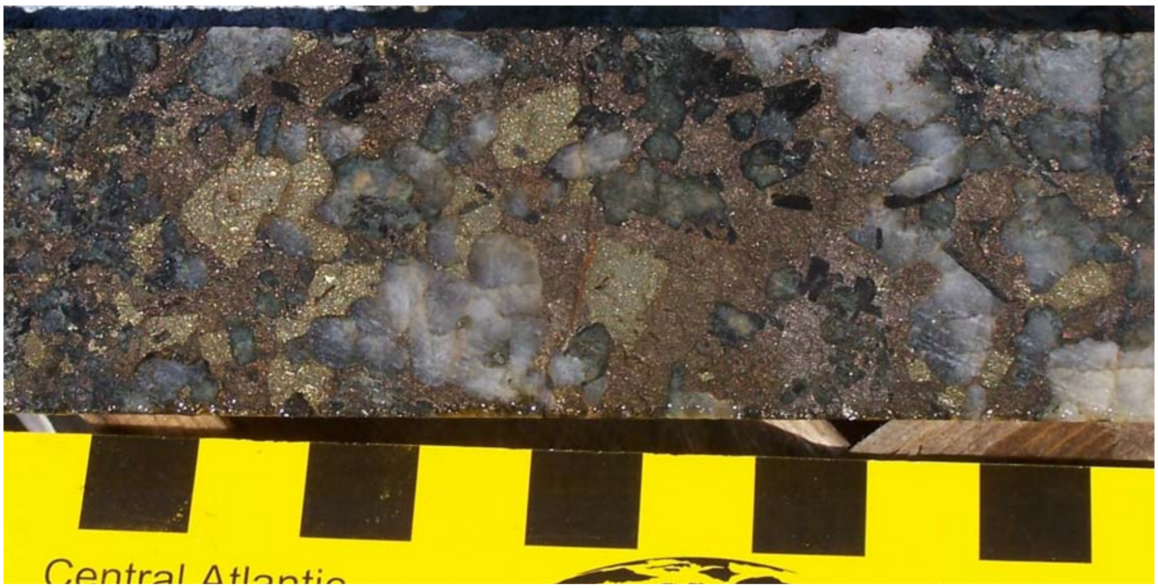
# *43-101 TECHNICAL REPORT ON THE HURDMAN ZINC-SILVER DEPOSIT, HURDMAN TOWNSHIP, ONTARIO (NTS 42 H/12)*




Prepared for:

BLUE VISTA TECHNOLOGIES INC.

by


**McCutcheon Geo-Consulting**
1935 Palmer Drive, Bathurst NB E2A 4X7
Tel: (506) 543-6009; Fax: (506) 548-5929

**S.R. McCutcheon, PhD, PGeo**

October 7, 2011

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## 1.0 SUMMARY

Situated in northeastern Ontario, approximately 120 km north-northwest of the city of Timmins, the Hurdman Property (the "Property") consists of 13 contiguous mining claims, comprising 184 individual claim units and covering 2944 hectares in Hurdman Township (NTS 42 H/12).

Eloro Resources Ltd. ("Eloro") acquired a 100% interest in the Hurdman Property, under an agreement with Don Mc Holdings Ltd and 2060014 Ontario Inc. on November 30, 2004. On August 22, 2011 Eloro entered into a Property Acquisition Agreement (the "Agreement"), with Blue Vista Technologies Inc. ("Blue Vista"), a duly incorporated, Ontario-based corporation. Pursuant to the terms of the Agreement, Eloro agreed to assign, transfer and sell to Blue Vista all of its rights, titles and interests in the Property, in consideration for which Blue Vista agreed to pay Eloro CAD $40,000, and issue 1,250,000 Common Shares in its capital, upon approval by the regulatory authorities.

The Property has been sporadically explored for base-metals from the 1960s to date. In general, past exploration efforts focused on a group of ground EM anomalies, labeled "C", "G-H" and "I", which drilling showed to be coincident with areas that contain significant zinc and silver mineralization, according to historical work.

Upon acquiring the Property, Eloro commissioned a 43-101 Technical Report that was completed in early 2005 (available on SEDAR), in which a two-phase exploration program was recommended. Since then, four winter diamond-drilling campaigns, and two separate high-resolution airborne Mag /EM surveys have been completed, which essentially met the objectives of the recommended program. Fifty three diamond-drill holes, comprising 7444 m, were completed; a total of 1955 altered/mineralized samples were collected from 51 drill cores and submitted for assay. In addition, 120 samples were collected (2005 and 2008 cores) and submitted for whole rock analysis, and 189 pulps from the 2006 and 2007 drilling were re-assayed for lead in 2008.

As a result of Eloro's work, it has been confirmed that:

- The zinc-silver mineralization of the Main Hurdman Sulfide Zone (HSZ) is spatially associated with and mostly peripheral to pyrrhotite-pyrite lodes and pegmatite sills, which are within an alteration envelope of pale grey, sillimanite-bearing rocks that contain disseminated and "blebby" sphalerite;
- The east-west extent of the Main HSZ is at least 350 m and its north-south extent is at least 300 m; the top of the altered/mineralized envelop is close to surface (beneath glacial deposits) in the most southern holes but it is below 100 m vertical depth in the most northern holes, indicating a shallow dip to the north;
- The thickness of the altered/mineralized envelope is variable; drill intersections range from 2 to 50 m but generally exceed 5 m;
- Zinc and silver grades in the Main HSZ range from 1.45% to 13.8% Zn and from 2.55 g/t to 166 g/t Ag over widths ranging from 0.5 to 28.2 m; elevated gold values (> 1 g/t Au) are erratic but range from 1.15 to 48.69 m over drill widths ranging from 0.4 to 7.9 m;
- Within the altered/mineralized envelope, there is a corridor that varies between 1.9 m and 19.95 m in apparent thickness, which contains zinc values > 2 % and silver values > 15 g/t.
- A new zone, the East HSZ, occurs approximately 1.5 km east of the main zone and it dips gently to the northeast; its extent is unknown but drill intersections of the altered/mineralized envelope are not as thick (< 10 m) as those in the Main HSZ;

- Zinc and silver grades in the east zone range from 0.5% to 4.94% Zn and from 6 g/t to 266 g/t Ag over widths ranging from 0.4 to 9.8 m; gold values are all < 1 g/t Au;
- The Main and East zones are encompassed by a “geophysical domain” that consists of clusters of point and linear VTEM anomalies;
- There are 5 geophysical domains (D-01 to D-05) and 6 separate VTEM linears (L-01 to L-06) on the Property; the 3 km by 1 km D-04 domain is associated with the HSZ;
- These domains form a horseshoe-shaped pattern that may reflect a large-scale fold in the central part of the Property; the HSZ is at the southeastern end of this horseshoe; and
- Northerly trending magnetic anomalies (at least seven) reflect late-stage dike rocks that cut across this horseshoe.

The author believes that the altered mineralized zone at Hurdman represents a melting (anatectic) front in high-grade metamorphic rocks, rather than a primary alteration zone associated with a Sedex or VMS-type massive sulphide deposit. In this scenario, sillimanite-bearing rocks of the HSZ are genetically related to fluids that formed by the breakdown of hydrous minerals (micas and amphiboles) during anatexis; these fluids rose and altered the rocks ahead of the melting front. By reducing the melting temperature, these fluids allowed pyrrhotite-pyrite-sphalerite melts to form, which co-mingled with pegmatite melts at their mutual contacts, forming “ball texture” (analogous to oil droplets in a vinaigrette salad dressing). The partitioning of sphalerite into altered host rocks, rather than the pyrrhotite-pyrite lodes, reflects gravity-driven differentiation, i.e. sphalerite has a lower specific gravity than either pyrrhotite or pyrite and thus “floats” in such a melt. An anatectic model explains the shallow dips at both the Main and East HSZ. It also explains why the metal association of the HSZ is atypical for a massive sulfide deposit, i.e. the virtual absence of copper and/or lead.

The source(s) of the metals that make up the sulfides of the HSZ is (are) less certain. The metals had to be in the rocks before melting occurred. Whether they were regionally distributed in the sedimentary rocks of the Quetico Terrane or concentrated in a nearby massive sulphide deposit, of either Sedex or VMS type, is uncertain. In the former case, original stratigraphy is not very important because sulfides will be present at the melting front anywhere in the paragneiss (sedimentary) pile. In the latter case, original stratigraphy is critical because sulfides will be present only where the melting front intersected pre-existing massive sulphide deposits. The author favours the latter interpretation because of the similarity of the HSZ to the so-called “8/2 Zn zone” at Geco and because regional metamorphism does not remobilize metals significantly.

The following two-phase work program is therefore recommended:

***Phase I***

1. Process/interpret whole-rock geochemical data to determine if volcanic rocks are present at Hurdman (collect 2006-2007 drill-core samples as required);
2. Search for and compile information on the so-called “8/2 Zn zone” at Geco to facilitate detailed comparison with the HSZ;
3. Carry out ground geophysics using InfiniTEM to help define drill target(s) between the Main and East HSZ;
4. Conduct an in-fill drilling program (8 holes) in the eastern part of the VTEM anomaly over the Main HSZ to determine if the known “higher grade corridor” continues east and has enough continuity and grade to warrant a resource estimate;

***Phase II***

5. Based on the results of recommendations 2 and 3, determine if a drill hole beneath the Main HSZ is warranted to test for a VMS-type massive sulfide deposit at depth;
6. Drill-test the best ground geophysical anomalies resulting from recommendation 5;

7. Drill-test the best airborne VTEM anomalies within domains D-03 and D-05; specifically, the "stream" and large "eastern" anomalies in D-03 (4 holes) and the southernmost anomaly in D-05 (2 holes).

The expenditures related to the recommended exploration program are summarized below:

| Description | Units | Cost / unit | Total Cost |
|---|---|---|---|
| ***Phase I*** | | | |
| Lithogeochemistry: | | | |
| 2006 & 2007 holes | 100 samples | $150/smple | $15,000 |
| Senior Geologist | 10 days | $900/day | $9,000 |
| Compile Geco data: | | | |
| Senior Geologist | 12 days | $900/day | $10,800 |
| GIS Tech Services | 10 days | $550/day | $5,500 |
| Ground geophysics | 10 days | $5,000 | $50,000 |
| Drilling (8 holes) | 1200 m | $150/m | $180,000 |
| Air support | 20 hours | $1500/hr | $30,000 |
| Camp logistics | 1 | $50,000 | $50,000 |
| Assays | 350 | $35/sample | $12,250 |
| Geologists | 15 days | $700/day | $10,500 |
| Technical staff (2) | 15 days | $350/day | $10,500 |
| Report writing | 1 | $15,000 | $10,000 |
| | | Sub-total: | $393,550 |
| | | 15% Contigency: | $59,033 |
| | | ***Total Phase I:*** | ***$452,583*** |
| ***Phase II*** | | | |
| Drilling (1 deep + 6 others) | 1600 m | $150/m | $240,000 |
| Air support | 80 hours (min) | $1500/hr | $120,000 |
| Camp logistics | 1 | $50,000 | $50,000 |
| Assays | 350 | $35/sample | $12,250 |
| Geologists | 15 days | $700/day | $10,500 |
| Technical staff (2) | 15 days | $350/day | $10,500 |
| GIS / Report writing | 1 | $15,000 | $25,000 |
| | | Sub-total: | $468,250 |
| | | 15% Contigency: | ***$920,833*** |
| | | **Grand Total:** | **$1,373,415** |

## 2.0 INTRODUCTION

Blue Vista Technologies Inc. ("**Blue Vista**") is listed on the TSX Venture Exchange as a waste treatment and disposal company that trades under the symbol "BV.H". The company is based in Burlington, Ontario and was formerly known as Plasma Environmental Technologies Inc. The name was changed to Blue Vista Technologies Inc. in August 2007. In November 2009, a halt-trade order was issued against Blue Vista "pending receipt and review of acceptable documentation regarding the Change of Business and/or Reverse Takeover pursuant to Listings Policy 5.2" (TSX Venture Exchange Bulletin, dated 05/11/2009). This halt-trade order remains in effect while Blue Vista positions itself to become a junior mineral exploration company.

In August 2011, McCutcheon Geo-Consulting was retained by MRB & Associates, a Val-d'Or (Quebec) based mineral consulting group, to review technical data on the Hurdman Property ("the **Property**") for Blue Vista, and to prepare an independent Technical Report ("**Report**") that is in compliance with disclosure and reporting requirements for mineral projects set forth in Canadian Securities Administrators' National Instrument 43-101 ("**NI 43-101**"). This Report has been prepared as part of Blue Vista's effort to document its "Change of Business" and to have the TSX halt-trade order lifted, so that the company can engage in raising funds to further explore the Property. This Report describes the history of exploration work that has been carried out on the Property, but it focuses on work conducted by Eloro Resources Ltd. ("**Eloro**") between 2005 and 2009. Recommendations for continued exploration on the Property and a supporting budget are presented. This report is intended for submission to the TSX Venture Exchange.

### 2.1 Sources of Information

All of the information held by Eloro was made available for inspection and use in this Report. There has been no material change, nor has there been any significant work performed on the Property since 2009. In addition, the author made use of publicly available Assessment Reports, on-line resources, publications of the Ontario Geological Survey, and scientific papers from earth science journals. A list of material used in compiling this Report is included in the References section of this document.

### 2.2 Scope of Personal Inspection

The author, who is completely independent of both Blue Vista and Eloro, spent a total of six days gathering data and inspecting drill cores held by Eloro, including a one-day visit on August 16$^{th}$ to the Resident Geologist's Office in Timmins, to inspect files and drill cores stored there, and a one-day visit to the Property (**Figure 2-1**) on August 17$^{th}$. Drill cores from 12 of 54 holes drilled by Eloro were inspected to verify reported (in drill logs) rock types and assay intervals. Similarly, drill cores from five of the 10 complete holes stored at the Timmins core repository were inspected and one of 32 incomplete/telescoped cores was examined. At the Resident Geologist's Office, the claim status and past work history on the Property were verified; in addition, the hardcopy files stored there were searched for any unreported information that might have been submitted by companies, government geologists or university researchers. During the site visit, 12 of Eloro's 54 drill collars were located (**Figure 2-2**) and GPS coordinates were taken (**Table 2-1**). None of the 2008 collars was visited because of a lack of suitable landing areas for the helicopter; however, the coordinates of these holes were determined using a newer GPS model than the author's, according to the chap (Dan Brown) who was in charge of spotting the holes, so they should be accurate. No attempt was made to locate any of the pre-Eloro drill collars. Assay certificates were requested, and received, directly from analytical laboratories for cross-referencing with Eloro's reported values, including Bourlamaque Assay Laboratories Ltd. and

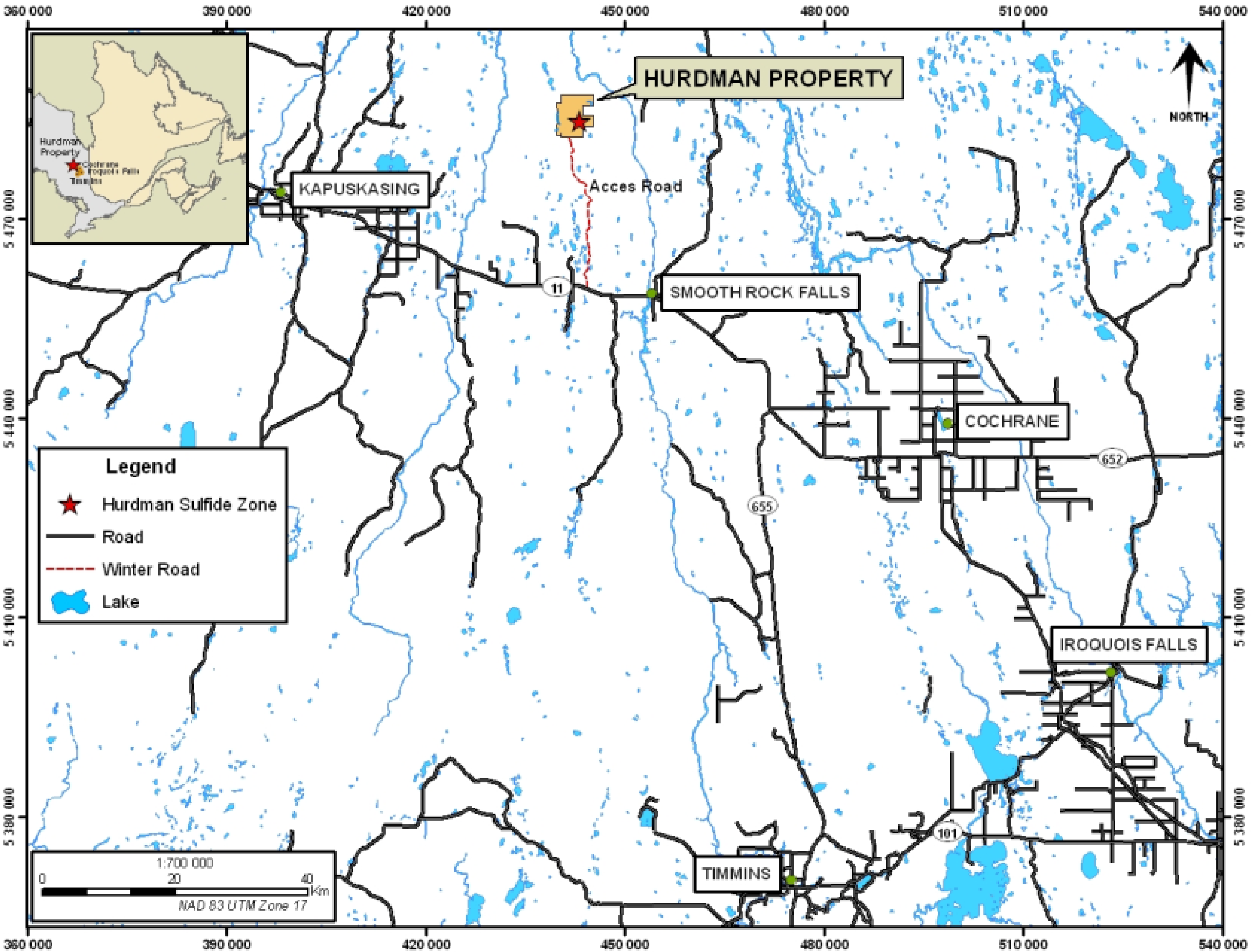



***Figure 2.1*** *Map showing the location of the Hurdman Property with respect to road network and major towns in northeastern Ontario*

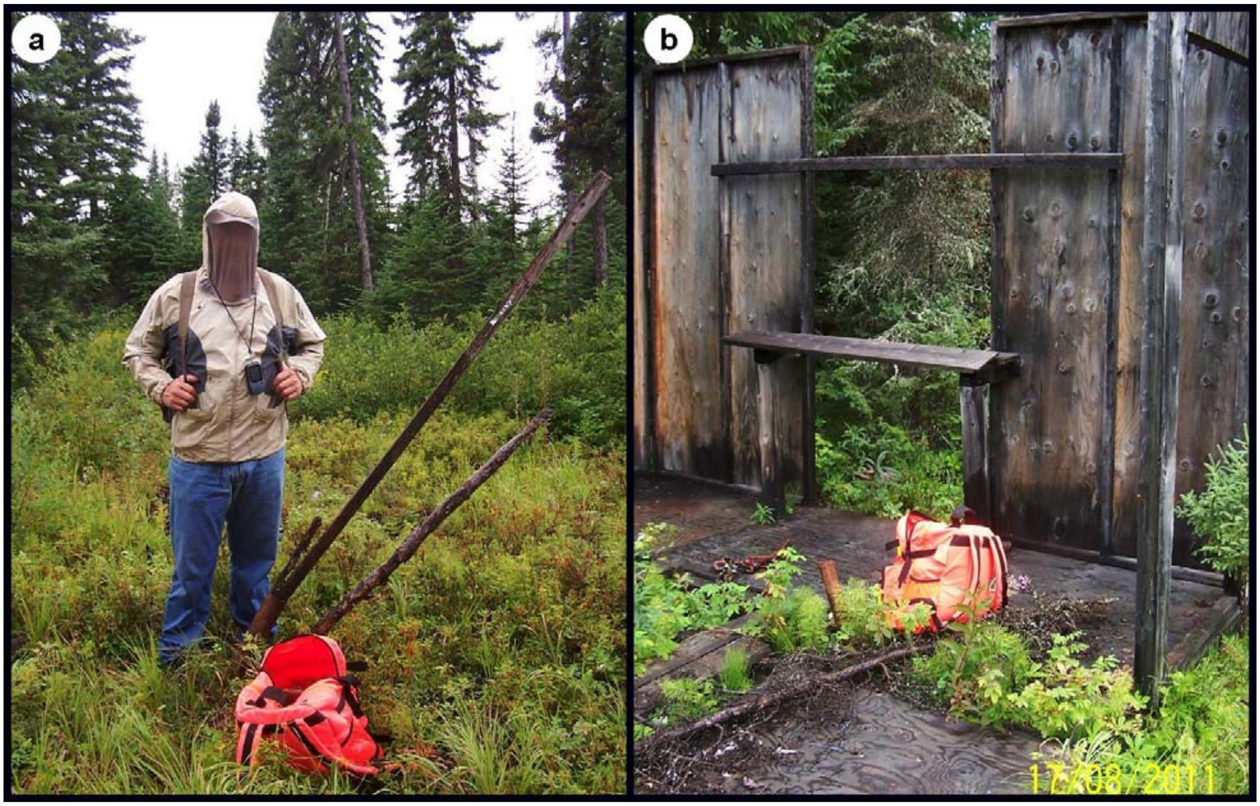



***Figure 2.2*** *Drill sites on the Hurdman Property: a) Drill collar at Eloro's hole ELO-07-15; b) Drill collar with remnants of drill shack at Eloro's hole ELO-05-02. Both inclined holes were drilled to the south.*

***Table 2.1*** *Reported versus observed UTM coordinates (Zone 17U, NAD'83) of Eloro drill collars that were visited. The reported values of the 2005 holes (yellow highlight) are less accurate than for the 2006 and 2007 holes.*

| DDH N° | Reported | | Observed (+/- 3m) | |
|---|---|---|---|---|
| | EASTING | NORTHING | EASTING | NORTHING |
| ELO-91-1-B | 443381 | 5484793 | 443380 | 5484790 |
| ELO-91-1-C | 443381 | 5484793 | 443380 | 5484790 |
| ELO-05-01 | 443267 | 5484806 | 443272 | 5484805 |
| ELO-05-02 | 443237 | 5484819 | 443213 | 5484817 |
| ELO-06-02 | 443362 | 5484858 | 443363 | 5484859 |
| ELO-06-03 | 443362 | 5484859 | 443363 | 5484859 |
| ELO-06-06 | 443259 | 5484792 | 443258 | 5484790 |
| ELO-06-07 | 443259 | 5484792 | 443258 | 5484790 |
| ELO-07-13 | 443275 | 5484762 | 443275 | 5484761 |
| ELO-07-14 | 443327 | 5484736 | 443327 | 5484731 |
| ELO-07-15 | 443374 | 5484880 | 443367 | 5484878 |
| ELO-07-16 | 443375 | 5484728 | 443376 | 5484727 |

ALS Minerals, both of Val-d'Or, and Laboratoire Expert Inc. of Rouyn-Noranda, as well as Swastika Laboratories Ltd. of Swastika, Ontario.

McCutcheon Geo-Consulting ("**MGC**") is a geoscientific consulting company that has been providing services to both the mineral industry and government since 2009. The sole proprietor, Dr. Steven McCutcheon, is a registered professional geoscientist in both the Province of New Brunswick and the Province of Ontario. He has over 40 years' experience in mineral deposits studies, including more than 20 years in the Bathurst Mining Camp, known for its zinc-lead-copper-silver deposits, and in particular the Brunswick No. 12 Mine. He has a record of geoscientific research in a broad range of mineral deposits types and is a Qualified Person ("**QP**") under the terms of NI 43-101.

### 2.3 Units of Reference

Much of the historic field work on the Property was carried out using the Imperial System of measurement, whereas the more recent data are in SI units. For this reason both Imperial and SI units are used in this Report and reflect the data in its original form. Where data of both types have been compiled (e.g., Tables), units have been converted to SI to comply with Canadian and International standards. Units include metric tons (tonnes, t), grams (g) and kilograms (kg) for weight, kilometres (km) and metres (m) for distance, hectares (ha) or square kilometres ($km_2$) for area, and grams per metric tonne (g/t), parts per million (ppm) and percent (%) for metals.

Spatial data and maps from previous work also vary with respect to coordinate reference systems, i.e., Universal Transverse Mercator (UTM) versus Latitude-Longitude (LAT-LONG). Compiled spatial data have been converted to UTM NAD 83 Zone 17U projections; otherwise they are referred to in their originally published form with designations stated. Unless otherwise stated, all currency amounts are expressed in Canadian dollars.

## 3.0 RELIANCE ON OTHER EXPERTS

The author has relied on technical expertise and data provided by MRB & Associates, especially with respect to the location of pre-Eloro diamond drill holes and concerning drill-core sampling rationale and procedures used in the four drilling campaigns that were conducted between 2005 and 2009. He has also relied upon staff of the Ministry of Northern Development and Mines ("**MNDM**") at the Resident Geologist's Office in Timmins for supplying historical information on, and for verifying the claim status of, the Property. The author has taken every possible care to verify and accurately report all information provided by third parties but cannot guarantee its accuracy, validity or completeness. Not all authors of files upon which the author has relied may be qualified persons according to NI 43-101.

## 4.0 PROPERTY DESCRIPTION AND LOCATION

The Hurdman Property is located on Crown land in the central part of Hurdman Township (NTS 42H/12), approximately 120 km north of the city of Timmins, in the Porcupine Mining District, Northeastern Ontario (***Figure 2.1***). It consists of 13 contiguous mining claims covering 2944 hectares, or 29.44 $km^2$ with a roughly rectangular outline (***Figure 4.1***). The claims comprising the Property are listed in ***Table 4.1*** along with their current disposition. The Property boundaries have not been legally surveyed; they are defined by UTM coordinates obtained from the claims map of the MNDM of Ontario.

According to section 65 of the Mining Act of Ontario: Mining Act, R.S.O. 1990, Chapter 14 [www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90m14_e.htm], the claim holder is not required to complete any assessment work in the first year of recording a mining claim. In the second and all subsequent years, a minimum of $400 of assessment work per 16 ha claim-unit per year is to be reported until a lease is applied for. The Property's assessment work requirements amount to $77,200, due on November 5, 2011 (November 7, 2011 for claim 1199489). Total work-reserve credits are $706,647 on claim 1199489, and $278,608 on claim 3017214.

### 4.1 Known Mineralized Zones

There are three known mineralized areas on the Property which are associated with ground EM anomalies, labeled "Anomaly C", "Anomaly GH" and "Anomaly I". The most significant one, known as the Hurdman Sulfide Zone ("**HSZ**") is associated with Anomaly GH, which is within claim 1199489. The second best area is associated with Anomaly I, referred to as the East HSZ, and is within claim 3017214. The third area is associated with Anomaly C and is within claim 3017211 (**Figure 4.2**).

### 4.2 Property Agreements

Eloro acquired a 100% interest in the Hurdman Property under the terms of an agreement with Don Mc Holdings Ltd and 2060014 Ontario Inc. (the "**Vendor**") on November 30th 2004. The Vendor retained a 1% PPR from any production or product sales from the project. On August 22, 2011, Eloro entered into a Property Acquisition Agreement (the "**Agreement**"), with Blue Vista. Pursuant to the terms of the Agreement, Eloro will assign, transfer and sell to Blue Vista all of its rights, titles and interests in the Hurdman Property. Subject to approval by its shareholders and the approval of the applicable regulatory authorities, Blue Vista shall issue to Eloro a certified cheque in the amount of $40,000, and a share certificate representing 5,000,000 Common Shares.

### 4.3 Environmental Liabilities

There are no known environmental or land claim issues pending with the Hurdman Property. Prior to Blue Vista's involvement, the Property was explored by Eloro (2005-2009) using airborne-geophysical surveys and diamond-drilling. There are few vestiges of this previous work, apart from some abandoned water line and a few tools at two drill sites, and no environmental issues related to said exploration programs. As of the writing of this report, the author is not aware of any encumbrances or environmental liabilities to which the Property could be subject. Blue Vista has ensured the author that all exploration programs on the Property will be conducted in an environmentally sound manner, and will follow, to the best of their abilities, the principles and guidelines outlined in the E3 Framework Document for Responsible Exploration (http://www.pdac.ca/e3plus/index.aspx). Should any future application be made for a mining lease on this Property, it should be permissible to obtain all necessary surface rights and permits from the Ministry of Northern Development and Mines of Ontario.

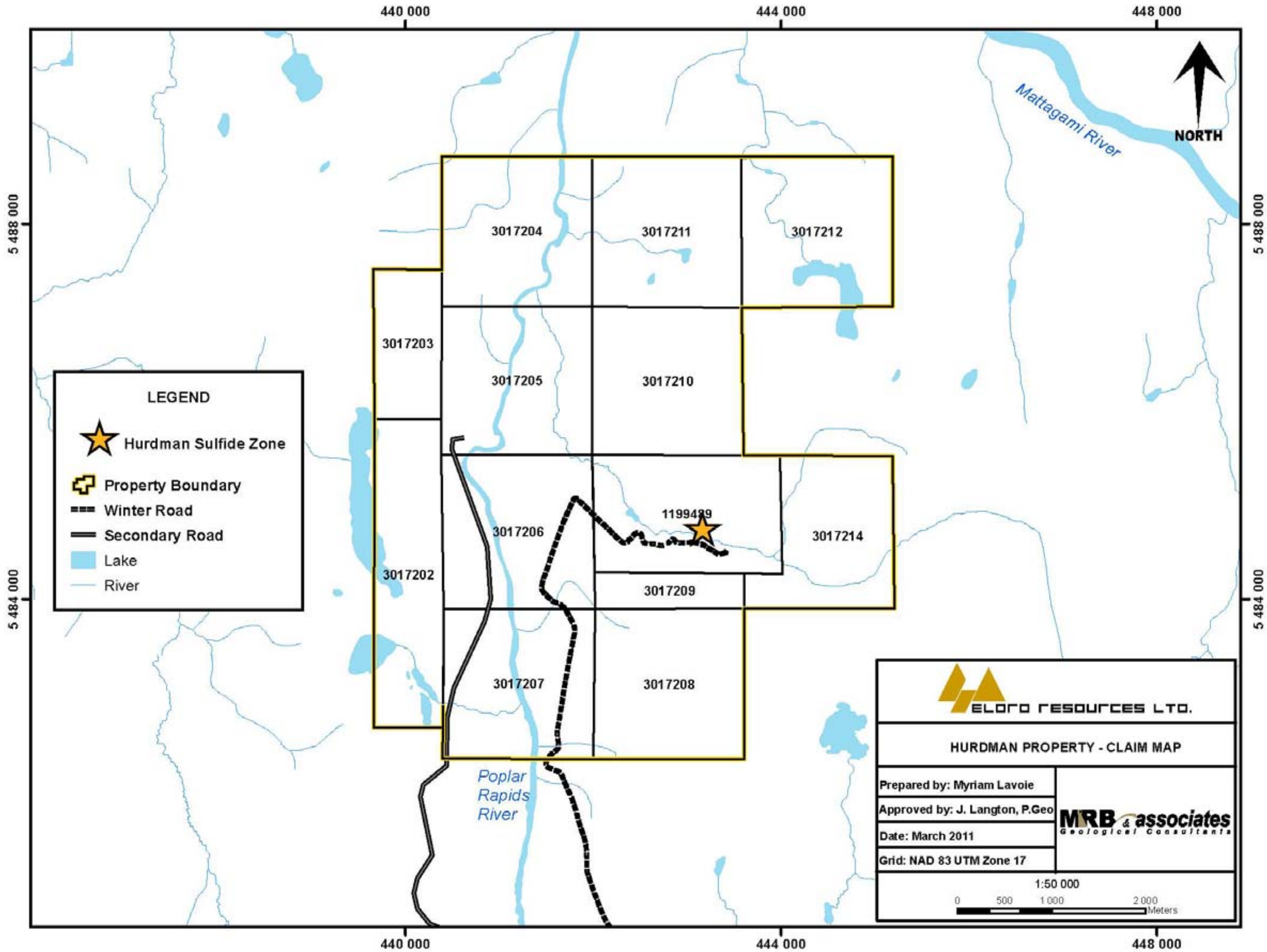



***Figure 4.1*** *Map showing the location of the 13 claims comprising the Hurdman Property.*

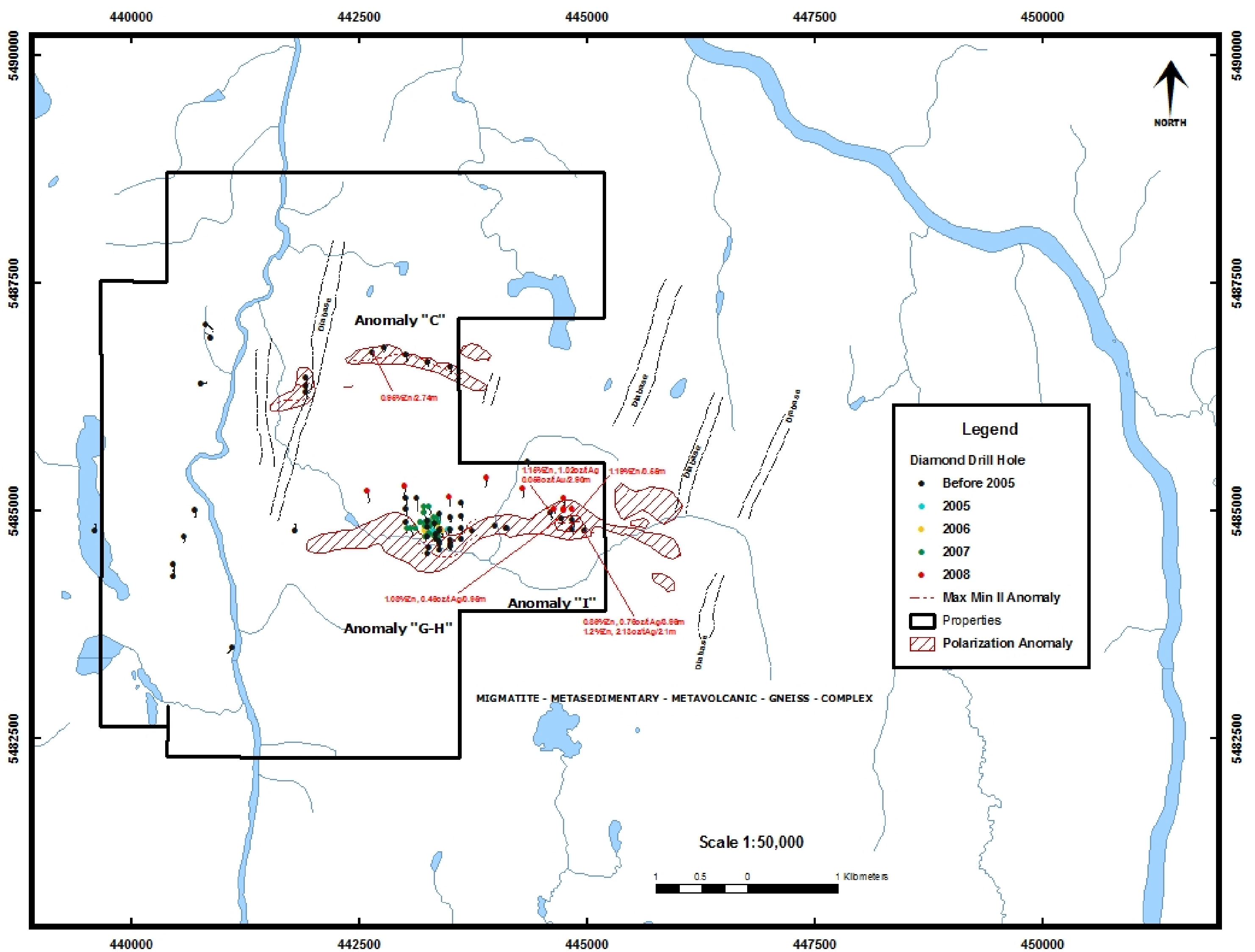



***Figure 4.2*** *Map showing the locations of ground HLEM geophysical anomalies with respect to the claim block boundaries. Known mineralization is associated with Anomaly C, Anomaly G-H and Anomaly I.*

***Table 4.1*** List of 13 claims comprising the Hurdman Property

| Claim Number | Recording Date | Claim Due Date | Status | % of Option | Work Required | Total Applied | Total Reserve |
|---|---|---|---|---|---|---|---|
| 1199489 | 2002-Nov-07 | 2011-Nov-07 | Active | 100% | $ 6,000 | $ 42,000 | $ 706,647 |
| 3017202 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017203 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 3,200 | $ 16,000 | $ 0,00 |
| 3017204 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017205 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017206 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017207 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017208 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017209 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 1,600 | $ 8,000 | $ 0,00 |
| 3017210 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017211 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017212 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 6,400 | $ 32,000 | $ 0,00 |
| 3017214 | 2004-Nov-05 | 2011-Nov-05 | Active | 100% | $ 5,200 | $ 26,000 | $ 287,608 |

### 4.4 Work Permits

The author understands that during its tenure of ownership, Eloro applied for, and was granted all permits required to proceed with the work performed from 2005-2009. In order to carry out the recommended exploration program outlined in this Report, Blue Vista, as Operator, may have to obtain work Permits for:

- notification of diamond-drilling activity,
- installation of any water crossings, pipes and culverts,
- fire permit for burning of brush if specific conditions are not met, or for any fire in a restricted fire zone,
- taking of local water, if >50,000 litres/day,
- certificate of approval to discharge water, and
- explosives purchase and possession.

In addition Blue Vista will follow government guideline regarding on-shore diamond-drilling, and Occupational Health & Safety.

The author is not aware of any other significant factors or risks that may affect access, title, or the right or ability to perform work on the property.

## 5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The topography of the Hurdman Property is flat (elevation 220±20 m) and drainage is rather poor, resulting in an abundance of swampy terrain (**Figure 5.1**). The Mattagami and Poplar Rapids rivers, which are near the east and west boundaries of the claim block (**Figure 4.1**), respectively, drain the area northwards to James Bay. The vegetation consists of black spruce and lesser balsam. Poplar and birch trees are restricted to the edges of creeks and rivers. Outcrop is very limited as the bedrock is overlain by 3 to 39 m of glacio-lacustrine and glacio-fluvial sediments.

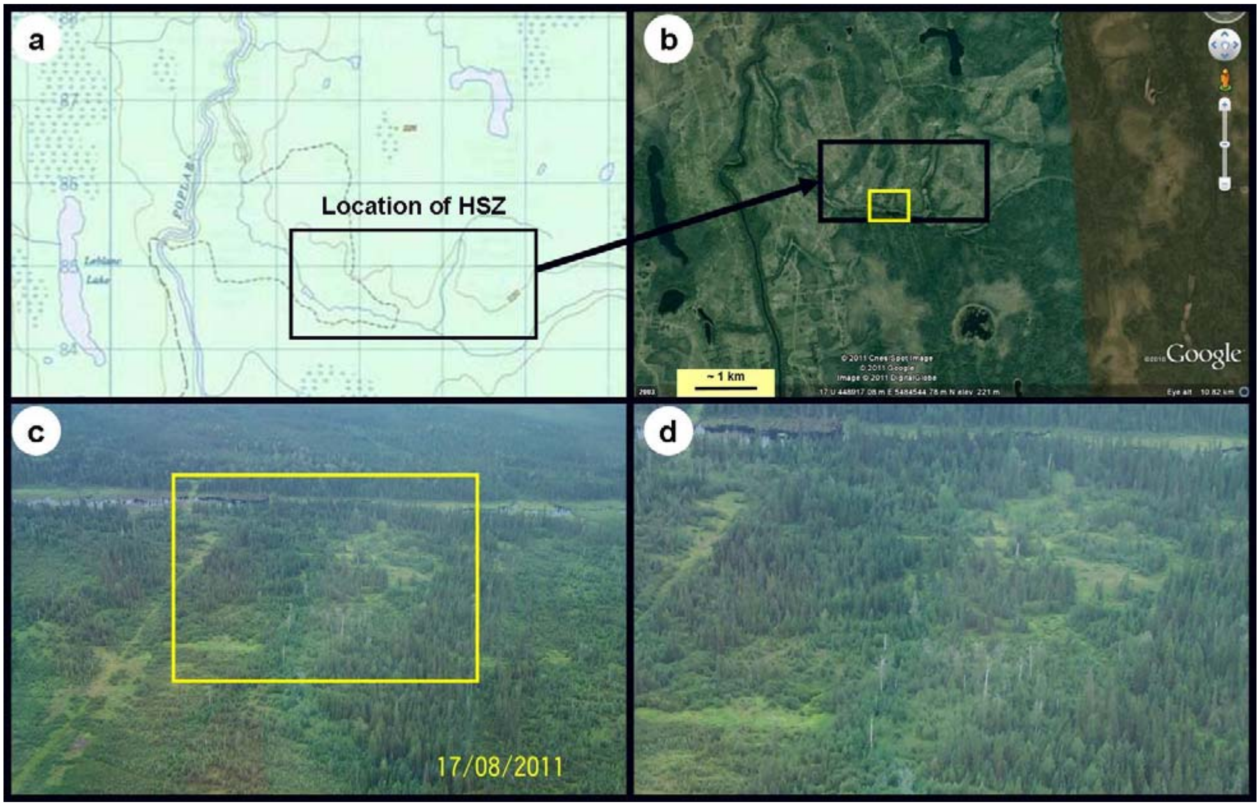



***Figure 5.1*** *Physiography of the Hurdman Property: a) Part of topographic map 21 H/12 showing location of Hurdman Sulfide Zone (HSZ); b) 2003 Google Earth image showing location of HSZ (black rectangle) and area covered by photograph in 5.1c (yellow rectangle); c) View looking south over part of HSZ with unnamed tributary of Poplar Rapids River in distance and yellow rectangle showing location of 5.1d; d) Enlarged area outlined by yellow rectangle in 5.1c.*

The Property is accessible by travelling westward along Trans Canada Highway no. 11 from Smooth Rock Falls for a distance of 12 km then northward along a winter logging road for an additional 28 km. The first 20 km of the logging road are useable year round by ATV or Argo but the last eight kilometres are strictly winter road, although skidder access should be possible for summer programs.

During the winter, minimum temperatures of -15 to -25°C are common and snowfalls range from 45 to 60 cm monthly. During the summer, the daily maximum temperatures range from 16°C to a peak of 24°C in July. Mineral exploration programs can be carried out year round, but drilling operations are best done during the winter months when the ground and wetland areas are frozen.

Smooth Rock Falls is capable of providing personnel, contractors, equipment and supplies to a number of operations in the area. The Property is 13 km west of an all weather highway that extends north to the Abitibi Canyon hydroelectric power station. Power is readily accessible from hydro lines along this route and along the Trans Canada Highway. No potential encumbrances for future mining operations are expected based on the sufficiency of surface rights for potential waste disposal areas, heap leach pad areas and potential processing plant sites in addition to the near-by availability and sources of power and water.

The Property is located 75 km north of Xstrata's Kidd Creek mining operations located in Timmins, Ontario (***Figure 2.1***). The Timmins area is well known for its mining heritage, and current gold and base-metal operations and infrastructure. An experienced mining work force, along with mining/exploration services and equipment, are readily available from this mining centre.

## 6.0 HISTORY

Most of the work history on the Hurdman Property is contained in Assessment Reports filed with the MNDM. Assessment Reports of pre-Eloro work performed on the Property are available on-line by going to [http://www.geologyontario.mndm.gov.on.ca/] and clicking on "Search Assessment File Research Imaging (AFRI)". In total, there are 20 reports that touch upon the Property. All of Eloro's Assessment Reports (six in total) have been filed with MNDM; they have an AFRO-ID, or two dot ("2.xxxxx)" number, but no AFRI file designation and thus are not in the on-line search system. Also, there are three internal "T" files that were submitted to the Resident Geologist's Office in Timmins ("**RGOT**") prior to 1998 for assessment purposes. A listing of Assessment Reports relevant to the Property is included in the **References** Section.

Other work on the Hurdman Property is limited. Only one report (Parker 1999) and map plate (Parker and Laporte 1996) by the MNDM are specific to the Hurdman Sulfide Zone ("**HSZ**"). This report summarizes exploration work done on the HSZ up to 1992 and gives a good description of the geology, including 20 whole rock geochemical analyses. Some other MNDM geological maps (M2161, M2543, P0372, P1524, P3363, and P3599) and geophysical maps (M02303G, M02304G, and P0420) encompass Hurdman Township but are not specific to it. All these publications are available on-line from the MNDM website by going to [http://www.geologyontario.mndm.gov.on.ca/] and clicking on "Search OGS Publications (OGS PUB)". Apparently, no other work, i.e. university theses, has been done on the Property.

No mineral resource or mineral reserve estimates have been calculated for, nor has there been any production from the Hurdman Property. In fact, the relationship between intersection lengths and true thickness is not known; all mineralized intervals that have been reported are intersection widths, not true widths. What follows is a synopsis, in chronological order, of the exploration work that has been conducted on the Property.

In **1965** International Nickel Company of Canada Ltd. ("**INCO**") conducted an airborne electromagnetic ("**EM**") Input survey that included Hurdman Township, which detected anomalies east of Poplar Rapids River (Parker 1999). INCO staked claims, conducted ground magnetic ("**Mag**") and EM geophysical surveys, and drilled the best geophysical anomalies. Between 1965 and 1966, INCO drilled 16 diamond drill holes on the Property, totalling 1809 meters. Thirteen of them encountered disseminated to massive, pyrrhotite-pyrite mineralization, with associated sphalerite ± chalcopyite and magnetite, hosted by biotite-quartz-feldspar-garnet gneiss and associated pegmatite. No assay results were reported in the drill logs (AFRI files: 42H12SW0005, 42H12SW0006, 42H12SW0007, 42H12SW0008, 42H12SW0009, 42H12SE0307, and RGOT file T.1006).

In **1966** Silverplace Mines Limited conducted ground Mag and EM geophysical surveys on a six-claim block, part of which touches upon the western edge of the Property. EM conductors were delineated and drilling was recommended but apparently not done (AFRI file 42H12SW0004).

In **1975** Mattagami Lake Exploration Ltd. ("**Mattagami**") conducted airborne Mag and EM geophysical surveys over Hurdman Township (Parker 1999) and followed up with ground Mag, horizontal-loop EM ("**HLEM**") and induced polarization ("**IP**") geophysical surveys on selected areas. A subsequent two-year, diamond-drilling program, in **1980-1981**, was focused mostly in the vicinity of ground HLEM anomalies C, G-H and I, which were in the south central portion of their property. In all, 45 holes were drilled but only 40, totalling 4293 meters, were within the limits of the current Property. Some of the holes intersected sub-economic zinc–silver and minor amounts of copper and lead mineralization associated with semi-massive to massive pyrite-pyrrhotite (see **Table 11.1** for best intersections). Mattagami filed drill logs for all holes except the first three that were drilled in 1980; however, it did not file a summary report with an interpretation of the drilling results (AFRI files: 42H12SE0004, 42H12SE0010, 42H12SE0306, 42H12SW0001, 42H12SW0002, 42H12SW0309, 42H05NW0002, and RGOT file T.1972).

In **1988**, McKinnon Prospecting conducted a fixed-wing airborne EM and Mag survey over a large area north of Kapuskasing, which included Hurdman Township (Parker 1999). Subsequently, a large group of claims was staked between the Mattagami and Poplar Rapids rivers, over which a helicopter-borne geophysical survey (combined Mag, EM and VLF-EM) was flown by Aerodat Limited in 1991. Approximately 560 line-kilometers were flown on north-south lines that were 125 m apart. The survey area was arbitrarily divided into A and B blocks of claims, with the latter 71-claim block encompassing much of the current Property. The best geophysical targets were detected around the Mattagami "G-H" and "I" ground HLEM anomalies, what are now known as the main and east parts, respectively, of the Hurdman Sulfide Zone ("**HSZ**"). The interpretation made by Aerodat for these two groups of anomalies was that they represented multiple parallel conductors with shallow, northerly dips (AFRI file 42H12SE8056 and RGOT file T.3178).

In **1991**, shortly after the Aerodat survey was completed, Noront Resources Ltd. ("**Noront**") acquired the 71 claim property from McKinnon Prospecting. Durham Geological Services Inc. of Timmins reviewed all available data for Noront and recommended an abbreviated exploration program over the known zinc-silver occurrences. A ground Max-Min II geophysical survey, approximately 3.2 line-kilometres, was conducted over Mattagami's "G-H" and "I" anomalies, (main and east HSZ, respectively) and four holes, totalling 455 meters, were drilled (see **Table 11.1** for best intersections). Sillimanite, tremolite, muscovite, cordierite, anthophyllite and gahnite were identified in close association with pyrrhotite-pyrite-sphalerite-silver mineralization (AFRI files: 42H12SE0006, 42H12SW0015, and RGOT file T.3178).

In early **1992**, Galico Resources Inc. ("**Galico**") entered into an option agreement with Noront and Don McKinnon, allowing Galico the right to earn a 55% interest in the property. Galico drilled five holes, approximately 738 meters, in the vicinity of the "G-H" anomaly (see **Table 11.1** for best intersections). Two holes encountered zones of semi-massive pyrrhotite-pyrite, with associated zinc values, were encountered in the projected down-dip extension of the main HSZ. The other three holes were drilled close to Mattagami's hole H13-81-32, located 175 m northwest of the main zinc occurrence. Two of them intersected disseminated pyrite-sphalerite and gahnite mineralization in sillimanite-biotite rich gneiss (AFRI file 42H12SW0014 and RGOT file T.3178).

In **1997**, Baltic Resources Inc. ("**Baltic**") acquired a 40% interest in the property through an agreement reached with Noront and Don McKinnon. Baltic then agreed to fund the initial $75,000 to earn a further ten percent interest in the property which would then make it a 50/50 joint venture operated by Baltic. BCLX Consulting Ltd. was retained in 1998 to review the project and propose further work. Four drill holes totalling 560 meters were completed in the northeastern extension of the HSZ. All holes cored 6 to 15 meters of sulfide-bearing gneiss but no assaying was reported (AFRI file 41H12SW2001).

In **2004**, Eloro Resources Limited ("**Eloro**") acquired a 100% interest in a 28-claim group in Hurdman Township under the terms of an agreement with Don Mc Holdings Ltd. and 2060014 Ontario Inc. (the "**Vendor**"). Eloro delivered to the Vendor at closing $250,000 payable by the issuance of 2,500,000 Eloro common shares. The Vendor also retained a 1% PPR from any production or product sales from the project. Eloro subsequently retained MRB and Associates ("**MRB**") of Val-d'Or, Quebec to review the project, compile and import all diamond drill-hole data into a Gemcom database, and prepare a technical report (AFRO-ID file 2.30835). This report (Bérubé 2005) was submitted to SEDAR on April 15$^{th}$, 2005.

In **2005**, Eloro established a grid (26.2 line km), conducted ground Mag, and carried out a seven hole, diamond-drilling program. The program, which totaled 635 m, was aimed at twinning some of Noront's best intersections in the "G-H" anomaly (main HSZ). Core samples (190) were assayed for copper, gold, silver, and zinc and 16 whole-rock analyses were done (AFRO-ID files: 2.33433 and 2.36504).

In **2006**, Eloro carried out a 12 hole, 1404 m diamond-drilling program to delineate the main HSZ to a depth of 80 m, within a 300 m long by 200 m wide area. Core samples (616) were assayed for copper, gold, silver, and zinc. Erratic, high gold (> 1 g/t up to 48.69 g/t Au) and silver (> 15 g/t up to 199 g/t Ag) values were obtained for the first time. Drill holes ELO-06-12, -04 and -05 extended the known higher-grade zinc (> 2%) and silver (> 15 g/t) corridor by 25 m both to the west and to the east (AFRO-ID file 2.36504). The same year, Eloro mandated GPR Geophysics of Longueil, Quebec to complete a 610 line-km, high resolution, airborne Mag/EM survey. The survey was flown over the entire 28-claim property and completed in October 2006. This airborne survey detected the HSZ as well as other clusters of airborne anomalies on the property. Seven groups of anomalies were recommended for ground follow-up (AFRO-ID file 2.34216).

In **2007**, Eloro carried out a two-phase, 25-hole-diamond-drilling program, totaling 3464 m. Phase one was designed to further delineate the lateral extensions of the HSZ. Phase two was designed to test the down plunge extension of the higher-grade mineralization encountered during the 2006 drilling program. Core samples (687) were assayed for copper, gold, silver, and zinc. The east-west lateral extent of the HSZ was not extended significantly but the north-south extent was nearly doubled (AFRO-ID file 2.36504)

In **2008**, Eloro contracted Abitibi Geophysics of Val-d'Or, Quebec to conduct a VTEM (helicopter-borne Time-Domain Electromagnetic) survey over the entire 28-claim property. Between April 21st and May 1st, 2008, 743 line km of VTEM helicopter-borne survey was carried out by GEOTECH Ltd. Eight EM anomalous zones and 14 EM trends were identified. Several anomalies were reported as being of possibly metallic origin. In addition, some isolated anomalies were denoted as "promising" and were recommended as exploration targets by Abitibi Geophysics (AFRO-ID file 2.38234).

The 2008 VTEM survey outlined domains and lineaments (***Figure 6.1***) as well as magnetic trends. EM lineaments range from 200 m to 1300 m long; most of them are oriented EW and some are oriented NW-SE. According to Abitibi Geophysics, their signal amplitude varies from moderate to very low, indicating moderate to very deep sources, respectively. The response is mostly constant along the length of the lineaments and they may represent rock units; in general, dips towards the north are indicated. EM domains are regions where several EM single anomalies and lineaments are found together with varying characteristics, such as length, width, signal amplitude, type of response (thin or thick bodies) and dip. Five

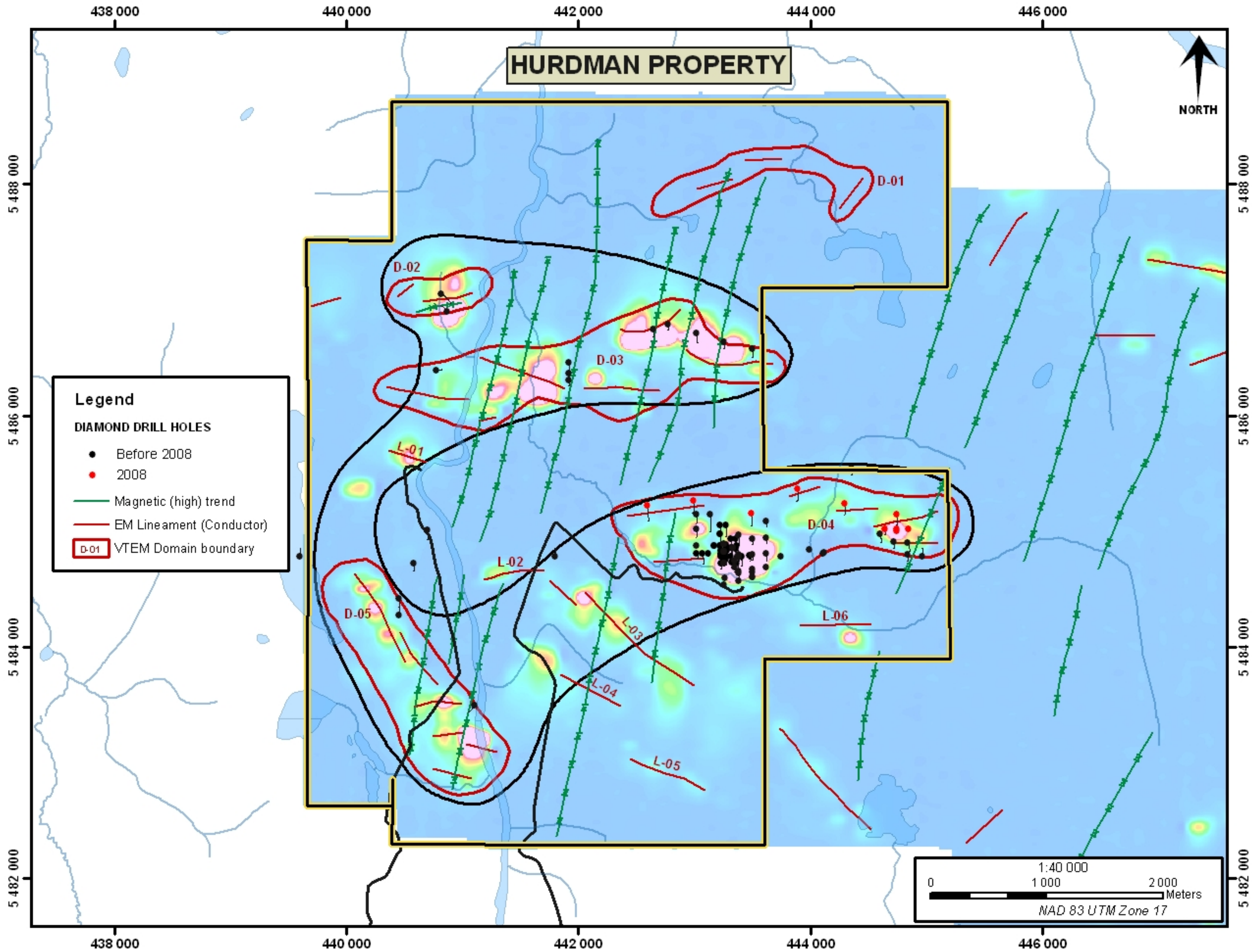



***Figure 6.1*** *Geophysical compilation map of the Hurdman Property with the "Late-Time Z-Component" displayed as coloured background.*

(5) EM domains (D01 to D05) are within the current Property boundary and one, the D-04 anomaly, encompasses the main and east parts of the HSZ. A broad horseshoe-shaped pattern in the central part of the Property incorporates VTEM Domains D-02, D-03, D-04 and D-05. The northern "limb" of the horseshoe includes anomaly "C" that was defined and drilled by Mattagami in 1980-81.

Between November 2008 and January **2009**, Eloro carried out 1941 m of diamond-drilling to test some of the coincident Mag/EM geophysical anomalies outlined by the 2008 VTEM survey. The 10 hole program was designed to look for lateral extensions of the HSZ to the east and north. Five holes intersected a mineralized zone in the vicinity of Mattagami's "I" anomaly, which was dubbed the East HSZ (AFRO-ID file 2.41277). Core samples (225) were assayed for copper, gold, lead, silver, and zinc and an additional 248 samples were assayed for gold only. Another 88 samples were analysed for whole rock geochemistry in 2009 and an additional 29 samples were analysed in 2010.

Since **2010**, no additional work has been done on the Property but 15 claims have been dropped, bringing the total number of contiguous claims to 13.

## 7.0 GEOLOGICAL SETTING AND MINERALIZATION

### 7.1 Regional Geology

The regional bedrock geology of northeastern Ontario is summarized in Percival and Easton (2007, p. 13-14) and is also shown on the geology map of east-central Ontario (**Figure 7.1**). On this map, Hurdman Township lies within paragneiss and migmatite (unit 7a) of the Quetico Terrane but lies very close to the boundary of gneissic tonatile (unit 11) of the Wawa Terrane in the west. It is also transected by a major NNE trending fault that bounds the Kapuskasing Uplift to the east, and it is cut by northerly trending mafic dikes (unit 17a). Depositional ages of Quetico metasedimentary rocks range from 2.698 to 2.692 Ga, whereas peak metamorphism (up to granulite facies) occurred between 2.67 and 2.65 Ga, which was coeval with emplacement of crust-derived granitic plutons and pegmatites (Percival and Easton 2007).

The Geco massive-sulfide deposit in the Manitouwadge area also lies near the Quetico–Wawa boundary, albeit nearly 300 km to the west and on the opposite side of it (***Figure 7.2***). This boundary from metasedimentary to metavolcanic rocks is transitional in the Manitouwadge area based on structural and lithological criteria but zircon provenance ages tell a different story (Zaleski et al. 1995). The maximum depositional age of metasedimentary rocks at Manitouwadge is 2.693 Ga, at least 25 Ma younger than the 2.72 Ga felsic metavolcanic rocks in the area, but similar to depositional ages of rocks in the Quetico Terrane. Therefore, the original Wawa-Quetico boundary was probably an unconformity.

### 7.2 Local Geology

The geology of Hurdman Township is not well known because a thick glacial cover conceals the bedrock in most places. Bennett et al. (1966) show a handful of outcrops on their one inch equals two mile map, mostly along Mattagami and Poplar Rapids rivers. Their rock types include biotite-quartz-feldspar gneiss, amphibolite, various types of granite, pegmatite and diabase. In total, they show three gneissosity measurements in the township – one striking north and dipping 60 degrees east, another striking east and dipping shallowly south, and the third striking NNW and dipping steeply north. They also report overburden thicknesses ranging from 5 to 135 feet (1.5 – 41.1 m), mostly from drill holes, presumably INCO's.

### 7.3 Property Geology

The first proper description, based upon previous drilling of the HSZ and geophysics, was done by Durham (1992) in an assessment report for Noront; subsequently, Parker (1999)

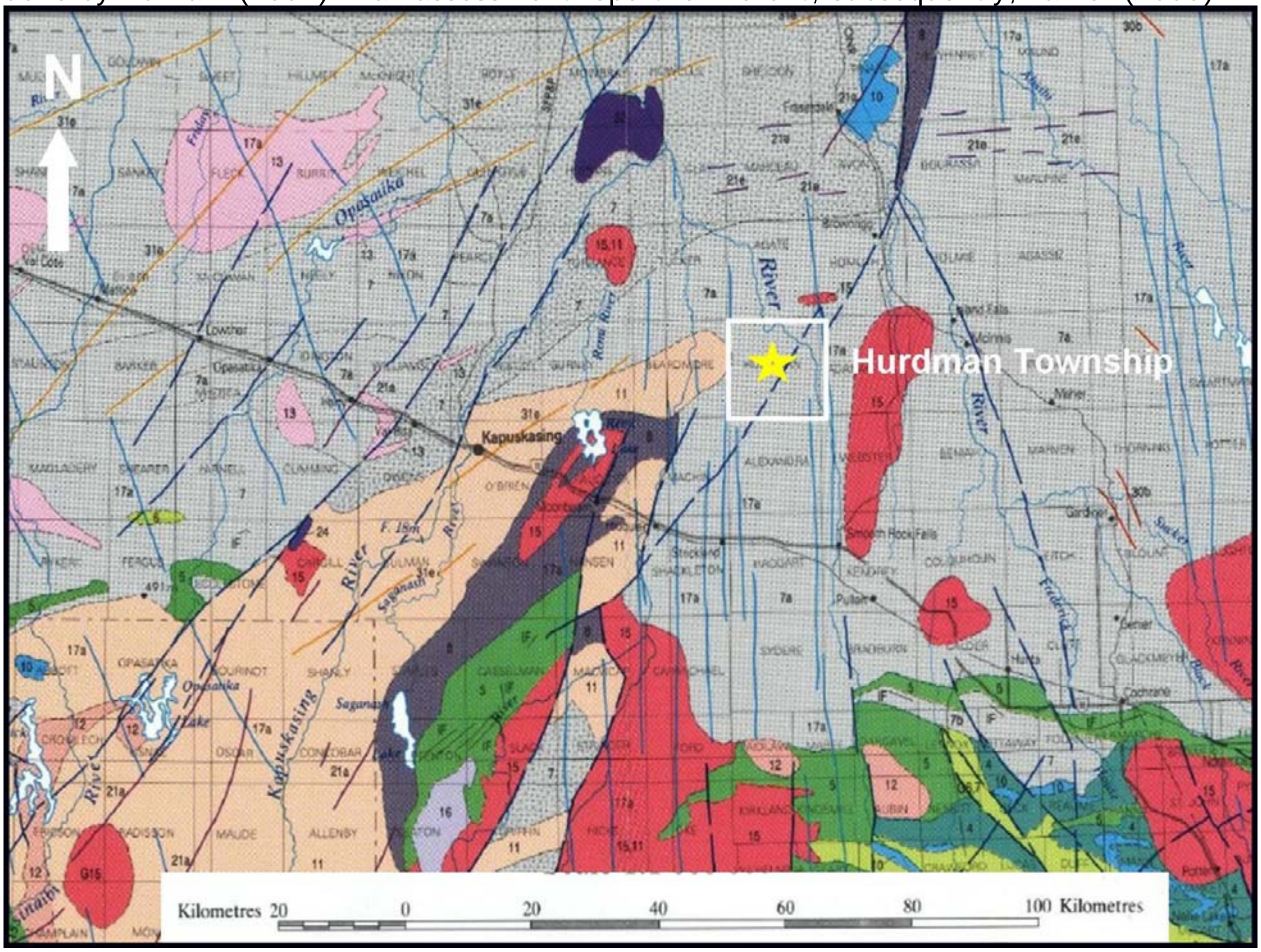



***Figure 7.1*** *Part of the geology map of east-central Ontario (MNDM Map M2543) showing the location of Hurdman Township (white rectangle) and approximate location of the Property (yellow star). See text for details.*

made a more comprehensive description that included petrographic work and some whole-rock geochemistry. The following description is largely based upon these two reports, supplemented by the author's observations on drill cores.

Parker (1999) described three types of gneisses plus pegmatite and granitoid rocks. He reported that feldspar-quartz-biotite (± amphibole ± garnet) gneiss is the most abundant rock type, which he interpreted to be metamorphosed sedimentary rock. Amphibole-feldspar-quartz (± biotite ± garnet) gneiss was interpreted as metamorphosed mafic sedimentary (or igneous?) rock, and feldspar-quartz-biotite-sillimanite (± garnet ± muscovite ± gahnite) gneiss was interpreted as hydrothermally altered sedimentary rock that was subsequently metamorphosed. The first and second rock types are equivalent to the quartz-feldspar-biotite gneiss and hornblende-biotite-quartz-feldspar gneiss of Durham (1992), who also reported garnet-quartz-biotite-feldspar gneiss, quartz-feldspar gneiss, lit-par-lit gneiss, granodiorite, pegmatite, and diabase dikes.

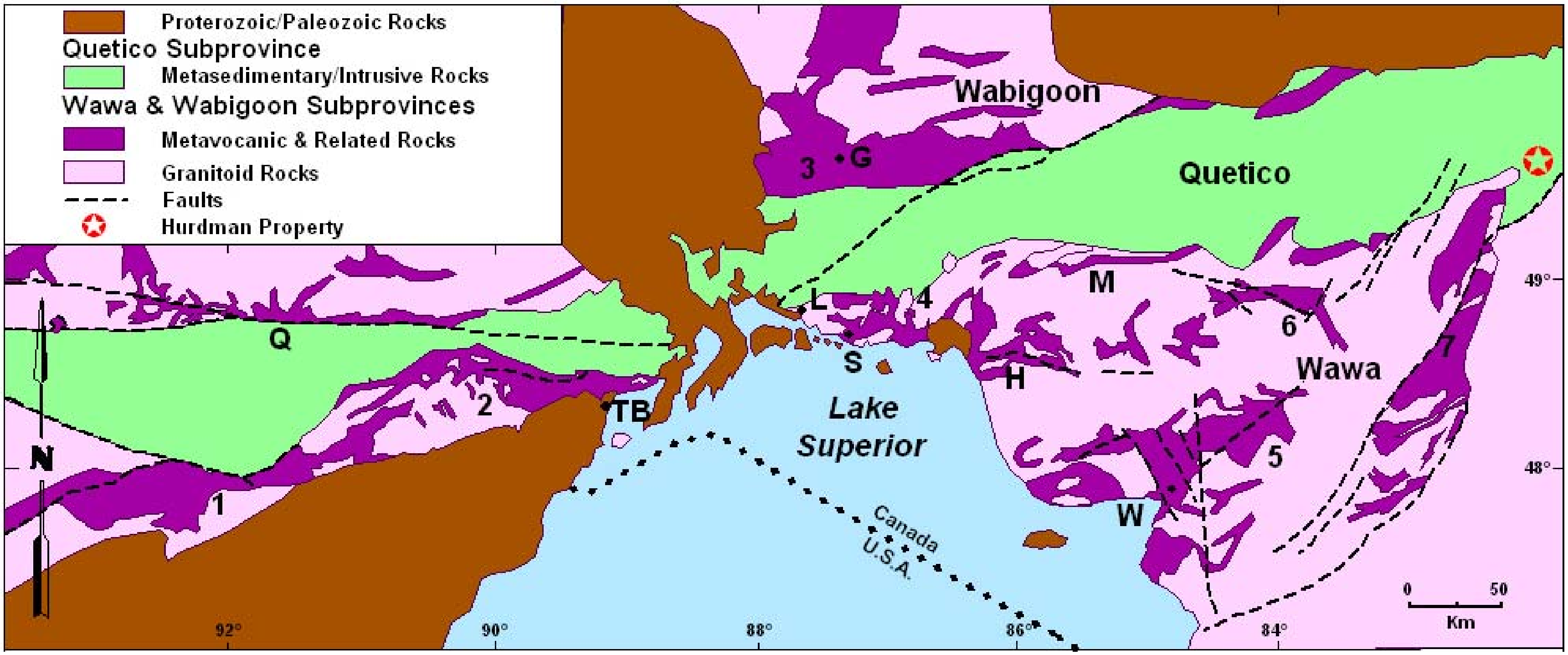



***Figure 7.2*** *Regional geology map (after Peterson and Zaleski, 1999) showing the location of the Hurdman Property (star) with respect to the Wawa, Quetico and Wabigoon subprovinces (terranes). Lettered features: G-Geraldton, H-Hemlo, L-Winston Lake, M-Manitouwadge, Q-Quetico fault, S-Schreiber, TB-Thunder Bay, and W-Wawa; numbered features: 1. Vermilion district, Minnesota, 2. Shebandowan greenstone belt, 3. Geraldton-Beardmore greenstone belt, 4. Hemlo-Schreiber greenstone belt, 5. Michipicoeton greenstone belt, 6. Kabinakagami greenstone belt, and 7. Kapuskasing structural zone.*

According to Parker (1999), feldspar-quartz-biotite gneiss is dark gray, fine to medium grained, equigranular and weakly to strongly porphyroblastic. In places, the gneiss displays well-developed, 1 to 6 cm thick, compositional layering, manifested by light coloured anddark coloured layers with gradational contacts. However, thick sections of feldspar-quartz-biotite gneiss are massive with little layering. Biotite content is variable (10 to 75%) throughout the gneiss; red to pink garnet porphyroblasts are less than 1 cm in size and vary in abundance from 1 to 50%; and dark greenish black amphibole occurs in amounts generally less than 20%. The gneiss is commonly weakly magnetic because it hosts up to 5% disseminated magnetite and/or pyrrhotite. Garnet-amphibole-rich sections are commonly magnetic and may represent layers of metamorphosed silicate iron formation or iron-rich pelite (probably pyritic black shale originally).

Feldspar-quartz-biotite gneiss also contains granitoid or pegmatoid layers (leucosome) that are sub-parallel to foliation planes and have gradational contacts with the gneiss. These layers, which range in apparent thickness from a few centimeters to over a meter, are interpreted to have formed by partial or differential melting of the host rocks *in situ* (“abyssal pegmatites” of London, 2008). The granitoid layers are medium to coarse grained and consist of pink potassic feldspar + quartz, or potassic feldspar + quartz + biotite. The pegmatite layers consist of grayish white quartz, variably colored potassic feldspar; and rare books of coarse grained biotite. Notably, these layers lack the tectonic foliation that is present in the gneiss.

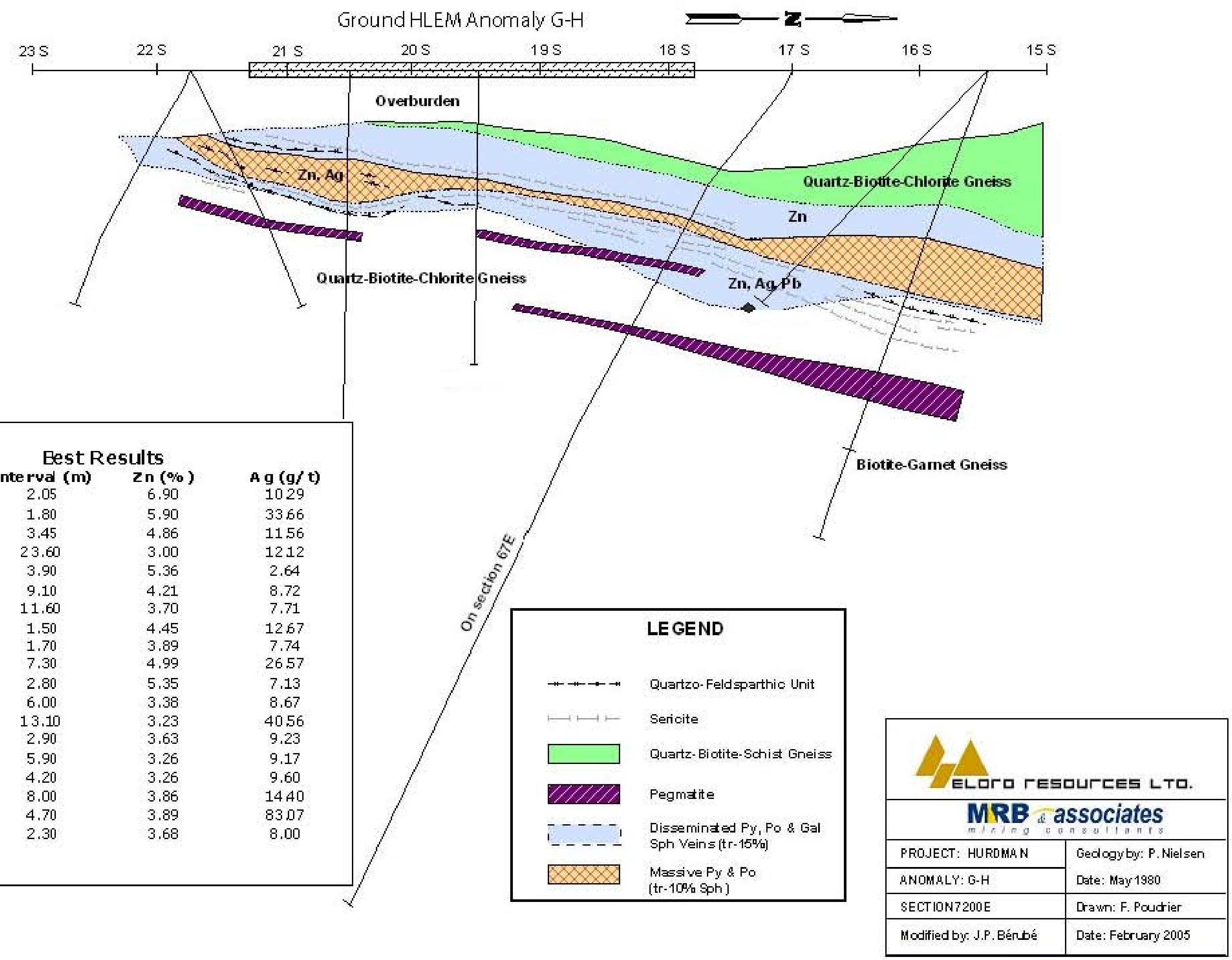
Amphibole-feldspar-quartz (mafic) gneiss consists of fine to medium grained, dark grayish green to black rock that is composed of variable amounts of hornblende, plagioclase feldspar, quartz, biotite, and garnet. This gneiss commonly contains calcite, chlorite and/or epidote as alteration minerals.

Feldspar-quartz-biotite-sillimanite gneiss is light gray and similar in appearance to the feldspar-quartz-biotite gneiss but it contains small (<1 cm), fine, fibrous, white aggregates and “streaks” of sillimanite. Sillimanite appears to have formed at the expense of feldspar and ranges from 2 to 25% in abundance. Some sillimanite-bearing gneiss is dominantly composed of quartz-sillimanite-biotite with very little feldspar. This gneiss generally occurs in proximity to, but up-hole from, sulfide mineralization and pegmatite sills. It locally contains small gahnite crystals (< 5 mm), which look like small dark emerald green, euhedral garnets. Gahnite is a common but minor mineral associated with the Geco copper-zinc massive-sulfide deposit at Manitouwadge. Parker (1999) postulated that the sillimanite gneiss may have originally been a hydrothermally altered rock prior to metamorphism.

In addition to the *in situ* leucosome layers, there are some granitoids that cross-cut gneissic foliation, have sharp contacts with their host rocks, and clearly are younger than the leucosome layers. These granitoid rocks also lack the tectonic foliation (gneissosity) that Parker (1999) interpreted to be east-striking and steeply north dipping in the area. The northerly trending mafic dikes, which are manifested by their magnetic expression, also lack a foliation and are the youngest rock unit on the Property.

### 7.4 Mineralization

Mineralization is known to occur in two areas, approximately 1.5 km apart, at the Hurdman Sulfide Zone (HSZ). The west or Main zone is associated with the “G-H Anomaly” and the East zone, with the “I Anomaly”, both of which are ground HLEM anomalies that were originally delineated by Mattagami. The Main HSZ strikes east northeast and dips to the north at 15º to 20º (***Figure 7.3***). It has been traced along strike for 350 m and down dip for 250 m; intersections of altered and/or mineralized rock range from 2 to 50 m in apparent thickness but generally exceed 5 m. The strike of the East HSZ is less well constrained but




Best Results

| DDH | Interval (m) | Zn (%) | Ag (g/t) |
|---|---|---|---|
| ELO-91-1-B | 2.05 | 6.90 | 10.29 |
| ELO-91-1-C | 1.80 | 5.90 | 33.66 |
| ELO-05-02 | 3.45 | 4.86 | 11.56 |
| ELO-05-02 | 23.60 | 3.00 | 12.12 |
| ELO-06-01 | 3.90 | 5.36 | 2.64 |
| ELO-06-01 | 9.10 | 4.21 | 8.72 |
| ELO-06-01 | 11.60 | 3.70 | 7.71 |
| ELO-06-05 | 1.50 | 4.45 | 12.67 |
| ELO-06-09 | 1.70 | 3.89 | 7.74 |
| ELO-06-12 | 7.30 | 4.99 | 26.57 |
| ELO-07-01 | 2.80 | 5.35 | 7.13 |
| ELO-07-02 | 6.00 | 3.38 | 8.67 |
| ELO-07-02 | 13.10 | 3.23 | 40.56 |
| ELO-07-03 | 2.90 | 3.63 | 9.23 |
| ELO-07-04 | 5.90 | 3.26 | 9.17 |
| ELO-07-07 | 4.20 | 3.26 | 9.60 |
| ELO-07-08 | 8.00 | 3.86 | 14.40 |
| ELO-07-11 | 4.70 | 3.89 | 83.07 |
| ELO-2008-10 | 2.30 | 3.68 | 8.00 |

***Figure 7.3*** *Section 7200E through the main Hurdman Sulfide Zone (HSZ).*

appears to be northwesterly with a dip of 15º to 25º towards the northeast.

Mineralization in the Main HSZ consists dominantly of pyrrhotite and pyrite with associated sphalerite, and very minor galena and chalcopyrite (**Figures 7.4** to **7.8)**. The sulfide minerals occur within a light grey coloured alteration halo that is associated with pegmatite sills and pyrrhotite-pyrite lodes. Sphalerite is typically brown, rather than the black that is indicative of high-iron, and it occurs as intergranular disseminations and patches intermingled with pyrite and pyrrhotite (and/or magnetite), mainly in rocks of the alteration halo but locally in the pegmatite. It overprints the deformation fabric (gneissosity) in the host rocks, just as the pegmatite and pyrrhotite-pyrite lodes do. Galena is rarely observed, consistent with low the lead values from assays but silver is anomalous (commonly > 10 g/t), especially where zinc values exceed a percent. High silver in sphalerite has been reported elsewhere (Taylor and Radtke 1969) but from a different geological setting.

The pyrrhotite-pyrite lodes, referred to as layers or beds in previous descriptions, vary in apparent thickness from tens of centimeters to a few meters and they are spatially associated with leucocratic pegmatite. Where the two rock types are in contact, they are intermingled with one another indicating that they are coeval, and probably represent immiscible melt fractions. The pyrrhotite in the lodes is much coarser grained than that in the host rocks but it is just as magnetic. Surprisingly, the copper content of the pyrrhotite-pyrite lodes is insignificant, as it is in the host rocks as well (< 2500 ppm).

Parker (1999) noted “ball-textured sulfide minerals” at the interface between the lower contact of the mineralized zone and pegmatite. “The ball-texture consists of rounded fragments, up to 1 cm in size, of quartz, feldspar and pyrite embedded in a groundmass of massive pyrrhotite”, which he interpreted as the product of milling during deformation. However, the absence of tectonic foliation indicates that this ball texture is primary rather than deformation related. He also observed that gahnite is disseminated in narrow quartz-rich, pegmatitic sections of the mineralized zone.

Mineralization in the East HSZ is similar to that of the Main zone (**Figures 7.9, 7.10**). Five Eloro holes intersected this zone and intersections of altered and/or mineralized rock range from 1 to 10 m in apparent thickness. The mineralization is predominantly sphalerite, with elevated silver, in altered host rocks that are associated with pegmatite sills and pyrrhotite-pyrite lodes.

## 8.0 DEPOSIT TYPES

The HSZ sits in metasedimentary rocks and in this respect, it is similar to the giant Broken Hill massive sulfide deposit of southeastern Australia (cf. Spry et al. 2007). However, it also has features comparable to the Geco massive sulfide deposit (cf. Zaleski and Peterson 1995), which is approximately 300 km to the west of the HSZ.

Broken Hill is interpreted as a syngenetic, sediment-hosted exhalative (Sedex) type of massive sulfide deposit (Groves et al. 2008). At Broken Hill, strongly deformed, metamorphosed and stacked sulfide lenses, including “pyrrhotite lodes”, occur in sillimanite-bearing host rocks. The upper part of the deposit, including lenses 2 and 3, is zinc, lead and silver rich (Table 1 of Groves et al. 2008). Individual lenses can range up to tens of meters in thickness. The mineralization can extend hundreds of meters, commonly grading laterally into disseminated pyrite and pyrrhotite units that measure tens of kilometers.

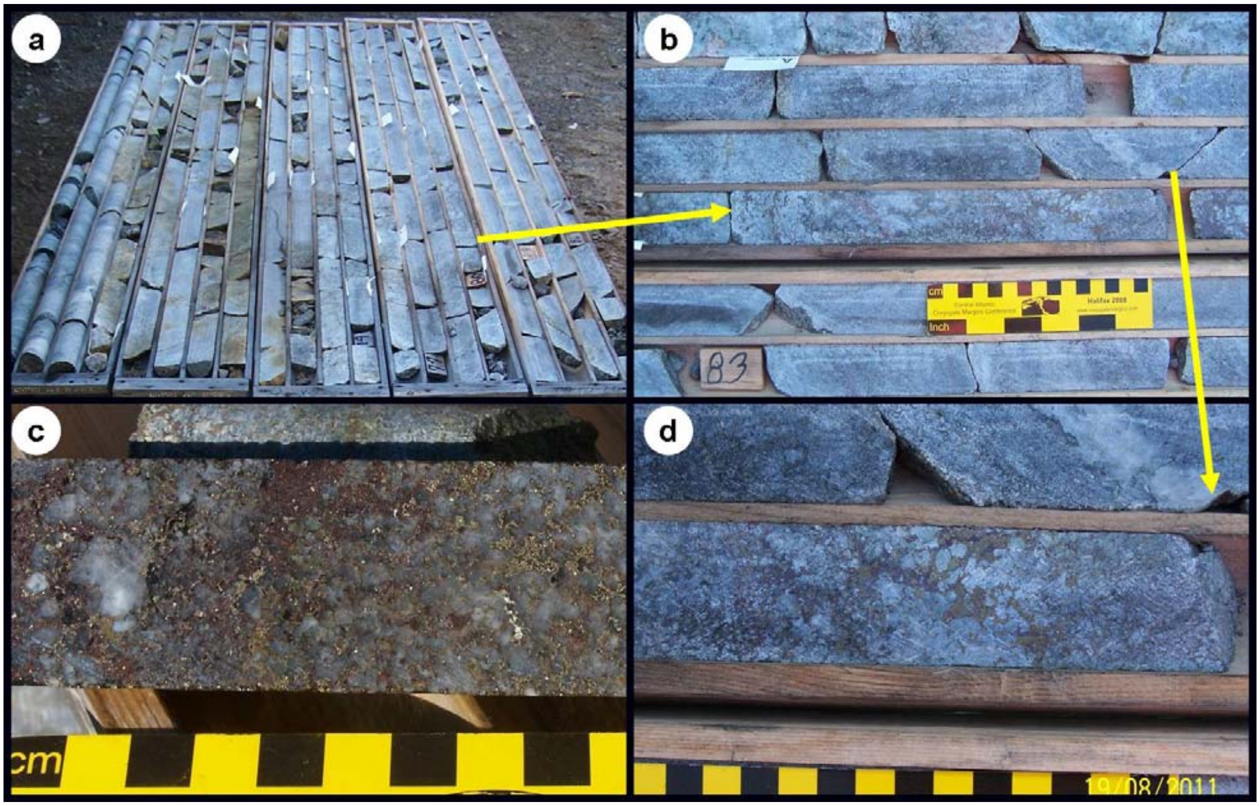


***Figure 7.4*** *Drill core between 58 and 87 m from hole ELO-07-02: a) Overview of altered-mineralized zone showing light grey altered rock and brown, pyrrhotite-pyrite-rich intervals (up-hole at bottom left and down-hole at top right); b) enlarged view of core at approximately 80 m downhole showing patchy and disseminated sulfide mineralization (core dry); c) close-up of sulfide mineralization (wet) showing brownish grey sphalerite and grayish yellow pyrite/pyrrhotite; d) close-up of sulfide mineralization (dry) showing interstitial nature of sphalerite (dark grey) in light grey host rock.*

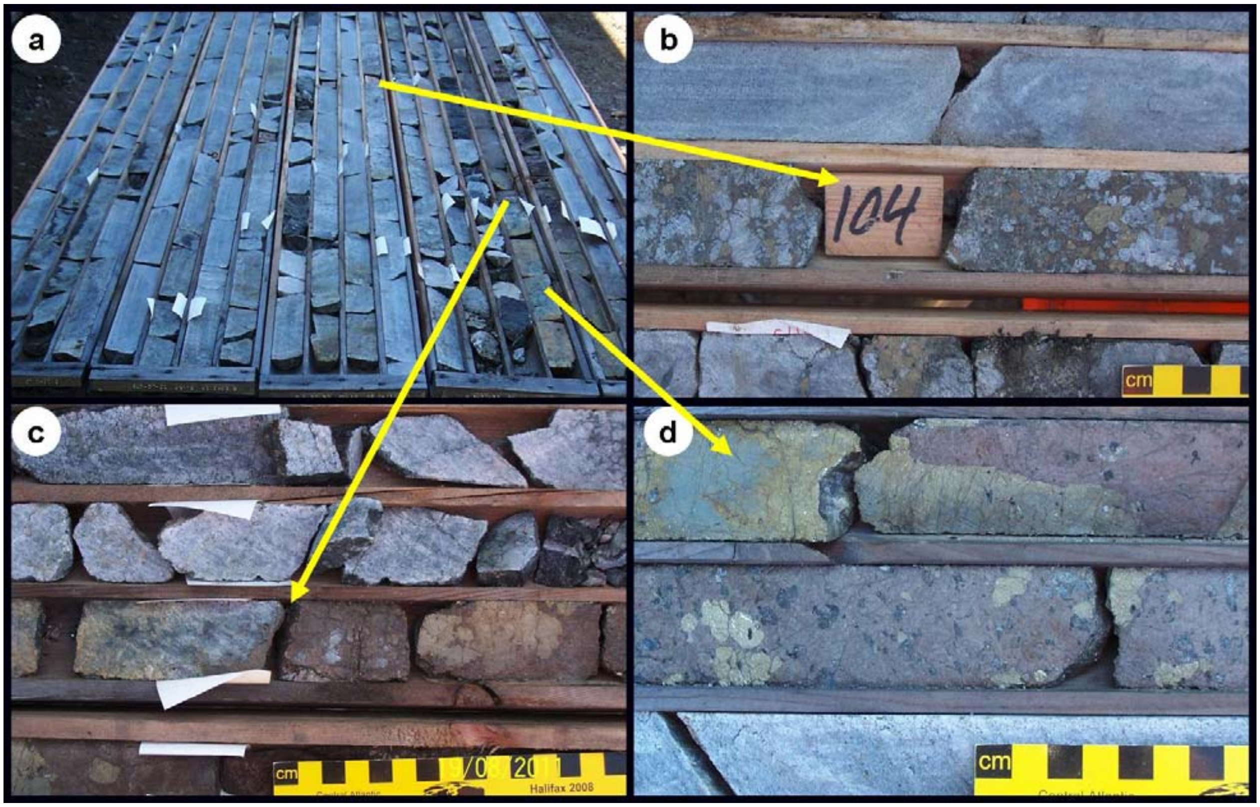



***Figure 7.5*** *Drill core between 87 and 116 m from hole ELO-07-02: a) overview of altered-mineralized zone showing light grey altered rock and dark brown, pyrrhotite-pyrite lode (up-hole at bottom left and down-hole at top right); b) close-up of core at 104 m showing coarse-grained pyrite (grayish yellow) and magnetite (dark grey) intergrown with quartz (greyish white) at the margin of a pegmatite (core dry); c) close-up of sharp contact between pyrrhotite-pyrite lode (brown) and host rock (light grey); d) close-up of reddish brown pyrrhotite and greyish yellow pyrite within the lode; note the irregular globules (grey) and remnant host rock (irregular green patch).*

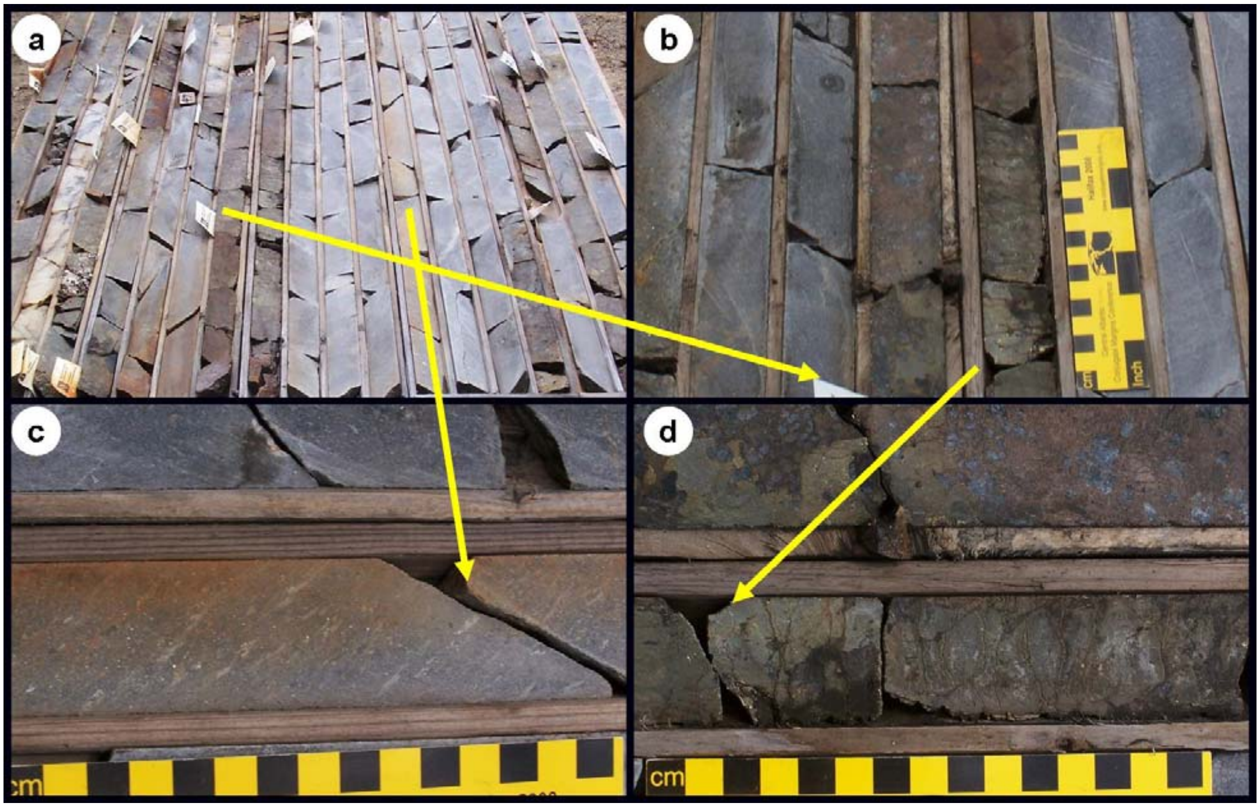



***Figure 7.6*** *Drill core between 40 and 70 m from hole ELO-06-11: a) overview of altered-mineralized zone showing light grey altered rock and dark brown, pyrrhotite-pyrite lode (up-hole at bottom left and down-hole at top right); b) enlarged view of core at approximately 50 m showing lode (core dry); c) close-up of core from approximately 59 m showing fragmental texture in possible tuffaceous host rock (dry); d) close-up of pyrrhotite-pyrite lode showing "ball texture" (top row) near contact.*

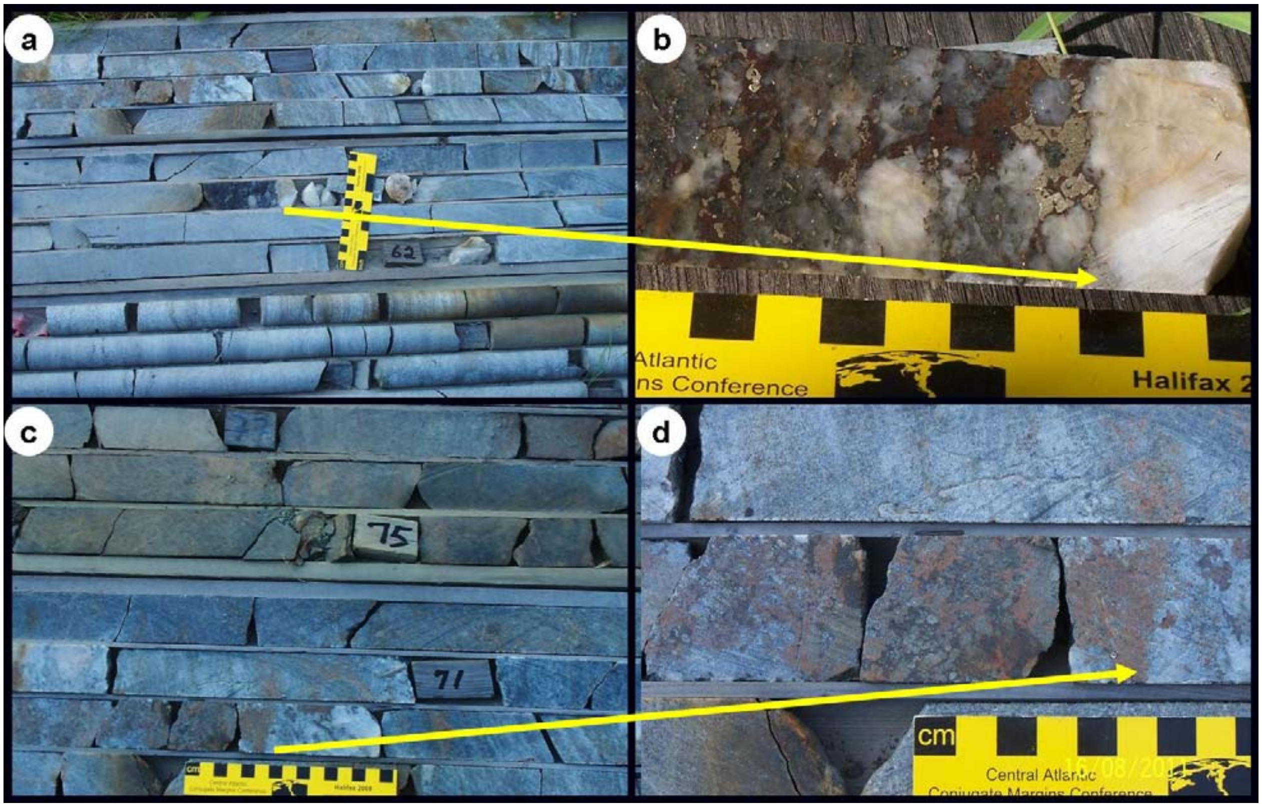



***Figure 7.7*** *Drill core from Noront's hole H-91-01: a) overview of core between 59 and 71 m showing location of core in Figure 7.7b (down-hole to top left); b) close-up of core at approximately 65 m (wet) showing coarse-grained, reddish brown sphalerite and greyish yellow pyrite in white quartz; c) overview of core between 68 and 77 m showing location of core in Figure 7.7d ( down-hole to top left); d) close-up of core at approximately 69.5 m showing distribution of reddish brown sphalerite in host rock (dry).*

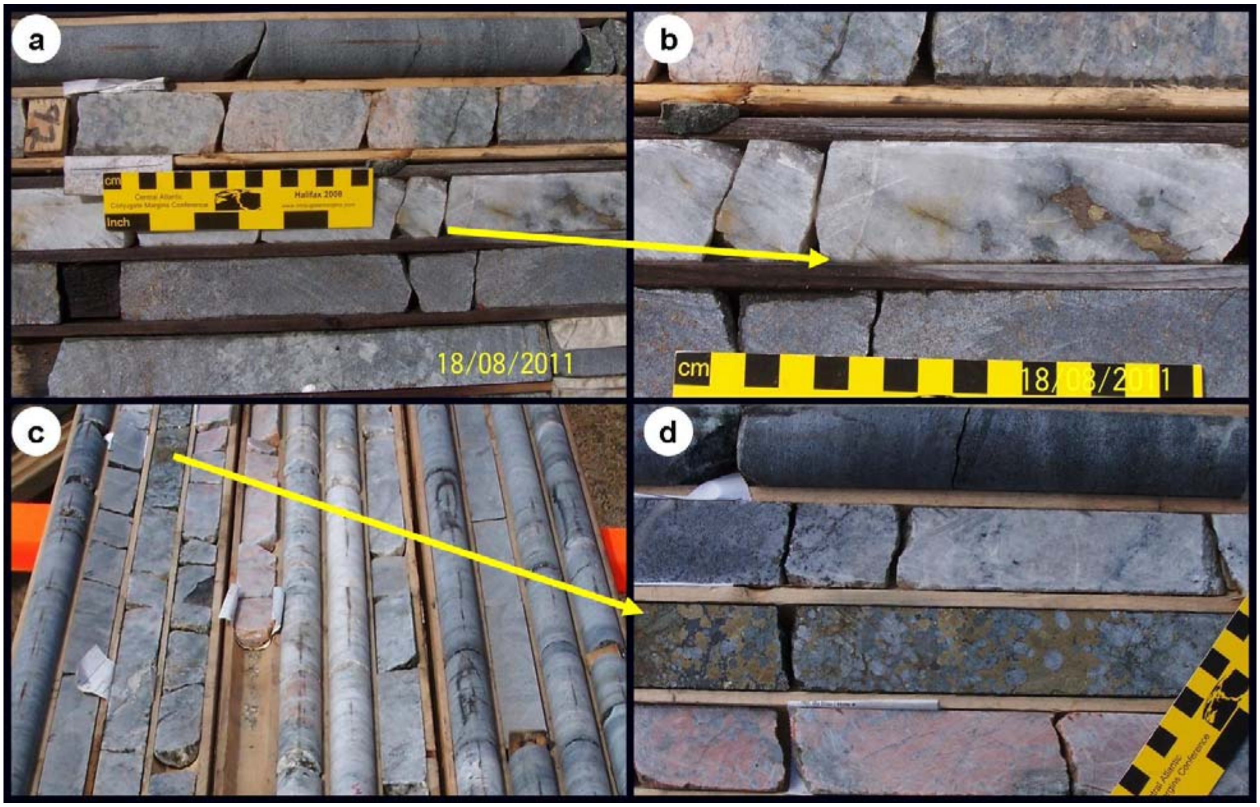



***Figure 7.8*** *Drill core from hole ELO-07-15: a) core at 92 m showing graphic texture in pegmatite (above scale) and location of core in Figure 7.8b (down-hole to top left); b) close-up of white quartz containing coarse-grained pyrrhotite (reddish grey) and pyrite (yellowish grey) at the margin of the pegmatite (core dry); c) overview of core between 85 and 113 m showing location of core in Figure 7.8d (up-hole to bottom left; down-hole to top right); d) close-up of core at approximately 92 m showing "ball texture" on the margin of pegmatite.*

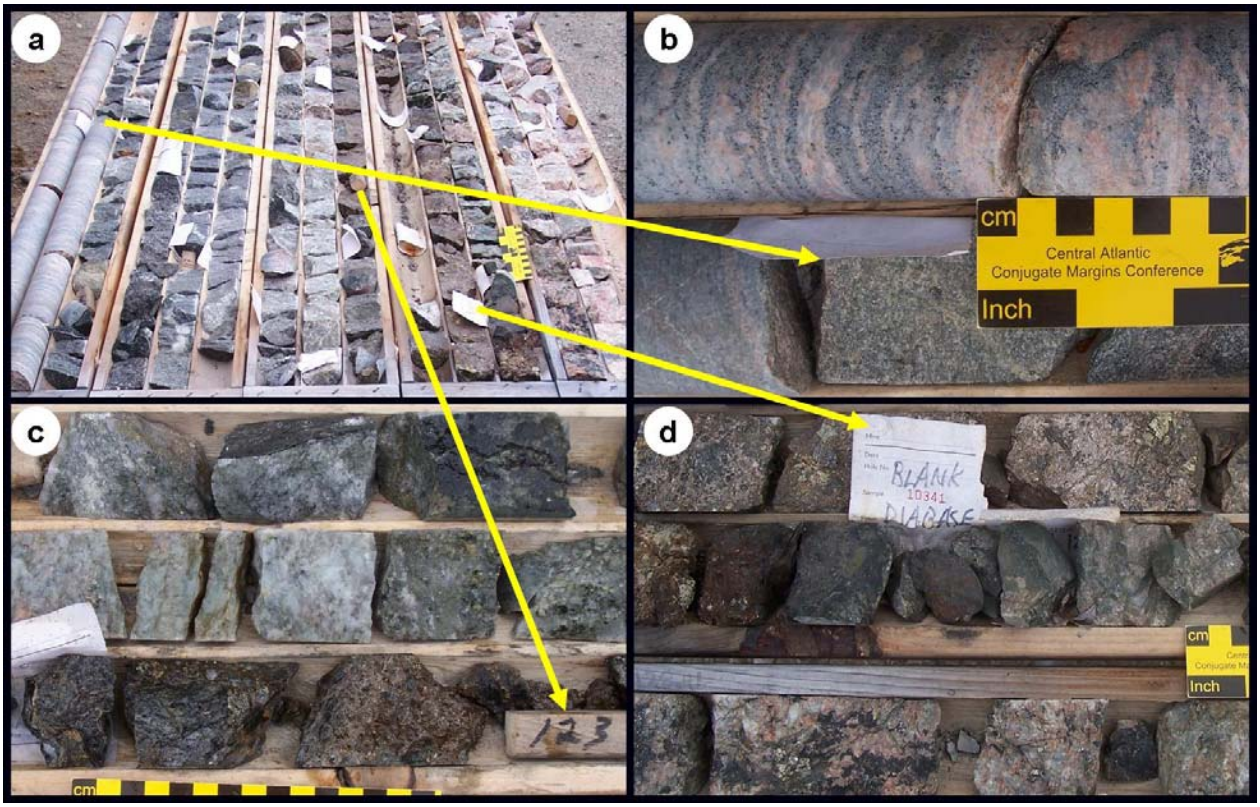



***Figure 7.9*** *Drill core from hole ELO-08-06: a) overview of core between 111 and 132 m showing locations of other figures (up-hole to bottom left; down-hole to top right); b) close-up at approximately 29 m showing banding in un-split core, which is defined by disseminated pyrrhotite layers (grey) and pegmatitic leucosome layers (pink); c) close-up of core at 123 m showing up-hole contact area of pyrrhotite-pyrite lode (bottom row) with pegmatite (greenish grey); d) close-up of core at approximately 127 m showing down-hole contact of pyrrhotite-pyrite lode (top row) with pegmatite (bottom row).*

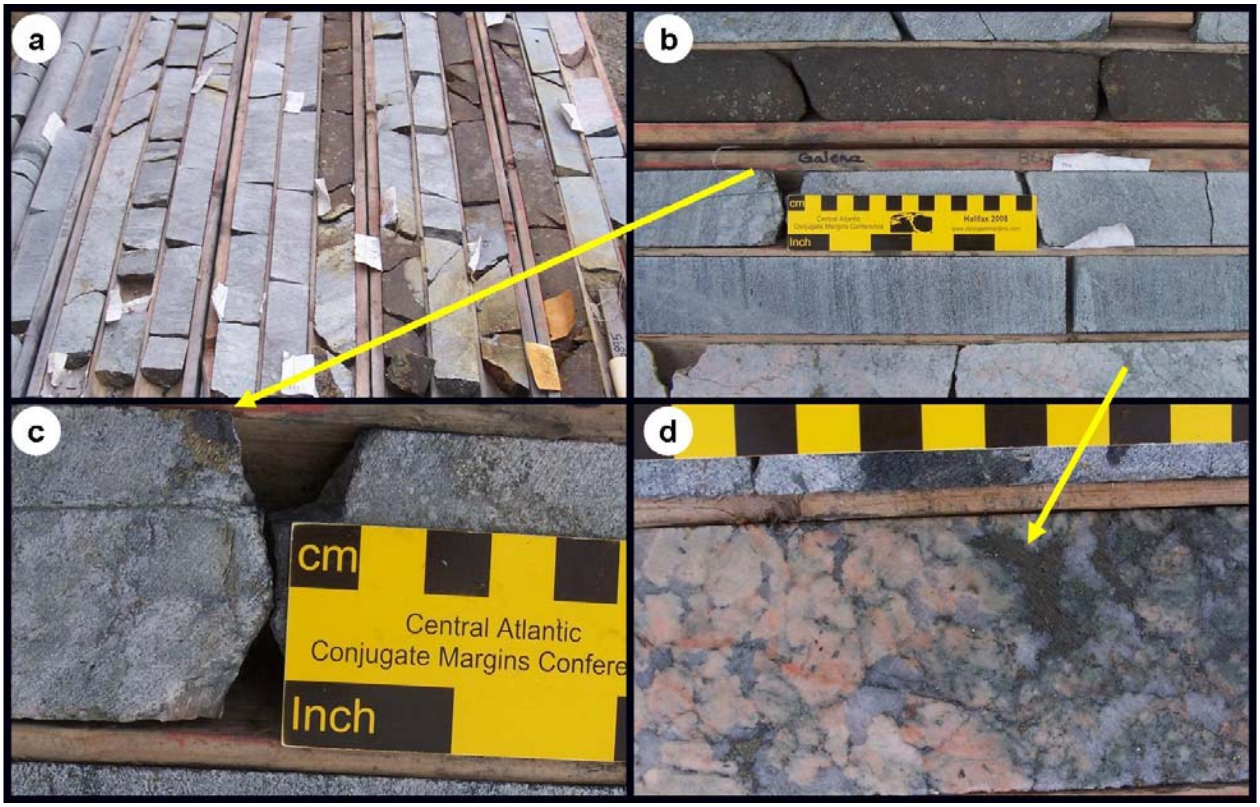



***Figure 7.10*** *Drill core between 62 and 83 m from hole ELO-08-07 (up-hole to bottom left; down-hole to top right): a) overview showing pyrrhotite-pyrite lodes (brown) in altered host rocks (light grey) and location of Figure 7.10c; b) enlarged view of core between 79 and 83 m showing locations of figures 7.10c and 7.10d (down-hole to right); c) large galena crystal (dark grey at tip of arrow) and pyrite (grayish yellow) in altered host rock (core dry); d) disseminated pyrite and patchy magnetite (dark grey) in pegmatite (core wet).*

Geco is interpreted as a syngenetic, volcanic-hosted massive sulfide (VMS) type of deposit (Zaleski and Peterson 1995), which was originally postulated by Stanton and Russell (1959). At Geco, stacked sulfide lenses occur in sillimanite-bearing rocks that are interpreted to reflect the original hydrothermal alteration zone, which was associated with deposition of the deposit. The upper part, including the "8/2 Zn" ard "ZnIF" orebodies, contains zinc and silver but little else (Table 2 of Zaleski and Peterson 1995).

What Broken Hill and Geco have in common is that they both are hosted by high-grade (up to granulite facies) metamorphic rocks and there is evidence that some of the sulfides actually melted and were remobilized (Frost et al. 2011; Tomkins et al. 2006; Mookherjee and Dutta 1970). Gahnite (zinc spinel) is also present in both deposits.

## 9.0 EXPLORATION

To date, no exploration work has been conducted on the Property by or on behalf of Blue Vista. In fact, no exploration has been conducted since Eloro completed its 2008 program.

# 10.0 DRILLING

The relationship between sample/intersection lengths and true thickness is not known. All reported intervals in the following section are intersection widths, not true widths.

## 10.1 Historic Drilling

In 1965-66, INCO drilled 20 holes in Hurdman Township; 16 of them, totalling 1,609 m, were on the Property and 13 of them encountered disseminated to massive, pyrrhotite-pyrite mineralization, with associated sphalerite ± chalcopyite and magnetite. Most of the holes were drilled southward, others were oriented to the southeast and a few, to the east and the west, (probably to test geophysical anomalies associated with diabase dikes). No public record exists of assay results obtained from mineralized intersections.

In 1979-81, Mattagami drilled 45 holes in Hurdman Township; 40 of them, totalling 4293 m, were on the Property. Most of these holes were vertical because the geophysical interpretation indicated that the so called “G” and “H” ground-HLEM anomalies were flat lying, superimposed conductors, gently dipping to the north. Most of the boreholes encountered pyrite-pyrrhotite associated with sub-economic zinc and silver values over apparent widths of 0.5 to 20 m. The intersections are almost true thickness, as the mineralized zones are now known to be dipping at 15º to 20°.

In 1991, Noront carried out a short BQ-diameter diamond-drilling program on Mattagami’s zinc occurrence. The four holes totalling 455 m were drilled southward and intersected the mineralized zone over variable widths. Along with the identification of some alteration minerals, large quantities of gahnite, a spinel variety already mentioned by Inco in their logs, was noted to be associated with the zinc-bearing zones.

In 1992, the Galico/Noront Joint Venture carried out a short diamond-drilling program totalling 737.3 m that targeted the northeast dipping extension of the Hurdman occurrence. The BQ core recovery was good. Boreholes 92-1 and 92-2 intersected the zinc-bearing zone over widths varying from 1.9 to 3.8 m carrying 1.4% and 0.82% zinc respectively. Boreholes 92-3, 4 and 5 were drilled north of Mattagami’s hole 82-32 that intersected 1.17% Zn over 1.5 m. The most significant values were encountered by hole 92-3.

The 1998 drilling program carried out by Baltic was aimed at testing the down dip extension of the eastern end of the Hurdman Zone. The lithological descriptions of the four BQ-diameter holes, totalling 560 m, indicate that three of them passed through the zinc-bearing zone. Hole 98-1 intersected a pyrrhotite-pyrite rich zone with sphalerite and magnetite. This zone corresponds to one described in a press release that reported 1% Zn over 12.5 m. This drilling showed that the HSZ could be 10 to 15 m in thickness and extend 150 m down dip. Notably, the author (Pierce, 1998) of the report on this work suggested that the HSZ is similar to the 8/2 Zn zone at the Geco massive sulphide deposit, which is where he worked for several years.

A summary of the best historic drill-core assay results are shown in ***Table 10.1***.

***Table 10.1*** *Best historic assay results from the Hurdman Sulfide Zone (HSZ)*

| Company | Hole # | From (metres) | To (metres) | Length (metres) | Zinc (%) | Silver (oz/t) | Remarks |
|---|---|---|---|---|---|---|---|
| **Mattagami** | 80-9 | 12.2 | 32.0 | 19.8 | 0.64 | 1.10 | Anomaly G-H |
| | 80-13 | 67.9 | 74.7 | 6.8 | 1.84 | 0.74 | Anomaly I |
| | | | | | | | 0.056 oz/t Au |
| | 80-14 | 15.5 | 31.7 | 16.2 | 0.80 | | Anomaly G-H |
| | 80-15 | 18.3 | 29.0 | 10.7 | 1.39 | | Anomaly GH |
| | 81-25 | 55.1 | 57.2 | 2.1 | 1.20 | 2.13 | Anomaly I |
| | | 62.2 | 66.2 | 4.0 | 0.86 | 0.76 | Anomaly I |
| | 81-29 | 35.2 | 41.6 | 6.4 | 1.01 | 1.01 | Anomaly G-H |
| | | 43.6 | 51.4 | 7.8 | 0.70 | 1.13 | |
| | 81-30 | 62.1 | 73.6 | 11.5 | 2.41 | | Anomaly G-H |
| | 81-35 | 33.0 | 35.7 | 2.7 | 0.95 | 0.63 | Anomaly C |
| | 81-40 | 85.8 | 93.9 | 8.1 | 1.27 | | Anomaly G-H |
| **Noront** | 91-1 | 64.8 | 78.3 | 13.5 | 2.41 | | Anomaly G-H |
| | 91-3 | 59.5 | 66.4 | 6.9 | 4.64 | | Anomaly G-H |
| | | 68.9 | 77.3 | 8.4 | 2.72 | 0.32 | |
| | | 95.0 | 98.2 | 3.2 | 4.82 | 0.71 | |
| **Galico** | 92-3 | 62.9 | 65.7 | 2.7 | 1.20 | 0.13 | NW of Anomaly G-H |
| | | 68.3 | 74.5 | 6.2 | 1.82 | 0.30 | |
| | | 77.7 | 79.6 | 1.9 | 3.05 | 0,52 | |

## 10.2 Drilling by Eloro

In January 2005, Eloro carried out a 7-hole, diamond-drilling program, totalling 635 m (AFRO-ID file 2.30835). The main purpose of this drilling was to verify metal concentrations reported from holes 91-1 and 98-1, which were drilled by Noront and Baltic, respectively. Details concerning the sampling procedure and assay results are described in Section 12 (Sampling Method and Approach). All holes were logged by Jean-Sébastien Lavallé of ConsulTeck Ltd. Drill-hole metadata and the best assay results from this drilling program are displayed in ***Table 10.2*** and ***Table 10.3***, respectively.

Holes ELO-98-1B and ELO-98-1C, respectively drilled to twin and overcut Noront's hole H-98-1, successfully intersected the HSZ at the expected depth. Zinc values in the two holes were 0.55% over 11.1 m and 0.42% over 10.6 m, respectively. These results are lower than the 1% Zn over 12.5 m reported by Noront and Galico in their news release dated May 20, 1998. Holes ELO-91-1B and ELO-91-1-C, respectively drilled to twin and undercut hole H-91-1, intersected the HSZ at the expected depth and returned 1.53% Zn over 21.0 m and 1.85% Zn over 8.55m. These values are comparable to the 2.41% Zn over 13.5 m encountered in Noront's hole H-91-1 (AFRI file 42H12SW0015). The three other holes (ELO-

**Table 10.2** *Metadata for the 2005 AQ-sized diamond-drill holes*

| DDH N° | EASTING NAD83-Z17 | NORTHING NAD83-Z17 | Azimuth | Dip | Length (m) | Casing (m) | Claim N° |
|---|---|---|---|---|---|---|---|
| ELO-98-1-B | 443500 | 5484795 | 180º | -70 | 93 | 12 | 119489 |
| ELO-98-1-C | 443500 | 5484795 | 180º | -45 | 77 | 15 | 119489 |
| ELO-91-1-B | 443381 | 5484793 | 180º | -55 | 90 | 13 | 119489 |
| ELO-91-1-C | 443381 | 5484793 | - | -90 | 102 | 12 | 119489 |
| ELO-05-01 | 443267 | 5484806 | 180º | -70 | 93 | 16 | 119489 |
| ELO-05-02 | 443237 | 5484819 | 180º | -70 | 98 | 23 | 119489 |
| ELO-05-03 | 443321 | 5484790 | 180º | -70 | 83 | 13 | 119489 |
| **TOTAL: 5 diamond drill holes** | | | | | **635 meters** | | |

***Table 10.3*** *Summary of best results from the 2005 drilling*

| Hole # | From (m) | To (ms) | Length (m) | Zinc (%) | Silver (g/t) | Remarks |
|---|---|---|---|---|---|---|
| ELO-98-1B | 45.70 | 56.80 | 11.10 | 0.55 | 18.71 | Twin of H-98-1 |
| ELO-98-1-C | 45.00 | 55.60 | 10.60 | 0.42 | 13.14 | Overcut of H-98-1 |
| ELO-91-1-B | 46.50 | 67.50 | 21.00 | 1.53 | 10.18 | Twin of H-91-1 |
| (including) | 64.50 | 66.55 | 2.05 | 6.90 | 10.29 | |
| ELO-91-1-C | 54.45 | 63.00 | 8.55 | 1.85 | 15.16 | Undercut of H-91-1 |
| (including) | 55.70 | 56.25 | 1.80 | 5.90 | 33.66 | |
| ELO-05-01 | 58.20 | 81.95 | 23.75 | 1.17 | 11.26 | New hole |
| (including) | 69.00 | 75.20 | 6.20 | 2.14 | 7.79 | |
| ELO-05-02 | 64.90 | 88.50 | 23.60 | 3.00 | 12.12 | New hole |
| (including) | 83.55 | 87.00 | 3.45 | 4.86 | 11.56 | |
| ELO-05-03 | 53.60 | 69.50 | 15.90 | 1.09 | 22.22 | New hole |
| (including) | 56.60 | 61.45 | 4.85 | 1.82 | 26.39 | |

05-01, ELO-05-02 and ELO-05-03) were drilled between 25 m and 70 m west of holes ELO-91-1B and ELO-91-1C. All cut the HSZ but the best intersection was in ELO-05-01, which graded 3.0% Zn over a true thickness of 23.6 m.

In 2006, Eloro carried out a 12 hole (ELO-06-01 to ELO-06-12 inclusive), 1404 m diamond-drilling program (AFRO-ID file 2.36504). The objective was to delineate the mineralization to a depth of 80 m within a 300 m long by 200 m wide segment of the HSZ. Holes ELO-06-01, -06, -07 and -10 were in-fill holes, whereas ELO-06-02, -03, -04, -05, -08, -09, -11 and -12 were drilled to test for extensions of the known zone. All holes were logged by MRB and Associates. Drill-hole metadata and best assay results from this drilling program are displayed in ***Table 10.4*** and ***Table 10.5***, respectively.

***Table 10.4*** *Metadata for the 2006 BQ-sized diamond-drill holes*

| DDH N° | EASTING NAD83-Z17 | NORTHING NAD83-Z17 | Azimuth | Dip | Length (m) | Casing (m) | Claim N° |
|---|---|---|---|---|---|---|---|
| ELO-06-01 | 443261 | 5484839 | 180° | -70 | 137 | 14 | 119489 |
| ELO-06-02 | 443362 | 5484858 | 180° | -50 | 124 | 6 | 119489 |
| ELO-06-03 | 443362 | 5484859 | 180° | -70 | 107 | 3 | 119489 |
| ELO-06-04 | 443413 | 5484789 | 180° | -50 | 131 | 13 | 119489 |
| ELO-06-05 | 443413 | 5484789 | 180° | -70 | 99 | 11 | 119489 |
| ELO-06-06 | 443259 | 5484792 | 180° | -50 | 134 | 24 | 119489 |
| ELO-06-07 | 443259 | 5484792 | 180° | -70 | 92 | 21 | 119489 |
| ELO-06-08 | 443232 | 5484809 | 180° | -50 | 130 | 21 | 119489 |
| ELO-06-09 | 443232 | 5484810 | 180° | -70 | 105 | 18 | 119489 |
| ELO-06-10 | 443257 | 5484749 | 180° | -70 | 122 | 30 | 119489 |
| ELO-06-11 | 443236 | 5484785 | 180° | -50 | 122 | 33 | 119489 |
| ELO-06-12 | 443236 | 5484785 | 180° | -70 | 101 | 28 | 119489 |
| **TOTAL: 12 diamond drill holes** | | | | | **1404** | **meters** | |

***Table 10.5*** *Summary of best results from the 2006 drilling*

| DDH NO. | | FROM (m) | TO (m) | INTERVAL (m) | Zn % | Ag (g/t) | Au (g/t) |
|---|---|---|---|---|---|---|---|
| ELO-06-01 | | 85.8 | 97.4 | 11.6 | 3.70 | 7.71 | trace |
| | Incl. | 88.3 | 97.4 | 9.1 | 4.21 | 8.72 | trace |
| | Incl. | 93.5 | 97.4 | 3.9 | 5.36 | 2.64 | trace |
| ELO-06-02 | | 80.4 | 82.2 | 1.8 | 3.15 | 2.55 | trace |
| | | 89.6 | 91.0 | 1.4 | 3.57 | 13.41 | trace |
| ELO-06-03 | | 81.8 | 84.2 | 2.4 | 2.51 | 9.20 | trace |
| | Incl. | 82.4 | 83.0 | 0.6 | 5.54 | 14.0 | trace |
| | | 83.0 | 83.4 | 0.4 | 0.02 | 3.00 | 5.10 |
| ELO-06-04 | | 60.1 | 71.4 | 11.3 | 2.09 | 39.56 | trace |
| | Incl. | 65.6 | 68.3 | 2.7 | 3.43 | 101.8 | trace |
| | Incl. | 68.3 | 68.8 | 0.5 | 0.09 | 76.00 | 1.32 |
| ELO-06-05 | | 58.4 | 59.9 | 1.5 | 4.45 | 12.67 | trace |
| | | 64.2 | 64.8 | 0.6 | 3.49 | 13.00 | trace |
| | | 66.0 | 66.6 | 0.6 | 3.92 | 27.00 | trace |
| ELO-06-06 | | 38.8 | 59.5 | 20.7 | 2.08 | 9.51 | trace |
| | Incl. | 51.8 | 54.5 | 2.7 | 4.82 | 5.64 | trace |
| | Incl. | 57.0 | 59.5 | 2.5 | 4.13 | 17.47 | trace |
| | | 60.9 | 61.4 | 0.5 | 0.50 | 18.00 | 1.31 |
| | | 79.8 | 80.1 | 0.3 | 0.31 | 39.00 | 1.99 |
| ELO-06-07 | | 62.5 | 70.4 | 7.9 | 2.48 | 10.43 | trace |
| | Incl. | 67.1 | 70.4 | 3.3 | 3.58 | 18.25 | trace |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | 74.9 | 75.4 | 0.5 | 0.19 | 13.2 | 1.95 |
| | | 75.4 | 76.2 | 0.8 | 0.43 | 13.60 | 1.18 |
| | | 78.9 | 79.4 | 0.5 | 0.58 | 21.00 | 1.15 |
| ELO-06-08 | | 52.3 | 80.5 | 28.2 | 2.79 | 20.00 | trace |
| | Incl. | 69.5 | 79.2 | 9.7 | 4.45 | 24.95 | trace |
| | Incl. | 71.3 | 79.2 | 7.9 | 5.22 | 28.02 | trace |
| | Incl. | 71.3 | 73.3 | 2.0 | 7.60 | 45.00 | trace |
| | Incl. | 72.0 | 76.4 | 4.4 | 4.00 | 34.02 | 1.97 |
| ELO-06-09 | | 58.9 | 60.6 | 1.7 | 3.89 | 7.74 | trace |
| | | 62.1 | 64.3 | 2.3 | 3.56 | 10.12 | trace |
| ELO-06-10 | | 52.7 | 53.5 | 0.8 | 0.62 | 14.50 | 1.28 |
| ELO-06-11 | | 43.7 | 45.1 | 1.4 | 0.34 | 19.46 | 2.40 |
| | | 60.5 | 61.0 | 0.5 | 0.14 | 52.4 | 3.39 |
| | | 64.3 | 65.8 | 1.5 | 0.57 | 24.00 | 1.17 |
| ELO-06-12 | | 39.2 | 46.5 | 7.3 | 4.99 | 26.57 | trace |
| | Incl. | 39.2 | 41.4 | 2.2 | 10.37 | 57.68 | 1.37 |
| | Incl. | 40.5 | 41.4 | 0.9 | 13.87 | 8.12 | 2.00 |
| | | 52.4 | 58.5 | 6.1 | 3.48 | 15.46 | trace |
| | | 58.5 | 59.0 | 0.5 | 0.41 | 166.00 | 48.69 |

All 12 holes intersected the HSZ, in some areas where it was not previously known. Ten of the holes contain intersections ranging from 1.5 to 28.2 m with zinc values ranging from 2 to 10% Zn, and silver values ranging from 2.6 to 101.8 g/t Ag. Holes ELO-06-10 and ELO-06-11 intersected pyrrhotite-pyrite lodes and pegmatite sills containing elevated silver values (up to 120 g/t and 55 g/t Ag, respectively) but little zinc. Erratic, scattered, high gold values (up to 48.69 g/t Au) were also obtained for the first time. Elevated gold values are generally associated with pegmatite sills or pyrrhotite-pyrite lodes. Drill holes ELO-06-12, ELO-06-04 and ELO-06-05 extended the high-grade zinc (greater than 3% Zn) and silver (greater than 15 g/t Ag) corridor by 25 metres to the west and east.

In 2007, Eloro completed a diamond-drilling campaign of 25 holes totaling 3,464 m (AFRO-ID file 2.36504). Holes ELO-07-09, -10, -19, -21 and -25 were drilled to test for the westward continuation of the HSZ; whereas holes ELO-07-05 to -08, -12, -15, -17, -18, -20, and -22 to -23 tested the down-plunge (northern) extent of the high-grade mineralization encountered during the company's 2006 drilling program. Drill core from the first four holes was logged by Jean-Sébastien Lavallé and core from the rest of holes was logged by Brian Polk, both of ConsulTeck Ltd. Drill-hole metadata and best assay results from this drilling program are displayed in ***Table 10.6*** and ***Table 10.7***, respectively.

Altered/mineralized rocks were intersected in all holes except ELO-07-09 and ELO-07-10 but zinc grades are insignificant to the west (holes ELO-07-19, -21, and -25). Fifteen holes had intersections ranging from 1.1 to 19.9 m with zinc values ranging from 1.06 to 6.09% Zn and silver values ranging from 5.27 to 83.07 g/t Ag. Four other holes (ELO-07-05, -14, -22 and -24) had intersections ranging from 1.0 to 3.0 m with zinc values ranging from 1.1 to 2.71% Zn and silver values ranging from 3.06 to 6.26 g/t Ag. The 2007 drilling extended the limits of the HSZ to the north by over 200 m but not to the west by any significant distance.

***Table 10.6*** *Metadata for the 2007 BQ-sized diamond-drill holes*

| DDH N° | EASTING NAD83-Z17 | NORTHING NAD83-Z17 | Azimuth | Dip | Length (m) | Casing (m) | Claim N° |
|---|---|---|---|---|---|---|---|
| ELO-07-01 | 443236 | 5484841 | 180° | -69 | 128 | 18 | 119489 |
| ELO-07-02 | 443236 | 5484840 | 180° | -50 | 146 | 30 | 119489 |
| ELO-07-03 | 443285 | 5484843 | 180° | -68 | 117 | 8 | 119489 |
| ELO-07-04 | 443285 | 5484842 | 180° | -50 | 143 | 9 | 119489 |
| ELO-07-05 | 443226 | 5484880 | 180° | -60 | 128 | 15 | 119489 |
| ELO-07-06 | 443226 | 5484881 | 180° | -83 | 167 | 12 | 119489 |
| ELO-07-07 | 443275 | 5484890 | 180° | -82 | 142 | 16 | 119489 |
| ELO-07-08 | 443275 | 5484890 | 180° | -60 | 167 | 14 | 119489 |
| ELO-07-09 | 443175 | 5484880 | 180° | -60 | 19 | 19 | 119489 |
| ELO-07-10 | 443175 | 5484881 | 180° | -83 | 167 | 15 | 119489 |
| ELO-07-11 | 443235 | 5484725 | 177° | -60 | 92 | 32 | 119489 |
| ELO-07-12 | 443322 | 5484867 | 177° | -60 | 119 | 2 | 119489 |
| ELO-07-13 | 443275 | 5484762 | 180° | -60 | 92 | 27 | 119489 |
| ELO-07-14 | 443327 | 5484736 | 177° | -60 | 92 | 17 | 119489 |
| ELO-07-15 | 443374 | 5484880 | 177° | -60 | 131 | 6 | 119489 |
| ELO-07-16 | 443375 | 5484728 | 177° | -60 | 90 | 20 | 119489 |
| ELO-07-17 | 443275 | 5485056 | 177° | -60 | 201 | 14 | 119489 |
| ELO-07-18 | 443224 | 5485056 | 177° | -60 | 200 | 16 | 119489 |
| ELO-07-19 | 443129 | 5484813 | 177° | -80 | 130 | 37 | 119489 |
| ELO-07-20 | 443321 | 5484939 | 177° | -45 | 185 | 14 | 119489 |
| ELO-07-21 | 443076 | 5484812 | 177° | -45 | 130 | 39 | 119489 |
| ELO-07-22 | 443361 | 5484940 | 177° | -80 | 185 | 9 | 119489 |
| ELO-07-23 | 443224 | 5484984 | 177° | -60 | 182 | 16 | 119489 |
| ELO-07-24 | 443224 | 5484985 | 177° | -84 | 181 | 15 | 119489 |
| ELO-07-25 | 443027 | 5484814 | 177° | -70 | 131 | 34 | 119489 |
| **TOTAL: 25 diamond drill holes** | | | | | **3464** | **meters** | |

***Table 10.7*** *Summary of best results obtained from 2007 drilling*

| DDH No | From (m) | To (m) | Interval (m) | Zinc % | Silver g/t |
|---|---|---|---|---|---|
| ELO-07-01 | 95.8 | 98.6 | 2.8 | 5.35 | 7.13 |
| ELO-07-02 | 89.1 | 102.2 | 13.1 | 3.23 | 40.56 |
| ELO-07-03 | 71.6 | 91.55 | 19.95 | 1.45 | 5.92 |
| ELO-07-04 | 85.25 | 91.15 | 5.9 | 3.26 | 9.17 |
| ELO-07-06 | 87.0 | 93.0 | 6.0 | 2.64 | 5.27 |
| ELO-07-07 | 96.0 | 109.0 | 13.0 | 1.90 | 5.35 |
| ELO-07-08 | 109.0 | 117.0 | 8.0 | 3.86 | 14.40 |

| | | | | | |
|---|---|---|---|---|---|
| ELO-07-11 | 33.3 | 38.0 | 4.7 | 3.89 | 83.07 |
| ELO-07-12 | 80.0 | 84.0 | 4.0 | 6.09 | 14.80 |
| ELO-07-13 | 59.8 | 61.7 | 1.9 | 2.36 | 6.98 |
| ELO-07-15 | 88.0 | 89.5 | 1.5 | 2.56 | 8.15 |
| ELO-07-16 | 49.0 | 53.0 | 4.0 | 1.06 | 31.92 |
| ELO-07-17 | 154.0 | 155.1 | 1.1 | 1.79 | 16.20 |
| ELO-07-18 | 150.0 | 151.4 | 1.4 | 2.10 | 11.63 |
| ELO-07-23 | 132.0 | 139.0 | 7.5 | 2.13 | 10.86 |

From November 2008 to January 2009, Eloro drilled 10 holes, totaling 1,941 m (AFRO-ID file 2.41277), 1) to test coincident Mag/EM geophysical anomalies in the vicinity of the HSZ, which were outlined by the 2008 airborne VTEM survey, and 2) to delineate the limits of the HSZ to the east and north. Drill-hole metadata and best assay results from this drilling program are displayed in ***Table 10.8*** and ***Table 10.9***, respectively.

***Table 10.8*** *Metadata for the 2008-09 NQ-sized diamond-drill holes*

| DDH N° | EASTING NAD83-Z17 | NORTHING NAD83-Z17 | Azimuth | Dip | Length (m) | Casing (m) | Claim N° |
|---|---|---|---|---|---|---|---|
| ELO-H-08-01 | 442600 | 5485225 | 180° | -65 | 348 | 42 | 1199489 |
| ELO-H-08-02 | 443000 | 5485275 | 180° | -65 | 285 | 36 | 1199489 |
| ELO-H-08-03 | 443500 | 5485150 | 180° | -65 | 201 | 15 | 1199489 |
| ELO-H-08-04 | 443900 | 5485375 | 180° | -65 | 252 | 21 | 1199489 |
| ELO-H-08-05 | 444300 | 5485250 | 180° | -65 | 231 | 18 | 3017214 |
| ELO-H-08-06 | 444750 | 5485150 | 180° | -65 | 219 | 36 | 3017214 |
| ELO-H-08-07 | 444750 | 5485010 | 360° | -65 | 120 | 27 | 3017214 |
| ELO-H-08-08 | 444850 | 5485025 | 180° | -65 | 126 | 24 | 3017214 |
| ELO-H-08-09 | 444650 | 5485025 | 180° | -65 | 66 | 30 | 3017214 |
| ELO-H-08-10 | 444750 | 5485025 | 180° | -65 | 93 | 24 | 3017214 |
| **TOTAL:10 diamond drill holes** | | | | | **1941** | **meters** | |

The first four holes did not intersect any pyrrhotite-pyrite lodes but one, ELO-H-08-01, intersected a possible exhalite horizon that contained disseminated sphalerite and minor gahnite over a 0.65 m interval at 139.5 m down-hole. Significantly, this interval is strongly enriched in silver (154 g/t Ag) and contains the highest gold assay of the 2008 program (2.87 g/t Au).

Holes ELO-H-08-05, -06, -07, -08, -09 and -10 encountered pyrrhotite-pyrite lodes. The mineralized zone in hole ELO-H-08-05 is narrow; one 0.81 m interval adjacent to a pyrrhotite-pyrite lode has zinc (1.82% Zn) and another 1.08 m interval within the lode has gold (1.43 g/t Au). The other holes are in the area of Mattagami's "I" anomaly, the east HSZ, where historic drilling had previously intersected some interesting zinc grades. In these holes, the mineralized/altered interval is thicker than in hole ELO-H-08-05 but it generally does not exceed 8 m in apparent thickness. Intersections ranging from 0.5 to 9.8 m have zinc values ranging from 1.02 to 1.45% Zn with silver values ranging from 9 to 67 g/t Ag.

***Table 10.9*** *Summary of best assay results from 2008 drilling*

| DDH NO. | from (m) | to (m) | interval (m) | Zn % | Pb (ppm) | Ag (g/t) | Au (g/t) |
|---|---|---|---|---|---|---|---|
| ELO-H-08-01 | 139.5 | 140.2 | 0.7 | 1.60 | 1905 | 154 | 2.87 |
| " | 146.6 | 147.4 | 0.8 | 1.20 | 4220 | 22 | .30 |
| ELO-H-08-05 | 107.92 | 108.73 | 0.81 | 1.82 | 590 | 8 | .19 |
| " | 108.73 | 109.81 | 1.08 | .06 | 245 | 3.5 | 1.43 |
| ELO-H-08-06 | 122.8 | 127.1 | 4.3 | 1.03 | 105 | 35 | .21 |
| " | 122.8 | 125.0 | 2.2 | 1.27 | 107 | 10 | .22 |
| ELO-H-08-07 | 73.8 | 80.8 | 2.4 | 0.86 | 2573 | 164 | .37 |
| " | 73.8 | 75.5 | 1.7 | 1.16 | 117 | 69 | .09 |
| " | 77.6 | 78.4 | 0.8 | .07 | 1460 | 6 | .74 |
| " | 78.4 | 80.4 | 2.0 | 1.02 | 186 | 67 | .34 |
| " | 80.4 | 80.8 | 0.4 | .08 | 11800 | 266 | .49 |
| ELO-H-08-08 | 97.3 | 104.1 | 6.8 | 0.47 | 21 | 60 | .18 |
| " | 103.6 | 104.1 | 0.5 | 1.26 | 67 | 220 | .34 |
| ELO-H-08-09 | 41.0 | 45.8 | 4.8 | 0.62 | 172 | 18 | .19 |
| " | 41.0 | 42.0 | 1.0 | 0.94 | 50 | 14 | .17 |
| " | 45.1 | 45.8 | 0.7 | 1.45 | 50 | 19 | .09 |
| ELO-H-08-10 | 107 | 107.6 | 0.6 | .03 | 9900 | 20 | .25 |
| " | 109.5 | 119.3 | 9.8 | 1.45 | 508 | 9 | .11 |
| " | 109.5 | 114.2 | 4.7 | 0.97 | 494 | 9 | .11 |
| " | 109.5 | 112.0 | 2.5 | 1.12 | 565 | 6 | .07 |
| " | 117 | 118.5 | 1.5 | 4.94 | 188 | 6 | .16 |
| " | 117 | 119.3 | 2.3 | 3.68 | 191 | 8 | .14 |

Notably, Mattagami's Hole H-13-80-13, which was collared 100 m south of ELO-H-08-07 intersected (historic) values of 7.8% Zn, 21g/t Ag over 1.8 ft (0.55 m) and 2.85% Zn, 30g/t Ag over 3.7 ft (1.13 m), at 68 m and 72 m down hole respectively; hole H-13-81-31, collared 125 m south of ELO-H-08-08 intersected (historic) values of 1.19% Zn over 1.8 ft (0.55 m) at 80 m down hole, whereas hole H-13-81-21, collared 65 m southwest of ELO-H-08-09 intersected only minor concentrations of Zn. This latter hole is separated from the other holes by a NNE trending diabase dyke. Hole H-13-81-25, which was collared 275 m south of ELO-H-08-08, intersected two distinct mineralized horizons between 55 m and 66 m down hole, with (historic) values of 2.12% Zn over 1.0 ft (0.30 m), and 1.13% Zn combined with 185 g/t Ag over 3.7 ft (1.13 m) in the upper zone and 0.85% Zn together with 26 g/t Ag over 13 ft (3.96 m). These historic intersections are consistent with a southerly, shallowing-upward, continuation of the east HSZ.

Holes ELO-H-08-09, ELO-H-08-07 and ELO-H-08-08, collared from west to east on UTM Lines 444650 East, 444750 East and 444850 East respectively, intersected the mineralized zone at 41 m, 70 m and 97 m down hole respectively, indicating an apparent eastward dip of 15º. Holes ELO-H-08-06, ELO-H-08-10 and ELO-H-08-07 on UTM Line 444750 East, intersected the mineralized zone at 122 m, 107 m and 70 m down-hole respectively, indicating an apparent north dip of 25º. The true orientation of the mineralized zone in this area is therefore approximately 12º towards the NE (52º).

## 11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

The following section applies to drilling that was done on the Property by Eloro between 2005 and 2008. Notable assay results from this drilling are summarized in the previous section. No person involved with any aspect of the sample preparation is an employee, officer, director or associate of Blue Vista.

Of the 53 holes drilled (ELO-07-09 not completed) by Eloro during this period, 51 of the cores attained were sampled for analysis. Core from the 2005 program was sampled by Jean-Sébastien Lavallé of ConsulTeck Ltd., Val-d'Or, QC; core from the 2006 program was sampled by Martin Bourgoin of MRB & Associates, Val-d'Or, QC; core from the first four holes of the 2007 program was sampled by Jean-Sébastien Lavallé, whereas core from the rest of the holes was sampled by Brian Polk, both of ConsulTeck Ltd.; and core from the 2008-09 drilling was sampled by Chris Wagg for MRB & Associates. A total of 1967 mineralized samples were collected for assay from 51 drill cores, distributed as follows: 2005 = 191 samples from 7 holes; 2006 = 626 samples from 12 holes; 2007 = 660 samples from 23 holes; and 2008 = 478 samples from 9 holes. Another 130 samples were collected for whole rock analysis, 16 from 2005 cores and 114 from 2008 cores. Also 189 sample pulps from 2006 and 2007 cores were re-assayed for lead (Pb) in 2008.

In general, only visibly mineralized core intervals were sampled and thus the sampling was more-or-less confined to light grey altered rocks, i.e. the feldspar-quartz-biotite-sillimanite gneiss of Parker (1999). Holes ELO-07-10 and ELO-08-02 were not sampled because they intersected non-mineralized rocks only. Core intervals that required sampling were marked off and tagged, mostly in 1.0 or 1.5 meter sample intervals. The maximum length of sample interval was 1.9 m and the shortest interval was 0.20 m; shorter intervals were taken where higher grade sections occurred within lower grade intervals. Core to be sampled was split using a diamond saw (except for some of the 2008 core, where a hydraulic splitter was used) and the entire split was placed in a plastic bag with the sample tag; the tag number was written on the bag with indelible marker, and the bag was sealed using a plastic zip lock. The remaining half of the core was put back in the box with the duplicate sample tag for future reference purposes. Individual bagged samples were placed in rice shipping bags, secured with zip locks and delivered to the laboratory, either directly by the sampler or by bonded courier. No blank, duplicate or standard samples were inserted into the sample stream by Eloro Project Geologists, except for the 2008 program; otherwise, the core-sampling procedures were conducted in a satisfactory manner according to accepted industry standards. All cores and reject samples have been stored in a secure compound in Val-d'Or (**Figure 11.1**).

The author is not aware of any drilling, sampling or recovery factors that would have affected the reliability of results reported from assayed or re-assayed drill core. Holes with dips less than 60º may have longer intersection widths than those with steeper dips because the mineralized zone has a shallow dip to the north. One hole, ELO-08-07, in the East HSZ was inadvertently drilled to the north at -65º and could have been down dip. However, the apparent thickness of the mineralized zone in this hole is about the same as ELO-08-10 that was drilled to the south at -65º in the same area. This indicates that the dip of the East HSZ is relatively flat, i.e. comparable to that of the Main HSZ to the west.

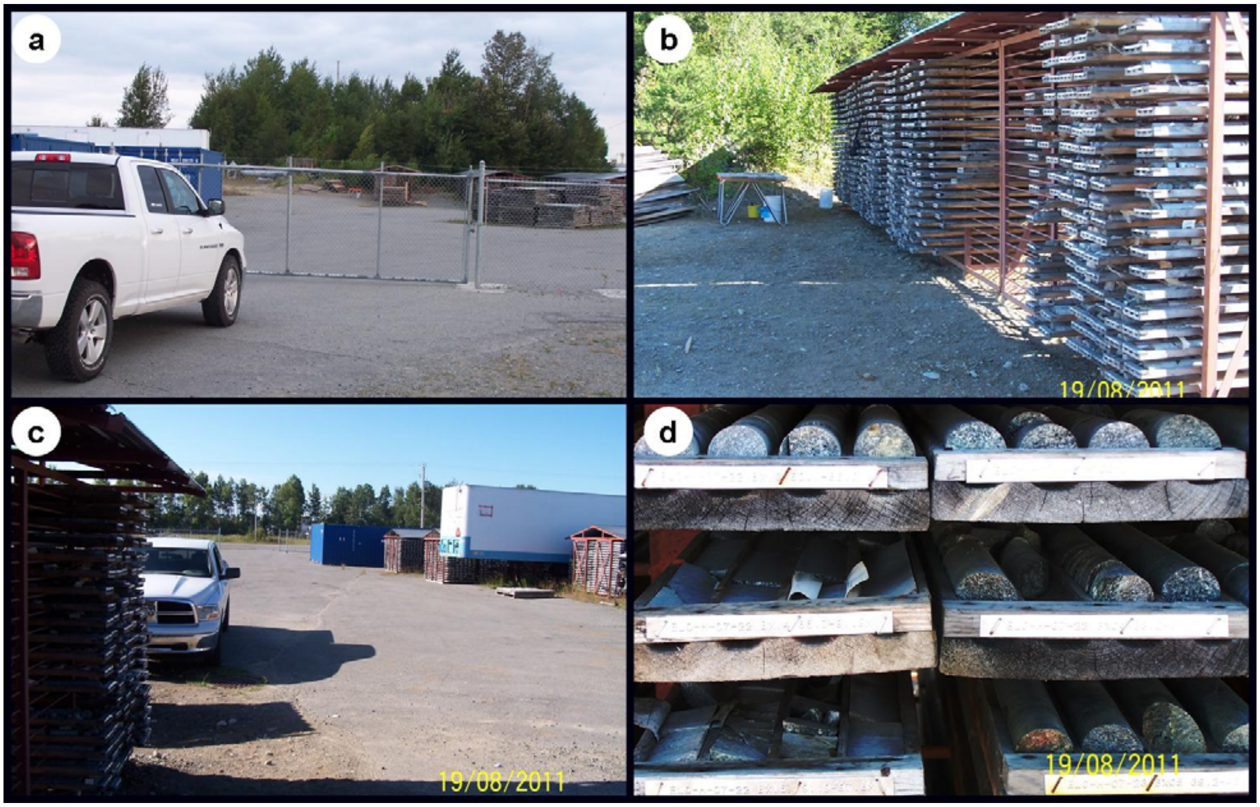



***Figure 11.1*** *Photographs of the fenced and locked compound in Val-d'Or, where Eloro's drill core is stored. a) View looking north at the locked front gate of the core-storage compound at 390 Des Distributeurs; b) Core rack containing Eloro's drill core from its 2005 to 2008 drilling campaigns; c) View looking south towards the gate; d) Labeled boxes of core from the 2007 drilling campaign.*

Samples from the 2005 drilling campaign were submitted to ALS Chimitec (ALS Minerals) in Val-d'Or, Quebec and assayed for gold (Au), silver (Ag), copper (Cu), and zinc (Zn). Each sample was logged in the ALS tracking system, weighed, dried and finely crushed to better than 70% passing a 2 mm (Tyler 9 mesh, US Std. No.10) screen. A split of up to 250 g was taken and pulverized to better than 85% passing a 75 micron (Tyler 200 mesh, US Std. No. 200) screen (sample preparation package PREP-31). A 30 g cut of pulverized sample was fused, then cupelled to make a bead that was acid-digested and analysed by atomic absorption (AA) spectroscopy for Au (Fire Assay Procedure Au-AA23), and for Ag, Cu and Zn (Method AA-45). Samples with Au or Ag > 10 ppm were reanalyzed by gravimetric analysis (Fire Assay Procedure Au-GRA21) using another 30 g cut of pulverized sample. Similarly, samples with Cu or Zn > 10,000 ppm were reanalyzed by AA (Method AA-46) using a sample that was digested in 75% aqua regia for 120 minutes. One (1) blank, one (1) duplicate, and two (2) standards were inserted into each batch of ten (10) samples to ensure the precision and accuracy of the analytical results. ALS Minerals of Val d'Or was certified to ISO 9001:2000 standards at the time this work was done.

Samples from the 2006 drilling campaign were submitted to two laboratories and assayed for the same four metals as the 2005 program. Samples from the first six holes, and part of the seventh, were submitted to Laboratoire D'Analyse Bourlamaque Ltée (Bourlamaque) of Val-d-Or, Quebec. Samples from the remaining six holes were submitted to Swastika Laboratories Ltd. (Swastika) in Swastika, Ontario.

The sample protocol at Bourlamaque was to log samples into an in-house tracking system, record the weight of each one, then crush at least 70% to pass minus 10 mesh, split the sample using a riffle splitter to obtain approximately 250 g of material, and pulverize at least 85% of the split to finer than minus 200 mesh. A 30 gram cut of pulverized sample was assayed for Au and Ag using fire-assay (FA) with an AA finish. Copper and zinc were analyzed using an aqua-regia digestion and atomic emission spectroscopy (AES). For quality control purposes Bourlamaque inserted one (1) blank and one (1) duplicate in every batch of 20 samples. Bourlamaque was certified to ISO 9001:2000 standards at the time this work was done.

The sample protocol at Swastika is to contact the Customer if: 1) samples, sample labels, or assay instructions are missing; 2) sample integrity is compromised due to packaging damage; or 3) the customer's order instructions are insufficient or ambiguous. The entire sample is crushed, split and pulverized (> 80% to minus 100 mesh). A 30 gram cut of pulverized sample was assayed for Au and Ag using FA with an AA finish. Copper and zinc were analyzed using an aqua-regia digestion and AES. Samples with Cu or Zn values > 10,000 ppm were reanalyzed by fire assay. One (1) blank, one (1) standard were inserted into each batch of sixty (60) samples to ensure the precision and accuracy of the analytical results. Swastika was certified to ISO 9001:2000 standards at the time this work was done.

Samples from the 2007 drilling program were submitted to Laboratoire Expert Inc. (Expert) of Rouyn-Noranda, Quebec and assayed for the same four metals as previously. Blanks and standards were inserted into the sample stream by ConsulTeck, starting at hole ELO-07-05. The sample protocol was to log samples into an in-house tracking system, record the weight of each one, then crush at least 90% to pass minus 10 mesh, split the sample using a riffle splitter to obtain approximately 300 g of material, and pulverize at least 90% of the split to finer than minus 200 mesh. Once the sample was pulverized, Au was analysed by FA with an AA finish. Assays greater than 1 g/t Au were automatically re-assayed using FA with a gravimetric finish. For quality control purposes Expert inserted one (1) blank and one (1) standard in every batch of 28 samples. Duplicates were done on every 12$^{th}$ sample and on samples in excess of 1 g/t Au. Expert was certified to ISO 9001:2000 standards at the time this work was done.

Samples from the 2008 drilling campaign were submitted to ALS Minerals in Val-d'Or, Quebec and assayed for gold (Au), silver (Ag), copper (Cu), zinc (Zn) and lead (Pb). Blanks, duplicates and standards were inserted into the sample stream by MRB. The sample protocol at ALS was the same as for the 2005 work, which is described above. ALS Minerals of Val d'Or was certified to ISO 9001:2008 standards and had received accreditation to ISO/IEC 17025:2005 from the Standards Council of Canada (SCC) for "Fire Assay Au by Atomic Absorption (AA) and Au by gravimetric finish".

In 2008, Eloro contracted Laboratoire Expert Inc. of Rouyn-Noranda, Quebec to re-assay 189 sample pulps from the 2006 and 2007 drilling programs for lead by AA (code AAT-8) using a multi-acid, near total digestion.

In the author's opinion, the sample preparation, security and analytical procedures used conform to accepted industry standards. The only caveat is that Eloro used four different analytical laboratories between 2005 and 2009 and there could be subtle variations (inconsistencies) in metal values that are related to the different labs. However, all four laboratories are independent of both Eloro and Blue Vista.

## 12.0 DATA VERIFICATION

Data verification of the pre-2005 work was limited to comparing information reported by Eloro with that contained in original assessment reports filed with the MNDM. However, none of these reports has UTM coordinates for drill collars so collar locations, as portrayed on Eloro's maps, cannot be confirmed on the ground. The author believes that they are as accurate as the historical data permits. Furthermore, these assessment reports do not describe sampling and analysis methods, or quality control methods and security procedures. This lack of information is believed to be related to the limited assessment requirements of the time, as opposed to the lack of completeness by the companies.

The author visited the Property, accompanied by Mr. Daniel Brown on August 17, 2011 to examine the area of the HSZ, confirm evidence of Eloro's diamond drilling and view the general landscape and surface features recorded on geological maps and figures prepared by Eloro. He located and photographed 12 of Eloro's 54 drill collars; he ascertained their UTM coordinates (to within ± 3m) and found that the reported locations of the 2005 drill collars are not as accurate as those for the 2006 and 2007 collars. He did not locate or photograph any of the 2008 collars because of a lack of suitable landing areas for the helicopter; however, the coordinates of these holes were determined using a newer GPS model than the author's, according to Mr. Brown who spotted the 2008 holes, so the author is confident that the reported locations are accurate.

The author inspected a few drill cores from historical holes, which are stored at secure MNDM facility in Timmins, and some cores from Eloro's 2005-08 drilling, which are stored at a secure facility in Val-d'Or, to confirm that reported assay intervals in drill logs are consistent with tagged intervals in the core boxes. The only inconsistencies found were with holes ELO-08-07 and ELO-08-10, where the numbers on the boxes and in the logs of these two holes are transposed. However, the reported assay intervals and tag numbers in the boxes are correct for both holes.

Independent verification of results of the 2005-08 core-sampling was achieved by comparing results reported by Eloro with copies of original, signed Assay Certificates that were obtained directly from the four laboratories used. Random checks of individual samples showed that numbers in the Assay Certificates were identical to those reported by Eloro. The author did not collect independent samples of drill core for verification as it was not deemed necessary since the Property is in the early, grass-roots phase of exploration. No resource has been outlined, and no resource estimate is included in this Report.

## 13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Neither processing nor metallurgical testing has been conducted on the Property.

## 14.0 MINERAL RESOURCE ESTIMATES

The Property does not have any mineral reserve estimate, as the work done to date has been of an “early exploratory” nature.

## 23.0 ADJACENT PROPERTIES

At the time of writing, the author was not aware of any other active exploration activities in the immediate area of the Property.

## 24.0 OTHER RELEVANT DATA AND INFORMATION

Magmatic sulfides are relatively common in mafic and ultramafic intrusive bodies (see Naldrett 2004 and refenences therein) but they are not very well known or recognized in migmatite terranes. However, Stevens et al. (2005) demonstrated experimentally that sulfide melting should occur in rocks metamorphosed to upper amphibolite and granulite facies conditions, and that the presence of a sulfur-rich fluid phase may promote melting during such high-grade metamorphism. In their melting experiments, they noted that two density-stratified crystal-rich zones (one sphalerite-rich and the other pyrrhotite-rich) were produced, which floated on a melt-rich zone. In addition, Wykes and Mavrogenes (2005) showed in their experiments that the addition of H2O resulted in a 35°C drop in the melting temperature of sulfides, and they deduced that anatectic sulfide melts should contain more H2O than magmatic sulfide melts. Furthermore, they inferred that fluids expelled from anatectic melts could be responsible for retrograde hydrothermal alteration associated with the Broken Hill massive sulfide deposit in southeastern Australia. However, even at that deposit “sulfide melts” did not move far from their original massive sulfide deposit (Groves et al. 2008)

Closer to home, there is evidence that sulfide melting occurred at the Geco deposit (Mookherjee and Dutta 1970; Tomkins et al. 2006), which has a zinc-silver-rich zone (8/2 Zn) that is comparable to the one at Hurdman (Pierce, 1998). The 8/2 Zn zone sits in sillimanite-muscovite-quartz schist and is interpreted to cap the deposit (**Figure 24.1**). As noted previously, Geco is situated close to the depositional boundary between the Wawa and Quetico terranes, but the relative position of the HSZ to this boundary at depth is unknown, i.e. beneath the deposit. However, the position of this boundary in the subsurface may be relatively shallow if the HSZ is the uppermost of a series of stacked sulfide zones comparable to Geco. Possible felsic volcanic rocks in Hole ELO-06-11 (**Figure 7.6c**) could mean that the boundary with Wawa Terrane is near the HSZ.

## 25.0 INTERPRETATION AND CONCLUSIONS

In Eloro’s 43-101 technical report (Bérubé 2005), the HSZ was described as “a zinc-silver occurrence associated with pyrrhotite and pyrite clusters and disseminated sulfides inserted in gneiss and pegmatite units.” The zone was known to strike ENE, dip shallowly to the north, and have a lens shape that is up to 30 m in thickness. The average zinc content was considered to be < 1%, with enriched zones containing up to 4% Zn over widths of up to 3 m and with silver values of up to one ounce per ton. Copper and lead are also present but in vey low quantities.

Bérubé (2005) reported that the Zn-Ag±Cu±Pb assemblage was more typical of Sedex style mineralization than a typical volcanogenic massive sulfide deposit but he noted that Sedex-type deposits are lead enriched and generally not present in Archean rocks. He postulated that the host rocks could have been made up of sedimentary units and felsic tuffs. He qualified this by observing that pegmatites on both sides of the HSZ could be controlling the geometry of the mineralization and alteration patterns and recommended that these observations be checked by a geochemical study of the mineralized zone and its boundaries.

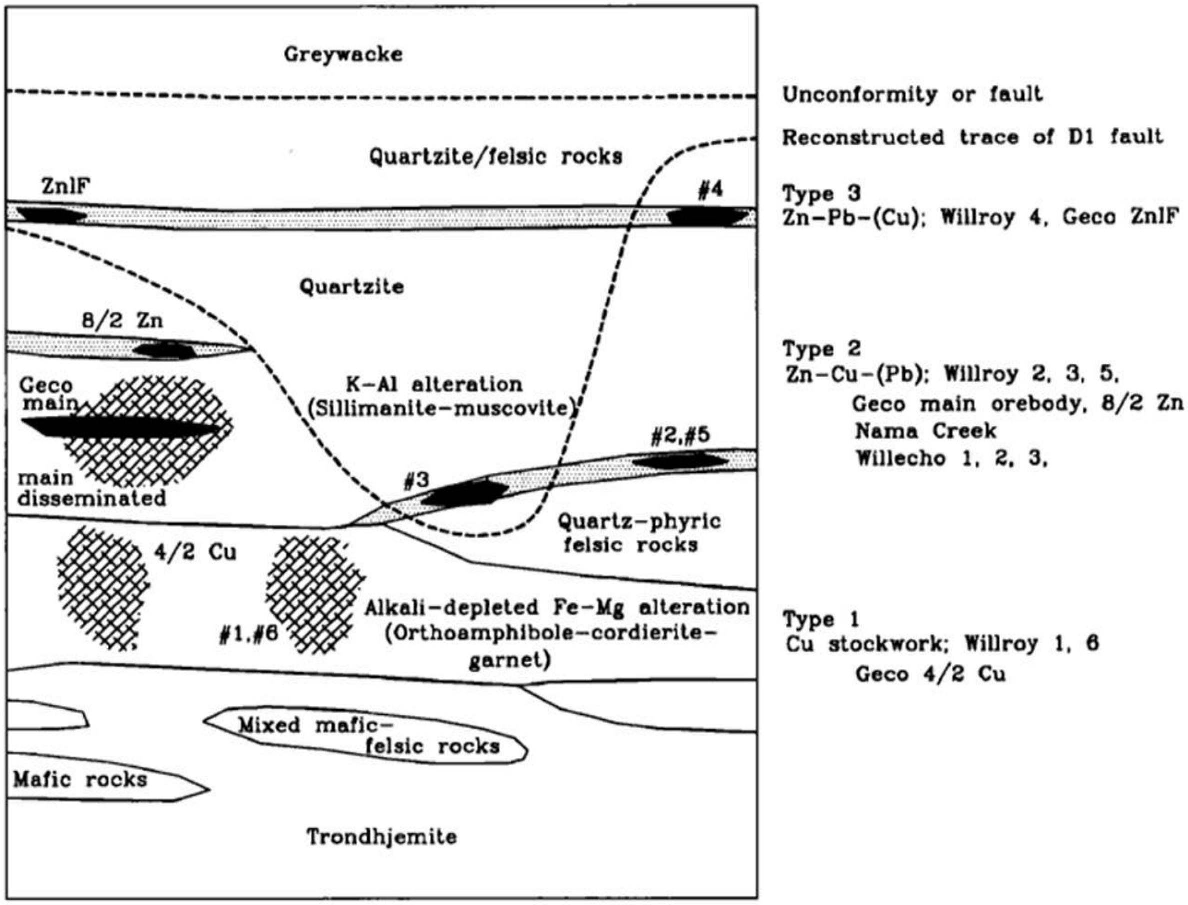



***Figure 24.1*** *Schematic reconstructed section showing the inferred stratigraphic positions of the various orebodies at Geco (after Zaleski and Peterson 1995).*

He also proposed that “an aggressive two phase exploration program” be conducted, with the following recommendations:

- Establish a grid (25.4 km) with 50 m line spacing in NAD’83, Zone 17 UTM coordinates (coordinates stipulated for base line, line 0+00, northern tie line and southern tie line) to help tie in previous drill hole locations;
- Carry out an airborne magnetic survey to help identify the folds, faults and lineaments, which control the attitude of the deposit;
- Do a systematic geochemical study on mineralized, altered and unaltered sections of the stratigraphic units to get better tracking techniques;
- Do further assaying and petrographic studies on gahnite to clarify its relative importance to zinc values;
- Conduct 1,350 m of shallow diamond drilling (to verify previously reported drill intersections)
- Carry out an airborne EM survey (Geotem) to initiate the second phase of exploration; and
- Conduct 1,500 m of shallow diamond drilling to test EM anomalies.

Most of this recommended exploration program has been completed by Eloro. In 2005-06, the company established a grid (26.2 km), conducted a ground magnetic survey, flew 610 line km of helicopter-borne Mag/EM, and completed 2035 m of diamond drilling. Sixteen samples were analysed for whole rock geochemistry. In 2007, Eloro completed 3464 m of diamond drilling. In 2008, the company contracted a helicopter borne (743 line km) VTEM survey of the entire 28-claim property and followed up with 1941 m of diamond drilling. Subsequently, 117 samples were analysed for whole rock geochemistry. However, the whole rock geochemical data have not been interpreted and no petrographic studies have been done. Nevertheless, the program objectives were largely met.

As a result of Eloro's work, it has been confirmed that:

- The zinc-silver mineralization of the Main Hurdman Sulfide Zone (HSZ) is spatially associated with and mostly peripheral to pyrrhotite-pyrite lodes and pegmatite sills, which are within an alteration envelope of pale grey, sillimanite-bearing rocks that contain disseminated and "blebby" sphalerite;
- The east-west extent of the Main HSZ is at least 350 m and its north-south extent is at least 300 m; the top of the altered/mineralized envelop is close to surface (beneath glacial deposits) in the most southern holes but it is below 100 m vertical depth in the most northern holes, indicating a shallow dip to the north;
- The thickness of the altered/mineralized envelope is variable; drill intersections range from 2 to 50 m but generally exceed 5 m;
- Zinc and silver grades in the Main HSZ range from 1.45% to 13.8% Zn and from 2.55 g/t to 166 g/t Ag over widths ranging from 0.5 to 28.2 m; elevated gold values (> 1 g/t Au) are erratic but range from 1.15 to 48.69 m over drill widths ranging from 0.4 to 7.9 m;
- Within the altered/mineralized envelope, there is a corridor that varies between 1.9 m and 19.95 m in apparent thickness, which contains zinc values > 2 % and silver values > 15 g/t.
- A new zone, the East HSZ, occurs approximately 1.5 km east of the main zone and it dips gently to the northeast; its extent is unknown but drill intersections of the altered/mineralized envelope are not as thick (< 10 m) as those in the Main HSZ;
- Zinc and silver grades in the east zone range from 0.5% to 4.94% Zn and from 6 g/t to 266 g/t Ag over widths ranging from 0.4 to 9.8 m; gold values are all < 1 g/t Au;
- The Main and East zones are encompassed by a "geophysical domain" that consists of clusters of point and linear VTEM anomalies;
- There are 5 geophysical domains (D-01 to D-05) and 6 separate VTEM linears (L-01 to L-06) on the Property; the 3 km by 1 km D-04 domain is associated with the HSZ;
- These domains form a horseshoe-shaped pattern that may reflect a large-scale fold in the central part of the Property; the HSZ is at the southeastern end of this horseshoe; and
- Northerly trending magnetic anomalies (at least seven) reflect late-stage dike rocks that cut across this horseshoe.

What is not clear from Eloro's work is the genetic relationship between the host rocks and the mineralization. The working hypothesis (Bérubé 2005) has been that the alteration and mineralization are essentially contemporaneous with the sedimentary host rocks, i.e. a Sedex-type deposit that was subsequently modified by high-grade metamorphic processes, such as at Broken Hill (Groves et al. 2008). However, the low lead content of the HSZ and the Archean age of the host rocks are not compatible with this deposit type. Conversely, Pierce (1998) suggested that the HSZ was analogous to the 8/2 Zn Zone at Geco, which is generally considered to be a volcanic-hosted massive sulphide (VMS) deposit (Zaleski and Peterson 1995). Geco and the HSZ are similar in that both contain zinc and silver but virtually no other metals. However, the Geco deposit sits in the Wawa Terrane and the HSZ is in Quetico Terrane. In both the Sedex and VMS models, light grey, sillimanite-bearing rocks up-hole from mineralization at the HSZ represent footwall alteration that formed at the same time sulfides were deposited on the sea floor, i.e. the deposit is overturned.

The author believes that another working hypothesis should be considered. That is, the pyrrhotite-pyrite lodes and pegmatite sills represent a melting front (anatexis) in high-grade metamorphic (migmatitic) rocks (cf. Tomkins and Mavrogenes 2003). In this scenario, sillimanite-bearing rocks of the HSZ are genetically related to fluids that formed by the breakdown of hydrous minerals (micas and amphiboles) during anatexis; these fluids rose and altered the rocks ahead of the melting front. Such fluids reduced the melting temperature of sulfides (Wykes and Mavrogenes 2005) and allowed pyrrhotite-pyrite-sphalerite melts to form, which co-mingled with pegmatite melts at their mutual contacts, forming “ball texture” (analogous to oil droplets in a vinaigrette salad dressing). The partitioning of “blebby” sphalerite into altered host rocks, rather than the pyrrhotite-pyrite lodes, can be explained by gravity-driven differentiation (Stevens et al. 2005), i.e. sphalerite has a lower specific gravity than either pyrrhotite or pyrite and “floats” in such a melt.

The source(s) of the metals that make up the sulfides of the HSZ is (are) less certain. The metals had to be in the rocks before melting occurred. Whether they were regionally distributed in the sedimentary rocks of the Quetico Terrane or concentrated in a nearby massive sulphide deposit, of either Sedex or VMS type, is the burning question. In the former case, original stratigraphy is not very important because sulfides will be present at the melting front anywhere in the paragneiss (sedimentary) pile. In the latter case, original stratigraphy is critical because sulfides will be present only where the melting front intersected pre-existing massive sulphide deposits. The author favours the latter interpretation because of the similarity of the HSZ to the Geco 8/2 Zn zone (Pierce 1998) and because regional metamorphism does not remobilize metals significantly (Stanton, 2006).

An anatectic model explains the shallow dips at both the Main and East HSZ. The anatectic front at the Main HSZ dips gently to the north and comes to (or near) surface in the south, in proximity to the unnamed tributary of Poplar Rapids River, but in the East HSZ, this front dips shallowly to the northwest. It must be continuous between the two localities, which are approximately 1.5 km apart, so the change in strike suggests that the anatectic front is an undulating surface rather than a flat plane.

An anatectic model also explains why the metal association of the HSZ is atypical for a massive sulfide deposit, i.e. the virtual absence of copper and/or lead. Gravity-driven differentiation within the melting zone pushed low density (relative to other sulfide minerals) sphalerite upward. By corollary, high density lead should have settled downward, similar to the “droppers” at the Broken Hill deposit in Australia (cf. Sparks and Mavrogenes 2005).

## 26.0 RECOMMENDATIONS

Based on the results of the 2005-2009 exploration work by Eloro, further work is recommended on the Property. The HSZ is within a shallow-dipping, melt (anatectic) front that should occur throughout the Property. The low-density (relative to other sulfides) sphalerite mineralization represents the top of a gravity differentiated sulfide system that has depth potential. The East HSZ and Main HSZ are within one domain (D-04) of a horseshoe-shaped string of strong Mag/EM geophysical anomalies that probably represent more than one mineralized system. Many of these anomalies have not been drill tested.

The following two-phase work program is therefore recommended:

***Phase I***

1. Process/interpret whole-rock geochemical data to determine if volcanic rocks are present at Hurdman (collect 2006-2007 drill-core samples as required);

2. Search for and compile information on the so-called “8/2 Zn zone” at Geco to facilitate detailed comparison with the HSZ;
3. Carry out ground geophysics using InfiniTEM to help define drill target(s) between the Main and East HSZ;
4. Conduct an in-fill drilling program (8 holes) in the eastern part of the VTEM anomaly over the Main HSZ to determine if the known “higher grade corridor” continues east and has enough continuity and grade to warrant a resource estimate (details below);

**Phase II**

5. Based on the results of recommendations 2 and 3, determine if a drill hole beneath the Main HSZ is warranted to test for a VMS-type massive sulfide deposit at depth;
6. Drill-test the best ground geophysical anomalies resulting from recommendation 5;
7. Drill-test the best airborne VTEM anomalies within domains D-03 and D-05; specifically, the “stream” and large “eastern” anomalies in D-03 (4 holes) and the southernmost anomaly in D-05 (2 holes).

The expenditures related to the recommended exploration program are summarized in ***Table 26***.1

***Table 26.1*** Summary of expenditures for recommended exploration.

| Description | Units | Cost / unit | Total Cost |
|---|---|---|---|
| | ***Phase I*** | | |
| Lithogeochemistry: | | | |
| 2006 & 2007 holes | 100 samples | $150/smple | $15,000 |
| Senior Geologist | 10 days | $900/day | $9,000 |
| Compile Geco data: | | | |
| Senior Geologist | 12 days | $900/day | $10,800 |
| GIS Tech Services | 10 days | $550/day | $5,500 |
| Ground geophysics | 10 days | $5,000 | $50,000 |
| Drilling (8 holes) | 1200 m | $150/m | $180,000 |
| Air support | 20 hours | $1500/hr | $30,000 |
| Camp logistics | 1 | $50,000 | $50,000 |
| Assays | 350 | $35/sample | $12,250 |
| Geologists | 15 days | $700/day | $10,500 |
| Technical staff (2) | 15 days | $350/day | $10,500 |
| Report writing | 1 | $15,000 | $10,000 |
| | | Sub-total: | $393,550 |
| | | 15% Contigency: | $59,033 |
| | | ***Total Phase I:*** | ***$452,583*** |
| | ***Phase II*** | | |
| Drilling (1 deep + 6 others) | 1600 m | $150/m | $240,000 |
| Air support | 80 hours (min) | $1500/hr | $120,000 |
| Camp logistics | 1 | $50,000 | $50,000 |
| Assays | 350 | $35/sample | $12,250 |
| Geologists | 15 days | $700/day | $10,500 |
| Technical staff (2) | 15 days | $350/day | $10,500 |
| GIS / Report writing | 1 | $15,000 | $25,000 |
| | | Sub-total: | $468,250 |
| | | 15% Contigency: | ***$920,833*** |
| | | **Grand Total:** | **$1,373,415** |

The approximate UTN coordinates (NAD’83 Zone 17U) for holes of the Phase I drilling program are listed in order of priority below:

| Hole Number | Easting | Northing |
|---|---|---|
| BV-12-01 | 443500E | 5484850N |
| BV-12-02 | 443600E | 5484850N |
| BV-12-03 | 443600E | 5485000N |
| BV-12-04 | 443600E | 5485000N |
| BV-12-05 | 443600E | 5484800N |
| BV-98-02 | 443700E | 5485000N |
| BV-98-03 | 443550E | 5485000N |
| BV-98-04 | 443700E | 5485100N |

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## 28.0 APPENDIX 1: ELORO'S EXPLORATION EXPENDITURES (2008-2010)

**Hurdman Property: Breakdown of Eloro's 2008 Exploration Expenditures**

| Month | Assays | Geophysics | Metallurgy | Drilling | Experts | Geology | Supervision | GIS | Logistics | Equipment | Charters | Air Support | Mtl Office | Expenses | Claims | Administration | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January | | | | | | | | | | | | | | | | | $0 |
| February | $390 | $30,033 | | | | $4,313 | | $10,000 | | | | | | | | | $44,736 |
| March | $789 | | | | | | | $2,922 | | | | | | | $544 | | $4,255 |
| April | | $30,033 | | | | $8,000 | | | | | | $6,518 | | | | | $44,551 |
| May | | $62,263 | | | | | | | | | | | | | | | $62,263 |
| June | | | | | | $1,688 | | | | | | | | | | | $1,688 |
| July | | | | | | | | | | | | | | | $1,266 | | $1,266 |
| August | | $1,250 | | | | | | | | | | | | | | | $1,250 |
| September | | | | | | | | | | | | | | | | | $0 |
| October | | | | | | $500 | | | | | | | | | | | $500 |
| November | | | | $50,000 | | $5,125 | | | $10,000 | | | | | $1,350 | | | $66,475 |
| December | | | | $7,500 | | $1,631<br>$8,000<br>$1,981<br>$11,500<br>$3,250 | | | $10,000<br>$1,530<br>$10,000 | $276 | | | | | | | $55,668 |
| Total: | $1,179 | $123,579 | $0 | $57,500 | $0 | $45,988 | $0 | $12,922 | $31,530 | $276 | $0 | $6,518 | $0 | $1,350 | $1,810 | $0 | **$282,651** |

Notes: Project Supervision:

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Consul-Teck: | Helicopter / Fuel | $0 | MRB & Associates: | Administratic | $0 | J.Hussey & Associates | Supervisior | $0 | |
| | Geology | $0 | | GIS | $12,922 | | Expenses | $0 | |
| | Camp Logistics | $0 | | Geology | $45,988 | | | | |
| | Expenses | $0 | | Supervision | $0 | | | | **Total Exploration $282,651** |
| | Chartered Flights | $0 | | Expenses | $1,350 | | | | |
| | Equipment Rental | $0 | | | | | | | **General Admin $0** |
| | Total: | $0 | | | $60,260 | | | $0 | **Grand Total $282,651** |

**Hurdman Property: Breakdown of Eloro's 2009 Exploration Expenditures**

| Month | Assays | Geophysics | Metallurgy | Drilling | Experts | Geology | Supervision | GIS | Logistics | Equipment | Charters | Air Support | Mtl Office | Expenses | Claims | Administration | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January | $2,028 | | | | | $1,813 | | | $10,987 | | | | | $257<br>$525 | | | $15,609 |
| February | $5,014<br>$1,646 | | | $249,675 | | $2,477<br>$7,000<br>$4,438 | | $3,841 | $11,028 | | | | | $2,773<br>$240 | | | $288,131 |
| March | $19,263 | | | | | $5,500<br>$2,250 | | | $2,064 | | | | | $1,667 | | | $30,744 |
| April | | | | | | $2,125 | | | | | | | | | | | $2,125 |
| May | | | | | | | | | | | | | | | | | $0 |
| June | | | | | | | | | | | | | | | | | $0 |
| July | | | | | | | | | | | | | | | | | $0 |
| August | | | | | | | | | | | | | | | | | $0 |
| September | | | | | | | | | | | | | | | | | $0 |
| October | | | | | | | | | | | | | | | | | $0 |
| November | | | | | | | | $6,698 | | | | | | | | | $6,698 |
| December | | | | | | | | | | | | | | | | | $0 |
| Total: | $27,951 | $0 | $0 | $249,675 | $0 | $25,602 | $0 | $10,539 | $24,079 | $0 | $0 | $0 | $0 | $5,461 | $0 | $0 | $343,307 |

Notes: Project Supervision:

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Consul-Teck: | Helicopter / | $0 | MRB & Associates: | Administratic | $0 | J.Hussey & Associates | Supervision | $0 | | |
| | Geology | $0 | | GIS | $0 | | Expenses | $5,461 | | |
| | Camp Logis | $0 | | Geology | $25,602 | | | | | |
| | Expenses | $0 | | Supervision | $0 | | | | Total Exploration | $343,307 |
| | Chartered F | $0 | | Expenses | $24,079 | | | | | |
| | Equipment | $0 | | Assays / Metallurgy | $27,951 | | | | General Admin | $0 |
| | | | | Geophysics | $0 | | | | | |
| Total: | | $0 | | | $77,632 | | | $5,461 | Grand Total | $343,307 |

## Hurdman Property: Breakdown of Eloro's 2010 Exploration Expenditures

| Month | Assays | Geophysics | Metallurgy | Drilling | Experts | Geology | Supervision | GIS | Logistics | Equipment | Charters | Air Support | Mtl Office | Expenses | Claims | Administration | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| January | | | | | | | | | | | | | | | | | |
| February | | | | | | | | | | | | | | | | | |
| March | | | | | | | | | | | | | | | | | |
| April | $284 | | | | | | | | | | | | | | | | $284 |
| May | | | | | | | | | | | | | | | | | |
| June | $1,382 | | | | | | | | | | | | | | | | $1,382 |
| July | | | | | | | | | | | | | | | | | |
| August | | | | | | | | | | | | | | | | | |
| September | | | | | | | | | | | | | | | | | |
| October | | | | | | | | | | | | | | | | | |
| November | | | | | | | | | | | | | | | | | |
| December | | | | | | | | | | | | | | | | | |
| Total: | $1,666 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | **$1,666** |

Notes: Project Supervision:

| Consul-Teck: | | MRB & Associates | | J.Hussey & Assoc | |
|---|---|---|---|---|---|
| Helicopter | $0 | Administra | $0 | Supervision | $0 |
| Geology | $0 | GIS | $0 | Expenses | $0 |
| Camp Logi | $0 | Geology | $0 | | |
| Expenses | $0 | Supervisio | $0 | | |
| Chartered | $0 | Expenses | $0 | | |
| Equipment | $0 | Assays / Metallurgy | $1,666 | | |
| | | Geophysic | $0 | | |
| Total: | $0 | | $1,666 | | $0 |

| | |
|---|---|
| **Total Exploration** | **$1,666** |
| **General Admin** | **$0** |
| **Grand Total** | **$1,666** |

## 29.0 AUTHOR'S CERTIFICATE

I, Steven McCutcheon of McCutcheon Geo-Consulting, do hereby certify that:

a) I reside at 1935 Palmer Drive, Bathurst, New Brunswick, Canada.

b) This certificate is intended to accompany the report titled "***43-101 Technical Report on the Hurdman Zinc-Silver Deposit, Hurdman Township, Ontario (NTS 42 H/12).***" which has an effective date of October 7, 2011.

c) I am a graduate of the University of New Brunswick, Fredericton, NB, where I obtained a BSc. Geol. in 1971. In addition, I am a graduate of Acadia University, Wolfville, NS, where I obtained a MSc. Geol. in 1981, and I am a graduate of the Dalhousie University, Halifax, NS, where I obtained a PhD. Geol. in 1990. I have been engaged in mapping and mineral deposit studies since 1971. I worked for 38 years with the New Brunswick Geological Surveys Branch on a variety of deposit types and have been consulting for the mineral industry and government since 2009. I am a Professional Geoscientist licensed by the Association of Professional Engineers and Geoscientists of New Brunswick (member # M5412) since 1997 and by the Association of Professional Geoscientists of Ontario (member # 2029) since 2011. I have read the definition of "qualified person" set out in the National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

d) I visited the Hurdman Property by helicopter, on August 17, 2011, and spent two hours inspecting drill sites on the ground in the area referred to as the Main Hurdman Sulfide Zone.

e) I am responsible for all parts of the above named technical report.

f) I am independent of the issuer as described in Section 1.5 of NI 43-101.

g) I have no prior involvement with the Hurdman Property; my first contact was on August 17, 2011.

h) I have read NI 43-101, Form 43-101F1 and the technical report and have prepared the technical report in compliance with NI 43-101, Form 43-101F1 and generally accepted Canadian mining industry practice.

i) As of the date of the technical report, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report clear and not misleading.

Report accepted by the TSX-V on January 13th, 2012 and signed in Bathurst, New Brunswick on this 17th day of December, 2012.

S.R. McCutcheon

Digitally signed by S.R. McCutcheon
DN: cn=S.R. McCutcheon, o=McCutcheon Geo-Consulting, ou, email=steve.mccutch@gmail.com, c=CA
Date: 2012.12.17 07:31:22 -04'00'

Steven R. McCutcheon, Ph.D., P.Geo.

stamp/seal

PROFESSIONAL GEOSCIENTISTS
STEVEN R. McCUTCHEON
PRACTISING MEMBER
2029
ONTARIO