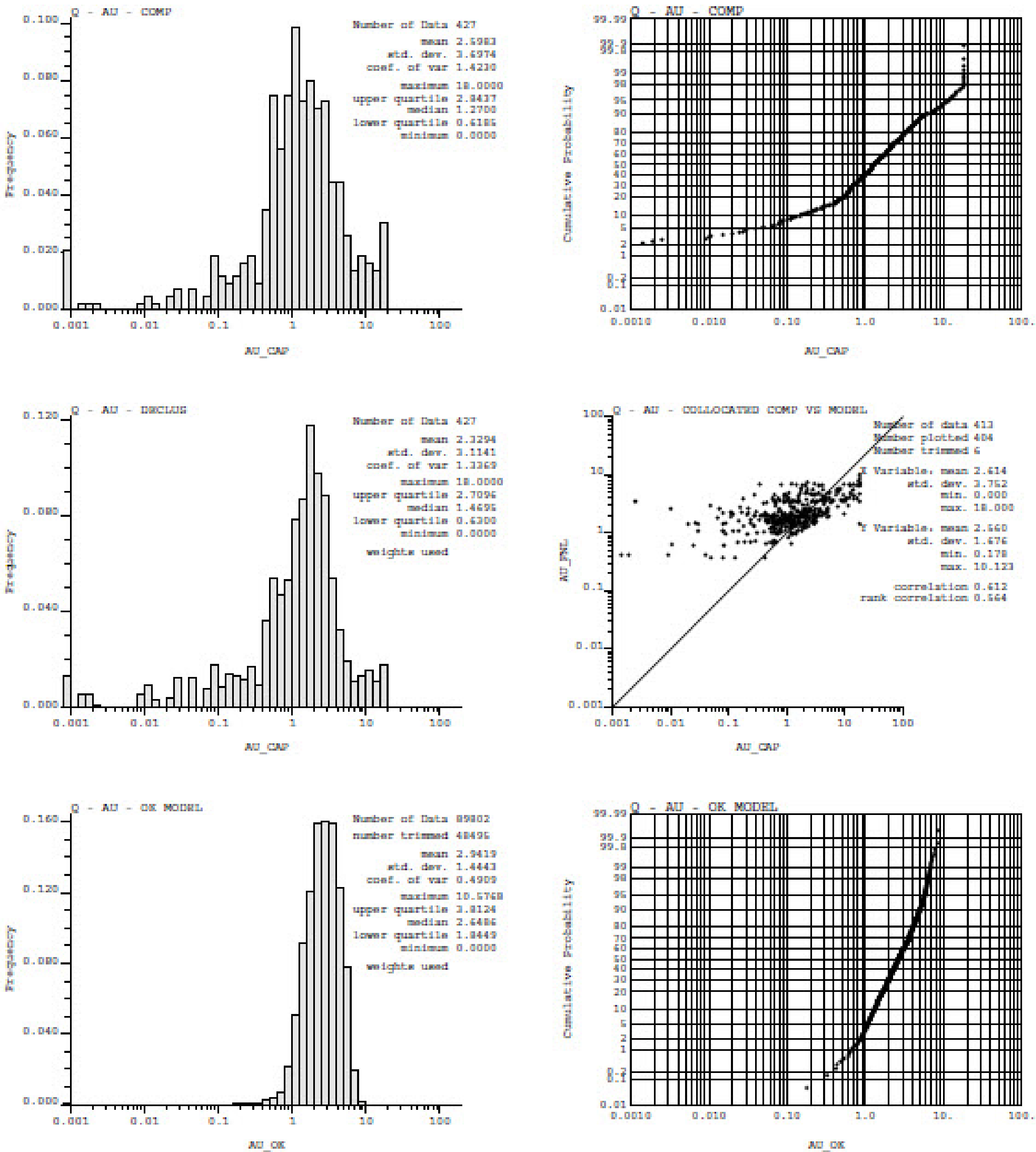




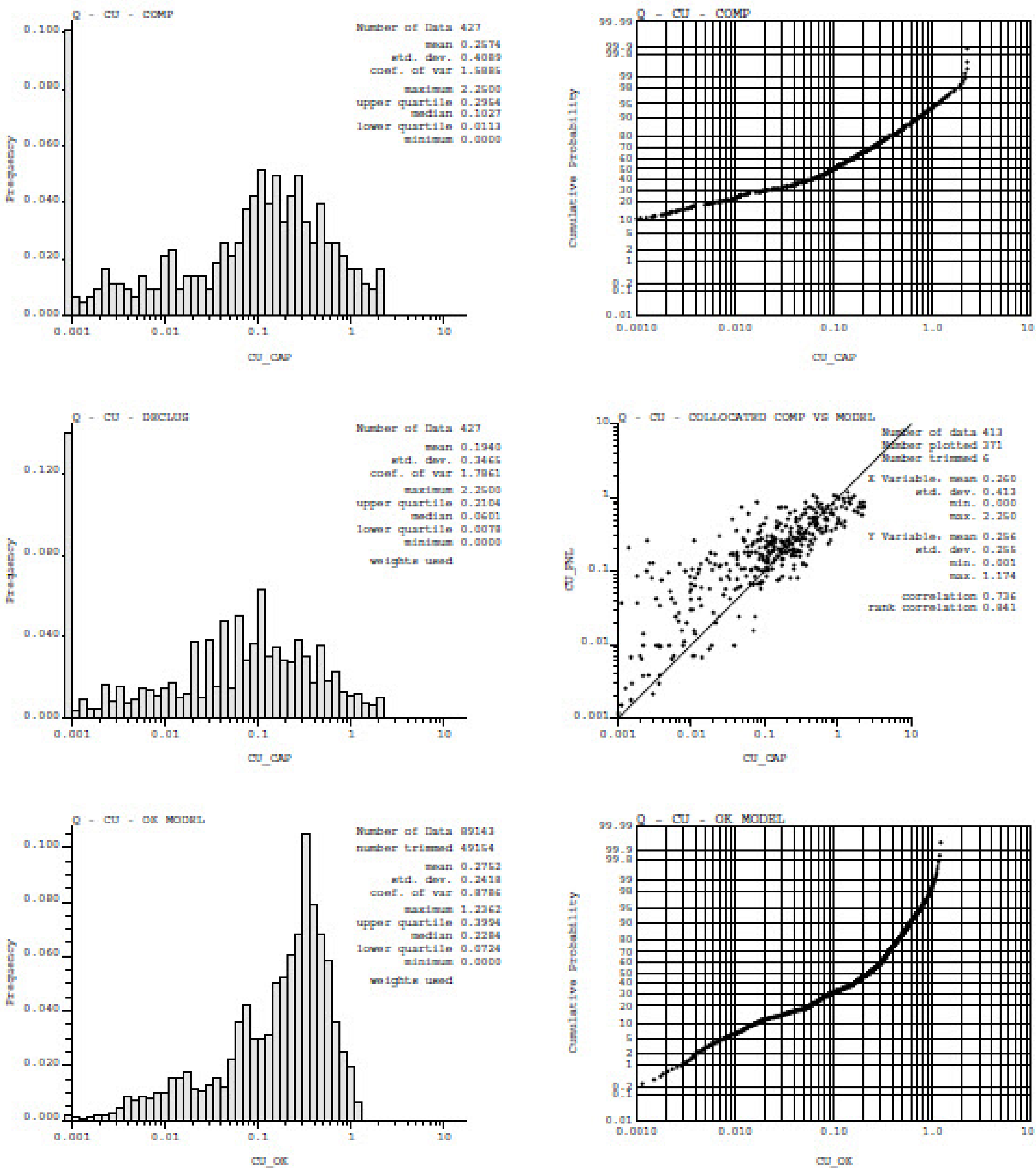
Estimated Copper Values Statistics for the Porphyry West Zone



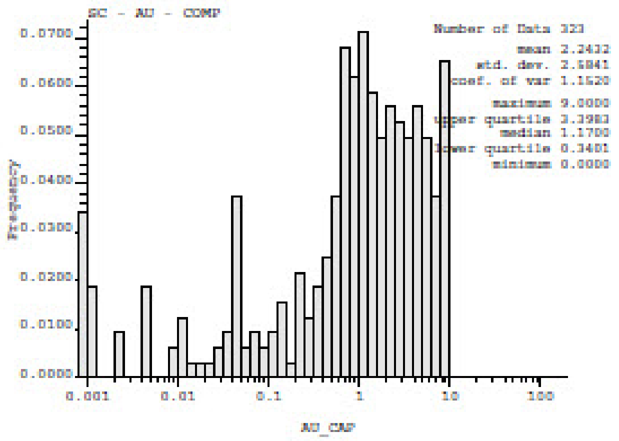
Estimated Gold Values Statistics for the Q Zone

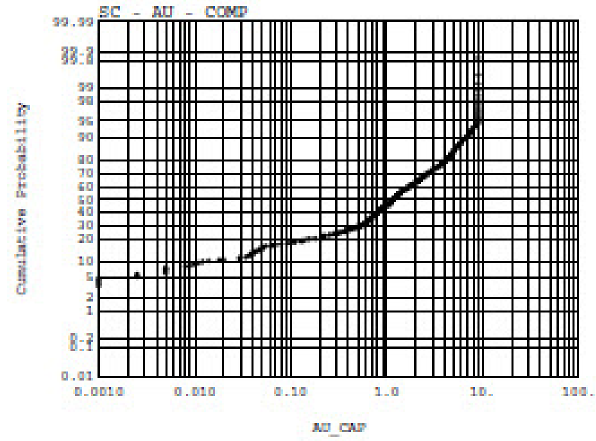


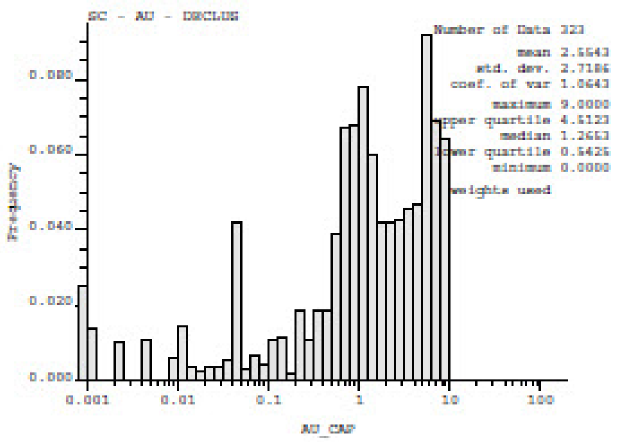
Estimated Copper Values Statistics for the Q Zone

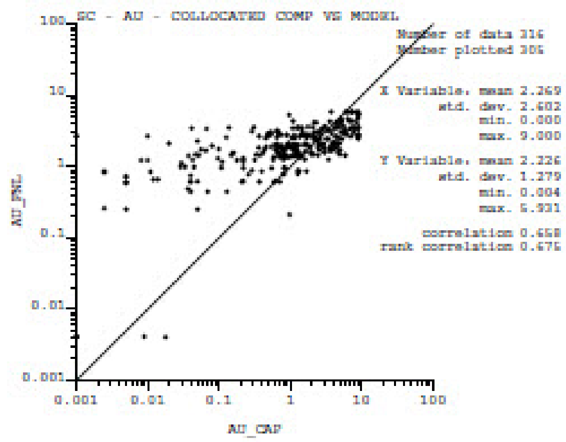


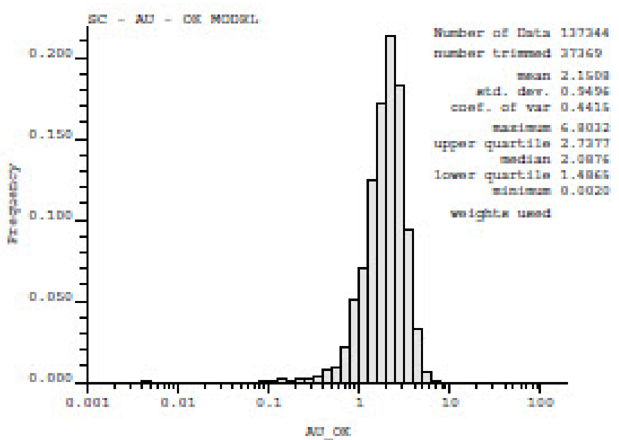
Estimated Gold Values Statistics for the South Contact Zone

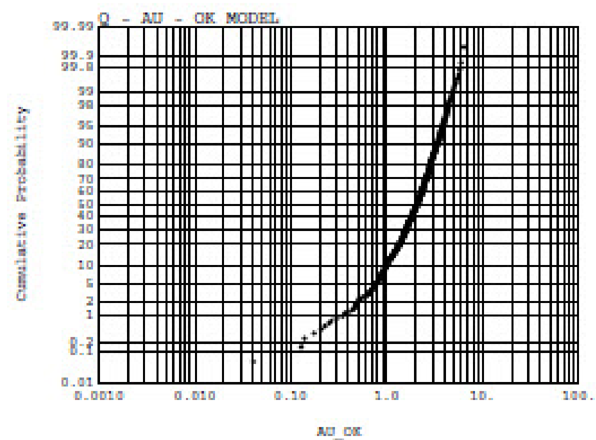




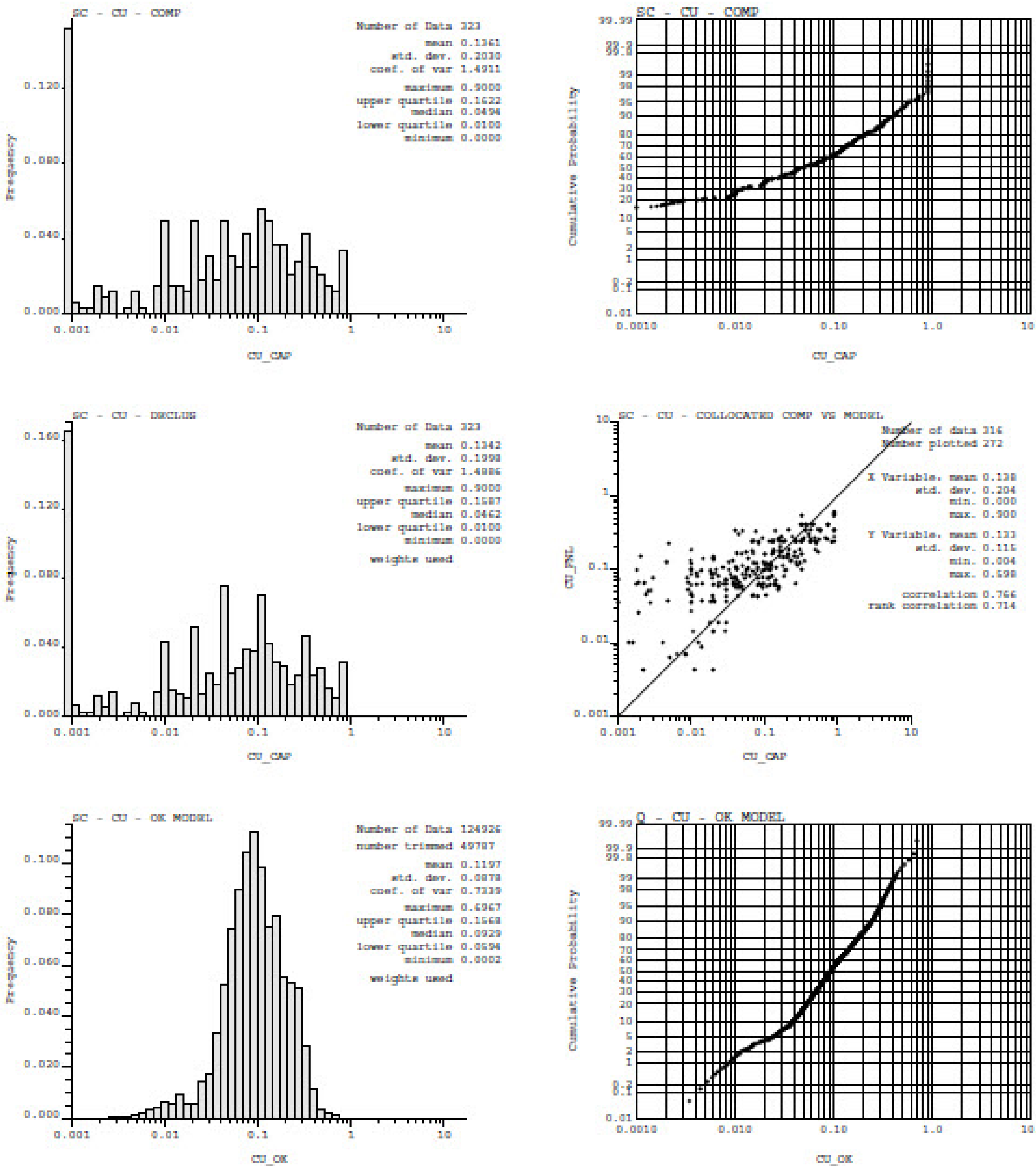




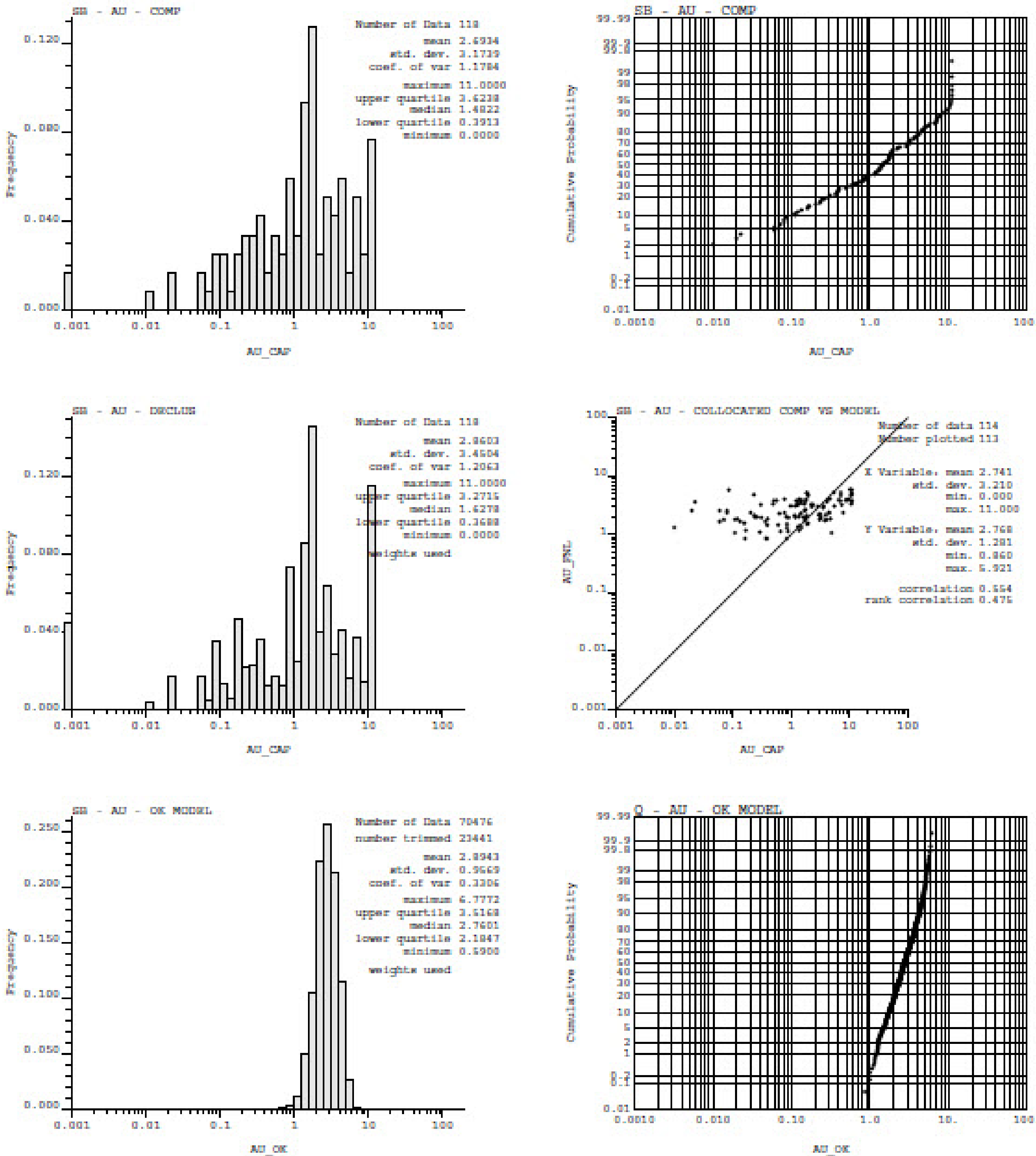




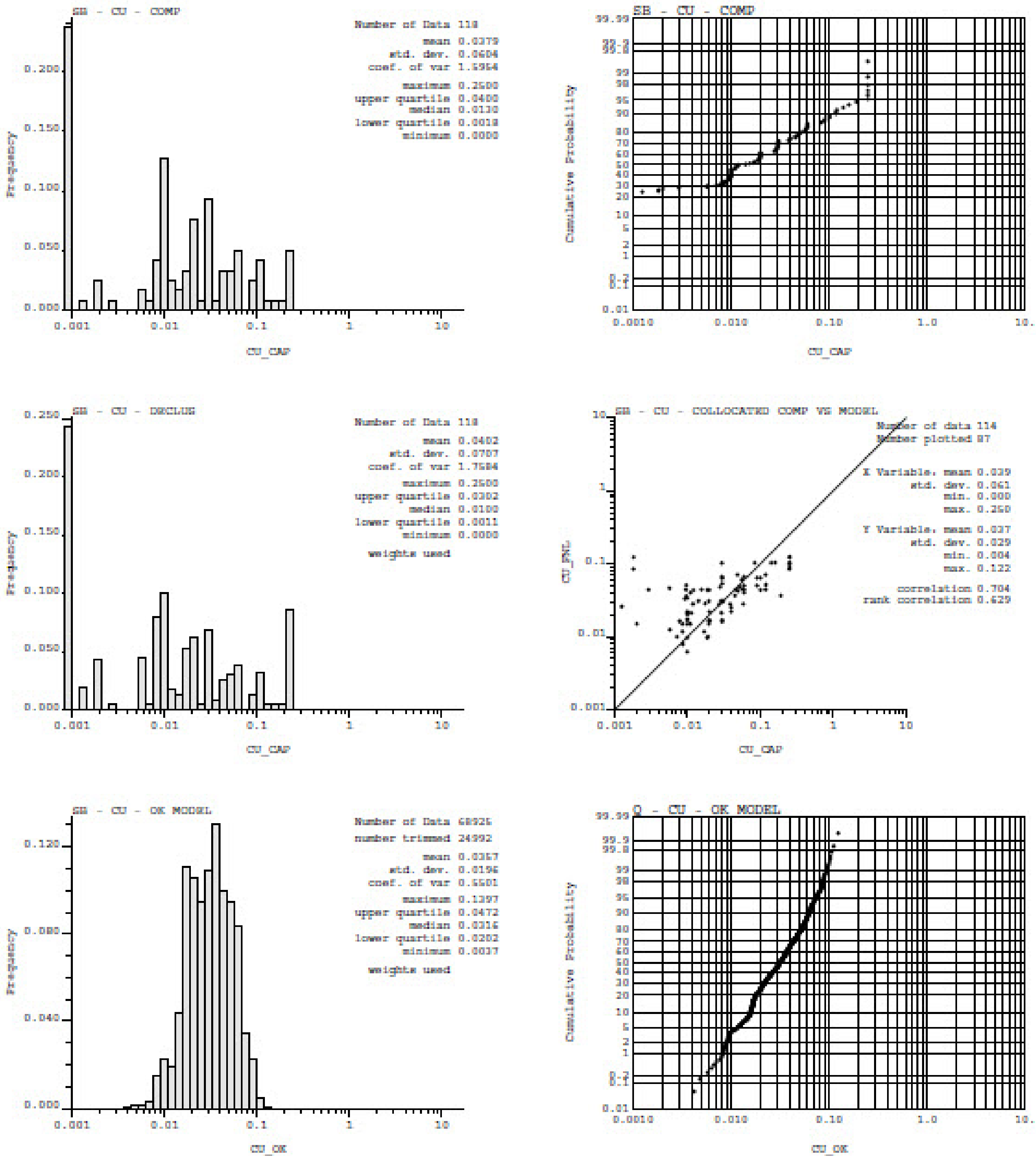
Estimated Copper Values Statistics for the South Contact Zone



Estimated Gold Values Statistics for the Syenite Breccia Zone



Estimated Copper Values Statistics for the Syenite Breccia Zone



CERTIFICATE OF QUALIFIED PERSON

To accompany the technical report entitled *Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada* and dated November 5, 2012.

I, Sébastien B. Bernier, do hereby certify that:

1) I am a Senior Consultant (Resource Geology) with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 101, Regent Street South, Sudbury, Ontario, Canada;
2) I am a graduate of the University of Ottawa in 2001 with B.Sc. (Honours) Geology and I obtained a M.Sc. degree in Geology from Laurentian University in 2003. I have practiced my profession continuously since 2002. I worked in exploration and commercial production of base and precious metals mainly in Canada. I have been focussing my career on geostatistical studies, geological modelling and resource modelling of base and precious metals since 2004;
3) I am a Professional Geoscientist registered with the Association of Professional Geoscientists of Ontario (APGO#1847) and with the Ordre des Géologues du Québec (OGQ# 1034) ;
4) I have personally visited the project area between August 1 to 2, 2012;
5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
6) I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
7) I have co-authored parts of sections 1 to 11, 13, 22 to 26 and Appendices A to J;
8) I have been involved on a gap analysis review of Preliminary Economic Assessment of the Upper Beaver Gold-Copper Deposit, Kirkland Lake, Ontario, Canada, for Queenston Mining Inc., by P&E Mining Consultants Inc., dated March 30, 2012 from May to July 2012;
9) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;
10) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
11) I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report; and
12) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Upper Beaver Project or securities of Queenston Mining Inc.

"signed and sealed"

Sudbury, Ontario — Sébastien B. Bernier, P.Geo. (APGO#1847)
November 5, 2012 — Senior Consultant (Resource Geology)

CERTIFICATE OF QUALIFIED PERSON

To accompany the technical report entitled *Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada* and dated November 5, 2012.

I, Glen Cole, residing at 15 Langmaid Court, Whitby, Ontario do hereby certify that:

1) I am a Principal Resource Geologist with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 2100, 25 Adelaide Street East, Toronto, Ontario, Canada;
2) I am a graduate of the University of Cape Town in South Africa with a B.Sc (Hons) in Geology in 1983; I obtained an M.Sc. (Geology) from the University of Johannesburg in South Africa in 1995 and an M.Eng. in Mineral Economics from the University of the Witwatersrand in South Africa in 1999. I have practiced my profession continuously since 1986. Since 2006, I have estimated and audited mineral resources for a variety of early and advanced base and precious metals projects in Africa, Canada, Chile, and Mexico. Between 1989 and 2005, I worked for Goldfields Ltd. at several underground and open pit mining operations in Africa and held positions of Mineral Resources Manager, Chief Mine Geologist, and Chief Evaluation Geologist, with the responsibility for the estimation of mineral resources and mineral reserves for development projects and operating mines.
3) I am a Professional Geoscientist registered with the Association of Professional Geoscientists of the Province of Ontario (APGO#1416) and I am also registered as a Professional Natural Scientist with the South African Council for Scientific Professions (Reg#400070/02);
4) I have personally visited the project area between August 1 to 2, 2012;
5) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of National Instrument 43-101;
6) I, as a qualified person, I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
7) I have co-authored parts of sections 1 to 11 and 22 to 26;
8) I have been involved on a gap analysis review of Preliminary Economic Assessment of the Upper Beaver Gold-Copper Deposit, Kirkland Lake, Ontario, Canada, for Queenston Mining Inc., by P&E Mining Consultants Inc., dated March 30, 2012 from May to July 2012;
9) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;
10) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
11) I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report; and
12) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Upper Beaver Project or securities of Queenston Mining Inc.

"signed and sealed"

Toronto, Ontario — Glen Cole, P.Geo. (APGO#1416)
November 5, 2012 — Principal Consultant (Resource Geology)

CERTIFICATE OF QUALIFIED PERSON

ALFRED S. HAYDEN, P. ENG

I, Alfred S. Hayden, P. Eng., residing at 284 Rushbrook Drive, Ontario, L3X 2C9, do hereby certify that:

1. I am currently President of:
   EHA Engineering Ltd.,
   Consulting Metallurgical Engineers
   Box 2711, Postal Stn. B.
   Richmond Hill, Ontario, L4E 1A7
2. This certificate applies to the technical report titled "Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada (the "Technical Report") with an effective date of September 26, 2012".
3. I graduated from the University of British Columbia, Vancouver, B.C. in 1967 with a Bachelor of Applied Science in Metallurgical Engineering. I am a member of the Canadian Institute of Mining, Metallurgy and Petroleum and a Professional Engineer and Designated Consulting Engineer registered with Professional Engineers Ontario. I have worked as a metallurgical engineer for a total of 42 years since my graduation from university.

   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.
4. I have not visited the Property that is the subject of this report.
5. I am responsible for authoring Sections 12.2 and 16 and co-authoring Sections 20 and 24 of the Technical Report along with those sections of the Summary pertaining thereto.
6. I am independent of the issuer applying the test in Section 1.5 of NI 43-101.
7. I have had prior involvement with the project that is the subject of this Technical Report. The nature of my involvement is as a co-author of a Technical report titled "Technical Report and Preliminary Economic Assessment (PEA) for the Upper Beaver Property in Gauthier Township, Northeastern Ontario, Canada" with an effective date of February 16, 2012.
8. I have read NI 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance therewith.
9. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: September 26, 2012
Signed Date: November 5, 2012

{SIGNED AND SEALED}
[Alfred Hayden]

Alfred S. Hayden, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

DAVID A. ORAVA, P. ENG.

I, David A. Orava, M. Eng., P. Eng., residing at 19 Boulding Drive, Aurora, Ontario, L4G 2V9, do hereby certify that:

1. I am an Associate Mining Engineer at P&E Mining Consultants Inc. and President of Orava Mine Projects Ltd.
2. This certificate applies to the technical report titled "Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada" (the "Technical Report") with an effective date of September 26, 2012.
3. I am a graduate of McGill University located in Montreal, Quebec, Canada at which I earned my Bachelor Degree in Mining Engineering (B.Eng. 1979) and Masters in Engineering (Mining - Mineral Economics Option B) in 1981. I have practiced my profession continuously since graduation. I am licensed by the Professional Engineers of Ontario (License No. 34834119).

   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.

   My summarized career experience is as follows:

   - Mining Engineer – Iron Ore Company of Canada. 1979-1980
   - Mining Engineer – J.S Redpath Limited / J.S. Redpath Engineering. 1981-1986
   - Mining Engineer & Manager Contract Development – Dynatec Mining Ltd. 1986-1990
   - Vice President – Eagle Mine Contractors 1990
   - Senior Mining Engineer – UMA Engineering Ltd. 1991
   - General Manager - Dennis Netherton Engineering 1992-1993
   - Senior Mining Engineer – SENES Consultants Ltd. 1993-2003
   - President – Orava Mine Projects Ltd. .... 2003 to present
   - Associate Mining Engineer – P&E Mining Consultants Inc. .... 2006 to present

4. I have visited the not visited the Property that is the subject of this Technical Report.
5. I am responsible for authoring Section 19 and 23 of the Technical Report along with those sections of the Summary pertaining thereto.
6. I am an independent of the issuer applying all of the tests in Section 1.5 of NI 43-101.
7. I have had prior involvement with the project that is the subject of this Technical Report. The nature of my involvement is as a co-author of a Technical report titled "Technical Report and Preliminary Economic Assessment (PEA) for the Upper Beaver Property in Gauthier Township, Northeastern Ontario, Canada" with an effective date of February 16, 2012.
8. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith.
9. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: September 26, 2012
Signed Date: November 5, 2012

{SIGNED AND SEALED}
[David Orava]

David Orava, M. Eng., P. Eng.

JAMES L. PEARSON, P.ENG.

CERTIFICATE OF AUTHOR

I, James L. Pearson, P.Eng., residing at 5 Clubhouse Court, Bolton, Ontario, Canada, L7E 0B3, do hereby certify that:

1. I am an independent Mining Engineering Consultant, contracted by P& E Mining Consultants Inc.
2. This certificate applies to the technical report entitled "Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada (the "Technical Report") with an effective date of September 26, 2012.
3. I am a graduate of Queen's University, Kingston, Ontario, Canada, in 1973 with a Bachelor of Science degree in Mining Engineering. I am registered as a Professional Engineer in the Province of Ontario (Reg. No. 36043016). I have worked as a mining engineer for a total of 37 years since my 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 purposes of NI 43-101. My relevant experience for the purpose of the Technical Report is:

   - Review and report as a consultant on numerous exploration and mining projects around the world for due diligence and regulatory requirements;
   - Project Manager and Superintendent of Engineering and Projects at several underground operations in South America;
   - Senior Mining Engineer with a large Canadian mining company responsible for development of engineering concepts, mine design and maintenance;
   - Mining analyst at several Canadian brokerage firms

4. I have visited the Property that is the subject of this report on October 5, 2011.
5. I am responsible for authoring Sections 14, 15, 18, 21 and coauthoring Sections 17, 20 and 24 of the Technical Report along with those sections of the Summary pertaining thereto.
6. I am independent of the issuer applying all of the tests in Section 1.5 of NI 43-101.
7. I have had prior involvement with the project that is the subject of this Technical Report. The nature of my involvement is as a co-author of a Technical report titled "Technical Report and Preliminary Economic Assessment (PEA) for the Upper Beaver Property in Gauthier Township, Northeastern Ontario, Canada" with an effective date of February 16, 2012.
8. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that Instrument and Form.
9. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: September 26, 2012
Signed Date: November 5, 2012

{SIGNED AND SEALED}
[James L. Pearson]

James L. Pearson, P. Eng.

CERTIFICATE OF QUALIFIED PERSON

EUGENE J. PURITCH, P. ENG.

I, Eugene J. Puritch, P. Eng., residing at 44 Turtlecreek Blvd., Brampton, Ontario, L6W 3X7, do hereby certify that:

1. I am an independent mining consultant and President of P & E Mining Consultants Inc.
2. This certificate applies to the technical report titled "Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada (the "Technical Report") with an effective date of September 26, 2012."
3. I am a graduate of The Haileybury School of Mines, with a Technologist Diploma in Mining, as well as obtaining an additional year of undergraduate education in Mine Engineering at Queen's University. In addition I have also met the Professional Engineers of Ontario Academic Requirement Committee's Examination requirement for Bachelor's Degree in Engineering Equivalency. I am a mining consultant currently licensed by the Professional Engineers of Ontario (License No. 100014010) and registered with the Ontario Association of Certified Engineering Technicians and Technologists as a Senior Engineering Technologist. I am also a member of the National and Toronto Canadian Institute of Mining and Metallurgy.

   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.

   I have practiced my profession continuously since 1978. My summarized career experience is as follows:
   - Mining Technologist - H.B.M.& S. and Inco Ltd.,........ 1978-1980
   - Open Pit Mine Engineer – Cassiar Asbestos/Brinco Ltd.,........ 1981-1983
   - Pit Engineer/Drill & Blast Supervisor – Detour Lake Mine,........ 1984-1986
   - Self-Employed Mining Consultant – Timmins Area,........ 1987-1988
   - Mine Designer/Resource Estimator – Dynatec/CMD/Bharti, ... 1989-1995
   - Self-Employed Mining Consultant/Resource-Reserve Estimator,........ 1995-2004
   - President – P & E Mining Consultants Inc,........ 2004-Present
4. I have visited the Property that is the subject of this report on October 5, 2011.
5. I am responsible for co-authoring Sections 14, 15, 24 and 25 of the Technical Report along with those sections of the Summary pertaining thereto.
6. I am independent of the Issuer applying the test in Section 1.5 of NI 43-101.
7. I have had prior involvement with the project that is the subject of this Technical Report. The nature of my involvement is as a co-author of a Technical report titled "Technical Report and Preliminary Economic Assessment (PEA) for the Upper Beaver Property in Gauthier Township, Northeastern Ontario, Canada" with an effective date of February 16, 2012.
8. I have read NI 43-101 and Form 43-101F1. This Technical Report has been prepared in compliance therewith.
9. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: September 26, 2012
Signed Date: November 5, 2012

{SIGNED AND SEALED}
[Eugene Puritch]

Eugene J. Puritch, P. Eng.

srk consulting

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toronto@srk.com
www.srk.com

Project number: 5CQ001.001

Toronto, November 5, 2012

To:
Securities Regulatory Authorities
B. C. Securities Commission (BCSC)
Alberta Securities Commission (ABC)
Ontario Securities Commission (OSC)
Manitoba Securities Commission (MSC)
L'Autorité des marchés financiers (AMF)
Toronto Stock Exchange (TSX)

CONSENT of AUTHOR

I, Sebastien Bernier do hereby consent to the public filing of the technical report entitled "Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada" (the "Technical Report") and dated November 5, 2012 and any extracts from or a summary of the Technical Report under the National Instrument 43-101 disclosure of Queenston Mining Inc. and to the filing of the Technical Report with any securities regulatory authorities.

I further consent to the company filing the report on SEDAR and consent to press releases made by the company with my prior approval. In particular, I have read and approved the press release of Queenston Mining Inc dated September 26, 2012 (the "Disclosure") in which the findings of the Technical Report are disclosed.

I also confirm that I have read the Disclosure and that it fairly and accurately represents the information in the Technical Report that supports the Disclosure.

Dated this 5th day of November 2012.

Sebastien Bernier, P.Geo.
Senior Consultant (Resource Geology)

SRK Consulting (Canada) Inc.
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Project number: 5CQ001.001

Toronto, November 5, 2012

To:
Securities Regulatory Authorities
B. C. Securities Commission (BCSC)
Alberta Securities Commission (ABC)
Ontario Securities Commission (OSC)
Manitoba Securities Commission (MSC)
L'Autorité des marchés financiers (AMF)
Toronto Stock Exchange (TSX)

CONSENT of AUTHOR

I, Glen Cole do hereby consent to the public filing of the technical report entitled "Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada" (the "Technical Report") and dated November 5, 2012 and any extracts from or a summary of the Technical Report under the National Instrument 43-101 disclosure of Queenston Mining Inc. and to the filing of the Technical Report with any securities regulatory authorities.

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I also confirm that I have read the Disclosure and that it fairly and accurately represents the information in the Technical Report that supports the Disclosure.

Dated this 5th day of November 2012.

Glen Cole, P.Geo.
Principal Consultant (Resource Geology)

P&E MINING CONSULTANTS INC.
Geologists and Mining Engineers

2 County Court Blvd., Suite 202, Brampton, Ontario, L6W 3W8
Ph: 905-595-0575 Fax: 905-595-0578 www.peconsulting.ca

SRK Project number: 5CQ001.001

To:
Securities Regulatory Authorities
B. C. Securities Commission (BCSC)
Alberta Securities Commission (ABC)
The Manitoba Securities Commission (MSC)
Ontario Securities Commission (OSC)
L'Autorité des marchés financiers (AMF)
Toronto Stock Exchange (TSX)

CONSENT of AUTHOR

I, Alfred Hayden, do hereby consent to the public filing of the technical report entitled "**Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada**" (the "Technical Report") and dated November 5, 2012 and any extracts from or a summary of the Technical Report under the National Instrument 43-101 disclosure of Queenston Mining Inc., and to the filing of the Technical Report with any securities regulatory authorities.

I further consent to the company filing the report on SEDAR and consent to press releases made by the company with my prior approval. In particular, I have read and approved the press release of Queenston Mining Inc., titled "**Queenston Announces 112% Increase in Indicated Resource (to 1.5 M oz. gold and 16% Increase in Inferred Resource (to 0.7 M oz. gold) at Upper Beaver**" and dated September 26, 2012 (the "Disclosure") in which the findings of the Technical Report are disclosed.

I also confirm that I have read the Disclosure and that it fairly and accurately represents the information in the Technical Report that supports the Disclosure insofar as my contribution is concerned.

Dated this 5th day of November 2012

P&E MINING CONSULTANTS INC.

Alfred Hayden, P.Eng.

P&E MINING CONSULTANTS INC.
Geologists and Mining Engineers

2 County Court Blvd., Suite 202, Brampton, Ontario, L6W 3W8
Ph: 905-595-0575 Fax: 905-595-0578 www.peconsulting.ca

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The Manitoba Securities Commission (MSC)
Ontario Securities Commission (OSC)
L'Autorité des marchés financiers (AMF)
Toronto Stock Exchange (TSX)

CONSENT of AUTHOR

I, David Orava, do hereby consent to the public filing of the technical report entitled "**Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada**" (the "Technical Report") and dated November 5, 2012 and any extracts from or a summary of the Technical Report under the National Instrument 43-101 disclosure of Queenston Mining Inc., and to the filing of the Technical Report with any securities regulatory authorities.

I further consent to the company filing the report on SEDAR and consent to press releases made by the company with my prior approval. In particular, I have read and approved the press release of Queenston Mining Inc., titled "**Queenston Announces 112% Increase in Indicated Resource (to 1.5 M oz. gold and 16% Increase in Inferred Resource (to 0.7 M oz. gold) at Upper Beaver**" and dated September 26, 2012 (the "Disclosure") in which the findings of the Technical Report are disclosed.

I also confirm that I have read the Disclosure and that it fairly and accurately represents the information in the Technical Report that supports the Disclosure insofar as my contribution is concerned.

Dated this 5th day of November 2012

P&E MINING CONSULTANTS INC.

David Orava, P.Eng.

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Geologists and Mining Engineers

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SRK Project number: 5CQ001.001

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The Manitoba Securities Commission (MSC)
Ontario Securities Commission (OSC)
L'Autorité des marchés financiers (AMF)
Toronto Stock Exchange (TSX)

CONSENT of AUTHOR

I, James L. Pearson, do hereby consent to the public filing of the technical report entitled "**Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada**" (the "Technical Report") and dated November 5, 2012 and any extracts from or a summary of the Technical Report under the National Instrument 43-101 disclosure of Queenston Mining Inc., and to the filing of the Technical Report with any securities regulatory authorities.

I further consent to the company filing the report on SEDAR and consent to press releases made by the company with my prior approval. In particular, I have read and approved the press release of Queenston Mining Inc., titled "**Queenston Announces 112% Increase in Indicated Resource (to 1.5 M oz. gold and 16% Increase in Inferred Resource (to 0.7 M oz. gold) at Upper Beaver**" and dated September 26, 2012 (the "Disclosure") in which the findings of the Technical Report are disclosed.

I also confirm that I have read the Disclosure and that it fairly and accurately represents the information in the Technical Report that supports the Disclosure insofar as my contribution is concerned.

Dated this 5th day of November 2012

P&E MINING CONSULTANTS INC.

James L. Pearson, P.Eng.

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Geologists and Mining Engineers

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SRK Project number: 5CQ001.001

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The Manitoba Securities Commission (MSC)
Ontario Securities Commission (OSC)
L'Autorité des marchés financiers (AMF)
Toronto Stock Exchange (TSX)

CONSENT of AUTHOR

I, Eugene Puritch, do hereby consent to the public filing of the technical report entitled "**Technical Report on the Upper Beaver Gold-Copper Project, Ontario, Canada**" (the "Technical Report") and dated November 5, 2012 and any extracts from or a summary of the Technical Report under the National Instrument 43-101 disclosure of Queenston Mining Inc., and to the filing of the Technical Report with any securities regulatory authorities.

I further consent to the company filing the report on SEDAR and consent to press releases made by the company with my prior approval. In particular, I have read and approved the press release of Queenston Mining Inc., titled "**Queenston Announces 112% Increase in Indicated Resource (to 1.5 M oz. gold and 16% Increase in Inferred Resource (to 0.7 M oz. gold) at Upper Beaver**" and dated September 26, 2012 (the "Disclosure") in which the findings of the Technical Report are disclosed.

I also confirm that I have read the Disclosure and that it fairly and accurately represents the information in the Technical Report that supports the Disclosure insofar as my contribution is concerned.

Dated this 5th day of November 2012

P&E MINING CONSULTANTS INC.

Eugene Puritch, P.Eng.