Sibley Basin
SBG
Group

National Instrument 43-101 Technical Report

Koper Lake Project Chromite Deposit
McFauld's Lake Area, Ontario, Canada
Porcupine Mining Division
NTS 43D16
Mineral Resource Estimation
Technical Report

Prepared For

KWG Resources Inc.

By

Alan Aubut P.Geo.

September 7, 2013

PO Box 304, Nipigon, Ontario, P0T 2J0 Tel: (807) 887-2300
Email: sibley.basin.group@gmail.com

Table of Contents

List of Figures

List of Tables

1. Summary

The Koper Lake Project property is located in North-western Ontario, approximately 280 km north of the town of Nakina. It consists of about 1,024 hectares covered by 4 unpatented mining claims. KWG Resources Inc. has an option to earn up to 80% in any chrome production and 20% in other minerals, and Bold Ventures Inc. in turn have an option to earn a 100% interest in the property from Fancamp Exploration Limited, with Bold being the operator in the initial option period.

The area is underlain by Archean volcanics and ultramafic rocks intruded by a granodiorite complex. The Koper Lake Project property is underlain by a multi-phase layered ultramafic intrusion consisting of peridotite, olivine cumulates including dunite, chromite, pyroxenite and gabbro. The chromite mineralisation consists of fine grained disseminated to massive accumulations of chromite grains typically in a peridotite to olivine cumulate matrix.

Exploration to date has consisted of geophysics followed by diamond drilling designed to look for nickel–copper mineralisation and to trace the chromite zone. The chromite mineralisation has been traced approximately 0.7 km along strike and 1.1 km down dip. The current objective is to define a chromite deposit that can be economically extracted using underground mining techniques.

Using the drill hole data available as of September 7, 2013, an Ordinary Kriged block model was created for the Koper Lake Project chromite deposit. The volume modelled is 0.7 km long and has a down dip extent of approximately 1.0 km with the top of the mineral zone as high as 280 metres below surface and has been traced down to a depth of approximately 1400 m below surface. All of the resources present have a low confidence in the estimate such that they can be classified only as Inferred Resources. The following table provides the identified Inferred Resources using a cut-off of 20% Cr_2O_3.

Classification	Tonnes (millions)	$\%Cr_2O_3$
Inferred Resources	46.5	38.8

Notes:

1. CIM Definition Standards were followed for classification of Mineral Resources.
2. The Mineral Resource estimate uses drill hole data available as of September 7, 2013.
3. The cut-off of 20% Cr_2O_3 is the same cut-off used for the Kemi deposit as reported by Alapieti et al. (1989) and for the nearby Big Daddy chromite deposit (Aubut, 2012).
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Using this 20% cut-off, there are 46.5 million tonnes at a grade of 38.8% Cr_2O_3 of Inferred Resources. No mineability and dilution studies have been applied to these resources and therefore they may not all be economically recoverable.

The drill hole spacing is 100 to 300 metres with several off-azimuth holes. To date only 7 holes have tested the mineral zone on the property and of these intersections most are very steep and cut the zone at a very oblique angle. As a result there is poor confidence in the lateral continuity of the mineralization to a degree that all of the defined resources can be classified only as Inferred Resources at this time.

It is recommended that further drilling be done to infill areas to better define the limits and continuity of the mineralisation, and to explore for nickel copper mineralisation along strike within the same ultramafic suite that hosts the chromite mineralisation. The estimated cost of this program is $6.68 million.

1.1.Cautionary Note

The chromite mineralisation found to date has only been tested with relatively sparse drilling. As such the mineralised zone is poorly sampled and can only be classified as Inferred Resources. Further infill and deeper drilling is required.

This estimate is effective as of September 7, 2013 and is reflective of all data available as of that date.

2. Introduction

The Koper Lake Project property is currently under option agreement between KWG Resources Inc. (KWG) and Bold Ventures Inc. (Bold) with Bold as the current project operator.

The purpose of this report is to document and summarise known information, determine an appropriate genetic model to help guide future exploration and to present recommendations for future work.

Sibley Basin Group Geological Consulting Services Ltd. (SBG) was retained by Mr. Maurice Lavigne, Vice President of Exploration and Development for KWG Resources inc. to prepare this report detailing work done to date on the Koper Lake Project property.

Bold, as project operator, compiled and supplied the drill hole data set with final drill hole validation by SBG. Alan Aubut, P.Geo., on behalf of SBG, had previously visited the project area in 2009. Digital files with which to generate a drill hole database file, including all assays, were provided by Bold.

3. Reliance on Other Experts

This report has been prepared using public documents, and documents supplied by KWG Resources Inc. While reasonable care has been taken in preparing this document there is no guarantee as to the accuracy or completeness of the supporting documentation used, all of which are listing in the References section.

4. Property Description and Location

The Koper Lake Project is located on a property held under an option agreement between KWG Resources Inc. and Bold Ventures Inc., who are currently operators. The property is situated in the Porcupine Mining Division in area BMA 527861 (G-4306) and is located approximately 80km east of the community of Webequie (see Figure 1). The property consists of 4 unpatented mining claims totalling 64 units covering approximately 1,024 ha (see Figures 2 and 3). The claim locations are "as staked" and are based on GPS-derived locations of claim posts. The current status of all the claims is presented in Table 1.

4.1. Property History and Underlying Agreements

- Claims 3012254, 3012255, 3012257 and 3012258 (Koper Lake Project) were recorded by Richard Nemis, on April 22, 2003.

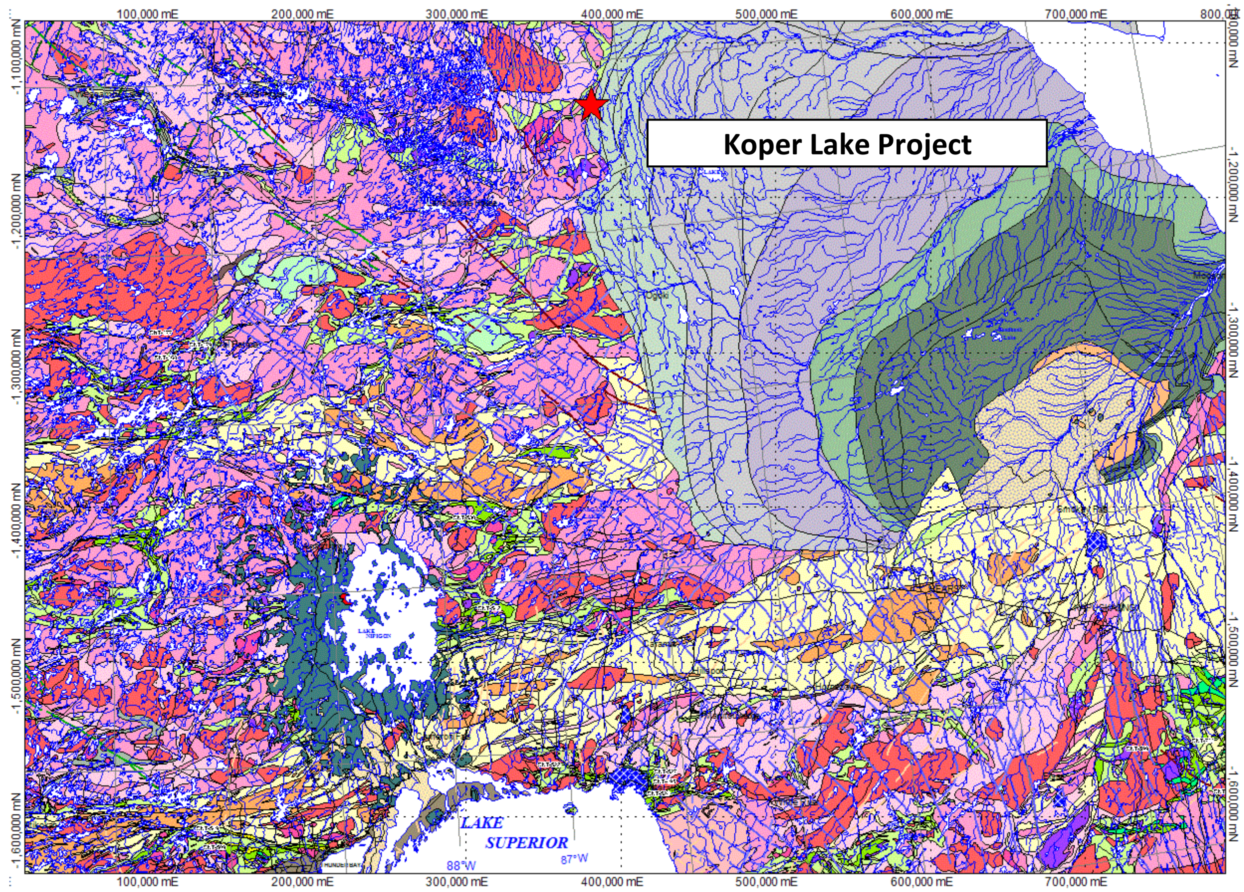


Figure 1 Map showing the location of the Koper Lake Project.

- On June 28, 2003 Richard Nemis agreed to sell a 100% interest in the Koper Lake Project to Fancamp Exploration Ltd. (Fancamp) for $7,200 with the vendor retaining a 2% net smelter royalty (NSR). Fancamp has the right to purchase half of the NSR, or 1%, prior to commencement of production from the claims, by paying $1,000,000 to the vendor.

Claim Number	Area	Recording Date	Claim Due Date	Status	Percent Option	Work Required	Total Applied	Total Reserve	Claim Bank	Claim Units	Area
3012257	BMA 526 862	2003-Apr-22	2015-Apr-22	A	100%	$6,400	$64,000	$23,310	$0	16	256
3012258	BMA 526 862	2003-Apr-22	2015-Apr-22	A	100%	$6,400	$64,000	$1,890,066	$0	16	256
3012254	BMA 527 862	2003-Apr-22	2015-Apr-22	A	100%	$6,400	$64,000	$185,463	$0	16	256
3012255	BMA 527 862	2003-Apr-22	2015-Apr-22	A	100%	$6,400	$64,000	$223,737	$0	16	256
									Total	**64**	**1024**

Table 1 Claim status of the Koper Lake Project property (as of July 10, 2013).

- On January 30, 2005 Probe Mines Limited agreed to option the property from Fancamp. They drilled one hole (FC1) in 2006 to a final depth of 171 metres. No mineralisation of note was intersected and the option was subsequently terminated.

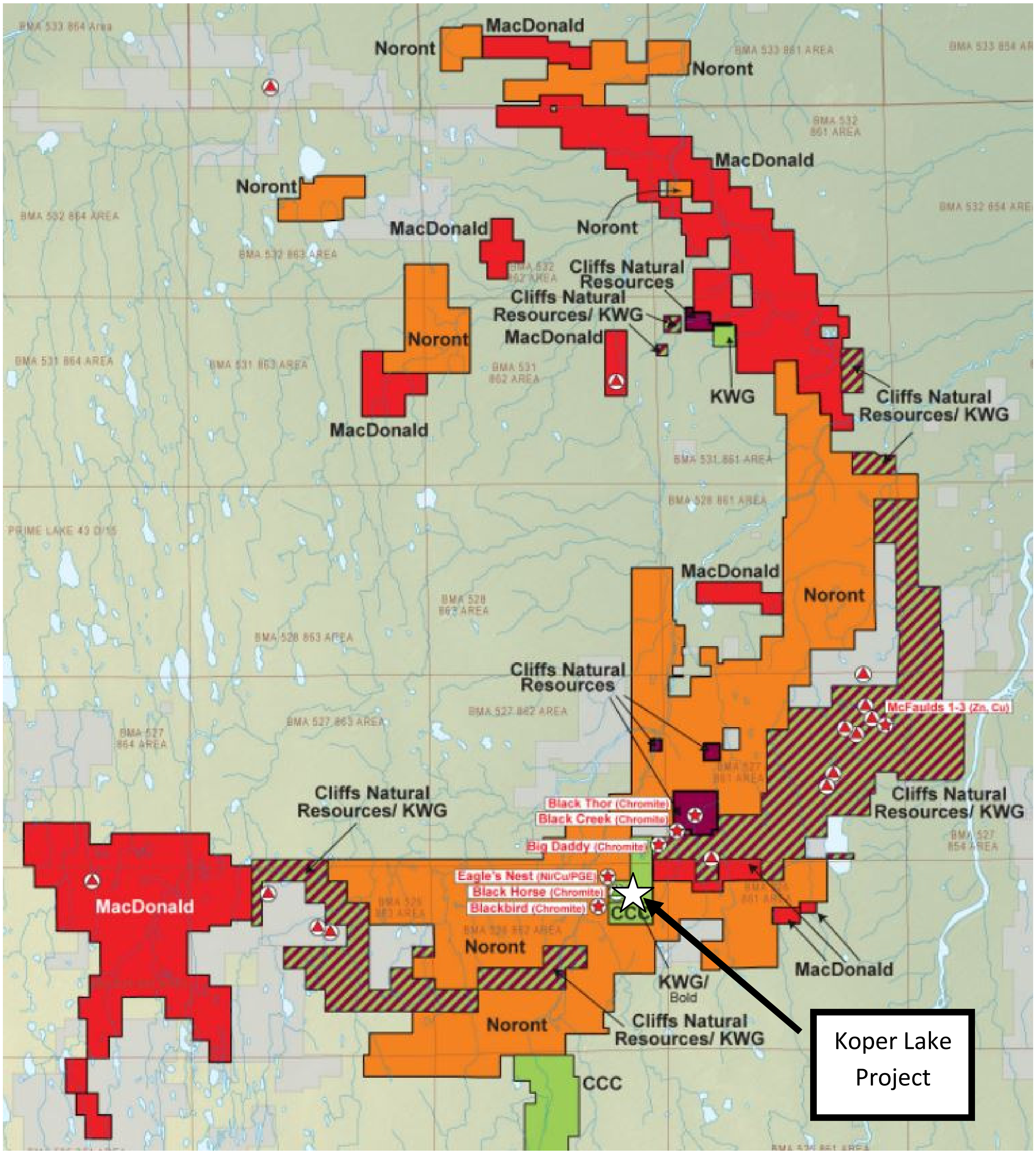


Figure 1 Claim map of the McFaulds's Lake Area (©Intierra Pty Ltd. 2013).

On May 7, 2012 Bold Ventures Inc. (Bold) entered into an earn-in option agreement with Fancamp. Bold had the option to earn-in up to 60% in the Koper Lake Project. The Agreement called for Bold to make option payments totalling $1,500,000 and to incur exploration expenditures on the property of at least $8,000,000 over a 3 year period. Upon fulfilling these optional terms, Bold will earn a 50% interest in the property and a joint venture will be formed. A further 10% interest may be earned by Bold at any time by delivery of a positive feasibility study and by making a payment of $700,000 in cash and/or stock at the option of Bold.

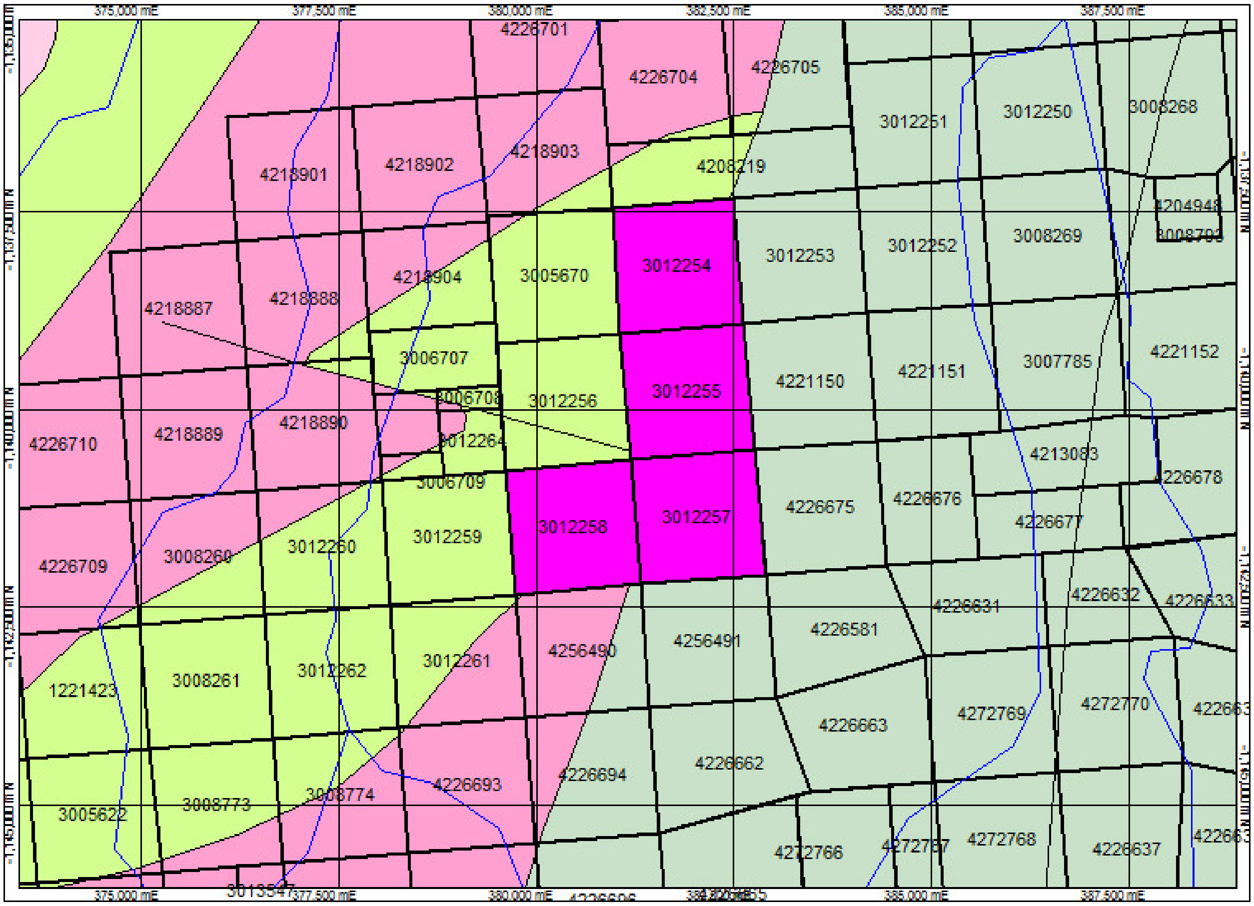


Figure 2 KWG-Bold Option Agreement Property Map (purple) as of August 18, 2013.

- On January 7, 2013, Bold announced it had reached a revised agreement with Fancamp that now gives Bold the option to earn up to a 100% working interest in the property. The Agreement amends the terms of the Earn-In Option Agreement announced in May 7, 2012 to provide that once Bold has earned its 60% interest in the Koper Lake Project, it will then have two options for a period of 90 days following the date it earns its 60% interest. First, it can earn a further 20% interest in the Property by paying Fancamp $15,000,000 payable in equal installments over three years with half of the amount payable in cash and the balance payable, at Bold's option, through the issuance of common shares of Bold at the market price at the time the shares are issued with

Fancamp retaining a carried interest (the "Carried Interest") in the Koper Lake Project. If the first option is exercised, Bold would then have the additional option to acquire from Fancamp the Carried Interest in exchange for a Gross Metal Royalty ("GMR") payable to Fancamp resulting in Bold holding a 100% interest in the Koper Lake Project. Fancamp would then be entitled to be paid 2% of the total revenue from the sale of all metals and mineral products from the Property from the commencement of Commercial Production. Once all of the capital costs to bring the Koper Lake Project to the production stage have been repaid entirely, the GMR may be scaled up to a maximum of 4% of the total revenue from the sale of all metals and mineral products from the Property depending upon the price of product sold from the Property.

- On February 4, 2013, Bold announced that it had signed an agreement with KWG Resources Inc. (KWG) to option its interests in the Koper Lake Project to KWG. Under the terms of the Agreement, Bold will act as Operator of the initial exploration programs which are to be funded by KWG. KWG can acquire an 80% interest in chromite produced from the Koper Lake Project by funding 100% of the costs to a feasibility study leaving Bold and its co-venturer with a 20% carried interest, pro rata. For nickel and other non-chromite minerals identified during the exploration programs, the parties have agreed to form a joint venture in which KWG would have a 20% participating interest and Bold and its co-venturer would have an 80% participating interest, pro rata. KWG will have a right of first refusal to purchase all ores or concentrates produced by such joint venture whenever its interest in the joint venture exceeds 50%.

  Bold also signed an agreement with 2282726 Ontario Limited ("Bold's Co-Venturer"), a subsidiary of Dundee Corporation, who can earn a 33-1/3% interest in Bold's Ring of Fire (ROF) activities around the area of Bold's Ring of Fire claims in Ontario (the "Bold ROF Project") by funding $2.5 million of exploration work, over $2.0 million of which has been expended to date. Once Bold's Co-Venturer earns its 33-1/3% interest, a joint venture will be formed between Bold's Co-Venturer and Bold giving Bold's Co-Venturer the right to participate for up to 33-1/3% in Bold's ROF Project by funding its portion of the project's budgets. The Koper Lake Project is within the Bold ROF Project.

4.2.Parties to the Agreements

Fancamp Exploration Ltd. is a junior exploration company listed on the TSX Venture exchange under the trading symbol of "FNC".

Bold Ventures Inc. is a junior exploration company listed on the TSX Venture exchange under the trading symbol of “BOL”.

2282726 Ontario Limited is a subsidiary of Dundee Corporation, a publicly traded asset management company listed on the Toronto Stock Exchange under the symbol "DC.A".

KWG Resources Inc. is a junior exploration company listed on the TSX Venture exchange under the trading symbol of “KWG”.

5. Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1.Accessibility

Access to the property is by charter air service, available from Nakina, 280 km to the south, or Pickle Lake, 295 km to the west-southwest. Access for surface exploration activities such as diamond drilling is by helicopter in the spring, summer and fall. During the winter access is possible using tracked vehicles, including snowmobiles.

During the summer the majority of rivers and creeks in the area are navigable by canoe and/or small motor boats.

The closest all weather road is at Nakina, however there is a winter road system that services the native communities of Marten Falls, Webequie, Eabametoong Neskantaga (Lansdowne House), Fort Albany, and Attawapiskat. It is possible that this system can be extended to provide access to the McFauld’s Lake area.

5.2.Climate

The climate of the James Bay Lowlands area is dominantly a typical continental climate with extreme temperature fluctuations from the winter to summer seasons. But during the summer months this can be moderated by the maritime effects of James and Hudson Bays. Environment Canada records (http://climate.weatheroffice.gc.ca/climateData/canada_e.html) show that summer temperatures range between 10°C and 35°C, with a mean temperature of 13°C in July. Winter temperatures usually range between -10°C and -55°C with an average January temperature of -23°C. Lakes typically freeze-up in mid-October and break-up is usually in mid-April. The region usually receives approximately 610 mm of precipitation per year, with about 1/3 originating as snow during the winter months. On a yearly basis the area averages about 160 days of precipitation per year.

5.3.Local resources

Other than stands of timber there are no local resources available on or near the property.

All equipment and supplies have to be air-lifted and directed through the nearby First Nation communities such as Webequie and Marten Falls. The nearest native community is Webequie. It has a well maintained all season runway, a hospital, a public school, mail and telephone service, as well as a community store and a hotel. Webequie is also accessible during the winter months by a winter road.

5.4. Infrastructure

Currently there is no infrastructure in the immediate project area. The closest all weather road is at Nakina, and there is a winter road system that services the nearby First Nation communities of Marten Falls, Webequie, Eabametoong Neskantaga (Lansdowne House), Fort Albany, and Attawapiskat. It is possible that this system can be extended to provide access to the McFauld's Lake area. All of the local First Nation communities are serviced by air and have all weather air strips. Power to these First Nation communities is provided by diesel generators while Nakina is connected to the Ontario hydro-electric power grid. Nakina is also the closest terminal on the Canadian National Railway (CNR) system.

5.5. Physiography

The project area is located along the western margin of the James Bay Lowlands of Northern Ontario within the Tundra Transition Zone consisting primarily of string bog and muskeg whereby the water table is very near the surface. Average elevation is approximately 170 m above mean sea level. The property area is predominantly flat muskeg with poor drainage due to the lack of relief. Glacial features are abundant in the area and consist of till deposits, eskers, and drumlins, all of which are typically overlain by marine clays from the Hudson Bay transgression. Currently, the region is still undergoing postglacial uplift at a rate of about 0.4 cm per year (Riley, 2003). The project area is located between the drainage basins of the Attawapiskat and Muketei Rivers. The Muketei River is a tributary of the larger Attawapiskat River that flows eastward into James Bay.

The bog areas consist primarily of sphagnum moss and sedge in various states of decomposition. The southern portion of the property is partially covered by forested areas. Trees are primarily black and white spruce (Picea glauca and mariana), tamarack (Larix laricina), and jack pine (Pinus banksiana) with minor amounts of trembling aspen (Populus tremuloides), balsam poplar (Populus balsamifera) and white birch (Betula papyrifera). In the northern portion of the property, trees are restricted to narrow bands along rivers and creeks and on well drained raised beaches. Willows (Salix) and alders (Alnus) are present along creeks and in poorly drained areas.

6. History

6.1.General

The first geological investigation of the James Bay Lowlands and the McFauld's Lake area was by Robert Bell of the Geological Survey of Canada (GSC). He and his crew traversed and mapped the shores of the Attawapiskat River from James Bay and past the McFauld's Lake area (Bell, 1887). Subsequently, in 1906 and between 1940 and 1965, the GSC and the Ontario Department of Mines (ODM) initiated further regional geological programs aimed at determining the petroleum potential of the Hudson Bay and James Bay sedimentary basins, and determining the potential for hydrocarbons in the Moose River Basin area.

Prior to the 1990's, the James Bay lowlands were sparsely explored. The few companies doing exploration in the area included Consolidated African Selection Trust (Armstrong et al., 2008) and Monopros Ltd., the Canadian exploration division of Anglo-American DeBeers. Most of the active exploration at that time was restricted to the region near Nakina where access is facilitated by road and train.

Modern day exploration in the McFauld's Lake area only began in the early 1990's as a result of diamond exploration. In 1989 Monopros Ltd. began exploration near the Attawapiskat kimberlites, which resulted in the discovery of the Victor pipe. The Spider/KWG joint venture resulted in the discovery of the Good Friday and MacFayden kimberlites in the Attawapiskat cluster, as well as the 5 Kyle kimberlites (Thomas, 2004). This activity led the way for other diamond exploration companies, i.e., Canabrava Diamond Corporation, Condor Diamond Corp., Dumont Nickel Inc., Dia Bras Exploration Inc., Greenstone Exploration Company Ltd., and Navigator Exploration Corp.

In the early 2000's copper mineralization was discovered by DeBeers Canada Inc. in the McFauld's Lake area. This discovery prompted the first staking rush and was subsequently drill defined by Spider/KWG and named the McFauld's No. 1 volcanogenic massive sulphides (VMS) deposit. Further copper mineralization was found at the McFauld's No. 3 VMS deposit (Gowans and Murahwi, 2009).

The discovery of the Eagle One nickel massive sulphide deposit by Noront Resources in 2007 resulted in a second staking rush. Over the next two years the Black Bird, Black Creek, Big Daddy, Black Thor and Black Label chromite deposits were found as well as the Thunderbird vanadium deposit.

Richard Nemis arranged to have claims staked in the McFaulds Lake area, including the ones that make up the Koper Lake Project and then optioned the claims to Fancamp. In 2010 Fancamp intersected massive chromite in holes FN-10-25 and FN-10-26. Fancamp then optioned the claims to Bold Resources in 2012. Bold signed an option agreement with KWG in early 2013.

6.2.Discovery history

In April of 2003 John der Weduwen staked claims 3012254, 3012255, 3012257 and 3012258 and then transferred 100% to Richard Nemis who then optioned the claims to Fancamp Exploration Ltd. (Fancamp). Fancamp completed the following work over the property between 2003 and 2012:

- In 2003 Fancamp participated in a regional Geotem magnetic and EM survey flown by Fugro Airborne Surveys. A total of 102 line kilomoters were flown over the property as part of this survey (Hogg, 2003).

- In 2004 several ground magnetic and horizontal loop EM surveys were completed in the area with portions of two of the grids extending onto the Fancamp property. Grid 1 consisting of lines at 200 metre intervals and totalling 11 km on the property; and Grid J consisting of lines at 100 metre intervals with 6.2 km on the property (Hogg, 2005).

- In 2006 Fancamp optioned the property to Probe Mines limited who then drilled one hole, FC-01, to a final depth of 171 metres. No mineralisation of note was encountered and the option was dropped.

- In 2007 a larger, more regional helicopter-borne AeroTEM magnetic and EM survey was flown by Aeroquest. A total of 186 line kilometres were flown over the property (Hogg, 2008).

- During 2008 Fancamp drilled 12 diamond drill holes totalling 3,555 metres. In addition, Noront Resources drilled one hole that extended onto the Fancamp property (NOT-08-40) that ended in massive chromite. Of these holes 5, including the Noront hole, were surveyed using downhole IP (JVX, 2009).

- During 2010 Fancamp drilled an additional 28 holes totalling 8,314 metres including holes FN-10-25 and 26 that intersected significant chromite intervals at depth.

- In early 2013 Geosig completed 48.9 line kilometres of ground magnetic and gravity surveys over portions of the property (Geosig, 2013). Bold Ventures, as operator, drilled 9 holes totalling 6,379 metres testing various targets including the chromite zone discovered in 2010.

7. Geological Setting and Mineralization

7.1.Regional geology

The James Bay Lowlands regional geology can be subdivided into the following domains: Precambrian Basement Complex, Paleozoic platform rocks, and Quaternary cover.

7.1.1. Precambrian Basement Complex

The Koper Lake Project property is located within the eastern portion of the Molson Lake Domain (MLD) of the Western Superior Province of the Canadian Shield (see Figure 4). Age dating has shown that there are two distinct assemblages: the Hayes River assemblage with an age of about 2.8 Ga, and the Oxford Lake assemblage with dates of about 2.7 Ga. Numerous mafic intrusions have been documented in the domain, such as the Big Trout Lake intrusion (Percival, 2007).

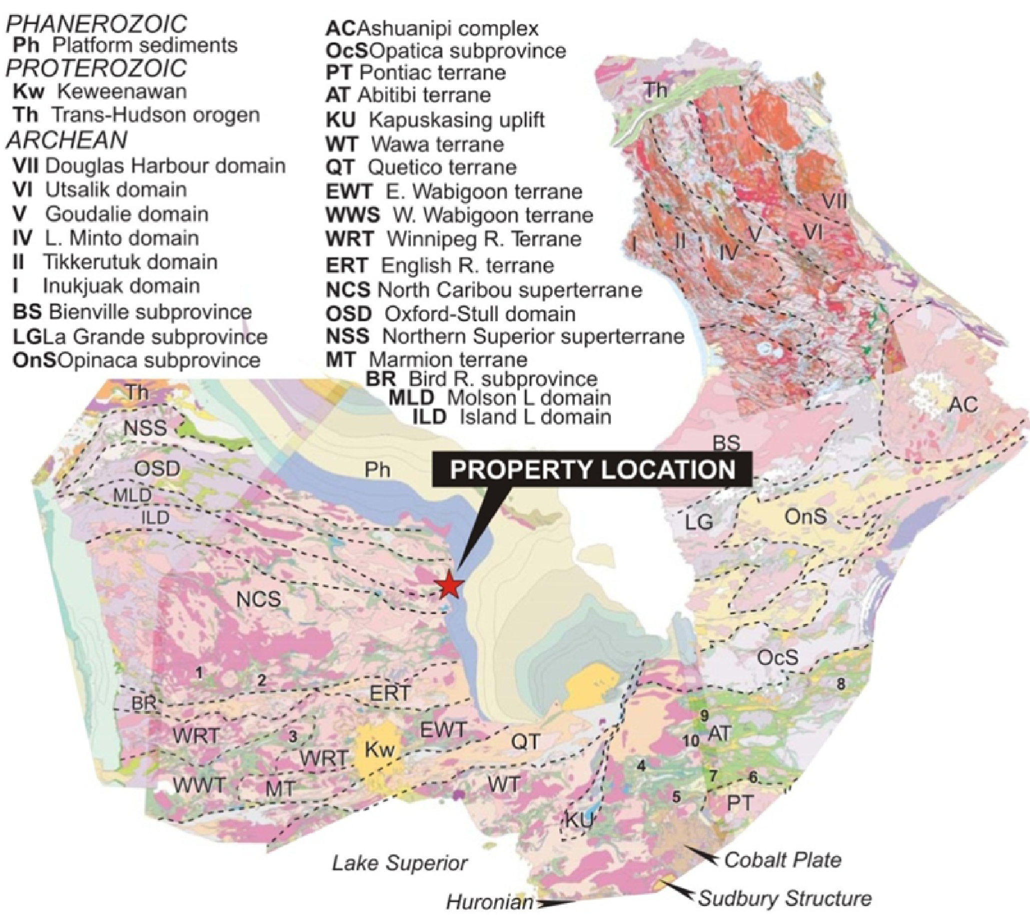


Figure 4 Geological map of the Superior Province showing tectonic domains

The domain is also intruded by numerous plutons of tonalitic, granodioritic, and granitic compositions.

In the McFauld's Lake area of the James Bay lowlands there is very poor outcrop exposure. As a result an aeromagnetic compilation and geological interpretation map was completed by Stott in 2007. Important geological features observed by Stott (2007) are:

- West- and northwest-trending faults show evidence of right-lateral transcurrent displacement.
- Northeast-trending faults show left-lateral displacement.
- In the northern half of the Hudson Bay lowlands area Archean rocks are overprinted by the Trans-Hudson Orogen (ca. 2.0 – 1.8 Ga).
- Greenstone belts of the Uchi domain and Oxford-Stull domain merge under the James Bay Lowlands.
- The Sachigo subprovince contains a core terrain, i.e., the North Caribou Terrain and "linear granite-greenstone" domains on the south and north flanks, that record outward growth throughout the Neoarchean.
- Major dextral transcurrent faults mark the boundary between the Island Lake and Molson Lake domains.
- Proterozoic (1.822 and 1.100 Ga) carbonatitic complexes intruded and reactivated these faults.
- The area has undergone a doming event. Uplifted lithologies include a regional scale granodioritic gneissic complex to the NW of the property.

7.1.2. Paleozoic Platform Rocks

The Paleozoic Platform rocks of the James Bay Lowlands consist primarily of upper Ordovician age (450 Ma to 438 Ma) sedimentary rocks. The sedimentary pile thickens significantly to greater than 100 m to the east and north of the property but is only intermittently present in the immediate property area. It is comprised mainly of poorly consolidated basal sandstone and mudstone overlain by muddy dolomites and limestones.

7.1.3. Quaternary Cover

The area is mantled by a thin, but persistent, layer of glacial and periglacial till and clay deposits.

7.2. Local Geology

Because of the limited bedrock exposure not much can be directly inferred about the geology of the Koper Lake Project property. The overburden varies in thickness from about 3m to 10m. It consists of a mixture of glacial outwash with abundant gravel to cobble sized pieces of unconsolidated tan coloured fossiliferous limestone, granitic rocks, as well as minor ultramafic rocks.

Most of the property geology can be indirectly inferred from the recent diamond drilling campaign and geophysical surveys. From these sources, it is interpreted that the property is underlain by: volcanics, ultramafic rocks and late felsic intrusive rocks.

7.2.1. Volcanics

Volcanic lithologies present are typical of most greenstone belts of the Superior Province. They consist of foliated mafic to felsic volcanic flows and pyroclasitic units, with intercalated schist, gabbro, iron-formation, and greywacke.

7.2.2. Ultramafic Rocks

The volcanics are intruded by an ultramafic complex consisting primarily of dunite, peridotite, chromitite, pyroxenite, gabbro, leucogabbro, and gabbronorite. These lithologies are variably altered, primarily in the form of serpentinization of olivine with talc, tremolite, chlorite, kammererite, stichtite, and magnetite also being present.

The geological package is vertical or dips very steeply towards the SE. In part it is fully overturned and dips steeply to the NW.

The Koper Lake Project property hosts the southwestern extension of the ultramafic suite that is best defined on the Cliffs Chromite North property to the northeast. There we have a lower cycle consisting dominantly of peridotite with minor accumulations of olivine adcumulate and chromite. The next cycle stratigraphically higher in the sequence shows more differentiation with appreciable enrichment of chromite. The third cycle has a basal zone of significant chromite enrichment. Overlaying the chromite-rich portions of the complex is a pyroxenite unit that drilling indicates has eroded away portions of the upper chromite horizon. The pyroxenite horizon is overlain by olivine adcumulates, peridotite and gabbro. The ultramafic complex host to the chromite mineralisation is up to 500 metres thick and has been traced for over 15 kilometres along strike.

7.2.3. Felsic Intrusive Rocks

Felsic intrusive rocks, intersected in drilling on the north side of the Koper Lake property, are comprised mostly of granite and quartz-diorite. The granite is grey-white, coarse-grained, hypidiomorphic and granular, consisting of quartz, feldspar, and biotite crystals. The granite is typically gradational into a quartz-diorite. The contact with the ultramafic and volcanic rocks is sharp and irregular at times with significant alteration of the ultramafics and volcanics.

7.2.4. Faulting

Drilling has intersected faults identified by slickensides, mylonitization, and intense brecciation of the host lithologies. Magnetic and gravity surveys indicate that there are major fault displacements to the northeast and southwest.

7.3 Mineralisation

To date only chromite mineralization has been found on the Koper Lake Project property. The chromite mineralization is potentially economic.

7.3.1 Chromite Mineralization

The chromite mineralisation on the Koper Lake Project is the eastern extension of the Black Bird chromite deposits and all are on strike with the Black Thor, Black Creek and Big Daddy deposits 3 km to the northeast. The chromite mineralisation does not come to surface on the property. It is stratiform and is hosted by ultramafics. Various types of chromite mineralization have been observed including disseminated chromite (1 to 20% chromite), semi-massive chromite and massive chromite (chromitite). The main chromitite layer is up to about 40 metres thick and has been traced on the Koper Lake Project property over 0.7 kilometres along strike. The chromite is present as small grains typically 100 to 200 µm and hosted typically by peridotite and, in the higher grade portions, by dunite.

8. Deposit Types

Various economic mineral deposit types are known to exist in the James Bay lowlands of Northern Ontario. These include: magmatic Ni-Cu-PGE, magmatic chromite mineralization, volcanogenic massive Cu-Zn sulphide mineralization and diamonds hosted by kimberlite.

The ultramafic/mafic rocks found on the Koper Lake Project property have been explored primarily for nickel-copper sulphide mineralisation although magmatic chromite mineralization has been found instead. The chromite mineralization occurs as stratiform bands within a large layered intrusion and shows major similarities with the Kemi intrusion of Finland.

At Kemi, chromite is hosted by a layered intrusion composed of peridotite and pyroxenite cumulates with chromite layers. The intrusion is interpreted to be funnel-shaped with the cumulate sequence thickest at the centre. There is a continuous chromite layer that has been traced 15 km along strike and varies in thickness from a few millimetres to as much as 90 metres in the central portion of the intrusion. Using a cut-off of 20% there were 40 million tonnes of open pit reserves grading 26.6% Cr_2O_3 with a Cr/Fe ration of 1.53 (Alapieti, et al., 1989).

9. Exploration

In 2003 Fancamp participated in a regional GeoTEM magnetic (see Figure 5) and EM survey flown by Fugro Airborne Surveys. A total of 102 line kilometers were flown over the property as part of this survey (Hogg, 2003).

In 2004 several ground magnetic and horizontal loop EM surveys were completed in the area with portions of two of the grids extending onto the Fancamp property. Grid 1 consisting of lines at 200 metre intervals and totalling 11 km on the property; and Grid J consisting of lines at 100 metre intervals with 6.2 km on the property (Hogg, 2005).

In 2006 Fancamp optioned the property to Probe Mines limited who then drilled one hole, FC-01, to a final depth of 171 metres. No mineralisation of note was encountered and the option was dropped.

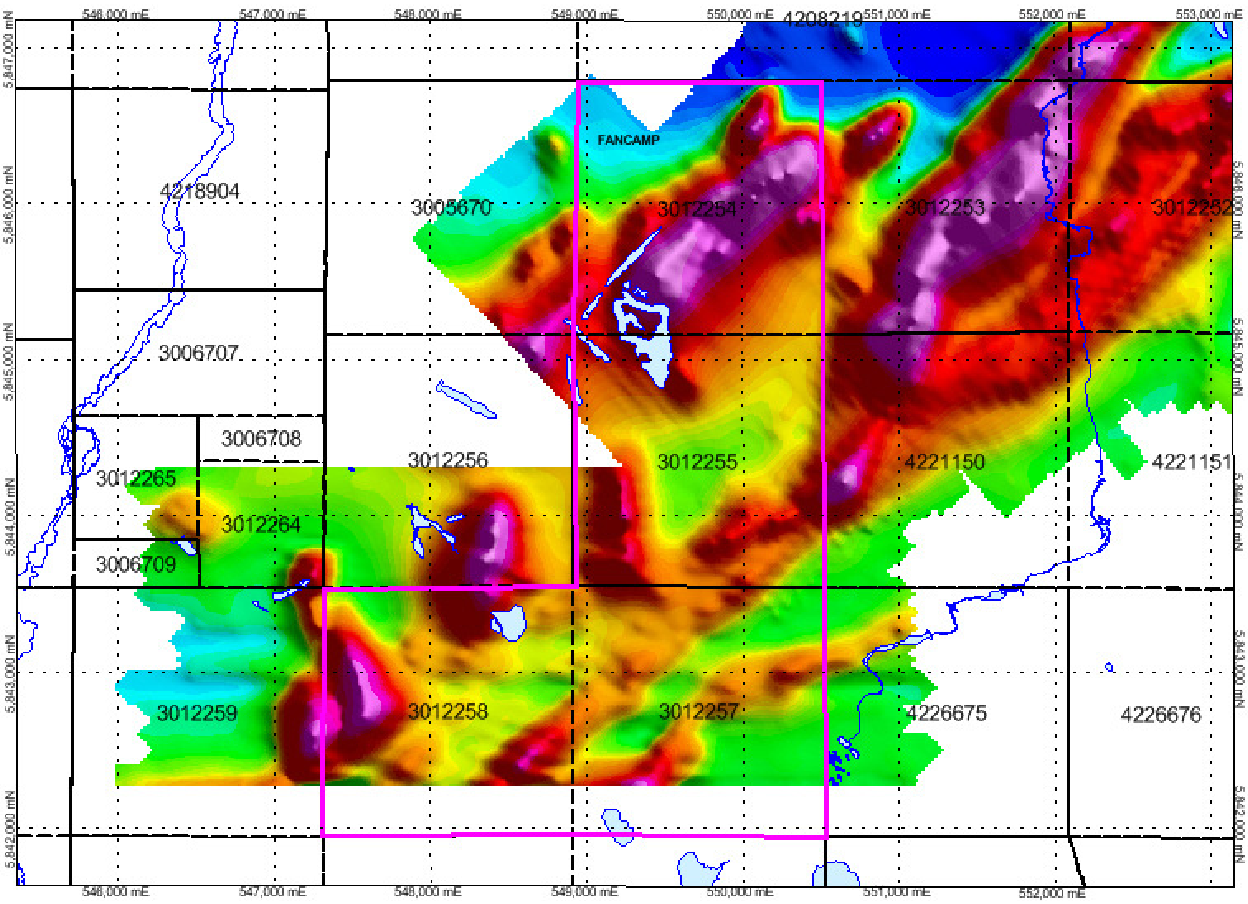


Figure 5 Map showing the Total Field Magnetic survey flown by Fugro in 2003.

In 2007 a larger, more regional helicopter-borne AeroTEM magnetic and EM survey was flown by AeroQuest (see Figures 6 and 7). A total of 186 line kilometres were flown over the property (Hogg, 2008).

During 2008 Fancamp drilled 12 diamond drill holes totalling 3,555 metres. In addition, Noront Resources drilled one hole that extended onto the Fancamp property (NOT-08-40) that ended

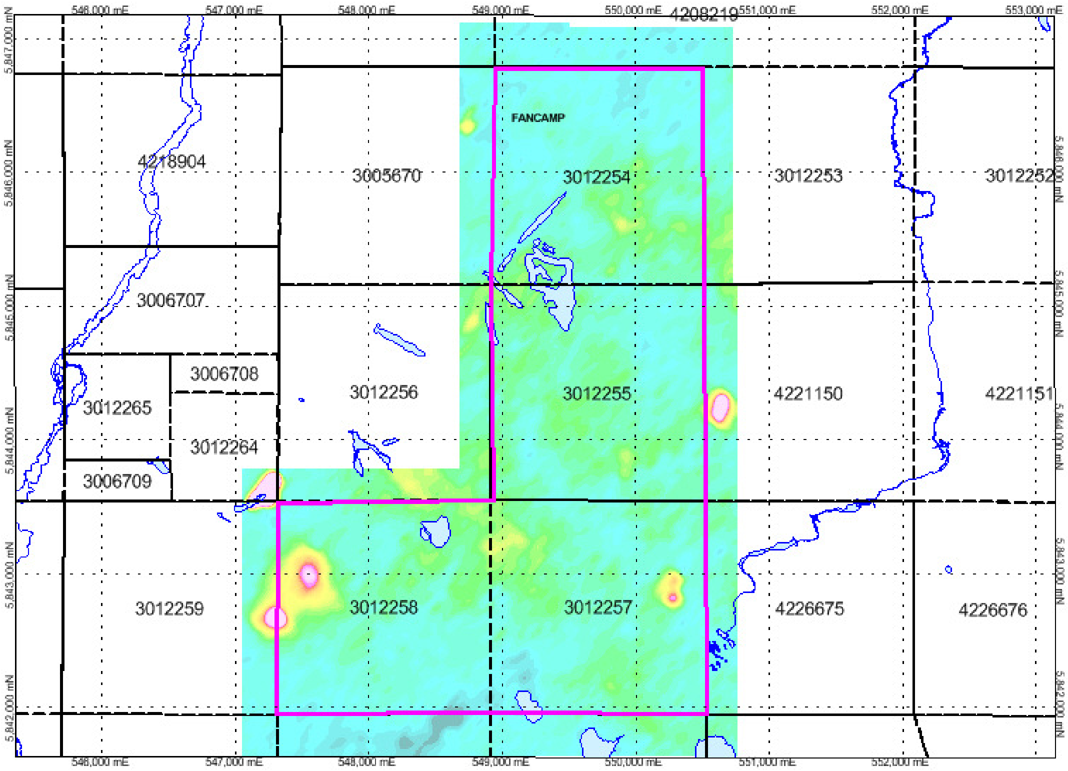


Figure 6 Map showing Channel 3 – Z off – AEM survey flown by AeroQuest in 2007.

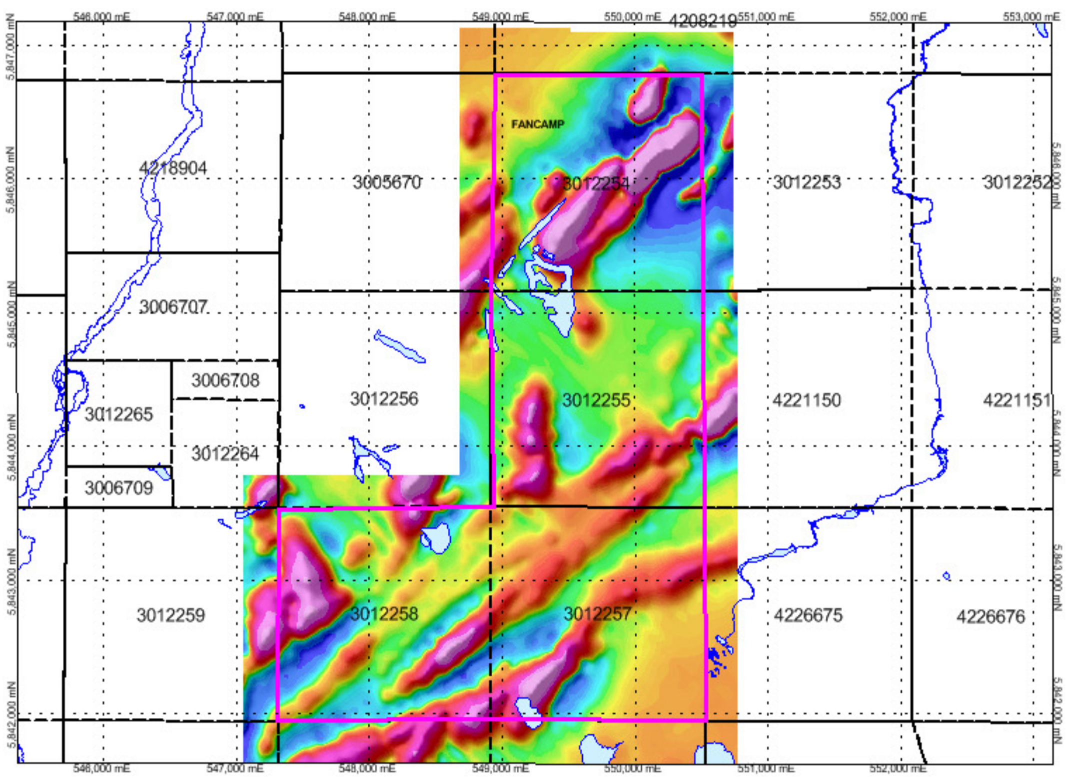


Figure 7 Map showing the Total Field Magnetic survey flown by AeroQuest in 2007.

in massive chromite. Of these holes, 5 including the Noront hole, were surveyed using downhole IP (JVX, 2009).

During 2010 Fancamp drilled an additional 28 holes totalling 8,314 metres including holes FN-10-25 and 26 that intersected significant chromite intervals at depth.

In early 2013 Geosig completed 48.9 line kilometres of ground magnetic and gravity surveys over portions of the property (Geosig, 2013). Figure 8 shows the results of the gravity survey. Bold Ventures, as operator, drilled 9 holes totalling 6,379 metres testing various targets including the chromite zone discovered in 2008.

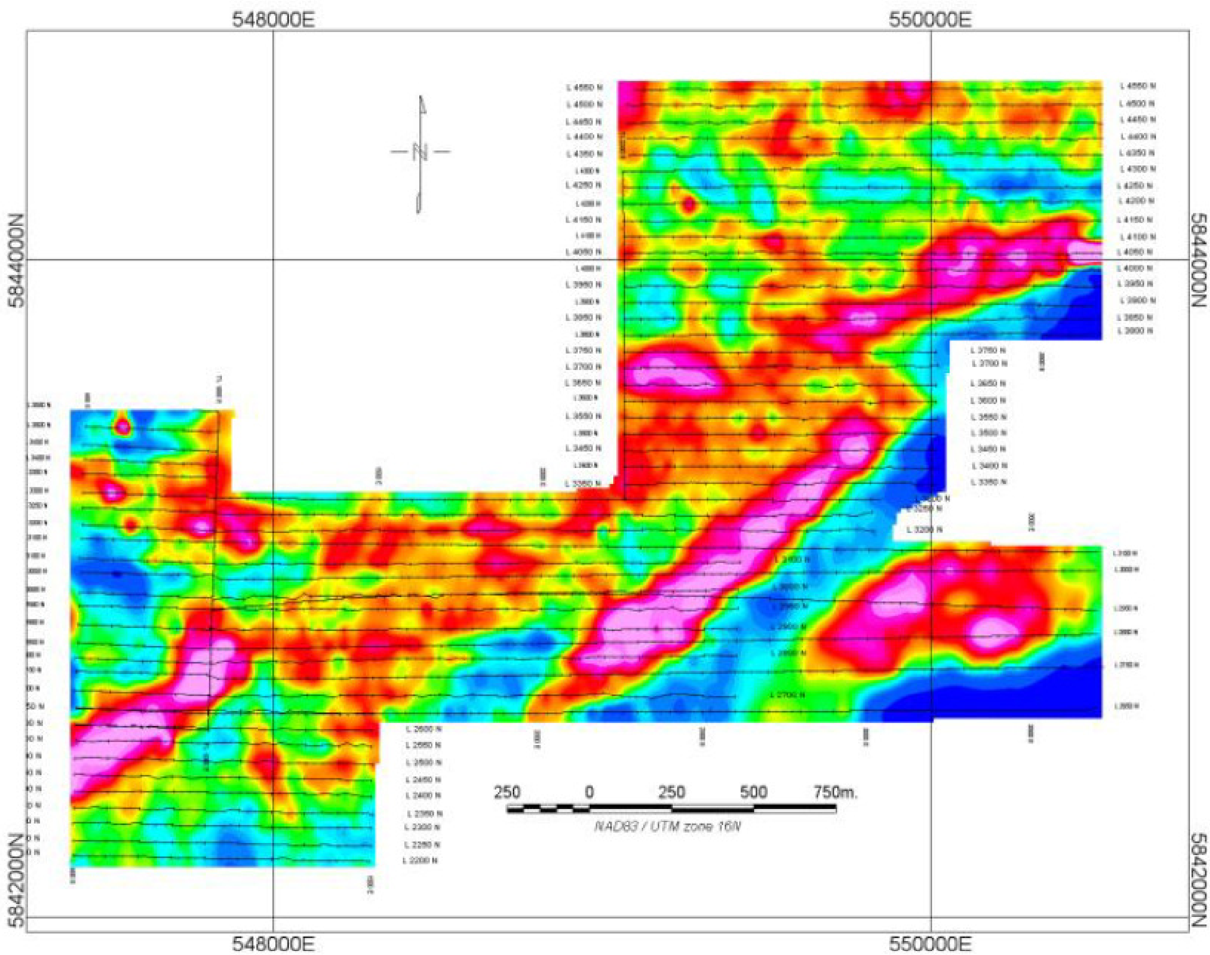


Figure 8 Map showing the Residual Bouguer Gravity survey completed in 2013 by Geosig.

10. Drilling

To date 49 BQ and NQ-sized holes totalling 7,469 metres have been drilled on the property, not all of which have tested the Koper Lake Project chromite zone. Down-hole orientation surveys were completed on all holes. Unfortunately most of the downhole surveys were done using magnetic methods which result in incorrect azimuth values when in magnetic rocks such as ultramafic. See Appendix 1 for details on the holes that have been drilled on the property.

10.1 2008 and 2010 Drilling

Fancamp conducted drilling campaigns in 2008 and 2010. These campaigns mostly tested geophysical anomalies that were believed to represent near surface nickel-copper sulphide mineralization. A few holes also tested deep nickel-copper targets based on geological modelling. Three of these holes, NOT-08-40, FN-10-25 and FN-10-26, intersected massive chromite mineralization. As chromite was not Fancamp's primary target, they only analyzed 1 metre long samples every 6 metres for hole FN-10-25 and 0.5 metre long samples every 4.5 metres for hole FN-10-26. All of the samples collected were cut in half with a core saw. The samples were sent to the Activation Laboratories (ActLabs) facility in Thunder Bay for analysis. The core from these holes is stored in racks at Koper Lake. Core from hole NOT-08-40 was sampled and analysed using a less accurate method than the current method. As part of the 2013 program the stored pulps were reassayed. As all downhole orientation surveys were done using magnetic instrumentation their azimuth determinations are considered suspect where the holes were within magnetic rocks such as ultramafics.

10.2 2013 Drilling

In March 2013, a drilling campaign funded by KWG and operated by Bold was initiated. Bold's objective is the search for nickel-copper sulphides, while KWG's objective is to further drill the chromite horizon discovered during the 2010 campaign. This was done using three drills, with Bold and KWG having separate core processing facilities staffed by employees of each company. The hole collars were established by GPS, the azimuth and plunge by Reflex APS, a collar orientation instrument, and the hole trajectory surveyed by Reflex Gyro. Excessive downhole deviation of the initial holes was corrected by changing to stabilized core barrels and long reaming shells for subsequent holes.

The chromite bearing core was logged and sampled in sufficient detail to enable the estimate of "waste-ore" separation of coarsely crushed feed using heavy media and/or gravity beneficiation. In addition, the core was subjected to analysis by a handheld XRF. The core was marked, tagged and cut longitudinally in half with a diamond saw. The bagged samples were flown to Nakina Airport, loaded into a trailer and delivered to Actlabs, Thunder Bay by KWG staff. 6 holes targeting chromite were completed. One of these holes, FNCB-13-031 deviated onto the neighbouring claim owned by Noront Resources. The core from that portion of this hole that is on Noront property was delivered to Noront. Two additional holes were initiated but not completed due to the termination of the drilling program due to a forest fire.

During this campaign, core from the 2010 drilling campaign was extracted from storage. As both holes FN-10-25 and FN-10-26 intersected the chromite horizon at an angle of approximately 20 degrees, this produced long intercepts of massive chromite with volumes sufficient for a furnace melt test. Hole FN-10-25 has a continuous massive chromite intercept of 220 metres, and hole FN-10-26 has a continuous massive chromite intercept of 53 metres and 4 additional shorter massive chromite intercepts. Only 10% of this core had been sampled and assayed. The two longer intercepts were chosen for the furnace melt test, while the core with the remaining massive chromite intercepts was re-logged, and the unsampled intervals submitted for assay. The entire core was photographed and analysed by handheld XRF, including previously assayed intervals. The core was delivered to Xstrata Process Support in Falconbridge, Ontario for the furnace melt test.

11. Sample Preparation, Analyses and Security

All samples were submitted in batches to Activation Laboratories (ActLabs) in Thunder Bay except for one batch that was submitted instead to Accurassay Laboratories (Accurassay), also in Thunder Bay, for sample preparation and analysis.

11.1. QA/QC Procedure

As standard procedure each batch of samples typically included certified reference materials, a blank sample, a pulp duplicate, one coarse reject duplicate and one field (1/4 core) duplicate. The assay reports were then reviewed by Tracy Armstrong, an independent consultant who specialises in completing data quality control checks.

Three certified reference materials provided by CDN Resource Laboratories of Langley B.C. have been used for this program: BD1 which is certified for Pd, Pt and Cr_2O_3; BD2, certified for V and Cr_2O_3; and BD3, certified for Pd, Pt and Cr_2O_3. In all cases there were no failures in that the assay labs always reported results compatible with the known standard analyses (Armstrong, 2013).

The sample blanks used are a locally sourced granodiorite with no mineralisation. These are used to monitor contamination. All blank results higher than the above indicated tolerance limits were considered to have no impact due to the blank result being too low to impact the deposit value (Armstrong, 2013).

There were too few duplicates submitted to get a good handle on precision for the data although there does appear to be an increase in precision with a decrease in grain size for Cr_2O_3 (Armstrong, 2013).

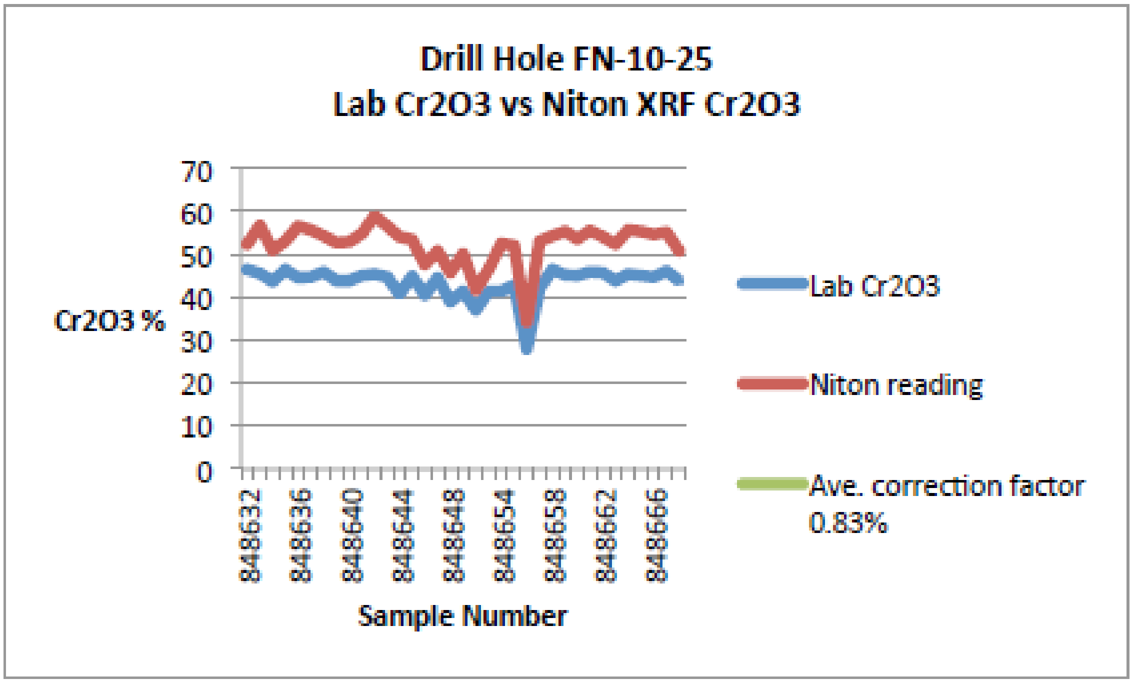


Figure 9 Comparison of Niton XRF readings and Lab Results for hole FN-10-25 (Armstrong, 2013).

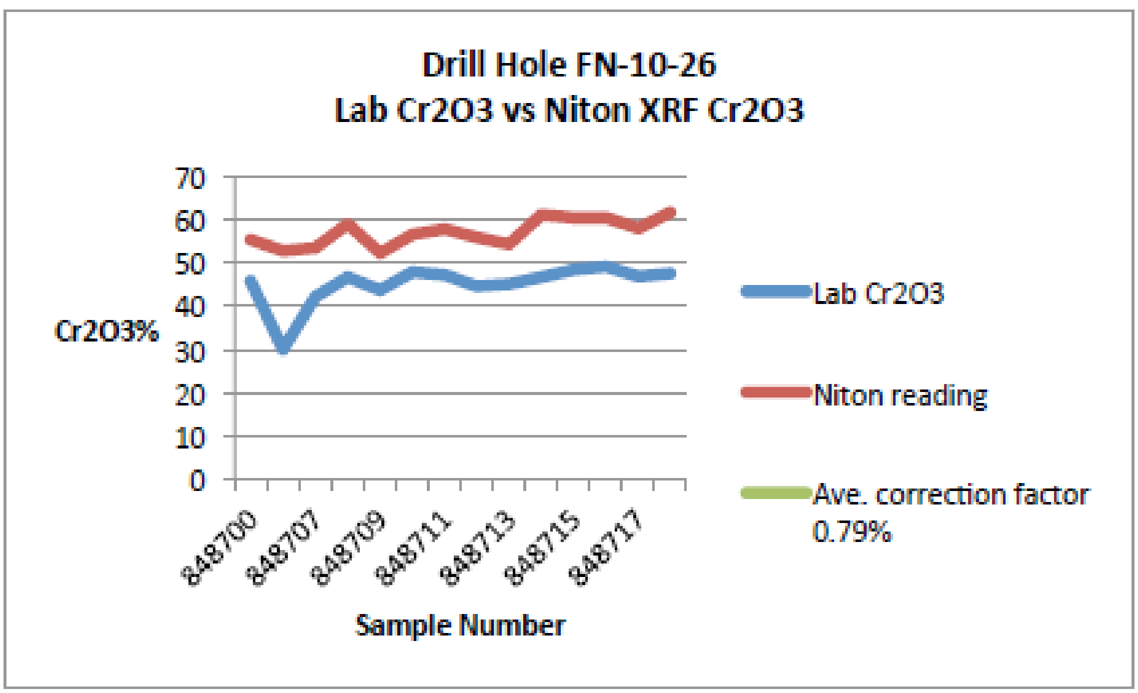


Figure 10 Comparison of Niton XRF readings and Lab Results for hole FN-10-26 (Armstrong, 2013).

The data set used for the resource estimate includes two holes drilled in 2010 but which were only partially sampled. To fill in these gaps spot readings were taken by KWG staff using a Niton portable XRF analyser (Niton) to determine Cr content. These spot readings were calibrated by collecting spot readings of the previously sampled and assayed intervals and a correction factor determined based on the ratio of the Niton readings to the lab results. This correction factor was then applied to all of the unassayed intervals to obtain a final Cr_2O_3 content. Figures 9 and 10 show the results of the Niton analyses for the two holes evaluated using this method. The intervals from these same two holes were then submitted to Xstrata for smelting test work (Barnes, 2013). Xstrata also assayed the core prior to doing their test work.

12. Data Verification

A review of the data by the author (see section 14.1.1.6. and Appendix 2) showed no issues. The data is considered valid, representative and suitable to be used for resource estimation.

13. Mineral Processing and Metallurgical Testing

A DC pilot smelting test has been completed on core from holes FN-10-25 and FN-10-26 by Xtrata Process Support (Barnes, 2013). The purpose of this test work was to gauge its response to smelting by comparing it with more comprehensively tested ores, such as Big Daddy. A total of 1184 kg of chromite core was used to produce 1500 kg of blended feed.

The results showed that the high grade of the ore results in a very high alloy grade. The Cr recovery, at 95.5%, while not quite as high as those the recoveries obtained for the Big Daddy material smelted immediately prior to the Koper Lake Project chromite run, is still excellent by chromite smelting standards.

Based on the results it was concluded:

- The Koper Lake Project chromite ore smelts easily and produces both high grade alloy and low Cr values in the discard slag.
- A chrome recovery of 95.5% was achieved for the test period.
- Koper Lake Project chromite, based on the tests results obtained, behaves, metallurgically speaking, very similarly to Big Daddy chromite, and any slight differences observed are consistent with its higher Cr: Fe ratio
- An alloy grade of > 60% Cr can be obtained even with the high C contents associated with operating the furnace at elevated temperatures.
- In spite of the relatively small amount of material available, this brief campaign successfully provided a glimpse of the likely response of the Koper Lake Project chromite to typical high carbon ferrochrome smelting in a DC arc furnace.

- If can be inferred from the results that the Koper Lake Project chromite material demonstrates the same high reducibility noted in Big Daddy chromite, making it amenable to possible alternative extraction processes involving solid state pre-reduction.

14. Mineral Resource and Mineral Reserve Estimates

14.1. Mineral Resource Estimation

14.1.1. Resource Estimation Methodology

14.1.1.1. Software Used and Data Validation

The software used in the modelling process, including data preparation is CAE Studio, Release 3.21.9646.0.

Core-drilling data was supplied as Microsoft Excel files that included collar information, assays, lithology information and down hole survey information. The data has been validated by the author. Once validated this information was imported into CAE Studio as four tables: a collar file, an assay file, a lithology file, and a survey file. Using the CAE Studio HOLES3D a desurveyed drill hole file, *fncb_holes.dm,* in UTM coordinate space, was created. The drill hole file was last updated on September 7, 2013.

The CAE Studio desurveying routine, HOLES3D, does a rigorous set of validation checks including checking for duplicate borehole numbers, missing survey data and overlapping sample intervals. If present, it generates a summary report with a list of all errors encountered. These files were checked to determine if any errors occurred. Once it had been confirmed that no errors were present the drill hole file was then used for subsequent steps.

As there are no density data available, and due to the similarity of the mineralization with the nearby Big Daddy chromite deposit a polynomial regression for that data set was used to populate a SG field, based on Cr_2O_3 values (Aubut, 2012). The formula used is:

$$SG = 0.0003x^2 + 0.0192x + 2.6629 \qquad \text{Eq. 14.1}$$

If no Cr_2O_3 assay was available SG was set to a default value of 2.6629.

14.1.1.2. Geological Domains

Experienced geologists had coded each rock unit based on core logging description. All of the holes are inclined and six intersected at least some portion of the mineral zone of interest. Construction of the resource block model was controlled by building a wire frame that was then used to isolate related samples. No cut-off was used to limit the extent of the mineral envelope. The envelope for the mineral domain (see Figure 11) extends from an elevation of approximately 115 metres below sea level down to a maximum depth of 1250 metres below sea level, just below the deepest drilling to date. The mineralisation is open to depth along a portion of the strike length and is open along strike to the east. While it is not a geological envelope the mineral envelope does honour the local geology as much as possible.

A total of 7 holes have been used for this resource estimate out of a total of 49 holes drilled on the property. Holes were excluded because they did not intersect the mineral zone on the property.

Initial data are contained within a set of Microsoft Excel tables that were updated September 7, 2013.

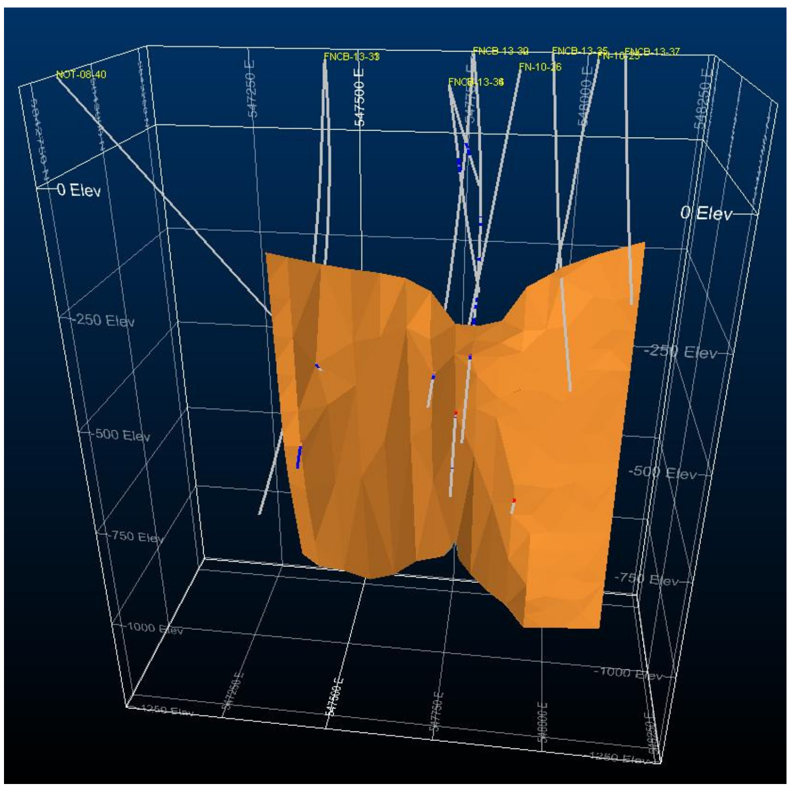


Figure 11 Isometric view of the Koper Lake Project geological domain used.

14.1.1.3. Drill Hole Database

Using the polynomial regression previously described, the assay table was processed using EXTRA to calculate SG values. Where no Cr_2O_3 values are present SG was set to a default value of 2.663 and Cr_2O_3 was set to 0. Using the appropriate collar, survey, assay and lithology files the CAE Studio process HOLES3D was used to create a de-surveyed 3D drill holes file: "FNCB_holes2.dm".

A visual review was made of the drill hole file. A summary of all of the all the holes drilled on the property including those used for this resource estimate are presented in Appendix 1 as are a surface plan showing hole locations (Figure 16) and an example section: 547750E East (Figure 17).

The drill hole file, "FNCB_holes.dm" contains information for 11 drill holes totalling 8,211 metres and with 613 samples with Cr_2O_3 assays. This file was used for collecting samples for estimation of the Koper Lake Project chromite zone.

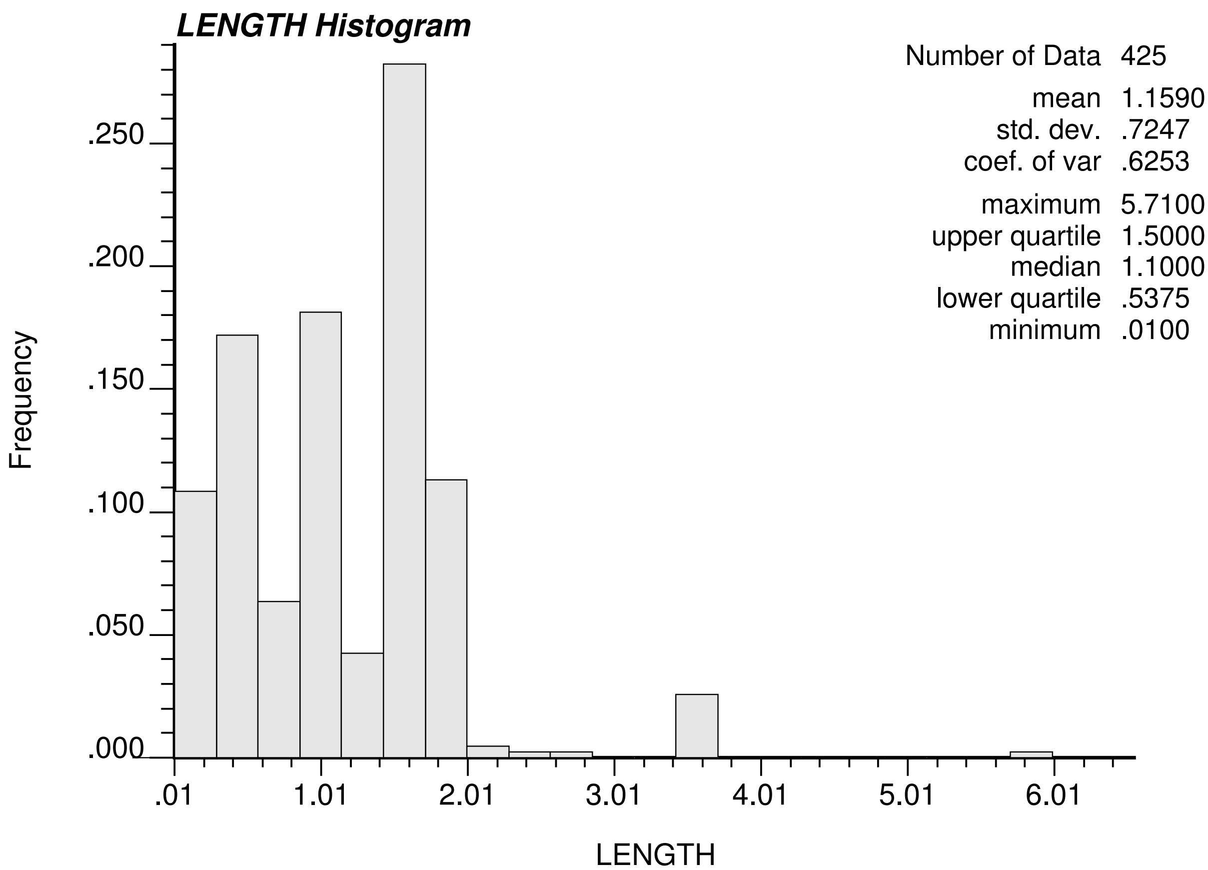


Figure 12 Histogram of sample length.

14.1.1.4. Sample Selection

Working in cross section a set of mineral zone lines, or strings, was defined for the domain. These strings were drawn to enclose the Koper Lake Project chromite zone by snapping to the drill holes. The strings from each set were then used to construct a mineral envelope wire frame for the domain (see Figure 11). The envelope extends from 115 metres below mean sea level down to 1250 metres below mean sea level, just above the deepest drilling to date. The borehole samples located within the mineral envelopes were captured using a custom script.

14.1.1.5. Compositing

The captured samples have an average sample length of 1.16 metres (see Figure 12). It is expected that mining at Koper Lake Project likely will be by underground mining methods. The block size used for resource estimation is usually a function of SMU, or Smallest Mining Unit as there is no point using a block size smaller than the smallest unit that can be physically mined selectively (usually a blast round). But if samples are large and/or spaced far apart a small block size would be inappropriate.

For this deposit, due to the geometry and relatively low sample density a block size of 25 metres by 5 metres by 25 metres was chosen as an acceptable compromise.

Composited samples are weighted by Specific Gravity as it is a close approximation of density (mass per unit volume). The samples were composited to standard 1 m intervals using the CAE Studio process COMPDH. The COMPDH process starts the composites at the beginning of the selected data interval and leaves any remainder at the end of the interval. This results in most holes having one sample with a length less than the established composite length, within the domain. For grade estimation purposes, drill composites are treated like point data (i.e. their length is not used), thus the need to composite to a standard sample length to eliminate any sample bias. And to avoid bias from a very short sample being treated the same as a standard sample any that were less than 40% of the composite length were rejected.

14.1.1.6. Exploratory Data Analysis

A review of the composited drill hole samples within the mineral envelopes was done, primarily using GSLib routines (Deutsch and Journel, 1998) to create histograms for all primary elements and X/Y scatter plots of element pairs (see Appendix 2). Features watched for are outliers and irregularities in the element statistics. Univariate summary statistics for Cr_2O_3 are presented in Table 5.

Cr_2O_3 does not have any spurious values with a maximum value of 48.9%. The histogram for Cr_2O_3 (Figure 13) is a negatively skewed distribution with relatively equal representation of all fractions from approximately 12% Cr_2O_3 to about 34% Cr_2O_3 and with a peak at around 45%.

Exploratory Data Analysis found no issues with the drill hole database that would invalidate their use for resource estimation purposes.

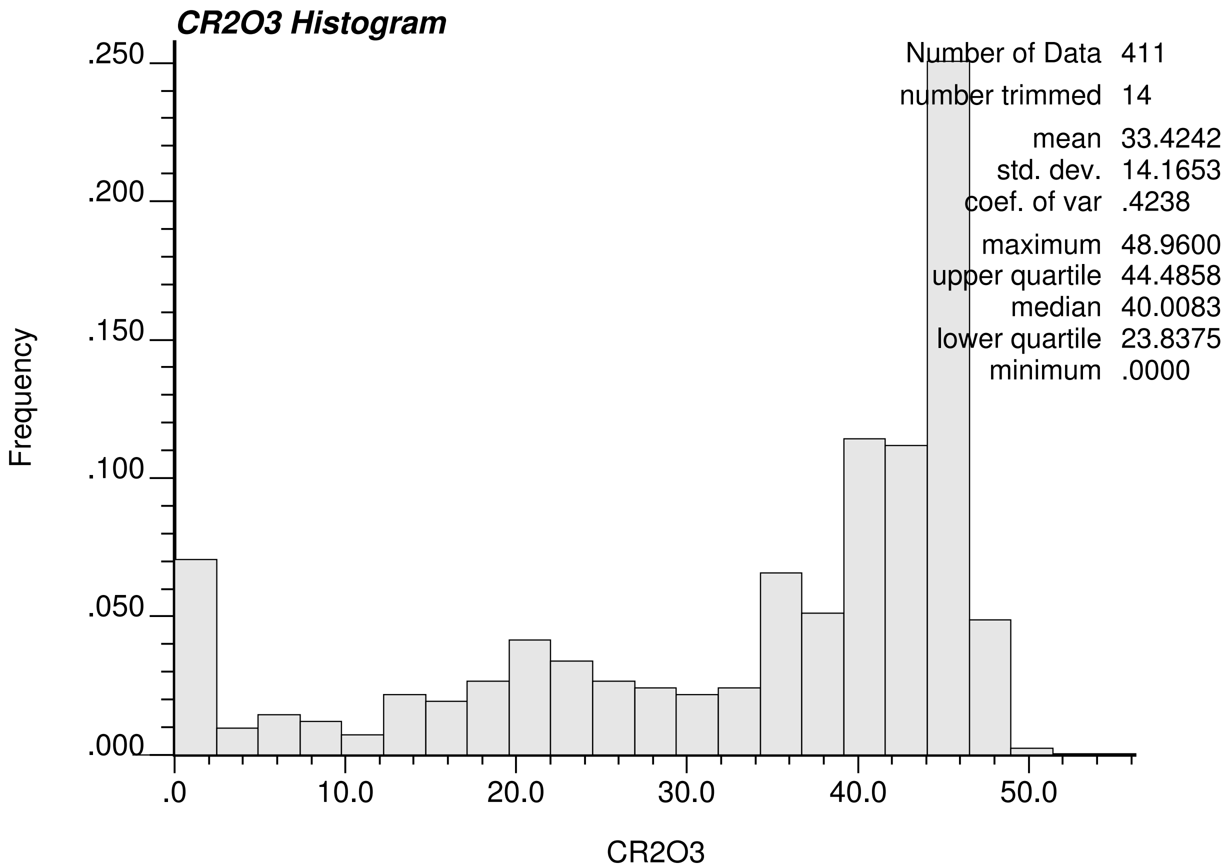


Figure 13 Histogram of Cr_2O_3 for Koper Lake Project

14.1.1.7 Unfolding

Mineral deposits typically vary in thickness along strike due to the non-uniform nature of the original deposition environment. Primary and secondary structural modifications also produce variations in strike and dip as well as thickness. The Cartesian coordinate system makes modelling of the natural geological chemical distribution within a mineral deposit difficult. To ensure that all interpolation takes place within a given geological domain, the domain is unfolded to a planar slab to make variogram calculation and grade interpolation easier. After interpolation has been carried out, the samples are re-arranged to their original positions. This unfolding process first requires the generation of unfold strings that are used by CAE Studio as a guide. These strings also include between section and within section tag strings to further constrain the unfolding process.

FIELD	NSAMPLES	MINIMUM	MAXIMUM	MEAN	VARIANCE	STANDDEV	SKEWNESS	KURTOSIS
CR2O3 (%)	417	0	48.96	33.47	193.50	13.91	-1.05	-0.09

Table 2 Summary Univariate Statistics

The unfolding routine used is based on a "proportional" concept under which hanging wall and footwall surfaces of the domain are made flat and parallel to one another. The true along strike and down dip distances are retained but the across dip distances are first normalised to the distance across as a proportion of the total distance. Then this normalised value is multiplied by the average thickness of the mineral domain.

After being composited to uniform sample lengths, the samples were unfolded using a custom script. Using another custom script the unfold string file was processed further. This routine checks and validates the strings. The composited sample files and the validated unfold string file are then used as input to the CAE Studio UNFOLD routine. The output files contain the samples in unfolded co-ordinate space. All subsequent processing was done on these files and utilized the new coordinate system consisting of UCSA, UCSB and UCSC (Across the Dip, Down the Dip and Along the Strike).

14.1.1.8Grade Variography

The data set consists of sparsely distributed drill holes that are very oblique to the mineral zone (they cut the zone at very steep angles). As a result, other than for the shorter ranges for the down the dip direction, the samples are two widely distributed or poorly sampled a particular direction (across the dip and along the strike in particular) that it was impossible to generate any kind of useful variograms.

As the style of mineralisation is very similar to that at the nearby Big Daddy chromite deposit it was decided to utilise the variograms from there. The variograms were then rescaled to reflect the local sample variance. As there is not enough data to confirm that the same anisotropy exists the down dip direction was set to be equal to the along strike thus assuming that the variograms are isotropic within the plane of the mineralisation.

The ranges used for the Koper Lake Project are shown in Table 6. Due to the lack of any certainty with the values used all resources defined must be classified as Inferred.

14.1.1.9Block Size Determination

The block size used for resource estimation is usually a function of SMU, or Smallest Mining Unit and is determined by taking into consideration the type of equipment that may be used during mining as it has a direct impact on the degree of selectivity that can take place. There is no point using a block size smaller than the smallest unit that can be physically mined selectively (usually a blast round). Another factor that needs to be considered is the degree of sampling detail. If samples are large and/or spaced far apart a small block size would be inappropriate.

For this deposit, due to the geometry and relatively low sample density it is pointless using too small of a block size, especially since, due to the great deal of uncertainty, no mining evaluation can be done.

As a result a block size of 25 metres by 5 metres by 25 metres was chosen as an acceptable compromise.

A custom script was used to create the empty prototype model and then fill it with blocks using the mineral envelope wire frame. And then this empty model was regularised creating FILLVOL and VOIDVOL fields containing the volume for each block inside or outside the mineral domain wire frame.

Variogram Models – McFauld's Lake	Cr_2O_3
Nugget	**20.32**
1st spherical structure range A	8
1st spherical structure range B	22
1st spherical structure range C	22
1st spherical structure sill	**42.52**
2nd spherical structure range A	14
2nd spherical structure range B	40
2nd spherical structure range C	40
2nd spherical structure sill	**68.23**
3rd spherical structure range A	28
3rd spherical structure range B	120
3rd spherical structure range C	120
3rd spherical structure sill	**71.56**
Total sill	*202.63*

Table 3 Variogram Model Parameters.

14.1.1.10 Nearest Neighbour Block Model

A Nearest Neighbour (NN) estimated model was created for the domain in order to determine the declustered mean for our data. This mean can then be used to validate the kriged global estimates as all methods of estimation should produce essentially the same global mean if done correctly.

Summary statistics comparing the nearest neighbour model to the sample file are presented in Table 4.

A visual inspection on a section-by-section and plan-by-plan basis comparing the input sample file with the resultant nearest neighbour file showed good correlation with the drill holes and proper spreading of the grade.

The output Nearest Neighbour file name is *nn_fncb.dm*.

14.1.1.11 Ordinary Kriging Block Model

The purpose of block modelling is to provide a globally unbiased estimate based on discrete sample data. Geostatistical methods rely on mathematically modelling the autocorrelation of a regionalized variable, using variography. Then using these mathematical models weights are derived. These weights are applied to the samples used to derive the estimates while at the same time minimizing the estimation variance. A common method of estimation is Ordinary Kriging. It uses the variogram models to initially derive the weights to be used for each estimate but then, to reduce bias, has all weights sum to 1. In addition, Ordinary Kriging does not require that the mean of the data be known.

The parameter files needed for Ordinary Kriging were constructed. A nested search strategy was used (see Appendix 4). This was then followed by the using of a custom script to actually carry out the Ordinary Kriging process. Each cell in the block model was discretised using a matrix of 3 x 3 x 3 points in the ABC (unfolded) coordinate system. The Kriging functions were interpolated at each discretisation point using the same search volume as the nearest neighbour interpolation, based on the grade variogram results. In case of local low sample density, a nested search was implemented. Virtually all of the blocks were estimated in the third search, correlative with Inferred Resources. These likely suffer from poor local estimation and potentially large conditional bias.

14.1.1.12 Block Model Validation

Verification of grade estimation is carried out in two ways: visually, and statistically.

In the case of a visual check, interpolated estimates are loaded into sections and plans along with the original borehole data. Using contrasting colour schemes grades were tested. Any major discrepancy between the original information and the estimated block was analyzed for possible processing error. Sample plans and sections illustrating this visual check are provided in Appendix 5.

Major discrepancies were also looked for between the statistics of the sample composites, nearest neighbour model (declusterised statistics) and the ordinary kriged model. Specific statistics checked include reproduction of the global mean, as established by nearest neighbour modeling, and ensuring that all blocks were estimated (see Table 4). No significant global or local bias was identified.

FILENAME	FIELD	NRECORDS	NSAMPLES	MINIMUM	MAXIMUM	MEAN	%Diff	VARIANCE	SKEWNESS	WGTFIELD
fncb_data1u	CR2O3	504	463	0.48	47.99	34.89		175.2060	-1.18	LENGTH
nn_fncb	CR2O3	7264	7264	0.48	47.99	35.33		155.7090	-1.16	CR2O3
ok_fncb	CR2O3	7264	7264	4.60	46.09	36.12	2.24	107.3210	-0.74	CR2O3

Table 4 Sample file, Nearest Neighbour and OK model summary statistics.

14.1.1.13 Model Verification

Validation procedures were carried out on the estimated block models including visually checking the sample file against estimated blocks. The sample grades were found to reasonably match the estimated block grades in the model.

A global statistical comparison of the global means of all estimations method was done. The difference between all the global means was found not to exceed approximately 5%, to be expected if the process was done correctly.

Other statistical checks that were done include the use of Swath plots (see Appendix 5). Swath plots compare the moving average of the mean for both models and the sample file using panels, or "swaths" through the mineral envelope. As this is best done if the data are within a rectilinear volume the unfolded coordinates were used to define the swaths. The result is a curve for each data set. The curves for the models should inter-weave with the sample curve and the two model curves should be sympathetic with one another with no major deviations from one another. No issues were noted.

14.2. Mineral Resource Reporting

14.2.1. Resource Classification – Koper Lake Project chromite deposit

Due to the scarcity of drill hole data the variograms are poorly defined in all directions. As a result there is a low confidence in the estimates generated and so all blocks are classified as Inferred Resources. See Appendix 6 for resource classification definitions.

Using a 20% cut-off, there are a total of 46.5 million tonnes at a grade of 38.8% Cr_2O_3 of Inferred Resources which should be upgradable through gravity and/or heavy media concentration. These resources are blocks above cut-off and have had no mineability criteria applied to them.

Classification	Tonnes (millions)	%Cr2O3	Cut-off
Inferred Resources	48.6	37.8	15% Cr2O3
Inferred Resources	46.5	38.8	20% Cr2O3
Inferred Resources	40.0	41.4	25% Cr2O3
Inferred Resources	37.1	42.5	30% Cr2O3

Table 5 Summary of Classification of In-Situ Resources, at different cut-offs, for the Koper Lake Project chromite deposit

Notes:

1. CIM Definition Standards were followed for classification of Mineral Resources.
2. The Mineral Resource estimate uses drill hole data available as of September 7, 2013.
3. The cut-off of 20% Cr_2O_3 is the same cut-off used for the Kemi deposit as reported by Alapieti et al. (1989) and for the nearby Big Daddy chromite deposit (Aubut, 2012).
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

There is poor confidence in the lateral continuity of the mineralization and so these resources cannot be used for a pre-feasibility or feasibility mining study. Table 5 presents tonnes and grade for each Resource Classification using various cut-offs for the Koper Lake Project chromite deposit.

Figure 14 presents the Cr_2O_3 tonnes-grade curves for the Koper Lake Project chromite deposit and helps illustrate the effect of different cut-offs on available resources. The mining and processing methods chosen will determine what proportion can be converted to reserves as these do not take into consideration mineability and dilution.

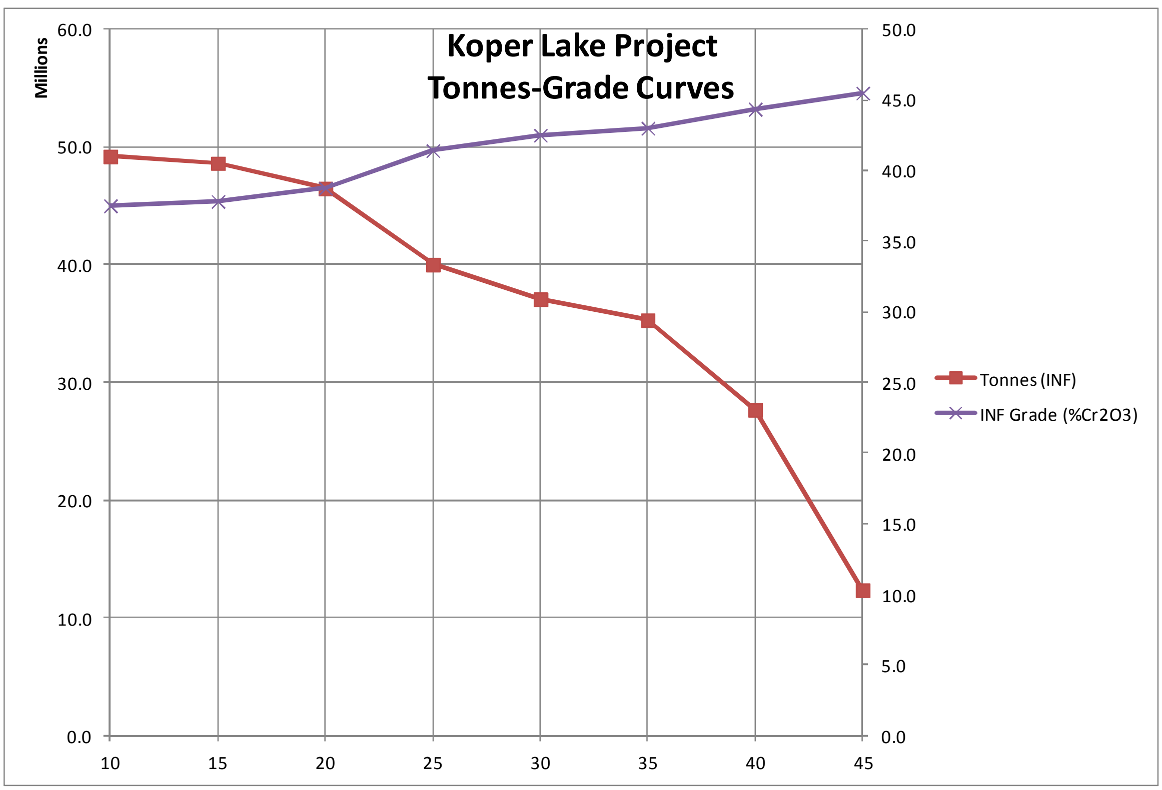


Figure 14 Cr_2O_3 Tonnage-Grade curves for the Koper Lake Project chromite deposit.

14.2.2. Risks and Opportunities

14.2.2.1. Risks

All of the drilling done to date that has tested the chromite mineralisation is rather sparse and is inadequate to properly characterize the mineral continuity within the plane of the mineralization.

While higher-grade areas exist at depth and along strike they are poorly defined as a result of the sparse drilling.

14.2.2.2. Opportunities

Infill drilling plus drilling to follow the mineral zone along strike to the east could identify and expand the presence of the chromite-bearing horizon, in particular higher-grade material.

The mineral zone is open to depth and along strike to the east. Thus there is excellent opportunity to expand resources significantly with additional drilling.

15. Mineral Reserve Estimates

There has not yet been any mineral reserve estimation done.

16. Mining Methods

As no mining study has yet to be done on the property no mining method has been selected.

17. Recovery Methods

As there have yet to be any bench testing done recovery methods have yet to be established at this time but should be very similar to those reported for other chromite deposits in the area.

18. Project Infrastructure

Other than the existence of an exploration camp on the nearby Noront property servicing the exploration programs being conducted by Bold and KWG there is no project infrastructure in place as yet.

19. Market Studies and Contracts

To date no pre-feasibility or feasibility study has been completed, thus there is no current market study completed or sales contracts signed.

20. Environmental Studies, Permitting and Social or Community Impact

As the project is at its infancy there as yet have been no environmental studies done. There have been no social or community impact studies done to date.

21. Capital and Operating Costs

To date no pre-feasibility or feasibility study has been completed, thus there are no current estimates of capital and operating costs.

22. Economic Analysis

There has not yet been any economic analysis done.

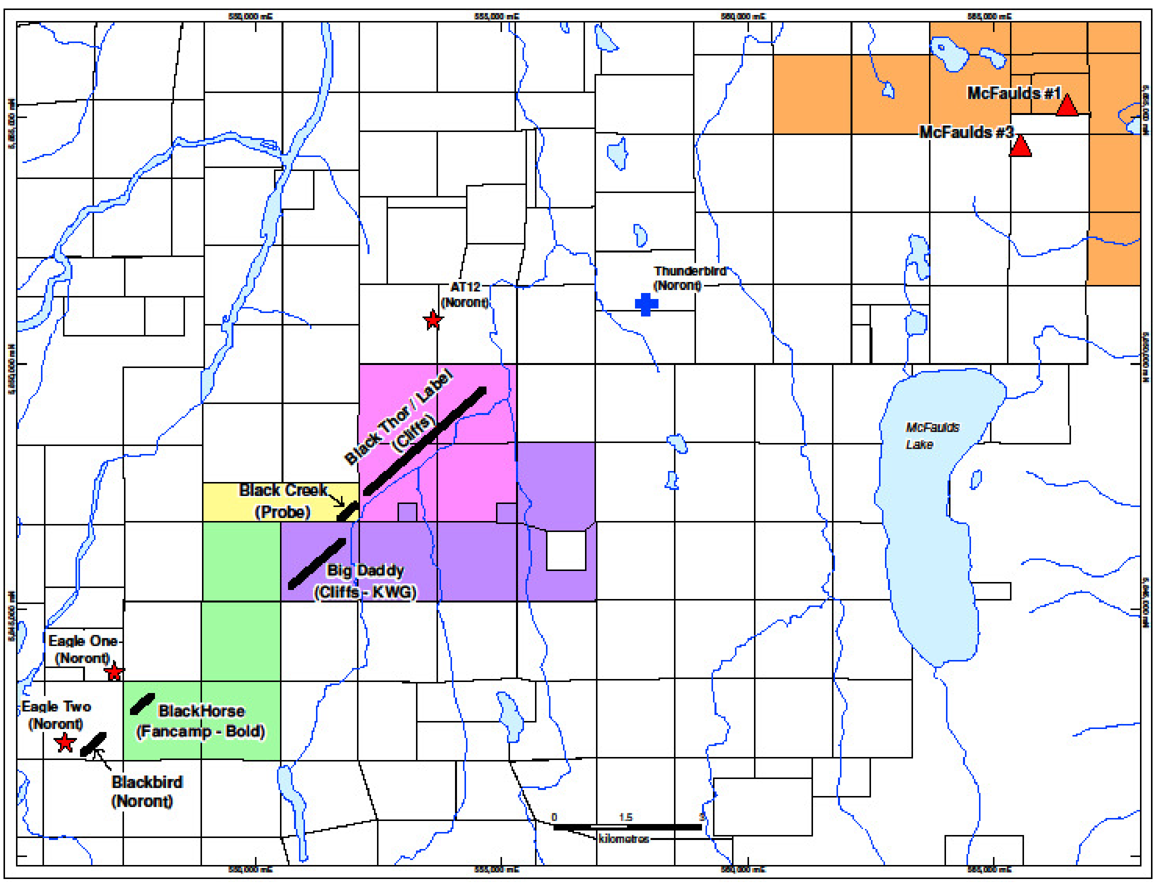


Figure 15 Location of Koper Lake ProjectDeposit and adjacent discoveries.

23. Adjacent Properties

There are four properties of note that are in the vicinity of the Koper Lake Project property. These are the Noront property that contains the Eagle 1 and Eagle 2 nickel deposits and the Blackbird chromite deposit, the Cliffs/KWG property that is host to the Big Daddy chromite deposit, the Probe Mines property hosting the Black Creek chromite deposit and the Cliffs Natural Resources property to the northeast that hosts the Black Thor and Black Label chromite deposits (see Fig. 15 for location). A summary of identified resources for each of the four chromite deposits is presented in Table 6.

23.1. Noront Eagle 1, Eagle 2 and Blackbird deposits

The discovery of the Noront Eagle 1 deposit was announced on August 28, 2007. The discovery hole, NOT-07-01, intersected 36 meters of massive sulphide grading 1.84% Ni, 1.53% Cu, 1.14 g/t Pt, 3.49 g/t Pd, 0.13 g/t Au, and 4.8 g/t Ag. A second hole, NOT-07-05, that was drilled below NOT-07-01, intersected 68.3 m of massive sulphide grading 5.9% Ni, 3.1% Cu, 2.87 g/t Pt, 9.87 g/t Pd, 0.61 g/t Au, and 8.5 g/t Ag. This discovery led the way to an unprecedented staking rush in the James Bay lowlands of Northern Ontario.

The Noront Eagle 1 deposit is located approximately 5 km SW of the SKF Project Koper Lake Project property. It is a magmatic sulphide deposit that is hosted by ultramafic rocks and is believed to be well located within a conduit system. The deposit consists of massive sulphides, net textured sulphides, sulphide breccias, semi-massive sulphide, but no disseminated sulphides. Sulphide minerals include pyrrhotite, pentlandite, and chalcopyrite (Armstrong et al. 2008).

The Eagle Two deposit was discovered in February 2008. This deposit is located 2 km south-west of the Eagle One deposit. It is hosted by shear zones that strike parallel to the contact between the ultramafic rocks and the felsic plutonic host rocks. No resource estimate has yet been published for the Eagle Two deposit.

Noront has located two chromite deposits, similar in mineralization to the Black Thor deposit. They are located approximately 3 km along strike from the Koper Lake Project deposit. The Blackbird chromite deposits (Blackbird 1 and 2) are hosted by a peridotite unit within a layered mafic to ultramafic body. Chromite mineralisation occurs as disseminated chromite, semi-massive chromite with intercalated olivine crystals, banded chromite interfingered with peridotite and as massive chromite commonly interlayered with dunite and harzbergite. Resource estimates have been completed by Micon (Gowans et al, 2010b and Murahwi et al, 2012).

23.2. Big Daddy Chromite Deposit

The Big Daddy chromite deposit (Aubut, 2012) lies between the Koper Lake Project property to the south west and the Black Creek and Black Thor/Black Label deposits to the north east. It is a faulted extension of the same stratigraphy consisting of a well fractionated ultramafic body hosting a zone of disseminated to massive chromite up to 65 metres thick within dunite and overlain by pyroxenite.

23.3. Black Creek Chromite Deposit

The Black Creek chromite deposit (Murahwi et al, 2011) lies between the Big Daddy deposit to the south west and the Black Thor/Black Label deposits to the north east. It is a faulted extension of the same stratigraphy consisting of a well fractionated ultramafic body hosting a zone of disseminated to massive chromite up to 65 metres thick within dunite and overlain by pyroxenite.

23.4. Black Thor and Black Label Chromite Deposits

The Black Thor Chromite Zone has been traced for a length of 2.6 km. It is the most extensive chromite bearing body on the property. It strikes SW – NE and has an overturned sub-vertical dip towards the NW ranging between 70 and 85 degrees. The zone typically contains two chromitite layers (upper and lower) that can range in thickness from 10's of metres to over 100 m. The layers are separated by a band of disseminated chromite in peridotite/dunite (Aubut, 2010).

Host lithologies consist of serpentinized peridotite, serpentinized dunite, dunite, and peridotite. Chromite is present as intermittent chromite beds, finely to heavily disseminated chromite in dunite/peridotite, and semi-massive to massive chromitite. Because of its lateral continuity and uniformity the chromite mineralisation was likely deposited in a quiescent magmatic environment. The Black Thor Chromite Zone is typical of most large layered igneous intrusions such as the Kemi deposit in Finland (Alapieti et al, 1989).

Within the Black Label deposit chromite is generally present as fine to heavily disseminated crystals in peridotite, chromitite bearing magmatic breccias, semi-massive bands and as massive chromitite. Silicate fragments, in the form of rip up clasts and as ovoid blebs have been observed in the zone and indicate the chromite was emplaced in a highly dynamic magmatic environment unlike the Black Thor Deposit (Aubut, 2010).

The Black Label Chromite Zone has been traced by drilling for over 2.2 km along strike. It is locally cross-cut and interrupted by a pyroxenitic body. It lies stratigraphically below the Black Thor chromite zone. Chromite is generally present as fine to heavily disseminated crystals in peridotite, chromitite bearing magmatic breccias, semi-massive bands and as massive chromitite. Silicate fragments, in the form of rip up clasts and as ovoid blebs have been observed in the zone and indicate the chromite was emplaced in a highly dynamic magmatic environment (Aubut, 2010).

Deposit	Classification	Tonnes (millions)	%Cr2O3	Cut-Off (%Cr2O3)
Blackbird[1]	Meas. & Ind.	20.5	35.8	30%
	Inferred	23.5	33.1	30%
Big Daddy[2]	Meas. & Ind.	29.1	31.7	20%
	Inferred	3.4	28.1	20%
Black Creek[3]	Meas. & Ind.	8.6	37.4	20%
	Inferred	1.6	37.8	20%
Black Thor[4]	Meas. & Ind.			
	Inferred	121.9	27.8	20%

Table 6 Summary of Classification of In-Situ Resources for other chromite deposits in the area.

[1] Murahwi et al., 2012.
[2] Aubut, 2012.
[3] Murahwi et al., 2011.
[4] Aubut., 2010.

24. Other Relevant Data and Information

Details on drill results and other pertinent information can be found on the following web sites:

http://www.kwgresources.com, and http://www.boldresources.com.

25. Interpretation and Conclusions

Drilling to date has identified a chromite horizon that is potentially economic. The zone does not come to surface but is open along strike.

Using industry-standard block modelling techniques a resource model was created covering the Koper Lake Project chromite deposit. Querying this model, using a 20% Cr2O3 cut-off, there is a total in-situ Inferred resources 46.5 million tonnes at a grade of 38.8% Cr_2O_3. Due to the depth below surface of the mineral zone this material potentially could be mined by underground mining methods, but no mineability criteria have been applied. The confidence in this estimate is such that only a preliminary economic assessment should be attempted using this data.

Initial metallurgical testing consisting of ferro-chrome melting of available chromite material shows that a very high grade product can be produced enhancing the potential economics of the deposit.

26. Recommendations

To properly define the limits of the mineralisation on the property, additional drilling is required. The objective would be to have pierce points approximately on a 100 metre grid within the plane of the mineralisation. It is estimated that about 15,000 metres of drilling should accomplish this initial objective and in doing so should be able to move most of the identified resources into at minimum the Indicated category. Due to the depth and the dip of the known mineralisation it is also recommended that wedging be used as much as possible to both maximize the cost benefits and to improve the core angles through the mineralisation.

Attention also needs to be directed towards the exploration of nickel-copper sulphides within the ultramafic suite of rocks that is also host to the chromite mineralisation. Based on magnetic and gravity data there is approximately 2.7 km of strike length that has potential. It is recommended that 2,500 metres of drilling be done to test targets along strike to the north-east within the ultramafic suite.

Table 11 presents a budget for a 15,000 metre drilling program that should provide enough information to increase the confidence in the identified resource to a point that Indicated resources could be defined. And included is an additional 2,500 metres of exploration drilling looking for nickel-copper mineralisation.

Item	Description	Amount
Diamond Drilling	15,000m – infill drilling	$4,600,000
	2,500m – exploration drilling	$ 750,000
Support	Assaying, supplies, accommodation, etc.	$ 730,000
Contingencies	10%	$ 600,000
Total		$6,680,000

Table 7 Proposed Budget for Infill and Exploration drilling on the Koper Lake Project

27. References

Alapieti T. T., Kujanpää J., Lahtinen J. J. and Papunen H. 1989. The Kemi stratiform chromitite deposit, northern Finland; Economic Geology, v. 84, p. 1057-1077.

Armstrong T., Puritch E., and Yassa A. 2008. Technical report and resource estimate on the Eagle One deposit, Double Eagle property, McFaulds Lake area, James Bay Lowlands, Ontario, Latitude 52º45’ N, Longitude -86º17’; Report No. 149, P&E Mining Consultants Inc. prepared for Noront Resources Ltd. 129 p.

Armstrong T. 2013. Quality Control Report for KWG Resources-Fancamp Drilling at the Koper Lake Chromite Property, Ring of Fire, Northern Ontario; Internal report prepared for KWG Resources Inc., 9 p.

Aubut, A. 2010. National Instrument 43-101Technical Report, McFauld’s Lake Area, Ontario, Canada, Black Thor Chromite Deposit Mineral Resource Estimation Technical Report; Freewest Resources Canada Ltd. internal report, 65 p.

Aubut, A. 2012. National Instrument 43-101Technical Report, Big Daddy Chromite Deposit, McFaultds Lake Area, Ontario, Canada, Pocupine Mining Division, NTS 43D16, Mineral Resource Estimation Technical Report; prepared for KWG Resources Inc., 70 p.

Barnes, A. 2013. Black Horse Chromite Continuous Smelting Testwork, July 2013; Xstrata Process Support, internal report prepared for KWG Resources Inc., 15 p

Bell R. 1887. Report on an exploration of portions of the Attawapiskat & Albany Rivers, Lonely Lake to James’ Bay; Montreal, Dawson Brothers 1887, Separate report No 239, Geological Survey of Canada, Part G, Annual Report 1886, 38 p.

Geosig (2013) Gravimetric and Magnetic Surveys on Koper Lake Project, Blackhorse Grid, BMA 526 862 Area, Porcupine Mining Division, James Bay Lowlands of Northern Ontario, 43D/09; prepared for Bold Ventures Inc., 40 p.

Gowans R., Spooner, J., San Martin, A.J. and Murahwi C. 2010b. NI 43-101 Technical Report on the Mineral Resource estimate for the Blackbird Chrome Deposits, James Bay Lowlands, Northern Ontario; Micon International Ltd., prepared for Noront Resources Limited, 188 p.

Hogg, Scott and Associates (2003) Airborne Magnetic and Electromagnetic Survey, McFauld's Lake Area – Northwestern Ontario, Compilation and Interpretation Report; prepared for Fancamp Exploration Ltd., 13 p.

Hogg, Scott and Associates (2005) Compilation and Interpretation Report of Two Ground Magnetic and Horizontal Loop Electromagnetic Surveys, McFauld's Lake Area – Northwestern Ontario; prepared for Fancamp Exploration Ltd., 13 p.

Hogg, Scott and Associates (2008) Report on a Helicopter-Borne Electromagnetic and Magnetic Survey carried out by Aeroquest Ltd. Under contract to Billiken Management on behalf of Noront Resources Ltd. And Participating Companies, McFauld's Lake Area, James Bay Lowlands, Ontario, Canada; prepared for Fancamp Exploration Ltd., 13 p.

JVX (2009) Report on Drill Hole IP Surveys, McFauld's Lake Property, James Bay Lowlands, Northern Ontario; prepared for Fancamp Exploration ltd., 79 p.

Murahwi C., San Martin, A.J., and Spooner, J., 2012. Technical Report on the Updated Mineral Resource estimate for the Black Creek Chrome Deposits, McFaulds Lake Area, James Bay Lowlands, Northern Ontario, Canada; Micon International Ltd., prepared for Probe Mines Limited, 135 p.

Murahwi C., San Martin, A.J., Gowans R., and Spooner, J., 2011. Technical Report on the Updated Mineral Resource estimate for the Blackbird Chrome Deposits, McFaulds Lake Property, James Bay Lowlands, Ontario, Canada; Micon International Ltd., prepared for Noront Resources Limited, 177 p.

Percival J.A. 2007. Geology and metallogeny of the Superior Province, Canada, *in* Goodfellow, W.D., ed., Mineral Deposits of Canada: A Synthesis of Major Deposit-Types, District Metallogeny, the Evolution of Geological Provinces, and Exploration Methods; Geological Association of Canada, Mineral Deposits Division, Special Publication No. 5, p. 903-928.

Riley J. L. 2003. Flora of the Hudson Bay Lowlands and its Postglacial Origins; National Research Council of Canada Press, Ottawa, 236 p.

Stott G. M. 2007. Precambrian geology of the Hudson Bay and James Bay lowlands region interpreted from aeromagnetic data – east sheet; Ontario Geological Survey, Preliminary Map P.3597, scale 1:500,000.

Certificate of Qualifications

I, Alan James Aubut, do hereby certify the following:

- I am the author of this National Instrument 43-101 technical document titled "*National Instrument 43-101 Technical Report, Koper Lake Project Chromite Deposit, McFauld's Lake Area, Ontario, Canada, Porcupine Mining Division, NTS 43D16, Mineral Resource Estimation Technical Report*" (the report), and it is effective September 7, 2013.
- I have read National Instrument 43-101, and confirm that this report is in compliance with said instrument.
- I take responsibility for the contents of the report unless otherwise stated.
- As of September 7th, 2013, the report to the best of my knowledge, information and belief contains all scientific and technical information that is required to be disclosed in order to make the report not misleading.
- I am a graduate of Lakehead University, in Thunder Bay, Ontario with the degree of Honours Bachelor of Science, Geology (1977).
- I am a graduate of the University of Alberta, in Edmonton, Alberta with the degree of Master of Science, Geology (1979).
- I hold an Applied Geostatistics Citation through the Faculty of Extension of the University of Alberta, in Edmonton, Alberta.
- I have been actively practicing geology since 1979.
- I have been practicing mineral resource estimation since 2000.
- I am currently a member in good standing of the Association of Professional Geoscientists of Ontario.
- From 2000 to 2009 I was a member in good standing of the Association of Professional Engineers and Geoscientists of Manitoba.
- I am a member of the Society of Economic Geologists.
- I operate under the business name of Sibley Basin Group Geological Consulting Services Ltd., a business independent of KWG Resources and do not expect to become an insider, associate or employee of the issuer.
- The business address of Sibley Basin Group Geological Consulting Services Ltd. is:

Sibley Basin Group
PO Box 304
300 First St. West
Nipigon, ON
P0T 2J0

I have not visited the property. KWG Resources Inc. and Bold Ventures Inc. supplied copies of all reports and data available. It was these data that were used for the current project. The resource estimate generated with this data is effective as of September 7, 2013.

Alan Aubut

September 7, 2013

Appendix 1 – Summary of Diamond Drilling

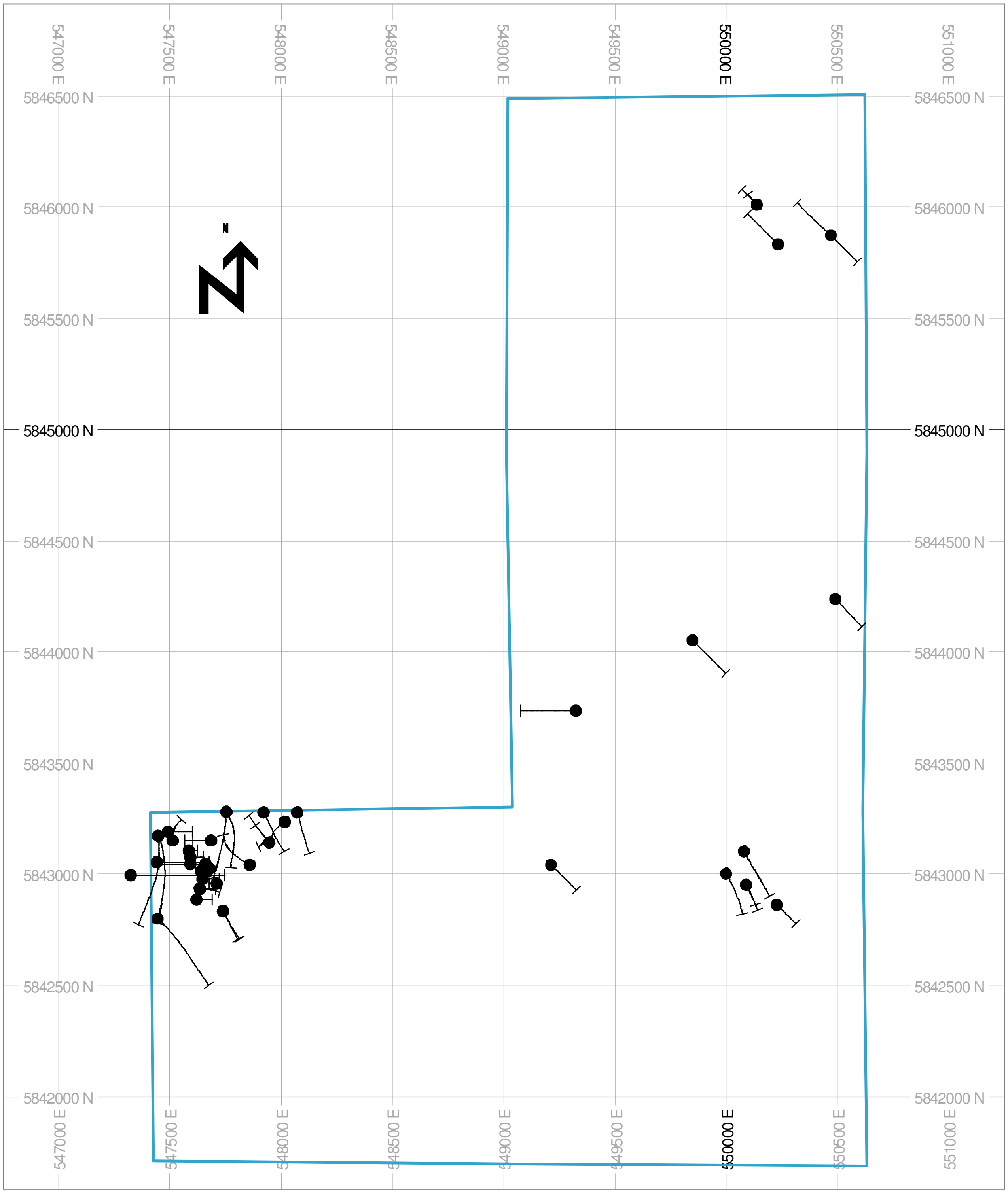


Figure 16 Plan of Koper Lake Project Diamond Drilling.

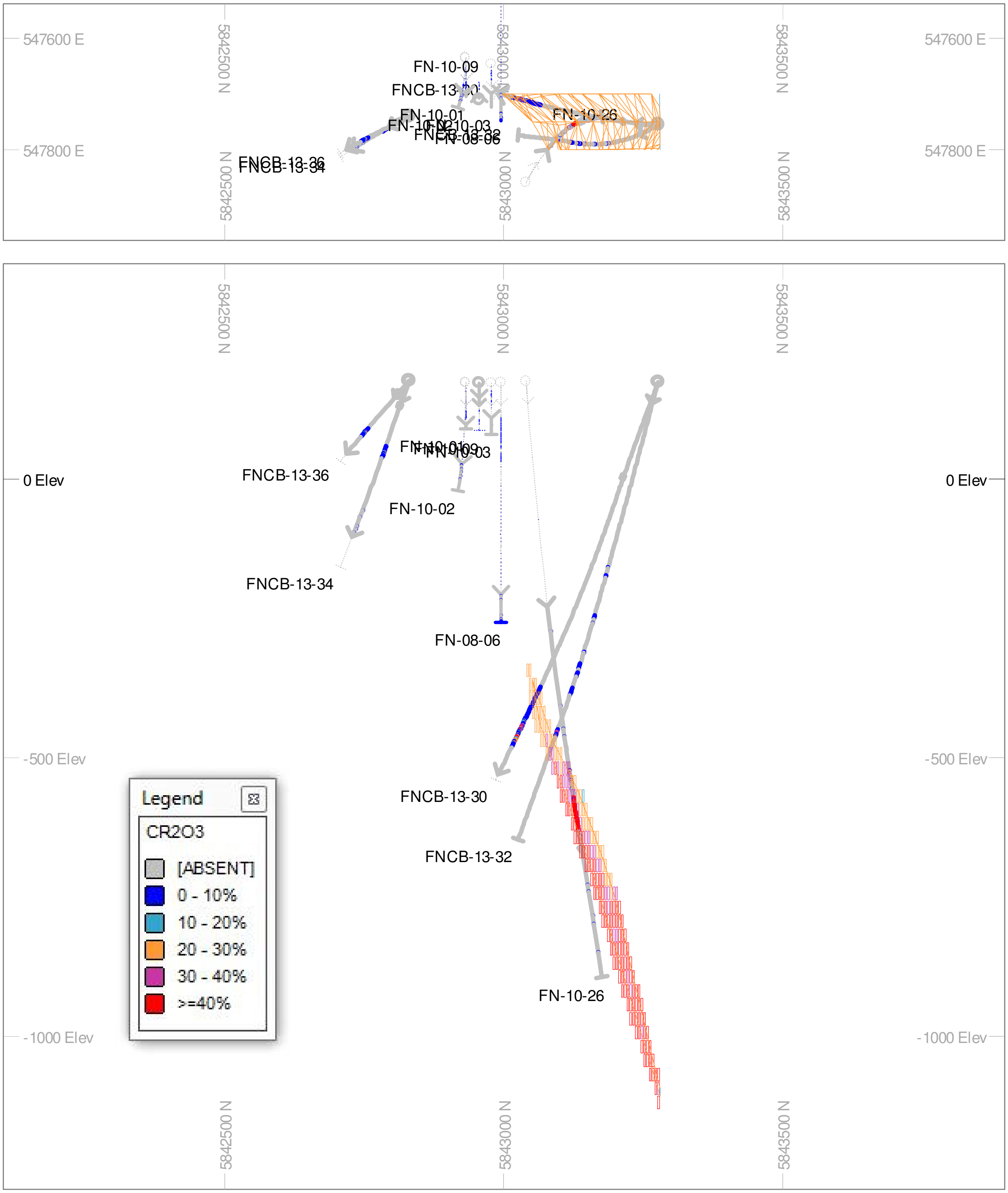


Figure 17 Sample cross section (547750E) for the Koper Lake Project. The orange line is a slice through the mineral envelope used to select samples.

Table 8 Drill Hole Collar Locations

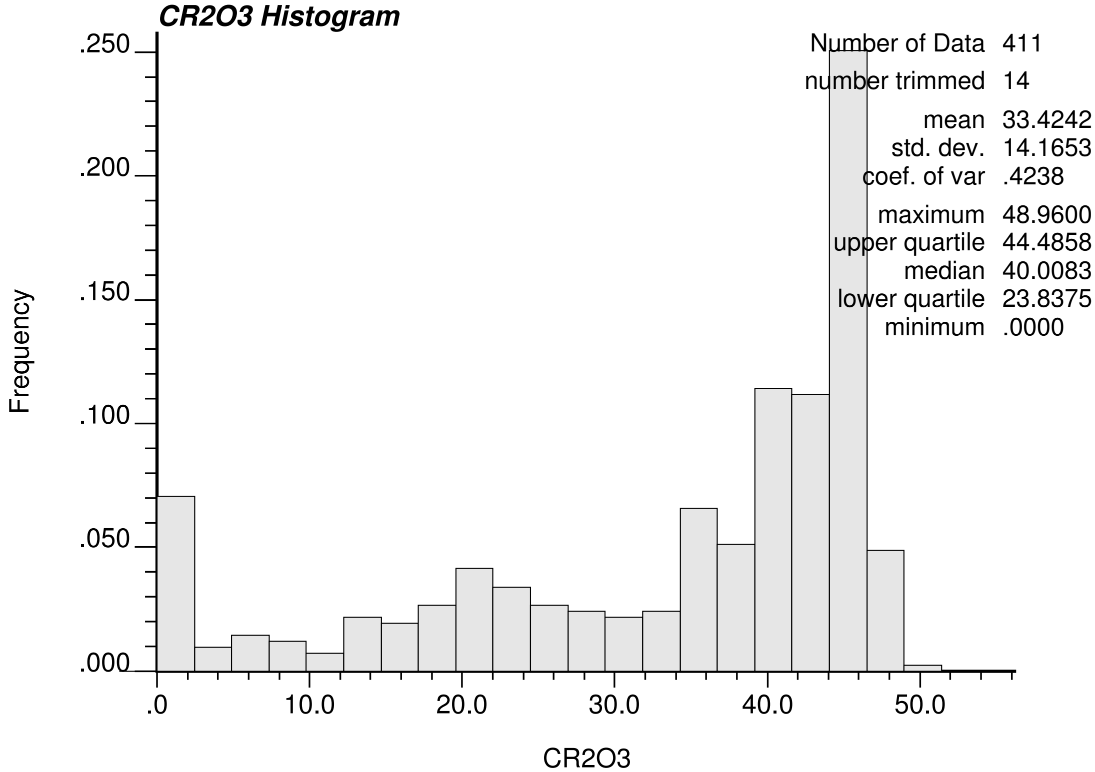
BHID	UTM-X	UTM-Y	Elevation	Length	Azimuth	Dip
FN-08-01	547660	5843046	172	303.35	270	-50
FN-08-02	547660	5843046	172	181.2	270	-70
FN-08-03	547444	5843052	172	486.2	90	-70
FN-08-04	547444	5843052	172	356.6	90	-50
FN-08-05	547449	5842798	172	506.1	135	-45
FN-08-06	547325	5842995	172	603.5	90	-45
FN-08-07	549325	5843733	172	381	270	-50
FN-08-08	547687	5843150	172	165	270	-45
FN-08-09	547687	5843150	172	134.1	270	-50
FN-08-10	547592	5843046	170	122	90	-45
FN-08-11	550140	5846010	172	150	315	-50
FN-08-12	550140	5846010	172	165.85	315	-70
FN-10-01	547636	5842932	172	108	90	-50
FN-10-02	547636	5842932	171	213	90	-70
FN-10-03	547647	5842978	171	120	90	-50
FN-10-04	547640	5843012	171	63	90	-50
FN-10-05	547672	5843019	171	105	270	-70
FN-10-06	547620	5842885	171	100	90	-45
FN-10-07	547593	5843074	171	93.1	90	-50
FN-10-08	547586	5843105	171	60	90	-50
FN-10-09	547710	5842956	171	90	270	-70
FN-10-10	547680	5843026	171	90	270	-60
FN-10-11	550473	5845870	170	300	315	-45
FN-10-12	550473	5845870	170	255	135	-50
FN-10-13	550235	5845830	176	303	315	-50
FN-10-14	550080	5843100	177	360.2	150	-50
FN-10-15	549215	5843040	177	249	135	-50
FN-10-16	550230	5842860	177	183	135	-50
FN-10-17	547494	5843190	172	170	90	-50
FN-10-18	547513	5843150	172	147	360	-85
FN-10-19	547513	5843150	172	1009	360	-85
FN-10-20	550000	5843000	174	303	150	-50
FN-10-21	549850	5844050	174	324	135	-50
FN-10-22	550090	5842950	170	264	150	-70
FN-10-23	550090	5842950	170	192	150	-50
FN-10-24	550493	5844236	170	264	140	-50
FN-10-25*	548018	5843234	172	1082.3	220	-80
FN-10-26*	547860	5843040	174	1086	297	-80
FN-10-27	547950	5843140	173	237	320	-48.5
FN-10-28	547950	5843140	173	396	320	-75

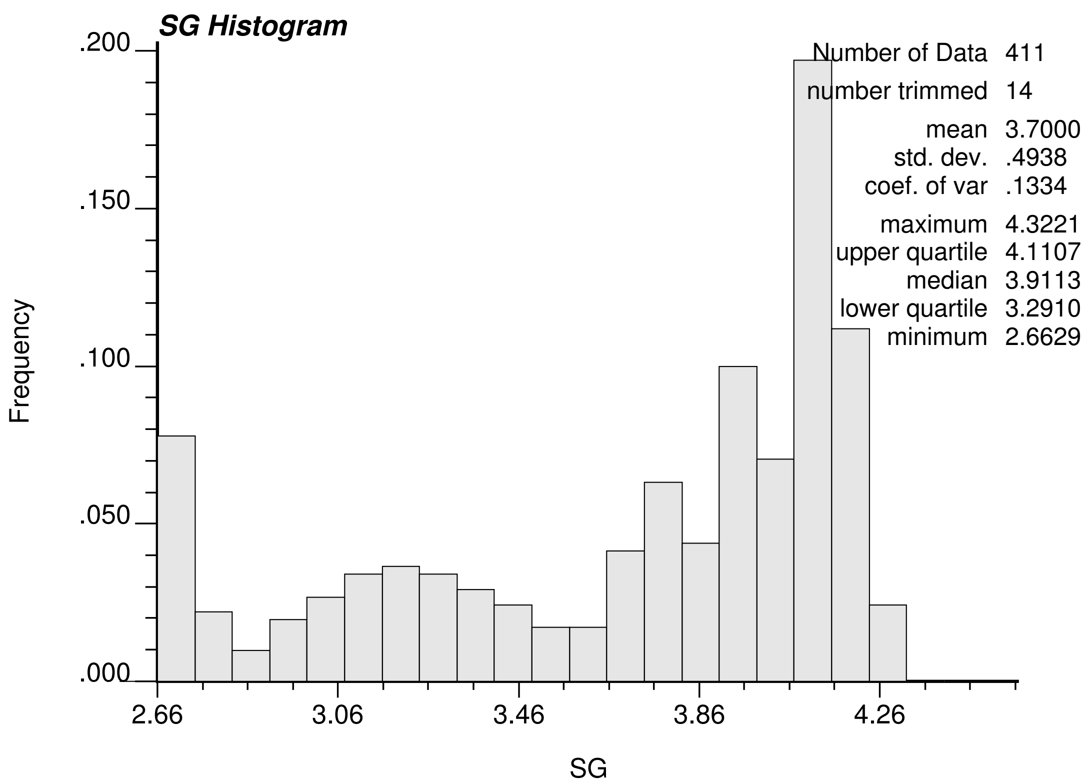
BHID	UTM-X	UTM-Y	Elevation	Length	Azimuth	Dip
FNCA-13-29	547456	5843253	175	1041.8	135	-88
FNCA-13-29W1	547456	5843253		36	135	-88
FNCB-13-30*	547756	5843277	173	774	180	-69
FNCB-13-31	547451	5843171	169	978	177.97	-70
FNCB-13-32*	547756	5843277	173	861	151.9	-73
FNCB-13-33*	547451	5843171	169	861	160.15	-64
FNCB-13-34	547741	5842831	175	363	155	-70
FNCB-13-35*	547925	5843275	175	549	154.2	-77
FNCB-13-36	547741	5842831	175	201	155	-45
FNCB-13-37	548075	5843275	175	252	165	-70
NOT-08-40*	547014	5842850	170	742	90	-50

* holes used in resource estimation.

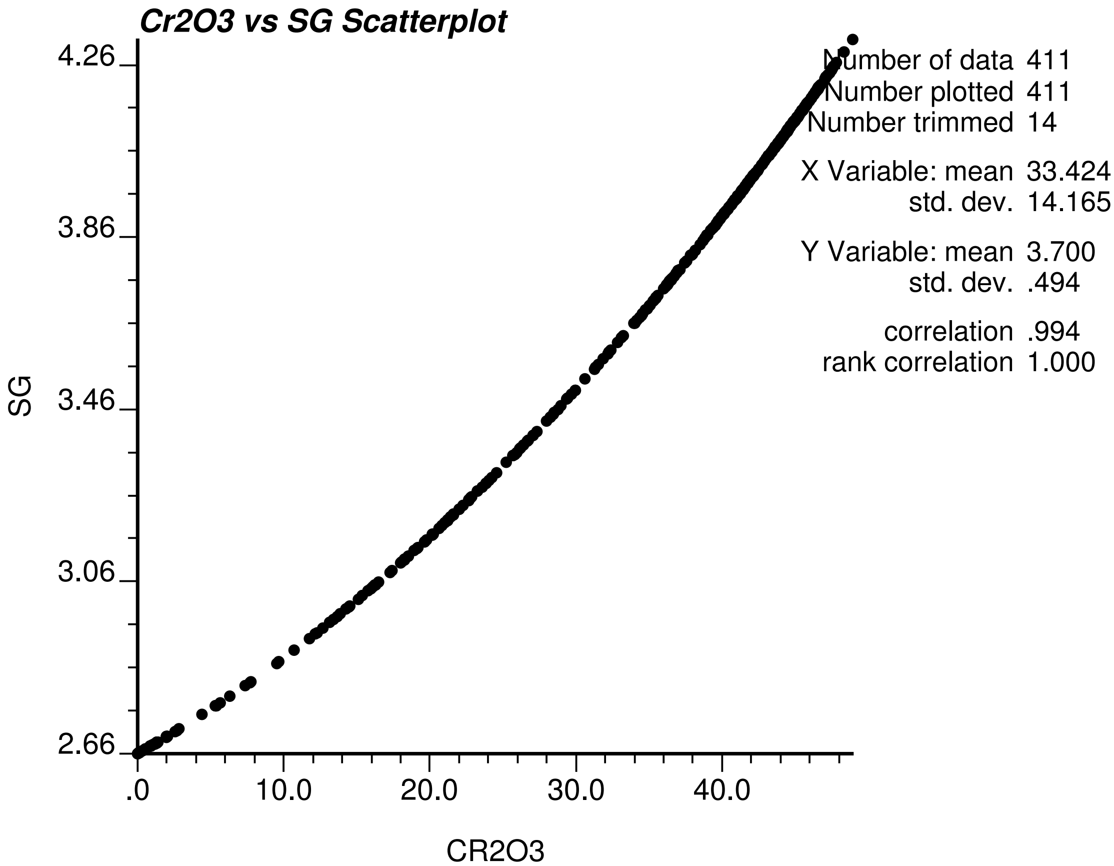
Appendix 2 – Exploratory Data Analysis

Histograms





Scatter Plots



Appendix 3 – OK Search Parameters Used

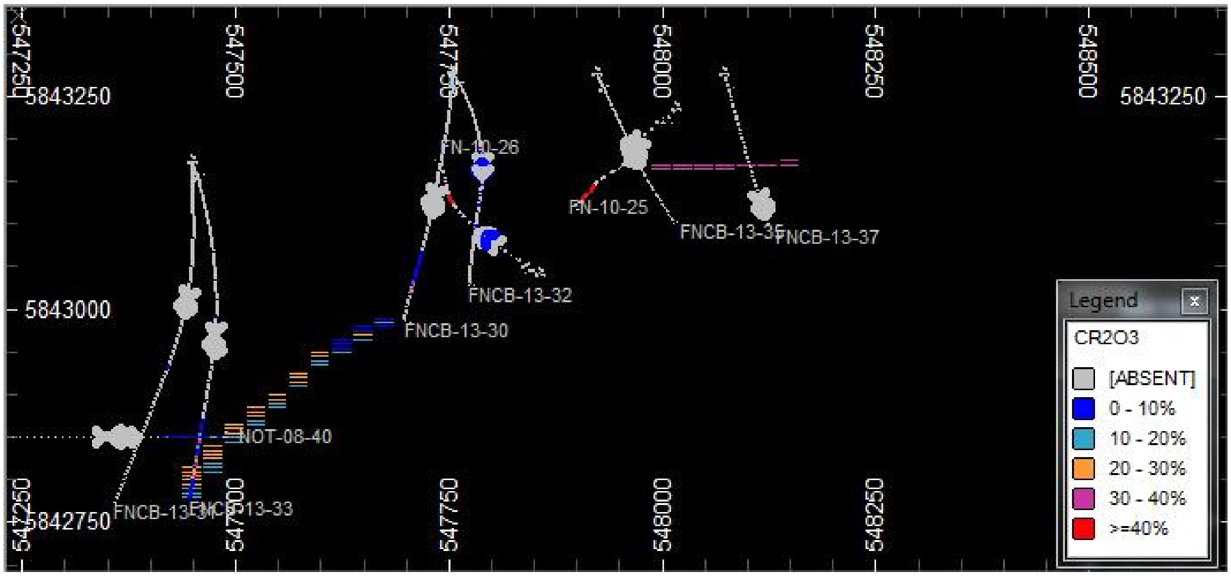
UCSA	UCSB	UCSC	OCTANT METHOD USED?	MINIMUM NUMBER OF OCTANTS	MINIMUM SAMPLES PER OCTANT	MAXIMUM SAMPLES PER OCTANT	MINIMUM NUMBER OF SAMPLES	MAXIMUM NUMBER OF SAMPLES	MAX. NUMBER OF SAMPLES PER HOLE
10	120	120	YES	5	1	4	20	32	6
15	160	160	YES	5	1	4	10	32	6
20	200	200	NO	n/a	n/a	n/a	5	32	0

- across the dip
- down the dip
- along the strike

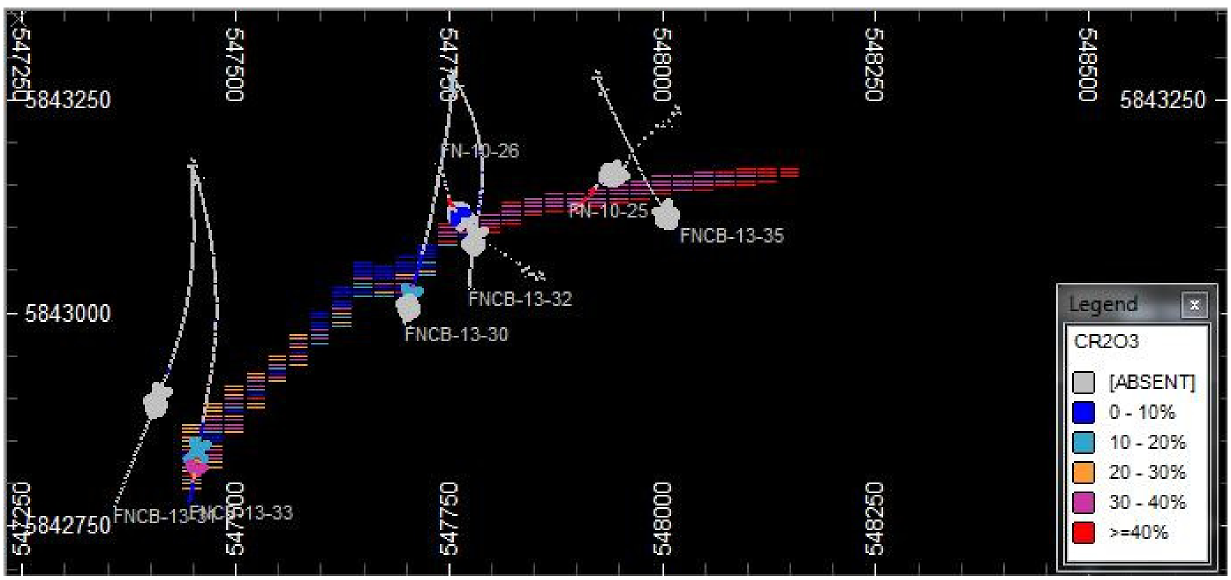
Appendix 4 – Block Model Plans and Sections

NN Models Sample Plan views – Koper Lake Project chromite deposit

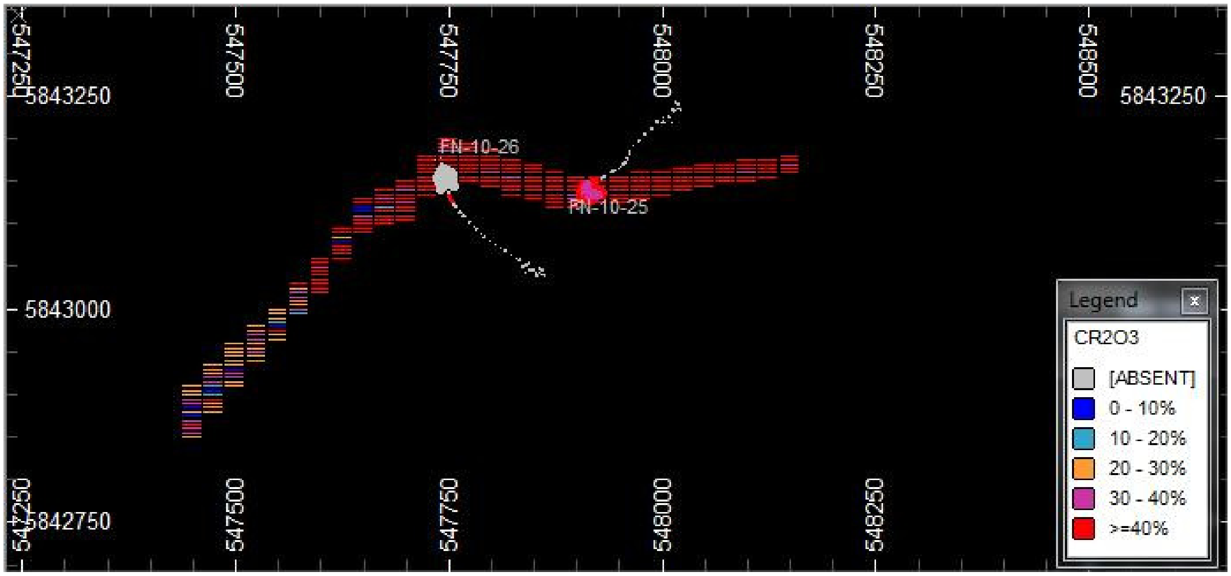
-250 Elev.



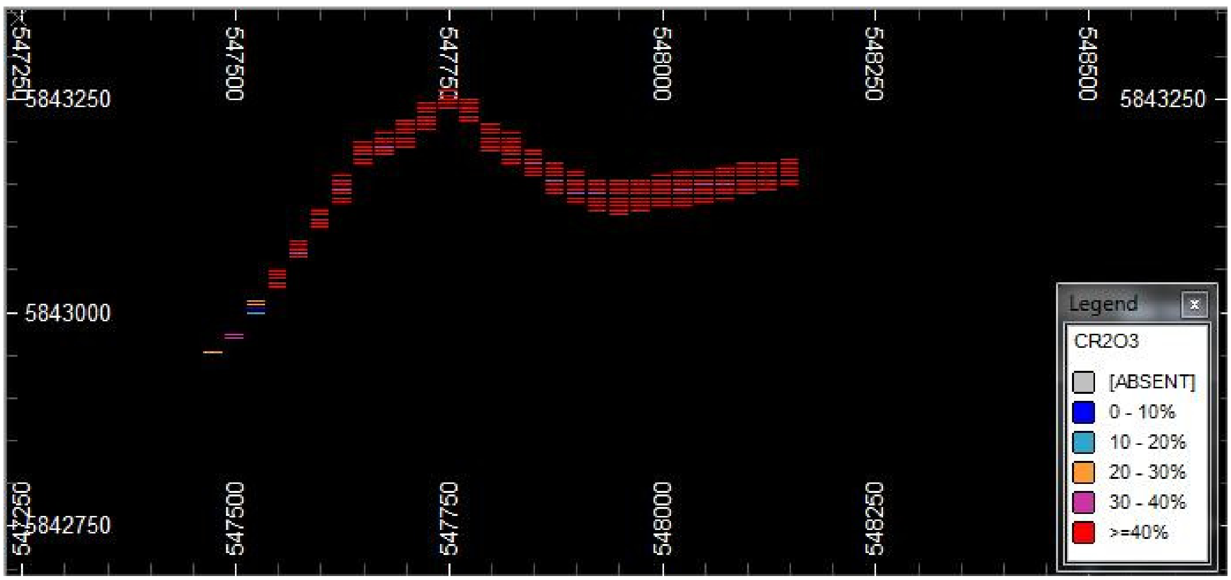
-500 Elev.



-750 Elev.

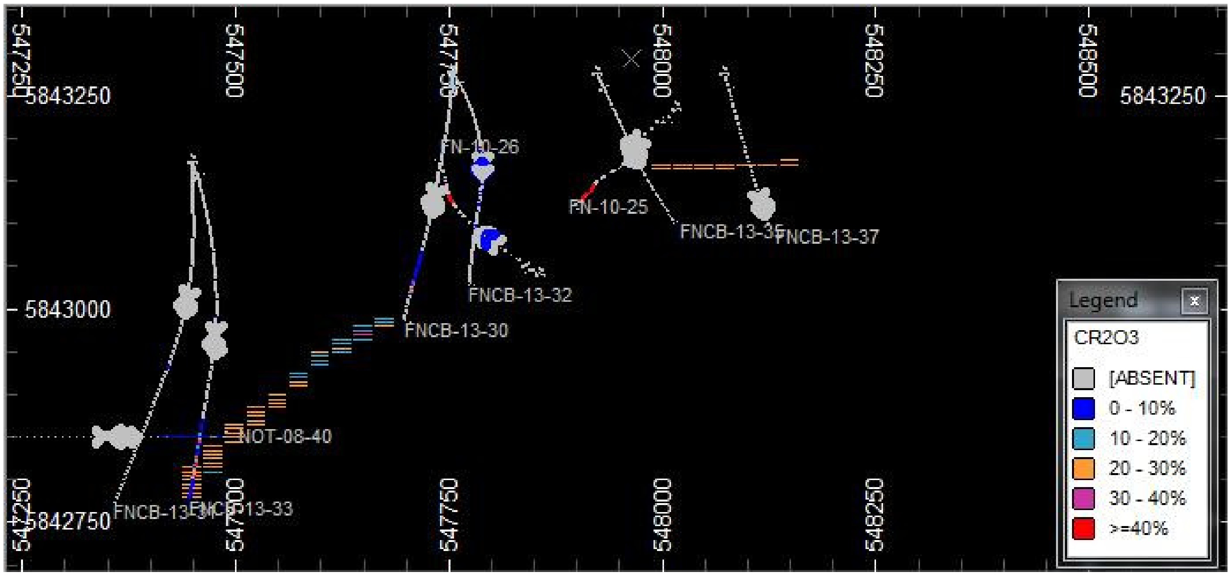


-1000 Elev.

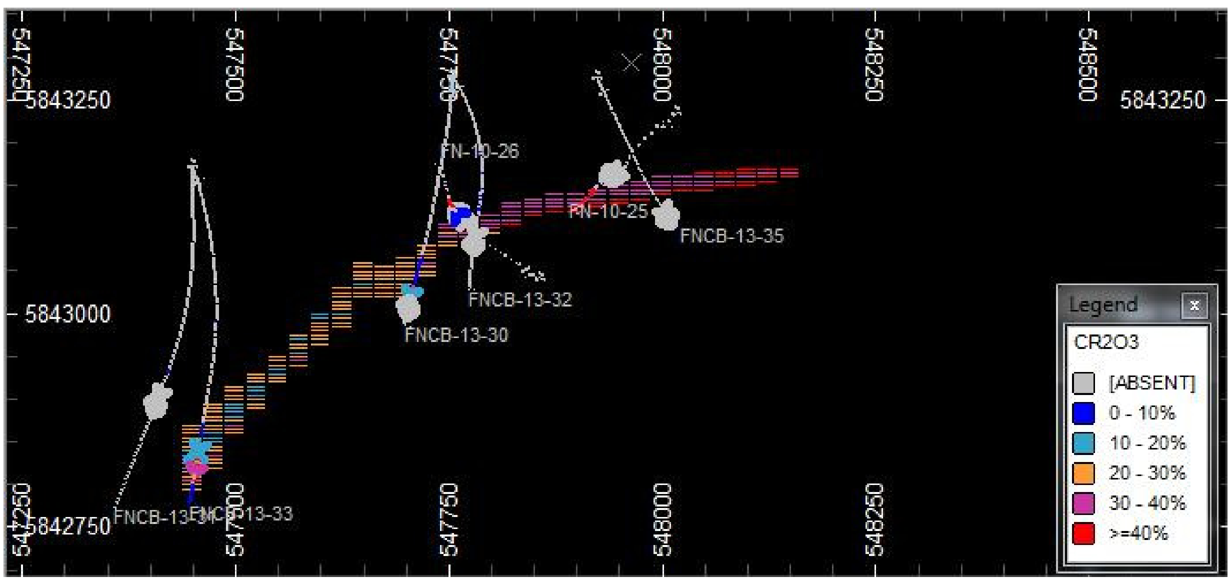


OK Models: Sample Plan views - – Koper Lake Project chromite deposit

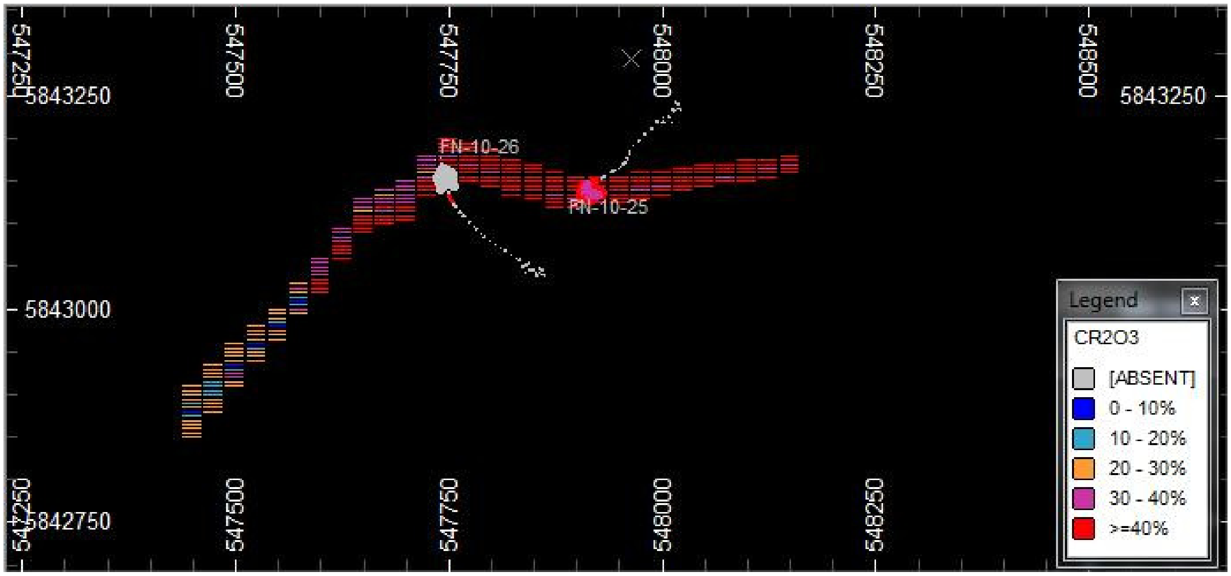
-250 Elev.



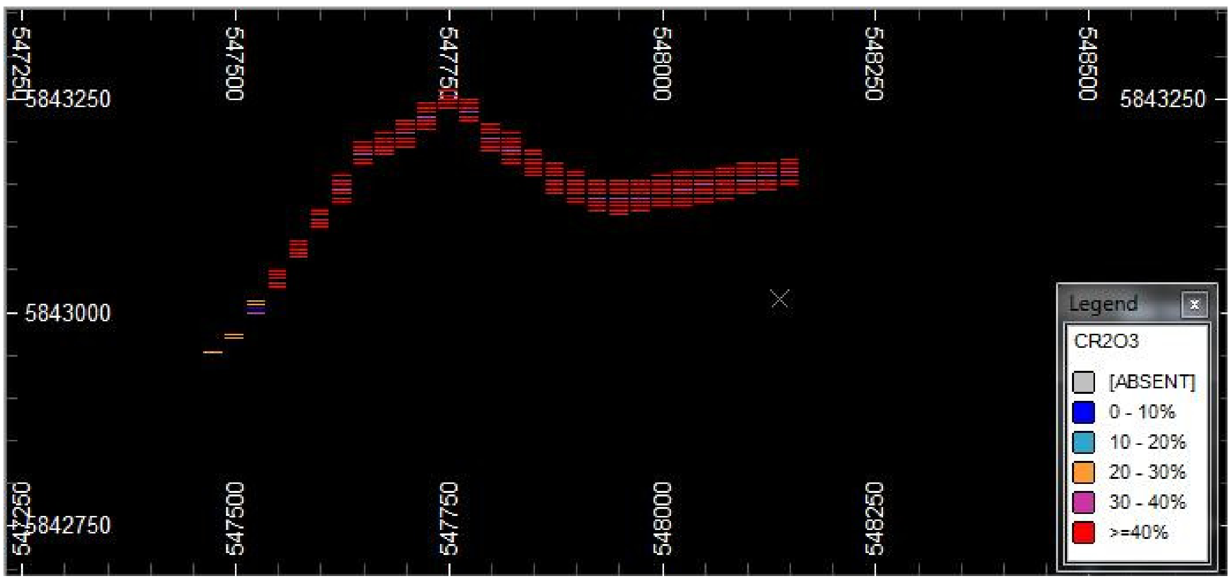
-500 Elev.



-750 Elev.



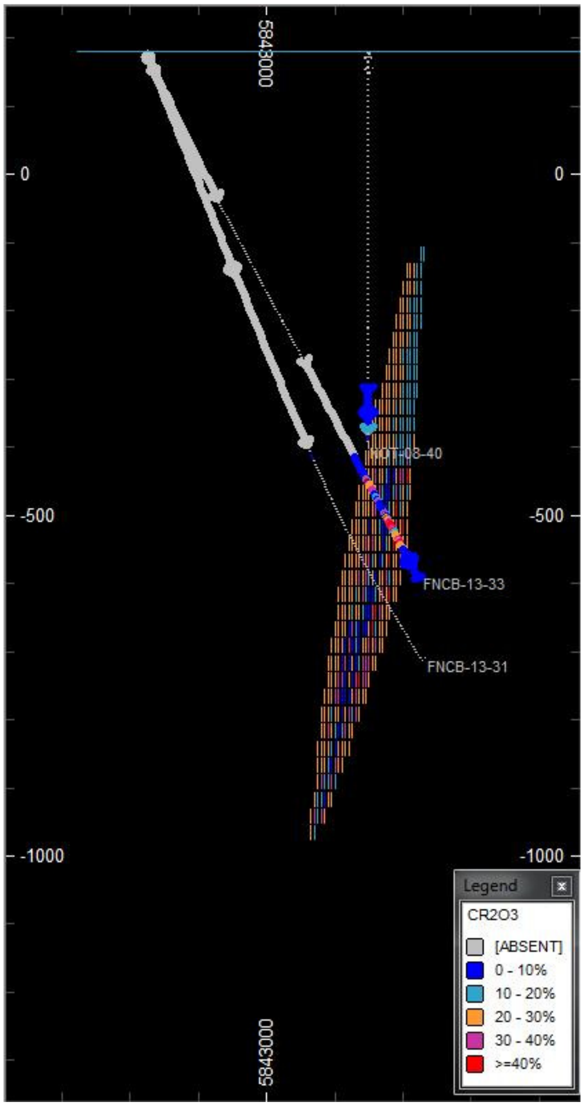
-1000 Elev.



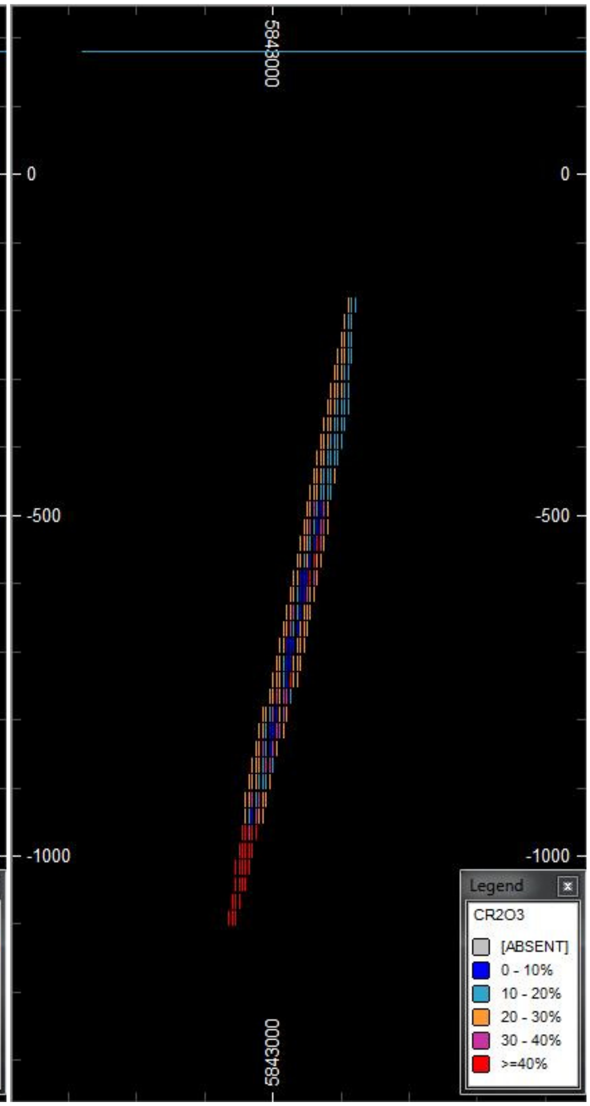
NN Model – N-S Sample Sections

– Koper Lake Project chromite deposit

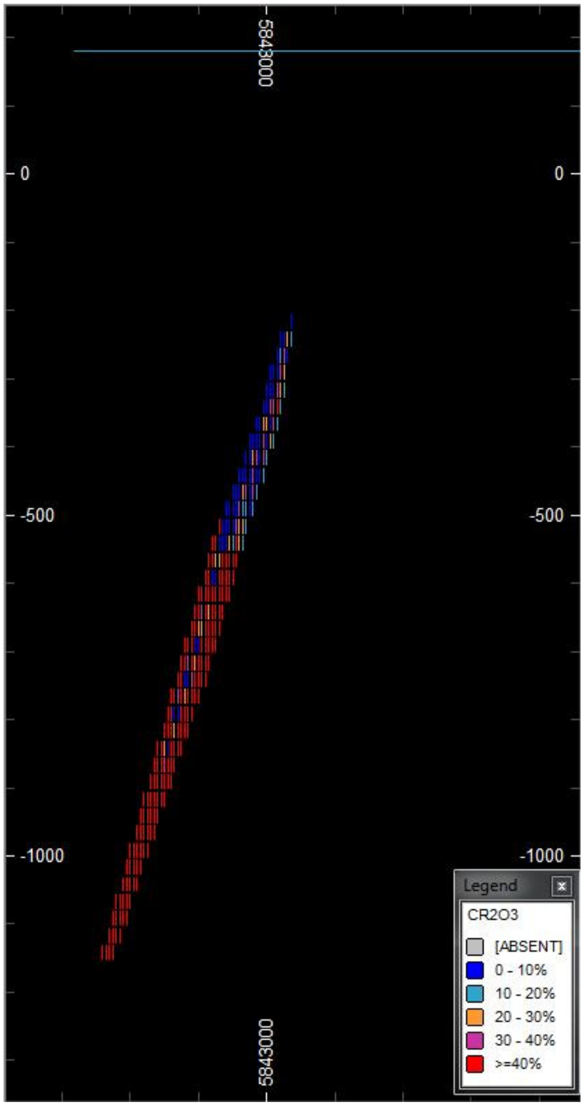
Section 547450E



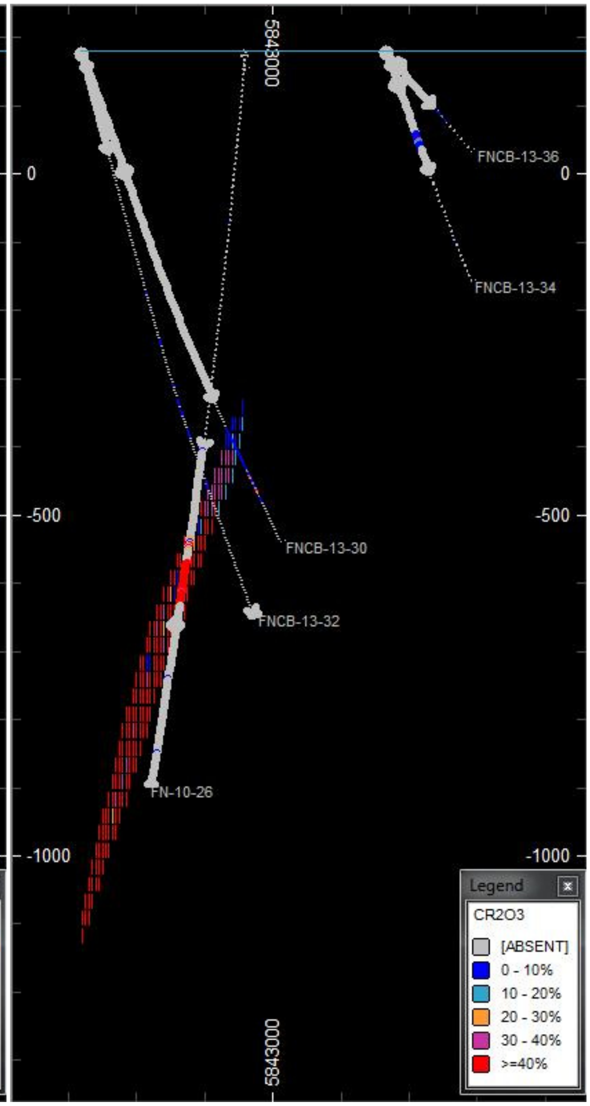
Section 547550E



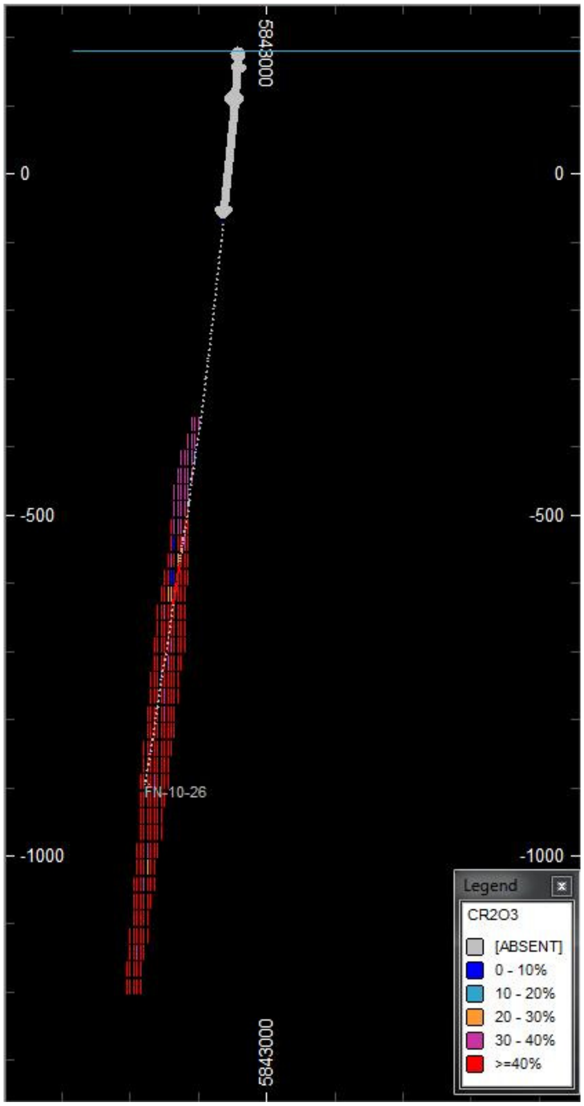
Section 547650E



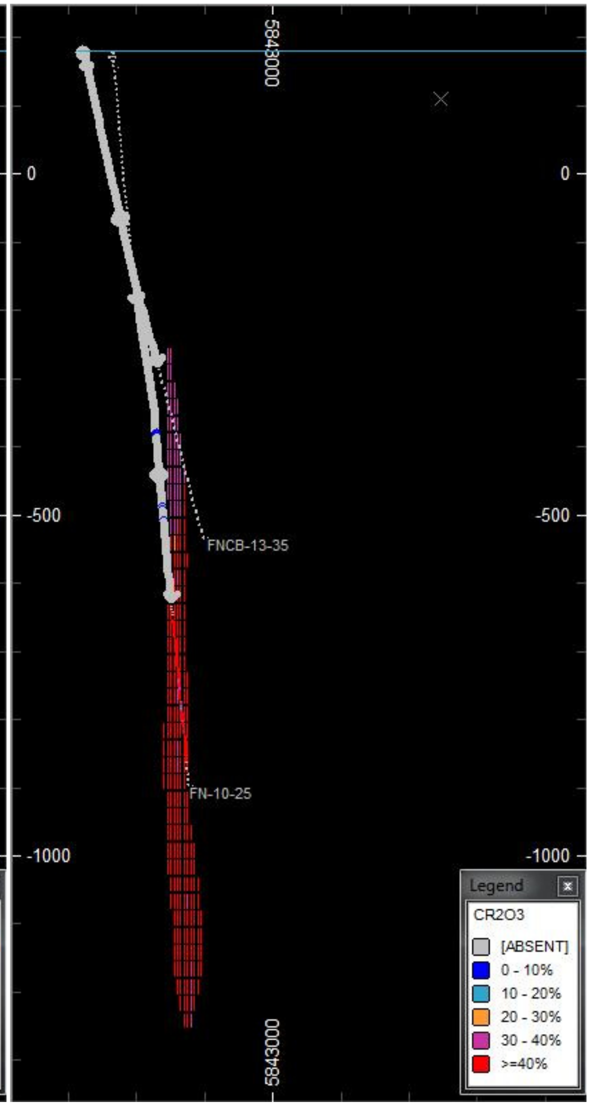
Section 547750E



Section 547850E



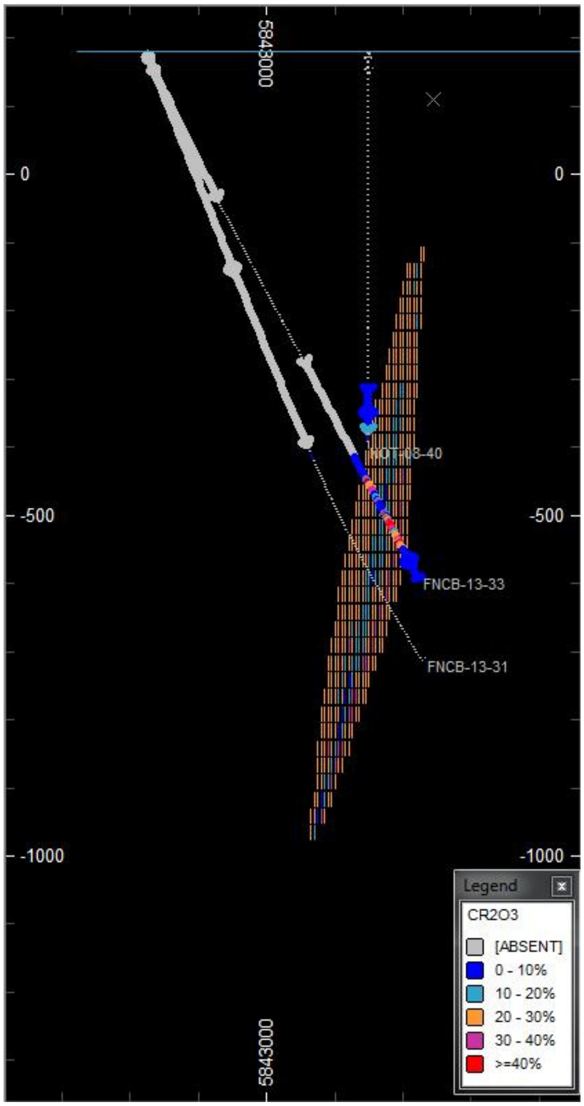
Section 547950E



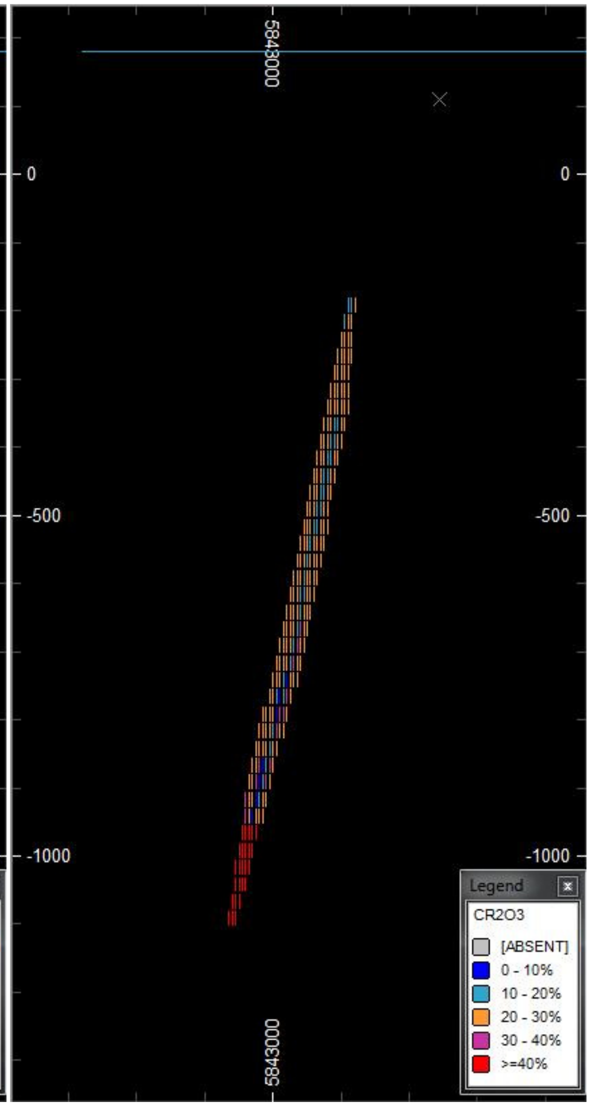
OK Models - N-S Sample Sections

– Koper Lake Project chromite deposit

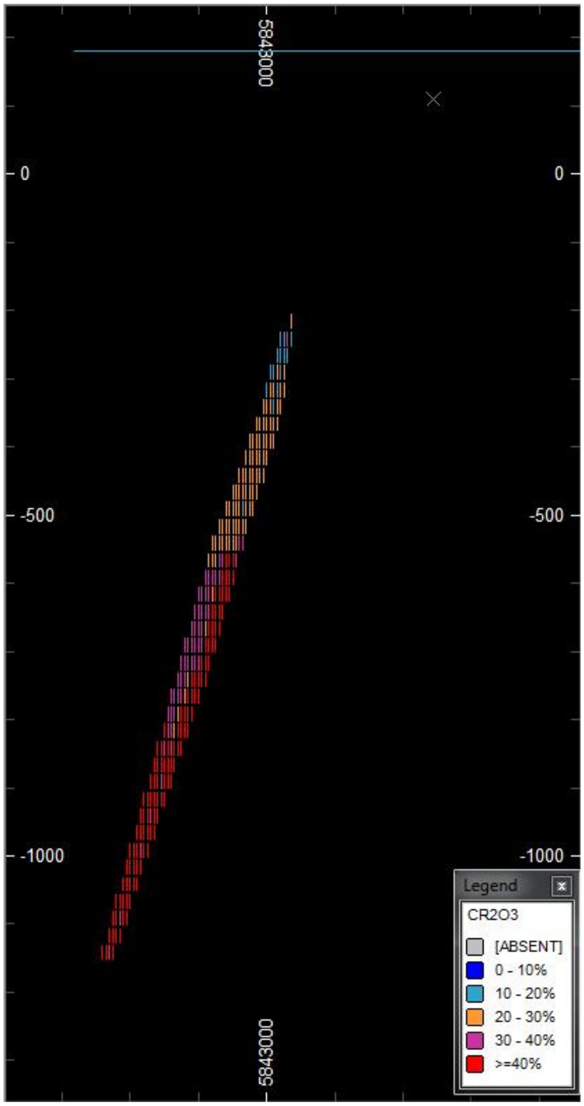
Section 547450E



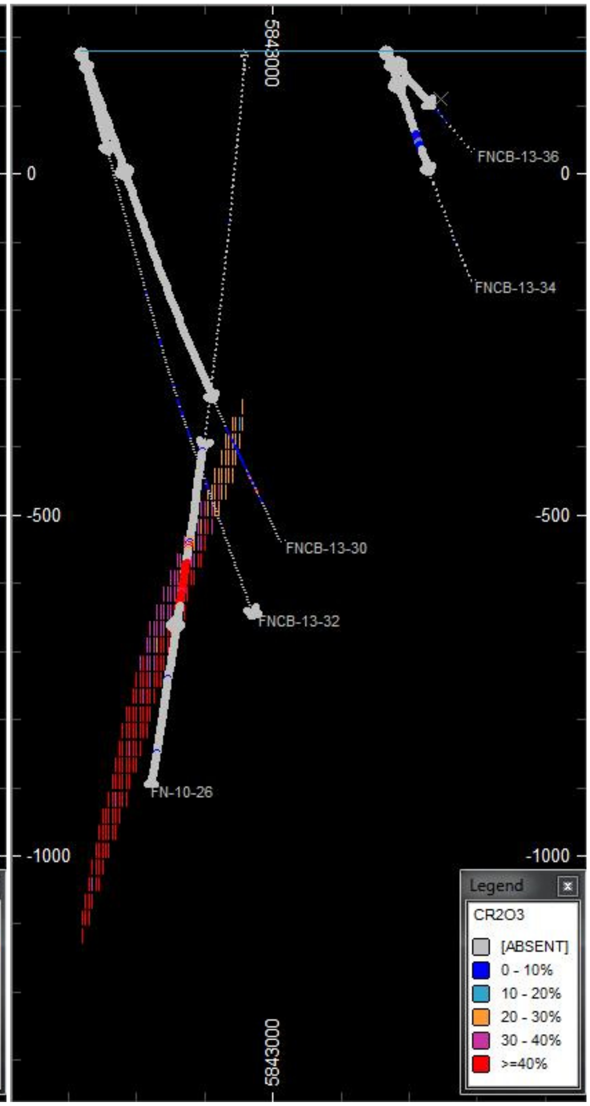
Section 547550E



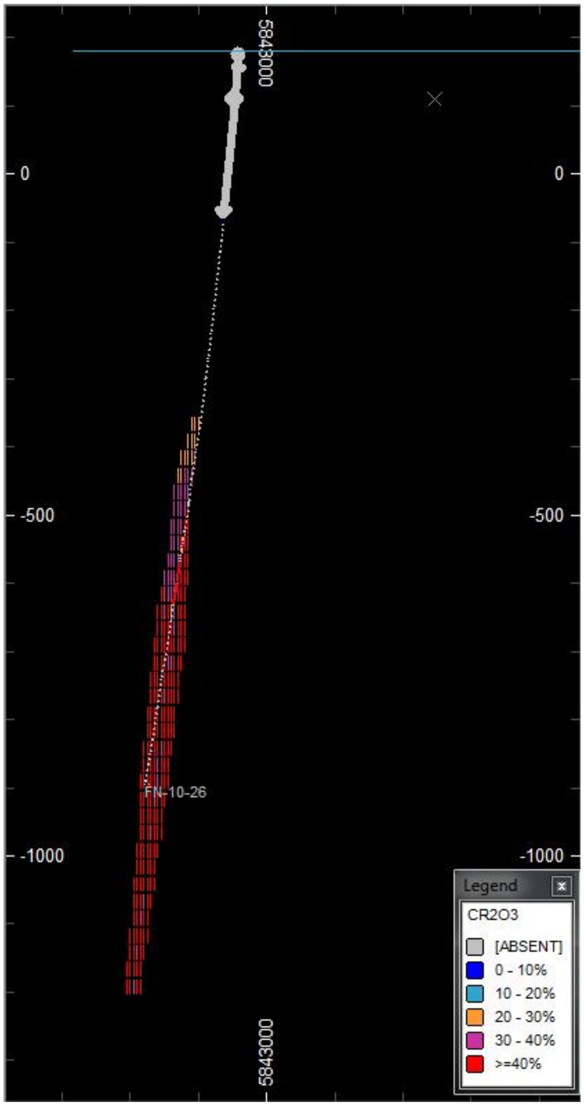
Section 547650E



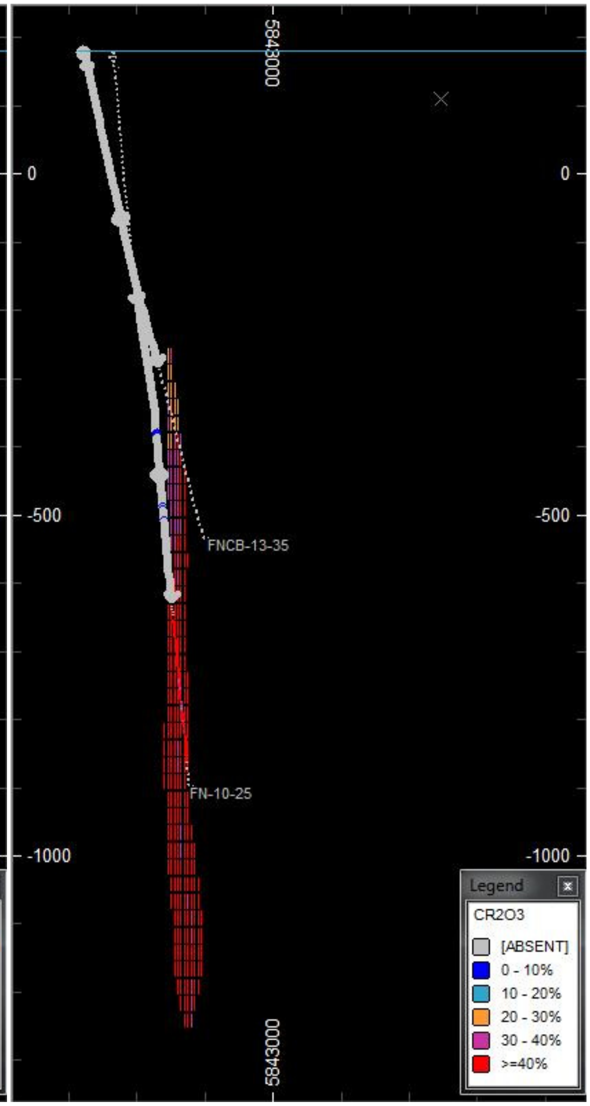
Section 547750E



Section 547850E



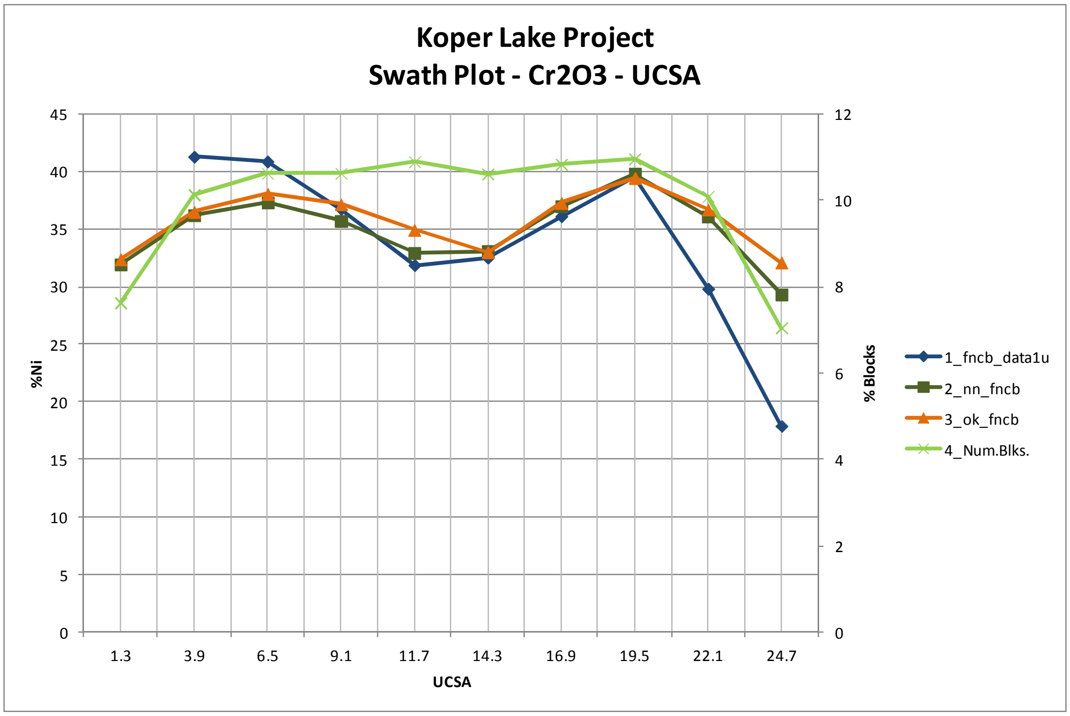
Section 547950E



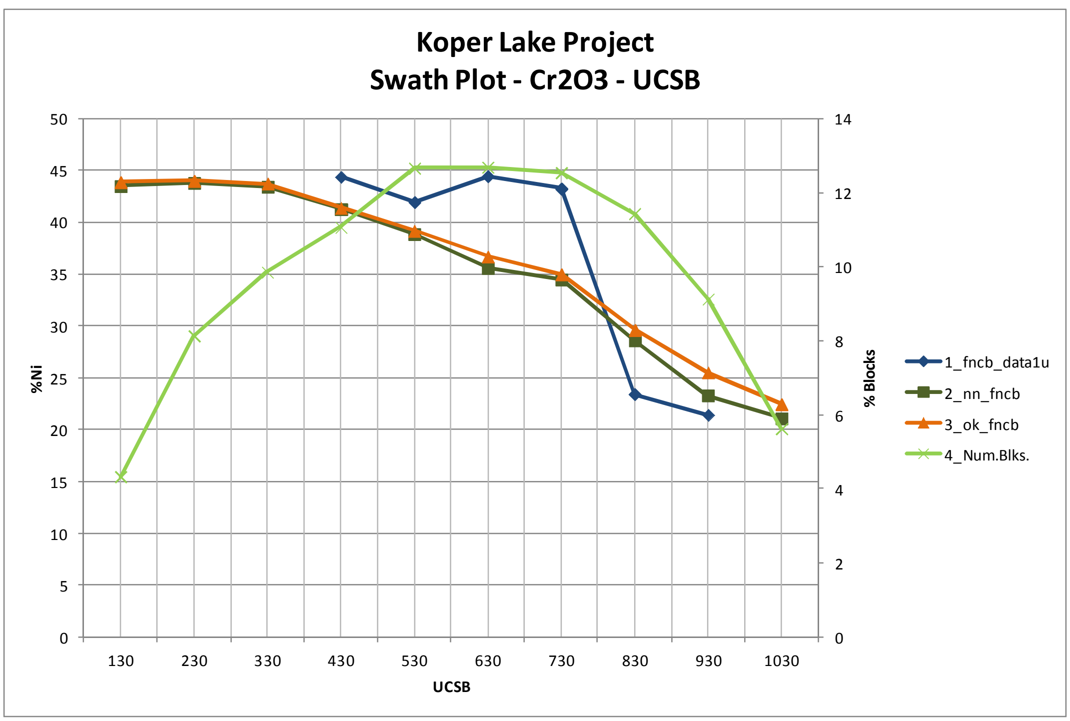
Appendix 5 - Model Validation

Swath Plots - Cr_2O_3

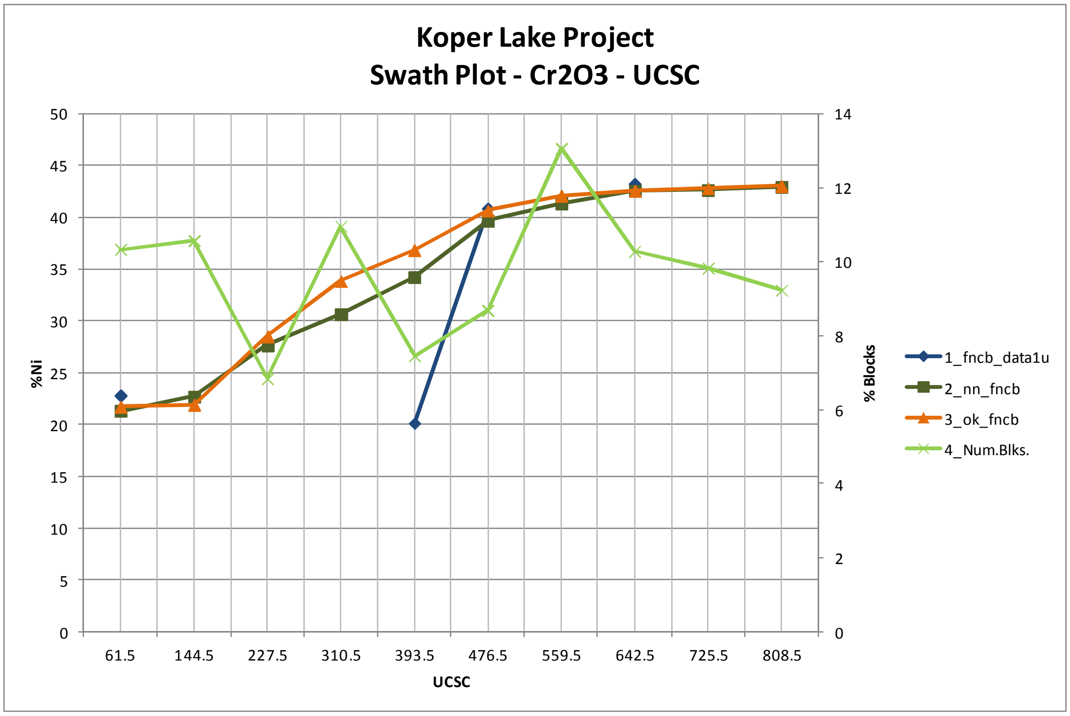
UCSA



UCSB



UCSC



Koper Lake Project
Swath Plot - Cr2O3 - UCSC
%Ni
% Blocks
UCSC
0
5
10
15
20
25
30
35
40
45
50
2
4
6
8
10
12
14
61.5
144.5
227.5
310.5
393.5
476.5
559.5
642.5
725.5
808.5
1_fncb_data1u
2_nn_fncb
3_ok_fncb
4_Num.Blks.

Appendix 6 – Resource Classification Definitions

The following is an extract from the CIM Definition Standards for Mineral Resources and Mineral Reserves, adopted December 11, 2005.

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

The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for economic extraction' implies a judgement by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. These assumptions must be presented explicitly in both public and technical reports.

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered

through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

Measured Mineral Resource

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

Mineralization or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade of the mineralization can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit."