FORM 2B
LISTING APPLICATION

GeoNovus Minerals Corp.

Application for the listing of common shares in the capital of GeoNovus Minerals Corp. on the TSX Venture Exchange

December 22, 2011

No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this application.

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Item 2: Glossary

Unless otherwise indicated or the context otherwise indicates, the following definitions are used in this Listing Application. In the event of a conflict between a term defined in this Glossary and a term defined in the TSXV's Corporate Finance Manual of the TSXV, the TSXV will govern.

Arrangement	means the arrangement under section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 7.01 of the Business Combination Agreement or the Plan of Arrangement at the direction of the Court
BCBCA	means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time
Business Combination Agreement	means the business combination agreement dated as of October 14, 2011 and amended November 15, 2011 among Geo, GeoNovus and New Gold, together with the schedules attached thereto, as amended, supplemented or otherwise modified from time to time
Court	means the Supreme Court of British Columbia
Effective Date	means the date agreed to by Geo, GeoNovus and New Gold in writing as the effective date of the Arrangement, after all of the conditions precedent in the Business Combination Agreement and the Final Order have been satisfied or waived
Final Order	means the order of the Court pursuant to section 291 of the BCBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, and being informed of GeoNovus' intent to rely on Section 3(a)(10) of the 1933 Act, approving the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal
Geo	means Geo Minerals Ltd.
Geo Common Share	means the common shares in the capital of Geo
Geo Option	means the outstanding options to purchase Geo Common Shares issued pursuant to the Geo Stock Option Plan
Geo Shareholders	means, at any time, the holders of the Geo Common Shares
Geo Stock Option Plan	means the stock option plan dated June 17, 2007, as amended March 9, 2010 and June 3, 2011, as approved by the Geo Shareholders on June 3, 2011

Geo Warrants	means outstanding warrants to purchase Geo Common Shares
GeoNovus or **the Company**	means GeoNovus Minerals Corp.
GeoNovus Option	means incentive stock options to purchase GeoNovus Shares issued pursuant to the GeoNovus Stock Option Plan
GeoNovus Shares	means the common shares in the capital of GeoNovus
GeoNovus Stock Option Plan	means the stock option plan dated effective December 13, 2011, as approved by Geo on December 13, 2011
Information Circular	means the management information circular of Geo dated November 17, 2011, including all appendices thereto and the documents incorporated by reference therein
Interim Order	means the interim order of the Court dated November 16, 2011 made in connection with the Arrangement
New Gold	means New Gold Inc.
NI 43-101	means Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects*
Offering	means the offering of a minimum of 5,000,000 Units (the "**Minimum Offering**") and a maximum of 5,500,000 Units (the "**Maximum Offering**") by GeoNovus at a price of $0.15 per Unit, for minimum gross proceeds of $750,000 and maximum gross proceeds of $825,000
Plan of Arrangement	means a plan of arrangement substantially in the form and content of Appendix "B" attached hereto and any amendment or variation thereto made in accordance with Section 6.01 of such plan of arrangement or Section 7.01 of the Business Combination Agreement
SEDAR	means the System for Electronic Document Analysis and Retrieval available online at www.sedar.com
Tax Act	means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended
Technical Report	means the technical report prepared for GeoNovus entitled "Scotia Property: Scotia River Area, Skeena MD" dated October 26, 2011, authored by A.O. Birkeland, P.Eng., and Gary Giroux, P.Eng
Units	means units in the capital of GeoNovus offered under the

	Offering, each such Unit comprised of one GeoNovus Share and one-half of an Unit Warrant
Unit Warrants	means the share purchase warrants comprising a portion of a Units, each Unit Warrant entitling the holder thereof to purchase one GeoNovus Share at a price of $0.20 per share for a period of 24 months

Item 3: Summary

The following is a summary of information relating to GeoNovus and should be read together with the more detailed information and financial statements contained or referred to elsewhere in this Listing Application or the Technical Report.

The Business of GeoNovus

GeoNovus is a mineral exploration company. It was incorporated under the BCBCA on October 11, 2011.

GeoNovus was created in connection with the Arrangement to hold certain existing Geo assets, including GeoNovus's material property, the Scotia Property. The particulars of the Arrangement are set out in the Information Circular which is available under Geo's profile on SEDAR.

Pursuant to the Arrangement, all holders of Geo Common Shares received the following for each Geo Common Share held: (a) one fifteenth (1/15th) of a GeoNovus Share and (b) $0.16 per share.

Additionally, all Geo Options and Geo Warrants outstanding on the Effective Date were deemed to be fully vested (in the case of Geo Options) and transferred to Geo and cancelled in exchange for (in the case of "in-the-money" Geo Options and Geo Warrants, being those Geo Options and Geo Warrants the exercise price of which is less than $0.16) the number of Geo Common Shares obtained by dividing (i) the amount, if any, by which: (A) the product obtained by multiplying the number of Geo Common Shares underlying such Geo Option or Geo Warrant by the Cash Consideration that would be payable for each such Geo Common Share; exceeds (B) the aggregate exercise price payable under such Geo Option or Geo Warrant to acquire such underlying Geo Common Shares; by (ii) the Cash Consideration per Geo Common Share.

Pursuant to the Arrangement, GeoNovus also received $250,000 from New Gold in funding on completion of the Arrangement. Immediately after the completion of the Arrangement, GeoNovus offered a minimum of 5,000,000 Units and a maximum of 5,500,000 Units pursuant to the Offering, at a price of $0.15 per Unit, for minimum gross proceeds of $750,000 and maximum gross proceeds of $825,000. Each Unit is comprised of one GeoNovus Share and one-half of a Unit Warrant.

Directors and Executive Officers of GeoNovus

The following table lists the names of the directors and executive officers of GeoNovus and their respective positions.

Name	Position
Michael England	President, CEO and director
Paul Gray	Director
David Lajack	Director
John Masters	Corporate Secretary

Marvin Mitchell	Director
Olga Nikitovic	CFO

For further information regarding each of the directors and executive officers of GeoNovus, please see item 16 - *Directors and Executive Officers*.

Funds Available

Following the completion of the Arrangement and the Offering, GeoNovus will have funds available to it as follows:

	Available Funds ($)	
Source of Funds	**Minimum Offering**	**Maximum Offering**
Investment from New Gold under the Arrangement	250,000	250,000
Gross proceeds of the Offering	750,000	825,000
Less: estimated costs of the Offering	(5,000)	(5,000)
Less: finder's fees with respect to the Offering	(75,000)	(82,500)
Estimated funds available on completion of the Arrangement and the Offering	920,000	987,500

Use of Proceeds

As at the date of the Listing Application, it is intended that the funds available upon completion of the Arrangement and the Offering will be used as follows:

	Estimated Amount ($)	
Principal Purpose	**Minimum Offering**	**Maximum Offering**
Completion of Phase 1 of the recommended exploration program for the Scotia Property	280,000	280,000
Required property payments with respect to GeoNovus' mineral projects	100,000	100,000
General and administrative expenses for 12 months	439,600	439,600
Unallocated working capital	100,400	167,900
TOTAL	**920,000**	**987,500**

Please see Item 6 - *Financings* for further discussion.

Mineral Projects

A detailed description of the Scotia Property is set out in the Technical Report, which is incorporated by reference into this Listing Application and is available for viewing under GeoNovus' profile on SEDAR.

Risk Factors

GeoNovus will be a mineral exploration company. This industry is capital intensive, highly speculative, and is subject to fluctuations in commodity prices, market sentiment and exchange rates for currency, inflation and other risks (See Item 21 – *Risk Factors*).

Financial Information

For financial information related to GeoNovus, please see the audited carve-out consolidated financial statements of the business of GeoNovus as at August 31, 2011, the audited financial statements of GeoNovus for the period from incorporation (October 11, 2011) to October 31, 2011, and the unaudited pro-forma consolidated financial statements of GeoNovus as at August 31, 2011, which are included in the Information Circular, available for viewing under Geo's profile on SEDAR.

Item 4: Corporate Structure

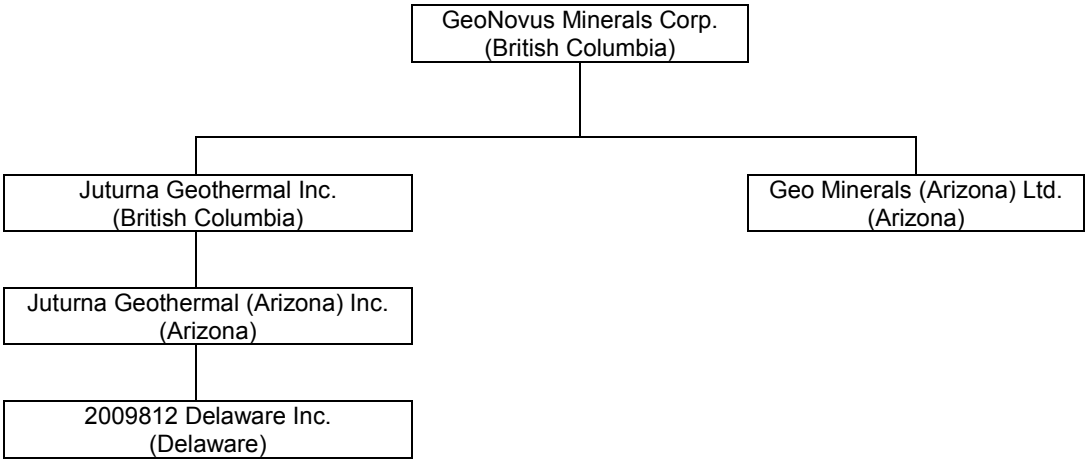
The Company was incorporated under the name "GeoNovus Minerals Corp." pursuant to the BCBCA on October 11, 2011.

Upon completion of the Arrangement, GeoNovus became a reporting issuer in British Columbia, Alberta and Ontario.

GeoNovus' head office is located at Suite 1220 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. Its registered and records office is located at 700 - 401 West Georgia Street, Vancouver, British Columbia V6B 5A1.

Intercorporate Relationships

On completion of the Arrangement, the wholly-owned subsidiaries of GeoNovus and the jurisdictions of incorporation of those subsidiaries will be as follows:



Item 5: Description of the Business

GeoNovus was incorporated to acquire, hold and operate certain exploration properties previously held by Geo, comprised of the following:

- the Scotia Property located in British Columbia;
- the Chilcotin Property located in British Columbia;
- the Middle Mountain Property located in Arizona;
- the Onstrike Property located in Quebec;
- the Red Hills Property located in Arizona; and
- the Silver Bell Property located in Arizona.

(together, the "**Properties**").

Of the Properties, management of GeoNovus considers the Scotia Property to be its "Qualifying Property" (as that term is defined in Policy 1.1 of the TSXV) for the purposes of this Listing Application. GeoNovus' primary business focus is the acquisition, exploration and, as warranted, development of precious and base metal prospects, including further exploration of the Scotia Property, described below.

THE SCOTIA PROPERTY

The information contained herein with respect to the Scotia Property is derived from the Technical Report, which was commissioned by and prepared for GeoNovus by A.O. Birkeland, P.Eng., and Gary Giroux, P.Eng. (collectively, the "**Report Authors**"). The technical report reviews the Scotia Property geology and mineralization, and recommends an exploration program. Mr. Birkeland visited the Scotia Property from September to October 2010. Each of the Report Authors is a "Qualified Person" and considered "independent" as both those terms are defined in NI 43-101. The technical report will be available for review online under GeoNovus' profile on SEDAR.

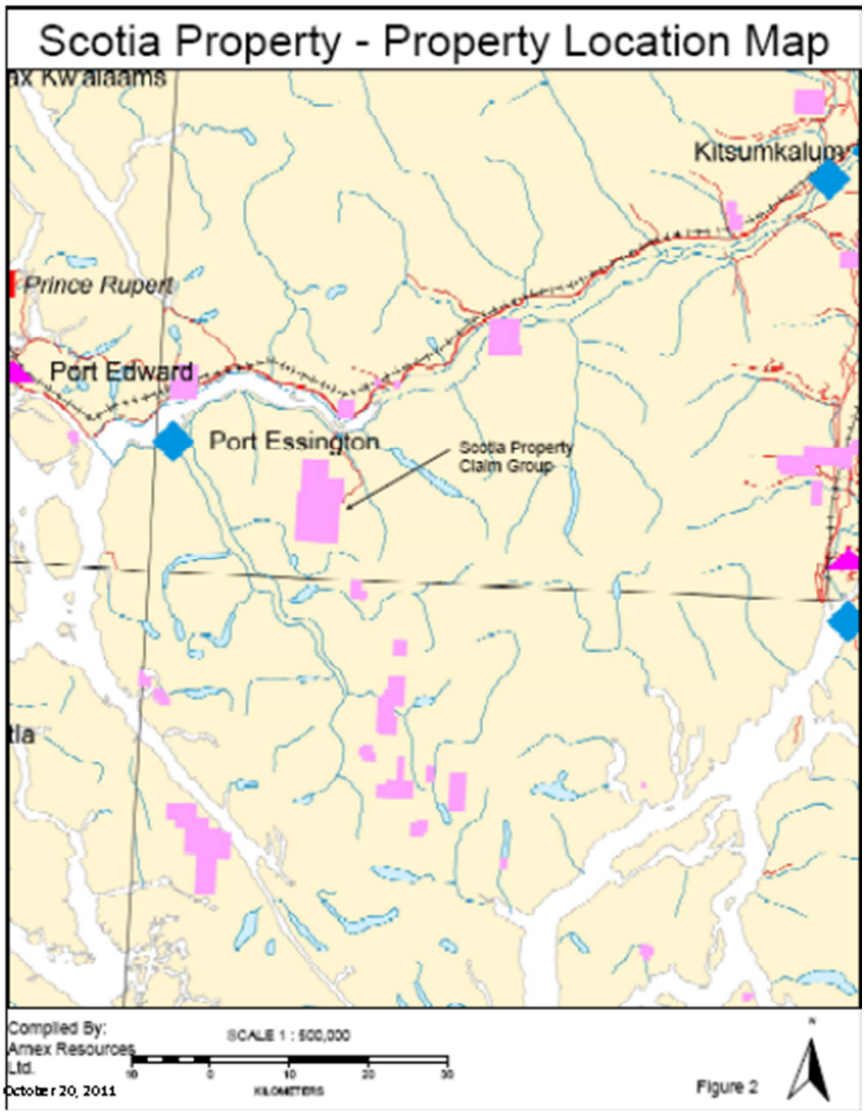
Property Description and Location

Location

The Scotia Prospect is located in the Scotia River area, approximately 40 km southeast of Prince Rupert in west central British Columbia (Figure 1). The Property is centered on latitude 54 degrees, 05 minutes, 17 seconds North and longitude 129 degrees, 40 minutes, 39 seconds West. The property lies within a belt of metavolcanic degrees, and metasedimentary rock trending approximately north-south between the Skeena River to the north and the Ecstall River to the south (Figure 2).

Figure 1: Location Map

Figure 2: Property Location Map



Property Description and Ownership

The original Scotia Property group of claims consisted of seven cell mineral claims totaling 4,939.4 hectares that were owned by Doublestar, owner number 139464. The claims were subject to the provisions of an agreement between Doublestar and Falconbridge Limited. Doublestar has since confirmed that the Falconbridge agreement has been terminated and no longer exists.

Subject to the provisions of an option agreement dated April 12, 2005, Ialta acquired a 50% working interest in the Property from Doublestar by issuing staged share issuances totaling 350,000 shares and incurring $2,000,000 in exploration expenditures by October 31, 2010. Ialta subsequently assigned its option right to Geo. Pursuant to an agreement dated May 27, 2007 and amended August 14, 2007, Geo acquired all of Doublestar's interest in the Property. In consideration of Doublestar's interest in the Property, Geo paid, in a series of installments, an aggregate total of $310,000 on or before October 31, 2007. Additionally, Geo issued an aggregate of 300,000 Common Shares to Doublestar, and granted Doublestar a 2.0% NSR, of which Geo may purchase, at any time upon notice to Doublestar, 1.0% of the NSR for a cash payment of $1,000,000.

The original claim group was restaked as its current configuration between October 2008 and November 2009.

In September 2010, Geo optioned a 51% interest in the Scotia Property to Hawkeye for consideration consisting of cash payments totaling $210,000, issuance of 1,000,000 common shares over a three year period and incurring $1,200,000 in work commitment expenditures on the Scotia Property over a four year period. Hawkeye could earn an additional nine percent interest by incurring $500,000 in property expenditures until a feasibility study is completed and issuing an additional 500,000 shares to Geo within 15 days following completion of the feasibility study. Hawkeye announced on October 6, 2011 that such option agreement had lapsed with Geo whereby Geo had subsequently retained its 100% interest in the Scotia Property.

Pursuant to the Arrangement, Geo transferred its 100% beneficial interest in the Scotia Property and all related rights and obligations including surface rights and right of legal access to the Scotia Property to GeoNovus.

Other than any future First Nations claims, the author is not aware of any significant factors and risks that may affect access, title or the right or ability to perform work on the Scotia Property.

Tenure information is contained in Table 1.

Table 1: Claim Tenure

Tenure Number	Claim Name	Owner	Map Number	Good To Date	Status	Area (ha)
593613	SCOTIA	210426 (100%)	103I	2012/nov/20	GOOD	5576.2680
629323	SCOTIAAREASTAKED1	210426 (100%)	103I	2012/nov/20	GOOD	455.8591
629324	SCOTIAAREACLAIM2	210426 (100%)	103I	2012/nov/20	GOOD	474.7907
629325	SCOTIAAREACLAIM3	210426 (100%)	103I	2012/nov/20	GOOD	474.8134
666263	SCOTIA EAST	210426 (100%)	103I	2012/nov/20	GOOD	473.9326
666283	SCOTIA EAST1	210426 (100%)	103I	2012/nov/20	GOOD	455.2423
666284	SCOTIA EAST2	210426 (100%)	103I	2012/nov/20	GOOD	455.5040
Total	**7 Claims**					**8366.4101**

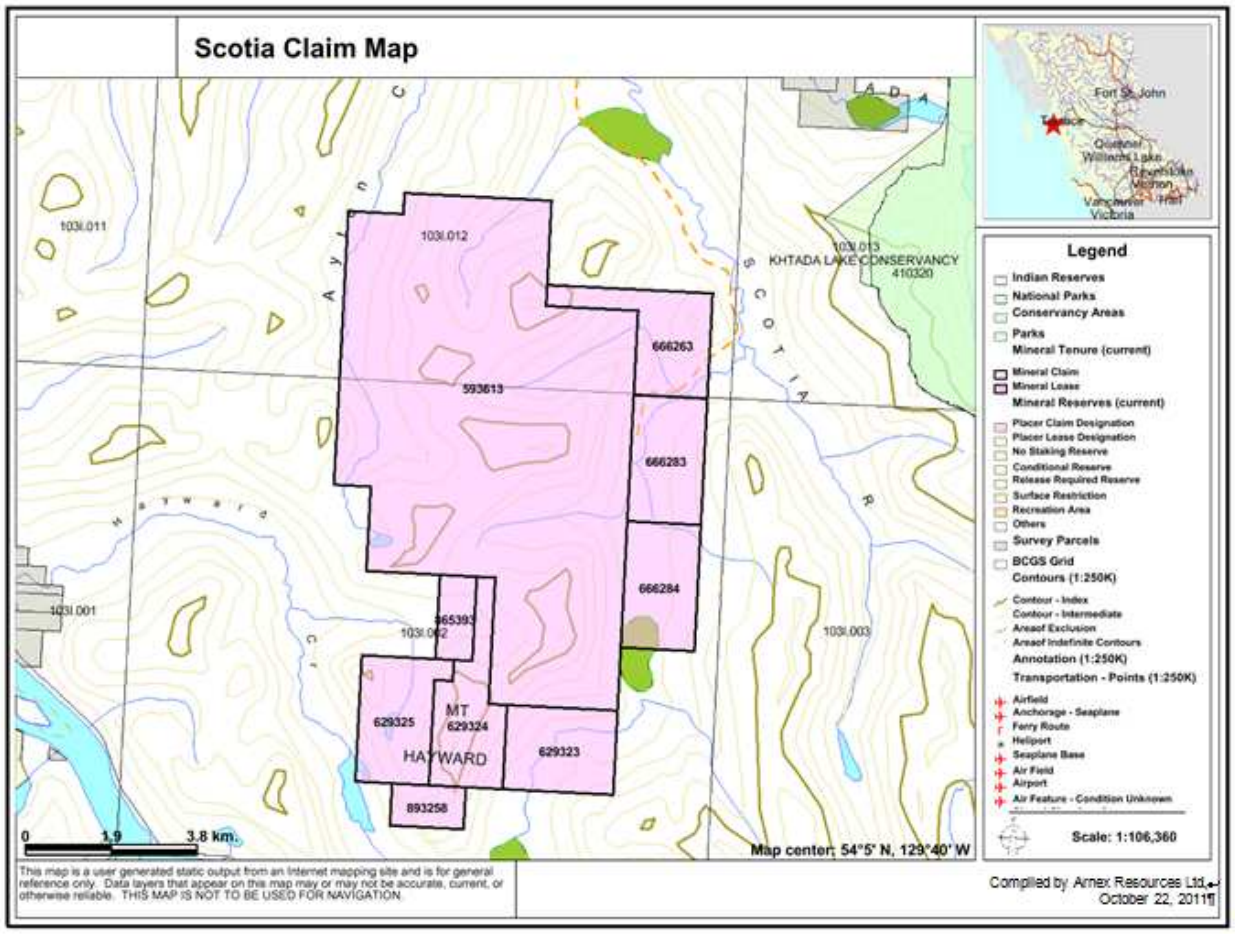
The claims are plotted on Figure 3, Scotia Claims.

The principle mineralized zone on the Scotia Property is the Albere Zone. It is located in the central portion of Tenure Number 593613.

There are no known environmental liabilities to which the Scotia Property is subject.

A Mineral Notice of Work and Reclamation Program has been filed with the Ministry of Energy and Mines to obtain a Mines Act Permit for conducting the Phase 2 diamond drill program recommended in the Technical Report.

Figure 3: Scotia Claims



Accessibility, Climate, Local Resources, Infrastructure and Physiography

Topography, Elevation and Vegetation

The Scotia Property claim group is located on a steeply sloping south facing hillside between two southeastern tributaries of the Scotia River (Figure 12). The Albere showing outcrops at and elevation of approximately 2700 feet. The Albere showing is at treeline, with conifer forest occurring down-slope and alpine scrub and brush occurring up-slope.

Accessibility

Access to the Scotia Property is by helicopter from Prince Rupert located 40 kilometres to the northwest. Truck access is by barge from Kwinitsa on the north shore of the Skeena River to the Scotia River logging camp on the south shore of the Skeena River, owned by Interfor (International Forest Products) and operated by Bear Creek Contracting of Terrace, BC (Figure 2), then by driving on the Scotia Mainline logging road, then traversing to the Scotia Property.

Climate and Vegetation

The Prince Rupert area has a coastal climate characterized by high precipitation and moderate temperatures. Winters are mild and wet with precipitation occurring mostly as

rain and snowfall generally restricted to higher elevations. Temperatures reach lows of about -10oC. Summer weather is variable, typically with mixed rain and cloud, and temperatures from 10oC to 25oC. Lakes are generally ice-free by early April. Freeze-up typically occurs in mid-November.

Heavy forest cover is restricted to parts of main valley floors, with sparse coniferous growth on hillsides up to about 1,000 meters. Fir, hemlock and willows dominate with lesser poplar, birch and alder. Short brush and lichen dominates above 1,000 meters.

Infrastructure

All of the main valleys in the area are accessible by logging roads maintained by Bear Creek Contracting. The area is intermittently logged and most valleys have been logged from recently to over 30 years ago. More recent, deactivated logging roads are still accessible by four wheel drive vehicles.

A Canadian National rail line is located along the north bank of the Skeena River, which links Prince Rupert with interior British Columbia. Electric power is available on the south bank of the Skeena River near the Scotia River camp (see Figure 2). Water is plentiful year round. A year round deep-sea shipping port is located at Prince Rupert.

Physiography

Most of the area covers the Kitimat Ranges of the Coast Mountains at elevations from 25 meters at the Skeena River to peaks up to 1,580 meters. Terrain is mostly mountainous with smooth, steep, bare rock faces to moderate brush and tree-covered slopes and intervening, U-shaped swampy river valleys of the Scotia River, Big Falls Creek and Carthew Creek drainage systems (see Figure 2).

Property History

Regional Exploration

Regionally, most exploration in the area was conducted in the 1950's and 1960's when the Texas Gulf Sulphur Company was developing the Ecstall VMS deposit for its sulphur content. Reserves of approximately six million tons were delineated by extensive diamond drilling and underground development. As cheap sources of sulphur were then developed as a by-product of the petroleum industry, the Ecstall deposit was never mined.

Most regional exploration has historically been centered on the Ecstall area in the southern portion of the Scotia-Quaal belt. Texasgulf and Cominco drilled the Packsack claims and Noranda carried out extensive geophysical surveys and limited drilling at the Horse Fly prospect. Atna drilled the Horse Fly prospect in 1995 with encouraging results.

A regional geochemical stream sediment and water reconnaissance program was carried out by the British Columbia Geological survey on NTS map sheets 103I - Terrace and 103J - Prince Rupert in 1978 and 1979. These samples were reanalyzed in 1991 and published as BC RGS 42 in June 1995. The release includes previously unreleased data for 26 metals in stream sediments. A total of 2,253 stream sediment and 2,237 stream water samples were collected from 2,128 sites.

A two year geological mapping program was conducted by the BCGSB by D Alldrick. The 1:20,000 scale mapping was released in 2001 as a Geoscience Map titled Geology and Mineral Deposits of the Ecstall Greenstone Belt, North West BC.
The GSB subsequently conducted a Regional Geochemical Survey (Open File 2001-13) reporting the results of stream sediment and water sampling of 228 sites over a 1,800 square kilometre area.

Scotia Property Exploration

The Albere Zone at the Scotia Deposit was discovered by Texas Gulf Sulphur in 1958 during a regional reconnaissance program. There is very limited data available pertaining to the early exploration work carried out at this time.

In 1960, 10 holes were drilled by Texasgulf Inc. for a total of 570 metres. Of the 10 holes drilled, seven holes intersected significant base and precious metal mineralization (Table 2, Texasgulf Inc. – Significant 1960 Drill Intersections). Drill intersections ranged between 2.2 to 7.7 metres in length. All intersections are reported as apparent widths as there is insufficient data to estimate true widths. The best intersection was from drill hole S-01-60 which assayed 19.9% zinc and 26 g/t silver over 7.7 metres. All drill hole intersections are apparent widths.

Table 2: Texasgulf Inc. – Significant 1960 Drill Intersections

TEXASGULF INC - SCOTIA PROJECT
SIGNIFICANT 1960 DRILL INTERSECTIONS
WEIGHTED INTERVALS - DRILLED LENGTH IN METERS

HOLE		FROM	TO	WIDTH	Zn %	Pb %	Cu %	Ag g/t	Au g/t
S-01-60		16.1	23.8	7.7	19.89	0.92	0.34	26.2	0.1
S-02-60		3.5	7.0	3.5	14.58	1.28	0.16	30.2	0.0
S-02-60		14.9	17.2	2.3	14.29	0.25	0.61	21.3	0.0
S-06-60		17.1	21.3	4.2	9.15	1.13	0.17	13.7	0.0
S-06-60		29.3	33.1	3.8	28.73	4.44	0.41	68.6	0.7
S-07-60		29.9	34.1	4.2	11.39	1.93	0.16	81.1	1.3
S-09-60		36.9	39.1	2.2	12.33	2.29	0.13	16.4	0.3
S-09-60		44.9	48.3	3.4	11.56	1.18	0.12	13.3	0.0
S-10-60		57.4	61.3	3.9	0.13	2.41	0.13	22.8	0.6

KIDD CREEK MINES LTD - SCOTIA PROJECT
SIGNIFICANT 1980 DRILL INTERSECTIONS
WEIGHTED INTERVALS - DRILLED LENGTH IN METERS

HOLE		FROM	TO	WIDTH	Zn %	Pb %	Cu %	Ag g/t	Au g/t
S-11-80		63.3	81.4	18.1	9.78	1.01	0.08	13.7	0.1
S-11-80	Incl	63.3	65.4	2.1	28.70	1.00		20.6	
S-11-80	Incl	71.4	72.2	0.8	33.50	2.70		30.9	
S-11-80	Incl	76.1	76.6	0.6	24.40	8.10		154.3	
S-11-80	Incl	79.3	81.4	2.2	35.90	3.20		24.0	
S-12-80		64.6	67.2	2.6	4.89	0.23	0.10	18.1	0.3
S-12-80		77.3	77.8	0.5	18.00	0.30		13.7	
S-13-80		59.2	62.0	2.8	7.50	0.99	0.32	29.6	0.5
S-14-80		132.1	135.5	3.4	7.83	0.27	0.06	9.9	0.1
S-15-80		66.5	73.7	7.2	7.10	1.60		27.4	0.6
S-16-80		69.0	73.7	4.7	2.84	1.79	0.26	29.6	0.2

A report by Delancey, 1977 documents the following observations and interpretations based on geologic and drill data:

1. The felsic unit is about 60 m thick. It probably pinches out to the northeast and may become thicker down dip to the southwest.
2. The sulphides are generally confined to the felsic unit. Where exposed at surface, the Sulphides occur near the “pinch out” of the felsic unit and the footwall (structural) mafic gneiss. To the northwest the Sulphides occur within the felsic unit, structurally above the mafic gneiss-felsic gneiss contact.
3. The massive sulphide zone, exposed at surface, is an irregular lensoid body, crudely conformable with the host rocks, and consisting of a massive zone with associated bands and lenses.
4. Although several of the massive sulphide sections may be complexly folded portions of the same band or body drilling data to the northwest suggest that there is more than one sulphide lens or horizon.

5. Although it is not possible to project individual intersections from one section to another, the sulphide “zone” itself can be projected a distance of 110 metres from the surface exposure to the last drill section to the northwest.

6. Sulphides appear to be concentrated in the crests of folds. This may in part be due to sulphide re-mobilization during metamorphism.

7. Pyrite bands occur both structurally above and lateral to the massive sphalerite body.

In 1970, limited mapping and soil geochemistry were performed by Texasgulf. A well defined multi-element soil anomaly was present associated with the massive sulphide outcrop at the Albere zone.

Seven holes with an aggregate length of 960 metres were drilled in 1980 (see Table 2 on page 10, Kidd Creek Mines Ltd., Significant 1980 Drill Intersections). Massive sulphides were intersected in six holes with the best being 9.8% zinc and 14 g/t silver over 18.1 metres. The diamond drilling by Kidd Creek expanded the strike length and down-dip dimensions of the massive sulphide mineralization at the Albere Zone.

In 1981, 1:5,000 scale mapping of the south central area of the claims was completed. Four broadly spaced step-out holes were drilled with an aggregate length of 1,104.2 metres. Three of the holes were drilled in the vicinity of the main zone at the Albere Showing. Although a substantial section of the pyrite-sericite host-rock “alteration zone” was cut, no massive sulphides were intersected and the 1980 dimensions of the zone were not increased. The fourth hole that was drilled one kilometre to the northwest to test a gossanous zone did not return encouraging assay results. A down hole pulse EM geophysical survey was also conducted using holes S-11, 14, 16, 17, 19 and 20.

In 1984, Andaurex Resources Inc. optioned the property and drilled 11 holes with an aggregate length of 767 m. Drilling confirmed earlier results and demonstrated continuity to the massive sulphides within the drilled zone.

Andaurex allowed the option to forfeit and in 1987 Kidd Creek cut 10 kilometres of grid lines and conducted magnetometer, VLF-EM and lithogeochemical surveys. A total of 159 grab samples were studied in order to locate areas of hydrothermal alteration that may be related to massive sulphide occurrences. The geophysical surveys found conductors associated with the massive sulphide mineralized zones. The surveys concluded the following:

1. The strong north trending V.L.F. responses are encouraging and may represent the trace of the known mineralization and/or new mineralized horizons.

2. The magnetic data (magnetic highs) show that a fair amount of erratically disseminated magnetite is present in certain horizons. The higher magnetic susceptibility of these horizons generally indicates that the bedrock is more mafic. The areas of magnetic lows (low magnetic susceptibility) may be due to felsic volcanic horizons or metasediments.

3. It is interesting to note that the stronger V.L.F. conductors tend to run along the magnetically inferred contact between mafic and felsic rock.

A Falconbridge Limited (“Falconbridge”) Memorandum by Money, 1989, states the following:

1. The limited exploration on the Scotia Property has indicated that the claims are underlain by favourable geology, which host Zn dominant massive sulphides.

2. An evaluation of the available data indicates that a 2,000 metre drill program should be conducted in conjunction with geologic mapping and prospecting. The drilling should consist of 1,300 metres to test favourable stratigraphy with two drill sections 400 and 800 metres along strike from the Scotia deposit.

Figures 4 to 6 (see Falconbridge Figures 2-4) show a plan map and two sections showing the location of VLF-EM conductors and the proposed step-out section drilling.

Figure 4: Dill Hole Location and Compilation Map

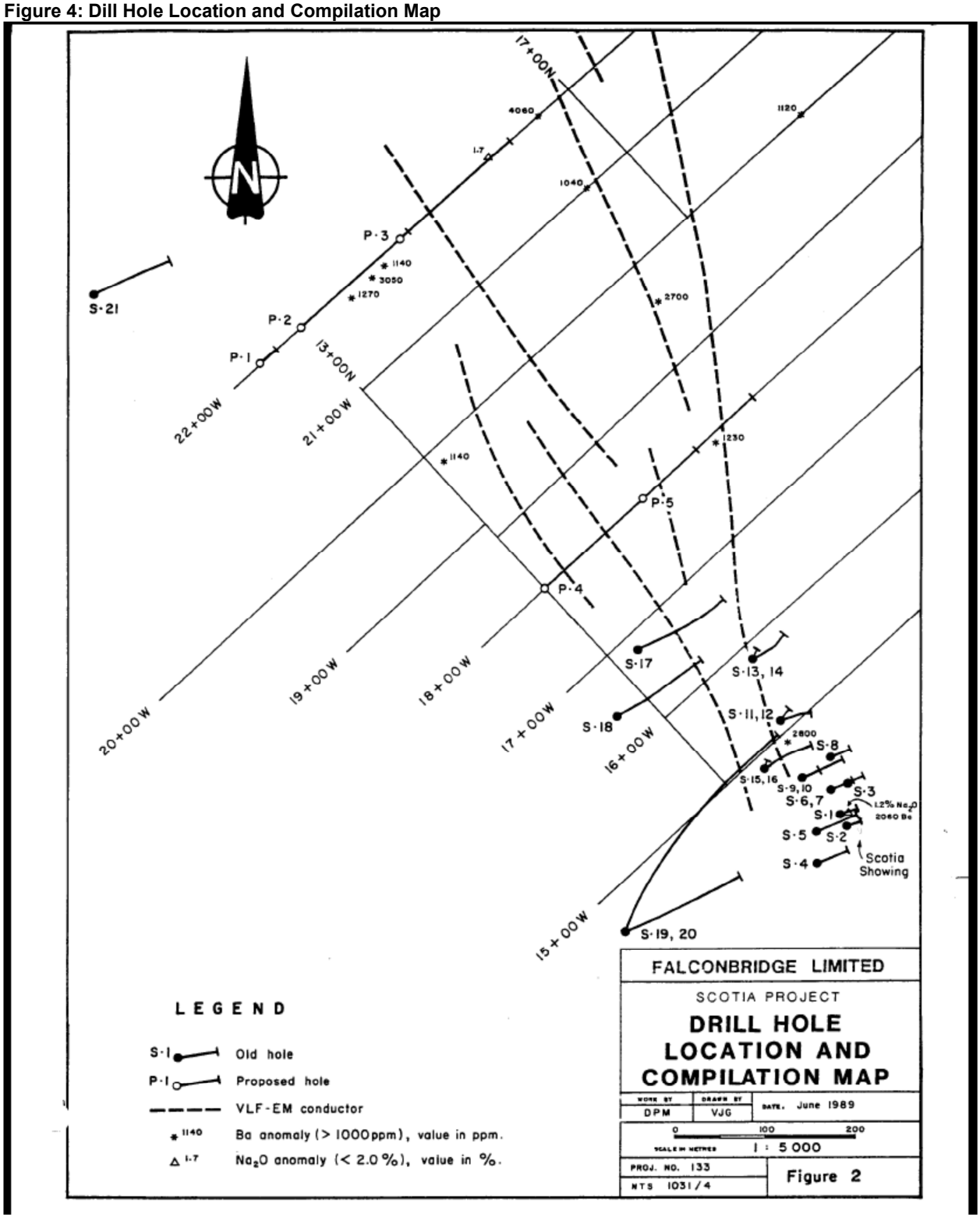


Figure 5: Section 22+00W

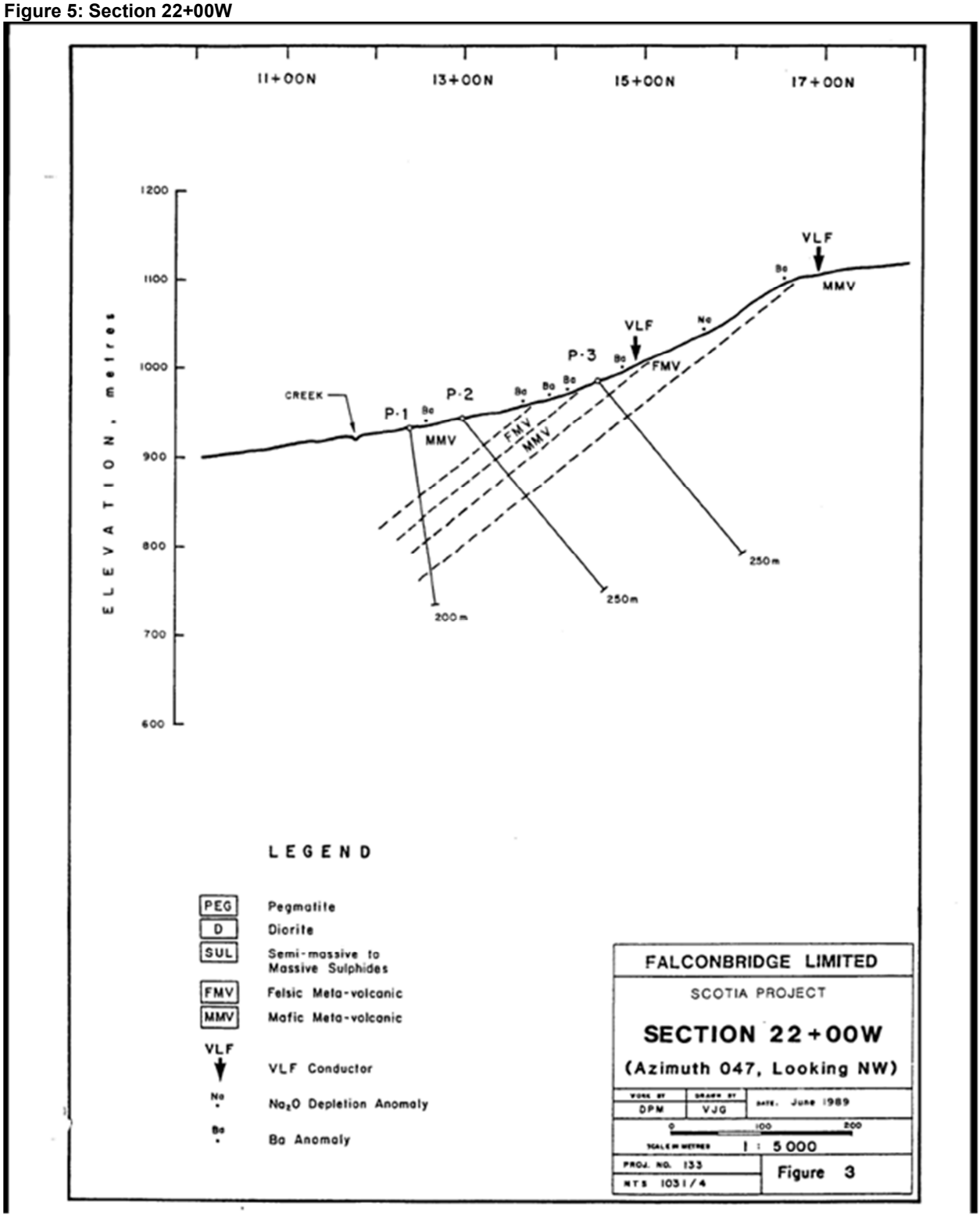
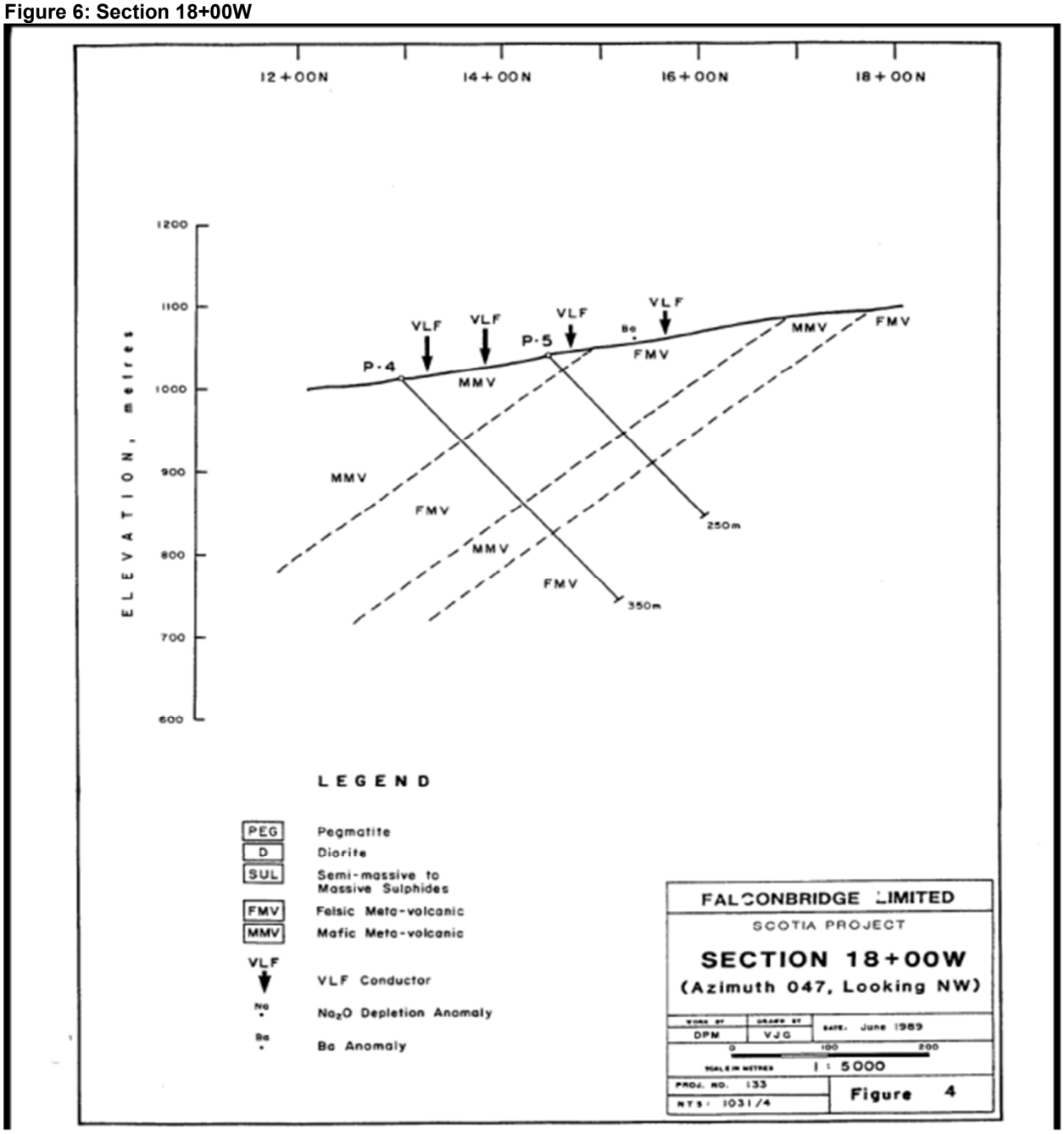


Figure 6: Section 18+00W



Falconbridge Limited conducted an environmental reclamation program on the property in 1992.

Bishop Resources Inc. ("**Bishop**") entered into an option agreement in 1996 with Falconbridge to acquire 100% interest in the Scotia Property subject to certain terms and conditions. In 1997, a drill program was conducted by Arnex Resources Ltd. ("**Arnex**") for Bishop at the Albere Zone. Disseminated, semi-massive and massive base metal sulphide intersections were encountered in nine of the ten holes drilled. The thickest intersection was in drill hole S-37-97 which encountered an apparent width of 26.7 metres grading 9.0% zinc, 1.2% lead, 21.5 g/t silver, 0.3 g/t gold and 0.2% copper. Mineralized intersections greater that 15 metres in length were also intersected in two additional holes.

The 1997 drill program extended potentially economic grades in the Albere Zone by about 45 meters, to 205 meters north of the outcrop of the main Albere Showing, and it remains open in this direction. The vertical extent of the mineralization encountered is increasing to the north. Results established a vertical range of sub-economic to economic grades of mineralization of 95 meters, and a horizontal range of over 60 meters at the base of the zone. The high grade "core" area widened to about 30 meters about 190 meters north of the main showing. Also, the grade of zinc mineralization encountered in the deeper western zones appears to be gradually increasing to the north.

Chapter 5 of the Technical Report discusses the details of the 1997 Arnex drill program.

Although the results of the 1997 drill program were encouraging, a poor mining exploration financing environment in BC at the time precluded Bishop from meeting its Work Commitments and the Property reverted to Doublestar through an agreement with Falconbridge. Doublestar have since stated that the Falconbridge agreement was terminated and no longer exists.

A Reclamation Program was completed on the Scotia Property in 2001 by Arnex for Falconbridge and Bishop. All drill sites were de-constructed and all reusable timbers were flown to the core storage area on the Scotia ridge top. Core logging and processing facilities were reclaimed. All core was cross stacked for permanent storage.

Ialta entered into an option agreement with Doublestar dated April 12, 2005 to acquire a 50% working interest in the Property by issuing 350,000 shares and incurring $2,000,000 of Exploration Expenditures by October 31, 2010. Ialta subsequently assigned its option right to Geo. Pursuant to an agreement dated May 27, 2007 and amended August 14, 2007, Geo acquired all of Doublestar's interest in the Property. In consideration of Doublestar's interest in the Property, Geo paid an aggregate total of $310,000. Additionally, Geo issued an aggregate of 300,000 Geo Common Shares to Doublestar, and granted Doublestar a 2.0% NSR, of which Geo may purchase, at any time upon notice to Doublestar, 1.0% of the NSR for a cash payment of $1,000,000.

Arnex conducted a core sampling verification program for Geo in 2005. Arnex also conducted a grid soil geochemical program for Geo in 2006. The results of these programs are discussed in detail in "Exploration" below.

A Remote Sensing Interpretation study was conducted by John Berry Associates for Geo dated October 11, 2006.

Arnex conducted a prospecting and geochemical sampling program in fall of 2010.

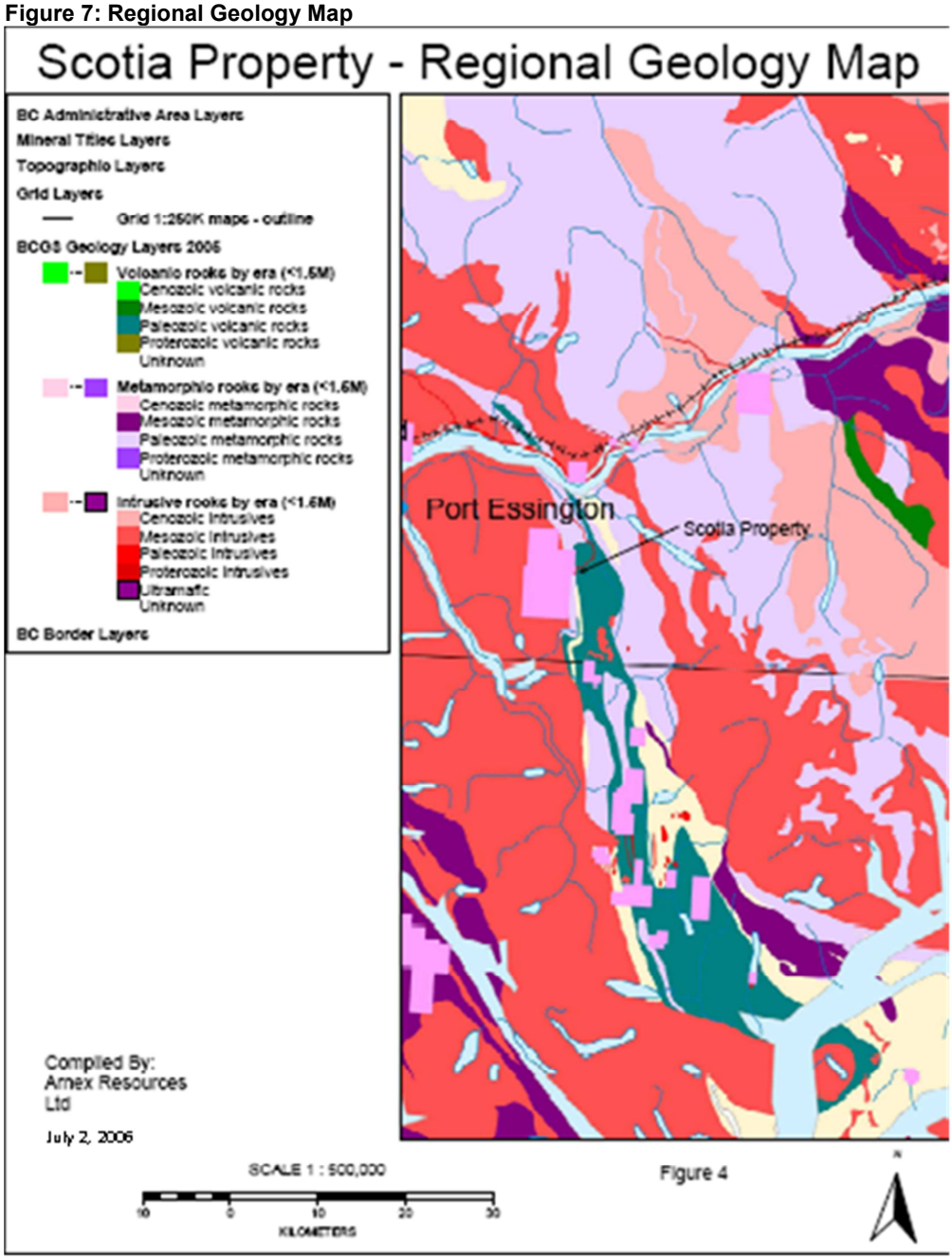
Geological Setting and Mineralization

Regional Geology

Most of the Prince Rupert - Skeena area is underlain by plutonic and metamorphic rocks of the Coast Plutonic Complex (Hutchinson, 1982). The regional distribution of the metavolcanic rocks of the Ecstall Greenstone Belt is illustrated in Figure 7, Scotia Property – Regional Geology. Plutonic rocks consist of major plutons and smaller irregular bodies, mostly of quartz diorite and granodiorite. Diorite and quartz monzonite

are less common, and gabbro and granite are rare. Most of the plutonic rocks are probably Mesozoic in age.

Figure 7: Regional Geology Map



A north-northwest-trending belt of metavolcanic and metasedimentary rocks known as the Scotia - Quaal metamorphic complex has been mapped through the area between the Skeena River and Douglas Channel. Both metavolcanic and metasedimentary rocks are present. Map units represent lithologic-metamorphic packages which probably contain strata of variable ages. Because of the strong metamorphic overprint and lack of fossils, the age of these strata is uncertain, however, radiometric dating places them at pre-Early Jurassic age.

With the exception of a small wedge of metasedimentary rocks at the western margin of the belt, the units from west to east, as defined by Gareau (1997) are: the Big Falls orthogneiss, in the southern part only; a metavolcanic unit, a metasedimentary clastic unit, a quartzite unit and a layered gneiss unit. The units of interest are the

metavolcanic unit, which hosts the Scotia Deposit and several other VMS-type deposits north and south of the Ecstall River, and the metasedimentary unit, particularly near its contact with the metavolcanic unit.

The region has undergone three phases of deformation. Metamorphism is variable, from low to high grade and generally increasing in grade from west to east. The major structural trend in the area is northwest.

The Ecstall Pluton, which borders the Scotia - Quaal metamorphic belt to the west, is Cretaceous in age while the Quottoon Pluton to the east is Late Paleocene to Early Eocene in age (Gareau, 1997). The Ecstall Pluton appears to have been generated and mobilized from east to west during an intense period of metamorphism of Late Cretaceous age (Hutchinson, 1982).

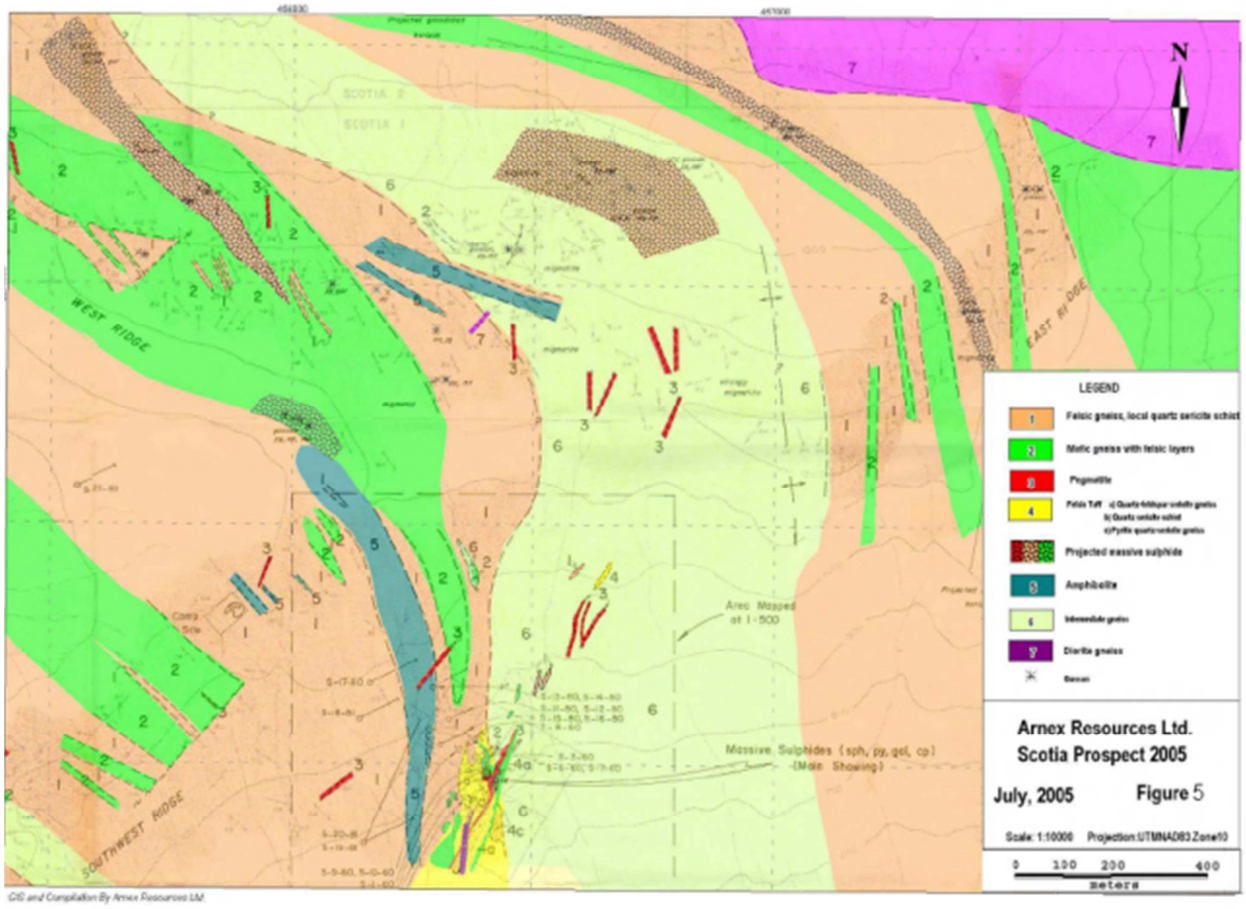
Local Surficial Geology

The area has been heavily glaciated by alpine and valley glaciers and by at least one ice sheet, although glacial deposits are rare (Hutchinson, 1982). Discontinuous deposits of colluvium till and talus are present on mountain slopes locally, and thick Pleistocene and Recent fluvial deposits occupy river valleys. At higher elevations, outcrop is abundant, and in flatter areas is partly covered by a thin mantle of unconsolidated materials. The area is geologically favorable for development of transportation and utility routes, and many roads have already been constructed in the valleys to facilitate logging.

Local Geology

The lithologies underlying the Scotia Property belong to the Devonian metavolcanic unit that have been intruded by the Cretaceous Ecstall granite intrusion to the north of the property, and by several stages of dioritic to pegmatitic dykes of late Cretaceous to Eocene age (Figure 8). The metavolcanic rocks are tentatively parts of a bimodal suite of tholeiitic basalt and andesite, and calc-alkalic dacite to rhyolite (Manojlovic, et. al. 1987), possibly of Island Arc affinity.

Figure 8: Scotia Prospect 2005, July, 2005



after Kidd Creek Mines Ltd, 1982

The volcanic rocks have been subjected to upper amphibolite grade metamorphism that slightly post-dated the second of two stages of intense isoclinal folding (Gareau, 1991a, b; Krage, 1984). Gareau (1991a, b) states that metamorphic grade increases to the north and east and is a reflection of increasing levels of uplift and erosion in those directions. At least one megascopic antiform-synform pair has been mapped on the property (Eldridge, 1983). A third stage of folding appears to be post-metamorphic and is characterized by broad "warps" of all pre-intrusion lithologies and is thought to be temporally associated with the intrusion of the Ecstall intrusive rocks (Eldridge, 1983).

On the Scotia Property the volcanic lithologies have been deformed and recrystallized. Units now termed amphibolite are characterized by a melanocratic, gneissic to sub-gneissic hornblende-rich rock. The amphibolite can occur as massive, 20 plus meter to less than 2 cm thick units. The outlines of stretched lapilli-sized fragments are commonly seen in outcrop due to differential weathering. Other mafic metavolcanic rocks are usually black, biotite-rich gneisses and schists, although hornblende and biotite do occur together locally. Myers (1982) thought that these rocks might be meta-andesites. Intermediate metavolcanic rocks contain visually 10 to 30 percent mafic minerals, usually biotite.

These mafic and intermediate rocks are almost invariably non to weakly magnetic. A unit called interbanded gneiss is characterized by numerous interbanded felsic with mafic, intermediate and amphibolite units. These bands range from three to over 10 per meter. The felsic bands are usually moderately magnetic.

Felsic metavolcanic rocks are dominantly feldspar-rich, gneissic and less commonly schistose rocks with up to 10% biotite, and rare hornblende. Quartz is rare. The most common type is commonly moderately to strongly magnetic. Other felsic rocks are found only within and near the Albere zone mineralization. These are chert, chert breccia, "exhalite", and quartz porphyry schist. These highly siliceous rocks display very well preserved textures that suggest both replacement and primary silica deposition, presumably of hydrothermal origin. These units are almost always present in close proximity to sulphide mineralization.

There are several other rock units that are spatially associated with sulphide mineralization. These are brown biotite gneiss and schist, felsic brown biotite gneiss and schist, felsic sericite gneiss and schist, felsic muscovite gneiss and schist, and massive sericite to muscovite gneiss and schist. These rocks are located either with or to the west of the sulphide mineralization. They may represent hydrothermally altered equivalents of the units described above. Units containing brown biotite usually occur between unaltered and sulphide-bearing or muscovite-sericite altered units. This suggests that brown biotite, sericite and muscovite represent increasingly altered equivalents of unaltered hornblende and black biotite-bearing rocks. This appears to be particularly evident for the more mafic units, i.e. black biotite - brown biotite - massive sericite gneiss/schist.

Several episodes of mafic, felsic and pegmatitic dyking have occurred. These appear to be of late deformation age to very late and undeformed. Pegmatite dykes also occur throughout the property. They are quite variable in composition. An unusual white, garnet-bearing plagioclase-rich type is compositionally similar to felsic gneisses and may be a partial melt of felsic units. Other leucocratic, plagioclase-rich pegmatite dykes appear to be confined to hinge zones of folds.

Regional Mineralization

North and south of the Ecstall River, several VMS-type zinc (+/- copper-lead-silver-gold) occurrences and deposits are known within the metavolcanic unit. Eleven deposits of this type are located within ten kilometers of the southern margin of the Bishop claims. Most of these are within claims previously held by Atna Resources Limited or Ecstall Mining Corporation, both of Vancouver, BC.

Horsefly, Third Outcrop, East Plateau, Packsack and Trench are all located north of the Ecstall River. The Ecstall, Phoebe Creek, Mariposite, West Grid, Thirteen Creek Cirque, El Amino, South Creek Grid are located south of the Ecstall River.

Mineralization and Structure

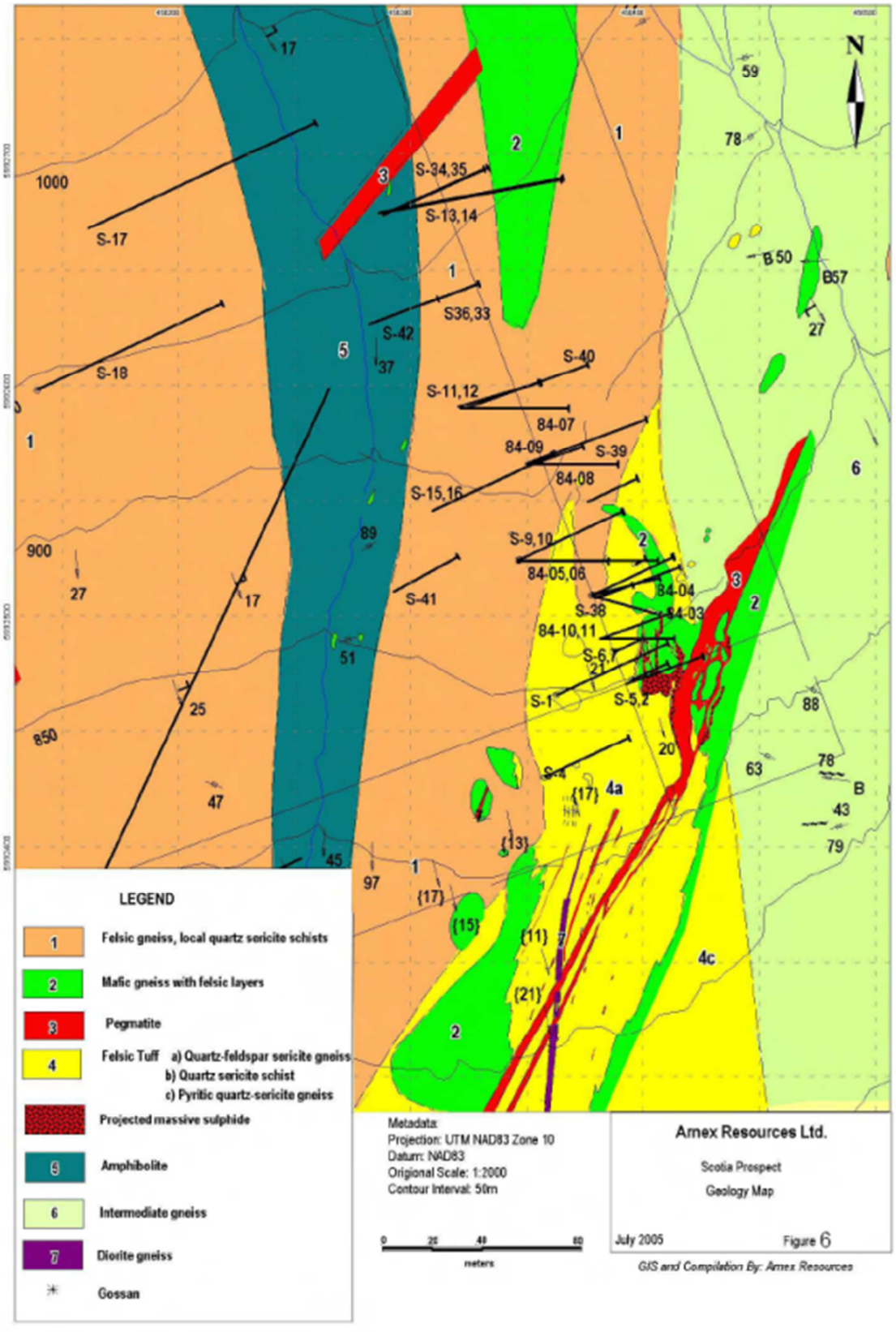
The deposit type being investigated and explored for on the Scotia Property is classified as Volcanogenic Massive Sulphide (“VMS”).

The Albere Zone is characterized by thick, massive to interweaving pods, lenses and stringers of coarsely crystalline massive to semi-massive, very dark brown sphalerite, with lesser amounts of pyrite, galena, pyrrhotite, magnetite and chalcopyrite in decreasing abundance. The Main Showing exposes some of the thickest known mineralization, and outcrops with a pod-like core of massive mineralization almost 10 meters in diameter with bands, pods and stringers striking up-dip to the east and down

dip to the west by about 20 to 30 degrees. Drilling indicates that this 'core zone' strikes at 340 degrees and plunges about 8 degrees to the south-southeast. Up to six zones have been intersected. Figure 9, Scotia Prospect - Geology Map illustrates the outcrop of the Massive Sulphide Zone at the contact between the overlying Felsic Tuffs (Unit 4) and underlying Mafic Gneiss (Unit 2) in the vicinity of the cross-cutting late stage Pegmatite Dyke (Unit 3).

The up-dip extensions pinch out completely, or occur as thin but high grade sphalerite sheets up to 30 cm thick that decrease in size and intensity to the east. These often occur at the sharp, abrupt contact between black biotite schist-gneiss and felsic gneiss. The down-dip extensions to the west usually grade into increasingly iron sulphide-rich disseminated mineralization. This mineralization is associated with sericite- and muscovite-rich rocks that may be the hydrothermally altered equivalents of black biotite-bearing rocks. Low grade zinc mineralization has been intersected over 100 meters down dip with approximately an order of magnitude greater pyrite and pyrrhotite mineralization. This suggests that the iron sulphide-rich zone may be the down dip feeder zone. It is this zone that outcrops southwest of the sphalerite outcrop as bright red, rusty rocks.

Figure 9: Geology Map



The mineralized zone is essentially open to the north and west. There is a possibility of high grade pods occurring to the east, especially under known soil anomalies. The nature of the soil anomalies discovered above the Albere Zone in 1977 (DeLancey, 1977), combined with the intersection of steeply east dipping mineralization in hole S-36-97, 185 meters north of the main showing, suggest that steeply dipping mineralization may crop out under a thin veneer of overburden. Visual examination of

many of the drill sites above the Main Showing indicates much steeper west to even east dipping geology than has been previously recognized. Evidence suggests that repetition of the mineralization due to isoclinal folding is present, especially in the lower zones. It is possible to interpret the geology so that one previously extensive sphalerite lens is present, that has been repeatedly folded and migmatized to derive the shape of the deposit today. However the increasing spread of mineralization encountered to the north makes this scenario less likely than the possibility of up to three (or more) lenses that may intersect locally.

The single lens scenario is attractive because of the increased tonnage potential; however this was not used in the accompanying interpretations except where the evidence supporting such a scenario was strong.

The mineralization and its characteristic hosting rocks are dipping at about 40 degrees to the west. These rocks are structurally underlain by a thick unit of interbanded to mafic gneisses. To the east, the sequence of thick felsic and mafic gneisses become increasingly steeply dipping based on outcrop and drill information. The zone is structurally overlain by a thick felsic gneiss package, which in turn is overlain by a moderately west dipping amphibolite unit above 875 meters in elevation.

Deposit Types

The deposit type being explored for on the Scotia Property is classified as being Volcanogenic Massive Sulphide type (Kuroko type). It is interpreted that gneisses on the Scotia Property are metamorphosed felsic volcanics and that amphibolites are metamorphosed mafic volcanics. The massive sulphide mineralization at the Albere zone occurs stratabound to the basal contact of a gneiss (felsic volcanic) sequence.

Volcanogenic Massive Sulphide ("VMS") deposits are a type of metal sulphide ore deposit, mainly copper, zinc and lead which are associated with, and created by, volcanic associated hydrothermal events in submarine environments. They are predominantly layered accumulations of sulphide minerals that precipitate from hydrothermal fluids on or below the seafloor in a wide range of ancient and modern geological settings. In modern oceans, they are synonymous with sulfurous plumes called black smokers.

They occur in environments dominated by volcanic or volcanic derived (eg. volcano sedimentary) rocks, and the deposits are contemporary and coincident with the formation of associated volcanic rocks. As a class, they represent a significant source of the world's copper, zinc, lead, gold and silver ores.

Exploration

1997 Diamond Drill Program

Introduction and Objectives

The Albere Zone has been drilled by various operators in the past with encouraging results. The objectives of the 1997 program were as follows:

1. To compile all existing historical data in digital format using GIS and PC Explore software programs and to build a database to assist in documenting the 1997 program;

2. To identify drill targets based on past results for both step-out and in-fill drilling to establish a geological resource for the Albere Main Zone;

3. To complete drilling, logging and sampling of the drill core;

4. To report results in assessment report format;

5. To calculate a geological resource for the Albere Zone.

Drill Hole Summaries and Results

Drill hole locations are compiled on Figure 10, Drill Hole Location Map. Drill hole traces are shown as a Longitudinal Section on Figure 11, Drill Hole Section Map. Results are tabulated in Table 3, Arnex Resources Ltd. – Significant 1997 Drill Intersections.

Figure 10: Drill Hole Location Map

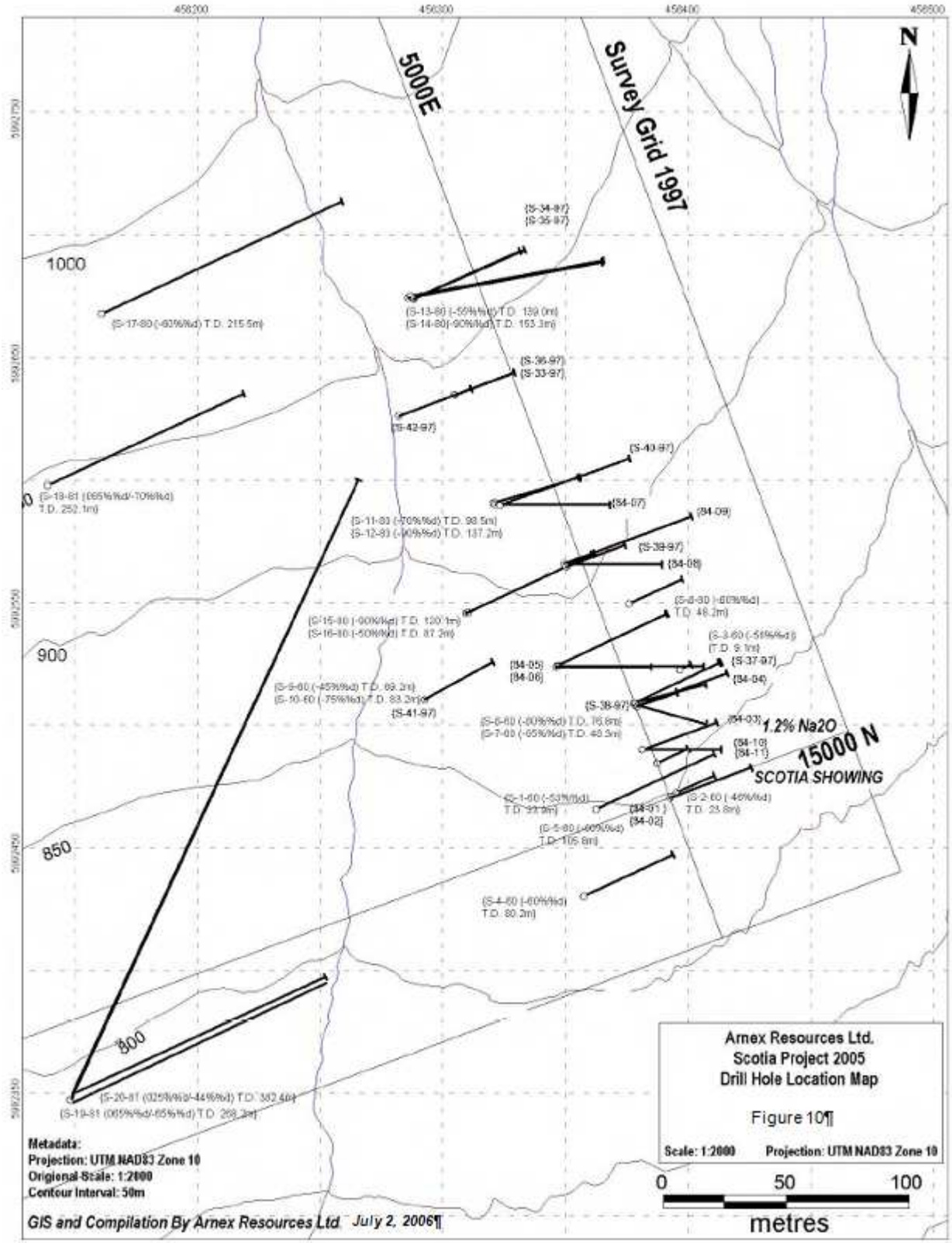


Figure 11: Drill Hole Section Map

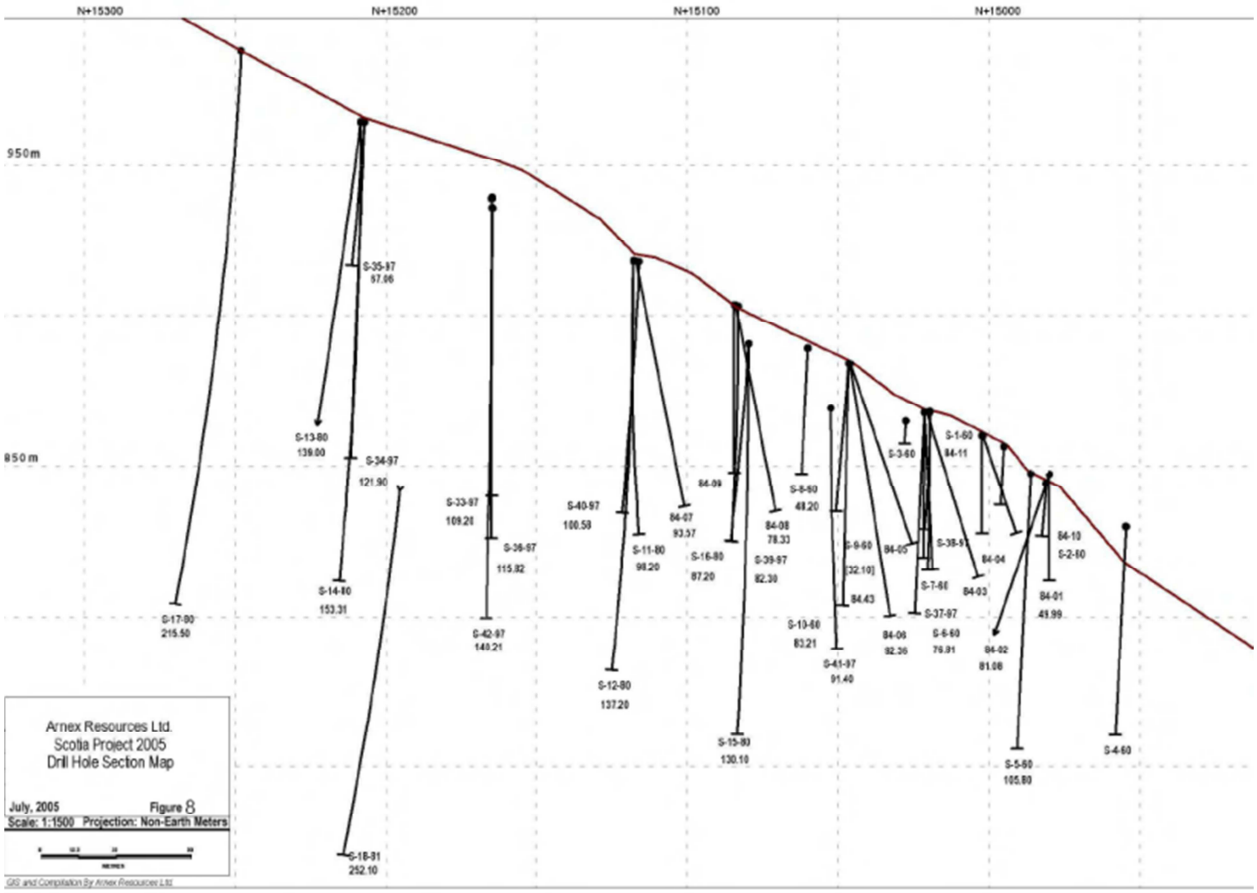


Table 3: Significant 1997 Drill Intersections

ARNEX RESOURCES LTD - SCOTIA PROJECT
SIGNIFICANT 1997 DRILL INTERSECTIONS
WEIGHTED INTERVALS - DRILLED LENGTH IN METERS

HOLE		FROM	TO	WIDTH	%Zn	%Pb	ppm Ag	ppbAu	%Cu
S-33-97		47.4	47.8	0.4	6.8	0.9	26.0	120.0	0.1
S-33-97		68.7	90.1	21.4	6.7	1.1	25.9	559.4	0.1
S-33-97	Incl	68.7	72.3	3.6	22.6	2.3	47.0	1206.4	0.2
S-33-97	Incl	69.2	72.3	3.1	25.5	2.6	53.6	1394.5	0.2
S-33-97	Incl	79.4	80.0	0.6	4.8	1.4	42.0	745.0	0.1
S-33-97	Incl	85.8	90.1	4.3	13.8	2.5	39.3	283.6	0.2
S-33-97	Incl	86.9	90.1	3.2	16.3	2.7	46.0	324.1	0.2
S-33-97	Min-En	85.8	90.1	4.3	13.2	2.6	51.7	298.2	#N/A
S-34-97		62.2	62.6	0.4	18.7	1.9	47.0	90.0	0.2
S-35-97		NO SIGNIFICANT INTERSECTIONS							
S-36-97		11.0	26.2	15.3	7.8	0.1	7.9	90.5	0.2
S-36-97	Incl	11.0	13.5	2.5	14.9	0.3	20.0	114.9	0.5
S-36-97	Incl	18.1	20.7	2.6	4.8	0.0	8.0	183.1	0.3
S-36-97	Incl	22.8	26.2	3.5	19.3	0.1	12.3	133.8	0.3
S-36-97	Incl	24.1	26.2	2.1	29.7	0.1	21.3	345.0	0.3
S-36-97		74.4	76.1	1.8	11.9	0.4	35.6	184.5	0.8
S-36-97	Incl	74.4	75.7	1.3	1.3	0.3	42.8	230.0	1.0
S-36-97	Incl	75.7	76.1	0.5	42.1	0.6	15.0	55.0	0.2
S-36-97		81.1	90.1	8.9	7.2	0.8	18.4	287.5	0.1
S-36-97	Incl	81.1	84.3	3.1	5.2	1.4	19.1	194.1	
S-36-97	Incl	81.1	81.6	0.5	32.0	0.4	17.0	70.0	
S-36-97	Incl	85.9	90.1	4.1	11.5	0.3	9.9	86.9	
S-36-97	Incl	87.0	90.1	3.1	14.7	0.4	10.9	78.7	
S-37-97		15.6	42.3	26.7	9.0	1.2	21.5	297.9	0.2
S-37-97	Incl	15.6	16.4	0.8	3.6	0.8	17.3	114.6	
S-37-97	Incl	15.8	16.4	0.6	4.1	0.9	18.4	85.0	
S-37-97	Incl	21.6	42.3	20.7	11.2	1.4	24.3	339.3	0.2
S-37-97	Incl	21.6	38.1	16.4	11.6	1.4	25.5	380.0	0.2
S-37-97	Incl	21.6	22.1	0.4	8.8	8.6	66.0	130.0	
S-37-97	Incl	25.9	27.7	1.8	32.9	4.7	67.0	425.0	
S-37-97	Incl	30.6	32.1	1.5	7.7	1.0	36.0	1120.0	
S-37-97	Incl	33.0	38.1	5.1	23.0	1.3	28.5	469.6	0.3
S-37-97	Incl	40.6	42.3	1.7	22.6	3.7	45.7	406.9	0.3
S-38-97		17.4	18.0	0.7	46.4	3.5	55.0	450.0	
S-38-97		28.1	30.1	2.0	5.0	0.4	9.8	118.9	
S-38-97	Incl	28.9	30.1	1.2	6.7	0.7	11.7	179.8	
S-38-97		36.8	37.0	0.2	24.9	0.0	12.0	25.0	
S-38-97		47.9	48.5	0.6	3.2	0.3	30.0	30.0	
S-39-97		30.2	33.0	2.8	1.1	0.4	13.6	253.8	0.3

All drill hole intercepts are reported as apparent widths. True widths of the drill intersections reported cannot be determined from the information and/or data available.

Hole S-33-97 was collared at 15185N, 4975E, 939.2 meters elevation at a bearing of 070 degrees and a dip of -66o. It was collared approximately 40 meters north of holes S-11-80, S-12-80 and 84-07, which were the northernmost holes intersecting potentially economic zinc grades, and 190 meters north of the "main showing". The hole succeeded in intersecting four zones of zinc mineralization, two of which contain potentially economic zinc grades. These two zones are: from 68.7 meters to 72.3 meters, grading 22.6% zinc and 2.3% lead; and from 85.75 meters to 90.1 meters

grading 18.8% zinc and 2.5% lead. Moderate silver and low gold and copper grades were also encountered. This hole succeeded in extending to the north the potentially economic zinc-lead mineralization encountered in hole 84-07.

Hole S-34-97 was collared approximately 40 meters north of hole S-33-97 at 15227N, 1973E and 964.3 meters elevation at a bearing of 66 degrees, a dip of -66o. The hole was collared at the same location and approximately the same bearing as holes S-13-80 and S-14-80, which dip -55o and -90o east, respectively. The purpose of this hole was to intersect the northern projection of the potentially economic mineralization encountered in hole S-33-97, and thought to project between holes S-13-80 and S-14-80. The hole encountered several weakly mineralized zones. The only potentially economic zone was intersected from 62.2 to 62.6 meters, which graded 18.7% zinc, 1.9% lead and 47 ppm silver with weakly anomalous gold and copper. The nature of the mineralization encountered suggests that the hole was drilled about 10 to 15 meters east of the window projecting the best mineralization encountered in hole S-33-97 and S-36-97, and up-dip and east of the mineralization encountered in hole S-14-80.

Hole S-35-97 was collared from the same site and bearing as hole S-34-97, at a dip of -45□ east. The hole was designed to intersect the projection of a shallow lens of zinc mineralization encountered in hole S-13-80 (drilled at -55o), that from 59.2 meters to 62.0 meters reported 7.5% zinc and 1% lead. A weakly altered zone with poor core recovery was encountered from 44 to 47 meters reporting weakly anomalous values, directly above the zone encountered in hole S-13-80. This zone is vertically above the zone encountered in hole S-13-80.

Hole S-36-97 was drilled at the same location and bearing as S-33-97 at a dip of -77□ east. This hole was drilled to intersect the western projections of the mineralization encountered in hole S-33-97. The hole was successful in intersecting all the zones intersected in hole S-33-97, but with generally lower grades. Also a new, shallow, very steeply dipping zone was encountered from 11.5 meters to 26.0 meters. This zone apparently dips steeply east, sub-paralleling the drill hole, as no trace of this zone is encountered in other drill holes on that section. Highlights of this hole are: from 11.0 meters to 26.3 meters grading 7.8% zinc with low, lead, silver and gold values but 0.21% copper; from 74.4 meters to 76.1 meters which graded 11.9% zinc with low lead and moderate silver, and anomalous gold with 0.70% copper; from 81.1 meters to 84.25 meters which graded 5.2% zinc 1.4% lead with anomalous silver and gold values; and from 86. metres to 90.1 meters which graded 13.2% zinc, 2.6% lead, 52 g/t silver and 300 ppb gold.

Hole S-37-97 was collared at 15040N 5000E, 867.8 meters elevation from the same site S-6-60, S-7-60, 84-03 and 84-04, at a bearing of 070o and a dip of -72o east. This hole was designed to intersect the zinc mineralization encountered between holes S-6-60 and S-7-60 (hole 84-04 was essentially a repetition of hole S-6-60 but drilled with larger diameter core and with possibly better recovery). This hole intersected four significant mineralized intersections. These are: from 15.6 meters to 16.4 meters grading 3.6% zinc and 1.0% lead; from 21.6 meters to 22.1 meters grading 8.8% zinc; and a composite of three zones from 25.9 meters to 42.3 meters grading 15.9% zinc.

Hole S-38-97 was collared at the same location and bearing as S-37-97 but at a dip of -45o east. This hole was designed to intercept mineralization east of the zones encountered in holes S-6-60 and 84-04. The same zones were encountered, however only two were significantly mineralized. These are: from 17.4 meters to 18.0 meters

which graded 46.5% zinc, 3.5% lead, 55 ppm silver and 450 ppb gold; and from 28.1 meters to 30.1 meters grading 5% zinc with anomalous lead, silver and gold.

Hole S-39-97 was collared at 15103N 4977E, 903.1 meters elevation, at a bearing of 070, and a -72o east dip. The hole was drilled from the same set-up as holes 84-08 and 84-09. This hole was designed to intersect the significant mineralization projected north from S-9-60 and south from hole 84-07, west of the relatively weak mineralization encountered in holes 84-08 and 84-09, and east of the mineralized zones encountered in hole S-16-80. This hole was successful in intersecting five mineralized zones similar to those encountered in the previously mentioned drill holes. Two of these zones returned economically significant mineralization. These are: from 46.5 meters to 49.5 meters grading 16.5% zinc with anomalous lead, silver and gold; and from 62.6 meters to 65.9 meters grading 3.1% zinc, 1.1% lead, 24.8 ppm silver and 626 ppb gold.

Hole S-40-97 was collared at 15136N, 4977E, 917.8 meters elevation at a bearing of 70o and a dip of -56o east. This hole was designed to intersect the east projection of the mineralization encountered in hole S-11-80 which was drilled from the same site. Five mineralized zones were encountered. Three returned sub-economic to potentially economic mineralization. These are: from 42.4 meters to 44.0 meters grading 6.3% zinc 1.3% lead 37 g/t silver 1.1 g/t gold and 0.1% copper; from 60.8 meters to 62.7 meters grading 3.4% zinc 1.8% lead with accompanying silver and gold values; and from 81.7 meters to 82.3 meters grading 17.5% zinc, 5% lead and 61 ppm silver with anomalous gold and copper.

Hole S-41-97 was collared at 15072N, 4026E, 869.2 meters elevation, at a bearing of 70o and a dip of -60o east. This hole was designed to intersect a deep western zone of zinc mineralization encountered in several drill holes. The closest is hole S-16-80, some 30 meters northeast. Hole S-41-97 intersected strongly muscovite altered wall rock with disseminated pyrite mineralization. Several intersections grading up to 2% zinc over one meter were encountered from 60 meters to 80 meters. Upon surveying this hole the location of hole S-16-80 was located and also surveyed. Its location was seven meters east and five meters above of its previously plotted location.

Hole S-42-97 was collared at 15185N 4951E, 935.7 meters elevation at a bearing of 070 and a dip of -77o east. This hole was designed to intersect the western projection of the mineralization encountered in hole S-36-97 some 30 meters to the east, and the projection of mineralization encountered in holes S-12-80 and S-14-80 some 40 meters to the south and north respectively. This hole encountered six zones grading at least 2% zinc over one meter. The best intersections are: from 71.7 meters to 73.6 meters grading 8.5% zinc; from 77.6 meters to 78.0 meters grading 7.9% zinc; from 91.7 meters to 94.7 meters grading 4.7% zinc; from 99.1 meters to 100.3 meters grading 10.1% zinc; and from 103.5 meters to 104.3 meters grading 5.5% zinc, and 2.1% lead.

Results

Prior to the 1997 drill program, potentially economic zinc mineralization extended approximately 160 meters north of the "main showing". This zone generally occupied a 340o striking zone about 20 meters wide and 25 meters high with thinner extensions to the west at depth, and to the east up dip. The zone plunges about 8o to the south. Several zones of discontinuous mineralization were intersected in relatively widely-spaced drill holes north of this location indicating that the mineralized trend probably

continued to the north but the higher grade "core" was missed due to the wide drill hole spacing.

The results from S-33-97 confirmed that the zone did continue north. With additional results from holes S-34-97 and S-36-97, the continuation of the trend to the north was extended but still remains open. Potentially economic grades have been extended by about 45 meters to 205 meters north of the main showing, allowing for a 20 meter projection north of the intersections encountered in holes S-33-97, and S-36-97. The vertical extent of the mineralization encountered is increasing to the north as hole S-36-97 intersected several zones zinc mineralization from 11 meters to 95 meters, a drill length of 80 meters and a true vertical extent of 75 meters. These results, taken with the drill results encountered S-14-80 and S-42-97 establish a vertical range of sub-economic to economic grades of mineralization of 95 meters, and a horizontal range of over 60 meters at the base of the zone. The high grade "core" area has widened to about 30 meters about 190 meters north of the main showing. Also, the grade of zinc mineralization encountered in the deeper western zones appears to be gradually increasing to the north. Copper grades appear to increase to the north.

The general south plunge appears to locally flatten and individual zones can plunge northward. These variations can be primary and/or a refection of folding.

Two resource calculations (Method of Section) were done as part of the 1997 program. The results of these resource estimates are not presented as part of this Technical Report as they predate NI 43-101 guidelines.

2005 and 2006 Field Exploration Programs

Arnex conducted exploration programs on the Scotia Property for Geo during 2005 and 2006.

2005 Field Exploration Program

The objectives of the 2005 field exploration program were as follows:

- To resample selected drill core intervals from stored drill core to verify analytical and assay results from the 1997 drill program;

- To prospect and sample a gossanous area outcropping in cliff faces east of the Albere Zone.

The field program was conducted by a five person crew during the period June 30 to July 3, 2005.

A Statement of Exploration and Development Work was filed as Event Number 4052977. Expenditures totaled $43,030.71.

The field crew consisted of the following:

Person	Affiliation	Activities
AO Birkeland	Arnex Resources Ltd.	Project Geologist
Paul Gray	Doublestar	Geologist, Core Sampler
Aaron Bradley	Doublestar	Geologist, Core Sampler
Piotr Lutynski	Subcontractor	Climber, Geologist
Jolanta Sanford	Subcontractor	Climber, Sampler

A total of 83 samples were taken for the core re-sampling program. A total of nine rock chip samples and one silt sample were taken from the East Limb Zone.

Inclement weather and low ceilings prevented helicopter access to the Scotia Property except for limited periods. The core re-sampling program was achieved, but only limited prospecting and sampling was carried out on the outcropping gossanous area east of the Albere Zone.

Diamond Drill Core Re-sampling Program

Diamond drill core from some of the previous exploration programs carried out on the Scotia Property is cross-stacked at an old campsite and core processing facility located on the ridge-top above the Albere Zone showing area. The drill core from the 1997 drill program was intact and accessible. Due to the deterioration of the wooden core boxes, some of the drill core from other historical programs has been dumped and is not available for re-sampling. Other core would have to be re-boxed and re-tagged prior to any further processing.

Selected intervals from six drill holes from the 1997 program were chosen to be re-sampled to allow verification of results to conform to NI 43-101 requirements. It was intended that the one-half core remnants from the 1997 program would be sawed into quarter splits for re-sampling, however lack of time due to poor flying conditions did not allow for sawing of the core. Instead, the one-half splits remaining from the 1997 program were taken as part of the re-sampling program. Representative specimens were left for selected core intervals. The same intervals that were sampled during the 1997 program were selectively re-sampled during the 2005 program.

Core samples were placed in plastic sample bags then sealed in plastic containers and flown by helicopter to Prince Rupert. The samples were then trucked to North Vancouver and stored at Arnex's locked storage facility prior to delivery to Acme Labs in Vancouver.

The samples were analyzed by 30 element ICP-ES as well as fire assay and ICP-ES for 30 gram gold assay. Results for selected elements for core intervals sampled are presented as Table 4.

Table 4: Diamond Drill Core Verification Sampling

Date Sampled: 3-Jul-05
Sampled By: Arne Birkeland

Drill Hole	Intersection		Interval	Acme	Cu	Pb	Zn	Ag	Au
Number	From (m)	To (m)		Sample #	ppm	ppm	ppm	ppm	ppb
S-33-97	47.40	47.80	0.40	128755	2174	7115	>10000	25.2	104
S-33-97	68.70	69.20	0.50	128756	968	5935	>10000	9.3	129
S-33-97	69.20	69.80	0.60	128757	3649	>10000	>10000	>100	2369
S-33-97	69.80	70.20	0.40	128758	1479	>10000	>10000	32.5	226
S-33-97	70.20	70.80	0.60	128759	771	674	1077	2.4	38
S-33-97	70.80	72.30	1.50	128760	1571	>10000	>10000	43.7	1529
S-33-97	79.40	80.00	0.60	128761	1365	>10000	>10000	40.5	603
S-33-97	85.75	86.05	0.30	128762	1034	>10000	>10000	71.3	119
S-33-97	86.05	86.90	0.85	128763	880	8147	4385	11.3	194
S-33-97	86.90	88.70	1.80	128764	2001	>10000	>10000	63.2	124
S-33-97	88.70	89.10	0.40	128765	1400	>10000	>10000	20.8	206
S-33-97	89.10	90.10	1.00	128766	1078	>10000	>10000	20.1	100
S-36-97	10.00	10.95	0.95	126501	848	719	1920	2.4	31
S-36-97	10.95	12.45	1.50	126502	4895	5806	>10000	24.0	207
S-36-97	13.46	13.96	0.50	126503	732	676	2192	1.5	108
S-36-97	12.45	13.46	1.01	126504	2938	758	>10000	7.1	137
S-36-97	13.96	14.84	0.88	126505	919	421	>10000	2.7	295
S-36-97	14.84	15.55	0.71	126506	223	284	303	0.5	6
S-36-97	15.55	15.87	0.32	126507	645	559	>10000	1.3	52
S-36-97	15.87	16.98	1.11	126508	296	302	585	0.8	29
S-36-97	16.98	18.10	1.12	126509	55	90	119	<.3	48
S-36-97	18.10	18.51	0.41	126510	2359	308	>10000	7.1	144
S-36-97	18.51	20.74	2.23	126511	2194	595	>10000	6.8	97
S-36-97	20.74	21.75	1.01	126512	194	155	335	<.3	9
S-36-97	21.75	22.75	1.00	126513	279	104	314	0.5	8
S-36-97	22.75	24.10	1.35	126514	912	649	>10000	3.1	58
S-36-97	24.10	24.52	0.42	126515	2319	299	>10000	9.1	63
S-36-97	0.00		0.00	126516	3554	2593	>10000	17.5	316
S-36-97	0.00		0.00	126517	2804	2045	>10000	11.5	467
S-36-97	0.00		0.00	126518	1800	449	1310	8.1	262
S-36-97	74.35	75.66	1.31	126519	>10000	4040	>10000	49.3	162
S-36-97	75.66	76.12	0.46	126520	2841	>10000	>10000	33.5	319
S-36-97	80.38	81.12	0.74	126521	692	3305	1746	16.4	457
S-36-97	81.12	81.61	0.49	126522	989	5924	>10000	12.2	120
S-36-97	81.61	82.75	1.14	126523	538	6421	7494	8.0	109
S-36-97	82.75	83.42	0.67	126524	244	4584	476	3.8	53
S-36-97	83.42	84.25	0.83	126525	2065	>10000	3031	20.6	174
S-36-97	84.25	84.84	0.59	126526	2268	1932	5418	9.0	369
S-36-97	84.84	85.91	1.07	126527	2053	>10000	>10000	62.3	1480
S-36-97	85.91	87.00	1.09	126528	293	2738	>10000	9.6	317
S-36-97	87.00	88.00	1.00	126529	529	6515	>10000	10.3	78
S-36-97	88.00	89.00	1.00	126530	672	1218	>10000	2.3	75
S-36-97	89.00	90.05	1.05	126531	2686	4707	>10000	14.9	83
S-37-97	15.57	15.79	0.22	128532	2504	7091	>10000	15.2	209
S-37-97	15.79	16.35	0.56	128533	2707	>10000	>10000	21.0	94
S-37-97	17.00	19.13	2.13	128534	2850	4327	>10000	13.0	111
S-37-97	21.64	22.08	0.44	128535	1512	>10000	>10000	50.2	143
S-37-97	22.08	23.88	1.80	128536	239	6365	2197	7.1	75
S-37-97	23.88	25.94	2.06	128537	612	3111	581	10.4	104

Of the 83 core interval samples taken, 60 returned “over-limit” base metal values >10,000 ppm. Due to a lack of funds, these over-limit samples were not assayed to definitively determine grades. Assaying of the over-limit samples is required as well as a statistical comparison of the 1997 sampling to the 2005 sampling to verify the 1997 results.

East Limb Prospecting and Sampling Program

A total of nine rock chip samples and one active stream sediment sample were taken by climber-geologists on the East Limb Zone. As with the core re-sampling program, the samples were analyzed by 30 element ICP-ES as well as fire assay and ICP-ES for 30 gram gold assay.. Descriptions of the samples taken are contained in Table 5, Geochemical Data Sheet, and results for selected elements are presented as Table 6. Locations of the samples taken are identified on Figures 12 and Figure 13.

Table 5: Geochemical Data Sheet

ROCK CHIP SAMPLING - Scotia Property

PROJECT: Scotia Sampler: P. Lutinski Date: July, 2005

Sample	UTM Location		Sample	Width	Rock	Alteration	Weathering	Minearalization
Number	Easting	Northing	Type	App/True	Type			
128951	456843	5992660	Rep Chip	1.0m TW	Rhyolite			Limonite
128952	456840	5992648	Rep Chip	3.0m TW	Rhyolite	Gericite		Limonite
128953	456841	5992644	Rep Chip	1.0m TW	Rhyolite	Gericite		Limonite
128954	456839	5992642	Rep Chip	2.1m TW	Rhyolite	Gericite		Limonite, Magnetite
128955	456929	5992621	Rep Chip	1.9m TW	Rhyolite	Gericite	Sheared	Limonite, Magnetite
128956	456827	5992618	Rep Chip	1.7m TW	Rhyolite	Gericite	Sheared	Limonite
128957	456700	5992620	Rep Chip		Rhyolite	Gericite		Limonite, Pyrite
128958	456690	5992610	Float Grab		Rhyolite			
128959	456680	5992600	Silt				Weathered	Limonite

Table 6: 2005 Rock Chip Sampling - Analytical Results - Selected Elements

Scotia Property

Date Sampled: 2-Jul-05

Sampled By: Piotr Lutinski

Acme	Cu	Pb	Zn	Ag	Au
Sample #	ppm	ppm	ppm	ppm	ppb
128951	7	4	116	<.3	2
128952	67	12	147	<.3	4
128953	31	5	150	<.3	6
128954	22	6	208	<.3	2
128955	233	5	81	<.3	<2
128956	19	<3	43	<.3	<2
128957	118	5	133	0.4	5
128958	156	4	90	<.3	11
128959	28	4	102	<.3	3

Figure 12: East Limb Zone

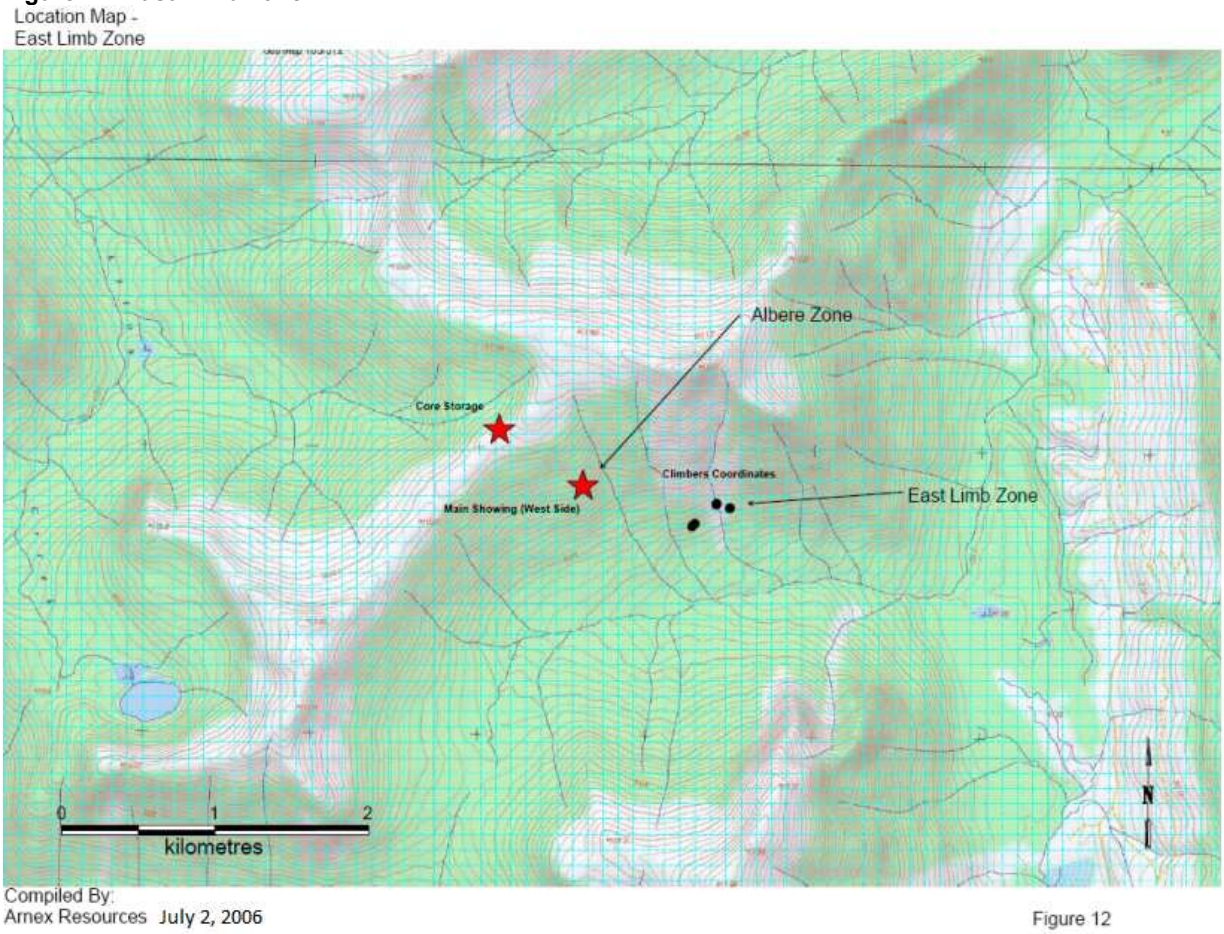
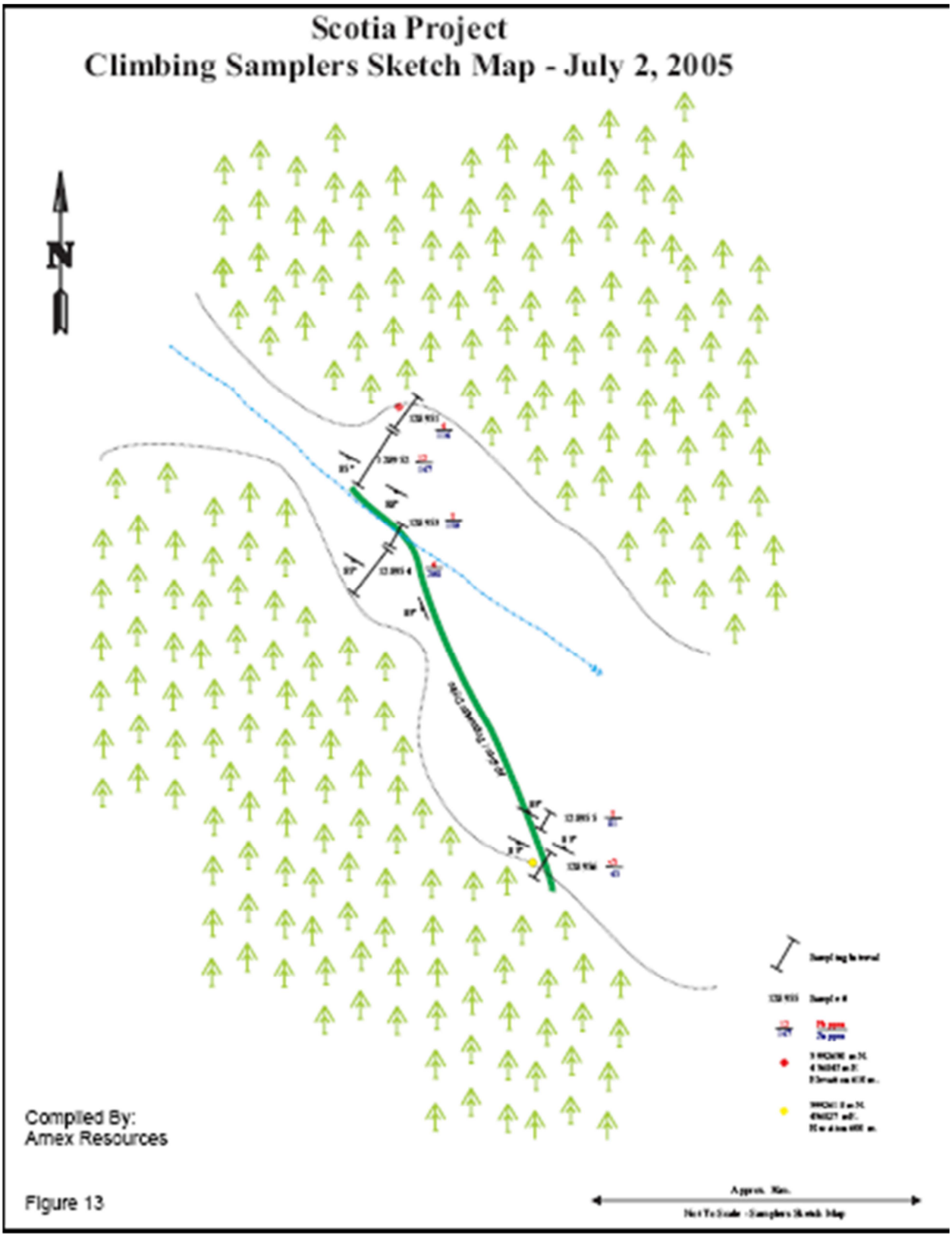


Figure 13: Climbing Samplers Sketch Map



Abundant limonite and some pyrite were present. Pervasive sericitic alteration was also noted. Three samples carried weakly anomalous Cu values, and three additional samples returned weakly anomalous Zn, Ag and Au values.

2006 Field Exploration Program

A grid based soil geochemical program was conducted on the Scotia Property by up to a five-person field crew during the period September 1 to 11, 2006. Access to and from the Property was by helicopter based at Prince Rupert. The soil sampling crew fly-camped on the Property for the duration on the program. A total of 106 soil samples were taken. Expenditures totaled approximately $70,850.

The field crew consisted of the following:

Person	Affiliation	Activities
AO Birkeland	Arnex Resources Ltd.	Project Geologist
Earl Wiliams	West Resource Group	Soil Sampler, Supervisor
Buddy Sampare	West Resource Group	Soil Sampler
Jordon Muldoe	West Resource Group	West Resource Group
Peter Johnson	West Resource Group	West Resource Group

Soil samples were collected from the B-horizon where possible. Soil samples were placed in cloth sample bags and securely stored at the campsite until being flown by helicopter and then trucked to a locked storage facility in Smithers. The samples were then picked up and shipped by a bonded carrier to Acme Labs in Vancouver.

The samples were analyzed by 30 element ICP-ES as well as fire assay and ICP-ES for 30 gram gold assay. Results for selected elements are contained in Table 7. Geochemical Contour Maps for Zn, Pb and Cu are presented as Figures 14, 15 and 16 respectively.

Figure 14: Contours of Zn (ppm)

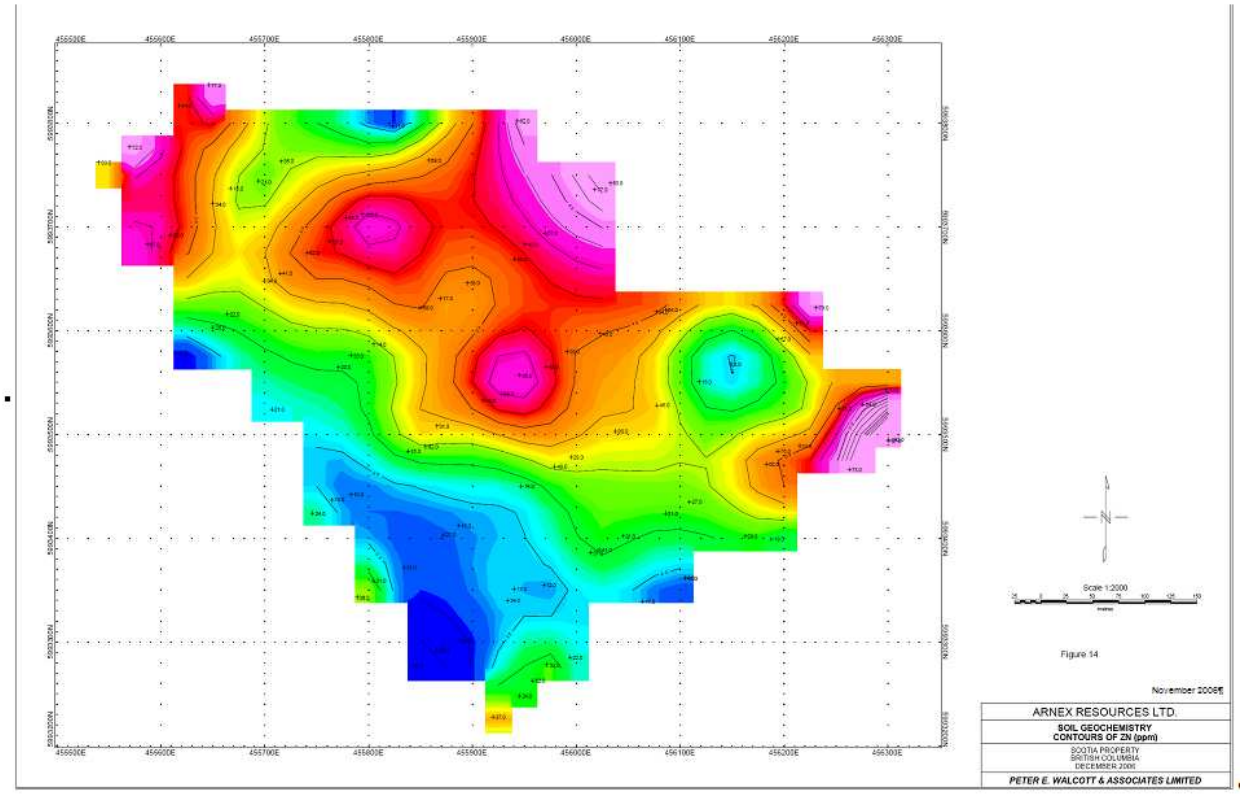


Figure 15: Contours of Pb (ppm)

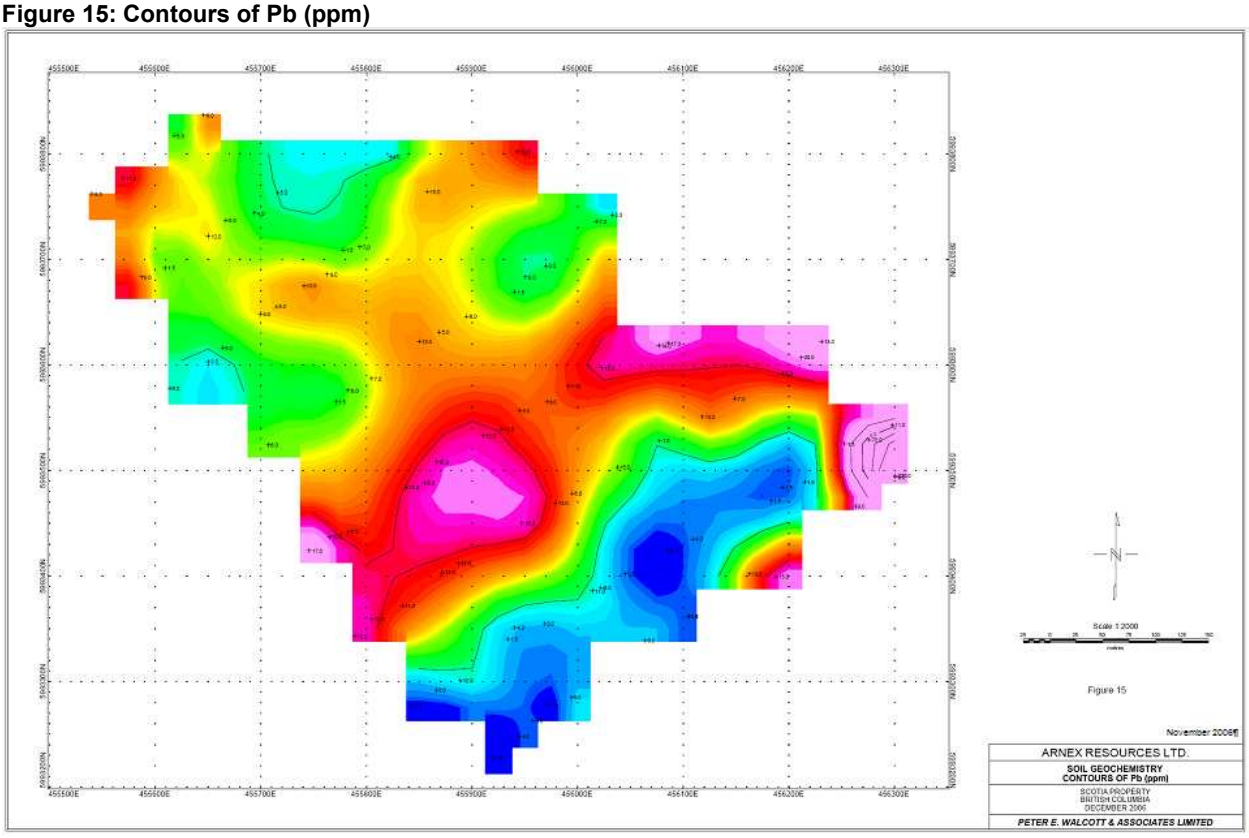


Figure 16: Contours of Cu (ppm)

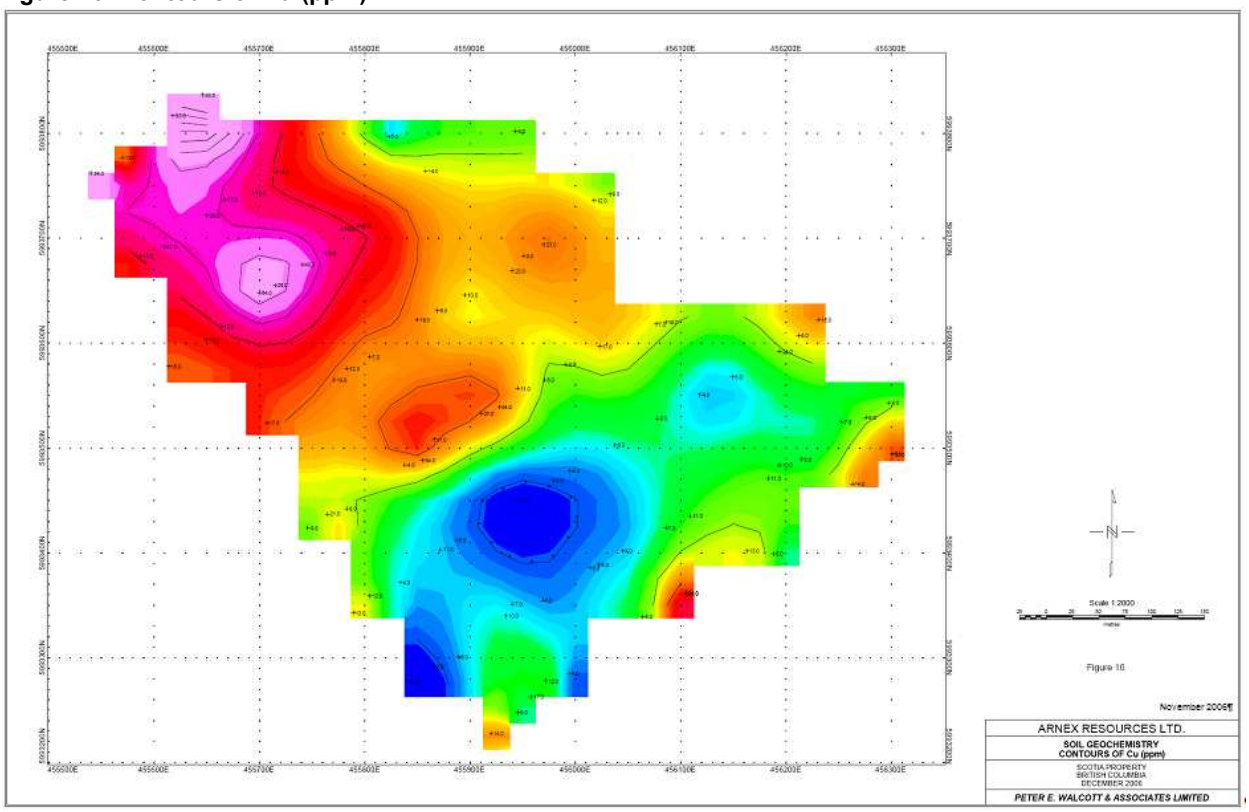


Table 7; Analytical Results - Selected Elements

2006 Analytical Results - Selected Elements

Arnex Resources Ltd.
Acme file # A607725 114 samples in this disk file.
Analysis: GROUP 1D - 0.50 GM SAMPLE ANALYSED BY ICP-ES.
Analysis: GROUP 3B - 30 GM SAMPLE FIRE ASSAY ANALYSED BY ICP-ES
Datum: NAD 83, Zone 9

Grid	ELEMENT	North	East	Zn	Ag	Pb	Cu	Au
Station	SAMPLES			ppm	ppm	ppm	ppm	ppb
				45	0.3	<3	4	<2
5+025L15+2N	Line 1 WP 67SS48	455920	5993228	37	<.3	<3	14	<2
5+075	Line 1 WP 68SS49	455945	5993248	24	<.3	4	6	<2
5+100	Line 1 WP 69SS50	455958	5993263	52	<.3	3	17	<2
5+125	Line 1 WP 71SS51	455972	5993278	32	<.3	<3	12	<2
5+150	Line 1 WP 72SS52	455994	5993285	22	<.3	5	4	<2
5+175	Line 1 WP 73SS53	456064	5993339	17	<.3	6	5	<2
5+200	Line 1 WP 75SS54	456105	5993362	6	0.5	5	44	6
5+225	Line 1 WP 76SS55	456105	5993361	45	0.7	<3	24	3
5+350	Line 1 WP 80SS58	456163	5993402	29	0.4	10	13	<2
5+350	RE Line 1 WP 80SS58			29	<.3	10	13	3
5+400	Line 1 WP 81SS59	456188	5993399	19	<.3	15	6	<2
5+425	Line 1 WP 83SS60	456203	5993466	73	<.3	9	14	<2
5+450	Line 1 WP 84SS61	456301	5993495	192	0.3	220	8	<2
5+475	Line 1 WP 85SS62	456301	5993494	87	0.4	9	32	<2
	Line 1 WP A SS A			31	0.3	3	13	<2
	Line 1 WP B SS B			22	<.3	<3	6	<2
	Line 1 WP C SS C			21	<.3	5	7	<2
	Line 1 WP D SS D			7	<.3	<3	3	<2
4+950L15+3N	Line 2 WP 64 SS 1	455843	5993277	5	0.9	3	3	13
4+975	Line 2 WP 65 SS 2	455866	5993292	16	<.3	3	3	<2
5+000	Line 2 WP 66 SS 3	455889	5993301	9	<.3	12	8	<2
5+050	Line 2 WP 68 SS 4	455934	5993340	34	<.3	<3	10	<2
5+075	Line 2 WP 69 SS 5	455940	5993351	17	<.3	4	7	7
5+100	Line 2 WP 70 SS 6	455969	5993355	12	0.4	3	4	3
5+150	Line 2 WP 72 SS 7	456014	5993386	37	<.3	11	8	<2
5+175	Line 2 WP 73 SS 8	456022	5993389	41	0.3	8	9	<2
5+200	Line 2 WP 74 SS 9	456045	5993402	21	<.3	<3	4	3
5+250	Line 2 WP 76 SS 10	456086	5993424	31	<.3	<3	7	<2
5+275	Line 2 WP 77 SS 11	456109	5993435	27	<.3	4	11	7
5+350	Line 2 WP 80 SS 13	456183	5993471	50	<.3	<3	11	2
5+375	Line 2 WP 81 SS 14	456194	5993484	76	<.3	<3	10	2
5+400	Line 2 WP 82 SS 15	456215	5993489	11	<.3	<3	3	<2
5+450	Line 2 WP 84 SS 16	456253	5993525	33	<.3	<3	7	<2
5+475	Line 2 WP 85 SS 17	456276	5993529	64	<.3	70	9	<2
4+950	Line 2 WP 64 SS 18	456298	5993543	30	<.3	11	8	<2
4+900 L15+5	Line 3 WP 39 SS 1	455789	5993343	36	0.6	13	12	<2
4+925	Line 3 WP 40 SS 2	455805	5993359	31	<.3	10	12	<2
4+975	Line 3 WP 41 SS 3	455834	5993372	13	<.3	11	4	<2
5+000	Line 3 WP 43 SS 4	455872	5993403	27	<.3	11	11	<2
5+025	Line 3 WP 44 SS 5	455887	5993412	10	0.3	13	5	<2
5+100	Line 3 WP 47 SS 7	455947	5993460	14	<.3	16	1	<2
5+125	Line 3 WP 48 SS 8	455979	5993469	48	<.3	13	9	<2
5+150	Line 3 WP 49 SS 9	455995	5993478	29	<.3	5	4	<2
5+200	Line 3 WP 51 SS 10	456038	5993503	30	<.3	15	8	<2
5+250	Line 3 WP 53 SS 12	456078	5993528	46	<.3	<3	8	<2
5+300	Line 3 WP 55 SS 13	456118	5593551	16	<.3	16	4	<2
5+325	Line 3 WP 56 SS 15	456149	5993568	8	<.3	7	5	<2
5+350	Line 3 WP 57 SS 15			10	<.3	13	7	<2
5+400	Line 3 WP 59 SS 16	456194	5993592	67	<.3	7	24	<2
5+425	Line 3 WP 60 SS 17	456212	5993607	11	<.3	20	6	<2
	Line 3 WP 61 SS 18	456231	5993622	73	<.3	18	15	<2
5+250L15+7	Line 4 WP 34 SS 24	455858	5993764	58	<.3	15	14	<2
4+925L15+5	Line 4 WP 40 Halt 1	455748	5993424	24	<.3	17	9	<2
4+950	Line 4 WP 41 SS 28	455765	5993437	19	<.3	10	21	<2

Arnex Resources Ltd.
Acme file # A607725 114 samples in this disk file.
Analysis: GROUP 1D - 0.50 GM SAMPLE ANALYSED BY ICP-ES.
Analysis: GROUP 3B - 30 GM SAMPLE FIRE ASSAY ANALYSED BY ICP-ES
Datum: NAD 83, Zone 9

Grid	ELEMENT	North	East	Zn	Ag	Pb	Cu	Au
Station	SAMPLES			ppm	ppm	ppm	ppm	ppb
				45	0.3	<3	4	<2
4+975	Line 4 WP 42 SS 29	455783	5993442	10	<.3	5	8	<2
5+025	Line 4 WP 44 SS 30	455838	5993484	16	<.3	15	4	<2
5+050	Line 4 WP 45 SS 31	455855	5993488	82	<.3	9	64	<2
5+075	Line 4 WP 46 SS 32	455866	5993508	31	<.3	15	11	<2
5+125	Line 4 WP 48 SS 33	455911	5993533	40	<.3	12	27	<2
5+150	Line 4 WP 49 SS 34	455928	5993539	94	<.3	13	34	<2
5+175	Line 4 WP 50 SS 35	455945	5993557	95	<.3	6	11	<2
	RE Line 4 WP 50 SS 35			96	0.3	7	11	<2
5+225	Line 4 WP 52 SS 36	455971	5993565	49	<.3	8	6	4
5+250	Line 4 WP 53 SS 37	455991	5993580	28	<.3	11	8	<2
	Line 4 WP 53 SS 38	456023	5993597	43	<.3	15	17	<2
5+325	Line 4 WP 56 SS 39	456077	5993618	34	0.3	14	7	<2
5+350	Line 4 WP 57 SS 40	456086	599362	54	<.3	17	18	<2
5+375	Line 4 WP 58 SS 41			82	<.3	10	34	<2
5+425	Line 4 WP 60 SS 42			156	0.3	9	28	<2
4+900L15+6	Line 5 WP 21 SS 2	455707	5993524	21	<.3	6	17	<2
4+975	Line 5 WP 24 SS 4	455771	5993565	20	<.3	<3	19	<2
5+025	Line 5 WP 25 SS 5	455783	5993576	33	<.3	8	12	<2
5+050	Line 5 WP 26 SS 6	455805	5993587	14	<.3	7	7	<2
5+100	Line 5 WP 28 SS 7	455850	5993622	58	<.3	10	18	2
5+125	Line 5 WP 29 SS 8	455869	5993631	17	<.3	5	6	<2
5+150	Line 5 WP 30 SS 9	455895	5993646	38	0.3	8	10	2
5+200	Line 5 WP 32 SS 10	455940	5993669	36	<.3	<3	20	<2
5+225	Line 5 WP 33 SS 11	455951	5993683	43	<.3	8	9	<2
5+250	Line 5 WP 34 SS 12	455970	5993694	57	<.3	3	23	2
5+300	Line 5 WP 36 SS 13	456018	5993736	77	<.3	7	12	<2
5+000L15+6	Line 5 WP 37 SS 14	456033	5993742	80	<.3	3	9	2
5+200	Line 6 WP 17 SS 14			66	<.3	10	45	<2
4+975L15+7	Line 6 WP 24 SS 17	455664	5993616	22	<.3	5	12	3
	Line 7 WP 007 SS 0			70	<.3	7	29	2
	Line 7 WP 7 SS 9			35	<.3	6	13	2
	Line 8 WP 3 SS 2	455540	5993762	33	<.3	8	34	2
	Line 8 WP 4 SS 3	455570	5993777	72	<.3	11	13	<2
	Line 8 WP 5 SS 4	455618	5993817	41	<.3	5	63	2
	WP 2 SS 0			185	0.3	11	48	3
	WP 6 SS 5	455646	5993837	77	0.3	9	93	6
	RE WP 6 SS 5			84	0.4	10	100	3
	WP 10 SS 8	455687	5993683	67	<.3	9	17	<2
5+050	WP 11 SS 9	455609	5993692	80	<.3	<3	31	2
5+075	WP 12 SS 10	455650	5993722	34	<.3	10	29	2
5+100	WP 13 SS 11	455667	5993737	15	<.3	5	17	<2
5+200	WP 15 SS 12	455694	5993744	21	<.3	4	18	3
5+225	WP 16 SS 13	455716	5993763	35	<.3	5	14	3
4+900L15+7N	WP 21 SS 15	455614	5993578	11	<.3	5	15	4
4+925	WP 22 SS 3			17	<.3	<3	25	3
4+950	WP 23 SS 16	455650	5993603	26	<.3	3	16	3
5+025	WP 25 SS 18	455700	5993648	34	<.3	9	64	<2
5+050	WP 26 SS 19	455715	5993655	41	<.3	5	26	7
5+075	WP 27 SS 20	455741	5993675	62	<.3	13	40	2
5+100	WP 29 SS 21	455763	5993686	21	<.3	8	9	3
5+125	WP 30 SS 22	455778	5993709	46	<.3	<3	19	<2
5+150	WP 31 SS 26	455823	5993797	11	<.3	4	5	<2
5+225	WP 33 SS 23	455794	5993712	150	<.3	7	47	<2
5+300	WP 36 SS 25	455943	5993802	67	<.3	11	9	2

Figure 14, Soil Geochemistry Contours of Zn (ppm) shows highest vales for Zn at the easternmost end of several lines. This may partially reflect down-slope dispersion from the two spot highs located in the central portion of the grid. The highest Zn value of 192 ppm on the south-eastern corner of the grid is coincident with high Pb values as illustrated by Figure 15 on page 35), Soil Geochemistry Contours of Pb (ppm), and probably represents an in-situ polymetallic anomaly. The south-central Zn anomaly is coincident with a Pb high, while the north-central Zn anomaly is in the same area as a Cu high (Figure 16 on page 35), Soil Geochemistry Contours of Cu (ppm). Two high values are present on the northernmost line indicating that the soil anomaly is still open

upslope to the north. The highest Cu values and best Cu anomalies are also present on the northernmost portion of the grid.

Geochemical soil anomalies are present beyond and lateral to the drilled portion of the Albere Zone.

2008 AeroQuest Airborne Geophysical Survey

A report by Aeroquest dated October 2008 describing the multi parameter helicopter airborne geophysical survey that was conducted during August, 2008 is presented as follows.

(A) Report on a Helicopter AeroTEM System Electromagnetic, Magnetic and Radiometric Survey, Aeroquest, OCTOBER 2008 (the "Aeroquest Report")

A multi parameter helicopter airborne geophysical survey was conducted by Aeroquest over a 50 square kilometre block of the Property during the period July 31 to August 6, 2008. Line spacing was 100 metres orientated at 070/250 degrees which is perpendicular to the regional geologic trend.

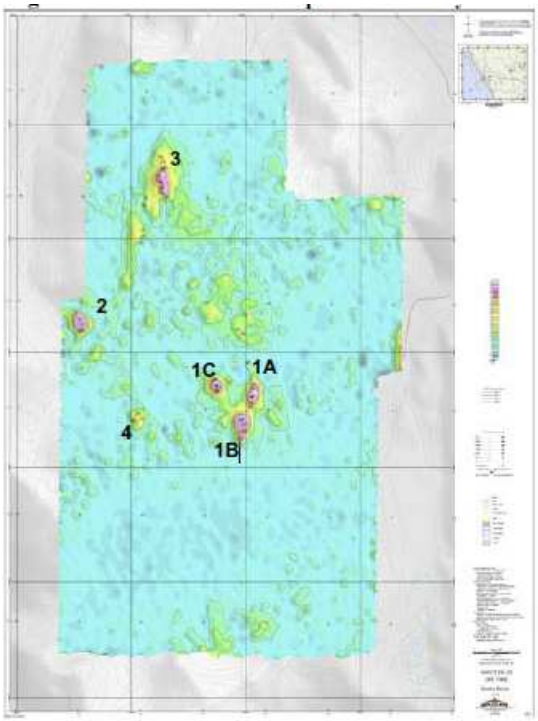
The survey incorporated the AeroTEM II time domain electromagnetic system coupled with a high-sensitivity caesium magnetometer. A secondary Airborne Gamma Ray Spectrometer was also employed. The survey also utilized real time GPS navigation, radar altimeter control, video recorder data gathering as well as a recording base station magnetometer to measure magnetic diurnal variations. Adequate QC/QA procedures were adopted by Aeroquest.

The survey was successful in mapping the magnetic and electromagnetic properties of the geology and related sulphide mineralization throughout the survey area.

A summary presentation of results and an interpretation of anomalies by Aeroquest are presented as follows.

(B) Aeroquest Report – Interpretation (January 21, 2009)

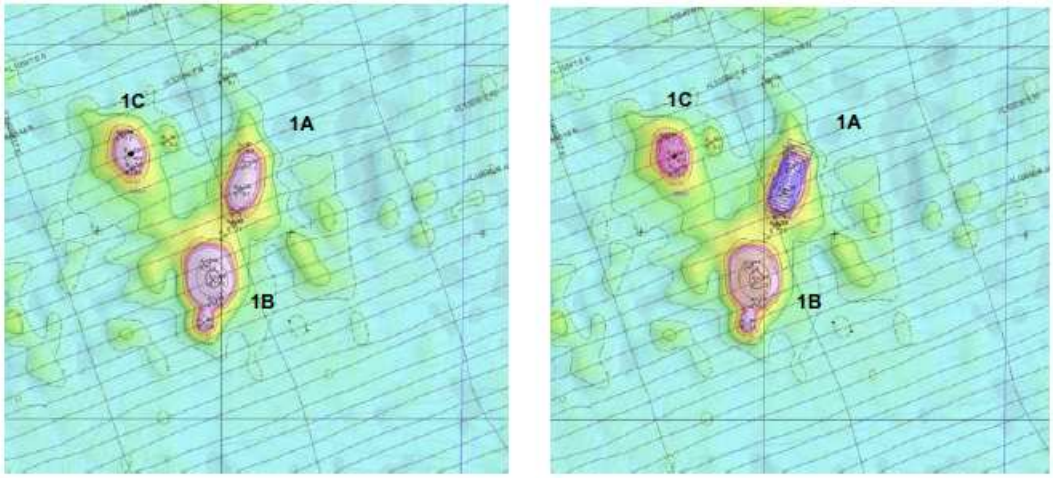
Four areas were identified from the AeroTEM data for potential follow-up interpretation. The areas are labeled 1-4 in the following figure.



Zoff Channel 1 Map with anomaly locations

Anom 1

The area identified as Anom 1 consists of three responses (1A, 1B and 1C). Each of these responses were well modeled with a flat lying plate at a depth of approximately 100 m and a conductance of 3 S. The plates are shown in Figure 2. The models suggest that the source of EM response lie below the peaks of the anomalies.



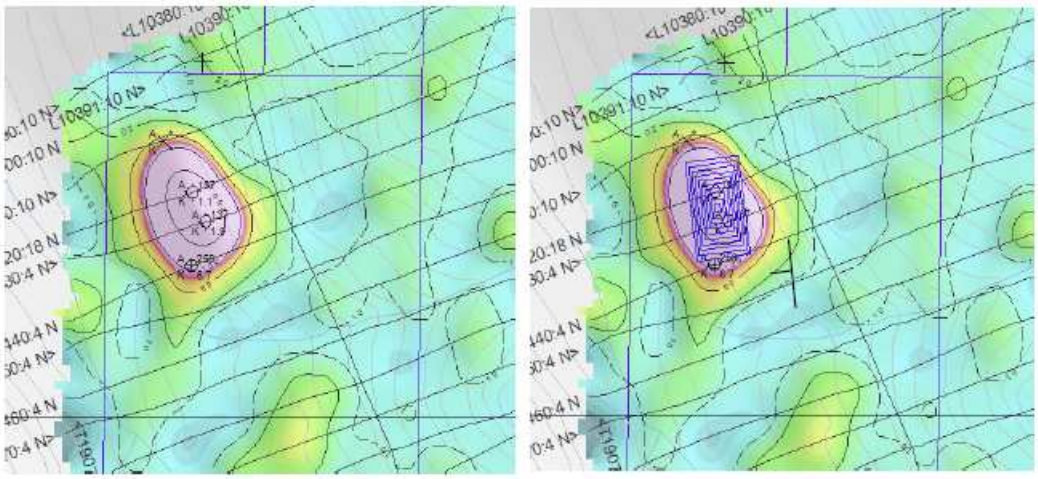
Zoff Channel 1 Data for Anom 1. Left panel shows the data. Right panel shows the interpreted plate models.

Plate	Easting (m)	Northing (m)	Depth (m)	Dip (degrees)	Strike (degrees)	Strike Length (m)	Depth Extent (m)	Conductance (S)
1A	456205	5993270	-120	0	220	400	150	3
1B	456030	5992740	-100	0	185	300	200	3
1C	455545	5993440	-90	0	172.5	200	150	4

Table. Anom 1 Plate modelling details. The Easting and Northign indicate the location of the point at the centre of the plate on the up dip edge.

Anom 2

The response identified as Anom 2 was well modeled with a shallowly dipping plate (dip 20 degrees and dip direction 262.5 degrees) at a depth of approximately 50 m and a conductance of 4.8 S. The plate is shown in the following figure.



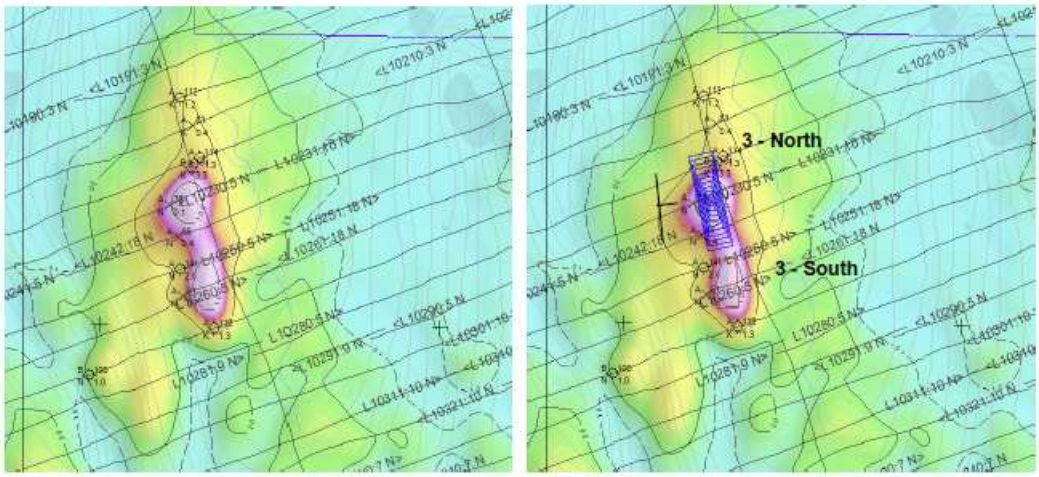
Zoff Channel 1 Data for Anom 2. Left panel shows the data. Right panel shows the interpreted plate models. The plate is dipping 20 degrees to the west.

Plate	Easting (m)	Northing (m)	Depth (m)	Dip (degrees)	Strike (degrees)	Strike Length (m)	Depth Extent (m)	Conductance (S)
2	453185	5994530	-50	20	172.5	250	150	4.8

Table. Anom 2 Plate modelling details. The Easting and Northing indicate the location of the point at the centre of the plate on the up dip edge.

Anom 3

The response identified as Anom 3 was well modeled with two dipping plates (dip 35 and 40 degrees and dip direction 77.5 and 85 degrees) at a depth of approximately 65 m and a conductance of 5 S. The plates are shown in the following figure.



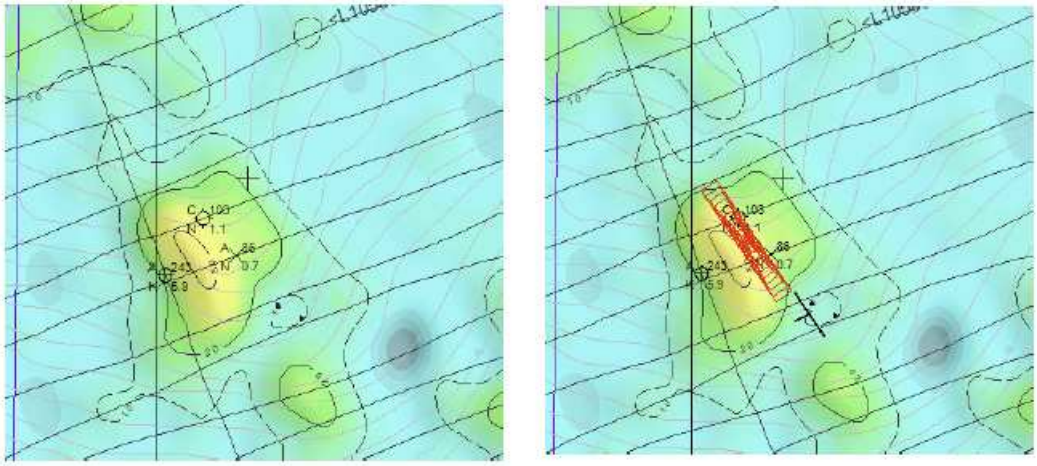
Zoff Channel 1 Data for Anom 3. Left panel shows the data. Right panel shows the interpreted plate models. The plates are dipping 40 degrees to the east.

Plate	Easting (m)	Northing (m)	Depth (m)	Dip (degrees)	Strike (degrees)	Strike Length (m)	Depth Extent (m)	Conductance (S)
3-North	454485	5997095	-70	35	347.5	300	100	5
3-South	454535	5996850	-60	40	355	150	100	5

Table. Anom 3 Plate modelling details. The Easting and Northing indicate the location of the point at the centre of the plate on the up dip edge.

Anom 4

The response identified as Anom 4 was well modeled with a single steeply dipping plate (dip 70 degrees and dip direction 235 degrees) at a depth of approximately 40 m and a conductance of 2 S. The plates are shown in the following figure.



Zoff Channel 1 Data for Anom 4. Left panel shows the data. Right panel shows the interpreted plate model. The plate is dipping 70 degrees to the south west.

Plate	Easting (m)	Northing (m)	Depth (m)	Dip (degrees)	Strike (degrees)	Strike Length (m)	Depth Extent (m)	Conductance (S)
4	454125	5992915	-40	70	145	300	125	2

Table. Anom 4 Plate modelling details. The Easting and Northing indicate the location of the point at the centre of the plate on the up dip edge.

Summary

Each of the anomalies selected for interpretation were well modeled using weakly conductive plates at depths ranging from 50 to 100 m. When planning follow up (either prospecting or drilling) it is important to account for the dip of the plates. The sources of Anom 1A, 1B and 1C are interpreted to be flat lying, however the dips of the plates used to interpret Anoms 2, 3 and 4 have increasingly steeper dips.

Limitations

The interpretation of this data was highly subjective. The goal of this interpretation was to extract features from the electromagnetic data that, when combined with other data sets, may provide a means for focusing future exploration activities within defined areas of interest. The definition of “targets” should in no way be taken as recommendation for

drill testing. All cases should be considered when analyzing the interpreted areas of interest and prioritizing for follow-up.

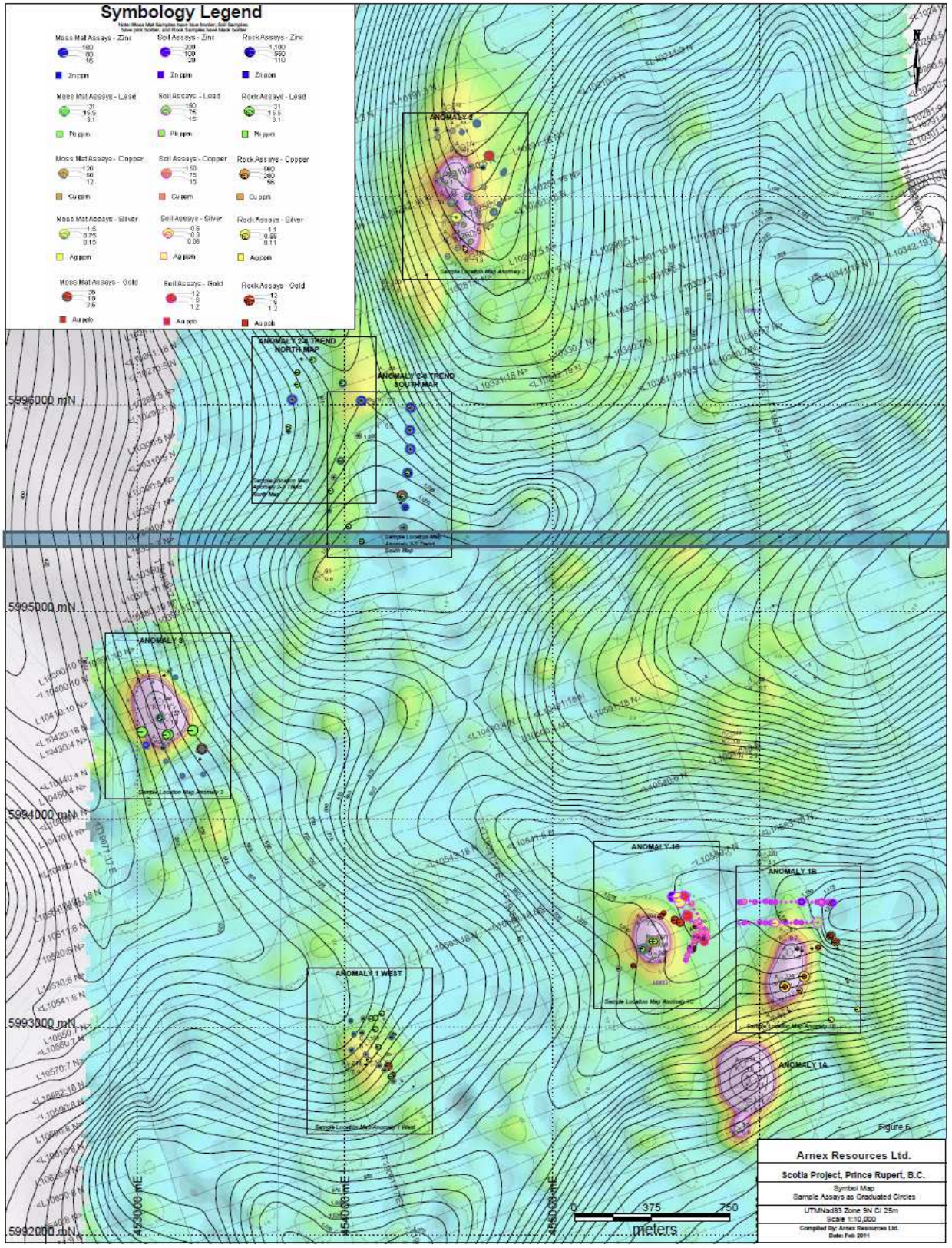
2010 Field Exploration Program

During 2010 a field geochemical survey program was conducted by Arnex Resources Ltd during the period September 18, 2010 to October 8, 2010. A.O. Birkeland, visited the Scotia Property for a one day period on September 18, 2010 to initiate the program. Fieldwork was conducted by a series of short fly-camps utilizing helicopter support based out of Prince Rupert.

A total of 64 rock chip, 136 moss mat - active stream sediment and 67 soil samples were taken. Samples were flown by helicopter to Prince Rupert and transported by locked truck and delivered to Acme labs processing facility on Powell Street, Vancouver. Expenditures for conducting the 2010 field program totaled $90,331.48 and were filed As Geochemical Technical Work, Event # 4807718.

Figure 17 below - Symbol Map - Sample Assays as Graduated Circles, is a presentation of theresults of the 2010 geochemical survey plotted on an airborne geophysical anomaly base map.

Figure 17: Symbol Map – Sample Assays as Graduated Circles



Virtually all Airborne Anomalies sampled returned geochemically anomalous or elevated values for the various sample types taken. No “ore grade” showings were found but values of over 1,000 ppm Zn were encountered from “in place” rock chip sampling in the general vicinity of the Albere Zone.

Drilling

The type and extent of diamond drilling including a summary and interpretation of all results are described in “Property History” and in “1997 Drill Program” above.

The relationship between the sample lengths and the true thicknesses of the mineralization cannot be stated because the orientation of the mineralization is unknown.

Sample Preparation, Analyses and Security

Historical Drilling

A description of sampling methods and a description of drilling and factors that could impact the accuracy of results including a discussion of sample quality, description of rock types, geologic controls, widths of mineralized zones and summary of samples composites with values and apparent widths for historical programs including drilling are contained in “Property History” above.

1997 Diamond Drill Program

A description of sampling methods and a description of drilling and factors that could impact the that could impact the accuracy of results including a discussion of sample quality, description of rock types, geologic controls, widths of mineralized zones and summary of samples composites with values and apparent widths for the 1997 Diamond Drill Program are contained in “Exploration - 1997 Diamond Drill Program” above.

2005, 2006 and 2010 Field Exploration Programs

The core re-sampling program conducted in 2005 sampled the same intervals as were sampled during the 1997 drill program for selected drill holes. Due to poor weather and a lack of time, the remaining half splits of the core could not be sawed into quarters. Instead, the remaining half split core was taken in its entirety except for occasional specimens that were preserved in selected intervals. Limited rock chip sampling was conducted during the East Limb Prospecting and Sampling Program that was carried out in 2005. Both float and representative outcrop chip samples were taken.

Soil samples taken during the 2006 soil geochemical survey were taken on a grid basis with lines orientated normal to the geologic trend. Line spacing was 100 metres and sample intervals were 25 metres along the lines. Holes were dug by shovel at each station and the B-horizon sampled wherever possible.

A variety of sampling methods were employed by the 2010 geochemical survey program. Moss mat (active stream sediments) samples were taken where drainages were present in the target area. Reconnaissance style contour soil sampling was conducted below airborne geophysical anomalies where moss mat sampling was not present. Rock chip sampling was done where prospecting identified the presence of sulphide mineralization. No set sampling interval was used as each mineralized area was unique in size and distribution.

Historical Drilling

For historical drill programs, such as they are known, sample preparation methods and quality control measures employed by historical programs are presented in Section 6 – Property History in this Technical Report.

1997 Diamond Drill Program

For the 1997 Diamond Drill Program, such as they are known, sample preparation methods and quality control measures employed programs are presented in Section 9.1 – 1997 Diamond Drill Program in this Technical Report.

2005, 2006 and 2010 Field Exploration Programs

The samples taken as part of the 2005 drill core re-sampling program were placed in plastic sample bags and flown by helicopter to a landing site on the Skeena River, then trucked in a locked compartment to Acme Labs in Vancouver for preparation and analysis. No quality control measures were taken prior to the dispatch of samples to the lab for this program.

The samples taken as part of the 2005 East Limb prospecting program were placed in plastic sample bags and flown by helicopter to a landing site on the Skeena River, then trucked in a locked compartment to Acme Labs in Vancouver for preparation and analysis.

The soil samples taken as part of the 2006 and 2010 soil sampling programs were placed in cloth bags and each sample site marked in the field using metal tags and pickets. The samples were placed in secure containers and flown by helicopter to a landing site on the Skeena River, then trucked in a locked compartment to a locked warehouse operated by CJL Enterprises in Smithers. The samples were then shipped by a bonded carrier to Acme Labs in Vancouver.

All rock samples taken during the 2005 and 2010 programs were prepared and analyzed by Acme Labs of Vancouver, who are independent to Geo and GeoNovus. Acme Labs is ISO Certified. Rock samples were crushed to -10 mesh (70%), split and a 250 g split pulverized to -150 mesh (95%), (Acme Preparation Code R150). Sample pulps were leached in hot (95°C) Aqua Regia. Solutions were analyzed by 30 element ICP-ES (Acme Analytical Code 1D). A 30 g lead-collection fire-assay fusion for total sample decomposition, digestion of the Ag dore bead and analysis by ICP-ES for Au (Acme Code Group 3B) was also conducted on each sample.

All soil samples taken during the 2006 and 2010 programs were prepared and analyzed by Acme Labs of Vancouver. The soil samples were dried at 60°C and up to 100 g sieved to -80 mesh. Sample pulps were leached in hot (95°C) Aqua Regia. Solutions were analyzed by 30 element ICP-ES (Acme Analytical Code 1D). A 30 g lead-collection fire-assay fusion for total sample decomposition, digestion of the Ag dore bead and analysis by ICP-ES for Au (Acme Code Group 3B) was also conducted on each sample.

At no time did any personnel other than Arnex and its subcontractors have access to any of the 2005 or 2006 samples during the sampling, storage or shipping process.

All rock and soil sample analysis performed by Acme Labs incorporated standard quality control methods of analyzing routine duplicate samples and standards.

Data Verification

In the opinion of the Report Authors, acting as Qualified Person, the data used for purposes in the preparation of the Technical Report is adequate and accurate.

The objective of the 2005 drill core re-sampling program was to verify the core sampling results obtained from the 1997 core drilling program. Arnex Resources Ltd ("Arnex") conducted the core re-sampling program during the 2005 field season. Selected mineralized core intervals from six of the 1997 drill holes were sampled by Arne Birkeland, P.Eng. acting as Qualified Person for Geo for the Scotia Property. The samples were flown by helicopter to Prince Rupert, then trucked by Arnex to Vancouver and were hand delivered to Acme Labs Ltd. Geochemical analysis of the samples utilizing a multi-element ICP-ES technique was completed by Acme. Many samples returned over-limit values of >10,000 ppm for zinc and lead. During April of 2008, pulps from the over-limit samples were assayed by Acme utilizing Aqua-Regia digestion and Group 7AR ICP-ES finish.

The accompanying table, Summary – Drill Core Re-sampling Program compares selected weighted mineralized intercepts from the 1997 drilling to corresponding intervals for values for the pulp assays received in April, 2008.

Generally, there was very good agreement between the 1997 high-grade intercepts with the 2008 data. Average variations for zinc, copper and silver for all weighted intercepts were <5%. Variations for lead and gold were moderately higher but still well within acceptable ranges. It is concluded that the re-sample program verified the 1997 results for the selected intervals sampled and that this data has been verified for purposes of determining a Resourced Estimate.

Table 8: Summary – Drill Core Re-sampling Program

Hole	From	To	Interval	Sample #	Zn %	Pb %	Cu %	Ag g/t	Au ppb	Zn %	Pb %	Cu %	Ag g/t	Au ppb
	Metres	Metres	Metres	1997	1997	1997	1997	1997	1997	2008	2008	2008	2008	2008
S-33-97	47.40	47.80	0.40	301014	6.78	0.90	0.13	26.0	120	6.84	0.67	0.20	22.0	104
	68.70	**72.30**	**3.60**		**22.54**	**2.28**	**0.18**	**47.0**	**1206**	**23.10**	**2.31**	**0.15**	**42.5**	**1081**
	79.40	80.00	0.60	301034	4.81	1.37	0.13	42.0	745	4.13	1.76	0.12	37.0	603
	85.75	**90.10**	**4.35**		**15.60**	**2.50**	**0.16**	**39.2**	**236**	**14.65**	**2.96**	**0.14**	**38.6**	**139**
S-34-97	62.20	62.60	0.40	301056	18.70	1.93	0.19	47.0	90	17.25	1.19	0.18	33.0	69
S-36-97	**10.95**	**24.52**	**13.57**		**4.97**	**0.08**	**0.19**	**6.6**	**72**	**3.90**	**0.09**	**0.15**	**6.2**	**90**
	74.35	76.12	1.77		11.93	0.39	0.79	35.6	185	8.09	0.84	0.75	37.0	203
	81.12	**90.05**	**8.93**		**7.18**	**0.79**	**0.10**	**18.4**	**288**	**7.38**	**0.59**	**0.11**	**16.1**	**308**
S-37-97	15.57	16.35	0.78		3.61	0.85	0.25	17.3	115	4.17	0.93	0.25	16.9	126
	17.00	19.13	2.13	301156	1.88	0.36	0.27	11.0	90	1.52	0.43	0.27	10.0	111
	21.64	**43.29**	**21.65**		**10.64**	**1.35**	**0.15**	**22.2**	**276**	**10.16**	**1.14**	**0.14**	**17.7**	**595**
S-39-97	31.90	32.10	0.20	301074	5.90	1.06	0.23	26.0	425	7.49	1.11	0.26	26.0	822
	32.65	33.00	0.35	301076	4.90	1.60	0.14	27.0	250	6.28	1.40	0.13	25.0	286
	46.50	**49.50**	**3.00**		**16.49**	**0.42**	**0.21**	**14.5**	**187**	**16.54**	**0.43**	**0.23**	**14.0**	**154**
	55.30	57.10	1.80	301087	3.60	0.77	0.07	25.4	550	2.79	0.79	0.08	26.0	1307
	65.10	65.90	0.80		6.78	2.00	0.05	24.9	89	6.05	2.14	0.05	27.0	303
S-42-97	91.73	93.30	1.57		5.71	0.44	0.03	10.9	142	7.54	0.71	0.03	15.7	200
	97.00	**100.27**	**3.27**		**4.99**	**0.18**	**0.19**	**11.3**	**69**	**3.43**	**0.18**	**0.16**	**9.2**	**54**
	102.90	103.51	0.61	301252	0.35	0.13	0.12	9.0	70	0.18	0.09	0.09	7.0	69

Mineral Processing and Metallurgical Testing

No Mineral Processing or Metallurgical Testing has been conducted to date.

Mineral Resource Estimates

The resource estimate in the Technical Report was completed by Giroux Consultants Ltd. in November 2006. G.H. Giroux is the qualified person responsible for the resource estimate. Mr. Giroux is a qualified person by virtue of education, experience and membership in a professional association. He is independent of both the issuer and the vendor applying all of the tests in section 1.5 of National Instrument 43-101. Mr. Giroux has not visited the property.

The effective date for this resource is November 2006. Since no further drilling has been done on the property since this resource was estimated, it is still current. The Report Authors know of no legal, political, environmental or other risks that could materially affect the potential for the development of this resource.

Data Analysis

The data base for the Scotia resource estimate was provided Arnex Resources from historical drill programs conducted on the Property and consisted of ten holes drilled in 1960 (S-1-60 to S-10-60), seven holes drilled in 1980 (S-11-80 to S-17-80), four holes drilled in 1981 (S-18-81 to S-21-81), eleven holes drilled in 1984 (84-1 to 84-11) and ten holes drilled in 1997 (S-33-97 to S-42-97) for a total of 42 diamond drill holes totaling 4,343 m (see Table 34 for drill hole listing). The data base consisted of collar coordinates, down hole surveys and assays for Zn (%), Pb (%), Cu (%), Ag (g/t) and Au (ppb). The drill hole coordinates were given in a “mine grid” system which was aligned 20 degrees west of north. As a result to bring all data into the same relative space 20 degrees were added to each Azimuth. Samples not assayed within the massive sulphide units and outside them were replaced in the data base with a nominal 0.001 % for Zn, Pb and Cu, with 0.001 g/t for Ag and with 0.7 ppb for Au.

The massive sulphide units were identified in each drill hole and the assays within the massive sulphide units were separated from the background lower grade values. A summary of the grade statistics for all variables within the massive sulphide units and in the surrounding waste are presented in Tables 9 and 10 respectively.

Table 9: Summary of grade statistics for assays in Massive Sulphide units

	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (ppb)
Number	424	424	424	424	424
Mean	7.86	0.85	0.09	17.89	222
Standard Deviation	11.55	1.42	0.13	20.67	333
Minimum value	0.001	0.001	0.001	0.001	0.7
Maximum value	49.47	10.84	0.99	153.30	2200
Coefficient of Variation	1.47	1.67	1.41	1.16	1.57

Table 10: Summary of grade statistics for assays in Waste units

	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (ppb)
Number	392	392	392	392	392
Mean	0.12	0.06	0.03	2.89	42
Standard Deviation	0.53	0.46	0.05	7.89	111
Minimum value	0.001	0.001	0.001	0.001	0.7
Maximum value	9.69	8.82	0.47	124.11	1420
Coefficient of Variation	4.22	7.98	2.16	2.73	2.61

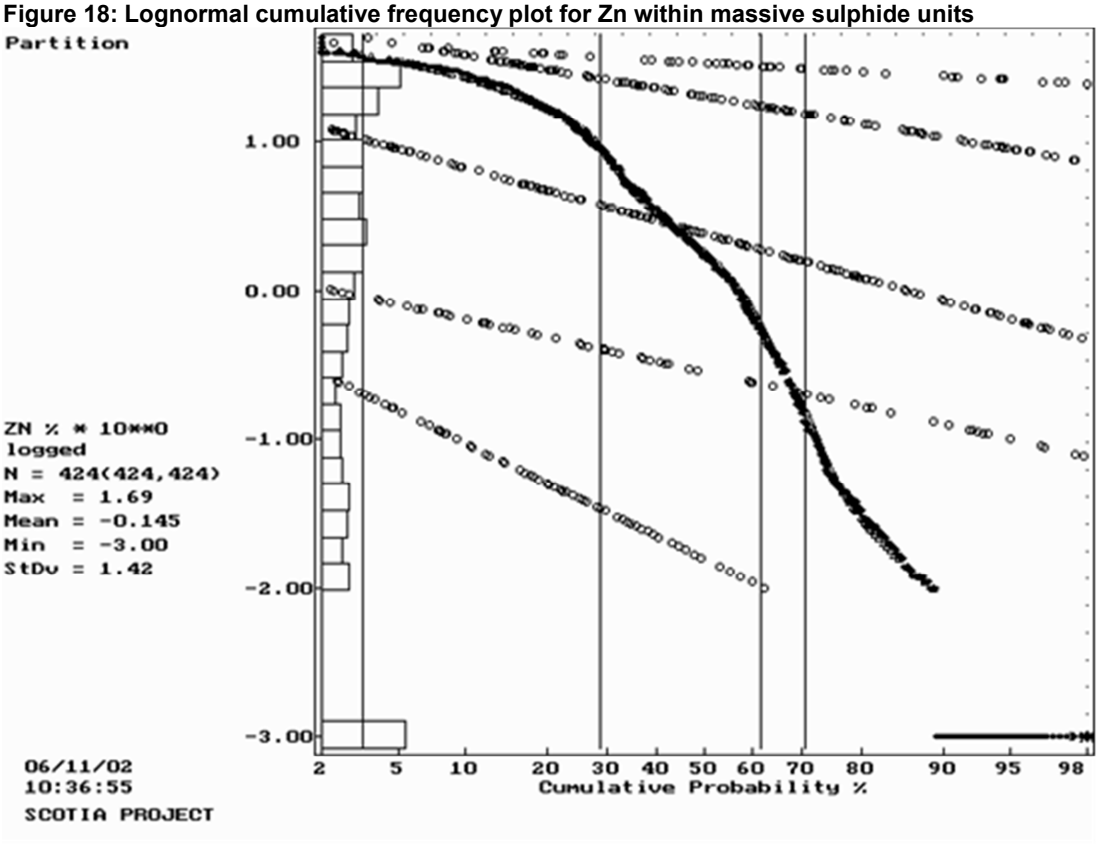
For each variable the assays from the massive sulphide intervals were plotted on a lognormal cumulative probability plot. A single lognormal population will plot as a straight line in this graphical technique. Multiple overlapping populations will plot as a curve line with inflection points determining the breaks between these populations. On the graphs below the solid black dots represent the data points. The vertical lines show the interpreted inflection points between the populations. Breaking or partitioning these populations out produces the lines shown as open circles. Recombining these interpreted populations back is a check on how valid the interpretation is and is shown as open triangles.

The plot for zinc shown as Figure 18 shows 5 overlapping lognormal populations as described in Table 11. Populations 1, 2 and 3 represent the massive sulphide mineralization and are not considered erratic. Populations 4 and 5 represent internal waste and missing samples within the massive sulphide units. A capping level to reduce the effect of the upper tale of population 1 would be 2 standard deviations above the mean of population 1, a level of 46.5 % Zn. One assay for zinc was capped at 46.5%.

Table 11: Summary of Zn populations within the Massive Sulphide Units

Population	Mean (Zn %)	Proportion of Total samples	Number of Samples
1	33.84	3.33 %	14
2	20.16	25.46 %	108
3	2.39	33.09 %	140
4	0.28	8.68 %	37
5	0.02	29.43 %	125

Figure 18: Lognormal cumulative frequency plot for Zn within massive sulphide units

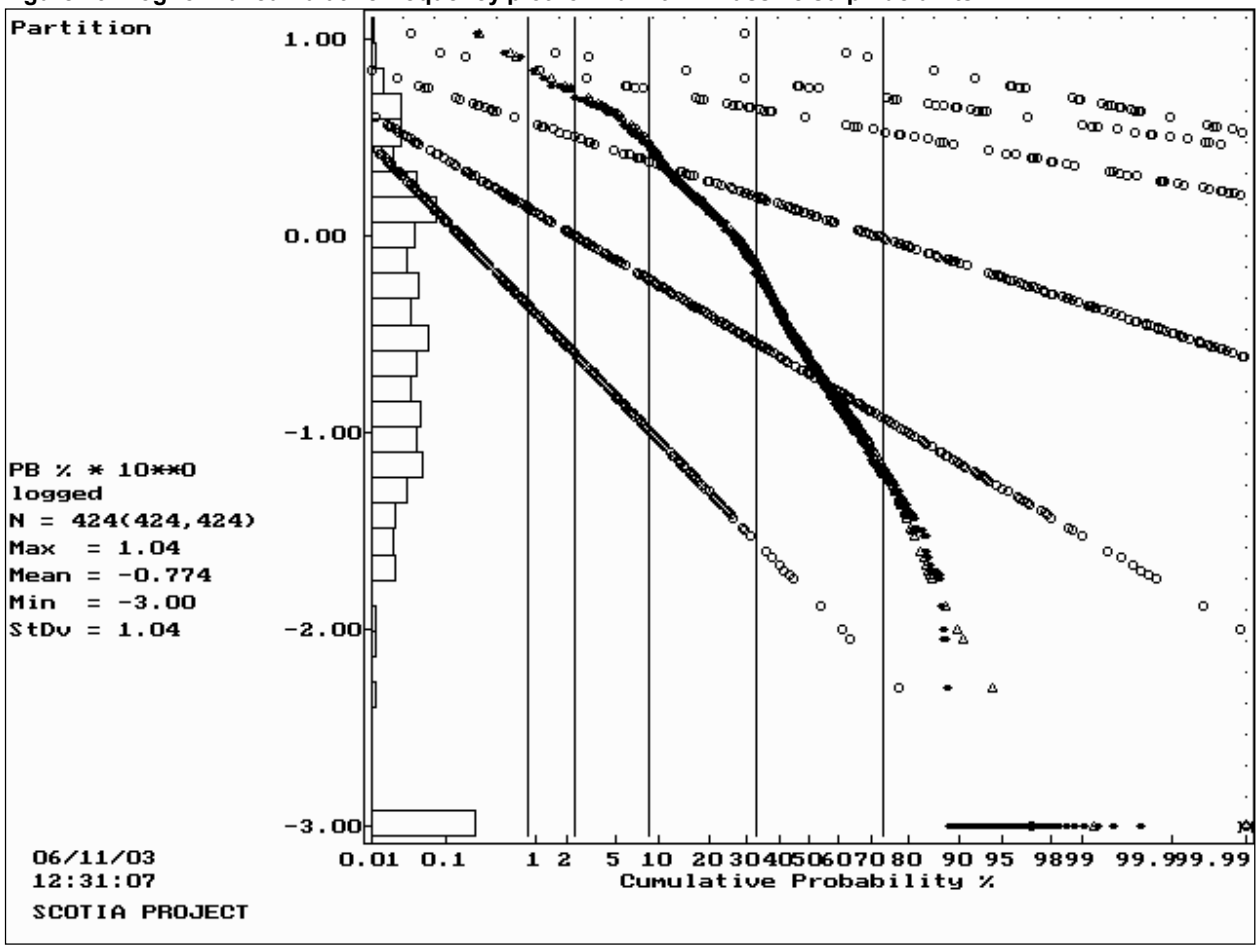


A similar plot for lead shown as Figure 19 shows 6 overlapping lognormal populations as described in Table 12. Population 1 was considered erratic high grade and a capping level of 2 standard deviations above the mean of population 2 was used as a capping level. A total of 2 assays were capped at 8.3% Pb. Populations 2, 3 and 4 represent the massive sulphide mineralization. Populations 5 and 6 represent internal waste and missing samples within the massive sulphide units.

Table 12: Summary of Pb populations within the Massive Sulphide Units

Population	Mean (Pb %)	Proportion of Total samples	Number of Samples
1	9.34	0.84 %	4
2	5.73	1.48 %	6
3	3.99	6.35 %	27
4	1.30	24.03 %	102
5	0.20	40.90 %	173
6	0.02	26.41 %	112

Figure 19: Lognormal cumulative frequency plot for Pb within massive sulphide units

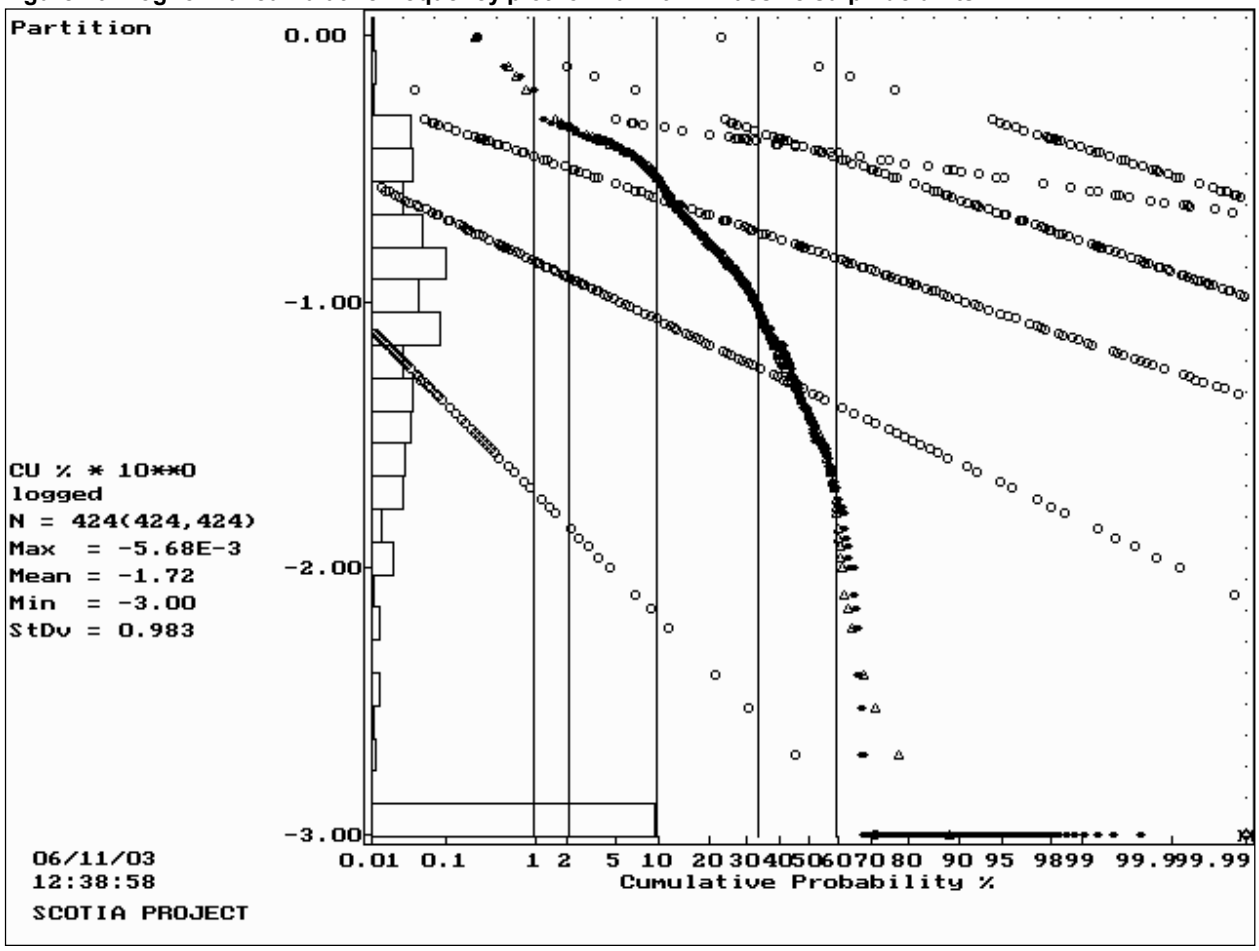


A log probability plot for copper, shown as Figure 20, shows 6 overlapping lognormal populations as described in Table 13. Population 1 was considered erratic high grade and a capping level of 2 standard deviations above the mean of population 2 was used as a capping level. A total of 2 assays were capped at 0.74 % Cu. Populations 2, 3 and 4 represent the massive sulphide mineralization. Populations 5 and 6 represent internal waste and missing samples within the massive sulphide units.

Table 13: Summary of Cu populations within the Massive Sulphide Units

Population	Mean (Cu %)	Proportion of Total samples	Number of Samples
1	0.782	0.96 %	4
2	0.375	1.10 %	5
3	0.374	7.71 %	33
4	0.157	23.53 %	100
5	0.046	25.89 %	110
6	0.002	40.81 %	172

Figure 20: Lognormal cumulative frequency plot for Cu within massive sulphide units

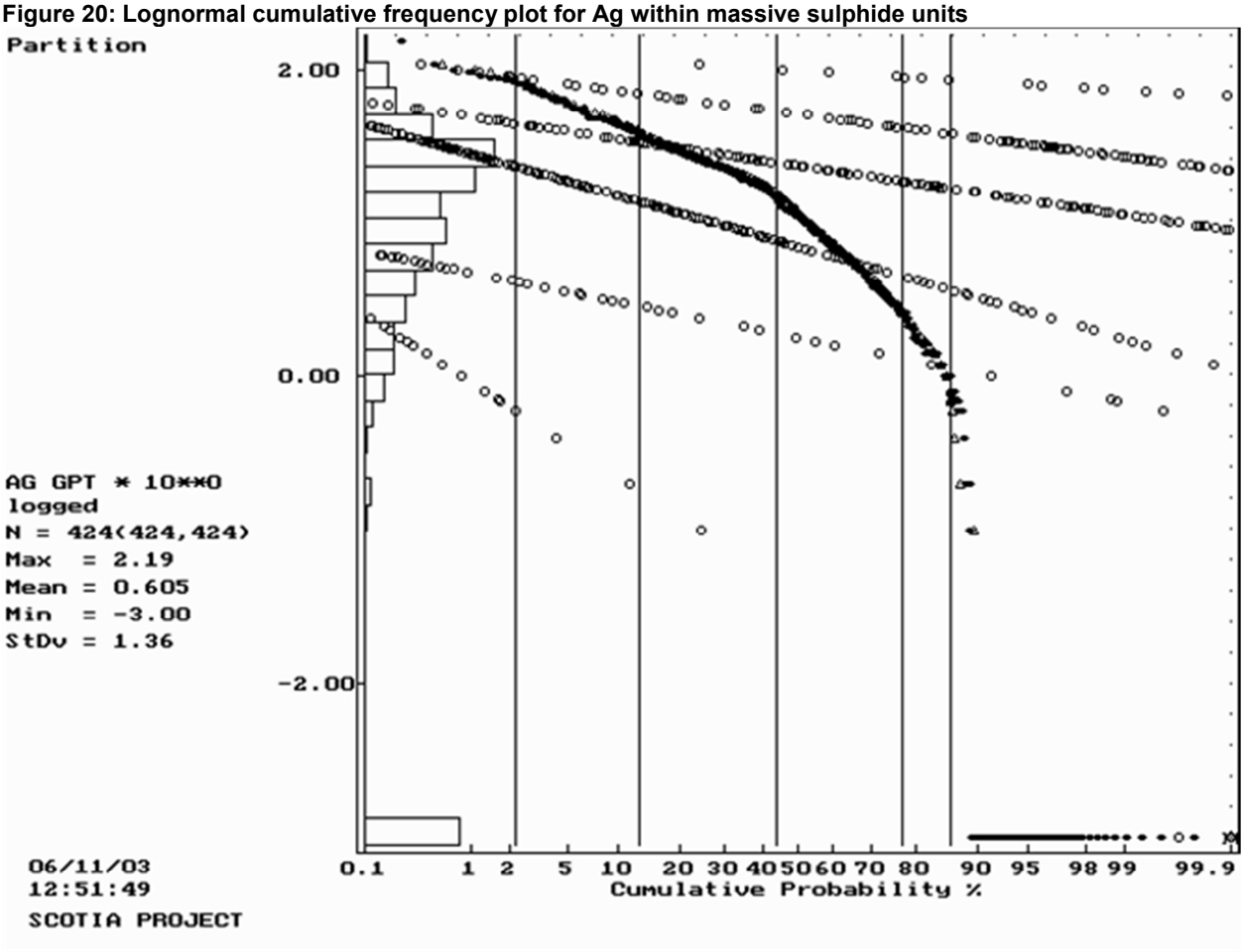


A log probability plot for silver, shown as Figure 21, shows 6 overlapping lognormal populations as described in Table 14. Populations 1 for silver was not considered erratic high grade and a capping level of 2 standard deviations above the mean of population 1 was used as a capping level. One assay was capped at 125 g/t Ag. Populations 1, 2, 3 and 4 represent the massive sulphide mineralization. Populations 5 and 6 represent internal waste and missing samples within the massive sulphide units.

Table 14: Summary of Ag populations within the Massive Sulphide Units

Population	Mean (Ag g/t)	Proportion of Total samples	Number of Samples
1	98.01	2.20 %	9
2	51.03	10.70 %	45
3	23.50	31.07 %	132
4	7.01	33.22 %	141
5	1.79	9.03 %	38
6	0.04	13.79 %	59

Figure 20: Lognormal cumulative frequency plot for Ag within massive sulphide units

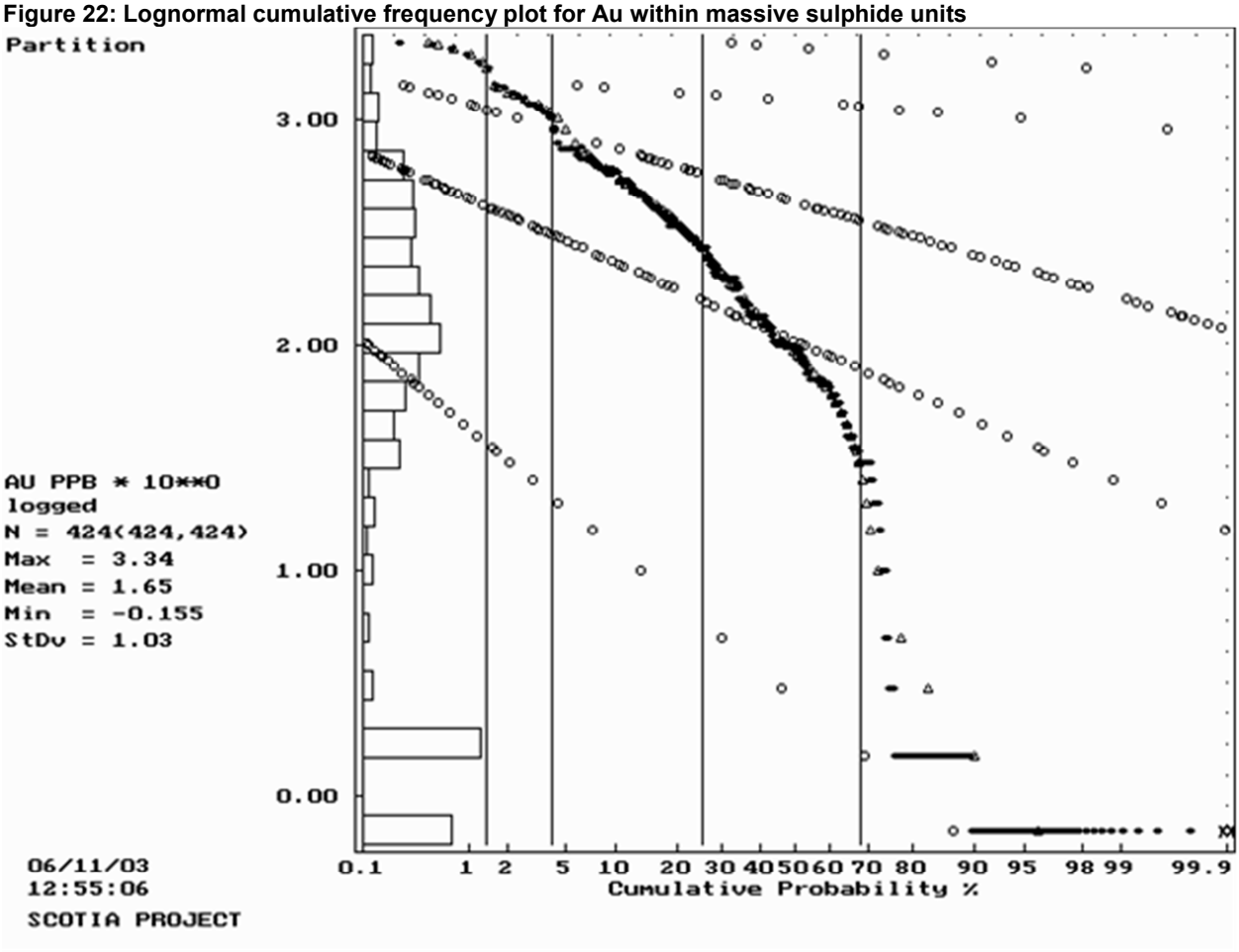


A log probability plot for gold, shown as Figure 22, shows 5 overlapping lognormal populations as described in Table 15. Population 1 for gold was considered erratic high grade and a capping level of 2 standard deviations above the mean of population 2 was used as a capping level. A total of 6 gold assays were capped at 1510 ppb Au. Populations 2 and 3 represent the massive sulphide mineralization. Populations 4 and 5 represent internal waste and missing samples within the massive sulphide units.

Table 15: Summary of Au populations within the Massive Sulphide Units

Population	Mean (Au ppb)	Proportion of Total samples	Number of Samples
1	2101	1.36 %	6
2	1215	2.74 %	12
3	438	21.28 %	90
4	104	42.66 %	181
5	2.7	31.95 %	135

Figure 22: Lognormal cumulative frequency plot for Au within massive sulphide units



Assays outside the massive sulphide units were also evaluated and capped to reduce the effect of isolated high grades in material considered waste. These assays were used to determine reasonable dilution values for blocks along the edges of the massive sulphide solids. Table 16 shows the capping levels and number of samples capped in the waste units.

Table 16: Summary of capping levels for assays in waste

Variable	Cap Level	Number Capped
Zn	1 % Zn	3
Pb	1 % Pb	2
Cu		None capped
Ag	20 g/t Ag	4
Au	500 ppb	3

The results of capping can be seen below in Tables 17 and 18 with reduced mean values and coefficient of variations in both the massive sulphide units and waste.

Table 17: Summary of capped assay grades in Massive Sulphides

	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (ppb)
Number	424	424	424	424	424
Mean	7.85	0.84	0.09	16.83	205
Standard Deviation	11.53	1.38	0.13	20.27	299
Minimum value	0.001	0.001	0.001	0.001	0.7
Maximum value	46.50	8.30	0.74	125.0	1510
Coefficient of Variation	1.47	1.63	1.39	1.13	1.46

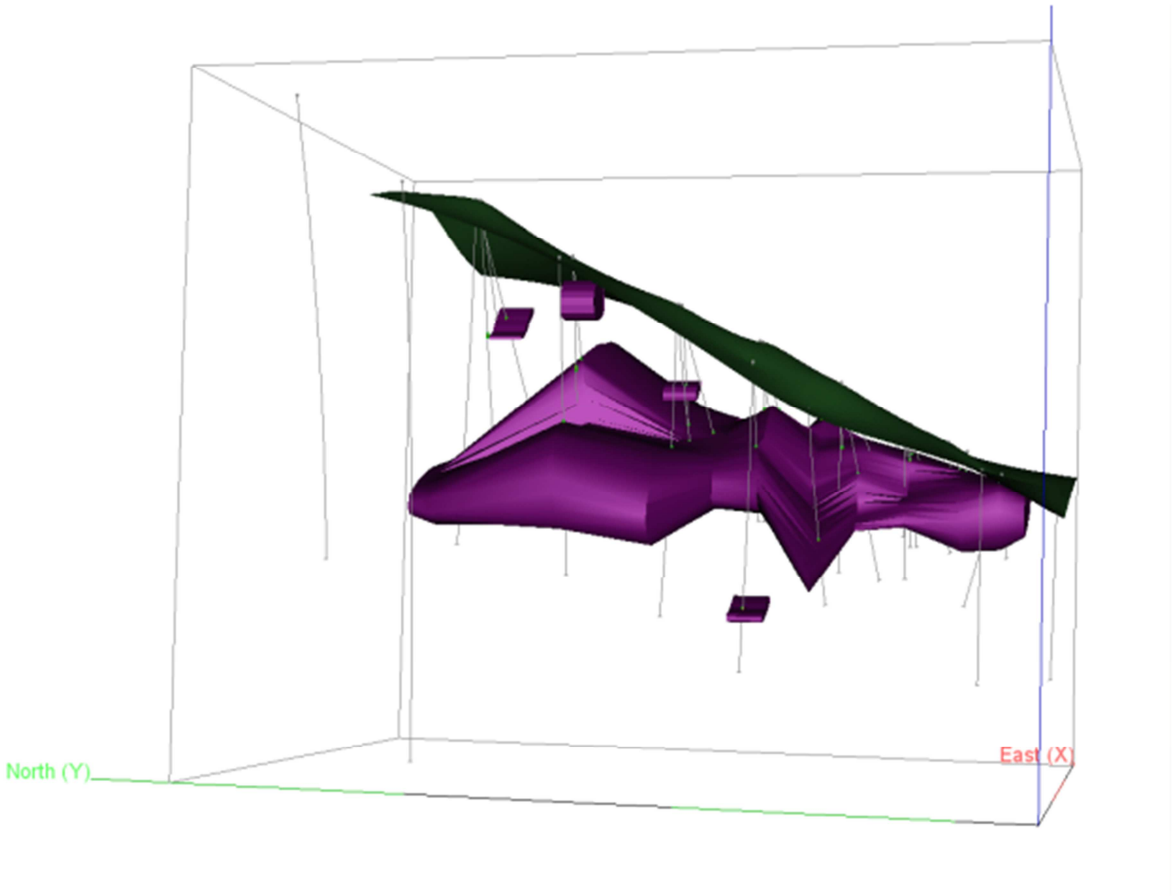
Table 18: Summary of capped assay grade in Waste units

	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (ppb)
Number	392	392	392	392	392
Mean	0.10	0.04	0.03	2.46	39
Standard Deviation	0.20	0.10	0.05	4.05	85
Minimum value	0.001	0.001	0.001	0.001	0.7
Maximum value	1.00	1.00	0.47	20.0	500
Coefficient of Variation	1.97	2.84	2.16	1.64	2.15

Geologic Model

Individual drill holes were examined with the top and bottom of massive sulphide mineralization flagged. Intervals with small gaps in data or low grade sections were included as internal waste. In some holes, with larger gaps between sulphide units, hanging wall or foot wall zones were coded. These intervals were then joined to form a three dimensional solid that encompasses the massive sulphide mineralization (see Figure 23).

Figure 23: View looking roughly east, showing massive sulphide solids in purple, surface topography in green and drill hole traces in grey



Composites

Uniform down hole composites, 2 m in length, were formed that honored the massive sulphide solid boundaries. Composites at the bottom of the solids that were less than 1 m in length were combined with the adjoining sample to produce a uniform support of 2 ± 1 m. A similar exercise was completed for all assays outside the massive sulphide solids in areas considered waste. Tables 19 and 20 show a summary of composite grades for each variable. Within waste units unsampled intervals between the tops of

holes and the first assay and between the last assay and end of holes were added at values of 0.001% for Zn, Pb and Cu, 0.001 g/t for Ag and 0.7 ppb for Au. This addition results in many more 2 m composites than the assays shown in Tables 19 and 20 and also results in higher coefficients of variation. Determining composites for waste intervals made it possible to estimate a grade for volumes of blocks along and outside the edges of the massive sulphide solids. In this manner realistic levels of dilution could be determined.

Table 19: Summary of 2m Composites in Massive Sulphides

	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (ppb)
Number	314	314	314	314	314
Mean	5.90	0.61	0.07	13.77	158
Standard Deviation	8.30	0.87	0.10	15.54	235
Minimum value	0.001	0.001	0.001	0.001	0.7
Maximum value	35.99	5.69	0.67	92.75	1398
Coefficient of Variation	1.40	1.42	1.44	1.12	1.49

Table 20: Summary of 2m Composites in Waste units

	Zn (%)	Pb (%)	Cu (%)	Ag (g/t)	Au (ppb)
Number	1,761	1,761	1,761	1,761	1,761
Mean	0.023	0.006	0.005	0.47	8.4
Standard Deviation	0.091	0.030	0.017	1.71	35.1
Minimum value	0.001	0.001	0.001	0.001	0.7
Maximum value	0.94	0.79	0.28	18.50	500
Coefficient of Variation	3.95	4.81	3.57	3.67	4.19

Variography

Grade continuity was examined for each variable using pairwise relative semivariograms. The directions of longest continuity were along strike, Grid Azimuth 0 and across dip at Grid Azimuth 090 dip -45. Nested spherical models were fit to the anisotropy with massive sulphide models shown in Figures 23-37 and parameters summarized in Table 21 for the massive sulphides and Table 22 for waste.

Table 21: Summary of semivariogram parameters for Scotia Massive Sulphide Units

Variable	Azimuth	Dip	Nugget Effect C_0	Short Structure C_1	Long Structure C_2	Short Range a_1 (m)	Long Range a_2 (m)
Zinc	0°	0°	0.60	0.43	0.27	15	60
	90°	-45°	0.60	0.43	0.27	5	40
	270°	-45°	0.60	0.43	0.27	15	20
Lead	0°	0°	0.70	0.28	0.22	15	50
	90°	-45°	0.70	0.28	0.22	12	30
	270°	-45°	0.70	0.28	0.22	15	18
Copper	0°	0°	0.20	0.55	0.28	15	50
	90°	-45°	0.20	0.55	0.28	30	60
	270°	-45°	0.20	0.55	0.28	10	30
Silver	0°	0°	0.40	0.55	0.17	10	60
	90°	-45°	0.40	0.55	0.17	15	40
	270°	-45°	0.40	0.55	0.17	15	30
Gold	0°	0°	0.40	0.58	0.23	15	48
	90°	-45°	0.40	0.58	0.23	10	40
	270°	-45°	0.40	0.58	0.23	10	40

Table 22: Summary of semivariogram parameters for Scotia Waste

Variable	Azimuth	Dip	Nugget Effect C_0	Short Structure C_1	Long Structure C_2	Short Range a_1 (m)	Long Range a_2 (m)
Zinc	0°	0°	0.08	0.12	0.25	18	50
	90°	-45°	0.08	0.12	0.25	18	50
	270°	-45°	0.08	0.12	0.25	10	20
Lead	0°	0°	0.05	0.08	0.15	15	40
	90°	-45°	0.05	0.08	0.15	12	50
	270°	-45°	0.05	0.08	0.15	8	12
Copper	0°	0°	0.04	0.10	0.15	10	30
	90°	-45°	0.04	0.10	0.15	12	45
	270°	-45°	0.04	0.10	0.15	10	12
Silver	0°	0°	0.10	0.20	0.24	35	40
	90°	-45°	0.10	0.20	0.24	25	40
	270°	-45°	0.10	0.20	0.24	10	12
Gold	0°	0°	0.08	0.20	0.27	40	50
	90°	-45°	0.08	0.20	0.27	20	45
	270°	-45°	0.08	0.20	0.27	20	30

Block Model

Blocks 10 x 10 x 5 m high were superimposed on the three dimensional solids model to determine the percentage of massive sulphide solid within each block. Blocks were also compared to the topographical surface, interpolated from drill hole collars, to determine the proportion of each block below topography. The block model was oriented parallel to the grid and 20 degrees west of north. The origin in grid coordinates is as follows:

Lower left corner	4910E	10m wide	17 columns
	14980N	10m long	28 rows
Top of model	970 Elevation	5m high	40 levels
No Rotation			

Bulk Density

There were no specific gravity determinations provided with the data base. Based on the fact this deposit has massive sulphides the bulk density at any point will be a function of sulphide content. Based on the assumption that the sulphides present were sphalerite (quantified by Zn assay) and galena (quantified by Pb assay) a specific gravity was calculated for each composite based on the Zn and Pb value of the composite. The approach was to assume 0 porosity, a base specific gravity of the host rock at 2.70 and the only sulphides present are sphalerite and galena. This assumption is surely conservative as there are certainly other sulphides such as pyrite, pyrrhotite and chalcopyrite as well as magnetite present in many composites. Unfortunately there were no assays for iron so the iron sulphides and oxides could not be included in the estimate. The procedure and assumptions were as follows:

- All lead values were in galena with SG = 7.50
- All zinc values were in sphalerite with SG = 3.90
- Host rock had an SG = 2.70
- A porosity of 0% was assumed

The bulk density for each block was calculated as follows:
First the weight percent for each mineral was calculated as:

- Wt. % Sphalerite was equal to the composite value of Zn * 1.490

- Wt. % Galena was equal to the composite value of Pb * 1.155
- Wt. % host rock was equal to 100 – Wt% Sphalerite – Wt% Galena

Then the SG for the block was calculated in a series of iterations starting at SG=2.70 and increasing SG each iteration by 0.01, until the Total equalled 100%.

For Example SG starts at 2.70
Total = %Sph + % Gal + % Rock

Where : %Sph = (Wt% Sphalerite * SG) / 3.90
%Gal = (Wt% Galena * SG) / 7.50
% Rock = (Wt % Rock * SG) / 2.70
If (Total = 100%) stop
If (Total < 100%) SG = SG+0.01 and repeat loop

Specific gravities for composites in both the massive sulphide zones and waste were calculated and the minimum, maximum and means are shown below.

Table 23: Statistics for Calculated Composite Density Values

	Calculated SG In Massive Sulphides	Calculated SG In Waste
Number of Composites	314	1,761
Mean SG	2.80	2.71
Minimum	2.71	2.71
Maximum	3.35	2.72

Using the composites and the search ellipses for zinc, a value for specific gravity was interpolated into each block estimated using inversed distance squared. As mentioned above these specific gravity determinations are most certainly conservative since they fail to account for other sulphides present, however they do take the measured Zn and Pb sulphides into account and are therefore better than applying an average to all blocks.

Future drill programs should collect as many specific gravity determinations as possible from both the massive sulphide and waste zones to better relate bulk density to grade.

Block Model Interpolation

Grades for zinc, lead, copper, silver and gold were interpolated into each block with some proportion of massive sulphide present by ordinary kriging. The kriging exercise was completed in a series of four passes with the dimensions for the search ellipse expanding each pass. Each pass used a search ellipse oriented along the orthogonal axis described by the semivariogram. The first pass used an ellipse with dimensions equal to ¼ the range of the semivariogram in each of the three principal directions. If a minimum of 4 composites were found in the search the block was estimated. If not, the search ellipse was expanded with dimensions equal to ½ the range of the semivariogram in each direction. Again a minimum of 4 composites were required to estimate the block. For those blocks still not estimated, the search ellipse was expanded to the full semivariogram range in pass 3 and finally in pass 4, to twice the range. In all cases, if more than 12 composites were found, the closest 12 were used. Only composites within the mineralized massive sulphide zone were used for this estimate.

The exercise was then repeated to estimate zinc, lead, copper, silver and gold within the waste zone for any block on the edge of the massive sulphide solid with some proportion of contained waste. For this exercise only waste composites were used. The kriging exercise described above was again used.

For blocks that contained both massive sulphides and waste a weighted average grade was calculated.

Tables 24 and 25 show the search parameters used in kriging massive sulphide and waste respectively.

Table 24: Summary of Search Parameters for Kriging Massive Sulphide Zone

Zone	Variable	Pass	Number Estimated	Direction	Dist. (m)	Direction	Dist. (m)	Direction	Dist. (m)
Massive Sulphide	Zn	1	252	Az 0 Dip 0	15	Az 270 Dip -45	5	Az 90 Dip -45	12.5
		2	579	Az 0 Dip 0	30	Az 270 Dip -45	10	Az 90 Dip -45	25
		3	543	Az 0 Dip 0	60	Az 270 Dip -45	20	Az 90 Dip -45	50
		4	305	Az 0 Dip 0	120	Az 270 Dip -45	40	Az 90 Dip -45	100
	Pb	1	120	Az 0 Dip 0	12.5	Az 270 Dip -45	4.5	Az 90 Dip -45	7.5
		2	482	Az 0 Dip 0	25	Az 270 Dip -45	9	Az 90 Dip -45	15
		3	635	Az 0 Dip 0	50	Az 270 Dip -45	18	Az 90 Dip -45	30
		4	442	Az 0 Dip 0	120	Az 270 Dip -45	40	Az 90 Dip -45	100
	Cu	1	331	Az 0 Dip 0	12.5	Az 270 Dip -45	7.5	Az 90 Dip -45	15
		2	651	Az 0 Dip 0	25	Az 270 Dip -45	15	Az 90 Dip -45	30
		3	545	Az 0 Dip 0	50	Az 270 Dip -45	30	Az 90 Dip -45	60
		4	152	Az 0 Dip 0	120	Az 270 Dip -45	40	Az 90 Dip -45	100
	Ag	1	301	Az 0 Dip 0	15	Az 270 Dip -45	7.5	Az 90 Dip -45	10
		2	654	Az 0 Dip 0	30	Az 270 Dip -45	15	Az 90 Dip -45	20
		3	550	Az 0 Dip 0	60	Az 270 Dip -45	30	Az 90 Dip -45	40
		4	174	Az 0 Dip 0	120	Az 270 Dip -45	40	Az 90 Dip -45	100
	Au	1	306	Az 0 Dip 0	12	Az 270 Dip -45	10	Az 90 Dip -45	10
		2	720	Az 0 Dip 0	24	Az 270 Dip -45	20	Az 90 Dip -45	20
		3	571	Az 0 Dip 0	48	Az 270 Dip -45	40	Az 90 Dip -45	40
		4	82	Az 0 Dip 0	120	Az 270 Dip -45	40	Az 90 Dip -45	100

Table 25: Summary of Search Parameters for Kriging Waste

Zone	Variable	Pass	Number Estimated	Direction	Dist. (m)	Direction	Dist. (m)	Direction	Dist. (m)
Waste Blocks	Zn	1	159	Az 0 Dip 0	12.5	Az 270 Dip -45	5	Az 90 Dip -45	12.5
		2	404	Az 0 Dip 0	25	Az 270 Dip -45	10	Az 90 Dip -45	25
		3	373	Az 0 Dip 0	50	Az 270 Dip -45	20	Az 90 Dip -45	50
		4	134	Az 0 Dip 0	100	Az 270 Dip -45	40	Az 90 Dip -45	100
	Pb	1	77	Az 0 Dip 0	10	Az 270 Dip -45	3	Az 90 Dip -45	12.5
		2	308	Az 0 Dip 0	20	Az 270 Dip -45	6	Az 90 Dip -45	25
		3	458	Az 0 Dip 0	40	Az 270 Dip -45	12	Az 90 Dip -45	50
		4	227	Az 0 Dip 0	100	Az 270 Dip -45	40	Az 90 Dip -45	100
	Cu	1	63	Az 0 Dip 0	7.5	Az 270 Dip -45	3	Az 90 Dip -45	11.25
		2	224	Az 0 Dip 0	15	Az 270 Dip -45	6	Az 90 Dip -45	22.5
		3	478	Az 0 Dip 0	30	Az 270 Dip -45	12	Az 90 Dip -45	45
		4	305	Az 0 Dip 0	100	Az 270 Dip -45	40	Az 90 Dip -45	100
	Ag	1	66	Az 0 Dip 0	10	Az 270 Dip -45	3	Az 90 Dip -45	10
		2	280	Az 0 Dip 0	20	Az 270 Dip -45	6	Az 90 Dip -45	20
		3	454	Az 0 Dip 0	40	Az 270 Dip -45	12	Az 90 Dip -45	40
		4	270	Az 0 Dip 0	100	Az 270 Dip -45	40	Az 90 Dip -45	100
	Au	1	209	Az 0 Dip 0	12.5	Az 270 Dip -45	7.5	Az 90 Dip -45	11.25
		2	442	Az 0 Dip 0	25	Az 270 Dip -45	15	Az 90 Dip -45	22.5
		3	324	Az 0 Dip 0	50	Az 270 Dip -45	30	Az 90 Dip -45	45
		4	95	Az 0 Dip 0	100	Az 270 Dip -45	40	Az 90 Dip -45	100

Classification

Based on the study herein reported, delineated mineralization of the Scotia Deposit is classified as a resource according to the following definition from National Instrument 43-101.

> “In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines adopted by CIM Council on August 20, 2000, as those definitions may be amended from time to time by the Canadian Institute of Mining, Metallurgy, and Petroleum.”

> “A ‘Mineral Resource’ is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.”

The terms Measured, Indicated and Inferred are defined in NI 43-101 as follows:

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

> “An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.”

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

The classification of the resource is a function of geologic and grade continuity. Geologic continuity is established by drill holes and surface mapping. Grade continuity can be quantified by geostatistics using the semivariogram. The process of estimating the resource using different search ellipsoids tied to the semivariogram range allows for the grade continuity to be used as a classification tool. For the Scotia deposit classification of the resource was completed as follows:

- Measured – Blocks estimated during pass 1 for Zn using a search ellipsoid with dimensions equal to ¼ the semivariogram range
- Indicated – Blocks unclassified and estimated in Pass 2 for Zn using a search ellipsoid with dimensions equal to ½ the semivariogram range
- Inferred – All other Blocks estimated.

The results are presented as a series of grade-tonnage tables for each classification type. A one percent Zn cutoff is highlighted to compare with previous manual estimates. At this time no economic studies have been completed and as a result no information is available to determine a proper economic cutoff. Tables 26 to 29 show the results confined to the mineralized solids (what you would expect if you could mine to the solid boundaries).

Table 26: Scotia Measured Resource - Within Mineralized Shell

SCOTIA MEASURED RESOURCE - WITHIN MINERALIZED SHELL						
Cutoff	Tonnes > Cutoff	Grade > Cutoff				
(ZN %)	(tonnes)	Zn (%)	Ag (g/t)	Cu (%)	Au (g/t)	Pb (%)
1.00	**246,000**	**5.73**	**14.25**	**0.08**	**0.16**	**0.63**
2.00	188,000	7.05	15.13	0.08	0.16	0.73
3.00	164,000	7.68	15.79	0.08	0.17	0.79
4.00	146,000	8.22	16.26	0.08	0.17	0.81
5.00	128,000	8.71	16.82	0.08	0.18	0.83
6.00	99,000	9.67	17.23	0.07	0.18	0.87
7.00	85,000	10.23	17.93	0.08	0.19	0.90
8.00	58,000	11.51	18.03	0.07	0.16	0.98
9.00	42,000	12.63	19.71	0.07	0.17	1.08
10.00	37,000	13.02	20.58	0.07	0.18	1.11
11.00	26,000	14.20	22.00	0.07	0.20	1.11
12.00	24,000	14.46	23.35	0.08	0.20	1.16
13.00	17,000	15.31	21.77	0.08	0.23	1.14
14.00	14,000	15.76	21.91	0.07	0.20	1.24
15.00	9,500	16.30	22.22	0.07	0.21	1.22
16.00	3,000	17.76	22.70	0.01	0.30	0.98
17.00	1,500	18.53	31.19	0.01	0.39	1.29
18.00	1,500	18.53	31.19	0.01	0.39	1.29

Table 27: Scotia Indicated Resource - Within Mineralized Shell

SCOTIA INDICATED RESOURCE - WITHIN MINERALIZED SHELL						
Cutoff	Tonnes > Cutoff	Grade > Cutoff				
(ZN %)	(tonnes)	Zn (%)	Ag (g/t)	Cu (%)	Au (g/t)	Pb (%)
1.00	**557,000**	**4.49**	**13.70**	**0.10**	**0.17**	**0.48**
2.00	401,000	5.66	15.64	0.10	0.19	0.58
3.00	328,000	6.37	16.99	0.11	0.21	0.64
4.00	273,000	6.95	17.83	0.11	0.23	0.70
5.00	218,000	7.59	18.64	0.11	0.24	0.71
6.00	165,000	8.26	18.88	0.11	0.25	0.74
7.00	103,000	9.33	18.38	0.10	0.22	0.80
8.00	68,000	10.28	16.48	0.10	0.17	0.83
9.00	44,000	11.32	14.86	0.10	0.16	0.81
10.00	36,000	11.70	14.80	0.10	0.15	0.79
11.00	23,000	12.33	16.11	0.10	0.16	0.77
12.00	9,900	13.49	17.68	0.10	0.13	0.91
13.00	6,400	13.97	17.39	0.08	0.11	0.89
14.00	2,200	15.12	22.71	0.07	0.18	0.99
15.00	700	16.35	23.39	0.08	0.22	1.15
16.00	700	16.35	23.39	0.08	0.22	1.15

Table 28: Scotia Inferred Resource - Within Mineralized Shell

SCOTIA INFERRED RESOURCE - WITHIN MINERALIZED SHELL						
Cutoff	Tonnes > Cutoff	Grade > Cutoff				
(ZN %)	(tonnes)	Zn (%)	Ag (g/t)	Cu (%)	Au (g/t)	Pb (%)
1.00	**702,000**	**4.47**	**13.74**	**0.10**	**0.19**	**0.45**
2.00	536,000	5.40	15.59	0.11	0.22	0.53
3.00	406,000	6.32	17.73	0.11	0.26	0.61
4.00	351,000	6.76	18.74	0.12	0.28	0.65
5.00	283,000	7.29	19.75	0.12	0.29	0.68
6.00	214,000	7.88	20.20	0.13	0.30	0.71
7.00	140,000	8.56	20.16	0.13	0.30	0.69
8.00	92,000	9.10	21.24	0.14	0.34	0.70
9.00	37,000	9.86	21.45	0.11	0.29	0.82
10.00	8,600	11.24	22.80	0.07	0.16	1.18
11.00	3,700	12.51	20.46	0.06	0.14	1.08
12.00	2,400	13.28	18.41	0.05	0.09	0.93
13.00	2,000	13.51	18.99	0.05	0.10	0.94

Table 29: Scotia Measured plus Indicated Resource - Within Mineralized Shell

SCOTIA MEASURED PLUS INDICATED RESOURCE - WITHIN MINERALIZED SHELL						
Cutoff	Tonnes > Cutoff	Grade > Cutoff				
(ZN %)	(tonnes)	Zn (%)	Ag (g/t)	Cu (%)	Au (g/t)	Pb (%)
1.00	**802,000**	**4.87**	**13.87**	**0.09**	**0.17**	**0.53**
2.00	589,000	6.10	15.48	0.10	0.18	0.63
3.00	493,000	6.81	16.59	0.10	0.20	0.69
4.00	418,000	7.39	17.28	0.10	0.21	0.74
5.00	345,000	8.00	17.97	0.10	0.22	0.75
6.00	264,000	8.80	18.26	0.10	0.23	0.79
7.00	188,000	9.74	18.18	0.09	0.21	0.84
8.00	126,000	10.85	17.20	0.08	0.17	0.90
9.00	86,000	11.96	17.24	0.08	0.17	0.94
10.00	74,000	12.37	17.73	0.08	0.16	0.96
11.00	49,000	13.32	19.23	0.08	0.18	0.95
12.00	34,000	14.18	21.69	0.08	0.18	1.08
13.00	23,000	14.94	20.55	0.08	0.20	1.07
14.00	16,000	15.67	22.02	0.07	0.20	1.20
15.00	10,000	16.30	22.30	0.07	0.21	1.21
16.00	3,700	17.49	22.83	0.02	0.28	1.01
17.00	1,500	18.53	31.19	0.01	0.39	1.29
18.00	1,500	18.53	31.19	0.01	0.39	1.29

Tables 30 to 33 include the dilution expected if one were to mine complete blocks.

Table 30: Scotia Measured Resource - Total Blocks

SCOTIA MEASURED RESOURCE - TOTAL						
Cutoff	Tonnes > Cutoff	Grade > Cutoff				
(ZN %)	(tonnes)	Zn (%)	Ag (g/t)	Cu (%)	Au (g/t)	Pb (%)
1.00	**258,000**	**5.41**	**13.35**	**0.07**	**0.15**	**0.59**
2.00	198,000	6.60	14.15	0.07	0.15	0.68
3.00	168,000	7.31	14.99	0.07	0.16	0.74
4.00	146,000	7.91	15.66	0.07	0.16	0.78

5.00	126,000	8.42	16.33	0.08	0.17	0.81
6.00	93,000	9.53	16.75	0.07	0.18	0.85
7.00	75,000	10.28	17.22	0.08	0.18	0.87
8.00	56,000	11.22	17.75	0.07	0.15	0.96
9.00	39,000	12.41	20.00	0.07	0.16	1.08
10.00	31,000	13.20	21.45	0.07	0.18	1.15
11.00	24,000	14.12	22.92	0.07	0.20	1.13
12.00	24,000	14.12	22.92	0.07	0.20	1.13
13.00	13,000	15.38	23.24	0.07	0.25	1.15
14.00	10,000	15.92	21.82	0.06	0.20	1.20
15.00	7,500	16.47	23.00	0.05	0.22	1.17
16.00	3,000	17.76	22.70	0.01	0.30	0.98
17.00	1,500	18.53	31.19	0.01	0.39	1.29
18.00	1,500	18.53	31.19	0.01	0.39	1.29

Table 31: Scotia Indicated Resource - Total Blocks

SCOTIA INDICATED RESOURCE - TOTAL						
Cutoff	**Tonnes > Cutoff**	**Grade > Cutoff**				
(ZN %)	**(tonnes)**	**Zn (%)**	**Ag (g/t)**	**Cu (%)**	**Au (g/t)**	**Pb (%)**
1.00	**618,000**	**3.91**	**11.85**	**0.09**	**0.15**	**0.42**
2.00	430,000	4.98	13.68	0.09	0.17	0.51
3.00	315,000	5.88	15.28	0.10	0.20	0.58
4.00	243,000	6.59	16.83	0.10	0.22	0.66
5.00	181,000	7.34	18.09	0.10	0.23	0.68
6.00	132,000	8.04	18.71	0.10	0.25	0.74
7.00	84,000	8.93	18.36	0.09	0.22	0.77
8.00	44,000	10.20	15.83	0.08	0.17	0.81
9.00	29,000	11.17	14.14	0.08	0.16	0.76
10.00	24,000	11.48	14.19	0.08	0.15	0.76
11.00	14,000	12.14	15.62	0.08	0.16	0.72
12.00	4,400	13.79	17.10	0.06	0.11	0.81
13.00	4,400	13.79	17.10	0.06	0.11	0.81
14.00	1,500	14.51	22.39	0.06	0.15	0.91

Table 32: Scotia Inferred Resource - Total Blocks

SCOTIA INFERRED RESOURCE - TOTAL						
Cutoff	**Tonnes > Cutoff**	**Grade > Cutoff**				
(ZN %)	**(tonnes)**	**Zn (%)**	**Ag (g/t)**	**Cu (%)**	**Au (g/t)**	**Pb (%)**
1.00	**795,000**	**3.76**	**11.53**	**0.09**	**0.16**	**0.38**
2.00	562,000	4.70	13.63	0.09	0.20	0.46
3.00	393,000	5.65	16.01	0.10	0.24	0.55
4.00	308,000	6.26	17.55	0.11	0.27	0.59
5.00	215,000	7.00	19.24	0.12	0.29	0.65
6.00	150,000	7.69	20.32	0.13	0.32	0.68
7.00	81,000	8.60	20.84	0.14	0.33	0.66
8.00	62,000	8.94	22.01	0.15	0.38	0.67
9.00	26,000	9.52	22.52	0.12	0.32	0.79
10.00	2,900	10.30	29.24	0.07	0.22	1.32

Table 33: Scotia Measured plus Indicated Resource - Total Blocks

SCOTIA MEASURED PLUS INDICATED RESOURCE - TOTAL						
Cutoff	**Tonnes > Cutoff**	**Grade > Cutoff**				
(ZN %)	**(tonnes)**	**Zn (%)**	**Ag (g/t)**	**Cu (%)**	**Au (g/t)**	**Pb (%)**
1.00	**876,000**	**4.35**	**12.29**	**0.08**	**0.15**	**0.47**
2.00	628,000	5.49	13.83	0.09	0.16	0.56
3.00	483,000	6.38	15.18	0.09	0.18	0.64
4.00	389,000	7.09	16.39	0.09	0.20	0.70
5.00	307,000	7.78	17.37	0.09	0.21	0.73
6.00	225,000	8.65	17.90	0.09	0.22	0.79
7.00	159,000	9.56	17.82	0.09	0.20	0.82
8.00	101,000	10.77	16.90	0.08	0.16	0.89
9.00	68,000	11.88	17.53	0.07	0.16	0.94
10.00	55,000	12.44	18.24	0.07	0.17	0.98
11.00	38,000	13.37	20.15	0.08	0.19	0.98
12.00	28,000	14.07	22.01	0.07	0.18	1.08
13.00	18,000	14.98	21.72	0.07	0.22	1.06
14.00	12,000	15.75	21.89	0.06	0.20	1.17
15.00	7,500	16.47	23.00	0.05	0.22	1.17
16.00	3,000	17.76	22.70	0.01	0.30	0.98
17.00	1,500	18.53	31.19	0.01	0.39	1.29
18.00	1,500	18.53	31.19	0.01	0.39	1.29

The results are also presented as a series of grid north-south cross sections showing drill holes projected up to 25 m on either side of sections and both estimated blocks and drill hole composites within the mineralized zone colour coded by zinc grade. The sections are shown to demonstrate the grade distribution and show the relationship between composites and estimated grades.

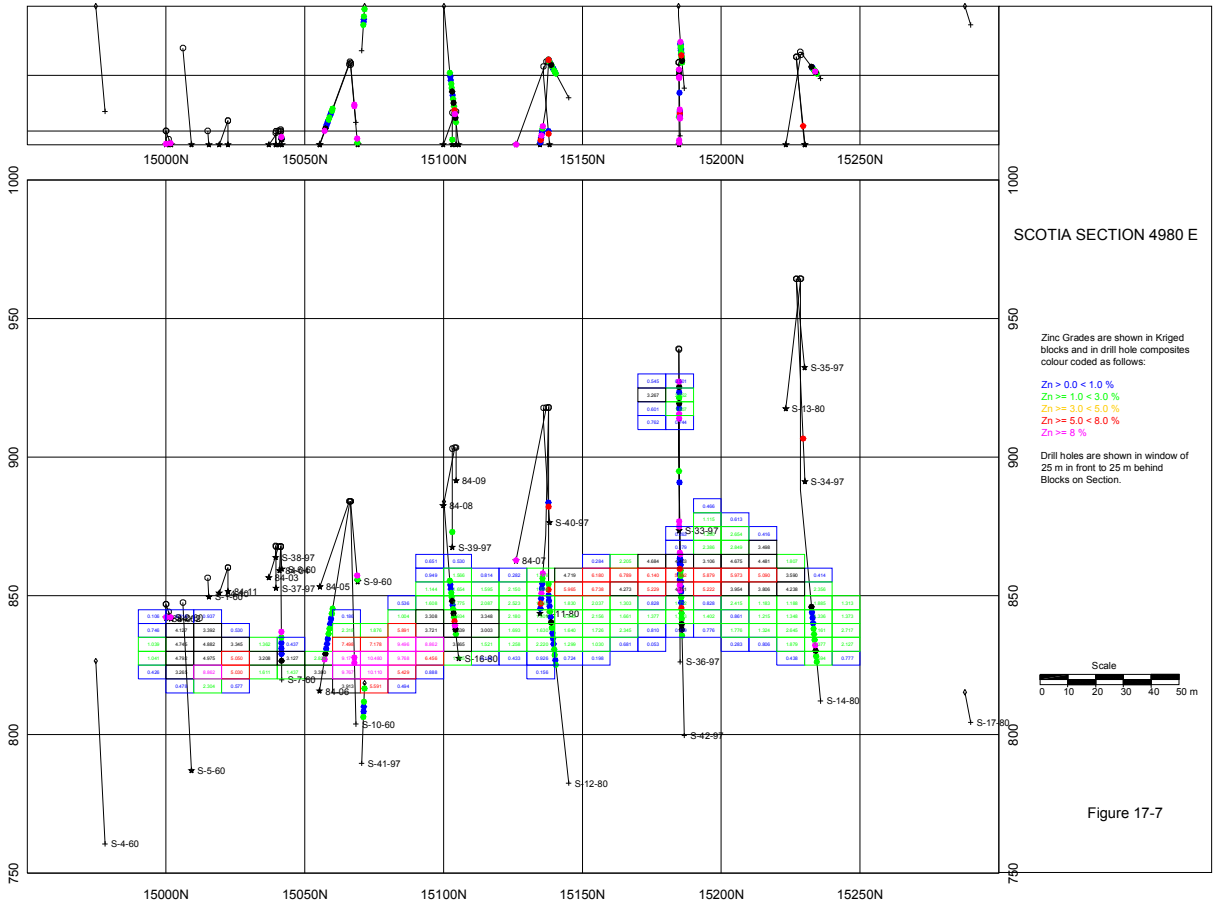

15000N
15050N
15100N
15150N
15200N
15250N
1000
950
900
850
800
750
SCOTIA SECTION 4980 E
Zinc Grades are shown in Kriged blocks and in drill hole composites colour coded as follows:
Zn > 0.0 < 1.0 %
Zn >= 1.0 < 3.0 %
Zn >= 3.0 < 5.0 %
Zn >= 5.0 < 8.0 %
Zn >= 8 %
Drill holes are shown in window of 25 m in front to 25 m behind Blocks on Section.
Scale
0 10 20 30 40 50 m
S-4-60
S-5-60
S-7-60
S-9-60
S-10-60
S-12-80
S-13-80
S-14-80
S-17-80
S-33-97
S-34-97
S-35-97
S-36-97
S-37-97
S-38-97
S-39-97
S-40-97
S-41-97
S-42-97
84-05
84-06
84-07
84-08
84-09
S-16-80
I-80

Figure 17-7

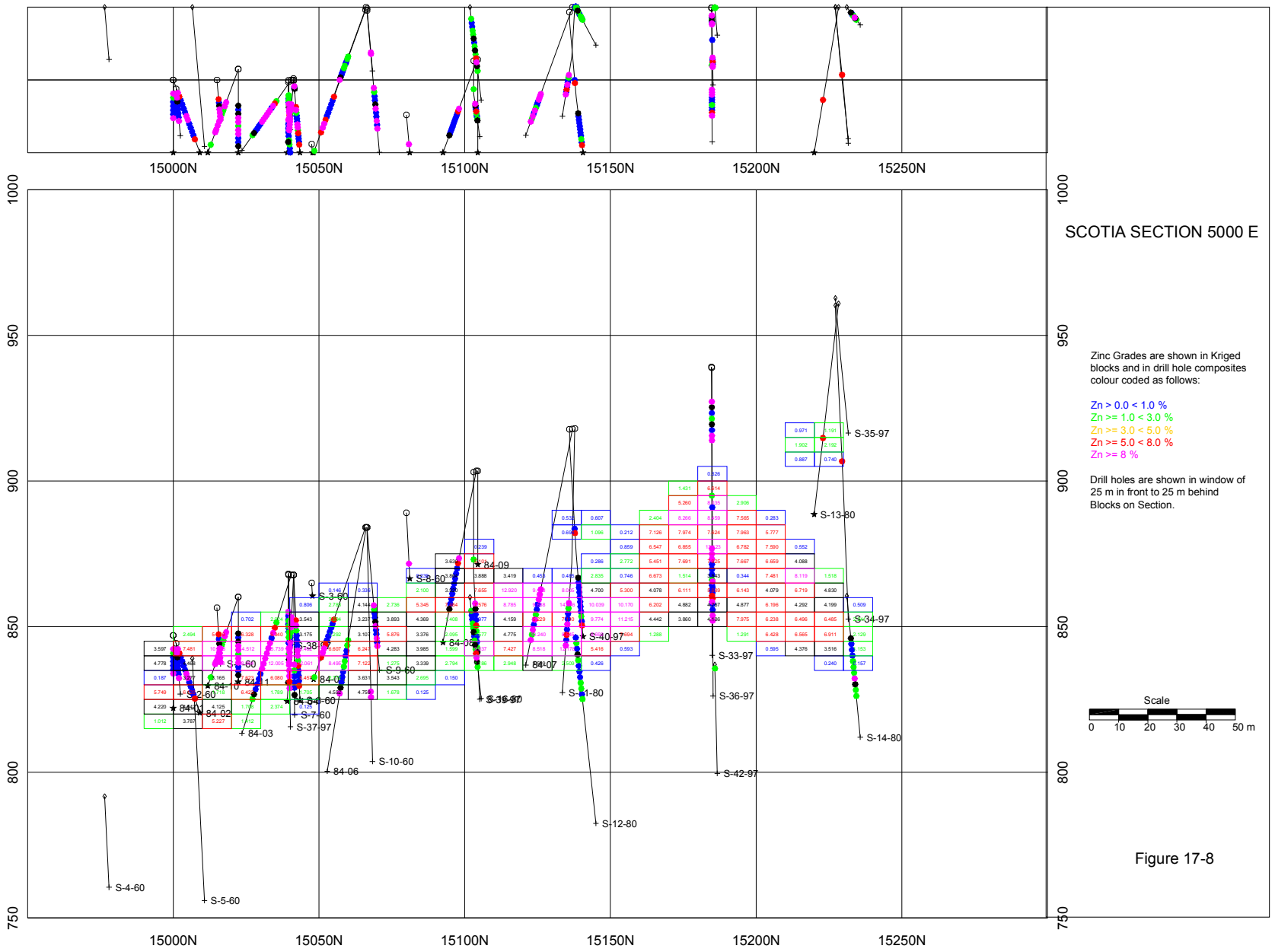

15000N
15050N
15100N
15150N
15200N
15250N
1000
950
900
850
800
750
SCOTIA SECTION 5000 E
Zinc Grades are shown in Kriged blocks and in drill hole composites colour coded as follows:
Zn > 0.0 < 1.0 %
Zn >= 1.0 < 3.0 %
Zn >= 3.0 < 5.0 %
Zn >= 5.0 < 8.0 %
Zn >= 8 %
Drill holes are shown in window of 25 m in front to 25 m behind Blocks on Section.
Scale
0 10 20 30 40 50 m
S-4-60
S-5-60
S-2-60
84-01
84-02
84-03
S-37-97
S-7-60
84-04
S-38
S-60
84-0
S-3-60
S-8-60
84-06
S-10-60
S-9-60
84-09
84-08
S-39-97
84-07
S-40-97
S-11-80
S-12-80
S-41-80
S-42-97
S-36-97
S-33-97
S-13-80
S-35-97
S-34-97
S-14-80

Figure 17-8

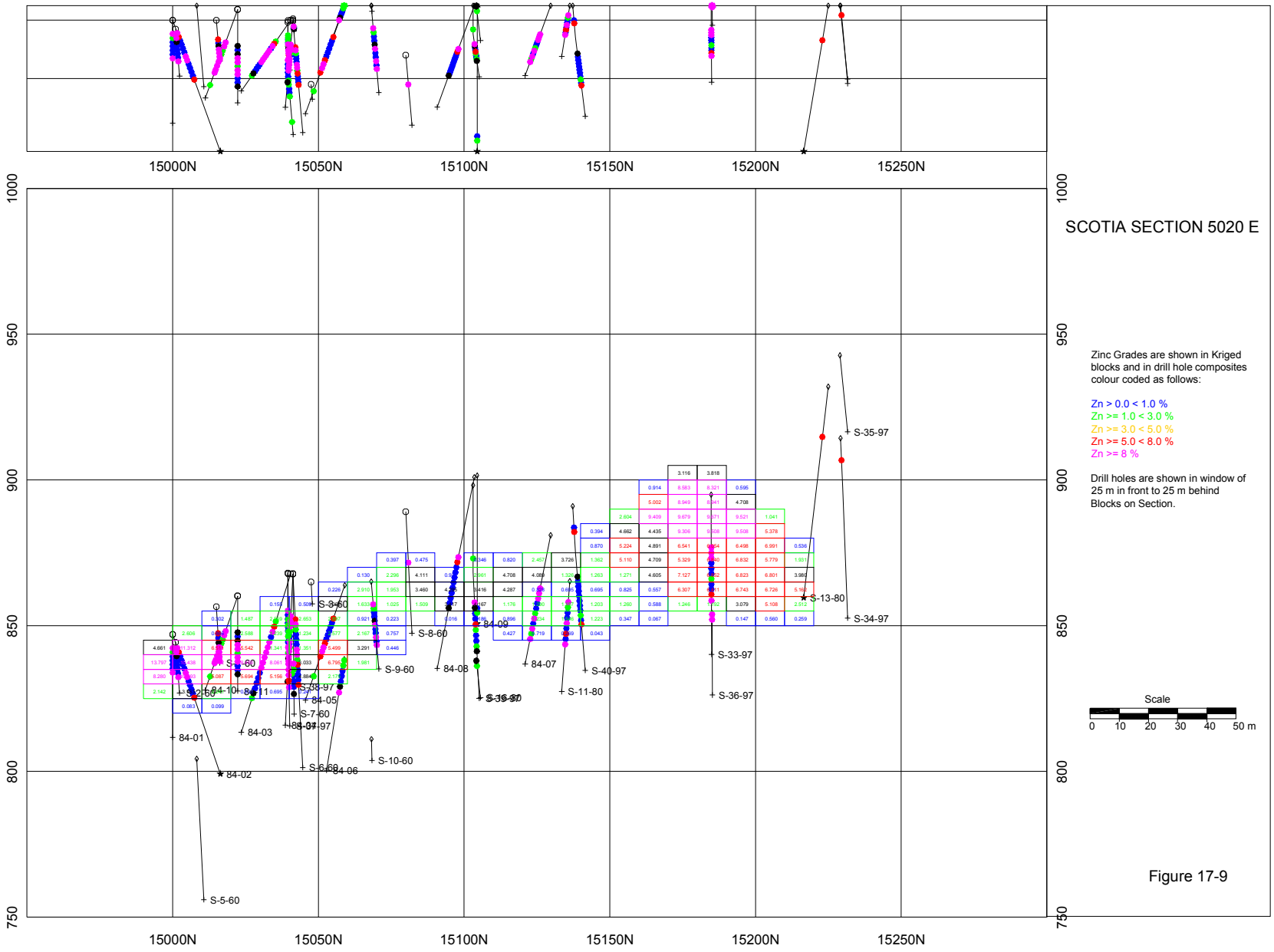

15000N
15050N
15100N
15150N
15200N
15250N
1000
950
900
850
800
750
SCOTIA SECTION 5020 E
Zinc Grades are shown in Kriged blocks and in drill hole composites colour coded as follows:
Zn > 0.0 < 1.0 %
Zn >= 1.0 < 3.0 %
Zn >= 3.0 < 5.0 %
Zn >= 5.0 < 8.0 %
Zn >= 8 %
Drill holes are shown in window of 25 m in front to 25 m behind Blocks on Section.
Scale
0 10 20 30 40 50 m
S-35-97
S-13-80
S-34-97
S-33-97
S-36-97
S-40-97
S-11-80
84-07
84-08
84-09
S-8-60
S-9-60
S-9-60
S-35-97
84-05
S-7-60
84-06
S-10-60
84-03
84-01
84-02
S-5-60

Figure 17-9

Table 34: Listing Of Drill Holes Used In Resource Estimate

HOLE	EASTING	NORTHING	ELEVATION	HLENGTH
84-01	5000.00	15000.00	847.00	50.00
84-02	5000.00	15000.00	847.00	81.10
84-03	5000.00	15040.50	867.80	61.90
84-04	5000.00	15041.30	867.80	60.00
84-05	4976.00	15066.00	884.10	84.40
84-06	4975.00	15066.20	884.10	92.40
84-07	4975.00	15137.00	917.90	93.60
84-08	4993.60	15104.00	903.50	78.30
84-09	4993.00	15104.50	903.50	78.30
84-10	4996.30	15022.30	860.20	45.70
84-11	4996.30	15022.30	860.20	45.70
S-1-60	5000.00	15015.00	856.50	23.80
S-10-60	4975.50	15066.50	884.10	83.20
S-11-80	4975.20	15137.80	918.00	98.20
S-12-80	4974.40	15137.80	917.90	137.20
S-13-80	4972.60	15228.70	964.40	139.00
S-14-80	4971.50	15228.50	964.40	153.30
S-15-80	4948.30	15099.60	890.60	130.10
S-16-80	4949.50	15099.60	890.60	87.20
S-17-80	4852.00	15268.00	988.00	215.50
S-18-81	4807.00	15208.00	945.00	252.10
S-19-81	4728.00	14970.00	795.00	268.20
S-2-60	5003.00	15001.00	844.30	23.80
S-20-81	4728.00	14970.00	795.00	382.40
S-21-81	4400.00	15845.00	920.00	201.50
S-3-60	5022.00	15047.50	865.00	9.10
S-33-97	4975.30	15184.70	939.20	109.20
S-34-97	4973.20	15227.10	964.30	121.90
S-35-97	4973.40	15227.10	964.40	67.10
S-36-97	4975.20	15184.80	938.90	115.80
S-37-97	5000.10	15039.60	867.80	54.86
S-38-97	5000.70	15039.50	868.10	54.86
S-39-97	4993.40	15103.10	903.10	82.30
S-4-60	4953.00	14974.50	830.00	80.20
S-40-97	4976.70	15136.00	917.80	100.58
S-41-97	4926.30	15072.40	869.20	91.40
S-42-97	4950.90	15184.60	935.70	140.21
S-5-60	4970.10	15006.10	847.60	105.80
S-6-60	5000.30	15041.30	867.80	76.80
S-7-60	4999.50	15041.30	867.80	48.30
S-8-60	5012.00	15080.00	889.10	48.20
S-9-60	4976.10	15066.50	884.10	69.20

Figure 24: Semivariogram In Massive Sulphide Units for Zn Az 0 Dip 0

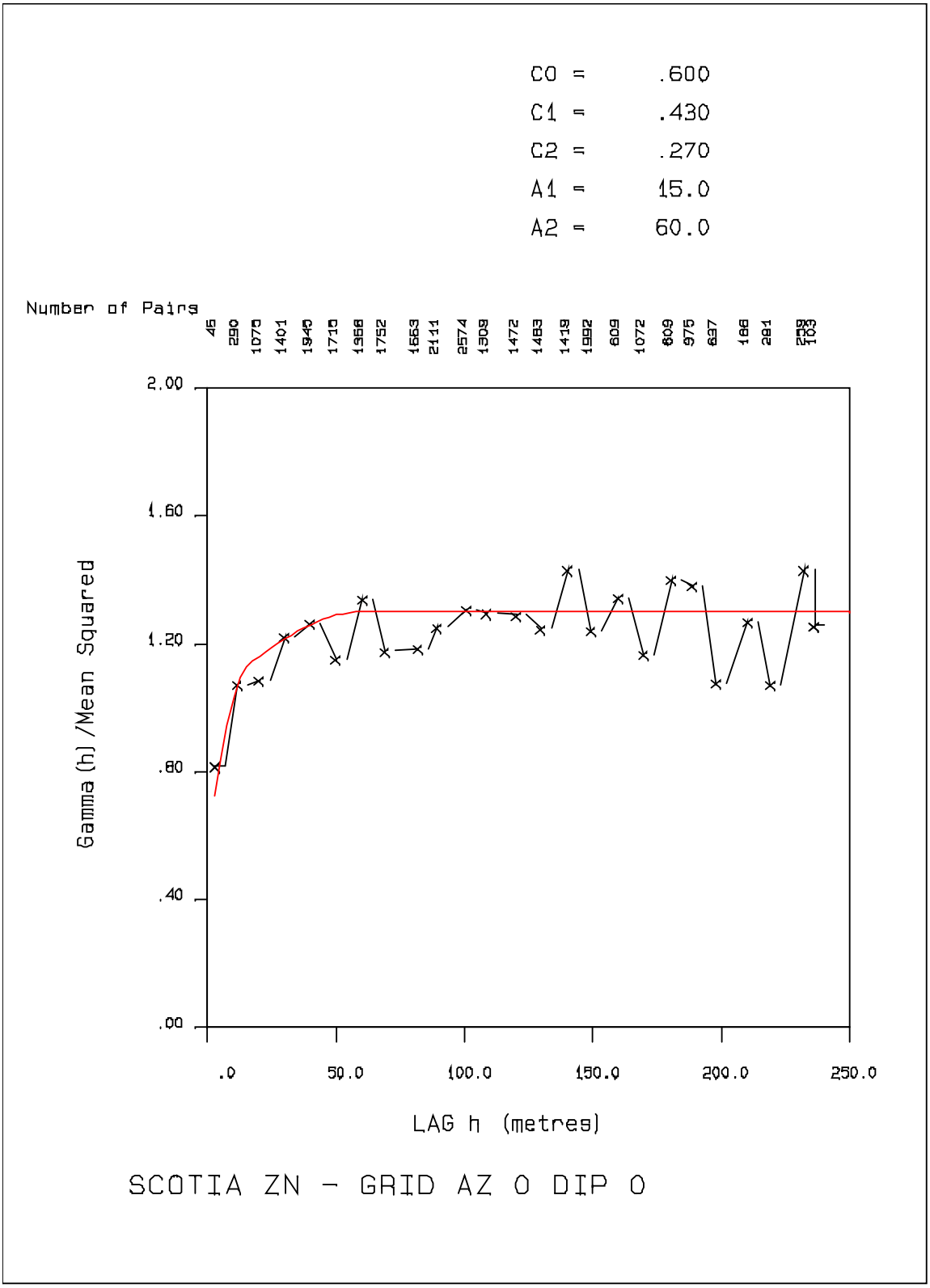


Figure 25: Semivariogram In Massive Sulphide Units for Zn Az 270 Dip -45

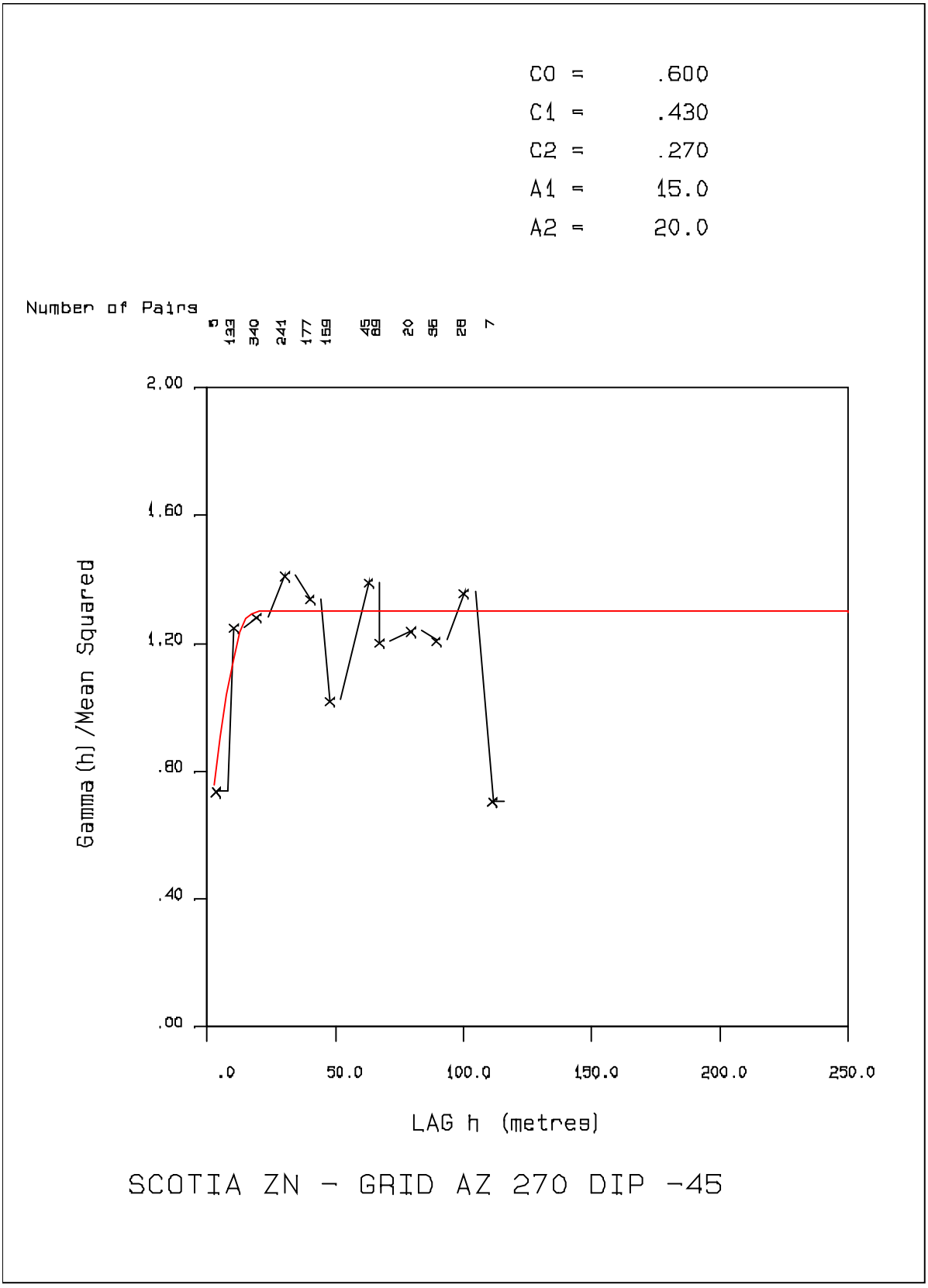


Figure 26: Semivariogram In Massive Sulphide Units for Zn Az 90 Dip -45

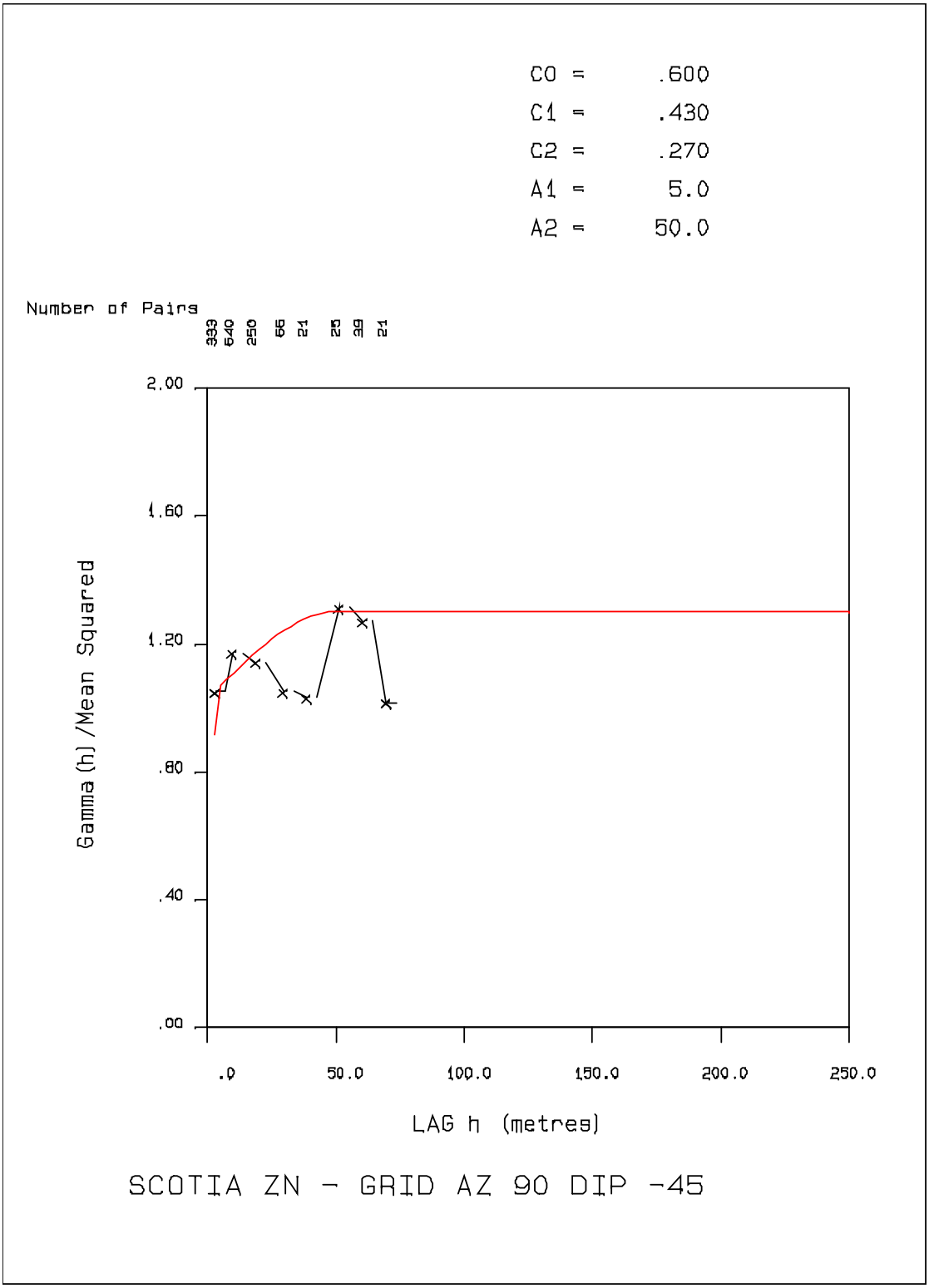


Figure 27: Semivariogram In Massive Sulphide Units for Pb Az 0 Dip 0

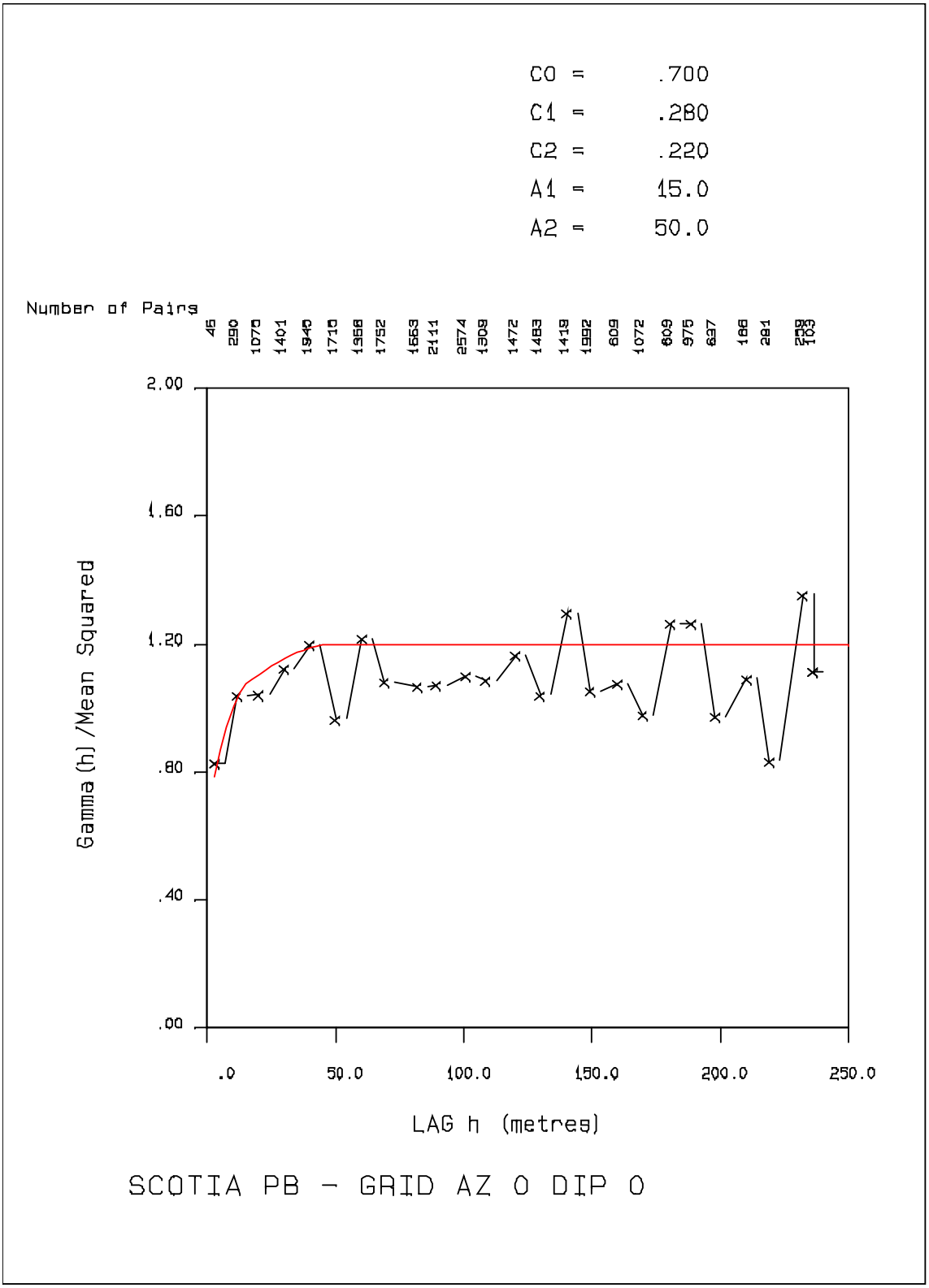


Figure 28: Semivariograms In Massive Sulphide Units for Pb Az 270 Dip -45

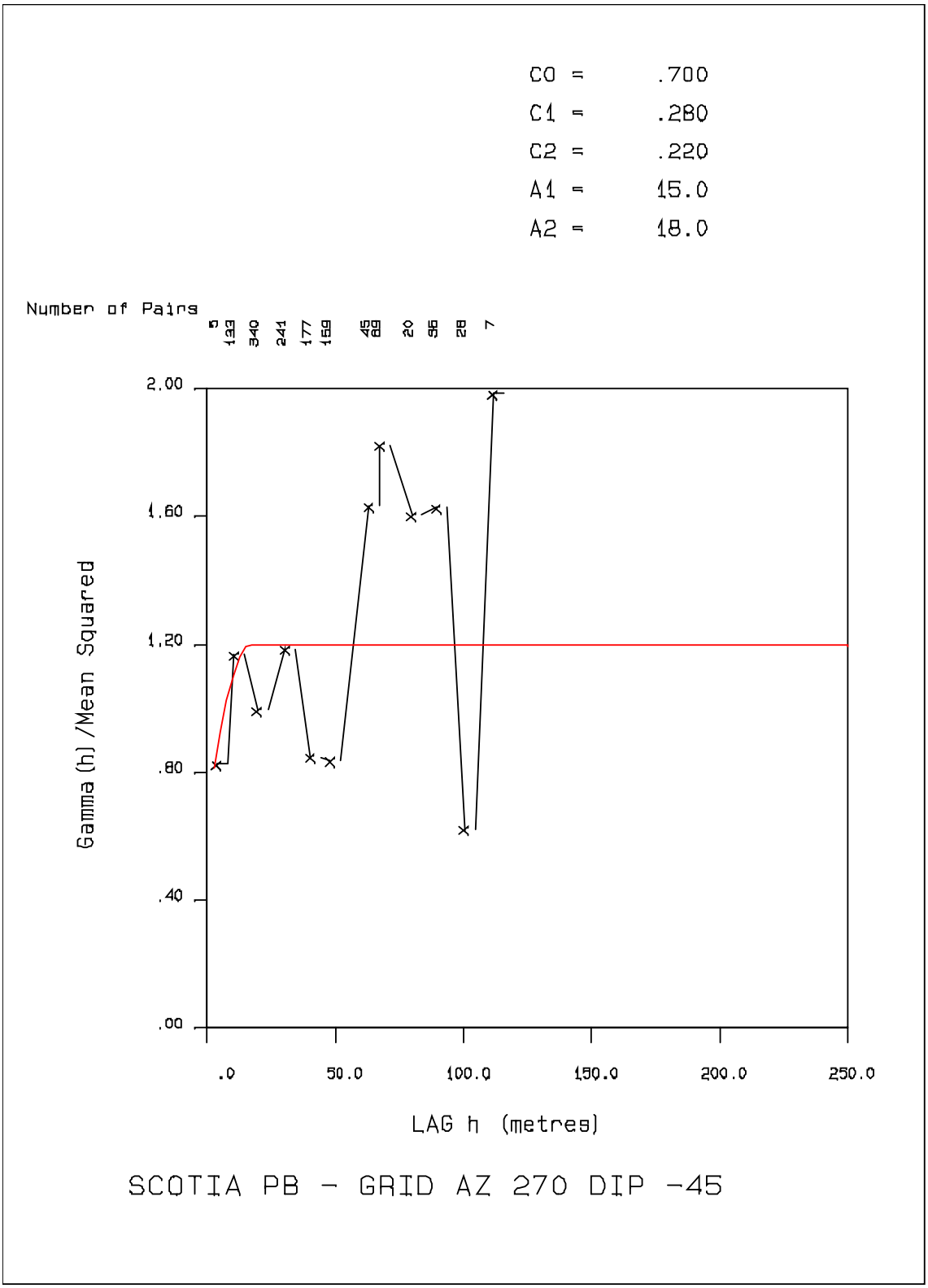


Figure 29: Semivariograms In Massive Sulphide Units for Pb Az 90 Dip -45

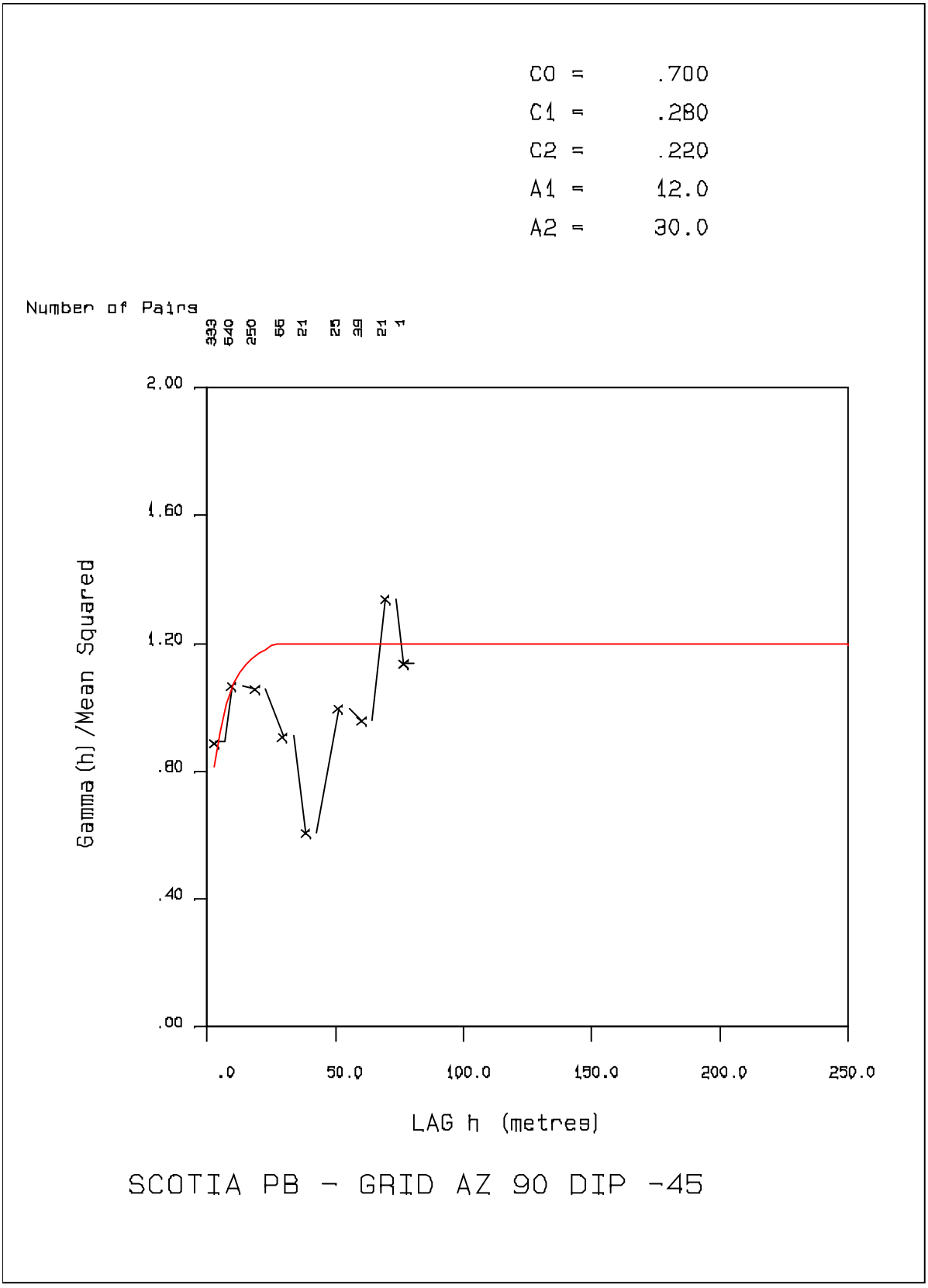


Figure 30: Semivariograms In Massive Sulphide Units for Cu Az 0 Dip 0

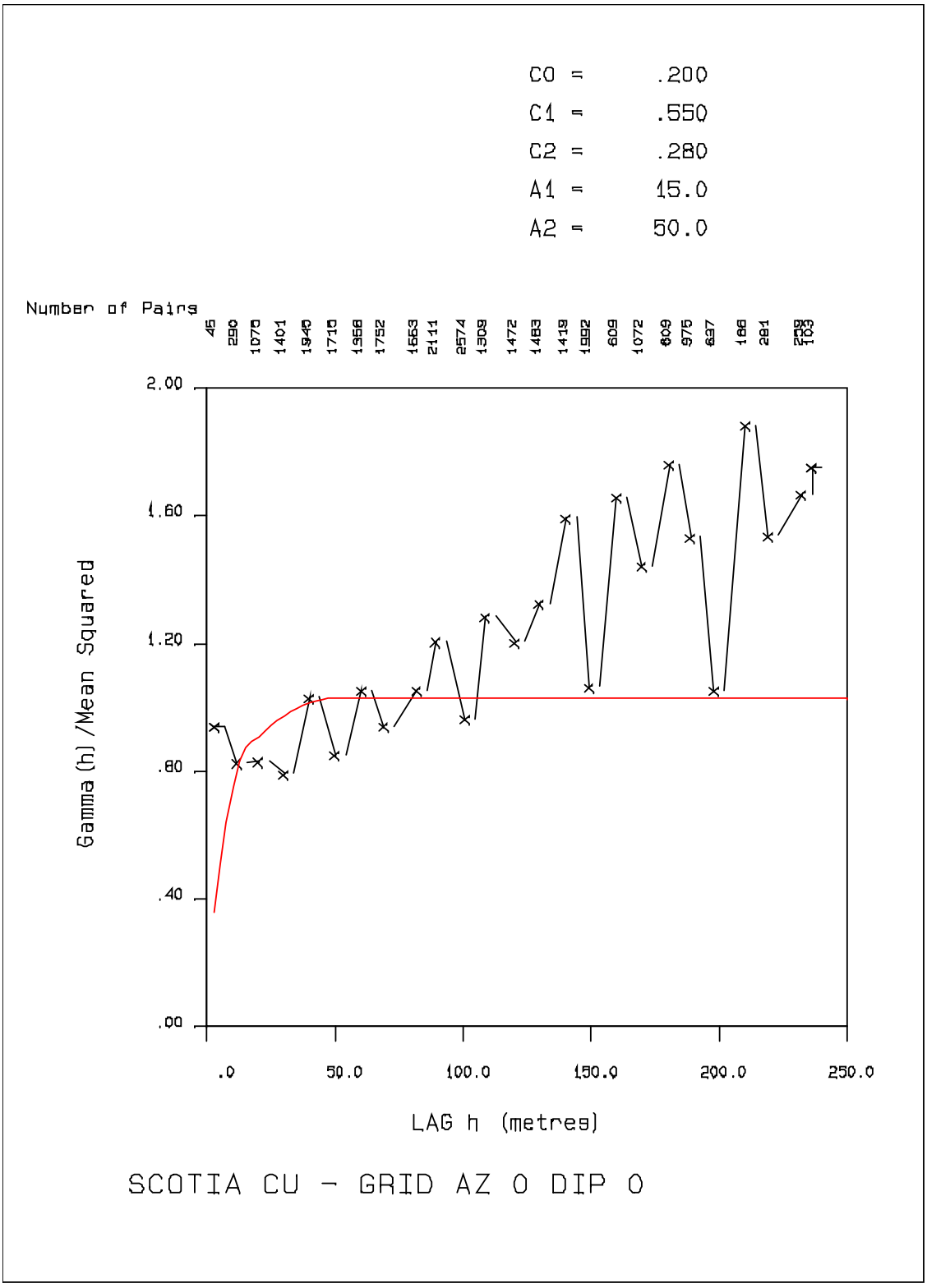


Figure 31: Semivariograms In Massive Sulphide Units for Cu Az 270 Dip -45

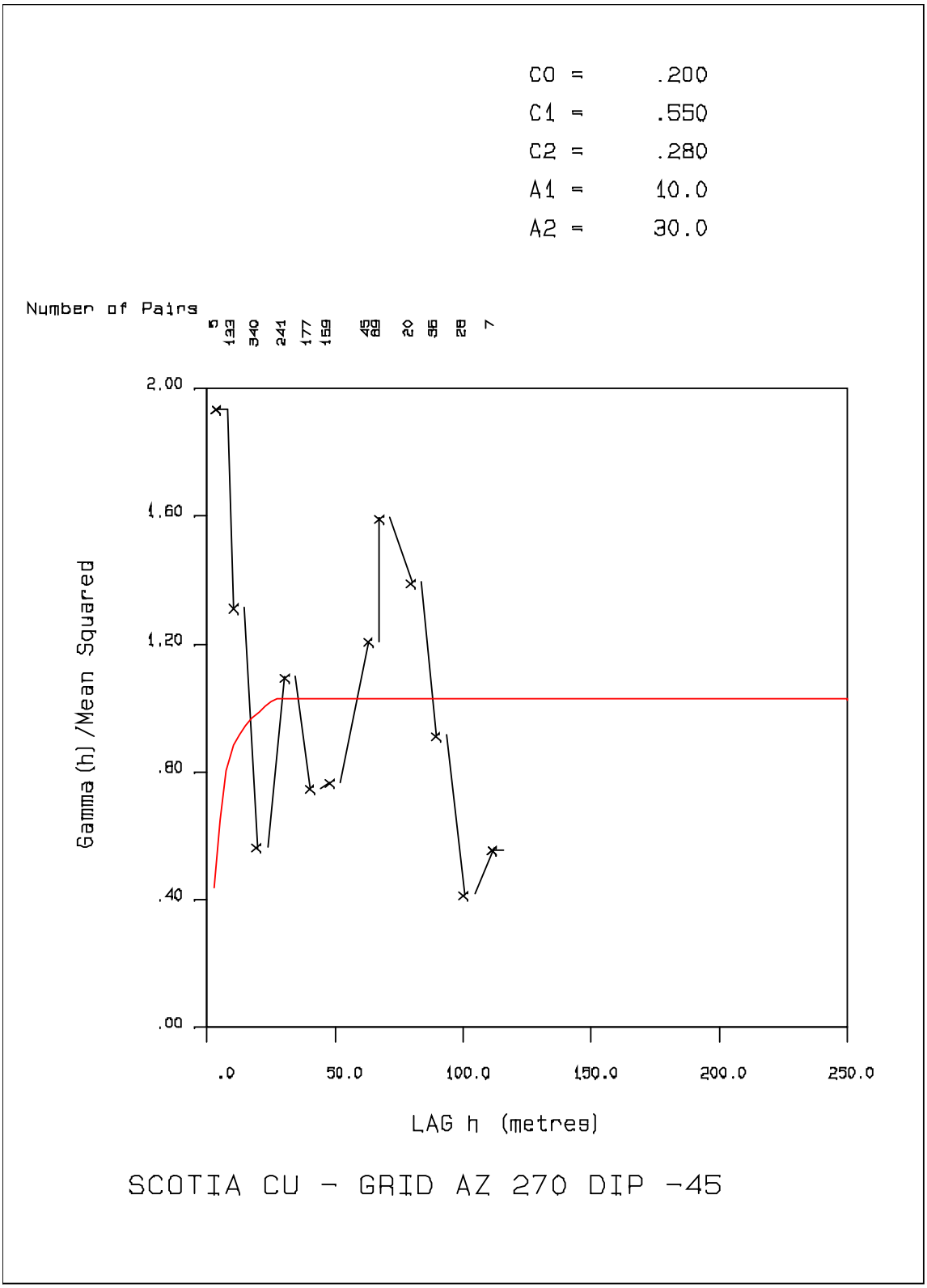


Figure 32: Semivariograms In Massive Sulphide Units for Cu Az 90 Dip -45

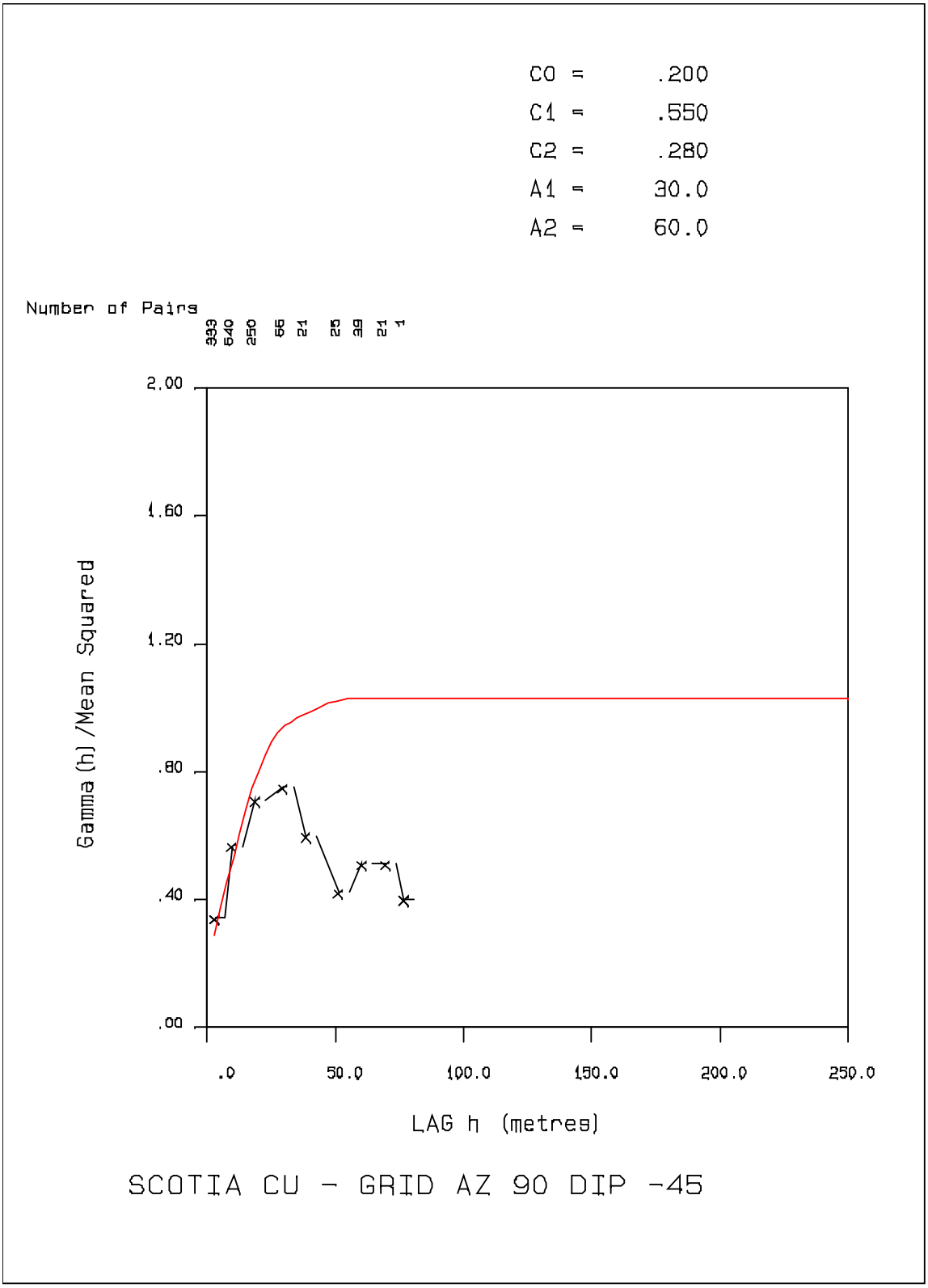


Figure 33: Semivariograms In Massive Sulphide Units for Ag Az 0 Dip 0

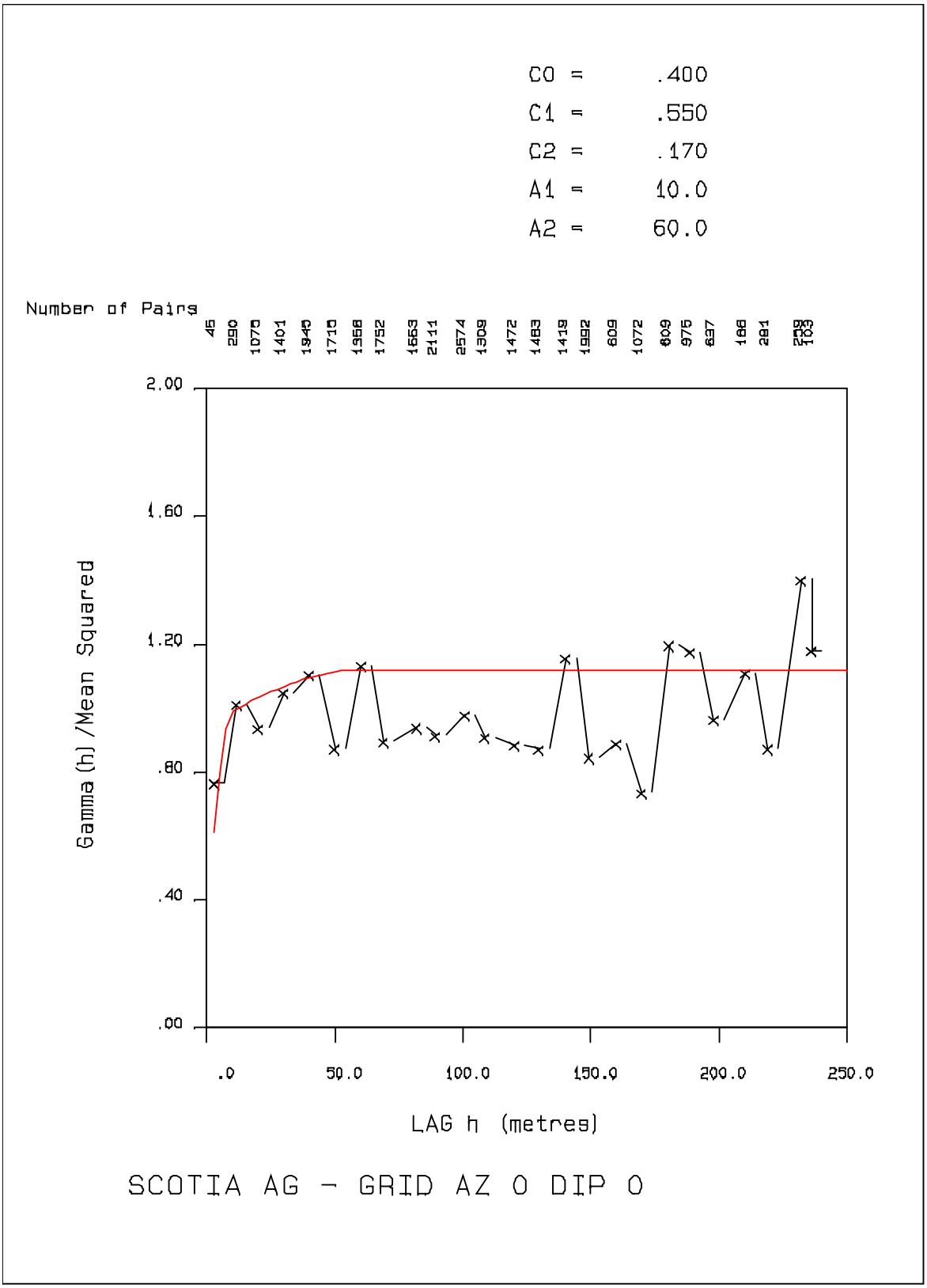


Figure 34: Semivariograms In Massive Sulphide Units for Ag Az 270 Dip -45

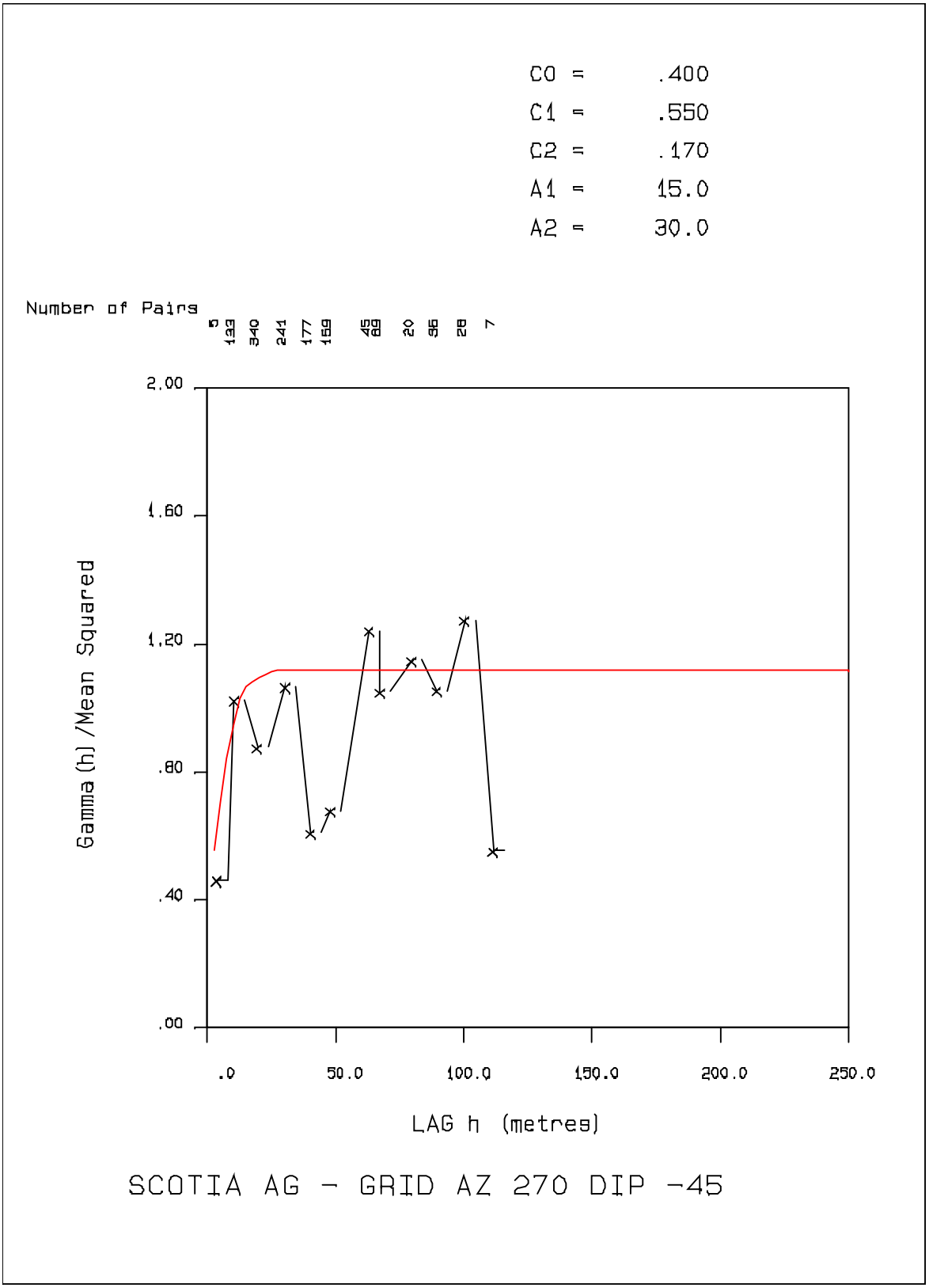


Figure 35: Semivariograms In Massive Sulphide Units for Ag Az 90 Dip -45

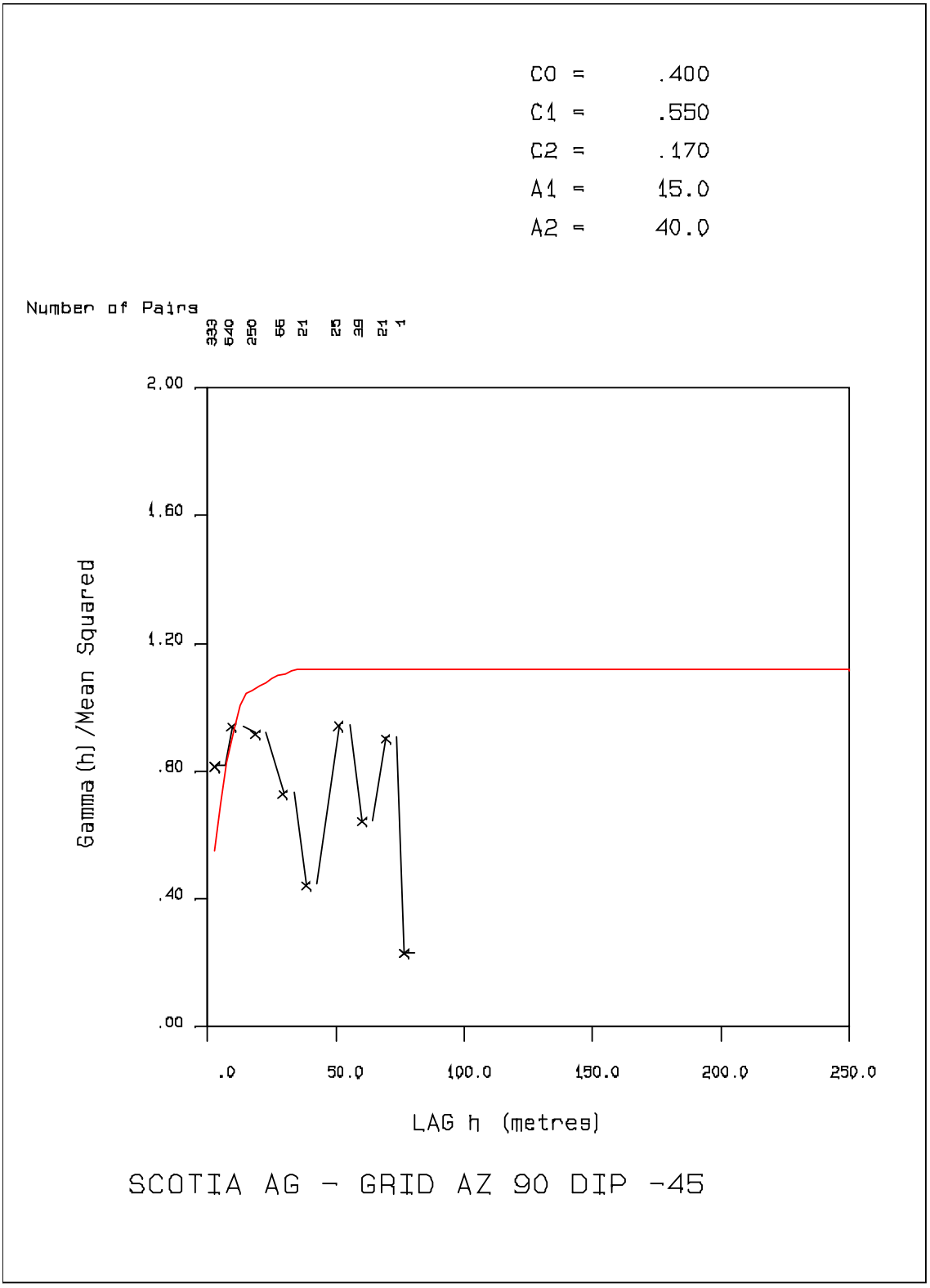


Figure 36: Semivariograms In Massive Sulphide Units for Au Az 0 Dip 0

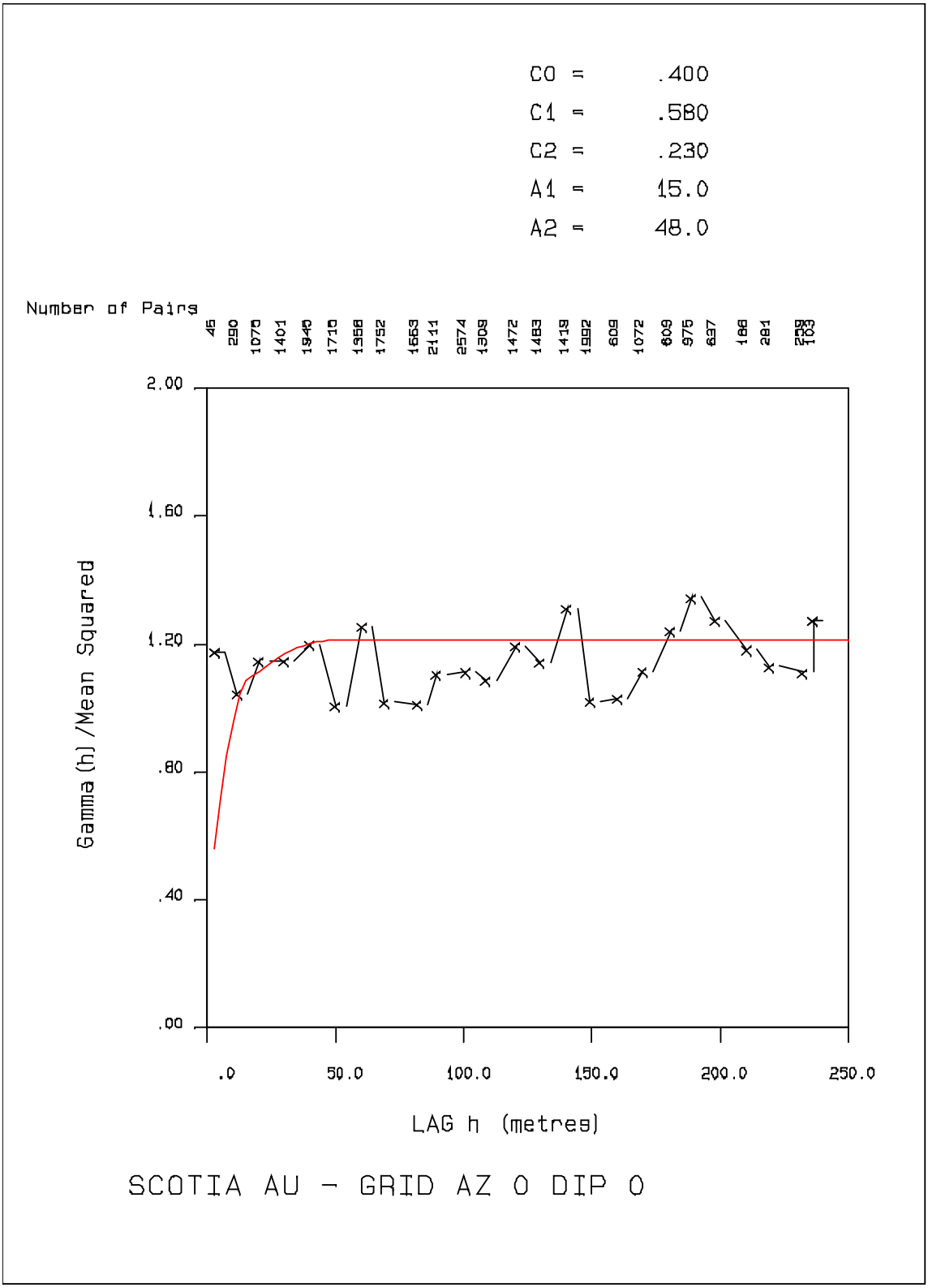


Figure 37: Semivariograms In Massive Sulphide Units for Au Az. 270 Dip -45

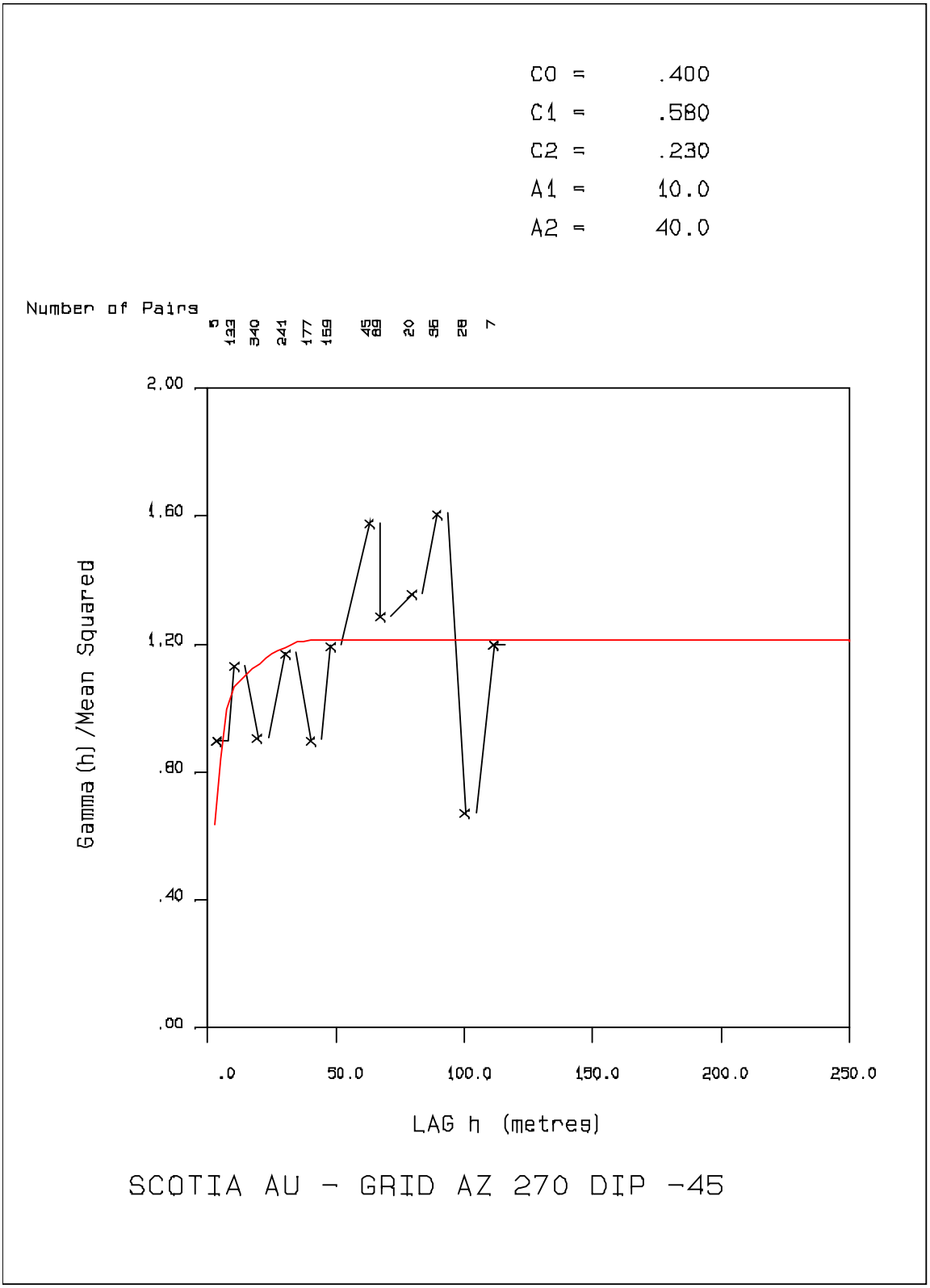
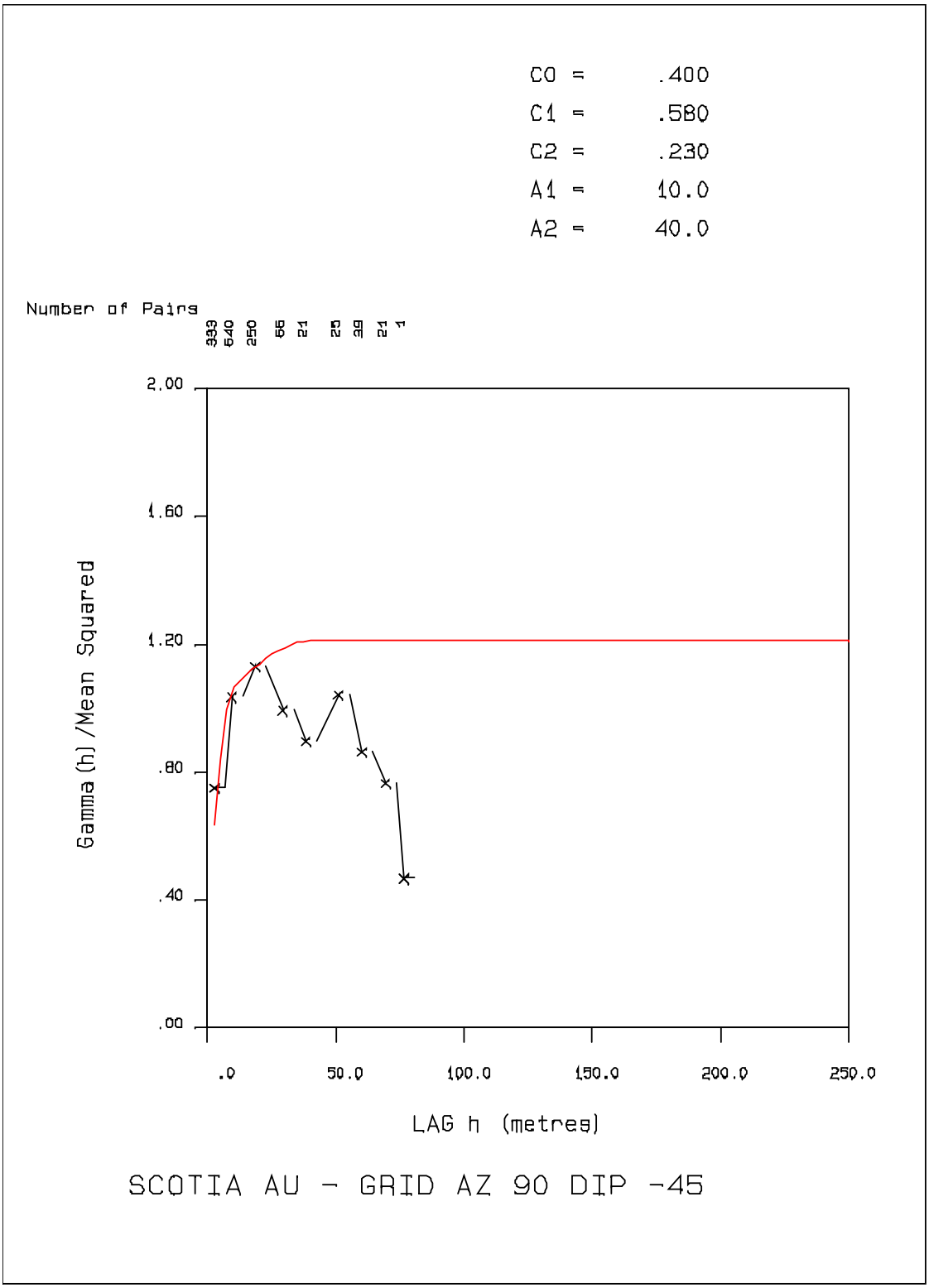


Figure 38: Semivariograms In Massive Sulphide Units for Au Az 90 Dip -45



Mineral Reserve Estimates

No specific Mineral Reserve Estimate studies have been conducted. other than those reported in “Mineral Resource Estimates” above.

Mining Methods

The Scotia Property is at an early stage of development. As such, no economic analysis was employed to determine cut-off grades for the mineral resource estimate that is reported above as cut-off grades were assigned as reported. Therefore, a discussion of mining methods is not applicable for the Technical Report.

Recovery Methods

The Scotia Property is at an early stage of development. As such, no economic analysis was employed to determine cut-off grades for the mineral resource estimate that is reported above as cut-off grades were assigned as reported. Therefore, a discussion of recovery methods is not applicable for the Technical Report.

Project Infrastructure

The Scotia Property is at an early stage of development. As such, no economic analysis was employed to determine cut-off grades for the mineral resource estimate that is reported above in as cut-off grades were assigned as reported. Therefore, a discussion of project infrastructure is not applicable for the Technical Report.

Market Studies and Contracts

The Scotia Property is at an early stage of development. As such, no economic analysis was employed to determine cut-off grades for the mineral resource estimate that is reported above as cut-off grades were assigned as reported. Therefore, a discussion of market studies and contracts is not applicable for the Technical Report.

Environmental Studies, Permitting and Social or Community Impact

The Scotia Property is at an early stage of development. As such, no environmental studies, permitting, or social or community impact studies have been conducted.

Capital and Operating Costs

The Scotia Property is at an early stage of development. As such, no economic analysis was employed to determine cut-off grades for the mineral resource estimate that is reported above as cut-off grades were assigned as reported. Therefore, a discussion of capital and operating costs is not applicable for the Technical Report.

Economic Analysis

The Scotia Property is at an early stage of development. As such, no economic analysis has been conducted to date.

Adjacent Properties

There are no other properties adjacent to the Scotia Property.

Other Relevant Data and Information

Orthophoto Mosaic Maps

Orthophoto Mosaic maps for the Scotia Property have been prepared by Eagle Mapping dated June 8, 2008. The maps were produced from colour aerial photography flown in June 2008. Eight maps at a scale of 1:5,000 with contour interval of 20 metres and three maps at a Scale of 1:2,500 with 10 metre contour intervals were prepared as base maps for ground control for future exploration work.

Airborne Geophysical Survey

A helicopter-borne geophysical survey was conducted by Aeroquest limited during August 2008. A total of 562.5 line-kilometres were flown using Aeroquest's AeroTEM II time domain EM and cesium magnetometer and gamma ray Spectrometer system. A report on the survey including maps by Aeroquest dated October 2008 has been used to identify regional targets on the Scotia Property for follow-up exploration by the 2010 surface exploration program. An Interpretation Report by Aeroquest dated January 21, 2009 was also used to identify regional exploration targets on the Scotia Property for follow-up exploration.

Remote Sensing Interpretation Study

A Remote Sensing Interpretation Study was conducted by John Berry and Associates. A report and maps on the Interpretation study were completed by Berry and Associates dated November 14, 2006. The results of the report were used to design the 2006 Grid Geochemical Soil Sampling program.

Interpretation and Conclusions

Interpretation

Geologic mapping, rock sampling and diamond drilling has been conducted on the Scotia Property during the course of many historical and recent programs. Although the rocks have been folded and metamorphosed, the geologic environment, alteration, structural setting and metallogeny suggest that the mineralization at the Albere Zone is of the economically important polymetallic volcanogenic massive sulphide type (Kuroko type). This type of geologic model suggests that there may be a cluster of several deposits hosted on the Scotia Property, of which the Albere Zone is only one. Preliminary work on the East Limb Zone and the findings of the Aster study and airborne geophysical survey support this interpretation.

The adequacy of data density and data reliability of historical work conducted on the Scotia Property appears to the author to have followed standard engineering practices of the time and the author considers the historical data presented in the Technical Report to be valid and reliable such as it is known.

Conclusions

The following can be concluded from the work conducted on the Scotia Property to date:

- High-grade polymetallic massive sulphide mineralization outcrops at the Albere Zone;

- Based on results from diamond drilling, the mineralized zone strikes 340°, has moderate varying dips to the southwest and plunges 8° to the south;

- Drilling has established that the mineralized zone occurs over a strike length of 205 metres, has a down-dip dimension of 95 metres and has widths of up to +20 metres;

- Drilling suggests that the zone is open along strike to the northwest and down-dip to the southwest;

- Soil geochemistry indicates that mineralization may be present beyond the area drilled;

- Preliminary prospecting, mapping and rock chip sampling indicates that an additional mineralized zone is present to the east of the Albere Zone on the east limb of a large anticline;

- A Remote Sensing Interpretation (ASTER) study concludes that additional exploration targets are present elsewhere on the Scotia Property;

- An Airborne Geophysical Survey identified anomalies adjacent to the Albere Zone and elsewhere regionally on the Scotia Property;

- A follow-up geochemical sampling program identified poly-metallic geochemical anomalies associated with several of the Airborne Geophysical anomalies;

- A Resource Estimate conducted by Giroux Consultants Ltd has estimated Total Measured plus Indicated Resources for the Property using a 1% Zn cut-off to be 876,000 tonnes grading 4.35% Zn, 12.29 g/t Ag, 0.08 % Cu, 0.15 g/t Au and 0.47% Pb.

The 1997 Diamond Drill Program conducted on the Scotia Property met the projective objectives of defining the partial extent of the Albere massive sulphide zone.

The 2005 drill core re-sampling program for selected drill intervals partially met project objectives. Verification sampling confirmed that that the re-sampling and analysis of the 1997 drill core returned drill intercepts within a range of acceptable variation and established the validity of the 1997 drill data.

The 2006 soil grid geochemical survey met project objectives and outlined anomalies for future exploration follow-up.

The 2008 Airborne Geophysical Survey identified several distinctive anomalies, some of which appear to be related to the Albere Zone mineralization and also encountered regional anomalies where no recorded historical work has been conducted.

The 2010 field exploration program consisted of a geochemical survey targeted on Airborne Anomalies similar to the anomaly generated by the Albere zone. A total of 267 soil, moss mat (stream sediment) and rock chip samples were taken. The type of sample taken was determined in the field based on selecting the best type of sample to be taken to give the best chance of detecting poly-metallic base and precious metal mineralization that may be present associated with the Airborne Anomalies.

Expenditures for conducting the 2010 field program totaled $90,331.48 and were filed As Geochemical Technical Work, Event # 4807718.

Virtually all Airborne Anomalies sampled returned geochemically anomalous or elevated values for the various sample types taken. No “ore grade” showings were found but values of over 1,000 ppm Zn were encountered from “in place” rock chip sampling.

The Report Authors are not aware of any significant risks and uncertainties that could affect the reliability or confidence in the exploration information contained in the Technical Report. The Report Authors are not aware of any foreseeable impacts of these risks and uncertainties as they pertain to the project’s potential economic viability or continued viability.

Recommendations

A two phase exploration program for the continued exploration of the Scotia Property is warranted and is summarized in Table 8. Phase 1 recommendations in the amount of $750,000 net of HST ($805,000 total) constitute a non-contingent work program recommended for the Property.

Phase 1A – Geological, Geochemical, Prospecting Field Program

A Phase 1A Field Program in the amount of $250,000 net of HST is recommended. Highest priority should be given to the anomalies on strike and adjacent to the historical drilling done at the Albere Zone and geochemical anomalies associated with Airborne Geophysical anomalies. The fieldwork should cosmist of preliminary geologic mapping, rock, stream sediment (moss mat) and reconnaissance style soil sampling. The objective would be to discouver base metal mineralization that may be present outside the currently drilled portion of the Albere Zone or associated with the airborne anomalies. It is recommended that the field work be carried out by an experienced senior two to four person crew based in Prince Rupert utilizing daily helicopter access to the Property. A provision for up to a seven-day fly camp is included.

Work Program	Description	Net Amount	HST	Total Amount
Phase 1A	Geological, Geochemical, Prospecting Program	$250,000	$30,000	$280,000
Phase 1B	Diamond Drilling	$500,000	$25,000	$525,000
Subtotal Phase 1		**$750,000**	**$55,000**	**$805,000**

Phase 1B – Diamond Drilling

Diamond drilling in the vicinity of the airborne anomalies and on strike and adjacent to the Albere Zone is warranted. The objectives of the program should be to test the airborne geophysical anomalies and to attempt to extend the dimensions of the Albere Zone to add to the identified resource base. Prior to the commencement of a drill program, it is a requirement to update the Notice of Work and Reclamation permit that has been filed with MEMPR. A drill budget in the amount of $500,000 net of HST is recommended.

Contingent on the results of the Phase 1 Program, a Phase 2 diamond drilling program may be warranted.

Immediately after the completion of the Arrangement, GeoNovus offered a minimum of 5,000,000 Units and a maximum of 5,500,000 Units, at a price of $0.15 per Unit for minimum gross proceeds of $750,000 and maximum gross proceeds of $825,000.

The price of the Offering was determined by estimating the anticipated value of GeoNovus' assets upon completion of the Arrangement, which will include the $250,000 to be paid by New Gold in consideration for GeoNovus Shares under the Arrangement, and the mineral properties of GeoNovus. Management of GeoNovus considers the deferred exploration costs of GeoNovus' mineral properties upon completion of the Arrangement (see the audited carve-out consolidated financial statements of the business of GeoNovus as at August 31, 2011, attached to Appendix G of the Information Circular) to be a reflection of the value of such assets. The estimated value was then divided by the number of GeoNovus Shares anticipated to be outstanding upon completion of the Arrangement (but not including any GeoNovus Shares or Unit Warrants to be issued under the Offering). A discount to this amount was then applied within the allowable limits of the TSX Venture Exchange.

Each Unit will be comprised of one GeoNovus Share and one-half of a Unit Warrant. Each whole Unit Warrant will entitle the holder thereof to purchase one additional GeoNovus Share at a price of $0.20 per share for a period of 2 years from issuance.

The Offering will be conducted on a non-brokered private placement basis. Subscriptions for Units will be received subject to rejection or allotment by GeoNovus in whole or in part, and the right is reserved by GeoNovus to close the subscription books at any time without notice.

GeoNovus may, in its sole discretion, pay a cash finder's fee to agents of GeoNovus with respect to the Offering. The cash finder's fee will be in an amount of up to 10% of the proceeds raised by such agents as part of the Offering.

Closing of the Offering is subject to completion of the Minimum Offering. Until such time as the Minimum Offering is completed, the proceeds from the sale of Units will be delivered to and held by a Canadian financial institution. If the Minimum Offering is not completed by February 15, 2012, such proceeds will be refunded to the purchasers of Units.

Funds Available

Following completion of the Arrangement and the Offering, GeoNovus will have funds available to it as follows:

	Available Funds ($)	
Source of Funds	**Minimum Offering**	**Maximum Offering**
Investment from New Gold under the Arrangement	250,000	250,000
Gross proceeds of the Offering	750,000	825,000
Less: estimated costs of the Offering	(5,000)	(5,000)
Less: finder's fee with respect to the Offering	(75,000)	(82,500)
Estimated funds available on completion of the Arrangement and the Offering	920,000	987,500

To date, GeoNovus has had no active business or operations. Upon completion of the Arrangement, GeoNovus will be a junior mining company focused on the acquisition,

exploration and development of mineral properties, and as such it is not anticipated that GeoNovus will have a source of cash flow apart from equity financing activities. As at October 31, 2011, GeoNovus had cash flows of $1.

Use of Proceeds

As at the date of this Listing Application, it is intended that the funds available upon completion of the Arrangement and the Offering will be used as follows:

	Estimated Amount ($)	
Principal Purpose	**Minimum Offering**	**Maximum Offering**
Completion of Phase 1 of the recommended exploration program for the Scotia Property	280,000	280,000
Required property payments with respect to GeoNovus' mineral properties	100,000	100,000
General and administrative expenses for 12 months	439,600	439,600
Unallocated working capital	100,400	167,900
TOTAL	**920,000**	**987,500**

The following table summarizes the anticipated general and administrative expenses of GeoNovus in the 12 month period subsequent to the completion of the Arrangement and the Offering:

Wage/benefit expenses	$336,000
Professional fees	$20,000
Investor relations fees and promotion	$5,000
Rent and office expenses	$45,600
Insurance	$8,000
Filing and transfer agent fees	$10,000
Auditor fees	$15,000
TOTAL	**$439,600**

The intended use of the net proceeds of the Offering is consistent with the intended business objectives of GeoNovus following completion of the Arrangement, which are to create sustainable and profitable growth in the mining industry through the exploration and development of its mineral projects upon completion of the Arrangement.

The completion of the Arrangement and the Offering are key milestones to the intended business objectives for GeoNovus. Subsequent to the completion of the Arrangement and the Offering, GeoNovus will focus on the completion of the recommended exploration program on the Scotia Property, which is intended to be GeoNovus' principal mining project upon completion of the Arrangement. Completion of this exploration program can be considered to be a milestone that must occur for GeoNovus' business objectives to be accomplished, though GeoNovus may choose to vary the work program as necessary or based on ongoing results. There are no other particular significant events or milestones that must occur for GeoNovus' business objectives to be accomplished.

While GeoNovus believes that it has the skills and resources necessary to accomplish its business objectives, participation in the mining industry has a number of inherent risks. See Item 21 - *Risk Factors*.

GeoNovus may seek out additional sources of funding to fund further business expansion, particularly by way of private placement financings. It has no arrangements with respect to any such financings at this time. There is no assurance that any such financings or other sources of funding can be completed or obtained on terms favourable to GeoNovus, or at all.

As at the date of this Listing Application, it is intended that GeoNovus will spend the funds available to it as stated herein. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Item 7: Dividends and Other Distributions

GeoNovus has not paid dividends since its incorporation. While there are no restrictions precluding GeoNovus from paying dividends, it has no source of cash flow and anticipates using all available cash resources toward its stated business objectives. At present, GeoNovus' policy is to retain earnings, if any, to finance its business operations. The Board will determine if and when dividends should be declared and paid in the future based on GeoNovus' financial position at the relevant time.

Item 8: Management's Discussion and Analysis

Selected Pro Forma Consolidated Summary Financial Information

The following table sets out selected pro forma consolidated financial information for GeoNovus as at August 31, 2011, assuming completion of the Arrangement and the Minimum Offering, all of which is qualified by the more complete information contained in the unaudited pro forma consolidated financial statements of GeoNovus as at August 31, 2011, together with the notes thereto, attached to this Listing Application.

	As at August 31, 2011 ($)(unaudited)
Cash	920,000
Investments	18,000
Exploration and evaluation expenditures	2,290,807
Reclamation bonds	61,836
Total assets	**3,290,643**
Current liabilities	-
Shareholders' equity	
Share capital	4,911,621
Contributed surplus	111,093
Warrants	98,279
Accumulated other comprehensive loss	(19,000)
Deficit	(1,811,350)
Total liabilities and shareholders' equity	**3,290,643**

Please refer also to the audited financial statements of GeoNovus for the period from inception (October 11, 2011) to October 31, 2011 and the audited carve-out consolidated financial statements of the business of GeoNovus as at August 31, 2011, attached to Appendix G of the Information Circular.

Management's Discussion and Analysis

Overall Performance

GeoNovus was incorporated on October 11, 2011 pursuant to the BCBCA. GeoNovus' sole business focus has been to (i) acquire and operate the assets and liabilities of Geo (excepting the "West Blackwater" mineral project and cash) under the Arrangement; and (ii) make application to list the GeoNovus Shares on the TSXV. To that end, GeoNovus entered into the Business Combination Agreement with Geo, its sole shareholder, and New Gold. For further discussion of the Arrangement, please refer to "The Meeting - the Arrangement" in the Information Circular.

As of the date of this Listing Application, GeoNovus has limited cash reserves as its incorporation costs and operations have been funded, to date, by its sole shareholder, Geo. Pursuant to the terms of the Business Combination Agreement, GeoNovus will receive $250,000 in subscription proceeds from New Gold, in consideration of 1,354,933 GeoNovus Shares, being approximately 13% of the issued and outstanding GeoNovus Shares upon completion of the Arrangement (but excluding any GeoNovus Shares issuable as a portion of the Units offered under the Offering).

Under the Offering, GeoNovus will offer a minimum of 5,000,000 Units and a maximum of 5,500,000 Units at a price of $0.15 per Unit, for minimum gross proceeds of $750,000 and maximum gross proceeds of $825,000. See Item 6 - *Financings* for further discussion.

Upon completion of the Arrangement and the Minimum Offering, GeoNovus' management believes it will have sufficient for all of GeoNovus's minimum needs in the first 12 months following listing on the TSXV. See Item 6 - *Financings* for a discussion of available funds and GeoNovus' intended use of proceeds. GeoNovus may seek to raise additional funds through public or private equity funding, bank debt financing or from other sources.

The financial statements included in the Information Circular reflect GeoNovus' start-up costs and initial operations to the date of the respective statements.

Selected Annual Information

The following table sets forth selected financial information with respect to GeoNovus, which information has been derived from and should be read in conjunction with the audited consolidated financial statements of GeoNovus for the period from its incorporation on October 11, 2011 to October 31, 2011, attached as Schedule I to Appendix G of the Information Circular.

	Period from incorporation (October 11, 2011) to October 31, 2011 (audited) ($)
Current assets	1
Total assets	1
Total liabilities	-
Shareholder's equity	1
Number of GeoNovus Shares outstanding	10

Significant Acquisitions and Significant Dispositions

Other than the acquisition of the assets and liabilities of Geo (excepting the "West Blackwater" mineral project and cash) under the Arrangement, GeoNovus has made no

significant acquisitions or dispositions since incorporation. See "Business of Spinco" in Appendix G to the Information Circular.

Results of Operations

For the period from its incorporation (October 11, 2011) to October 31, 2011, GeoNovus did not have any active operations or business.

Liquidity and Capital Resources and Requirements

To date GeoNovus has had no active operations. As at October 31, 2011, GeoNovus had share capital of $1 and no working capital.

GeoNovus has no source of revenue, income or cash flow. Until completion of the Arrangement, GeoNovus was wholly dependent upon Geo, its sole shareholder until the completion of the Arrangement, for any necessary funds. Subsequent to thecompletion of the Arrangement, GeoNovus will be largely dependent upon raising monies through the sale of GeoNovus securities to finance its business operations.

GeoNovus also requires adequate working capital for TSXV listing purposes, being sufficient funds: i) for exploration of the Scotia Property; ii) to cover a minimum 12 months' of general and administrative expenses (estimated to be $439,600) for the first year of operations following completion of the Arrangement and the proposed listing of the GeoNovus Shares on the TSXV), and iii) a minimum of $100,000 of unallocated funds.

Upon completion of the Arrangement and the Minimum Offering, it is anticipated that GeoNovus will have available funds of $920,000, which management estimates to be sufficient for all of GeoNovus' minimum needs in the first 12 months following listing of the GeoNovus Shares on the TSXV.

See Item 6 - *Financings* and Item 21 - *Risk Factors*.

Transactions with Related Parties

GeoNovus is party to the Business Combination Agreement (see "The Meeting — The Arrangement — The Business Combination Agreement" in the Information Circular). GeoNovus will be party to various assignment agreements pursuant to which it will acquire its assets from Geo (see "Spinco Properties" in Appendix G to the Information Circular).

As at the date of this Listing Application, GeoNovus is Geo's wholly-owned subsidiary and the directors and certain officers of Geo, excepting John Duncan, are also the directors and officers of GeoNovus. See Item 16 - *Directors and Executive Officers*.

Effective upon completion of the Arrangement, GeoNovus will enter into a management service agreement with England Communications Ltd. for, among other things, the services of Michael England and John Masters as CEO and Corporate Secretary, respectively, and a consulting agreement with Olga Nikitovic for her services as CFO. See Item 17 - *Executive Compensation*.

Proposed Transactions

GeoNovus is a party to the Business Combination Agreement. Upon completion of the Arrangement and the Minimum Offering, and satisfaction of all of the listing requirements of the TSXV, management of GeoNovus anticipates that GeoNovus will be a publicly traded junior mineral exploration company, with a portfolio of exploration properties in British Columbia, Quebec and Arizona, as well as an experienced board of directors and management team and, in the view of its management, capitalization sufficient to achieve its business objectives in the near term.

In order to become effective, the Arrangement was approved by a resolution passed by at least a two-thirds majority of the votes cast in favour of the Arrangement Resolution (as defined and the text of which is set out in Appendix A to the Information Circular) by the holders of Geo Shares, Geo Options and Geo Warrants present in person or represented by proxy at the special meeting of the Geo Securityholders. The Arrangement was also required to be sanctioned by the Court, which considered the fairness of the Arrangement to the Geo Securityholders. In addition, completion of the Arrangement was subject to customary closing conditions, all of which are described in the Information Circular.

Other than the Arrangement and the transactions proposed to be completed prior thereto, as at the date of this Listing Application, GeoNovus has no proposed asset or business acquisitions or dispositions.

Additional Disclosure for Companies without Significant Revenue

Through the period from its incorporation (October 11, 2011) to October 31, 2011, GeoNovus did not have any active operations or business, and did not incur any material costs or expenses.

Disclosure of Outstanding Share Data

GeoNovus has one class of shares outstanding, being common shares without par value (as previously defined herein, the "GeoNovus Shares"). As at the date of this Listing Application, 10,422,566 GeoNovus Shares were issued and outstanding.

Pursuant to the Offering, GeoNovus intends to offer a minimum of 5,000,000 Units and a maximum of 5,500,000 Units at a price of $0.15 per Unit. Each Unit will be comprised of one GeoNovus Share and one-half of a Unit Warrant. Each whole Unit Warrant will entitle the holder thereof to purchase an additional GeoNovus Share at a price of $0.20 per share for a period of 2 years from issuance.

As of the date of this Listing Application, GeoNovus has not granted any incentive stock options under the GeoNovus Stock Option Plan (as hereinafter defined), or otherwise, nor has it issued any other rights or securities to purchase GeoNovus Shares. The Board does not intend to grant any incentive stock options until such time following listing as the trading price of the GeoNovus Shares on the TSXV has stabilized such that a fair market value exercise price for options can be determined. See Item 12 - *Stock Option Plan* and Item 21 - *Risk Factors* for additional information, risks and uncertainties associated with GeoNovus, its business and operations, and the GeoNovus Shares. In addition, see in the Information Circular, "The Meeting — The Arrangement — Risks Associated with the Arrangement".

Contractual Obligations

GeoNovus presently has no contractual obligations other than the Business Combination Agreement, and agreements related to its assets as disclosed under "Spinco Properties" in Appendix G of the Information Circular.

Financial Instruments and Risk Management

See Notes 4 and 6 to GeoNovus' audited financial statements for the period ended October 31, 2011, which are attached as Schedule I of Appendix G to the Information Circular.

Off-Balance Sheet Arrangements

GeoNovus does not have any off-balance sheet arrangements.

Management's Discussion and Analysis With Respect to the Business of GeoNovus

For information regarding GeoNovus' business following completion of the Arrangement, please refer to the management discussion and analysis accompanying the audited carve-out consolidated financial statements of the business of GeoNovus as at August 31, 2011, attached as Schedule III to Appendix G of the Information Circular.

Item 9: Disclosure of Outstanding Security Data on Fully Diluted Basis

The following table sets forth the share capital of GeoNovus as at the dates specified.

Designation	Amount Authorized	Amount outstanding as at the date of the Listing Application	Amount outstanding assuming completion of the Arrangement	
			Minimum Offering	Maximum Offering
GeoNovus Shares	Unlimited	10,422,566	15,422,566[1]	15,922,566 [1]
Unit Warrants[2] [3]	N/A	Nil	2,250,000	2,750,000
GeoNovus Options[2]	10% of the issued and outstanding GeoNovus Shares[4]	Nil	Nil	Nil

Notes:

(1) Under the Arrangement, each holder of Geo Securities received, in addition to cash, GeoNovus Shares pursuant to the terms thereof. The amount shown also reflects New Gold's subscription for GeoNovus Shares as contemplated under the Arrangement. See "The Arrangement" in the Information Circular for further discussion.

(2) Exerciseable into GeoNovus Shares.

(3) Each Unit Warrant will entitle the holder thereof to purchase one GeoNovus Share at a price of $0.20 per share for a period of 2 years from issuance. See Item 6 - *Financings*.

(4) Pursuant to the GeoNovus Stock Option Plan. See Item 12 - *Stock Option Plan*.

See also Item 10 - *Description of Securities to be Listed*.

Item 10: Description of Securities to be Listed

The following is a summary of the rights, privileges, restrictions and conditions attaching to the GeoNovus Shares intended to be listed on the TSXV.

The holders of the GeoNovus Shares are entitled to receive notice of and to attend, and to cast one vote for each GeoNovus Share held by them at, all meetings of shareholders of GeoNovus, other than meetings at which only the holders of another

class or series of shares (if any) are entitled to vote separately as a class or series. The holders of the GeoNovus Shares are entitled to receive on a pro rata basis such dividends as the Board may from time to time declare. In the event of the voluntary or involuntary liquidation, dissolution or winding up of GeoNovus, the holders of the GeoNovus Shares will be entitled to receive on a pro rata basis all of the assets of GeoNovus remaining after payment of all of GeoNovus' liabilities.

Item 11: Consolidated Capitalization

The following table sets out the share and loan capital of GeoNovus. The table should be read in conjunction with the unaudited pro-forma consolidated financial statements for GeoNovus attached as Schedule III to Appendix G of the Information Circular. See also “Description of Securities Distributed” and “Prior Sales” in Appendix G of the Information Circular, and "Principal Steps of the Arrangement" in the Information Circular.

Capital	Authorized	Amount outstanding as at October 31, 2011	Amount outstanding as at the date of this Listing Application	Amount outstanding assuming completion of the Arrangement	
				Minimum Offering	Maximum Offering
GeoNovus Shares	Unlimited	10	10,422,566	15,422,566	15,922,566
Unit Warrants	N/A	Nil	Nil	2,250,000	2,750,000
Long term debt	N/A	Nil	Nil	Nil	Nil

Note:

(1) Includes the GeoNovus Shares purchased by New Gold under the Arrangement. See “The Arrangement” in the Information Circular for further discussion.

Item 12: Stock Option Plan

The Board has adopted the GeoNovus Stock Option Plan, which will be implemented upon acceptance by the TSXV in conjunction with the proposed listing of the GeoNovus Shares on the TSXV. The GeoNovus Stock Option Plan is a rolling stock option plan that sets the number of GeoNovus Shares issuable under the GeoNovus Stock Option Plan at a maximum of 10% of the GeoNovus Shares issued and outstanding at the time of any grant under the GeoNovus Stock Option Plan.

As of the date of the Listing Application, GeoNovus has not granted any incentive stock options under the GeoNovus StockOption Plan or otherwise, nor has it issued any other rights or securities to purchase GeoNovus Shares. The Board does not intend to grant any incentive stock options until such time following listing of the GeoNovus Shares on the TSXV that the trading price of the GeoNovus Shares on the TSXV has stabilized, such that a fair market value exercise price for options can be determined.

Summary of the GeoNovus Stock Option Plan

The GeoNovus Stock Option Plan reserves for issuance a maximum of 10% of the GeoNovus Shares at the time of a grant of options under the GeoNovus Stock Option Plan. The GeoNovus Stock Option Plan will be administered by the Board and provide for grants of non-transferable options under the GeoNovus Stock Option Plan at the discretion of the Board to directors, executive officers, employees, management company employees of, or consultants to, GeoNovus and its subsidiaries, or their permitted assigns (each an “**Eligible Person**”).

The exercise price of options granted under the GeoNovus Stock Option Plan will be determined by the Board. Following listing of the GeoNovus Shares on the TSXV, the exercise price must not be lower than the last closing sales price for the common

shares as quoted on the TSXV for the market trading day immediately prior to the date of grant of the option, less any discount permitted by the TSXV.

Options to acquire more than 2% of the issued and outstanding GeoNovus Shares may not be granted to any one consultant in any 12-month period and options to acquire more than an aggregate of 2% of the issued and outstanding GeoNovus Shares may not be granted to persons employed to provide Investor Relations Activities (as such term is defined by the policies of the TSXV) in any 12-month period. Options granted to any one individual in any 12-month period to acquire that number of GeoNovus Shares exceeding 5% of the issued and outstanding GeoNovus Shares will require Disinterested Shareholder Approval (as required by the policies of the TSXV and as defined in the GeoNovus Stock Option Plan).

The term of any options granted under the GeoNovus Stock Option Plan will be fixed by the Board and may not exceed five years. Should an Eligible Person cease to qualify as an Eligible Person under the GeoNovus Stock Option Plan prior to expiry of the term of their respective options, those options will terminate at the end of the period of time permitted for exercise of the option (such period of time to not be in excess of six months, to be determined by the Board in each instance at the time of the grant of an option) after the option holder ceases to be an Eligible Person for any reason other than death, disability or cause; and if no such period of time is determined by the Board at the time of the grant, the 90th day after the optionee ceases to be an Eligible Person for any reason other than death, disability or cause. If an option holder providing Investor Relations Activities ceases to provide such Investor Relations Activities to GeoNovus, options granted to such option holder will expire on the 30th day after such cessation. If such cessation as an Eligible Person is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately.

The GeoNovus Stock Option Plan also provides for adjustments to outstanding options in the event of any disposition of substantially all of the assets of GeoNovus, dissolution or any merger, amalgamation or consolidation of GeoNovus with or into any other company, or the merger, amalgamation or consolidation of any other company with or into GeoNovus.

The directors of GeoNovus may, at their discretion at the time of any grant, impose a schedule over which period of time options will vest and become exercisable by the optionee; however, for so long as the GeoNovus Shares are listed on the TSXV, options granted to persons performing Investor Relations Activities must vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.

Subject to any required approval of the TSXV, the Board may terminate, suspend or amend the terms of the GeoNovus Stock Option Plan, provided that the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, shareholder approval, and, where required, Disinterested Shareholder Approval, or by the written consent of the holders of a majority of the securities of GeoNovus entitled to vote.

TSXV policy requires that the GeoNovus Stock Option Plan be approved and ratified by GeoNovus' shareholders and submitted to the TSXV for acceptance on an annual basis. Further shareholder approval will not be required for option grants made in accordance with the GeoNovus Stock Option Plan, except in certain circumstances as required by the policies of the TSXV.

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the TSXV or any other regulatory body having authority over GeoNovus or

the GeoNovus Stock Option Plan or, if required by the rules and policies of the TSXV, the shareholders of GeoNovus, suspend, terminate or discontinue the GeoNovus Stock Option Plan at any time, or amend or revise the terms of the GeoNovus Stock Option Plan or of any GeoNovus Option granted under the GeoNovus Stock Option Plan and the option certificate relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any GeoNovus Option previously granted to an Eligible Person under the Plan without the consent of that Eligible Person, and provided further that certain amendments to the GeoNovus Stock Option Plan are, by law (and TSXV policies as previously noted herein), subject to shareholder approval. The TSXV will permit GeoNovus to amend the terms of the GeoNovus Stock Option Plan, or a stock option agreement thereunder, without the acceptance of the TSXV to:

- reduce the number of GeoNovus Shares issuable pursuant to exercise of options under the GeoNovus Stock Option Plan;
- increase the exercise price; or
- cancel an option;

provided GeoNovus issues a news release outlining the terms of the amendment.

GeoNovus can amend the other terms of an option or the GeoNovus Stock Option Plan only where prior TSXV acceptance is obtained and where the following requirements are met:

- if the optionee is an insider of GeoNovus at the time of the amendment, GeoNovus obtains Disinterested Shareholder Approval (as described previously);
- if the option exercise price is amended, at least six months have elapsed since the later of the date of commencement of the term, the date the GeoNovus Shares commenced trading, or the date the option exercise price was last amended;
- if the option price is amended to the Discounted Market Price, the Exchange Hold Period (as both those terms are defined in the policies of the TSXV) is applied from the date of the amendment; and
- if the length of the option term is amended, any extension of the length of the term of the option is treated as a grant of a new option, and therefore also complies with pricing and other requirements of TSXV policy. The term of an option cannot be extended so that the effective term of the option exceeds ten years in total. An option must be outstanding for at least one year before GeoNovus can extend its term.

The TSXV must accept a proposed amendment before the option, as amended, can be exercised. Further, if GeoNovus cancels an option and within one year grants new options to the same individual, the new options are considered to be an amendment and subject to the requirements noted above.

Item 13: Prior Sales

Geo purchased ten GeoNovus Shares for $0.05 on the incorporation of GeoNovus, which are the only securities of GeoNovus currently outstanding.

Under the Arrangement, New Gold subscribed for 1,354,933 GeoNovus Shares, being approximately 13% of the issued and outstanding GeoNovus Shares (after completion

of the Arrangement but before completion of the Offering) for total consideration of $250,000.

Under the Offering, GeoNovus will offer a minimum of 5,000,000 Units and a maximum of 5,500,000 Units at a price of $0.15 per Unit, for aggregate gross proceeds of a minimum of $750,000 and a maximum of $825,000. See Item 6 - *Financings* for further discussion.

Additionally, GeoNovus may, in its sole discretion, pay a cash finder's fee to agents of GeoNovus with respect to the Offering. The cash finder's fee will be in an amount of up to 10% of the proceeds raised by such agents as part of the Offering.

Item 14: Escrowed Securities and Securities Subject to Restriction on Transfer

As at the date of this Listing Application, none of GeoNovus' securities are held in escrow.

Item 15: Principal Securityholders

As of the date of this Listing Application, Geo holds 100% of the issued GeoNovus Shares, which will be distributed to holders of Geo Common Shares, Geo Options and Geo Warrants under the Arrangement, as described in the Information Circular.

Assuming completion of the Arrangement and to the knowledge of GeoNovus' directors and officers, no person will beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the then issued GeoNovus Shares.

Item 16: Directors and Executive Officers

The names, province or state and country of residence, positions and offices, and principal occupations of each of the directors and executive officers of GeoNovus are as follows:

Name, Position(s) with GeoNovus and Place of Residence	Principal Occupation within the last five years	Director/Officer since
Michael England President, CEO and Director Pt. Coquitlam, BC	Self-employed investor relations consultant since January 1995; President, England Communications Ltd. since February 2009; director of First Star Resources Inc. from April 2004 to January 2007; President, CEO and director of Geo Minerals Ltd. since September 2005; director of Andover Ventures Inc. from February 2006 to February 2007; director of Andover Ventures Inc. from February 2006 to February 2007 and President and CEO from August 2006 to December 2007; director of Ashburton Ventures Inc. since January 2007 and CEO since December 2008; President, CEO and director of Alix Resources Corp. since June 2007; director of Kent Exploration Inc. since October 2007; director of Alston Ventures Inc. since November 2007 and President and CEO from July 2009 to January 2010; director of Zone Resources Inc. since May 2008; director of Abbastar Resources Corp. from April 2009 to April 2010; director of BTU Capital Corp. since April 2009; director of Caribou Copper Resources Ltd. since September 2009 and CEO since February 2011; director of Aintree Resources Corp. since October 2009; director of Archean Star Resources Inc. since January 2011; director of Discovery Ventures Inc. since November 2011	October 11, 2011
Paul Gray Director Vancouver, BC	Professional geologist since 2005; principal, Paul D. Gray Geological Consultants since August 2007; field assistant for Doublestar Resources Ltd. from 1996 to 2007; director of Geo Minerals since May 2008. Also director of numerous TSXV-listed natural resource companies, including: Alston Ventures Inc. (since July 2009); Argus Metals Corp. (since October 2005); Blue River Resources Corp. (since January 2010); Dawson Gold Corp. (since June 2010); Mr. Gray was also the former President, COO and director of Doublestar Resources Ltd. from 1998 to July 2007; a former director of Cloudbreak Resources Ltd. (March 2009 to July 2010); and a former director of Dorex Minerals	October 27, 2011

	Inc. (September 2009 to March 2011)	
David Lajack Director Tucson, AZ	Geologist since 1997; director of Geo since September 2005; director of Andover Ventures Inc. since October 2006; director of Alix Resources Corp. since June 2007: director of Silver Phoenix Resources Inc. since May 2007; director of Caribou Copper Resources Ltd. since September 2009; and a director of Bravura Ventures Corp since December 2010	October 27, 2011
John Masters Corporate Secretary Coquitlam, BC	Business administration consultant since 2007; Corporate Secretary (since February 2009) and CFO (since April 2009) of Geo; Corporate Secretary (since August 2007) and director (since February 2010) of Alix Resources Ltd.; Corporate Secretary of Ashburton Ventures Ltd. (since January 2009); Corporate Secretary of Alston Ventures Inc. (since July 2009); Corporate Secretary of Caribou Copper Resources Ltd. (since March 2011)	October 27, 2011
Marvin Mitchell Director Vancouver, BC	Professional engineer since 1972; principal, Mitchell Geological Services Inc. since 1985; director of Geo since September 2005; director of Petro One Energy Corp. from November 2006 to February 2011; director of Ashburton Ventures Inc. since November 2008; director of Solace Resources Corporation from January 1998 to January 2011; director of Olympic Resources Ltd. since October 2010	October 27, 2011
Olga Nikitovic Chief Financial Officer Mississauga, ON	Chartered Accountant since 1986; CFO, Bolero Resources Corp. since July 2007, and CFO and Corporate Secretary of Prosperity Goldfields Corp. since October 2010	October 27, 2011

The following is a brief biography of each member of GeoNovus' proposed management team.

Michael England – Port Coquitlam, British Columbia, 48 years of age – President, CEO & Director

Mr. England obtained a real estate license (1989) and has completed securities, options and futures courses (1983) through the University of British Columbia.

Mr. England has been a self-employed investor relations consultant since January 1995, and has been involved with numerous natural resources issuers. He has been President, Chief Executive Officer and a director of Geo since September 2005.

In addition, Mr. England has served as a director and/or executive officer of the following TSXV-listed mining companies: Abbastar Resources Corp. (since April 2009); Alix Resources Corp. (since June 2007); Alston Ventures Inc. (since November 2007); Andover Ventures Inc. (President and CEO from August 2006 to December 2007, director from February 2006 to February 2007); Ashburton Ventures Inc. (director since January 2007, CEO since December 2008, President since September 2009); Bolero Resources Corp. (October 2002 to March 2006); Brigadier Gold Limited (August 2001 to September 2004); Caribou Copper Resources Ltd. (since September 2009); and Discovery Ventures Inc. (since November 2011). Mr. England was also a director of First Star Resources Inc., a TSXV-listed natural resources issuer, from April 2004 to January 2007. He has served as a director of Zone Resources Inc., a TSXV-listed oil and gas issuer, since May 2008, and a director of BTU Capital Corp., a TSXV-listed capital pool company, since April 2009.

Paul Gray - Vancouver, British Columbia, 37 years of age - Director

Mr. Gray is a director of GeoNovus, and has been a director of Geo Minerals since May 2008. Mr. Gray holds a Bachelor of Science, Honours degree from Dalhousie University, and is a member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Gray has been active in the

mineral exploration sector for over 17 years and is a director of numerous TSXV-listed natural resource companies, including: Alston Ventures Inc. (since July 2009); Argus Metals Corp. (since October 2005); Blue River Resources Corp. (since January 2010); Dawson Gold Corp. (since June 2010); Mr. Gray was also the former President, COO and director of Doublestar Resources Ltd. from 1998 to July 2007; a former director of Cloudbreak Resources Ltd. (March 2009 to July 2010); and a former director of Dorex Minerals Inc. (September 2009 to March 2011).

David Lajack - Tucson, Arizona, 57 years of age - Director

Mr. Lajack is a director of GeoNovus, and has been a director of Geo since September 2007. Mr. Lajack has worked as a consulting geologist in the industry and has co-authored published papers on geology and geochemistry. Mr. Lajack received his Bachelor of Science from Central Michigan University in 1996. He has been self-employed as a geologist since 1997. He has worked in lode mineral exploration since the early 1980's. He is a founding member and President of Royal Pretoria Gold Ltd., a private Alaskan exploration company. Mr. Lajack is also a director and officer of several TSXV-listed companies, namely a director of Andover Ventures Inc. (since October 2006), a director of Alix Resources Corp. (since June 2007), a director of Silver Phoenix Resources Inc. (since November 2008), a director of Caribou Copper Resources Ltd. (since September 2009) and a director of Bravura Ventures Corp. (since December 2010).

John Masters - Coquitlam, British Columbia, 52 years of age - Corporate Secretary

Mr. Masters has been a business administration consultant since 2007, and has held numerous positions with various mining issuers. Mr. Masters has provided administrative services to Geo and Bolero Resources Corp., TSXV-listed mining issuers, since 2007. He also currently serves as Corporate Secretary (since February 2009) and CFO (since April 2009) of Geo Minerals. Additionally, Mr. Masters also serves as the Corporate Secretary (since August 2007), and director (since February 2010) of Alix Resources Ltd. and Corporate Secretary of Alston Ventures Inc. (since August 2009), both TSXV-listed resource issuers. Mr. Masters has also been the corporate secretary of Ashburton Ventures Ltd., a TSXV-listed mining issuer, from January 2009 to present.

Marvin Mitchell - Vancouver, British Columbia, 73 years of age - Director

Mr. Mitchell is a registered professional engineer in the Province of British Columbia. He has been the principal of Mitchell Geological Services Inc. since 1985. Mr. Mitchell received his Bachelor of Science (Geological Engineering) from Montana Tech in 1968 (formerly Montana School of Mines). Mr. Mitchell has been a director of Geo since September 2005. Mr. Mitchell currently sits on the board of directors of various TSXV listed resource companies: Ashburton Ventures Inc. (since September 2008), Olympic Resources Ltd. (since October 2010), Touchdown Resources Ltd. (since October 2009) and Snowfield Development Ltd. (since 1998). Mr. Mitchell was a former director Bolero Resources Corp. (from 2003 to 2006); Ultra Lithium Inc. (from 2005 to 2008) and Andover Ventures Inc. (2006 to 2007).

Olga Nikitovic – Mississauga, Ontario, 50 years of age - Chief Financial Officer

Ms. Nikitovic is a Chartered Accountant and management consultant with over 25 years of work experience. Ms. Nikitovic worked at PricewaterhouseCoopers LLP from 1984 to 1993 in both the audit and management consulting departments. While consulting, Ms. Nikitovic specialized in re-engineering and cost management. After leaving PricewaterhouseCoopers LLP, Ms. Nikitovic was the Corporate Controller for the T. Eaton Company (1993-2000) and a consultant for The Hudson Bay Company (2002-2004). Ms. Nikitovic has held the position of Chief Financial Officer in a number of private and public mining companies and is currently the Chief Financial Officer for Bolero Resources Corp. (since July 2007), Prosperity Goldfields Corp. (since 2010), and Canada Coal Inc. (since 2010).

Other Directorships

Certain of the directors and officers of GeoNovus are also directors or executive officers of other issuers that are "reporting issuers" as that term is defined in and for the purposes of securities legislation, which positions are summarized as follows:

Name	Name and Jurisidiction of Reporting Issuer	Name of Trading Market	Position	From	To
Michael England	Aintree Resources Corp.	TSXV	Director	12/2010	Present
	Alix Resources Corp.	TSXV	Director, President & CEO	06/2007	Present
	Alston Ventures Inc.	TSXV	Director	11/2007	Present
	Archean Star Resources Inc.	TSXV	Director	03/2011	Present
	Ashburton Ventures Inc.	TSXV	Director, President & CEO	01/2007	Present
	BTU Capital Corp.	TSXV	Director	04/2009	Present
	Caribou Copper Resources Ltd.	TSXV	Director	09/2009	Present
	Discovery Ventures Inc.	TSXV	Director	10/2011	Present
	Kent Exploration Inc.	TSXV	Director	09/2007	Present
Paul Gray	Alston Ventures Inc.	TSXV	Director	07/2009	Present
	Argus Metals Corp.	TSXV	Director	09/2005	Present
	Blue River Resources Corp.	TSXV	Director	01/2010	Present
	Dawson Gold Corp.	TSXV	Director	06/2010	Present
David Lajack	Alix Resources Corp.	TSXV	Director	06/2007	Present
	Andover Ventures Inc.	TSXV	Director	10/2006	Present
	Bravura Ventures Corp.	TSXV	Director	12/2010	Present
	Caribou Copper Resources Ltd.	TSXV	Director	09/2009	Present
	Silver Phoenix Resources Inc.	CNSX	Director	05/2007	Present
John Masters	Alix Resources Corp.	TSXV	Corporate Secretary	08/2007	Present
	Alston Ventures Inc.	TSXV	Corporate Secretary	07/2009	Present
	Ashburton Ventures Inc.	TSXV	Corporate Secretary	01/2009	Present
Marvin Mitchell	Ashburton Ventures Inc	TSXV		11/2008	Present
	Olympic Resources Ltd.	TSXV	Director	10/2010	Present
	Snowfield Development Corp.	TSXV	Director	1998	Present
	Touchdown Resources Inc.	TSXV	Director	10/2009	Present
Olga Nikitovic	Bolero Resources Corp.	TSXV	Officer	7/2007	Present
	Prosperity Goldfields Corp.	TSXV	Officer	10/2010	Present

Cease Trade Orders or Bankruptcies

Corporate Cease Trade Orders

Other than as set out below, as at the date of this Listing Application, no director or executive officer of GeoNovus is, or within the ten years prior to the date of the Listing Application has been, a director, chief executive officer or chief financial officer of any company (including GeoNovus), that while that person was acting in that capacity:

(a) was subject to:

(i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or

(ii) an order similar to a cease trade order, or

(iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “Order”); or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Zone Resources Inc. (formerly "Consolidated Beacon Resources Ltd."), a company of which Mr. England became a director in May 2008, was issued a cease trade order dated May 7, 2008 by the Alberta Securities Commission and a cease trade order dated May 14, 2008 by the British Columbia Securities Commission, for failing to file its audited annual financial statements for the year ended December 31, 2007 within the required period. Zone Resources Inc. received a revocation order with respect to such cease trade orders from the Alberta Securities Commission and the British Columbia Securities Commission on September 9, 2008.

Bankruptcy

To the knowledge of GeoNovus, as at the date of this Listing Application no director, executive officer, or shareholder holding a sufficient number of securities of GeoNovus to affect materially the control of GeoNovus is, or within the ten years prior to the date of the Listing Application has:

(a) been a director or executive officer of any company (including GeoNovus) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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; or

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement

or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

To the knowledge of GeoNovus, as at the date of this Listing Application, no director, executive officer, or shareholder holding a sufficient number of securities of GeoNovus to affect materially the control of GeoNovus has been subject to:

(a) 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

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of GeoNovus will not be devoting all of their time to the affairs of GeoNovus. Certain of the directors and officers of GeoNovus are directors and officers of other companies, some of which are in the same business as GeoNovus.

The directors and officers of GeoNovus are required by law to act in the best interests of GeoNovus. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to GeoNovus may result in a breach of their obligations to the other companies, and in certain circumstances this could expose GeoNovus to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of GeoNovus. Such conflicting legal obligations may expose GeoNovus to liability to others and impair its ability to achieve its business objectives.

Item 17: Executive Compensation

Set out below are particulars of compensation arrangements with the following persons (each a "**Named Executive Officer**" or "**NEO**") to be effective following completion of the Arrangement: (a) GeoNovus' CEO; (b) GeoNovus' CFO; and (c) each of GeoNovus' three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO.

GeoNovus will have three Named Executive Officers: Michael England, President and CEO; and John Masters, Corporate Secretary; and Olga Nikitovic, CFO.

GeoNovus will enter into a consulting agreement (the "**ECL Management Services Agreement**") with England Communications Ltd. ("**ECL**"), with effect after the completion of the Arrangement. Through such agreement, ECL will, among other things, provide the management services of Messrs. England and Masters for a monthly fee of $9,500 and $2,500, respectively.

Under the terms of the ECL Management Services Agreement, ECL will, in addition to the management services provided for by Messrs. England and Masters, provide office and administrative services to GeoNovus for an additional monthly fee of $3,800 per

month. The ECL Management Services Agreement may be terminated by GeoNovus and ECL upon mutual agreement, or by GeoNovus or ECL upon: (a) one year's written notice, or (b) any default of the other party continuing for more than 30 days upon receiving written notice of such default.

GeoNovus will enter into a consulting agreement with Ms. Nikitovic, with effect after the completion of the Arrangement. Through such agreement, Ms. Nikitovic will provide the management services for a monthly fee of $5,000.

Option-Based Awards

The Board does not intend to grant any GeoNovus Options until such time following listing of the GeoNovus Shares on the TSXV that the trading price of the GeoNovus Shares on the TSXV has stabilized, such that a fair market value exercise price for GeoNovus Options can be determined.

Director Compensation

No compensation outside of GeoNovus Option grants are proposed for the directors of GeoNovus, although this may be reviewed by the Board. It is expected that they will be reimbursed for any costs incurred in attending meetings etc.

Item 18: Indebtedness of Directors and Executive Officers

Since its incorporation and as of the date of this Listing Application, no director or officer of GeoNovus, or any associate or affiliate of such person, is or ever has been indebted to GeoNovus with respect to the purchase of securities or otherwise; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by GeoNovus.

Item 19: Audit Committees and Corporate Governance

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to GeoNovus' shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of GeoNovus. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The following is a summary of GeoNovus' approach to corporate governance.

Board of Directors

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of a majority of independent directors. Applying the definition of "independence" under National Instrument 52-110 *Audit Committees*, the Board is comprised of five directors, four of whom are considered to be independent. Messrs. Duncan, Gray, Lajack and Mitchell are considered to be independent. Mr. England, by reason of his office as President and CEO, is not considered to be independent directors.

The Board as a whole has responsibility for developing GeoNovus' approach to: (i) financial reporting and internal controls; (ii) issues relating to compensation of directors,

officers and employees; (iii) corporate governance issues and matters relating to nomination of directors; and (iv) administration of timely and accurate disclosure, confidentiality and insider trading policy, certain of which responsibilities are delegated to the Audit Committee (see “Board Committees” and “Audit Committee” which follow).

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. The Board’s consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on GeoNovus' business in the ordinary course, managing GeoNovus' cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, where deemed necessary by the independent directors, the independent directors hold in-camera sessions exclusive of non-independent directors and members of management, which process facilitates open and candid discussion amongst the independent directors.

Orientation and Continuing Education

As it was only recently incorporated, GeoNovus has not yet developed an official orientation or training program for new directors, and this has not, to date, been necessary as the directors of GeoNovus are also directors of Geo and familiar with the role of a director of a publicly listed mineral resource company.

However, going forward, new directors will be provided the opportunity to become familiar with GeoNovus by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board. Potential candidates will be provided with publicly available materials in order to acquaint themselves with GeoNovus, including recent press releases, financial reports and other relevant materials. Upon being appointed, a new director will be provided with a Board of Directors’ manual containing additional information on GeoNovus and its business and operations.

The Board encourages each of the directors to stay current on developing corporate governance requirements through continuous improvement and education. Directors are routinely provided information and publications on developing regulatory issues.

Ethical Business Conduct

The Board will adopt a written Code of Conduct (the “**Code**”), which will be filed on SEDAR following completion of the Arrangement. All GeoNovus personnel will be encouraged to report violations of the Code in accordance with the procedures set forth in the Code. In addition to responding to any complaints or violations reported directly to Board members, the Board will make periodic inquiries of GeoNovus management as to issues related to compliance with Code requirements. In addition, in the course of the regular business and operation updates provided by GeoNovus management to the Board members, there are opportunities to discuss any Code compliance issues.

As required under the BCBCA:

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or executive officer of GeoNovus must promptly disclose the nature and extent of that conflict; and
- a director who holds a disclosable interest (as that term is used in the BCBCA) in a contract or transaction into which GeoNovus has entered or proposes to enter may not vote on any directors' resolution to approve the contract or transaction, other than as permitted by the BCBCA.

Generally, as a matter of practice, directors or senior officers who have disclosed a material interest in any transaction or agreement that the Board is considering will not take part in any Board discussion respecting that contract or transaction, unless permitted by the BCBCA and GeoNovus' articles. If on occasion such directors do participate in the discussions, they will abstain from voting on any matters relating to matters in which they have disclosed a material interest.

Nomination of Directors

The Board will consider its size each year when it considers the number of directors to recommend to its shareholders for election at annual general meetings, taking into account the number of directors required to carry out the Board's duties effectively, and to maintain a majority of independent directors, and to maintain diversity of view and experience. The Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole.

Compensation

The Board is responsible for determining all forms of compensation to be awarded to the CEO and CFO of GeoNovus, as well as to its directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of GeoNovus, to ensure such arrangements reflect the responsibilities and risks associated with each position. See Item 17 - *Executive Compensation*.

Board Committees

The Board has appointed the Audit Committee. A description of the authority, responsibilities, duties and function of the Audit Committee can be found under the heading "Audit Committee" below.

Assessments

The Board proposes to assess, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board.

Audit Committee

Audit Committee Members

The Audit Committee will be comprised of Messrs. England, Gray and Mitchell. Each member of the Audit Committee is considered to be "financially literate" within the meaning of section 1.6 of NI 52-110. Messrs. Gray and Mitchell are considered to be "independent" within the meaning of sections 1.4 and 1.5 of NI 52-110; Mr. England is not independent by reason of his office as President and CEO.

Each member has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to

the breadth and complexity of the issues that can reasonably be expected to be raised by GeoNovus' consolidated financial statements.

Relevant Education and Experience

All of the Audit Committee members are experienced businessmen with experience in financial matters; each has a broad understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. In addition, each of the members of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. For a biography of each of the members of the Audit Committee, see Item 16 - *Directors and Executive Officers*.

The Audit Committee will establish policies and procedures that are intended to control the services that will be provided by GeoNovus' auditors and to monitor their continuing independence. Under these policies, no services may be undertaken by the auditors unless the engagement is specifically approved by the Audit Committee or the services are included within a category which has been pre-approved by the Audit Committee. The maximum charge for services will be established by the Audit Committee when the specific engagement is approved or the category of services preapproved. Management will be required to notify the Audit Committee of the nature and value of pre-approved services undertaken.

The Audit Committee will not approve engagements relating to, or pre-approve categories of, non-audit services to be provided by the auditors: (i) if such services are of a type the performance of which would cause the auditors to cease to be independent within the meaning of applicable securities law; and (ii) without consideration, among other things, of whether the auditors are best situated to provide the required services and whether the required services are consistent with their role as auditor.

Item 21: Agent, Sponsor or Advisor

No agent, sponsor or advisor has been retained by GeoNovus in connection with this Listing Application or with respect to the Offering.

Item 21: Risk Factors

GeoNovus Shares may not be qualified investments under the Tax Act for a Registered Plan

If the GeoNovus Shares are not listed on a designated stock exchange in Canada before the due date for GeoNovus' first income tax return or if GeoNovus does not otherwise satisfy the conditions in the Tax Act to be a "public corporation", the GeoNovus Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a GeoNovus Share in circumstances where the GeoNovus Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case

of a registered education savings plan, such plan may have its tax exempt status revoked.

Permits and Licenses

The operations of GeoNovus will require licenses and permits from various governmental and nongovernmental authorities. GeoNovus has obtained, or intends to obtain, all necessary licenses and permits required to carry on with activities that it is currently conducting or which it proposes to conduct under applicable laws. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that GeoNovus will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its proposed projects.

Other Regulatory Requirements

The operations of GeoNovus are subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. GeoNovus believes it is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that all permits which GeoNovus may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that GeoNovus 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 the 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 GeoNovus 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.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both GeoNovus' ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The

possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Nature of Mineral Exploration and Mining

Development of a property will occur only if satisfactory exploration results are obtained. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is, therefore, no assurance that GeoNovus' mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The long-term profitability of GeoNovus' operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors out of GeoNovus' control.

Substantial expenditures are required to establish reserves through drilling and, if warranted, 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 at all, or that the funds required for development can be obtained on a timely basis. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome.

Exploration and Development Risks

Mineral exploration and mining involve considerable financial and technical risk. Substantial expenditures are usually required to establish ore reserves, to evaluate metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to assure that the current exploration programs planned by GeoNovus will result in profitable commercial mining operations, as few properties that are explored are ultimately developed into producing mines. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or land slides, floods, environmental pollution, power outages or fuel shortages, labour disruptions, fires, explosions, personal injuries and the inability to obtain suitable or adequate machinery, equipment or labour are risks associated with the conduct of exploration programs and the operation of mines.

Mineral Deposits and Production Costs; Metal Prices

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sale price of products. The value of GeoNovus' mineral properties is heavily influenced by metal prices. Metal prices can and do change by substantial amounts over short periods of time, and are affected by numerous factors beyond the control of GeoNovus, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. There can be no assurance that the prices of mineral products will be sufficient to ensure that GeoNovus' properties can be mined profitably. Depending on the price received for minerals produced, GeoNovus may determine that it is impractical to commence or continue commercial production.

The grade of any ore ultimately mined from a mineral deposit may differ from that predicted from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that any gold or other minerals recovered in small-scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Additional Financing

GeoNovus will require additional financing to continue its operations. There can be no assurance that such financing will be available on favourable terms or at all. Failure to obtain such additional financing could result in delay or indefinite postponement of GeoNovus' exploration and development programs, resulting in the possible dilution or loss of mineral property interests. Any such financing will dilute the ownership interest of GeoNovus' shareholders at the time of the financing, and may dilute the value of their shareholdings.

Reserve and Resource Estimate Risk

Market fluctuations in the price of mineral commodities or increases in the costs to recover minerals may render the mining of ore reserves uneconomical, causing GeoNovus to take a write-down of one or more of its assets or the discontinuation of exploration activities. Prolonged declines in the market price of gold or base metals may render reserves containing relatively lower grades of gold or base metal mineralization uneconomic to exploit and could reduce materially any reserves and resources. There are numerous uncertainties inherent in estimating quantities of mineral reserves and resources. The estimates are based on various assumptions relating to metal prices and exchange rates during the expected life of production, mineralization of the area to be mined, the projected cost of mining, and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these assumptions, including changes that result from variances between projected and actual results, could result in material downward or upward revision of current estimates.

Limited Business History

GeoNovus has a short history of operations and has no history of earnings. The likelihood of success of GeoNovus must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. GeoNovus has limited financial resources and there is no assurance that funding over and above what is received under the Offering will be available to it when needed. There is also no assurance that GeoNovus can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Environmental Controls

GeoNovus is required to comply with numerous environmental laws and regulations imposed by federal, provincial or state authorities. At the federal level, legislation imposes effluent and waste standards, performance standards, air quality and emissions standards and other design or operational requirements for various components of mining and mineral processing, including exploration, gold ore mining and processing. Obtaining such permits and authorizations may take more time than anticipated and may require expenditures for compliance exceeding initial estimates. Many countries, including Canada where the majority of GeoNovus' properties are or will be located, have adopted regulations that establish design, operation, monitoring, and closing requirements for exploration and mining operations. Under these regulations, companies are required to provide a reclamation plan and financial assurance to ensure that the reclamation plan is implemented upon completion of exploration and mining operations.

Additionally, the Province of British Columbia requires exploration and mining operations to obtain and comply with environmental permits, including permits regarding air emissions and the protection of surface water and groundwater.

GeoNovus' compliance with federal, provincial and state environmental laws may necessitate significant capital outlays or delays, may materially and adversely affect the economics of a given property, or may cause material changes or delays in GeoNovus' intended exploration and development activities. Further, new or different environmental standards imposed by governmental authorities in the future could adversely affect GeoNovus' business activities.

To the extent GeoNovus conducts exploration activities or undertakes mining activities in other countries, it is, or will be, subject to environmental laws and regulations in those jurisdictions. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations, particularly in foreign jurisdictions, may require significant capital outlays on GeoNovus' behalf and may cause material changes or delays in its intended activities. Future changes in these laws or regulations could have a significant adverse impact on some portion of GeoNovus' business, causing GeoNovus to have to re-evaluate those activities at that time.

Unknown Environmental Risks for Past Activities

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently

own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at GeoNovus' mineral interests do not exist.

Competition

The mineral exploration and mining business is competitive in all of its phases. GeoNovus competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than GeoNovus, in the search for and the acquisition of attractive mineral properties. The ability of GeoNovus to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that GeoNovus will continue to be able to compete successfully with its competition in acquiring such properties or prospects.

No Assurance of Title to Property

There may be challenges to title to the mineral properties in which GeoNovus holds a material interest. If there are title defects with respect to any properties, GeoNovus might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management’s time from ongoing exploration and development programs.

Aboriginal Rights

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. GeoNovus is not aware of any aboriginal land claims having been asserted or any legal actions relating to aboriginal issues having been instituted with respect of the mineral claims forming its assets.

Dependence on Key Individuals

GeoNovus is dependent on a relatively small number of key personnel, particularly Michael England, its President and CEO; John Masters, its Corporate Secretary and Olga Nikitovic, its CFO; the loss of any one of whom could have an adverse effect on GeoNovus. GeoNovus does not maintain keyperson insurance on the lives of any of its key personnel. In addition, while certain of GeoNovus' officers and directors have experience in the exploration of mineral producing properties, GeoNovus will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of GeoNovus or be available upon commercially acceptable terms.

Conflicts of Interest

Some of the directors and officers of GeoNovus are directors and officers of other companies, some of which are in the same business as GeoNovus. Some of GeoNovus' directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct

competition with GeoNovus. GeoNovus' directors and officers are required by law to act in the best interests of GeoNovus.

They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to GeoNovus may result in a breach of their obligations to the other companies and, in certain circumstances, this could expose GeoNovus to liability to those companies.

Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of GeoNovus. Such conflicting legal obligations may expose GeoNovus to liability to others and impair its ability to achieve its business objectives.

Insurance

GeoNovus plans to have comprehensive general liability insurance to adequately protect itself against certain risks commonly associated with mineral exploration. Even with insurance, GeoNovus will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons.

Influence of Third Party Stakeholders

The lands in which GeoNovus holds an interest, or the exploration equipment and roads or other means of access which GeoNovus intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, GeoNovus' work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for GeoNovus.

Fluctuation in Market Value of GeoNovus Shares

Assuming the GeoNovus Shares are listed on the TSXV, the market price of the GeoNovus Shares, as a publicly traded stock, can be affected by many variables not directly related to the corporate performance of GeoNovus, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The effect of these and other factors on the market price of GeoNovus Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of GeoNovus Shares.

Substantial Number of Authorized but Unissued GeoNovus Shares

GeoNovus has an unlimited number of common shares which may be issued by the Board without further action or approval of GeoNovus' shareholders. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, GeoNovus Shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of GeoNovus' shareholders.

Item 22: Promoters

Geo took the initiative of founding and organizing GeoNovus and its business and operations and, as such, may be considered to be the promoter of GeoNovus for the purposes of applicable securities legislation.

Item 23: Legal Proceedings and Regulatory Actions

There are no legal proceedings or regulatory actions outstanding, threatened or pending, as of the date of this Listing Application, by or against GeoNovus or which GeoNovus is a party or to which the Scotia Property or any other of the GeoNovus' assets is subject, nor to GeoNovus' knowledge are any such legal proceedings contemplated, which could become material.

Item 24: Interests of Management and Others in Material Transactions

Other than the Arrangement, which is described in the Information Circular, none of the directors, senior officers nor principal shareholders of GeoNovus, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transactions in which GeoNovus has participated within the three year period prior to the date of this Listing Application.

Item 25: Investor Relations Arrangements

GeoNovus has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for GeoNovus.

Item 26: Auditors, Transfer Agents and Registrars

The auditor of GeoNovus is McGovern, Hurley, Cunningham, LLP, Chartered Accountants, with offices at Suite 300, 2005 Sheppard Avenue East, Toronto, Ontario M2J 5B4.

The registrar and transfer agent of GeoNovus and for the GeoNovus Shares is Computershare Investor Services Inc. with offices at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3A8.

Item 27: Material Contracts

The only contract that will be considered, pursuant to applicable securities legislation, to be material to GeoNovus upon completion of the Arrangement is the Business Combination Agreement.

A copy of the Business Combination Agreement is available under Geo's profile on SEDAR.

Item 28: Experts

McGovern, Hurley, Cunningham, LLP, the auditors for GeoNovus, has confirmed that they are independent with respect to GeoNovus within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Certain legal matters relating to the Arrangement and GeoNovus will be passed upon by Richards Buell Sutton LLP and Farris, Vaughn, Wills & Murphy LLP.

None of the aforementioned persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned companies and partnerships, has received

or will receive as a result of the Arrangement a direct or indirect interest in a property of GeoNovus or any associate or affiliate of GeoNovus, nor is currently expected to be elected, appointed or employed as a director, officer or employee of GeoNovus or any associate or affiliate of GeoNovus.

Item 29: Other Material Facts

To the best of GeoNovus' knowledge, there are no other material facts in respect of GeoNovus which are not disclosed elsewhere in this Listing Application.

Item 30: Additional Information – Mining or Oil and Gas Applicants

Please see the Technical Report, which is incorporated by reference into this Listing Application and available for viewing under GeoNovus' profile on SEDAR.

Item 31: Exemptions

No exemption from a securities regulator or securities regulatory authority has been received by GeoNovus.

Item 32: Financial Statement Disclosure for Issuers

The following financial statements are incorporated by reference into this Listing Application and are available for viewing under GeoNovus' profile on SEDAR:

(a) audited carve-out consolidated financial statements of Geo for the years ended August 31, 2011, 2010 and 2009; and

(b) audited financial statements of GeoNovus for the period from its incorporation (on October 11, 2011) to October 31, 2011.

GeoNovus' unaudited pro forma consolidated financial statements as at August 31, 2011 for the year ended August 31, 2011 are attached to this Listing Application.

Item 33: Significant Acquisitions

GeoNovus has completed no significant acquisitions requiring disclosure under this Item.

Item 34: Certificates

34.1 Certificate of Applicant

Follows on next page.

34.2 Certificate of Sponsor

Not applicable.

CERTIFICATE OF GEONOVUS MINERALS CORP.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Listing Application and of any material fact not otherwise required to be disclosed under an item of this Listing Application.

Dated December 22, 2011

"Michael England"	*"Olga Nikitovic"*
Michael England	Olga Nikitovic
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Paul Gray"	*"David Lajack"*
Paul Gray	David Lajack
Director	Director

34.3: Acknowledgement – Personal Information

"Personal Information" means any information about an identifiable individual.

The Applicant hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this Application for the purposes described in Appendix "A" to this Application.

Dated December 22, 2011

GEONOVUS MINERALS CORP.

"Michael England"

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Michael England
President, CEO and director

APPENDIX "A"
FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the "Exchange") collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals' involvement with any other reporting issuers
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

(a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;

(b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and

(c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.

GeoNovus Minerals Corp.

Unaudited Pro Forma Consolidated Financial Statements

(Expressed in Canadian Dollars)

August 31, 2011

GeoNovus Minerals Corp.
Pro Forma Consolidated Balance Sheet
As at August 31, 2011
Expressed in Canadian Dollars
(Unaudited)

	GeoNovus Minerals Corp.	GeoNovus Minerals Business	Note 2	Pro-Forma Adjustments	Pro-Forma consolidated GeoNovus Minerals Corp.
ASSETS					
Current Assets					
Cash	1	-	b	(1)	920,000
			e	250,000	
			f	750,000	
			f	(80,000)	
	1	-			920,000
Investments	-	18,000			18,000
Exploration and evaluation expenditures	-	2,290,807			2,290,807
Reclamation bonds	-	61,836			61,836
	1	2,370,643			3,290,643
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	-	17,702	a	(17,702)	-
	-	17,702			
SHAREHOLDERS' EQUITY					
Share capital	1	-	a	4,089,900	4,911,621
			b	(1)	
			e	250,000	
			f	639,990	
			f	(68,269)	
Contributed surplus	-	4,072,198	a	(4,072,198)	111,093
			g	111,093	
Warrants	-	-	f	98,279	98,279
Accumulated other comprehensive loss	-	(19,000)			(19,000)
Deficit	-	(1,700,257)	g	(111,093)	(1,811,350)
	1	2,352,580			(1,830,350)
		2,370,282			3,290,643

GeoNovus Minerals Corp.
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
For the year ended August 31, 2011
Expressed in Canadian Dollars
(Unaudited)

	GeoNovus Minerals Corp.	GeoNovus Minerals Business	Note	Pro-Forma Adjustments	Pro-Forma consolidated GeoNovus Minerals Corp.
EXPENSES					
General and administrative expenses	-	337,075		-	337,075
Net Loss	-	337,075		-	337,075
Unrealized loss on available-for-sale investments	-	19,000		-	19,000
Comprehensive Loss	-	356,075		-	356,075
Pro forma net loss per share					0.02
Pro forma shares outstanding					15,422,566

GeoNovus Minerals Corp.
Notes to Pro Forma Consolidated Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

1. PLAN OF ARRANGEMENT AND BASIS OF PRESENTATION

The accompanying pro forma consolidated financial statements have been compiled for purposes of inclusion in an Information Circular of Geo Minerals Ltd. ("Geo") which gives effect to a Plan of Arrangement whereby New Gold Inc. (“New Gold”) will acquire all the issued and outstanding shares of Geo and a new exploration company, GeoNovus Minerals Corp. ("GeoNovus") is formed. Upon completion of the Plan of Arrangement, New Gold will retain Geo's interest in the West Blackwater properties and cash and the remainder of Geo's portfolio of exploration properties will be transferred to GeoNovus.

Under the terms of the Plan of Arrangement, each Geo share, including shares issued under the Plan of Arrangement on the acquisition by New Gold of the outstanding Geo options and warrants for their in-the-money value will be exchanged for $0.16. In addition, Geo shareholders will also receive a 87% interest in GeoNovus on a one for every 15 Geo shares held, or in the money equivalent shares held basis, with New Gold paying $250,000 to subscribe for a 13% interest in GeoNovus.

Concurrent with the completion of the Plan of Arrangement, GeoNovus will offer a minimum of 5,000,000 and a maximum of 5,500,000 units at a price of $0.15 per unit, for minimum proceeds of $750,000 and maximum proceeds of $825,000. Each unit will be comprised of one GeoNovus share and one-half of a warrant, each whole warrant entitling the holder thereof to purchase an additional GeoNovus share for $0.20 per share, for a period of 24 months from issuance.

The unaudited pro forma consolidated financial statements have been derived from the audited financial statements of GeoNovus as at and for the period ended October 31, 2011 prepared in accordance with International Financial Reporting Standards (“IFRS”), and the audited carve-out consolidated financial statements of GeoNovus Minerals Business as at August 31, 2011, prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”), and the adjustments and assumptions contained in Note 2.

In the opinion of management, there are no material differences between IFRS and Canadian GAAP with respect to the GeoNovus financial statements.

These unaudited pro forma consolidated financial statements have been prepared in accordance with Canadian GAAP and should be read in conjunction with the audited financial statements of GeoNovus as at and for the period ended October 31, 2011 and the audited carve-out consolidated financial statements of GeoNovus Minerals Business included elsewhere in the Information Circular.

1. PLAN OF ARRANGEMENT AND BASIS OF PRESENTATION (Continued)

These unaudited pro forma consolidated financial statements are presented on a continuity-of-interest basis and are for illustrative purposes only. They are not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon consummation of the transaction contemplated by the Plan of Arrangement will differ from those recorded in the unaudited pro forma consolidated financial statement information.

Management of GeoNovus believes that the assumptions used provide a reasonable basis for presenting all of the significant effects of the transaction and that the pro forma adjustments give appropriate effect to those assumptions and are appropriately applied in the unaudited pro forma consolidated balance sheet and statement of loss and comprehensive loss.

2. PRO FORMA ASSUMPTIONS

The unaudited pro forma consolidated financial statements give effect to the accounting continuation of Geo as GeoNovus as described in the Information Circular, as if it had occurred as of August 31, 2011 for purposes of the pro forma consolidated balance sheet and September 1, 2010 for purposes of the consolidated statements of loss and comprehensive loss and is based on the following assumptions:

a) The assets and liabilities of Geo, except for cash and the West Blackwater property and its related assets and liabilities, will be spun out from Geo in a capital transaction to GeoNovus. Liabilities as at August 31, 2011 are paid prior to the transfer to GeoNovus.

b) The initial shares issued to Geo are cancelled.

c) The number of Geo shares issued and outstanding at the effective date of the Plan of Arrangement will be 132,999,866. The number of unexercised in-the -money options at the effective date will be 1,925,000. The number of unexercised in-the-money warrants at the effective date will be 6,117,366. These in-the-money convertible securities will be converted to 3,015,887 outstanding shares under the terms of the Plan of Arrangement.

d) GeoNovus will issue 9,067,633 shares to Geo for the transfer of net assets on the basis that a sufficient number of shares must be issued to provide each Geo shareholder with one GeoNovus share for every 15 shares of Geo held.

2. PRO FORMA ASSUMPTIONS (Continued)

e) New Gold subscribes for 1,354,933 shares of GeoNovus for $250,000 which represents 13% of the outstanding shares of GeoNovus.

f) GeoNovus completes its minimum non-brokered financing in which it issues 5,000,000 units for gross proceeds of $750,000. Each unit consists of one common share and one half of one share purchase warrant. Each full warrant is exercisable at $0.20 for a period of two years. The fair value assigned to the warrants using the Black Scholes methodology is $110,010, utilizing an interest rate of 1.08%, a term of two years, volatility of 86.07% and no dividends. It is estimated that the costs incurred related to the offering will be $80,000 of which $11,731 is allocated to warrants.

g) Geo will make a capital contribution of $111,093 which is used to satisfy the withholding tax and remittance obligations under the U.S. Foreign Investment in Real Property Tax Act related to the transfer of US assets from Geo to GeoNovus.

3. SHARE CAPITAL

Authorized: unlimited number of common shares

	Number of Shares	**$**
Initial shares issued to Geo on incorporation	10	1
Initial shares cancelled	(10)	(1)
Shares issued under Plan of Arrangement	9,067,633	4,089,900
Shares issued to New Gold private placement	1,354,933	250,000
Shares issued pursuant to non brokered private placement	5,000,000	639,990
Share issue costs	-	(68,269)
	15,422,566	4,911,621