



ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2011
DATED AS OF APRIL 2, 2012

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JOSEPHINE MINING CORP.

1. PRELIMINARY NOTES

1.1 Date of Information

In this Annual Information Form (this “AIF”), unless the content otherwise requires, references to “our”, “us”, “we”, “its”, “the Company”, or “Josephine Mining” means Josephine Mining Corp. and its subsidiaries. All of the information contained in this AIF is at December 31, 2011, the last day of the Company’s most recently completed fiscal year, unless otherwise indicated.

1.2 Documents Incorporated by Reference

This AIF incorporates by reference certain documents filed on the SEDAR system at www.sedar.com. Documents incorporated by reference include the Company’s Filing Statement dated October 8, 2010, the technical report entitled “Turner Gold Resource and Preliminary Economic Assessment” dated November 16, 2009 as revised May 17, 2010, the audited financial statements for the year ended December 31, 2011, management’s discussion and analysis for the year ended December 31, 2011, and the information circular dated September 20, 2011.

1.3 Cautionary Statement Regarding Forward-Looking Information

Certain statements in this AIF are forward-looking statements or information (collectively “forward-looking statements”). The Company is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “may”, “is expected to”, “anticipates”, “estimates”, “intends”, “plans”, “projection”, “could”, “vision”, “goals”, “objective” and “outlook”) are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market for gold will continue and grow and that the risks listed below will not adversely impact the Company’s business.

Specific forward-looking statements include that a preliminary feasibility study will be complete by 2012.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources;

environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Company.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk Factors".

1.4 Currency

References to "\$" are to Canadian dollars. References to "US\$" are to United States dollars. Certain financial information relating to the Company originated in United States dollars and were converted into Canadian dollars based on prevailing and average exchange rates for certain fiscal periods.

1.5 Glossary of Terms

The following is a glossary of certain technical terms used in this AIF:

"Adit"	Means a type of entrance to an underground mining shaft which is horizontal or nearly horizontal.
"Alteration"	Means changes in the mineral composition of a rock brought about by physical or chemical means, especially the local action of hydrothermal solutions that can be related to mineralization. Common varieties include silicification, (de)carbonatization, oxidation, potassic and argillic alteration.
"Arsenopyrite"	Means a monoclinic mineral, prismatic, and metallic silver white to steel gray; the most common arsenic mineral and principal ore of arsenic; occurs in many sulfide ore deposits, particularly those containing lead, silver, and gold.
"Assay"	Means to analyze the proportions of metals in an ore; to test an ore or mineral for composition, purity, weight, or other properties of commercial interest.
"Breccia"	Means a coarse grained clastic rock, composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.
"Biogenic"	Means a rock resulting from the physiological activities of organisms, e.g., a coral reef.
"Chert"	Means a hard, dense, dull to semivitreous, microcrystalline or cryptocrystalline sedimentary rock, consisting dominantly of interlocking crystals of quartz less than about 30 μ m in diameter; it may contain amorphous silica (opal). It sometimes contains impurities such as calcite, iron oxide, and the remains of siliceous and other organisms. It has a tough, splintery to conchoidal fracture, and may be white or variously colored. Chert occurs principally as nodular or concretionary nodules in limestone and dolomites, and less commonly as layered deposits (bedded chert); it may

be an original organic or inorganic precipitate or a replacement product. The term "flint" is essentially synonymous, although it has been used for the dark variety of chert.

"Claim"	Means the area that confers mineral exploration/exploitation rights to the registered (mineral/mining) holder under the laws of the governing jurisdiction.
"Clastic"	Means a sedimentary rock composed of fragments from pre-existing rock.
"Composite"	Means a conceptual whole made up of complicated and related parts; consisting of separate interconnected parts.
"Development"	Means the underground work carried out for the purpose of opening up a mineral deposit and includes shaft sinking, crosscutting, drifting and raising.
"Diabase"	Means an intrusive rock whose main components are labradorite and pyroxene and that is characterized by ophitic texture.
"Diamond Drilling"	Means drilling with a hollow bit with a diamond cutting rim to produce a cylindrical core that is used for geological study and assays as used in mine exploration.
"Disseminated"	Means the distribution of mineralization usually as small grains randomly distributed throughout the rock mass.
"Exploration"	Means prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.
"Fault"	Means a fracture in a rock across which there has been displacement.
"Feldspar"	Means a monoclinic or triclinic mineral with the general formula XZ_4O_8 where (X= Ba, Ca, K, Na, NH ₄) and (Z= Al, B, Si); a group containing two high-temperature series, plagioclase and alkali feldspar; colorless or white and clear to translucent where pure; commonly twinned; 90 degrees or near 90 degrees prismatic cleavage; Mohs hardness, 6. Constituting 60% of the Earth's crust, feldspar occurs in all rock types and decomposes to form much of the clay in soil, including kaolinite.
"Felsic"	Means a mnemonic adjective derived from (fe) for feldspar, (l) for lenad or feldspathoid, and (s) for silica, and applied to light colored rocks containing an abundance of one or all of these constituents.
"Gabbro"	Means a group of dark-colored, basic intrusive igneous rocks composed principally of basic plagioclase (commonly labradorite or bytownite) and clinopyroxene (augite), with or without olivine and orthopyroxene; also, any member of that group. It is the approximate intrusive equivalent of basalt. Apatite and magnetite or ilmenite are common accessory minerals.
"Galena"	Means a lead sulphide mineral.
"Geochemistry"	Means the study of the distribution and amounts of the chemical elements in minerals, ores, rocks, soils, water, and the atmosphere, and their circulation in nature, on the basis of the properties of their atoms and ions.
"Gossan"	Means an iron-bearing weathered product overlying a sulfide deposit. It is formed by the oxidation of sulfides and the leaching-out of the sulfur and most metals, leaving hydrated iron oxides and rarely sulfates.

“Grade”	Means the concentration of an ore metal in a rock sample, given either as weight per cent for base metals (e.g. Cu, Zn, Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for gold, silver, and platinum group metals.
“Hydrothermal”	Means an adjective applied to hot water, usually from an external source, which interacts with a body of rock, and to the products of that interaction. In some cases hydrothermal fluids interacting with a body of rock produce mineralization.
“Induced Polarization”	Means a geophysical survey that involves the application of an electrical current to a body of rock, via electrodes. The effects of the electrical current are measured and used to make inferences about the mineralogical and physical characteristics of the rock in the subsurface.
“Lithology”	Means the physical character of a rock.
“Mafic”	Means pertaining to or composed dominantly of the ferromagnesian rock forming silicates; said of some igneous rocks and their constituent minerals.
“Magnetometer”	Means a sensitive instrument for detecting and measuring changes in the Earth’s magnetic field, used in prospecting to detect magnetic anomalies and magnetic gradients in rock formations during geophysical surveys.
“Mineralization”	Means a general term, commonly used to describe minerals of potential value occurring in rocks.
“Mill”	Means a plant where ore is ground fine and undergoes physical or chemical treatment to extract the valuable metals.
“Ophiolite”	Means a group of mafic and ultramafic igneous rocks ranging from spilite and basalt to gabbro and peridotite, including rocks rich in serpentine, chlorite, epidote, and albite derived from them by later metamorphism, whose origin is associated with seafloor development at zones of crustal divergence.
“Olivine”	Means a mineral group including fayalite, Fe_2SiO_4 ; forsterite, Mg_2SiO_4 ; liebenbergite, $(\text{Ni,Mg})_2\text{SiO}_4$; and tephroite, Mn_2SiO_4 ; orthorhombic; olive green, grayish green, brown, or black; members intermediate in the forsterite-fayalite crystal solution series are common rock-forming minerals in gabbros, basalts, peridotites, and dunites; alters hydrothermally to serpentine. Fayalite occurs in some granites and syenites, forsterite in thermally metamorphosed dolomites, and tephroite in iron manganese ore deposits and their associated skarns.
“Outcrop”	Means an exposure of bedrock at the earth’s surface.
“Peridotite”	Means a general term for a coarse-grained plutonic rock composed chiefly of olivine with or without other mafic minerals such as pyroxenes, amphiboles, or micas, and containing little or no feldspar. Accessory minerals of the spinel group are commonly present. Peridotite is commonly altered to serpentine.
“Pyrrhotite”	Means a monoclinic and hexagonal mineral, FeS ; invariably deficient in iron; metallic; bronze yellow with iridescent tarnish; found in mafic igneous rocks, contact metamorphic deposits, high temperature veins, and granite pegmatites.
“Serpentine”	Means a rock consisting almost wholly of serpentine-group minerals, e.g., antigorite

and chrysotile or lizardite, derived from the alteration of ferromagnesian silicate minerals, such as olivine and pyroxene. Accessory chlorite, talc, and magnetite may be present.

“Shear”	Means a deformation resulting from stresses that cause or tend to cause contiguous parts of a body to slide relatively to each other in a direction parallel to their plane of contact. It is the mode of failure of a body or mass whereby the portion of the mass on one side of a plane or surface slides past the portion on the opposite side. In geological literature the term refers almost invariably to strain rather than to stress. It is also used to refer to surfaces and zones of failure by shear, and to surfaces along which differential movement has taken place.
“Shaft”	Means a vertical passageway to an underground mine for moving personnel, equipment, supplies and material including ore and waste rock.
“Sphalerite”	Means a zinc sulphide mineral.
“Spinel”	Means an isometric mineral, $MgAl_2O_4$; crystallizes as octahedra; colorless to pale tints; Mohs hardness, 7.5 to 8; in high temperature metamorphic rocks, contact metamorphosed limestones, serpentinites, and ultramafic rocks; may be of gem quality.
“Stratigraphy”	Means the science of rock strata. It is concerned with all characters and attributes of rocks as strata; and their interpretation in terms of mode of origin and geologic history.
“Subco”	Means 0854742 BC Ltd., a private BC company formerly known as Josephine Mining Corp.
“TSXV”	Means the TSX Venture Exchange.
“Vein”	Means a tabular mineral deposit formed in or adjacent to faults or fractures by the deposition of minerals from hydrothermal fluids.

2. CORPORATE STRUCTURE

2.1 Name and Incorporation

The Company was incorporated as Green Park Capital Corp., a capital pool corporation within the meaning ascribed in Policy 2.4 of the TSX Venture Exchange (“TSXV”), under the *Business Corporations Act* (British Columbia) on June 4, 2007. The Company completed its initial public offering on March 13, 2008 and its common shares (the “Common Shares”) were listed on the TSXV and began trading on March 20, 2008.

In connection with the Company’s Qualifying Transaction the Company’s name changed from “Green Park Capital Corp.” to “Josephine Mining Corp.” The Company’s shares began trading under the new symbol “JMC” on Tier 2 of the TSXV on March 29, 2011.

The head office of the Company is located at 601 West Main Avenue, Suite 600, Spokane, Washington, USA 99201 and the registered and records office of the Company is located at 1000 - 595 Burrard Street, Vancouver, British Columbia V7X 1S8.

The Company has one wholly owned subsidiary, 0890810 B.C. Ltd. (“0890”) which also has a wholly owned subsidiary, Gold Coast Mining Inc. (“GCM”).

2.2 Inter-corporate Relationships



3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

Josephine Mining Corp. - History

The Company was incorporated on June 4, 2007 and its shares were listed on the TSXV on March 20, 2008. The Company was listed as a Capital Pool Company as defined in Policy 2.4 of the TSXV and therefore it did not carry on an active operating business prior to the completion of its Qualifying Transaction on March 24, 2011.

Qualifying Transaction

As outlined in the Company's Filing Statement dated October 8, 2010, the Company entered into an amalgamation agreement dated March 24, 2011 whereby 0890, a wholly owned subsidiary of the Company, and Subco amalgamated. The amalgamation was an arm's length transaction and was the qualifying transaction ("the Qualifying Transaction") of the Company pursuant to the policies of the TSXV.

Share Cancellation

On September 3, 2010, 1,250,000 shares of the Company were surrendered for cancellation by the former principals of the Company pursuant to TSXV Policy 2.4.

Consolidation

Prior to the completion of the Qualifying Transaction, the Company consolidated its issued and outstanding shares on the basis of one (1) post-consolidation share for every five (5) pre-consolidation shares resulting in a total of 850,000 shares issued and outstanding. No fractional post-consolidation shares were issued. All fractional post-consolidated shares were rounded down to the nearest whole number.

Financing

In conjunction with the Qualifying Transaction the Company and Subco completed a \$7,000,000 private placement financing (“the Subco Private Placement”) consisting of 14,000,000 units (“the Subco Units”) where each unit consisted of one Subco share and one half of one warrant to acquire one Subco share at an exercise price of \$0.75 per share prior to March 24, 2013. In conjunction with the Qualifying Transaction each Subco Unit was replaced with a unit of the Company, on the same terms as the Subco Units. The Company and Subco paid a commission, calculated as 7% of the gross proceeds raised, to Canaccord Genuity Corp., Haywood Securities Inc., Union Securities Ltd. and PI Financial Corp. (collectively, “the Agents”), in conjunction with the Subco Private Placement.

Subco and the Company issued to the Agents an aggregate of 735,000 agent’s options (the “Subco Agent’s Options”), each entitling the holder to acquire one Subco Unit before March 24, 2013. Each of the Subco units issuable on the exercise of the Subco Agent’s Options is convertible into units of the Company with identical terms as the Subco Units. The Company also issued to Canaccord 75,000 corporate finance units, where each corporate finance unit consisted of one share and one half of one common share purchase warrant with an exercise price of \$0.75 per warrant exercisable before March 24, 2013. Effective March 24, 2011, the Company has granted to the Agent a right of first refusal to manage or underwrite the financings of the Company, to a minimum participation of 30%, prior to March 24, 2013.

Subco - History

Since incorporation in 2009, the sole activities of Subco have related to: (i) the negotiation of an agreement to acquire the Turner Gold Property and (ii) seeking a public company vehicle and financing to finance the exploration of the Turner Gold Property.

Significant Acquisitions and Dispositions

RMMI Agreement

On June 30, 2009 Subco entered into an agreement (the “RMMI Agreement”) with Russell Mining & Minerals, Inc. (“RMMI”), a British Columbia corporation that is not at arm’s length to Subco due to common management. Pursuant to the RMMI agreement, Subco acquired the rights to explore the Turner Gold Property in exchange for:

- a) 10,500,010 Subco Shares at a deemed price of US\$0.02 per share;
- b) 5,250,000 warrants, each entitling RMMI to acquire one Subco share at US\$1.50 per share prior to June 26, 2014;

- c) 5,250,000 warrants, each entitling RMMI to acquire one Subco share at US\$2.00 prior to June 26, 2014;
- d) A fee of US \$1,500,000 due in 24 equal installments beginning when production begins on the property.

Property Option Agreement

Pursuant to an agreement dated June 26, 2009 between Subco and General Moly, Inc. (“GMI”), Subco acquired an option to acquire a 100% interest in the Turner Gold Property and certain properties contiguous to the Turner Gold Property. The option agreement required a US\$100,000 payment upon execution of the agreement, US\$300,000 on December 26, 2010 and US\$1,600,000 upon the earlier of December 26, 2011 and Subco obtaining all permits and approvals to commence mining operations at the Turner Gold Property.

During 2011, the Company chose to extend the option, and negotiated an additional extension where the Company paid US\$300,000 by December 26, 2011 and US\$1,350,000 is due in full upon the earlier of September 28, 2012, or upon the Company obtaining all permits and/or approvals necessary to commence mining operations plus three months from the date of the execution of the permit. The total purchase price of the property is US\$2,000,000, and all payments made on the Option terms apply to the final purchase price, with the exception of US\$50,000. As of the date of this AIF, Subco has made all payments required by the property option agreement.

During the option term, Subco will have possession of and maintain the Turner Gold Property, including paying all claim maintenance fees. GMI holds a net smelter royalty (“NSR”) on the Turner Gold Property, entitling GMI to 1.5% of all net smelter returns on future production of all metals from the Turner Gold Property. The NSR is to be calculated by deduction from gross sale proceeds of all minerals from the Property of the following: sales taxes, transportation costs, smelting and refinement costs, and all assaying and umpire fees.

Pursuant to an agreement dated June 18, 2011 between the Company and Wagner Timber Enterprises, LLC. (“Wagner”), the Company acquired an option to purchase a 100% interest in 333 acres of contiguous private land that is located to the east of the Turner Gold Property. The Company made an initial payment of US\$25,000 pursuant to this agreement which gives the Company the exclusive option to purchase the property for a period of twelve months. The contract provides for an extension of the option term for an additional twelve (12) months via an additional payment of US\$25,000 by June 30, 2012. The contract provides for a further additional extension of the option term for an additional twenty-four (24) months via an additional payment of US\$50,000 by June 30, 2013.

The total purchase price of the property is US\$925,000 and all payments made on the option terms apply to the final purchase price. In the event the Company utilizes all extensions allowed in the contract, the remaining US\$825,000 is due in full upon the earlier of June 30, 2015, or upon the Company obtaining all permits and/or approvals necessary to commence mining operations plus three months from the date of the execution of the permit.

RMMI Management Agreement

The Company entered into a management agreement with RMMI that provides for the provision of technical and management services. Under the management agreement, RMMI or an affiliate company will provide the personnel and technical support to Subco to:

- a) develop the Turner Gold Property, including completion of a bankable feasibility study;
- b) administer the day to day affairs of Subco.

In return, Subco will pay to RMMI or its affiliate the following:

- a) an administrative fee;
- b) a quarterly management fee of US\$75,000;
- c) incentive payments of up to 1% of the capital budget proposed by the bankable feasibility study and US\$1,500,000 upon achievement of certain milestones;
- d) once production commences from the Turner Gold Property, fees equal to 0.75% of the value of copper and zinc concentrates and gold produced.

3.2 Turner Gold Property Technical Report

This AIF incorporates by reference the technical report entitled “Turner Gold Resource and Preliminary Economic Assessment” (the “Technical Report”) dated November 16, 2009 as revised May 17, 2010, which is available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com. The authors of this report are John Marek of Independent Mining Consultants, Inc. (“IMC”); James Moore; Srikant Annavarapu of Master Geotech Services, LLC; Michael D. Strickler of LithoLogic Resources, LLC; and Brian Buck of JBR Environmental Consultants, Inc. All who contributed to the preparation of the Technical Report are independent Qualified Persons under NI 43-101.

Property Description and Location

The Turner Gold Property is situated in southern Josephine County, Oregon, immediately north of the California border and approximately 2 miles west of Highway 199. It is located approximately forty miles southwest of Grants Pass, Oregon, which is the county seat, located on Interstate-5.

The property consists of three patented mining claims (approximately sixty acres), which contain the deposit as currently defined. An additional 264.55 acres of contiguous private land is controlled under option to purchase by Subco and adjoins the patented claims to the west. Under option, Subco also controls title to 1.0 acres in O'Brien, Oregon. The Company purchased 40 acres of private land to the west of the property. An additional 333 acres of



contiguous private land is controlled under option to purchase by the Company and adjoins the property to the east. GCM staked an additional 22 unpatented lode Mining Claims located in the Waldo Mining District, Josephine County, Oregon. The Company also purchased 390 acres of oil, gas and mineral rights located to the east of the property in Josephine County, Oregon.

The Turner Gold Property is the only asset held by the Company at the date of this AIF.

Legal Description of the Turner Gold Property Land Position¹

Government Lots 3 and 4; the South Half of the Northeast Quarter; and North Half of the Southeast Quarter, all in Section 16, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon.

Also, U.S. Mineral Survey No. 936 being those certain patented mining claims formerly known as the Governor, Senator and Pay Day Lode Mining Claims, Patent No. 1194083, dated April 2, 1959 as the same appears of record of Josephine County Deed Records in Volume 200, Pages 154 and 173.

Including that certain easement created by Warranty Deed recorded January 25, 1974, in Volume 297, Page 267, Josephine County Deed Records, for road right of way, 60 feet in width, in the Southeast Quarter of the Northwest Quarter of Section 16, Township 41 South, Range 9 West, Willamette Meridian, Josephine County, Oregon, the centerline of which is described as follows:

Beginning at a point on the North line of the Southeast Quarter of the Northwest Quarter of said Section 16 which bears South 18o53'40" West 1395.13 feet from the Northeast corner of the Northwest Quarter of said Section 16; thence South 26o33' East 26.42 feet; thence South 40o51' East 249.05 feet; thence South 1o36' East 305.99 feet; thence South 39o40'30" East 269.68 feet; thence South 71o02' East 101.32 feet to the East line of the Northwest Quarter of said Section 16.

In addition to the project location, there is an additional piece of property located in O'Brien, Oregon and is described as follows:

Beginning at a point where the East line of the Redwood Highway (40 feet from centerline) intersects the North line of the Northeast Quarter of Section 25, Township 40 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon, said point of beginning bears South 89o02'46" West, a distance of 852.22 feet from the Northwest corner of said Section 25; thence North 89o02'46" East, along the North line of said Section 25, a distance of 183.91 feet to the Northeast corner of the Northwest Quarter of the Northeast Quarter of the Northeast Quarter of said Section 25; thence South 00o36'29" East, along the East line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter of said Section 25 a distance of 483.50 feet; thence North 75o00'37" West a distance of 414.68 feet to the East line of the Redwood Highway (40 feet from centerline); thence North 29o30'46" East, along the East line of said Redwood Highway, a distance of 430.00 feet to the point of beginning.

EXCEPTING THEREFROM all of PARCEL 1 of PARTITION PLAN NO. 1994-20, located in the Northeast Quarter of the Northeast Quarter of Section 25, Township 40 South, Range 9 West, Willamette Meridian, Josephine County, Oregon.

¹ Provided by Duane WM. Shultz, P.C. (October 21, 2009)

Adjacent to the project location are three unpatented lode claims as described below.

The unpatented lode Mining Claims are all situated in Waldo Mining district, Section 15, Township 41S, Range 9W, W.M., Josephine County, Oregon, and more particularly described as follows:

TAB-1 Fraction ORMC 166364

TAB-2 Fraction ORMC 166365

TAB-3 Fraction ORMC 166366

Legal Description of Purchased Land to the West of the Property:

The Southeast Quarter of the Northwest Quarter of Section 16, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon. Subject to covenants, conditions, restrictions and/or easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey.

Legal Description of the Wagner Timber Enterprises, LLC Property:

Parcel 1: The Northwest Quarter of the Southwest Quarter of Section 14, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon. Together with any easements for ingress and egress as created by instruments recorded April 28, 1967 in Volume 254, Page 285, recorded May 13, 1971 in Volume 274, Page 846 and recorded May 26, 1981 as Document No. 81-08503, Josephine County Deed Records.

Parcel 2: The East Half of Section 15, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon.

Parcel 3: Government Lot 1 in Section 14, Township 41 South, Range 9 West, Willamette Meridian, Josephine County, Oregon.

Excepting therefrom from parcels 1, 2 and 3 all oil, gas, and mineral rights as reserved in document recorded November 14, 1958 in Volume 197, Page 76, Josephine County Deed Records, said mineral rights reservation was conveyed to Gene Horne and Matilda Horne, husband and wife in Document No. 1983-15132, official records of Josephine County, Oregon.

Adjacent to the project location are twenty-two unpatented lode claims as described below:

The unpatented lode Mining Claims are all situated in Waldo Mining district, Section 9, Township 41 South, Range 9 West, W.B.M., Josephine County, Oregon, and more particularly described as follows:

TAB-16 ORMC 167285

TAB-18 ORMC 167287

TAB-20 ORMC 167289

TAB-22 ORMC 167291

The unpatented lode Mining Claims are all situated in Waldo Mining district, Section 10, Township 41 South, Range 9 West, W.B.M., Josephine County, Oregon, and more particularly described as follows:

TAB-15 ORMC 167284
TAB-17 ORMC 167286
TAB-19 ORMC 167288
TAB-21 ORMC 167290
TAB-23 ORMC 167292
TAB-24 ORMC 167293
TAB-25 ORMC 167294

The unpatented lode Mining Claims are all situated in Waldo Mining district, Section 15, Township 41 South, Range 9 West, W.B.M., Josephine County, Oregon, and more particularly described as follows:

TAB-5 Fraction ORMC 167274
TAB-7 ORMC 167276
TAB-9 ORMC 167278
TAB-11 ORMC 167280
TAB-13 ORMC 167282

The unpatented lode Mining Claims are all situated in Waldo Mining district, Section 16, Township 41 South, Range 9 West, W.B.M., Josephine County, Oregon, and more particularly described as follows:

TAB-4 ORMC 167273
TAB-6 ORMC 167275
TAB-8 ORMC 167277
TAB-10 ORMC 167279
TAB-12 ORMC 167281
TAB-14 ORMC 167283

Legal Description of the Oil, Gas, and Mineral Rights:

All oil, gas, and mineral rights as reserved in Document Recorded November 14, 1958 in Volume 197, Page 76, Josephine County Deed Records, said mineral rights reservations was conveyed to Gene Horne and Matilda Horne, husband and wife in Document No. 1983-15132, Official Records of Josephine County, Oregon, for-the following properties:

- The Northwest Quarter of the Southwest Quarter of Section 14, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon.
- The East Half of Section 15, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon.
- Government Lot 1 in Section 14, Township 41 South, Range 9 West, Willamette Meridian, Josephine County, Oregon.
- The North Half of the North Half of the Southeast Quarter of the Northwest Quarter of Section 14, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon.
- The South Half of the Northeast Quarter of the Southwest Quarter of Section 14, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon.
- Government Lot 2, Section 14, Township 41 South, Range 9 West of the Willamette Meridian, Josephine County, Oregon.
- The North Half of the South Half of the Southeast Quarter of the Northwest Quarter of Section 14, Township 41 South, Range 9 West, Willamette Meridian, Josephine County, Oregon.

Together with (a) all other rights of Grantor with respect to the oil, gas and other minerals which may be in or upon said lands described above or any part thereof, and (b) the right of egress and ingress unto Grantee and its successors and assigns for the purpose of mining, drilling, exploring, operating and developing said lands for oil, gas and other minerals, and the storing, handling, transporting and marketing of the same therefrom.

GMI Option to Purchase Agreement

On June 26, 2009, an “Option to Purchase” agreement was executed by GMI and Subco. Subco has an exclusive right to purchase the Turner Gold Property. The terms of this agreement are as follows:

Subco paid, in consideration of the agreement, US\$100,000 on June 25, 2009. This payment gives Subco the right to enter and occupy the Turner Gold Property for a period of eighteen months from the execution date of the agreement. There is an option to extend the agreement for an additional twelve months at the eighteen month point with an additional payment of US\$300,000. This payment, which occurred on December 26, 2010, extended the option to a total of thirty months. An additional nine month extension was negotiated whereby Subco paid US\$300,000 by December 26, 2011.

The outright purchase price for the Turner Gold Property is US\$2,000,000. The option payments, with the exception of US\$50,000, are applied against the total purchase price. The balance remaining is US\$1,650,000 and is due at the earliest of either September 28, 2012 (39 months after agreement execution) or on the date of receipt by Subco of all permits and/or approvals necessary to commence mining operations plus three months from the date of permit/approval. If Subco does not exercise the option, GMI retains all previous payments received.

A sixty day notice of the intention to exercise the option is to be made in writing. Closing will occur sixty days after receipt of said notice or at a mutually agreed upon time.

Per the terms of the agreement, GMI will provide all data and information in its possession, control and/or ownership with respect to the property and the mineral potential of the property for Subco to copy at its own expense. Subco is responsible for maintaining the property and any water rights and claims and paying all taxes.

In addition to the purchase price, Subco agrees to pay GMI a production royalty or net smelter return. Subco has agreed to pay a 1.5% net smelter return on mineral products mined and produced from the Turner Gold Property and sold by Subco.

Subco has the option to terminate the agreement by letting the option expire or with thirty day written notice.

Wagner Option to Purchase Agreement

Pursuant to an agreement dated June 18, 2011 between the Company and Wagner Timber Enterprises, LLC. (“Wagner”), the Company acquired an option to purchase a 100% interest in 333 acres of contiguous private land that is located to the east of the Turner Gold Property. The Company made an initial payment of US\$25,000 pursuant to this agreement which gives the Company the exclusive option to purchase the property for a period of twelve months. The contract provides for an extension of the option term for an additional twelve (12) months via an additional payment of US\$25,000 by June 30,

2012. The contract provides for a further additional extension of the option term for an additional twenty-four (24) months via an additional payment of US\$50,000 by June 30, 2013.

The total purchase price of the property is US\$925,000 and all payments made on the option terms apply to the final purchase price. In the event the Company utilizes all extensions allowed in the contract, the remaining US\$825,000 is due in full upon the earlier of June 30, 2015, or upon the Company obtaining all permits and/or approvals necessary to commence mining operations plus three months from the date of the execution of the permit. If the Company does not exercise the option, Wagner retains all previous payments received.

Environmental Liabilities

There are no known environmental liabilities associated with the Turner Gold Property.

Permits Required

Subco holds an option to acquire the Turner Gold Property, subject to the NSR, and the Company currently holds an exploration permit to carry on proposed exploration activities on the Turner Gold Property. A substantial number of permits and licenses may be required should the Company proceed beyond exploration. Such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

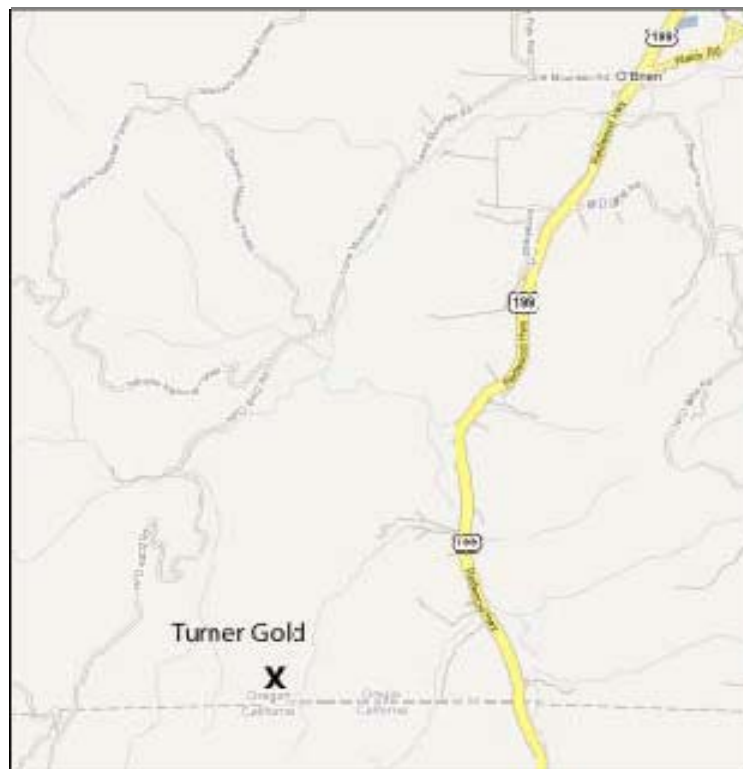
Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

Access to the Turner Gold Property is via Lone Mountain Road, which joins with U.S. Highway 199 in O'Brien, Oregon, approximately forty miles southwest of Grants Pass. From O'Brien, the Lone Mountain Road parallels the West Fork of the Illinois River to the turnoff to the property, a distance of approximately six miles. From there, an extensive system of access and drill roads provides year-round entry to most portions of the deposit by two-wheel drive and/or four-wheel drive vehicles.

Climate

Regional rainfall during the wet season (generally November through May) can be quite heavy, with seasonal totals in excess of 100" possible in the project area. Snowfall is common above 3000', and



can last from December through April. Storms come in groups, with weeks of clear weather common between systems. Summers are hot and dry. Temperatures above 100°F are possible from July through mid-September.

There are no climatic conditions that should cause the project great operational difficulty. The greatest climatic issue will be managing storm waters that will result from excessive rainfall at intermittent times during the life of the deposit. However, this is a common area of concern at many mine sites and should be manageable with proper controls.

Local Resources

The local resources would seem to be primed for a project of this magnitude. Populations in both the Rogue and Illinois Valleys are expanding. However, the demise of the timber industry, coupled with challenging economic times, has resulted in a region, historically based upon primary industry, which is eager for some form of economic stimulus.

According to the Population Research Center with Portland State University (www.pdx.edu/prc), the 2010 populations of communities near the Turner Gold Property were as follows:

	<u>Population</u>
Cave Junction	1,883
Grants Pass	34,533
Medford	74,907

O'Brien is quite small and almost the entire population would be un-incorporated county residents. The total population of Josephine County is approximately 87,000, including Cave Junction and Grants Pass.

Infrastructure

Much of the basic infrastructure is largely in-place for exploration and development. A paved highway runs six miles northeast of the project, and good access exists throughout the Turner Gold Property itself. Interstate-5, forty miles northeast in Grants Pass, is the major north-south highway linking the metropolitan centers of the western United States, from Seattle near the Canadian border to the Los Angeles - San Diego megalopolis in the south. Grants Pass also marks the location of the closest railhead. Coos Bay, Oregon, approximately 140 miles north of the California border, is the nearest deep-water port.

Water for exploration has been taken from flooded historic mine workings and/or Blue Creek, a small surface drainage that runs through the eastern end of the project area. Water for mining and processing could be obtained from wells, planned to be situated at Turner, and located at the western edge of the private lands adjoining the deposit.

Power is available from the main transmission line that connects Southwest Oregon to the coast, and parallels Lone Mountain Road from Highway 199. At closest approach, the transmission lines are approximately one mile west of the proposed surface facilities.

There is a small, older core facility in O'Brien (approximately 2,500 square feet), also currently under option by Subco, which has been used during previous exploration programs for the logging of drill core, sample preparation, and office space. This facility is currently filled with all core salvaged from prior drilling on the property.

The Company currently leases a core facility in Cave Junction, Oregon, which has been used for the logging of drill core, sample preparation, and office space starting in Q2 2011. This facility is currently filled with all core from the drilling program that started and ended in 2011.

Physiography

Relief at the Turner Gold Property is moderate to locally steep, with elevations ranging from 1900' to 3100' above sea level. The private lands have been heavily logged on several occasions, and thick stands of brush and second- growth timber now cover those portions of the property that are underlain by volcanic or sedimentary members of the local ophiolite stratigraphy. Areas underlain by peridotite and/or serpentinite, generally to the west and north of the deposit, are commonly sparse of vegetation, with little or no significant timber resources.

History

Tonnage and grade estimates within this section are indicative of historic work. They do not conform to the definitions within NI43-101 and are presented as part of the historical prospective of the deposit.

Mineralization associated with the Turner Gold Property (historically known as the Mammoth Mine, and later as the Turner-Albright) was originally located in the late 1800s. Early efforts concentrated on developing the gold potential of several discontinuous gossan outcrops located on the ridge with sporadic exploration and limited development continuing through the 1930s. Several short crosscuts driven at the base of the oxide horizon encountered mineralization that was of sufficient grade to allow three claims to be patented in 1959.

Exploration targeting the primary sulfides began in the 1950s with a one-year program by Granby International. Local geologist Lloyd Frizzell (Associated Geologists, Grants Pass, Oregon) continued intermittent exploration throughout the 1960s and early 70s with several programs consisting of churn and shallow diamond core drilling, and an initial Induced Polarization geophysical survey.

A two-year drilling program (2947.4 feet) by American Selco (1974/75) explored the potential of the 'South Zone' gossans, and resulted in an estimated drill-indicated resource of 150,000 tons of sulfide ore averaging 1.70% copper and 0.03 oz/ton gold across an eight-foot wide zone of highly siliceous basaltic breccias. Evidence of a larger mineralized body north of the 'South Zone' was indicated by an Induced Polarization geophysical survey and several short diamond drill holes.

Savanna Resources/Baretta Mines Ltd. of Calgary, Alberta, Canada, obtained an option upon the termination of the American Selco program. Through 1981, Baretta conducted the first coordinated exploration of the Turner deposit itself, as well as the identification and initial exploration of favorable units to the south and southwest. A total of thirty diamond core holes, with an aggregate length of 35,498.1 feet, were completed on the patented ground, and resulted in the initial definition of the Main Upper Zone (MUZ), Main Lower Zone (MLZ), as well as indications of the Upper High-grade Zone (UHZ). At the close of the Baretta program, Turner was estimated to contain drill-indicated in-place mineralization of 1.7 million tons averaging 0.113 oz/ton gold, with additional values in copper, zinc, silver, and cobalt.

Subsequent programs by Noranda Exploration, Inc. (1982) and Rayrock Resources Limited (1983/84) continued to refine both the geologic and structural characteristics of the deposit, utilizing a variety of methods including: diamond core drilling and sampling, surface mapping, geochemistry, and surface and down-hole geophysics. Initial attempts to define the metallurgical characteristics of the deposit were also begun during these programs. A one-season program by Aur Resources (1989) represents the

last round of active exploration and drilling on the deposit until the Company started its drill program in Q2 2011.

Idaho General Mines, Inc. gained an interest in the property in 2004 through a stock arrangement with Savanna Resources, Ltd. Idaho General Mines, Inc. did not engage in any exploration activities on the property other than claim consolidation and maintenance. GMI obtained the property during the transfer of assets from Idaho General Mines, Inc. to GMI.

Estimates of mineralization for the Turner Gold Property have been calculated many times by many companies, utilizing a variety of methods. At least two companies, Noranda and Rayrock, as well as several independent studies, performed preliminary metallurgical testing.

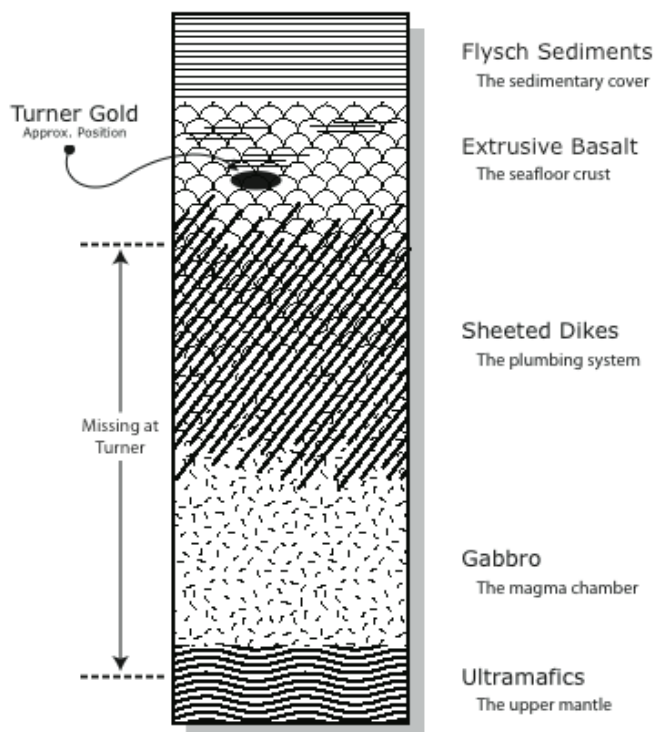
In addition to direct exploration targeted on defining the Turner's resource potential, a number of independent data reviews have been completed by various interested parties, and for varied purpose. These include studies by Marubeni (1988), R.L. Russell (1988), and Cominco (1990). A number of ongoing, but generally disconnected studies were also undertaken by various members of the intellectual community and branches of the U.S. government. These efforts included a team of geologists, marine geologists, and geochemists from the U.S. Geological Survey who studied the deposit during the mid-1980s to determine its similarities to active seafloor hydrothermal systems, and the U.S. Bureau of Mines (also in the 1980s), who initiated a limited mineralogical study of the cobalt-bearing sulfide body.

Geologic Setting

Regional Tectonic Setting

The Turner Gold Property occurs in the Western Jurassic Belt (the “WJB”) of the Klamath Mountains geomorphic province. The lithologies and age relationships within the Klamaths indicate repeated accretion, beginning in the early to middle Paleozoic and continuing through the Mesozoic, of ophiolitic and island arc terranes, with their associated sedimentary units, to the leading western edge of the North American plate. The WJB is in thrust contact with a similar suite of late Paleozoic and Triassic ophiolitic/arc units to the east, and is underthrust from the west by the late Jurassic to Cretaceous Franciscan (Dothan) mélangé.

A prominent feature of the WJB in southwestern Oregon is the Josephine Ophiolite; a preserved section of seafloor crust dated at 157 million years (mybp). Regionally, the Josephine Ophiolite trends NNE with a steep SE dip, and is essentially complete, with the discontinuous preservation of all major lithologies associated with classic ophiolite stratigraphy (see figure).



Precious and base metal mineralization is widespread in the region and consists of several varied genetic types. In addition to Turner, a number of other massive to semi-massive sulfide deposits have been identified. It is probable that several of these may be volcanogenic, and associated with ophiolitic rocks (Monumental, Fall Creek, Iron Hat, Babcock, Queen of Bronze/Cowboy Group), while others appear to be related to more felsic terranes (Almeda, Goff, Silver Peak, Yankee Silver Lode). Numerous high-grade precious and base metal deposits, commonly associated with mafic to felsic intrusive events, occur throughout the Klamath Mountains. Both vein and high-grade gold 'pockets' have eroded to form locally rich placer deposits, many of which have been extensively worked since the 1850s by methods ranging from pick and shovel to large-scale hydraulic mining.

Local Geologic Setting

The Turner Gold Property is situated near the base of the extrusive pillow lavas and flows of the Josephine Ophiolite, several hundreds of feet above their gradational lower contact with the sheeted dike sequence. In the immediate vicinity of Turner, the majority of ophiolite-related lithologies that are generally found stratigraphically below the extrusives are missing due to oblique post-ophiolitic low-angle faulting which has juxtaposed the uppermost portion of the extrusive/sheeted dike transition zone against serpentinized mantle peridotite. Compared with the total section as exposed south of Turner, up to five thousand feet or more of the ophiolite stratigraphy may be missing, including the middle and lower sheeted dikes, the entire massive and cumulate gabbro sequence, and an unknown thickness of mantle peridotite.

With the exception of scattered mafic dikes that occur within major shears in the ultramafics, all lithologies currently exposed in the vicinity of the deposit are interpreted to be associated with the primary development of the Josephine Ophiolite. A brief description of the major units identified at Turner (from drill core and/or surface mapping) includes:

Extrusive Lavas

Extrusive volcanic rocks exposed at Turner generally consist of basaltic flows, pillows, and hyaloclastites, and commonly contain plagioclase, clinopyroxene and/or iron titanium phenocrysts. Feldspar microlites and/or calcite veinlets and amygdules occur locally, and individual units may be locally vesicular. Well-developed pillow structures are evident, both in outcrop and drill core. Minor to locally intense alteration occurs, consisting of prehnite/pumpellyite, chlorite, sphene, and albite (+/- silica, hematite, and epidote), with increased alteration being localized within and adjacent to zones of shearing and faulting.

Mafic lava series

Work by Robert Zierenberg of the U. S. Geological Survey has defined a second extrusive member of limited extent that is apparently restricted to the mineralized horizon(s). This unit, which consists of glassy fragments of a relatively primitive mafic magma, has not been identified as flows or pillows (see "Basin Floor Rubble"). The rock typically exhibits phenocrysts of olivine and/or chromium spinel (with occasional plagioclase) in a groundmass of glass and radiating clusters of quenched pyroxene.

Gabbro

Originally interpreted as an intrusive by American Selco, the term gabbro (as applied at the Turner Gold Property) includes mafic igneous rocks with diabasic to micro-gabbroic (locally gabbroic) textures, and containing plagioclase and/or pyroxene phenocrysts in a generally

fine-grained groundmass. There is no compelling evidence to date that supports an intrusive origin for the unit and the gabbro is interpreted to represent coarse-grained members of the dominant plagioclase-bearing lava series that occur within the cores of thick extrusive basalt flows and/or pillows.

Mudstone

Turner mudstones include very fine-grained chemical and/or clastic sedimentary units, locally cherty, that occur as definable horizons three inches to six feet thick. Turner muds are also found as minor accumulations around pillows, and as infillings between flows. Color varies from red (hematitic) to green, brown, grey, and black (carbonaceous). Green and grey mudstones are often macroscopically indistinguishable from silicified basaltic gouge in drill core. Measurements of bedding from outcrop, as well as sub-surface structural calculations from 3-points, indicate a regular NNE strike to the units (sub-parallel to the regional trend of the ophiolite); however, dips vary from 30° SE to nearly vertical.

Composition of individual clasts can be difficult to determine; however, local variations in the silica content of the sediments support an exhalative or biogenic source for at least a portion of the material. Radiolarian tests, observed in a siliceous mudstone at the southern edge of the deposit, supported the regional dating of the ophiolite.

Relatively thin mudstone beds commonly cap the exhalative horizons, and appear to be laterally more extensive than the sulfide bodies themselves. At least two, and possibly three, additional mudstone horizons have been identified that are not known to be associated with sulfide mineralization.

Basin Floor Rubble ("BFR")

From an examination of textures associated with the sulfide bodies, it is apparent that a large portion of the deposit occurs as a replacement of brecciated fragments of basalt, with variable quantities of chert. The BFR represents a varying thickness, locally approaching several hundred feet, of brecciated basalt that covered the original depositional basin prior to the onset of hydrothermal activity and the venting of the sulfide horizons. The majority of the semi-massive sulfides, as well as a large portion of the massive sulfide horizon, may occur within highly altered portions of this unit. Intense alteration within this section of the Turner stratigraphy obscures the composition of many of the fragments; however, it is apparent, from petrologic studies by the United States Geological Survey, that clasts of the mafic lava series form a large portion of the unit, with clasts of the regionally dominant plagioclase-bearing lava being generally restricted to the base of the rubble pile.

Talus Deposits

High angle faulting associated with the formation of Turner resulted in several moderate to high relief pre- and post- mineral fault scarps in the original depositional basin. Brecciation and erosion led to the accumulation of talus deposits at the base of these structures. Individual talus piles can include fragments of basalt, mudstone, chert, and sulfides, with minor amounts of gabbro.

Sheeted Dikes

Ophiolitic sheeted dikes are characterized by sub-parallel diabasic dikes, and are interpreted to represent the conduits for the magma which supplied the overlying extrusive flows and pillows. The upper and lower contacts of the unit as a whole are commonly gradational. The upper transition zone with the extrusive lavas is composed of diabasic dikes with a downward decreasing proportion of basaltic 'screens,' while the lower contact zone with the intrusive gabbro is characterized by extremely erratic and confusing diabasic/gabbroic textural variations.

Due to faulting which has removed much of the base of the ophiolite, only the uppermost portion of the extrusive/dike transition zone remains at Turner. This section of the stratigraphy is poorly exposed, and has only been identified in several drill holes in the northwestern portion of the deposit, and in extensively weathered outcrops in fault contact with serpentinite. Individual dike margins are marked by chill zones up to 1cm across, and are often brecciated. Moderate to locally intense epidote alteration is common. Textures within the cores of individual dikes and the enclosing basaltic screens are often indistinguishable, which makes identification of this transition zone extremely difficult in outcrop, where the chill and/or breccia margins are generally obscured by surface weathering.

Ultramafics

Partially to completely serpentinized mantle peridotite outcrops immediately west of Turner, and presumably exists at depth within the footwall of the deposit. Where observed (surface exposure, and in a few drilled intercepts at the northern end of the deposit), all contacts are structural, and represent major zones of crustal shearing.

Lithologic variation within the ultramafics is the rule, and the unit as a whole has been subjected to intense but varying levels of internal alteration, shearing, and faulting. The ultramafics are highly magnetic relative to other ophiolitic members in the vicinity, and can be readily located by their magnetic signature and distinctive vegetative pattern.

The proposed mine plan places the surface facilities and adit portals within this unit. In addition, the proposed decline(s) to access the deposit will penetrate the ultramafics for 2-3 thousand feet prior to faulting into the extrusive mafic rocks that host Turner.

Structure

The majority of the known sulfides at Turner Gold occur within three vertically stacked horizons, representing two, and possibly three, separate time-stratigraphic horizons. They have been designated the Upper High-grade Zone (UHZ), the Main Upper Zone (MUZ) and the Main Lower Zone (MLZ). Three generations of faulting were also recognized during the Baretta program (pre-mineral, post-mineral, and emplacement), and have remained relatively unchanged by subsequent workers.

A series of pre- and post-mineral high-angle northwest-trending normal faults has been partially defined (termed the F-series faults). At least five separate structures (F-1 thru F-5) have been identified, and there is evidence for additional sub-parallel faulting south of the deposit. Measurements in outcrop and correlations between drilled intercepts indicate that the F-series faults strike roughly N60°W, with a dip of 65° to 85° to the northeast.

The southernmost mapped structure, F-1, is interpreted to have controlled the movements of the primary mineralizing fluids, and was the focus of the initial work by American Selco. While there is no persuasive evidence to indicate that other F-series faults pre-date the mineralization, the possibility of hydrothermal penetration and/or pre-mineral movement along some or all of the remaining F-series structures cannot be ruled out.

Post-mineral movement along the F-series faults disrupted the stratigraphy following formation of the sulfide horizon(s). This appears to have resulted in the down-dropping of the deposit to the northeast, and the dislocation of the MUZ and MLZ into somewhat discrete fault-bounded blocks; however, in many cases the original thickness of the disrupted sulfide horizon was greater than the displacement along the fault, so that when observed in drill core, a readily discernible lithology change may not be apparent across the structure.

A later series of low-angle east-west trending post-mineral reverse faults is indicated. Timing of the R-series faulting is unknown, but it is possible that these structures were associated with the emplacement of the Josephine Ophiolite along the continental margin, as well as with the faulting and removal of the lower portions of the ophiolite in the vicinity of Turner.

Three R-series faults have been tentatively identified to date (R-1, R-2 and R-3). Three-point structural calculations indicate that these structures strike generally east-west and have a very shallow northern dip ($\pm 20^\circ$). The major impact appears to have been along R-1, where an apparent 300 to 600 feet of displacement may have resulted in the dislocation of a single sulfide horizon into the MUZ and MLZ. It is important to note that, as currently defined, the R-series faults cut and displace the F-series faults, complicating any attempt to reconstruct the configuration of the original depositional basin, as well as the current geometry of the deposit.

Exploration

Exploration of the Turner Gold deposit has spanned many decades, and represents the efforts of numerous companies and individuals. A wide variety of techniques have been employed, including:

1. Surface and underground mapping and sampling
2. Drilling (primarily core)
3. Geochemistry (soil, stream, and down-hole)
4. Surface, down-hole, and airborne geophysics, including induced polarization, resistivity, pulse- EM, and magnetometer
5. Cross, long, and plan sections
6. Physical and conceptual three-dimensional modeling.

A significant portion of past work has focused on drilling to explore and define the economic potential of the property. Please refer to “Drilling” for a summary of known drilling to date on the Turner Gold Property. The “History” section also summarizes much of the work done in the past by previous workers.

Future exploration will focus on confirming and expanding the existing resource.

The majority of the mineralization at the Turner Gold Property occurs within three vertically stacked horizons, representing two, and possibly three, separate time-stratigraphic horizons. They have been designated the Upper High-grade Zone (UHZ), Main Upper Zone (MUZ) and Main Lower Zone (MLZ). Identified sulfide minerals include pyrite (+/- marcasite), sphalerite, chalcopyrite, and linnaeite, with trace amounts of tetrahedrite, stannite, galena, and pyrrhotite.

As historically defined, the sulfide bodies at Turner are composed of three interrelated and transitional types of mineralization:

1. Massive sulfide horizons containing >50% total sulfide content
2. Semi-massive sulfide horizons containing 20% to 50% total sulfides, that are generally more distal and represent partial sulfide and silica replacement within the BFR (Basin Floor Rubble)
3. Mineralized basalt, containing decreasing quantities of disseminated and stringer sulfide enrichment and occurring at even greater distances from the main hydrothermal sources

Potentially economic portions of the deposit are generally restricted to the massive and semi-massive horizons, but are not necessarily restricted to those areas containing the greatest percentage of sulfides. Where exposed at the surface, all three units oxidize to form prominent gossans, marking the up-dip western limits of the MUZ and UHZ.

Massive sulfide horizons at Turner appear to have been formed by a combination of seafloor exhalative processes, and/or the extensive alteration and replacement of basaltic breccia within the BFR. Evidence of brecciation within the massive horizons commonly increases down-section, with ghosts of replaced basaltic clasts grading into mineralized rock with definable basalt and chert fragments. From the observed percentage of basaltic ghosts and fragments, it is apparent that large portions of the massive horizons are the result of partial to complete replacement within the BFR; however, the uppermost portions of the massive horizons may exhibit fragmental textures, and it is possible that these may in part represent collapsed chimney structures built by sulfide-rich fluids venting directly onto the seafloor. In addition, several small worm casts were tentatively identified by the USGS, supporting a probable exhalative source for the uppermost portion of the deposit. The origin of any given portion of the massive horizon (i.e. exhalative or partial to complete replacement) may be difficult to determine, and it is often impossible to define the original rock-water interface.

At Turner, semi-massive sulfides, containing 20% to 50% primary sulfides, represent a conformable transition from essentially complete replacement of basaltic breccias to weakly mineralized flows, pillows, and hyaloclastites. The contact between the semi-massive and massive sulfides (as well as with the more distal mineralized basalt) is gradational, and the actual boundary is somewhat irregular and arbitrary. The semi-massive sulfides are almost certainly the result of penetration and replacement within the BFR, and are characterized by silica flooding of the breccias, with the addition of pyrite (+/- marcasite), chalcopyrite, sphalerite, and accessory sulfide minerals. Hydrothermal penetration of the breccia pile resulted in substantial alteration of the original rock (silica + sulfides + chlorite + albite). From a study of partially altered fragments, it is apparent that the majority of the clasts are related to the mafic lava series. The degree of mineralization and the economic value of the semi-massive sulfides are

both somewhat erratic. This may be in part due to the original configuration of the rubble pile; with areas of higher mineralization reflecting increased fluid penetration along avenues of greater permeability.

Mineralized basalt includes that portion of the volcanic breccias (and flows) which were subject to alteration by hydrothermal fluids, but which contain a total primary sulfide content of less than 20%. Re-logging of selected drill core by the USGS identified fragments of the regionally dominant plagioclase bearing lavas, as well as clasts of the mafic lava series. It is also evident that mineralization within flow units, as opposed to being restricted to altered breccias, occurs to a limited extent. The mineralized basalts, which are generally of lower economic grade, are interpreted to represent the most distal effects of the mineralizing fluids.

While assumed contributions from multiple vent sources and extensive post-mineral faulting complicate any study of primary zonation, it appears that the original metal distribution resulted in copper/gold rich centers at depth within the BFR and/or proximal to the vents, with zinc/silver, and pyrite with cobalt zones occurring with increasing distance from the sources of the mineralizing fluids.

Limited thin and polished section work by the USGS, the Bureau of Mines, and others, indicates that the metallurgical characteristics of the deposit are complex. Fine-grained chalcopyrite and sphalerite are tightly inter-grown with pyrite and each other. Gold occurs as discrete micron sized blebs within chalcopyrite (and, to a limited extent, sphalerite) and pyrite. This gold/pyrite association results in low to locally moderate gold values (0.02 to 0.07 oz/ton) in the distal pyrite 'halo,' in the absence of significant base metal credits.

Drilling

With few exceptions, core drilling at the Turner Gold Property has been relatively straightforward, with minimal loss of recovery. Core size varied with project and hole, ranging from HQ to AX. Casing and reducing, and/or cementing, has worked well in the past, and fewer than five holes were abandoned due to drilling problems.

Drilling History by Company

1	Core Hole	Granby	1957-58	GDH-1
4	Churn	Frizzell	1959-74	Churn-1 to 4
2	Core Holes	Frizzell	1959-74	FDH-1 and 2
9	DDH Holes	AmSelco	1974-75	TA74-1 to 4 TA75-1 to 5
30	DDH Holes	Baretta	1980-81	TAB-1 to 30
18	DDH Holes	Noranda	1982	TAB-32 to 48
13	DDH Holes	Rayrock	1983-86	TAB-49 to 61
7	DDH Holes	Lupine	1989	TAB-62 to 68
11	DDH Holes	JMC	2011	TJM-69 to 77 TJM-81 and 82

95 known total holes

A minimum of nine (9) drilling companies and fourteen (14) different geologists have been involved and/or responsible for drilling and core logging duties at the Turner Gold Property:

Core drilling, logging, and sampling, by project			
Project	Dates	Drilling Contractors	Logging / Sampling
Granby	1954/55	Unknown	Jan Haney (re-log 1984)
Frizzell	1960s	Shannon Drilling	Lloyd Frizzell
AmSelco	1974/75	Fran-Berg Drilling Co.	John Prochnau Les Bradshaw
Baretta	1980/81	Kay-Way Drilling	Geoff Garcia Charlotte Garcia Jim Haight Ace Parker Gary McLean Jan Haney Mike Strickler
Noranda	1982/83	Ruen Drilling	Roger Kuhns Jan Haney Mike Strickler
Rayrock	1983/85	Heli-Core Diamond Drilling D. H. Tift Diamond Drilling S.D.S Drilling Co.	Karen Comstock Mike Strickler Jan Haney
Aur/Lupin	1989	Advance Diamond Drilling	Perry and/or Bidwell
USGS	1982/84	N.A.	Rob Zirenberg
JMC	2011	Ruen Drilling, Inc.	Mike Strickler

Future

Future exploration will focus on confirming and expanding the existing resource.

Sampling Method and Approach

Resource estimates at the Turner Gold Property have historically been based upon drilled intercepts. Nearly six thousand samples have been collected over the course of the project, and have been handled by no fewer than fourteen (14) geologists using thirteen (13) separate analytical labs.

Sampling has commonly run concurrently with core logging, with sample intervals being determined by the geologist performing the core logging duties. In general, samples have been cut at five-foot intervals through the heart of the mineralized intercepts; however, partial-length samples are common at the top and bottom of an intercept, as well as randomly throughout the deposit, as determined by lithology, or the purpose of the geologist logging the core.

Sampled intervals were commonly run for gold, silver, copper, zinc, and cobalt. Recovered core was either split or sawn (depending on the program), with (as was common) one half of the split being returned to the boxes, and the remaining half submitted to a lab for analysis.

The presence of marcasite in portions of the deposit was first noted during the Noranda program, when core from the UHZ (TAB-33) began to oxidize and decrepitate several months after logging and sampling. In the interest of retaining fresh, unaltered sulfide material for metallurgical testing, selected intervals drilled during the Noranda and Rayrock programs were quartered, with one portion (quarter or half) being returned immediately to the box, and one quarter sent for assay. The remaining half (or quarter) was encased in plastic, flooded with nitrogen gas in order to displace the oxygen, and sealed.

The resource statements within this document are based upon assays collected by diamond drilling. The assay information was obtained from historic paper drill logs on file. A verification process was completed by IMC in an effort to validate the historic information. This process is described in “Data Verification”.

Sample Preparation, Analysis, Security and Data Verification

Estimates of mineralized tonnage and grade at Turner Gold have historically been based upon drilled intercepts. Approximately six thousand samples have been collected over the course of the project and were processed by no fewer than thirteen separate analytical labs:

Analytical labs, by company		
Project	Dates	Assayer(s)
Granby	1954/55	Unknown
Frizzell	1960s	Union Assay Office, Inc.
AmSelco	1974/75	Rocky Mtn. Geochemical
Baretta	1980/81	Metallurgical Labs, Inc. Hunter Mining Lab, Inc. Bondar-Clegg Hoagland
Noranda	1982/83	Lakefield Cone Geochemical
Rayrock	1983/85	Min-En Labs Rocky Mtn. Geochemical Hunter Mining Lab, Inc.
Aur/Lupine	1989	Unknown
JMC	2011	METCON Research American Assay Laboratories Activation Laboratories Ltd. International Plasma Lab Ltd.

Certification credentials of the above assay laboratories, other than the labs used in 2011, are unknown as the work was compiled in the past. Some of these labs have been acquired and/or closed in the interim.

Sample security varied by project and individual. In general, sampled intervals were determined and marked by the geologist during the logging process. For the bulk of the drilling (Baretta, Noranda, and Rayrock), all splitting and/or cutting occurred in same room in the O'Brien core shack, thereby minimizing the risk of disruption of the core during transport. The splitter/cutter would be responsible for bagging and tagging the analytical samples, and returning the saved portion to the original core box. The writer (M. Strickler) remembers no incident that would significantly impact the validity of the historic results.

Limited check assays were collected and run by several companies, including a suite of samples completed by Noranda from two of their initial holes.

J. Marek (IMC) collected a suite of forty-four drilled intervals on September 2, 2009. All samples were obtained from material remaining in the O'Brien core shack, and were considered representative of

variations in original program, lithology, and reported grade. The intent was to verify the original assay results. Please see “Data Verification” for a summary of results.

Mineral Resource and Mineral Reserve Estimates

The mineral resources estimate for the Turner Gold Property was developed based on a computer generated block model of the deposit. The block model utilized the historic drill hole data and geologic information that was obtained from the project archives. The mineral resource presented later in this section meets the criteria for reasonable expectation of economic extraction in that the stated material is contained within potentially minable shapes based on reasonable economic cutoff grades.

The steps that were used to generate the model and mineral resource statement are summarized below:

Data Base

1. The data base was assembled from historic drill logs and geologic cross sections that were provided by Subco from the project archives.
2. All available drill hole data was plotted on several sets of cross sections at various orientations through the deposit.
3. Many drill holes have long intervals that were not assayed. IMC made a judgment regarding the unassayed intervals to establish them as: a. zero grade or, b. no-assay intervals.
4. Drill hole data was composited to nominal 10ft down hole lengths prior to block grade estimation.

Model Assembly

1. Statistical populations were evaluated relative to mapped and interpreted structures.
2. Block grade assignments were established using conventional statistical methods bounded by grade and structural boundaries.
3. Rock density was assigned based on recent test work requested by IMC.
4. Classification codes established.

Mineral Resource

1. Mining, processing, smelting and refining costs were estimated based on knowledge of the project and recent costs from other projects.
2. Mining and process recoveries were applied based on the mine plan and process plant design and testing.
3. A potential economic cutoff grade was established to guide stope layout.
4. Material contained within approximate minable (stope) boundaries was tabulated to reflect potential resources.

The model and mineral resource estimates will be summarized in the following sub-sections.

Data Base

The drill hole data base was assembled from the historic paper drill hole logs and assay certificates that were found within the project archives.

Geologic and structural information was extracted from historic cross sections developed for Rayrock Mines Inc. by the qualified author Mike Strickler. This information was stored in a data base by IMC.

The paper logs and the resulting drill hole data base contains long runs of drill intervals without assay. There are 25 of the 84 drill holes that do not have any assay information of any kind. IMC reviewed each hole and each interval without assay to establish a method of treatment on a drill hole by drill hole basis.

The following outline summarizes the amount of available drilling and the amount of assay data available for estimation of model grades.

Summary of Available Turner Gold Property Drill Hole Data

Total Holes Referenced

- 84 holes
- 4871 intervals
- 64,129 ft drilling
- Holes with Survey and Assay > 0 (Drill holes Found)
 - 57 holes
 - 4511 intervals
 - 51,877 ft drilling
- Holes with Survey and at Least One Assay > 0.10 EqAu = US\$53 NSR
 - 42 holes
 - 3795 intervals
 - 41,286 ft drilling
- Holes with Survey and Assay > 0.10 EqAu = US\$53 NSR that are contained in the Modeled Mineralized Zones
 - 41 holes in Ore
 - 641 Assays
 - 3,080 ft of Drilling

The last illustration at the US\$53/ton NSR cutoff was not a sort applied to the data prior to model assembly. It is provided as an indication of the amount of ore intercept assay that is available to estimate block grades and to illustrate the component of the drilling that was actually assayed.

Geologic information within the old drill logs was difficult to read and interpret. The geologic recording practices that were applied predated many of the techniques that have become common with the application of computer based data bases. The rock type descriptions within the logs were lengthy discussions of minerals present, rock fabric, alteration, and texture. In many cases, the rock type was logged as the ore type “Massive Sulfide” rather than as the protolith. This is likely because the sulfide alteration obliterated the original protolith.

Fortunately, a series of east-west cross sections through the drill hole data were developed by Rayrock Mines Inc. during 1984. One of the primary geologists involved with the development of these sections was Mike Strickler, one of the fellow qualified person's contributing to this report.

The drill hole sections indicated the rock type, visual percentage of sulfides, and structural indications of shearing or faulting on the drill hole trace. IMC staff measured the rock type boundaries and structure codes from the drill hole traces with a scale and stored that information within a data base. The rock type representations on these sections were the best consistent set of data that IMC was able to find during the archive search.

The drawback to the IMC section measurements is that the apparent depth on section can differ from the true depth when drill holes are not precisely on section. Consequently, one must understand that the rock type coding within the data base is approximate and does reflect the specific coding of individual assay intervals. The coding is however accurate to a few feet within any given drill hole.

The structural information was also entered into the data base to provide an approximate basis for geotechnical judgments regarding mining method for the PEA. IMC found nine drill holes with RQD information within the paper archives. All had been drilled by Noranda. That information was entered into another data base so that typical or average RQD values by rock type or structure coding could be developed from this data.

Intervals without Assay

As noted above there were 25 holes where assay information was not found. Some were old holes such as the churn holes. Others may have been used for process testing rather than assay. In many cases, IMC was simply not able to find the assay information within the paper files.

In addition, there are large segments of the assayed drill holes that were not assayed.

IMC generated a listing of these holes and then located them on the Rayrock sections or on plotted overlays to the Rayrock sections.

A copy of the assay data was stored in a second assay field in the IMC data base. The original data from the drill logs were coded with a flag or code for "No Assay". IMC then made the judgment that many of those intervals should be considered as zero valued assay. The second copy of the data was changed to a value of 0.0 to reflect the barren rock type or zone. There was no modification to the original data field in the data base.

In many cases, IMC assumed that long intervals in a drill hole with no assay were likely based on the logging geologist's opinion that there were no sulfides and consequently, no assay values. In those cases, IMC changed the working field to zero (0.0).

Other drill holes without assay, particularly some of the early holes in the upper ore zone appeared on the Rayrock sections with notes that they contained observed sulfides. In these cases, IMC left the drill hole coded as "No Assay". Blocks in these areas would be estimated using surrounding holes.

The selection assignment of "No Assay" versus "Zero Assay" was based on the judgment of the ore reserves Qualified Person. Since this is a judgment call, there could be alternative interpretations. Since the determination is open to interpretation, there is further support to the lack of measured category mineralization at Turner at this time.

Data Base Composites

Once the “zero” versus “no assay” decision was made, IMC calculated down hole composites of 10 ft length. The length of the composite was selected to match the block size that was in turn guided by the potential mining methods and drill hole spacing.

Within the composite process, composites that were less than 5ft long were coded as “no assay”. The compositing was applied to the data copies that were added by IMC to incorporate the zero versus no assay decision. For reference these variables were coded with names like: au_use, cu_use, ag_use, zn_use, etc.

Further statistical analysis of the project utilized the drill hole composites.

Block Model Assembly

Geologic and Structural Interpretation

The rock types information from the Rayrock cross sections was assigned to the 10 ft drill hole composites in order to understand the grade distribution by rock type. The equivalent gold calculation in Figure 17-1 found in the “Turner Gold Resource and Preliminary Economic Assessment” (the “Technical Report”) dated November 16, 2009 as revised May 17, 2010, is intended to summarize the combined value of copper, zinc, silver, and gold, into the value of equivalent gold. The equation used for equivalent gold is shown at the bottom of the figure and is a preliminary calculation intended to understand the distribution of values within the deposit.

The majority of the ore is contained within the following host units: BFR = Basin Floor Rubble, DBF = Debris Flow, Sulf = Massive Sulfide.

Other units are generally low grade or barren.

Given more drill hole data with reliable survey and precise rock type coding, future model construction should endeavor to develop three dimensional rock type geometries for assignment to the block model. The complexity of the rock boundaries, the spacing between drilling, and the uncertainties in the data base did warrant the detailed effort for three dimensional interpretation at this time.

Observation of the cross sections often showed abrupt grade changes at the top of the mineralization and somewhat more disseminated grade distributions at the bottom of the deposit. Therefore, a requirement for the model was to reflect those abrupt and disseminated grade boundaries where they exist.

The upper and lower zones of the deposit will be summarized in the following sub-section.

Studies of cross sections also indicated that a value of about 0.04 oz/ton was within the range of distinct boundaries between barren assay intervals and well mineralized ore intervals.

The significance of the 0.04 oz/t equivalent grade brake was utilized to develop hard boundaries between mineralized and un-mineralized rock. The discussion of the procedure follows later in this section.

Previous work on the Turner Gold Property has identified a number of fault structures that cross the deposit. The predominate faults have been referenced as the “F” series and the “R” series faults. The F

faults are interpreted to strike northwest (N60W) and dip steeply at 65 to 85 degrees to the northeast. The historic interpretations result in five “F” faults numbered 1 to 5 from south to north.

The R Faults are interpreted to strike roughly east-west with shallow northerly dip of about 20 degrees. Historic work has interpreted from 1 to 3 faults of the R series numbered from 1 to 3 from the top down.

The Rayrock work by Strickler potentially interprets that the deposit has been separated in to UHZ and MUZ versus the MLZ by post-mineral displacement of the R-1 fault. The Rayrock data included a surface geology map that located the named F and R series faults on topography. IMC combined that data along with the structural coding on the east – west Rayrock sections to interpret a set of F and R faults in 3 dimensions. The IMC interpretations simplified each of the faults to simple planes that were a best fit to the drill data and surface intercepts of each fault.

IMC generated block assignments of four F series faults and three R series faults. The 10 ft drill composite data was assigned the code for the F and R fault block that contained each composite.

Statistical analysis of the fault boundaries were completed by comparing composite grades on opposite sides of each of the 20 resulting fault blocks. This analysis indicated that the IMC interpreted F faults were not boundaries to mineralization. The R1 fault could potentially be a boundary, but the statistical analysis was not clear indicating that there was related grade mineralization on opposite sides of the R fault.

The composite data was next color coded and studied using software that allowed IMC to rotate and review the data as a cloud in three dimensional space. That effort provided a strong indication that the break between the upper and lower deposits was along an orientation of 310 degrees strike (northwest) with a dip of 35 degrees to the north east.

Although roughly parallel in strike to the F faults, the break between the deposits has a dip that is substantially more shallow than the F fault interpretations.

For convenience, IMC has named this break in the deposit as the J Fault. However, there is no immediate evidence that this deposit break is a fault. It may reflect two rubble zones that have been mineralized independently, or it could reflect a structural offset of a single deposit.

As a result of the new boundary interpretation, IMC combined the geologic components of the deposit into simplified zones for similar statistical treatment.

The UHZ and the MUZ have been combined into an “Upper Zone”. The MLZ is referred in the statistical analysis as the “Lower Zone”.

The above terminology is not necessarily inconsistent with previous naming conventions, but reflects that block model statistical treatment that follows.

The block model and composite data was assigned a code to indicate location relative to the deposit break (J Fault). Blocks and composites above the boundary received codes of 100. Blocks and composites below the boundary received codes of 200.

The so called J Fault boundary was used to separate the deposit into upper and lower divisions. This is consistent with much of the previous work. The only change is the orientation of the boundary.

The 0.04 oz/ton equivalent gold cutoff was utilized to further segregate the deposit. That grade boundary was used to separate the mineralized zones from the surrounding barren material.

Mine planning cutoffs were expected to be in the range of about US\$50.00 NSR/ton which is around 0.10 oz/ton equivalent gold. A grade limitation within the model that is somewhat lower than mining cutoffs limits the amount of tonnage over estimation that can occur when conventional unbounded grade estimation techniques are applied.

The assignment of the 0.04 oz/ton equivalent grade boundary to the model will be discussed in the next few pages. Once that coding was available, the composites contained in each zone were coded with the grade zone and structural (upper and lower) zone of the deposit.

The following table is a summary of the basic statistics of the 10 ft composites for each of the economic metals in the deposit:

Structural Zone	Grade Zone	Number	Gold, oz/ton			Silver, oz/ton			Copper %			Zinc %		
			Mean	Std Dev	Max	Mean	Std Dev	Max	Mean	Std Dev	Max	Mean	Std Dev	Max
Upper Zone	Mineralized	380	0.0760	0.0920	0.0815	0.2250	0.4370	3.2600	0.7440	1.5240	14.5000	1.3300	2.0480	12.3300
	Low Grade	591	0.0060	0.0080	0.0052	0.0790	0.1010	1.0400	0.0450	0.0660	0.3800	0.1000	0.1700	1.3900
Lower Zone	Mineralized	238	0.0700	0.0560	0.3920	0.4150	0.7840	4.4000	1.1480	1.5620	11.8400	2.8700	5.2310	30.1500
	Low Grade	250	0.0060	0.0070	0.0350	0.0590	0.0700	0.3700	0.0440	0.0670	0.5200	0.0900	0.1670	1.3600

Variography was completed in two stages on the deposit: 1) indicators based on 0.04 oz/t equivalent gold, and 2) grade variograms within the defined indicator mineral zones.

Indicators were used to understand the continuity of the mineralized zones. In this case, the indicators are values of 0 and 1 that represent composites less than 0.04 equivalent (0) versus those greater than 0.04 oz/ton equivalent.

Indicator kriging was used to assign a code to every block in the model that indicated it had better than a 50% probability of exceeding the 0.04 oz/ton equivalent discriminator. The 0 and 1 values determined by the 0.04 oz/ton equivalent gold discriminator are used as input to ordinary linear kriging. The resulting value for each block can be interpreted to represent the probability that the entire block has grade above the discriminator value.

IMC contoured the kriging results at the 0.50 (50:50 probability) level. Blocks above 0.50 were assigned a code of 1, the remaining blocks retained a code of 0.0. The 1.0 coded blocks provided an indication of the blocks with potentially interesting grade.

Once the block codes were assigned based on the 0.04 oz/ton equivalent discriminator, block grades for the individual metals were assigned inside of those defined grade contour zones.

The grades were assigned by ordinary linear kriging inside of the 0.04 grade contours. Each metal was estimated separately: gold, copper, silver, zinc, and cobalt. Once assigned to the blocks, cross sections and level maps were plotted to check the outcome. The figures presented in “Mineralization” regarding mineralization are examples of the drill hole to block grade comparisons. A result of the indicator process was the development of abrupt grade boundaries within the model just as observed in the drill hole data.

Density Assignment

A default density of 9.474 cubic feet to the ton was assigned to every block in the model. Thirty eight (38) density tests were completed as part of the data verification process that was summarized in “Data Verification”. Those samples were targeted at ore grade zones and covered the range of rock types, and elevations within the deposit. The average specific gravity of all 38 samples was 3.478 (9.23 cu ft/ton). This result is a 2.5% reduction in density from the average values previously used by R.L. Russell in 1988.

IMC further reduced the test results by another 2.5% to reflect the voids that were observed during the site visit within the Basin Fill Rubble, and Debris Flow Rock types. The resulting bulk density is 9.474 cubic feet per ton or 211 lbs per cubic foot.

Classification Codes

Due to the uncertainties in the data base that were presented earlier, IMC has made the judgment that there is no measured category mineralization at the Turner Gold Property. Additional data will be required to confirm the historic information in order to consider the assignment of measured category in the future.

The following criteria were used to assign the codes of inferred, and indicated to the Turner Gold model. The grade kriging for copper was used as the basis for classification although any of the metals could be used since there are identical numbers of composites for each metal inside the 0.04 discriminator zones.

If the block was inside of the 0.04 oz/ton discriminator zone and, Copper Grade was assigned:

Then Code = 3 = Inferred

If the block was inside of the 0.04 oz/ton discriminator zone and, Copper Grade was assigned and, Kriged Standard deviation < 0.90 and, the Number of composites = 9 or 10 (3 holes):

Then Code = 2 = Indicated

Mineral Resource

The mineral resource was developed based on the block model and highly preliminary estimates of mining and processing costs in order to establish the component of the mineralization that has reasonable expectation for economic extraction.

Each block in the model was assigned a Net Smelter Return (NSR) value based on estimated metal prices, process recoveries and smelter terms. An NSR cutoff for resource was then developed based on the estimated mining and process costs. Since the Turner Gold Property is a polymetallic deposit, the treatment of both copper and zinc concentrates is a significant component of the project operating costs.

IMC utilized the concentrate grades and process recoveries that were developed within the R.L. Russell Feasibility Study of 1988 as the initial guide to estimating concentrate treatment costs. Recent smelter terms from the IMC files were then applied to the concentrate grade information as provided within the Russell report. However, the information in this section was used to guide the development of the mineral resource statement.

The following table presents the information used by IMC to establish the NSR value for each block in the model. The calculation of NSR as well as the equivalent gold or equivalent copper grade that would result from these estimates is also included. The calculations of equivalent and NSR on the table differ from the initial gold equivalent calculation that was used for model assembly because there was more knowledge available for the planning values than was available for the model assembly. The estimated cutoff grade is also shown on the Table. It includes the estimated stope mining cost, milling cost and G&A for comparison against the calculated NSR values within each block.

Metal Prices based on April 2009 Spots						
Metals	Price	Unit	Avg TCRC with RLR Conc and IMC Costs			
			Cost	Unit	Mill Recov	Smelt Recov
Copper	\$ 2.00	lb	\$ 0.37	lb	79.0%	95.2%
Gold	\$ 900.00	troy oz	\$ 2.00	troy oz	61.0%	97.0%
Silver	\$ 12.50	troy oz	\$ 0.15	troy oz	28.6%	77.0%
Zinc	\$ 0.65	lb	\$ 0.23	lb	62.8%	95.0%

Equivalent multipliers for each metal				
	Copper %	Gold oz/t	Silver oz/t	Zinc %
Cu Eq	1.000	21.627	0.111	0.206
Gold Eq	0.046	1.000	0.005	0.010

$$\text{NSR} = \text{Copper} \times \$24.569 + \text{Gold} \times \$531.347 + \text{Silver} \times \$2.720 + \text{Zinc} \times \$5.069$$

NSR Cutoffs

\$28.72 Mining From S. Annavarapu
 \$6.42 Milling From J. Moore
 Internal Cutoff \$35.14 /ton
 \$6.70 G&A = \$2,000,000/year at 299 kt/yr

Breakeven Cutoff

\$41.84 NSR Cutoff
 0.079 EqAu Cutoff

TCRC Support Notes

Assume Ore Head Grades from RLR Report, 1988
 Copper 1.52 %
 Zinc 3.78 %

Copper Concentrate

Copper Concentrate Grade 21% From RLR
 Zinc Recovery to Copper Con 7.6% From RLR

Copper Smelting Charges

Per Ton of Concentrate \$72.73 /ton concentrate
 Per Lb of Recovered Copper \$0.080 /lb Recovered Copper

Concentrate Freight	\$36.36 /ton concentrate
Zinc Grade in Copper Con Based on RLR Head Grades 5.02%	
Zinc Penalty in Copper Con	
For each 1% over 2%	\$1.82 /ton concentrate
Refining Gold	\$2.00 /troy ounce
Refining Silver	\$0.15 /troy ounce
Copper TCRC per Saleable Pound	\$0.367 /lb Saleable Copper
Zinc Concentrate	
Zinc Grade of Zinc Concentrate	51% From RLR
Copper Recovery to Zinc Con	3.0% No Penalty
Gold Recovery to Zinc Con	10.5% Not Payable
Silver Recovery to Zinc Con	35.5% Not Payable
Zinc Smelting Charges	
Per Ton of Concentrate	\$181.82 /ton con
Concentrate Freight	\$36.36 /ton concentrate
Zinc TCRC per Saleable Pound	\$0.225 /lb Saleable Zinc

Metal prices have been estimated by IMC at US\$2.00/lb copper, US\$900/troy ounce gold, US\$12.50/troy ounce silver, and US\$0.65/lb zinc. These prices generally reflect the end of April 2009 spot prices for the quoted metals. All are less than the spot prices during the time this report was being written in October 2009. All but the gold price are less than the 3 year backward average. The US\$900 gold price is a good approximation to the 60% historic and 40% future average as of October 2009.

As a result of the calculation on the following table, a cutoff grade of US\$42/ton NSR was applied to the calculation of mineral resources for the Turner Gold Property.

IMC developed a preliminary tabulation of all blocks in the deposit with grade above US\$42/ton NSR. However, that tabulation includes isolated blocks that could not be incorporated into a minable stope geometry.

In order to establish continuous geometries of mineralization that could potentially be mined. A requirement was added that each block above cutoff be surrounded by four other blocks that are also above cutoff.

The calculation of neighboring blocks above cutoff was established based on a simple assumption that each block could have a maximum of 6 neighbors (north, south, east, west, above, and below). The number of those that were above the US\$42/ton NSR cutoff was then counted.

The judgment of four neighboring blocks above cutoff was established such that the single rows or columns of blocks could not be considered as potentially minable.

The undiluted tabulation from the block model was then utilized as the basis to apply estimated mining recovery and dilution so that the resulting statement of mineral resources does include reasonable approximations of mining recovery and dilution.

Cobalt is reported because it was assayed. However, there has been no economic benefit applied to contained cobalt in the determination of resources or within the preliminary economic assessment.

The following table summarizes the statement of mineral resources:

Mineral Resource at Metal Prices, \$900/oz Gold, \$2.00/lb Copper, \$12.50/oz Silver, \$0.65/lb Zinc												
Category	Cutoff NSR/t	Short Ktons	NSR \$/ton	Gold oz/ton	Copper %	Silver oz/ton	Zinc %	Cobalt %	Contained Koz Gold	Contained Klbs Cu	Contained Koz Silver	Contained Klbs Zinc
Undiluted indicated	\$ 42.00	2,447	92.88	0.090	1.25%	0.31	2.65%	0.047%				
Mining recovery 90%		2,202	92.88	0.090	1.25%	0.31	2.65%	0.047%				
Mining dilution 10%		220	42.26	0.049	5.00%	0.16	0.79%	0.038%				
Recov + Diluted Indicated		2,422	88.27	0.086	1.18%	0.30	2.48%	0.046%	209	57,245	718	120,169
Undiluted Inferred	\$ 42.00	2,084	86.40	0.088	0.99%	0.64	2.78%	0.036%				
Mining recovery 90%		1,876	86.40	0.088	0.99%	0.64	2.78%	0.036%				
Mining dilution 10%		188	42.26	0.049	0.50%	0.16	0.79%	0.038%				
Recov + Diluted Inferred		2,064	82.38	0.084	0.94%	0.59	2.60%	0.036%	174	38,991	1,223	107,290

Notes: Undiluted calculations are from the block model at the \$42.00/ton NSR Cutoff

Undiluted calculations require each block to have 4 neighbors above cutoff grade

Dilution grade based on the grade of material surrounding the undiluted tabulation, at a \$5.00/ton NSR Cutoff

Exploration and Development

Claim consolidation, maintenance, and an exploration drilling program during 2011 have occurred since acquisition.

Conclusions

The results of the preliminary economic assessment indicate that the Turner Gold Property has the potential to become an economic producer of gold, copper, silver and zinc in the form of three concentrates for shipment to a copper smelter, zinc refinery and gold roaster or autoclave facility.

The historic drilling, geological information, and recent check assay verification provide support for IMC to form the opinion that the data density and data reliability are sufficient to establish the estimate of mineral resources at the Turner Gold Property as stated in the above table.

There is potential to add resource tonnage to the Turner Gold Property as there are significant areas, particularly in the lower zone (MLZ), where drilling has not found the limits of the mineralization. The additions could be in the range of 100,000's of tons.

Based on the known information provided to date, JBR sees no environmental issues that would prevent the permitting of the proposed operations. After review of the laws of the State of Oregon and the planned project, this project should apply under DOGAMI Division 35 Oregon Mined Land Reclamation Act. Although JBR currently does not see any permitting issues that would prevent the operation of the proposed Turner Gold Mine, JBR cannot predict all the concerns or issues the permitting agencies may have with the proposed project during the permitting process, nor can JBR control how long the agencies will take to issue the necessary permits. At this time, quantification of all the environmental impacts of the proposed facilities and operations is not possible. A better understanding of these will be developed during the permitting process.

There is potential to increase metal recoveries, particularly for precious metals, with newer technologies introduced to processing in recent years. Gravity concentration methods and non-cyanide leaching of gold and silver from copper sulfides, pyrite and arsenopyrite concentrates are a few processes of merit to investigate. Production of a separate cobalt/pyrite concentrate may also be practical given the advances in fine grinding methods in recent years.

This preliminary assessment includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them to be categorized as mineral reserves, and there is no certainty that this preliminary assessment will be realized.

Recommendations

The results of the preliminary economic assessment indicate that the Turner Gold Property has the potential to become an economic producer of gold, copper, silver and zinc in the form of three concentrates for shipment to a copper smelter, zinc refinery and gold roaster or autoclave facility. However, more information will be required to move the project forward to a prefeasibility study.

IMC recommends a step wise approach where additional information should be gathered and its resulting impact on the project evaluated prior to commitment to additional phases of work.

IMC has recommended an initial drill program of 12 diamond drill holes that will add confidence, and potentially add tonnage to the Turner Gold Property. These holes will provide information for a broad range of topics at Turner in addition to geology and assay information.

Once the additional drill hole information is obtained, IMC holds the opinion that a three dimensional interpretation of rock type should be developed based on both old and new drilling data.

Process testing on new core should address the following items:

- Additional flotation tests (lock cycle)
- Freeze samples or limit oxidation of pyrite marcassite
- Evaluate bulk flotation
- A thorough study of regrind product size is required
- Evaluate centrifugal gravity recovery of gold in a pyrite concentrate
- Evaluate bulk concentrate processing by hydrometallurgical methods

The additional drilling should apply a highly accurate down hole survey method such as a Maxi-bore unit. Geotechnical data should be logged along with the geologic logging process. Some geotechnical testing will also be required on the new core.

The proposed budget for the additional drilling and analysis of the drill results is US\$1.5 million. The Company carried out the proposed drill program during 2011.

4. BUSINESS DESCRIPTION

4.1 General

Summary

The Company is a mineral exploration company focusing on the exploration of precious metals in North America. The Company's principal property, as fully described above is located in Oregon.

Subco has focused exclusively on acquiring the option to the Turner Gold Property since inception. Neither the Company or Subco have generated revenue or cash flow from operations. The Company has relied upon external equity to fund all activities.

Based on the current status of the Turner Gold Property, as more fully described in the Turner Gold Property Technical Report, the Company cannot project mineral production or resultant financial returns.

The Company completed an eleven drill hole program which began in Q2 2011 and was complete by the first part of Q4 2011. The goal of the drill program was to improve the classification of a portion of the mineral resource, as well as increase the total resource tonnage. This program will substantiate the existing assay data from earlier drilling.

Current work is directed toward preparation of a preliminary feasibility study to be completed in 2012. The program's metallurgical assessment and geological resource update is scheduled to be completed this year. The Company's technical staff is directing permitting, engineering, and design activities for the project.

Production

The Company is at the development stage of its sole property but cannot yet predict when or if that property will reach the productive state.

Specialized Skill and Knowledge

The Company's business requires specialized skills and knowledge in the areas of geology, exploration planning, drilling and regulatory compliance. The Company has been able to engage and retain qualified professionals capable of providing all required services. The ability to retain qualified professionals with background and experience specific to the Company's projects and business plan cannot be assured.

Competitive Conditions

The Company operates in a highly competitive industry. In an environment of generally rising precious metals prices and favorable equity market conditions the Company has encountered significantly increased competitive conditions. The Company may encounter challenges accessing qualified exploration personnel, drilling contractors and drill rigs, mineral properties and access to capital.

Cycles

Worldwide cycles of economic growth, interest rates, inflation rates and other economic factors can have a profound impact on the demand and realizable sale prices for precious metals and base metals over time. Relatively high metals prices can improve the probability that a mineral deposit could be developed into an economic producing property. In contrast, relatively low metals prices can reduce the probability that a mineral deposit could be developed into a producing property. The relative attractiveness of all mineral deposits is therefore highly dependent on metals prices and overall macroeconomic activity. Thus, mineral exploration activity is closely tied to the worldwide markets for precious metals and base metals.

The Company's ability to explore for precious metals or develop its property is dependent on access to external equity and debt financing and therefore the Company's business is highly sensitive to macroeconomic changes over time. During times of economic growth and favorable equity market conditions the Company's access to capital is better than during times of poor economic growth and weak equity market conditions. Therefore, the Company's ability to explore for precious metals and base metals is highly sensitive to changing equity market conditions.

Economic Dependence and Changes to Contracts

The Company's business is not substantially dependent on any contract or arrangement with an outside party.

Environmental Protection Requirements

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

There are no known environmental liabilities associated with the Company's sole property.

Employees

The Company currently has four full time employees and 1 part time employee.

Foreign Operations

All of the Company's exploration activity is in the United States.

Reorganizations

The Company completed a Qualifying Transaction pursuant to Policy 2.4 of the TSXV, as described above in the section above "Three Year History".

4.2 Risk Factors

The mining business is inherently risky in nature. Exploration activities are based on professional judgments and statistically-based tests and calculations and often yield few rewarding results. Mineral properties are often non-productive for reasons that cannot be anticipated in advance and operations may be subject to numerous risks. As a result, an investment in the Company's common shares should be considered highly speculative and prospective investors should carefully consider all of the information disclosed in this AIF prior to making an investment. In addition to the other information presented in this AIF, the following risk factors should be given special consideration when evaluating an investment in the Company's common shares.

No History of Earnings

The Company has no history of earnings. The Company's property is in the pre-development stage.

Title Risks

Although Subco has exercised due diligence with respect to determining title to the property in which it has a material interest, there is no guarantee that title to the property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Until competing interests, if any, in the mineral lands have been determined, the Company can give no assurance as to the validity of title to those lands or the size of such mineral lands.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals the Company acquires or discovers may be affected by numerous factors that are beyond its control and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, the import and export of minerals and environmental protection, the combination of which may result in the Company not receiving an adequate return of investment capital.

All of the claims in which the Company has acquired or has a right to acquire an interest are in the pre-development stage only and are without a known commercially-mineable ore body. Development of the subject mineral property would follow only if favorable drilling and testing results are obtained, which would add additional ounces to the known resource, and metallurgical testing providing assurance as to production methods.

There is no assurance that the Company's drilling and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of its operations will in part be directly related to the costs and success of its exploration and testing programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Uninsured or Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have a material adverse impact on the Company's operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Operating Hazards and Risks

Mineral exploration and development involves risks which even a combination of experience, knowledge and careful examination may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, developments and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. The Company plans to carry commercial general liability insurance for such risks and makes efforts to ensure its contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed insurance policy limits, the liabilities and hazards might not be insurable or the Company may elect not to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have materially adverse effect upon the Company's financial condition.

Environmental Risks, Regulations, Permits and Licenses and Other Regulatory Requirements

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company's operations, including development activities and commencement of production on its properties, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws, and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that the Company obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which it might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of

production at producing properties or require abandonment or delays in development of new mining properties.

Competition

The mining industry is intensely and increasingly competitive in all its phases, and the Company will compete with other companies that have greater financial and technical resources. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically and businesses compete for the technical expertise to find, develop, and produce such properties, the skilled labor to operate the properties and the capital for the purpose of financing development of such properties. Such competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties.

Dependence on Management

The Company is largely dependent on the performance of its directors and officers. There is no assurance the Company will be able to maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and its prospects.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist at the time of sale. Factors beyond the Company's control may affect the marketability of metals or minerals discovered, if any. Metal prices have fluctuated widely, particularly in recent years, and the Company will be affected by numerous factors beyond its control. The effect of these factors on the Company's operations cannot be predicted. If mineral prices decline significantly, it could affect the Company's decision to proceed with further exploration of its properties.

Future Financing

The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms to the Company, if at all. Failure to obtain additional financing on a timely basis may result in delay or indefinite postponement of further exploration and development or forfeiture of some rights in some or all of the Company's properties. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to further explore and develop its properties, take advantage of other opportunities, or otherwise remain in business. Events in the equity market may impact the Company's ability to raise additional capital in the future.

Future Acquisitions

As part of the Company's business strategy, it may seek to grow by acquiring companies, assets or establishing joint ventures that it believes will complement its current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for its business. The Company cannot guarantee

that it can complete any acquisition it pursues on favorable terms, or that any acquisitions completed will ultimately benefit its business.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada, and the TSXV in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

Conflicts of Interest

Certain directors and officers of the Company will and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the interest of the Company. Directors and officers of the Company with conflicts of interest will be subject to and follow procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Reliability of Historical Information

The Company has relied, and the Technical Report is based, in part, upon historical data compiled by previous parties involved with the Turner Gold Property. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Currency Exchange Rates

The Company will be subject to fluctuations in the rates of currency exchange between the Canadian dollar and the United States dollar, and these fluctuations could materially affect the Company's financial position and results of operations as costs may be higher than anticipated. The costs of goods and services could increase due to changes in the value of the Canadian dollar or the United States dollar. Consequently, operation and development of the Company's properties might be more costly than the Company anticipates.

Current Global Economic Conditions

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Company's access to capital or increase its cost of capital. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on the Company's business, financial condition and results of operations.

Service of Process

A majority of the directors and all of the officers of the Company reside outside of Canada and it will therefore be difficult to effect service of process (service of legal proceedings) on such directors and officers.

Single Property

The Company has an interest in only one property, the Turner Gold Property in Oregon.

4.3 Dividends

To date, the Company has not paid any dividends on its outstanding Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Company to fund further growth, the financial condition of the Company and other factors which the board of directors of the Company may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable futures.

4.4 Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. 24,500,010 common shares and no preferred shares are issued and outstanding.

The holders of the Company's common shares are entitled to vote at all meetings of shareholders of the Company, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company. The Company's common shares will carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There will be no provisions requiring a holder of common shares to contribute additional capital and no restrictions on the issuance of additional securities by the Company. There will be no restrictions on the repurchase or redemption of the common shares by the Company except to the extent that any such repurchase or redemption would render the Company insolvent.

Prior Sales

The following table summarizes each class of securities of the Company outstanding but not listed or quoted on a marketplace as at the date of this AIF and that were issued in the past year, the price at which such securities were issued, the number of securities issued and the date such securities were issued.

Date	Number of Securities	Type of Security	Issue price of Security
3/25/2011	1,850,000	Stock options (1)	N/A
3/24/2011	7,000,000	Warrants (2)	N/A
3/24/2011	37,500	Warrants (3)	N/A
3/24/2011	10,500,000	Warrants (4)	N/A
3/24/2011	735,000	Agent's options (5)	N/A

Notes:

(1) In conjunction with the Qualifying Transaction the Company granted 1,850,000 stock options to officers, directors and employees. All of these options have an exercise price of \$0.50 and expire on March 25, 2016.

(2) In conjunction with the Qualifying Transaction the Company issued 7,000,000 warrants to replace 7,000,000 warrants issued to JMC shareholders in a unit private placement transaction. All of these warrants have an exercise price of \$0.75 per share and an expiration date of March 24, 2013.

(3) In conjunction with the Qualifying Transaction the Company issued 37,500 warrants as part of a unit corporate finance fee. All of these warrants have an exercise price of \$0.75 per share and an expiration date of March 24, 2013.

(4) In conjunction with the Qualifying Transaction the Company issued 10,500,000 warrants to replace 10,500,000 finder's warrants issued by JMC. 5,250,000 of these warrants have an exercise price of \$1.50 and an expiration date of March 24, 2016. The remaining 5,250,000 of these warrants have an exercise price of \$2.00 and an expiration date of March 24, 2016.

(5) In conjunction with the Qualifying Transaction the Company granted agents options to acquire 735,000 units, where each unit will consist of one common share and one half of one warrant to acquire one common share with an exercise price of \$0.75, on or before March 24, 2013 at an exercise price of \$0.50 per unit. The warrants issued as part of these units shall have an expiration date of March 24, 2013.

5. MARKET FOR SECURITIES

The Common Shares were originally listed on the TSXV under the trading symbol “GRP.P” on March 24, 2008. Trading of the Common Shares was halted on January 20, 2010 for failure to complete a Qualifying Transaction within the required time. Trading in the Company’s shares remained halted until completion of the Qualifying Transaction. The Common Shares were reinstated for trading on March 25, 2011, after the TSXV provided final approval for the Qualifying Transaction.

At a Special and Annual Meeting of the Company’s shareholders held on May 20, 2010 the Company’s shareholders approved a change of name of the Company from “Green Park Capital Corp.” to “Josephine Mining Corp.”, and a consolidation of the issued and outstanding common shares on a one for five basis.

DATE	HIGH	LOW	CLOSE	VOLUME
Apr/10	\$ -	\$ -	\$ -	-
May/10	-	-	-	-
Jun/10	-	-	-	-
Jul/10	-	-	-	-
Aug/10	-	-	-	-
Sep/10	-	-	-	-
Oct/10	-	-	-	-
Nov/10	-	-	-	-
Dec/10	-	-	-	-
Jan/11	-	-	-	-
Feb/11	-	-	-	-
Mar/11	0.99	0.82	0.87	621,700
Apr/11	0.93	0.65	0.70	690,000
May/11	0.80	0.55	0.75	318,300
Jun/11	0.69	0.50	0.50	183,000
Jul/11	0.63	0.50	0.63	322,500
Aug/11	0.64	0.52	0.52	75,000
Sep/11	0.58	0.40	0.52	633,000
Oct/11	0.52	0.42	0.47	171,100
Nov/11	0.50	0.41	0.47	207,000
Dec/11	0.47	0.22	0.34	517,085
Jan/12	0.30	0.20	0.20	120,500
Feb/12	0.36	0.20	0.33	198,000
Mar/12	0.33	0.25	0.25	115,500

6. ESCROWED SECURITIES

Details relating to the Company's securities that are subject to TSXV escrow requirements are as follows:

Name and Municipality of Residence of Securityholder	Designation of Class	Number of Securities in Escrow	Percentage of class
Anthony Dutton Vancouver, British Columbia	Common Shares	50,000	0.20%
Donald Padgett North Vancouver, British Columbia	Common Shares	50,000	0.20%
Malcolm Burke West Vancouver, British Columbia	Common Shares	50,000	0.20%
Steve Mantel West Vancouver, British Columbia	Common Shares	50,000	0.20%
Dal Brynelson Half Moon Bay, British Columbia	Common Shares	50,000	0.20%
RMMI Spokane, Washington, USA	Common Shares	10,500,010	41.26%
Totals:		10,750,010	42.24%

As a requirement of Policy 2.4 of the TSXV, 250,000 Common Shares issued to the Company's initial directors, officers, insiders and promoters and the 10,500,010 shares issued pursuant to the Qualifying Transaction ("escrowed shares") remain in escrow pursuant to an escrow agreement between the Company, Computershare Trust Company of Canada, as Trustee, and those shareholders who executed such escrow agreement. The initial escrowed shares will be releasable as to 5% on the date of the final Exchange bulletin approving the Qualifying Transaction and 15% thereof every six months after the final exchange bulletin approving the Qualifying Transaction (the "TSXV Bulletin") with the final release being 36 months from the date of the TSXV Bulletin. The date of the TSXV Bulletin was March 28, 2011. If the Company subsequently meets the Tier 1 Minimum Listing Requirements of the TSXV, the release of the escrowed shares will be accelerated whereby such shares will be released from escrow as to 25% thereof every six months thereafter after the date of the TSXV Bulletin with the final release 18 months from the date of the TSXV Bulletin.

7. DIRECTORS AND OFFICERS

7.1 Name, Occupation and Security Holding of Directors and Officers

The following table sets out the name, province or state and country of residence, position held and principal occupations for at least the past 5 years, and percentage ownership holdings beneficially owned or controlled or directed, directly or indirectly of each director or officer of the Company. The directors are elected at each annual meeting and hold office until the next annual meeting, unless his office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified in accordance with the *Business Corporations Act* (British Columbia).

Name and Municipality of Residence	Positions Held With the Company	Principal Occupation During Past 5 Years	Percentage of Common Shares held
Robert L. Russell Spokane, Washington	Chief Executive Officer and Chairman of the Board of Directors	Chairman of the Board for St. August Gold & Copper Ltd. Director and Chairman of Russell Mining & Minerals Inc. Director of Mines Management, Inc. from 1999 to present. President and CFO of General Moly Inc. from 2004-2007. President of Russell Associates Engineering & Technology, LLC from 1998 to present.	nil
Andrew J. Russell ⁽¹⁾⁽²⁾⁽³⁾ Spokane, Washington	Director	President, CEO, and Director for St. Augustine Gold & Copper Ltd. President of Russell Mining & Minerals Inc. VP of Project Development for General Moly, Inc. until 2007. He was self-employed and worked as an independent contractor from 2005-2007.	41.3%
R. Lee Chapman ⁽²⁾ Elko, Nevada	Chief Financial Officer	Interim CFO for St. Augustine Gold & Copper Ltd. until March 2012. Director of Thunder Mountain Gold, Inc. Regional Vice President of Newmont Mining Corp. from 2007-2010. CFO and CAO for Copper Mesa Mining Corp. (formerly Ascendant Copper Corp.) from 2006 to 2007.	nil
Anthony Dutton ⁽²⁾⁽³⁾ Vancouver, British Columbia	Director	Director of War Eagle Mining Company Inc. Director for 0903658 B.C. Ltd (formerly Centric Energy Corp) from September 2009 to present. President, CEO, and Secretary for IBC Advanced Alloys Corp. from July 2008 to present. President, CEO, and CFO for the Company (formerly Green Park Capital Corp.) from 2007 to March 2011. CEO of DELU Enterprises Ltd from 2006 to present.	0.20%
James O'Neil ⁽²⁾ Parker, Colorado	Director	CEO, CFO and Director of Gryphon Gold Corporation starting in 2011. CFO and COO of Jipangu International from 2006 to 2011.	nil
Robert Dumont Coeur d'Alene, Idaho	Vice President of Business Development	CFO, VP Corporate Development of Russell Mining & Minerals, Inc. from April 2009 to April 2010. President and CEO of Intl Gold Resources, Inc. from January 2008 to April 2009. President and CEO of Atlas Mining Company from July 2007 to October 2007.	nil
Rick Skeith Calgary, Alberta	Corporate Secretary	Partner at Norton Rose Canada LLP, (formerly known as Macleod Dixon LLP), Barristers and Solicitors.	nil

Note: (1) Andrew J. Russell is the President of RMMI, which holds 10,500,010 common shares of the Company.

(2) Members of the Audit Committee

(3) Members of the Compensation Committee

As of the date of this AIF, the directors and officers above collectively beneficially owned, or controlled or directed, directly or indirectly, 10,550,010 common shares representing 43.1% of the issued and outstanding common shares. Each director's term of office will expire at the next annual meeting of the shareholders unless re-elected at such meeting.

The information as to principal occupation and shares beneficially owned or controlled or directed, directly or indirectly not being within the knowledge of the Company, has been furnished by the officers and directors.

7.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

As at the date of this AIF and within the ten years before the date of this AIF, no director, officer or promoter of the Resulting Issuer is or has been a director, officer or promoter of any person or company, that while that person was acting in that capacity:

- a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

As at the date of this AIF, no director, officer or promoter of the Company or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable securityholder making an investment decision relating to the Company's common shares.

Personal Bankruptcies

No proposed director, officer or promoter of the Company, or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of such persons, has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

Rick Skeith was a director of Sienna Gold Inc., formerly Vortex Integrated Industrial Corp. On February 25, 2003, trading in the company shares was suspended by the BC Securities Commission for failure to file required financial statements. The order was rescinded on March 14, 2003. On June 20, 2003, trading in the company shares was suspended by the Alberta Securities Commission for failure to file required financial statements. Vortex was delisted by the TSX-V on June 20, 2003. Sienna subsequently relisted on the TSX-V, and is currently in good standing. Mr. Skeith was the corporate secretary of Canaf Group Inc. and was subject to a management cease trade order on March 5, 2008, when that company was late with its financial filings. These were subsequently filed and the CTO was revoked on June 20, 2008. He was the corporate secretary of MegaWest Energy Corp. when it was subject to a cease trade order from September 7, 2010, until October 22, 2010 for failure to file financial information on a timely basis.

7.3 Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company holding positions as directors or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the British Columbia Business Corporations Act or other applicable corporate legislation.

The directors of the Company other than Anthony Dutton, are also either directors, officers or shareholders of RMMI.

8. PROMOTERS

Anthony Dutton is considered to be the promoter of the Company because he took the initiative in founding and organizing the Company. Mr. Dutton holds 50,000 of the issued and outstanding shares of the Company on an undiluted basis, and options to purchase an additional 19,000 shares of the Company, as more particularly described elsewhere in this AIF. Except as disclosed in this AIF, Mr. Dutton has not and will not receive from or provide to the Company anything of value, including money, property, contracts, stock options or rights of any kind directly or indirectly.

Andrew J. Russell may be considered to be the promoter of Subco and therefore the Company, because he has taken the initiative in founding and organizing the business of Subco and subsequently the Company. Mr. Russell exercises control and direction over 10,500,010 common shares of the Company, representing 42.9% of the issued and outstanding shares of the Company. Except as disclosed in this AIF, Mr. Russell has not and will not receive from or provide to the Company anything of value, including money, property, contracts or rights of any kind directly or indirectly.

No other person will be or has been within the two years preceding the date of this AIF, a promoter of the Company.

9. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings. Management of the Company is currently not aware of any legal proceedings contemplated against the Company. The Company was not party to any legal proceedings during the twelve months previous to the date of this AIF.

The Company is not currently party to any regulatory actions, nor was the Company party to any regulatory actions during the twelve months previous to the date of this AIF.

10. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

RMMI, a company of which Andrew Russell (a director of the Company) is the CEO, received 10,500,010 common shares issued pursuant to the Qualifying Transaction. Robert L. Russell and R. Llee Chapman are also directors and/or shareholders of RMMI.

11. TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada, through its principal office in Vancouver, British Columbia, is the transfer agent and registrar for the Common Shares.

12. MATERIAL CONTRACTS

The Company has not entered into any material contracts, outside the ordinary course of business, within the past twelve months preceding the date of this AIF that is still in effect, other than:

1. The RMMI Agreement;
2. The JMC Property Option Agreement dated June 16, 2009 between GMI and Subco whereby GMI granted an option to Subco to acquire the Property in Oregon, U.S.A.;
3. Amalgamation agreement relating to the Qualifying Transaction;
4. The Wagner Property Option Agreement dated June 18, 2011 between Wagner and the Company whereby Wagner granted an option to the Company to purchase land in Oregon, USA.

13. NAME AND INTERESTS OF EXPERTS

1. The authors of the Turner Gold Property technical report are John Marek of Independent Mining Consultants, Inc.; James Moore; Srikant Annavarapu of Master Geotech Services, LLC; Michael D. Strickler of LithoLogic Resources, LLC; and Brian Buck of JBR Environmental Consultants, Inc. To the Company's knowledge, none of these individuals own any securities, direct or indirect, of the Company.
2. MNP LLP is the auditor who prepared the auditor's report for the Company's annual financial statements for the year ended December 31, 2011. MNP LLP is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

14. ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' compensation and indebtedness, principal ownership of securities and securities authorized for issuance under equity compensation plan is contained in the Company's information circular dated September 20, 2011.

Additional financial information is provided in the Company's financial statements and MD&A for the year ended December 31, 2011.