



NI 43-101 TECHNICAL REPORT and MINERAL RESOURCE ESTIMATE

For the

**LA ESCANDALOSA PROJECT,
PROVINCE OF SAN JUAN,
DOMINICAN REPUBLIC**

For

GOLDQUEST MINING CORP.

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2 SUMMARY

2.1 Introduction

This report was prepared by Dr. Stewart D. Redwood, FIMMM, at the request of GoldQuest Mining Corp. (GoldQuest), Vancouver. The terms of reference were to produce a Technical Report as defined in Canadian Securities Administrators' National Instrument 43-101, and in compliance with Form 43-101F1 (Technical Report) and Companion Policy 43-101CP for the La Escandalosa Project in the Province of San Juan, Dominican Republic. The effective date of the report is 9 November 2010.

2.2 Property Description and Location

The La Escandalosa project is located in the Province of San Juan, Dominican Republic on the island of Hispaniola in the Greater Antilles of the Caribbean Sea, and is 165 km west northwest of Santo Domingo, the capital of the Republic at geographical coordinates 19° 07' 00" north, 71° 17' 30" west.

GoldQuest owns a 100% interest in the La Escandalosa project through its wholly owned Dominican subsidiary, INEX Ingenieria y Exploracion, S.R.L. (INEX), via GoldQuest Mining (BVI) Corp., a British Virgin Islands company. The La Escandalosa exploration concession has an area of 3,997.0 hectares (ha). It was granted to GoldQuest on 9 November 2010. It was applied for on 14 May 2010 to replace a previous exploration concession called Las Tres Palmas which was granted on 30 May 2005 and expired on 30 May 2010, shortly after the Phase 3 drill program was completed.

Concession taxes are RD\$0.20 (twenty Dominican centavos equal to about US\$0.0055 or 0.55 US cents at the current exchange rate of RD\$36.50 to US\$1.00) per hectare per six-month period, equivalent to US\$21.90 per year for La Escandalosa. An Exploitation Concession may be requested at any time during the exploration stage and is granted for 75 years.

Exploitation Properties are subject to annual surface fees and a net smelter return (NSR) royalty of 5%. A 5% net profits interest (NPI) is also payable to the municipality in which mining occurs as an environmental consideration. The 5% NSR is deductible from income tax and is assessed on concentrates but not smelted or refined products. Income tax payable is a minimum of 1.5% of gross annual proceeds. Value added tax is 12%. The La Escandalosa concession is also subject to a 1.25% net smelter return royalty in favor of Gold Fields Limited (Gold Fields).

GoldQuest discovered gold mineralization at La Escandalosa in late 2003 as the result of a regional stream sediment exploration program carried out in a joint venture with Gold Fields.

The joint venture with Gold Fields was terminated in November 2009 and GoldQuest regained 100% ownership of the property, subject to a 1.25% NSR in favor of Gold Fields.

There are historical records of gold mining in the area about 500 years ago, but no record of any significant exploration until the GoldQuest work.

2.3 Geology & Mineralization

La Escandalosa is located on the south side of Central Cordillera of Hispaniola and is hosted by Cretaceous age Tiro Formation volcanic rocks and limestones, which formed in an island arc environment. The deposit geology is a relatively flat lying sequence of intercalated subaqueous intermediate to felsic volcanic and volcanoclastic rocks and limestones on the east side of thick rhyolite flows or domes. Mineralization is stratiform and flat lying and is hosted by a dacite breccia tuff. Mineralization outcrops in a number of places where eroded by rivers and streams, and continuity under barren cap rock has been demonstrated by drilling. Hydrothermal alteration and gold mineralization can be traced for about 2,200 meters from Hondo Valle south to Escandalosa Sur. The thickness of the altered dacite tuff breccia horizon is up to 64.4 m thick at Escandalosa Sur (at a 0.1 g/t Au cutoff) and up to more than 180 m thick (open) at Hondo Valle. The mineralized horizon is capped by limestone or dacite to andesite lavas, and underlain by rhyolite or limestone. The only intrusive rock identified is a single andesite dike.

Mineralization is intermediate sulfidation epithermal in style. Mineralization is associated with quartz-pyrite, quartz-illite-pyrite and illite-chlorite-pyrite alteration. Alteration is strongest in the upper part of the mineralized zone and decreases in intensity downwards. Gold mineralization is associated with disseminated to semi-massive sulfides, sulfide veinlets and quartz-sulfides. The sulfides comprise pyrite with sphalerite, chalcopyrite, galena and possible tennantite-tetrahedrite. Oxidation is shallow to a depth of 10 to 15 m.

2.4 Drilling & Sampling

The main exploration techniques used at La Escandalosa has been soil geochemistry grids, as well as channel and rock chip sampling of outcrop. Diamond drilling has been used to target mineralization beneath barren cap rock away from outcropping zones. Three programs of diamond drilling have been carried out at La Escandalosa between 2006 and 2010 by GoldQuest for a total of 5,404.68 m in 42 holes, with an average hole length of 129 m.

Core was cut lengthwise and one half sampled for analysis for Au and multielements at international, ISO-certified laboratories. Logging, sampling, chain of custody, quality assurance and quality control (QA/QC), sample preparation and analysis were carried out in accordance with best current standard industry practices and are suitable to support resource estimates. The QA/QC data for certified standard reference materials, blanks and core duplicates are within acceptable limits for gold. The author verified all data with the laboratory certificates.

2.5 Mineral Processing & Metallurgical Testing

Preliminary bottle roll tests of coarse rejects from drill core gave recoveries of 48.8% to 93.4% gold for sulfide samples, with an outlier of 11.0 %, and an average of 66.8% (71.9 % without the outlier). Two oxide samples gave recoveries of 93.8% and 97.2% gold, with an average of 95.5%. Based on the results, most of the sulfide samples do not exhibit refractory behavior and indicate that the gold could be mainly free.

2.6 Mineral Resource & Mineral Reserve Estimates

Sufficient drilling has been carried out from surface at the Escandalosa Sur zone to define the geology and geometry of the deposit, and to estimate an inferred mineral resource in accordance with CIM standards and definitions as required by NI 43-101.

The number of holes drilled at Escandalosa Sur is 25 drill holes with a total length of 3,291.09 m. The deposit was modeled as a flat-lying body and the tonnage was estimated using a polygonal model. The polygons were centered on drill holes and the edges were determined by the midpoint to adjacent holes, or by a 50 m limit on the edges. On the west edge the polygon limits were extended to the outcrop of the mineralized zone in the canyon side. The vertical thickness of each intersection was used and is assumed to be the true thickness. The average thickness of the mineralized horizon at a 0.3 g/t Au cutoff is 13.3 m, with a minimum of 4.0 m and a maximum of 29.0 m. A density of 2.6 was used to calculate tonnages.

Lognormal plots were made of the data to investigate the grade distribution for gold, copper, silver and zinc, and grade capping was conducted in order to avoid influencing the resource estimate as a result of the inclusion of high assay values. Gold and silver were cut at 15.0 g/t and 30 g/t respectively. Copper grades were cut to 0.6%, and zinc to 1.20%.

Each polygon was assigned a length weighted average grade which was calculated for each drill hole after grade capping.

The Escandalosa Sur mineral resources are assigned to the inferred category. There are no measured and indicated mineral resources.

The CIM definitions of a Mineral Resource require that “there are reasonable prospects for economic extraction.” The author considers that a 0.3 g/t gold cut-off grade at current metals prices using open pit bulk tonnage methods is appropriate for a preliminary mineral resource estimate at Escandalosa Sur.

The inferred mineral resource for gold, copper, zinc and silver at Escandalosa Sur as of 9 November 2010 is summarized in Table 2.1.

Inferred Mineral Resource, 9 November 2010									
Cutoff grade Au (g/t)	Tonnes	Au (g/t)	Au (ounces)	Cu (%)	Cu (tonnes)	Zn (%)	Zn (tonnes)	Ag (g/t)	Ag (ounces)
0.3	4,862,835	2.596	405,924	0.156	7,583	0.209	10,179	2.34	366,456

Table 2.1. Inferred mineral resources for Escandalosa Sur.

The mineralization is sulfide. The depth of oxidation is shallow. Partial oxidation may affect the upper part of two intervals. Four holes ended in mineralization.

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources do not appear to be materially affected by any technical, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There are currently no mineral reserves reported for the La Escandalosa project.

2.7 Interpretation & Conclusions

The La Escandalosa property contains stratiform gold mineralization with copper, silver and zinc of intermediate sulfidation epithermal style. Alteration and mineralization has been traced for 2,200 m from Hondo Valle to La Hilguera.

Sufficient drilling has been carried out from surface at the Escandalosa Sur zone to define the geology and geometry of the deposit, and to estimate an inferred mineral resource in accordance with CIM standards and definitions as required by NI 43-101. The mineral resource at Escandalosa Sur has a strike length of about 600 m. The geometry of the deposit at Escandalosa Sur is suitable for an open pit mine operation, and possibly underground where the cover is thicker to the east. There is potential to add resources along strike both to the north and south of Escandalosa Sur where surface sampling and drilling has indicated the presence of mineralization. Additional drilling will be required to determine the continuity of mineralization along strike.

The source of the mineralizing fluids remains unknown and there is exploration potential for the discovery of mineralization in structural feeder zones or possibly related to a porphyry copper-gold system.

2.8 Recommendations

The following work is recommended:

1. Metallurgical test work on the Escandalosa Sur resource;
2. Drilling along strike from Escandalosa Sur to determine continuity of mineralization and define additional resources:
 - a. 50 holes of 200 m average depth for 10,000 m.
3. Helicopter-borne geophysical survey (magnetic, and possibly electro-magnetic) over a wider area than the known mineralization to carry out exploration for extensions to the mineralization and for possible feeder structures or porphyry system;
4. Environmental baseline study;

The estimated costs are listed in Table 2.2.

Item	US\$ (000)
Metallurgy	100
Drilling 10,000 m at \$150	1,500
Geophysics	100
Environmental baseline	100
Geology	100
G & A	100
Total	2,000

Table 2.2. Estimated cost of recommended exploration program at La Escandalosa.

3 INTRODUCTION AND TERMS OF REFERENCE

3.1 Purpose of Report

Dr. Stewart D. Redwood, Consulting Geologist, prepared this independent Qualified Person's Technical Report of the La Escandalosa Project in the Province of San Juan, Dominican Republic, for GoldQuest Mining Corp., a Canadian company. The report is based on information known to the author as of 9 November 2010, which is the effective date of the report.

3.2 Sources of Information

The author has visited the project on several occasions to review the exploration, the drilling programs, review QA/QC, log the drill core and carry out geological mapping. The most recent visit was on 11 to 12 June 2010. The results of these visits were described in several reports for the company (Redwood, 2006a, 2006b, 2006c). Additional information and data for this report were obtained from GoldQuest geologists and management.

3.3 Terms of Reference

The terms of reference were to prepare a Technical Report as defined in Canadian Securities Administrators' National Instrument 43-101, Standards of Disclosure for Mineral Projects, and in compliance with Form 43-101F1 (Technical Report) and Companion Policy 43-101CP.

A list of the abbreviations used in the report is provided in Table 3.1. All currency units are stated in US dollars, unless otherwise specified. Quantities are generally expressed in the metric International System (SI) of units, including metric tonnes (t), kilograms (kg) and grams (g) for weight; kilometers (km) and meters (m) for distance; hectares (ha) for area; grams per metric tonne (g/t) for gold and silver grades, and percent (%) for copper and zinc grades. Metal grades may also be reported in parts per billion (ppb) or parts per million (ppm). Precious metal quantities may also be reported in Troy ounces (ounces, oz).

Description	Abbreviation
Acme Analytical Laboratories Ltd	Acme
Adobe Acrobat file	PDF
Anno Domini – years after Christ	AD
ALS Chemex Ltd	ALS Chemex
Alternative Investment Market, London Stock Exchange	AIM
Atomic absorption spectrometry	AAS

Years before Christ	BC
British Virgin Islands	BVI
Canadian Institute of Mining, Metallurgy and Petroleum	CIM
Canadian National Instrument 43-101	NI 43-101
Centimeter(s)	cm
Certified standard reference materials	CSRM
Continental USA datum	Conus
Cubic meters per second	m ³ /s
Degree(s)	°
Degrees Celsius	°C
Departure point (punto de partida)	PP
Dirección General de Minería (General Mining Directorate)	DGM
Dollar (US)	US\$
Dominican peso	RD\$
Dominican Republic	DR
Electromagnetic	EM
Epithermal low sulfidation	LS
Epithermal intermediate sulfidation	IS
Epithermal high sulfidation	HS
Exploration & Discovery Latin America (Panama) Inc.	EDLA
Global positioning system	GPS
Gold Fields Limited	Gold Fields
GoldQuest Mining Corp.	GoldQuest
Gram(s)	g
Grams per metric tonne	g/t
Greater than	>
Less than	<
Hectare(s)	ha
Hours	h
Inductively coupled plasma	ICP
Inductively coupled plasma atomic emission spectrometer	ICP-AES or ICP-ES
Inductively coupled plasma mass spectroscopy	ICP-MS
INEX Ingenieria y Exploracion, S.R.L.	INEX
Instituto Cartográfico Militar (Military Cartografic Institute)	ICM
International Organization for Standardization	ISO
Kilogram(s)	kg
Kilometer(s)	km
Letter of Intent	LOI
Megawatts	MW
Meter(s)	m
Millimeters	mm

Microns	µm
Million metric tonnes	Mt
Millions of ounces (Troy)	Moz
Million years	Ma
MinMet plc	MinMet
Minutes	‘
Net Profits Interest	NPI
Net Smelter Return	NSR
North American Datum 1927	NAD 27
Number	n
Ounces (Troy)	oz
Parts per billion	ppb
Parts per million	ppm
Percent(age)	%
Plus or minus	±
Quality Assurance / Quality Control	QA/QC
Quality Control	QC
Reference point (punto de referencia)	PR
Rock quality designation	RQD
Seconds	“
Sociedad Anonima (Public Limited Company)	SA
Sociedad de Responsabilidad Limitada (Limited Liability Company)	SRL
Specific gravity	SG
Standard deviation	SD
Tonne (metric)	t
Tonnes per day	tpd
Toronto Stock Exchange	TSX
TSX Venture Exchange	TSXV
Universal Transverse Mercator	UTM
Visual points	V
X-ray fluorescence	XRF

Table 3.1. List of abbreviations

4 RELIANCE ON OTHER EXPERTS

The author has relied on information supplied by GoldQuest for the property description and environmental permitting and has not carried out independent verification of these. The author has also received technical information from GoldQuest's geologists and management and has done his best to verify the reliability of this information.

5 PROPERTY DESCRIPTION AND LOCATION

5.1.1 Property Location

The La Escandalosa project is located in the Province of San Juan, Dominican Republic, on the island of Hispaniola in the Greater Antilles of the Caribbean Sea. La Escandalosa is 165 km west northwest of Santo Domingo, the capital of the Republic, and 35 km north of San Juan de la Maguana, the capital of the Province (Figure 5.1). The geographical coordinates of GoldQuest's Hondo Valle Camp in the La Escandalosa project are 19° 07' 00" north, 71° 17' 30" west, and the Universal Transverse Mercator (UTM) coordinates are 258,730 east, 2,115,543 north (North American Datum 1927 (NAD 27) Conus (Continental USA), Zone 19Q).



Figure 5.1 Location map of La Escandalosa project, Dominican Republic.

5.2 Property Description

5.2.1 Property Status

GoldQuest owns a 100% interest in the La Escandalosa project through its wholly owned Dominican subsidiary, INEX Ingenieria y Exploracion, S.R.L.. INEX is owned by GoldQuest Mining (BVI) Corp., a British Virgin Islands company, which is wholly owned by GoldQuest. The La Escandalosa exploration concession has an area of 3,997.0 hectares and is listed in Table 5.1 and is shown on a map in Figure 5.2. It was granted on 9 November 2010. It was applied for on 14 May 2010 to replace a previous exploration concession called Las Tres Palmas which expired on 30 May 2010, shortly after the Phase 3 drill program was completed. Under the Dominican mining law it is permitted to re-apply for an exploration concession between 30 and 1 days before the expiry of an existing concession.

The concession is part of the San Juan claim block owned by GoldQuest comprising seven exploration concessions or applications: Los Comios, Los Chicharrones (originally called La Guama), La Bestia, El Crucero, La Escandalosa (originally called Las Tres Palmas), Loma El Cachimbo (formerly called Loma Viejo Pedro), Tocon de Pino and Jengibre (Figure 5.3).

Concession taxes are RD\$0.20 (twenty Dominican centavos equal to about US\$0.0055 or 0.55 US cents at the current exchange rate of RD\$36.50 to US\$1.00) per hectare per six-month period, equivalent to about US\$21.90 per year for La Escandalosa. An Exploitation Concession may be requested at any time during the exploration stage and is granted for 75 years.

Exploitation Properties are subject to annual surface fees and a net smelter return royalty of 5%. A 5% net profits interest is also payable to the municipality in which mining occurs as an environmental consideration. The 5% NSR is deductible from income tax and is assessed on concentrates but not smelted or refined products. Income tax payable is a minimum of 1.5% of gross annual proceeds. Value added tax is 12%.

The concession is also subject to a 1.25% NSR royalty in favor of Gold Fields Limited.

Name	Area (hectares)	Application Date	Title Date	Mining Registry Date	Resolution Number	Expiry Date
La Escandalosa	3,997	14 May 2010	9 November 2010	12 November 2010	IV-10	9 November 2015

Table 5.1 Description of La Escandalosa exploration concession.
Table supplied by GoldQuest

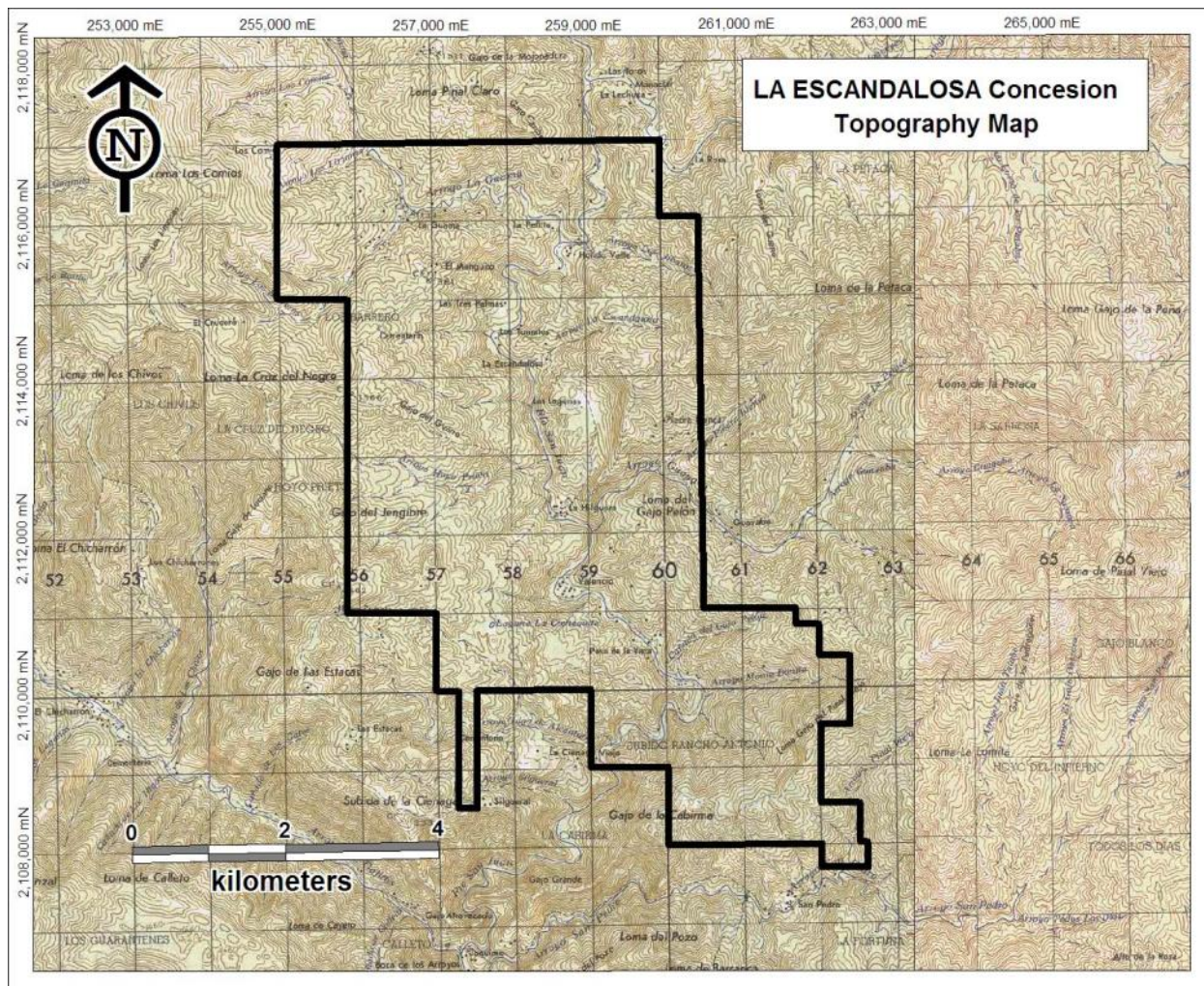


Figure 5.2 The location of the La Escandalosa exploration concession, on 1:50,000 topographic map (1 km grid squares).
(Map supplied by GoldQuest. Grid is UTM NAD27 Conus).

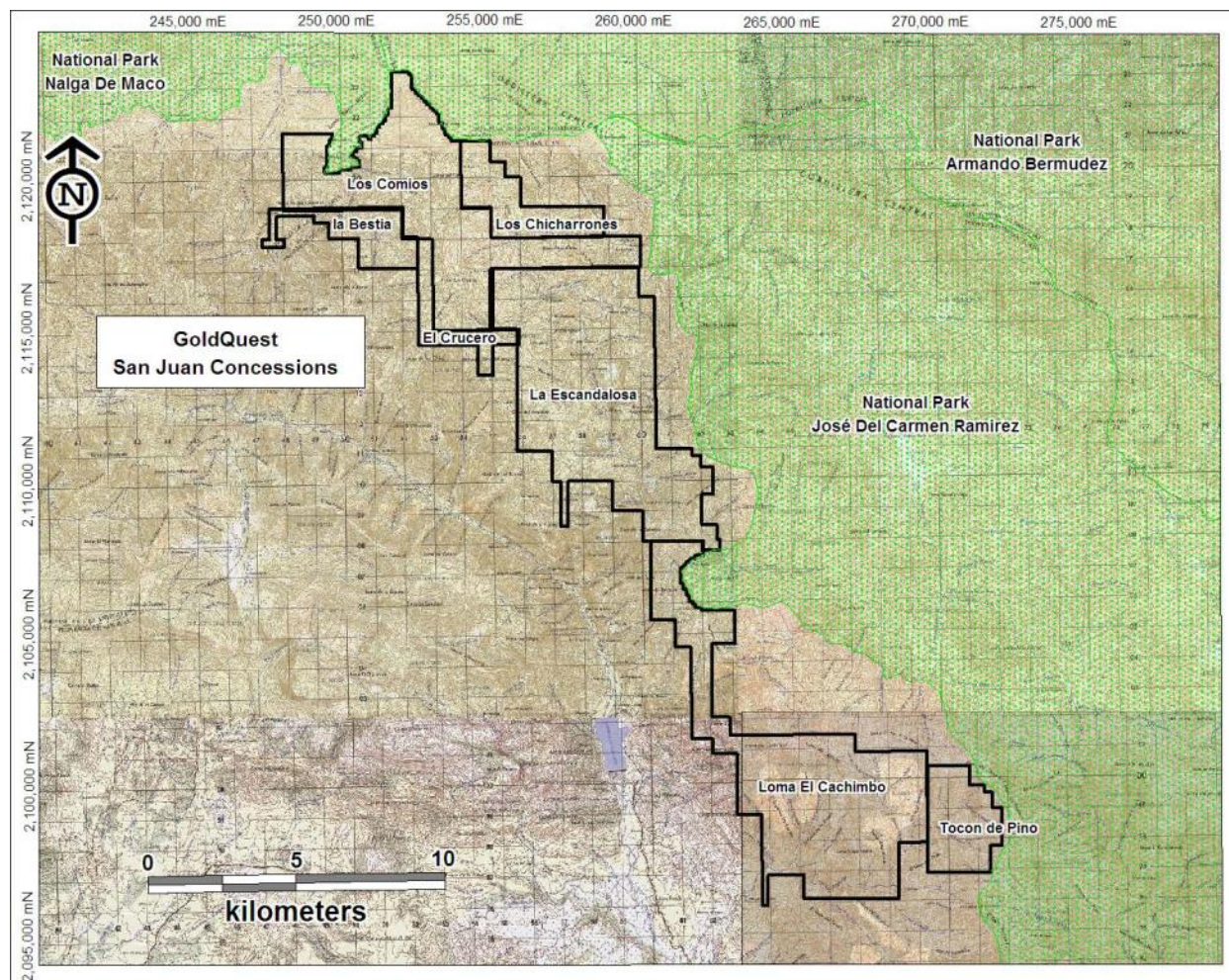


Figure 5.3 The location of the San Juan group of concessions including La Escandalosa and National Parks, on 1:50,000 topographic map (1 km grid squares).
(Map supplied by GoldQuest. Grid is UTM NAD27 Conus).

5.2.2 Property Legal History

GoldQuest's subsidiary company Exploration & Discovery Latin America (Panama) Inc. (EDLA), a private company registered in Panama, started exploring for gold in the Dominican Republic in 2001, through its subsidiary INEX. Later in 2001, EDLA became owned by MinMet plc (MinMet), a company registered in Dublin, Ireland and whose shares were traded on the Irish Venture Exchange and later also on the Alternative Investment Market (AIM) of the London Stock Exchange. In 2004, MinMet spun off EDLA and its Dominican Republic assets into Wellington Cove Explorations Ltd., a company registered in Canada, by means of a reverse takeover with name change to GoldQuest Mining Corp., followed by an application to list the shares for trading on the TSX Venture Exchange (TSXV) of the Toronto Stock Exchange (TSX), Toronto, Canada.

EDLA formed a joint venture with Gold Fields on 1 June 2003 to carry out a regional exploration program for gold in the Tiro Formation of the Central Cordillera of the Dominican Republic, with EDLA as the initial operator. This program led to the discovery of mineralization at La Escandalosa in late 2003.

The Las Tres Palmas exploration concession of 5,205.0 hectares was staked by INEX on 13 December 2003 and a formal application was made on 18 May 2004. Title was granted on 30 May 2005 and was valid for 3 years until 30 May 2008, with two extensions of one year each being granted which extended the title up to 30 May 2010. The concession was originally held in the name of Minera Duarte S.A., a Dominican corporation which was also owned by GoldQuest,, and it was transferred to INEX in November 2006 as part of an internal corporate reorganization.

On 31 January 2006 GoldQuest entered into a Joint-Venture Letter of Intent (LOI) with Gold Fields to explore certain properties in the Dominican Republic, including Las Tres Palmas, Los Comios, Loma Viejo Pedro and Jengibre. The LOI superseded all prior agreements with Gold Fields. The terms of the LOI were formalized in a Mining Venture Agreement which was signed in March 2007 with an effective date of 31 January 2006.

Under the terms of the agreement, Gold Fields had the right to earn a 60% interest in the selected projects held by GoldQuest in the Dominican Republic by expending US\$5 million over three years. Gold Fields assumed direct project management on 31 May 2007.

Subsequent to vesting its 60%, Gold Fields had the right to choose up to four projects whereby it could earn an additional 15% by expending a further US\$5 million on each of the projects. GoldQuest had the right to maintain a 40% interest in one of the designated projects of its choice by fully funding its share of expenditures up to bankable feasibility study. At GoldQuest's election upon completion of the additional 15% earn-in, Gold Fields would arrange funding of GoldQuest's proportionate share of subsequent development and construction expenditures. In return, Gold Fields would be granted an additional 5% interest in the specific project (to 80%) and the funding would be deemed a loan, payable out of 90% of GoldQuest's profits from production. In the case of GoldQuest contributing on one project to bankable feasibility study, Gold Fields could earn an extra 5% (i.e. to 65%) by arranging funding of GoldQuest's proportionate share of the subsequent bankable feasibility study. Development and construction expenditures and the funding would be deemed a loan, payable out of 90% of GoldQuest's profits from production.

On 26 November 2008, Gold Fields advised GoldQuest that it had completed its US\$5 million expenditure requirement and had earned a 60% interest in the properties. Gold Fields informed GoldQuest that it had chosen not to proceed with any further exploration in the Dominican Republic.

On 5 August 2009, GoldQuest entered into a purchase agreement with Gold Fields Dominican Republic BVI Limited to purchase Gold Fields' 60% interest of the Dominican Joint Venture and thereby regain 100% ownership of the properties. The purchase price was the issue of 8.6 million shares in GoldQuest from treasury, representing approximately 12.3% of the issued and outstanding common share capital of GoldQuest at that date, and the grant of a 1.25% NSR royalty on the properties. The transaction was closed on 18 November 2009.

In 2009 GoldQuest reorganized its subsidiaries through a new British Virgin Islands (BVI) company, GoldQuest Mining (BVI) Corp. (GQC-BVI), which became the owner of INEX. The Panamanian subsidiaries EDLA and GoldQuest (Panama) Inc. were subsequently wound up. In 2010 INEX changed from a Public Limited Company (Sociedad Anónima or S.A.), INEX, Ingeniería y Exploración, S.A., to a Limited Liability Company (Sociedad de Responsabilidad Limitada or S.R.L.), INEX, Ingeniería y Exploración, S.R.L.

The Las Tres Palmas concession expired on 30 May 2010, shortly after the Phase 3 drill program was completed. INEX applied for the La Escandalosa exploration concession to replace Las Tres Palmas on 14 May 2010. It was granted on 9 November 2010.

5.3 Dominican Republic Mining Law

Mining in the Dominican Republic is governed by the General Mining Law No. 146 of 4 June 1971, and Regulation No. 207-98 of 3 June 1998. The mining authority is the General Mining Directorate (Dirección General de Minería - DGM) which is part of the Ministry of Industry and Commerce (formerly called the Secretary of State of Industry and Commerce until 2010).

The properties are simply known and recorded in their respective property name under a License of Metallic Exploration Concession. Title is valid for three years. Two separate one-year extensions are allowed. After five years the concessions may be reapplied for giving the concessions a further three to five years. Concession taxes are 20 Dominican centavos (RD\$ 0.20) per hectare per six-month period for concessions between 1,000 and 5,000 hectares in size, equivalent to about US\$0.0055 per hectare per year (at the current exchange rate of RD\$36.50 to US\$1.00). The taxes are paid every six months during the first weeks of January and June. Due to the small amounts involved, the full yearly amount is paid at the start of the year. A report has to be submitted to the DGM every six months summarizing the work completed during the previous six months, work plans and budget for the next six months, and any geochemical data. There is no specified level of work commitment per concession.

The concessions have not been surveyed, however the claim owner, INEX, has erected a reference monument centrally within the property as required in the claim staking process

and this is surveyed by the DGM. A detailed description of the staking procedure follows:

- The claim system revolves around one principal survey Departure Point (Punto de Partida or PP), as opposed to staking all corner points with a physical stake as would be done in Canada.
- Three types of survey points need to be calculated, a Departure Point (PP), a Reference Point (Punto de Referencia or PR) and three visually recognizable Visual Points (Visuales, V1, V2 & V3).
- The PP point is a visual point from which the proposed claim boundary point can be clearly seen by line of sight. The PP point is usually a topographic high with a distance to the proposed claim boundary greater than 100 meters.
- From the PP point a second point, the PR is selected. The PR point is usually another topographic high or a distinctive topographic feature such as river confluence or a road / trail junction. The bearing and distance between the PP and PR points are calculated and tabulated.
- From the PR point three separate visually identifiable points V1, V2 and V3 are selected, usually distinctive topographic feature such as confluences of rivers or road / trail junctions. The bearing and distances between the PR point and three visual points V1 , V2 & V3 are calculated and tabulated.
- From the PP point the distance to the proposed claim boundary a north-south or east-west line of not less than 100 m is calculated. The corner points of the claim are calculated from the point at which this line intersects the claim boundary. The corner points (Puntos de connexion) are defined by north-south or east-west lines from the point at which the line intersects the boundary and then from each other until the boundary is completed. There is no limit to the number of points that can be used and no minimum size of claim.
- A government surveyor is sent out to review all survey points in the field after legal and fiscal verification of the claim application by the mines department.

The Exploration Concession grants its holder the right to carry out activities above or below the earth's surface in order to define the areas containing mineral deposits by using any technical and scientific methods. For such purposes the holder may construct buildings, install machinery, communication lines and any other equipment that his research requires. No additional permitting is required until the drilling stage, which requires an environmental permit.

An Exploitation Concession may be requested at any time during the exploration stage, and grants the right to prepare and extract all mineral substances found in the area, allowing the beneficiary to exploit, smelt and use for any business purpose the extracted materials. This type of concession is granted for a period of 75 years.

Exploitation properties in the Dominican Republic are subject to annual surface fees and a net smelter return of 5%. A 5% net profits interest is also payable to the municipality in which mining occurs as an environmental consideration. The value added tax is 12%. The NSR is deductible from income tax and is assessed on concentrates, but not smelted or refined product. Income Tax payable is a minimum of 1.5% of annual gross proceeds (Pellerano and Herrera, 2001).

5.4 Environmental Regulations and Liabilities

The environment is governed by the General Law of the Environment and Natural Resources No. 64-00 of 18 August 2000. The environmental authority is Vice-Minister of Environmental Affairs of the Ministry of the Environment and Natural Resources (formerly called the Subsecretary of Environmental Affairs of the Secretary of State of the Environment and Natural Resources until 2010).

An environmental permit is required for trenching and drilling. The main steps in the procedure to obtain this are as follows:

1. Complete the Prior Analysis Form with the project data including name of the project, name of the company, location on a 1:50,000 scale map, and name of the legal representative.
2. Description of the planned work including type of equipment to be used, size of the drill platforms, amount of water that will be required, environmental management plans for fuel, oil and grease, and recirculation of water.
3. Authorization of the land owners with copy of property title.
4. Pay a tax of RD\$5,000.00 (about US\$137).
5. Copy of the Resolution of the Exploration Concession title.
6. UTM coordinates of the vertices of the Exploration Concession.

INEX obtained the required permits for the different phases of trenching and drilling at La Escandalosa.

Water Management Consultants Ltda, Santiago, Chile carried out a hydrological and hydrochemical baseline survey at La Escandalosa in 2006 (Water Management Consultants, 2006).

INEX carried out trenching by hand-digging. The trenches were back filled and re-vegetated. The company used man-portable drill rigs for all three drilling phases. No access roads were made. The rigs were moved using existing roads, and then by hand on footpaths to the drill sites. Drill platforms were cut by hand where necessary, and were back filled and re-vegetated after

drilling was finished. Sumps were dug by hand to allow settling of rock cuttings and drill mud from returned drill water, and were subsequently filled in and re-vegetated.

There are no known archaeological sites in the area. An archaeological survey has not been carried out.

6 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

6.1 Accessibility

The La Escandalosa project is located in the Province of San Juan, Dominican Republic and is 165 km west northwest of Santo Domingo, the capital of the Republic, and 35 km north of San Juan de la Maguana, the capital of the Province and nearest large town (urban population 145,885 in 2008). (Figure 5.1). The geographical coordinates of GoldQuest's Hondo Valle Camp in the La Escandalosa project are 19° 07' 00" north, 71° 17' 30" west, and the Universal Transverse Mercator coordinates are 258,730 east, 2,115,543 north (datum NAD 27 Conus, Zone 19Q).

The total distance by road from Santo Domingo to Hondo Valle is 240 km and takes 5 to 6 hours by four wheel drive vehicle. The route is summarized in Table 6.1 and is described in the following paragraphs.

Flying time to the project by helicopter from Santo Domingo is 1 hour and helicopters can land at Hondo Valle and other points in the project.

From	To	Road	Distance (km)	Time (hours)
Santo Domingo	SanCristobal	Route 6, dual carriageway, paved	28	0 h 30 m
San Cristobal	Cruce de Azua	Route 2 Sánchez Highway, dual and 2 lane, paved	99	1 h 10 m
Cruce de Azua	San Juan	2 lane paved	64	0 h 45 m
San Juan	Sabaneta	Minor, paved	20	0 h 30 m
Sabaneta	Boca de los Arroyos	Minor, unpaved	12.7	0 h 30 m
Boca de los Arroyos	Hondo Valle	Track, unpaved	16.3	1 h 35 m
Total			240	5 h 0 m

Table 6.1 Summary of the road access to the La Escandalosa project.

Access from Santo Domingo is by dual carriageway to San Cristobal (Route 6, 28 km, 30 minutes), then the two-lane highway (Route 2 or the Sánchez Highway) via Baní (32 km, 30 minutes; being upgraded to dual carriageway), Azua de Compostela (52 km, 40 minutes) and the Cruce de Azua (Azua Turning - 15 km, 10 minutes), and from there to San Juan de la Maguana (64 km, 45 minutes). From here a minor paved road goes north through the villages of Juan de Herrera, La Maguana and Hato Nuevo to Sabaneta (20 km, 30 minutes) at the Sabaneta Dam; then an unsurfaced road in poor condition is taken along the west side of the reservoir through the communities of Ingeñito and La Lima to Boca de los Arroyos (12.7 km, 30 minutes), which is the end of the road for trucks.

From Boca de los Arroyos an unsurfaced road in very poor condition goes north to Hondo Valle (16.3 km, 1 hour 35 minutes) and is only passable by four wheel drive vehicles when dry. This has very steep grades and climbs over 1,000 m up to 1,712 m altitude on the ridge of Subida de la Cienaga, including a 663 m climb in 2.0 km distance (average 1 in 3 grade). The road then proceeds along the ridges of Gajo de las Estacas (1,606 m altitude), Hoyo Prieto (1,562 m altitude), Gajo del Jenjibre and Loma La Cruz del Negro (1,712 m altitude). The ridges are in saprolite and the ridge-top road becomes very slippery and impassable when it rains. The road from Boca de los Arroyos to Hondo Valle was built in 2000 and was reopened by GoldQuest in 2004, and requires continual maintenance to keep open. A branch from this road was recently completed from the Subida de la Cienaga at km 2.9 to La Hilguera village, but this still has the very steep initial climb. There are no other roads in the concession area and access is by foot or mule.



Figure 6.1 Hondo Valle camp and village looking north.

6.2 Climate

The climate at La Escandalosa is temperate to hot at lower elevations (below 1,000 m). North-east trade winds from the Atlantic Ocean bring moisture to the island with the highest rainfall on

the NE side of the Central Cordillera and a rain shadow in the San Juan valley (Figure 6.2). The nearest climatic data available are for San Juan, 25 km to the south at lower altitude of 400 m. Here average annual rainfall is 961 mm with 91.5 days of rain per year mostly between May and October, and an average temperature of 24.9°C. There is a dry season from December to March and a rainy season from April to November (García & Harms, 1988). The climate at Hondo Valle is wetter and cooler. Precipitation increases from south to north in the Central Cordillera from 970 to 1,800 mm per year, with a corresponding temperature decrease from 24° to 18°C related to increasing altitude (Bernárdez & Soler, 2004).

The country is prone to hurricanes with September being the peak month. The worst hurricanes in recent years were Hurricane Georges in 1998 (Category 3 on the Saffir-Simpson Hurricane Wind Scale of 1 to 5, with 5 being the most intense), and Hurricane David in 1979 (Category 5).

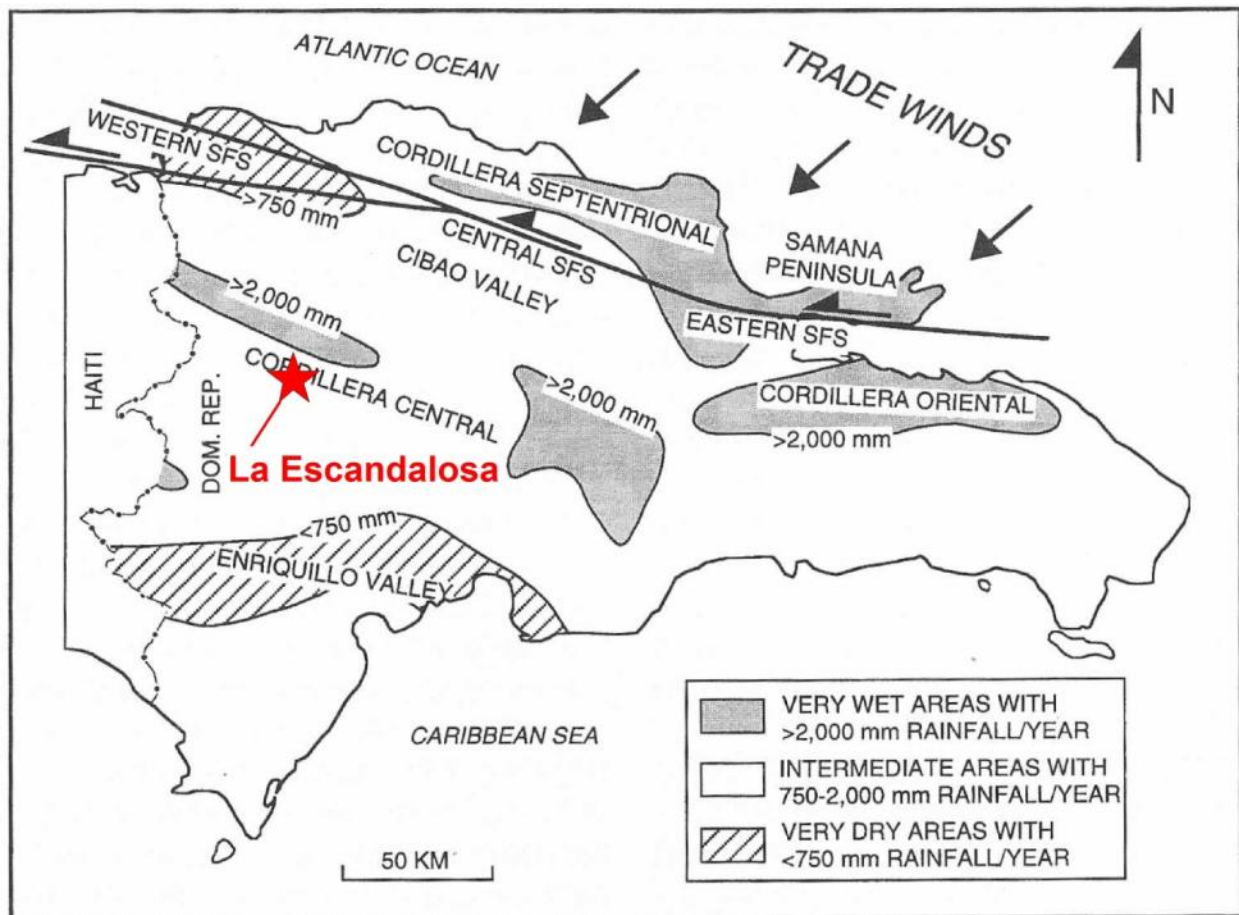


Figure 6.2 Annual rainfall in the Dominican Republic with location of La Escandalosa on the southern side of the Central Cordillera.

(Mann et al., 1998, Fig. 3.)

The life zone is neotropical montane forest zoned by altitude with subtropical wet forest below 800 m, lower montane wet forest at 800 to 2,100 m in the project area, and upper montane wet forest above this. The lower montane forest is broadleaf forest and pine forest, the latter

dominated by the native Hispaniolan pine (*Pinus occidentalis*, also called Haitian or criollo pine). These occur in pure stands in the upper montane forest. Much of the forest in the region area has been cut and burned for agriculture but remnants exist on some ridges and peaks. The forest is preserved intact in the José del Carmen Ramírez National Park (764 km²), created in 1958, which borders the east side of the La Escandalosa concession, and the Armando Bermúdez National Park (766 km²), created in 1956, on the north side of the San Juan claim block (Figure 5.3).

The steep valley sides in the project area are cultivated with regular burning to clear old crops, while the upper land is now mostly open grassland. Agriculture in the valley is black beans (habichuela) and pigeon peas (guandulies), which are important cash crops and give three harvests a year. Maize, yuca, plantain, bananas, and coffee are also grown. Cattle, goats and pigs are raised, oxen are used for plowing and wild pigs are hunted.

Land ownership is in large tracts of both private and government land, few of which have well defined boundaries or legal title. GoldQuest has made a map of land owners in the main areas of interest of the project for the purposes of negotiating access agreements.

6.3 Local Resources and Infrastructure

The nearest large town to the project is San Juan de la Maguana, 25 km to the south. There are three villages within the concession area at Hondo Valle (population about 80), La Hilguera (population about 200) and La Cienaga Vieja (population about 100), although their population varies seasonally. Hondo Valle was built by relief aid following Hurricane Georges in 1998 for displaced people and previously had only a few houses. There are no longer any villages upriver of Hondo Valle. All local transport is by mule and horse. There are primary schools in the villages but no health centers, electricity supply, phone or other basic services. The population is Dominican of mixed Taino Indian, African and Spanish-European descent, with seasonally migrant Haitian labor of African origin.

GoldQuest built a small field camp at Hondo Valle (1,086 m altitude) in November 2006, comprising wooden huts with cement floors and lower walls, core shack, secure core storage and a gasoline generator. Previously the company rented small houses in the village. Communication is by hand-held satellite phone. A cell phone signal can be obtained on the high parts of the access road and on some high ridges.

The San Juan River is dammed 15 km south of Hondo Valle at Sabaneta to form the Sabaneta Reservoir (Presa de Sabaneta), built in 1975 to 1981, at 584 m altitude at the edge of the Central Cordillera. This has 6.3 megawatts (MW) of hydroelectricity generation capacity, and also provides irrigation for the San Juan valley. The average annual rainfall at the Sabaneta Reservoir

here is 1,086 mm and the average flow is 8.13 cubic meters per second (m^3/s), and it varies from $4.0 \text{ m}^3/\text{s}$ in March to $16.82 \text{ m}^3/\text{s}$ in September (ACQ & Asociados, 2006).

6.4 Physiography

The La Escandalosa project is located in the Central Cordillera which is up to 3,087 m altitude on Pico Duarte, 32 km east of the project, the highest mountain in the Caribbean. The concession lies on the west side of Loma de la Petaca mountain (altitude 1,972 m) and is traversed by the San Juan river, which flows south into the San Juan valley. Altitudes in the concession vary from 700 to 1,789 m.



Figure 6.3 View of Escandalosa Sur looking southwest.

The drill rig is on hole LTP-24 (blue spot on right). The mineral resource lies under the plateau at Las Lagunas. The canyon of the River San Juan lies beyond the plateau.

The La Escandalosa project is located in the valley of the south-flowing San Juan river. The relief within the project is over 1,000 m with steep slopes. There are three geomorphological zones:

1. Ridges: defined by remnant ridge crests with red clay laterite tops on the east and west sides of the valley at between 1,300 m to over 1,712 m altitude, and interpreted to be a remnant plateau. The road from Boca de los Arroyos to Hondo Valle runs along the ridge top on the west side of the valley.
2. Valleys: defined by a wide valley with a plateau on east side at an altitude of 1,100 to 1,200 m at Los Tomates, and 1,120 – 1,150 m at Las Lagunas, south of La Escandalosa.
3. Canyons: the actual course of the San Juan river course is a series of alternating canyons and broad meanders. The river drops from 1,080 to 900 m altitude with a gradient of 180 m over 3,200 m (5.6%) from Hondo Valle to La Hilguera. The canyons are 100 to 160 m deep and are often inaccessible. The meandering course is unusual for mountainous

terrain. Large meanders with broad terraces or old river channels have formed on outcrops of soft limestone and hydrothermal alteration, and the canyons in harder volcanic rocks, especially rhyolites.

7 HISTORY

7.1 Historical Mining

Hispaniola was first occupied by Taino Indians and divided into five chiefdoms (cacicazgos) ruled by chiefs (caciques), including that of Maguana in the central part. The Indians were of the Arauca group which migrated from north-eastern Venezuela through the Lesser Antilles and into the Greater Antilles starting from about 4,000 BC. The Taino Indians arrived in Hispaniola in about 800 AD (Lara & Aybar, 2002). The Taino collected alluvial gold by picking nuggets from the streams, rather than mining or panning it, and had no knowledge of refining or smelting. They created gold artifacts by hammering, few of which have survived.

Alluvial gold is still washed occasionally by locals in Arroyo La Guama, above Hondo Valle, but it is a very limited artisanal activity.

The discovery of Hispaniola by Columbus in 1492 was followed by a Spanish gold rush between 1493 and 1519. San Juan de la Maguana, founded in about 1506, was an important gold mining area (Guitar, 1998). Place names near the south end of the La Escandalosa concession are toponymic evidence of early gold mining, such as Arroyo del Oro (Gold Stream), Loma Los Mineros (Miner's Ridge), La Fortuna (The Fortune) and Loma del Pozo (Mine Shaft Ridge). There is no physical evidence of any historical mining in these areas now. The Spanish mines were of three types: alluvial in rivers, alluvial in dry paleochannels, and underground or pit mines (Guitar, 1998).

San Juan de la Maguana was founded in about 1506 by Captain Diego Velázquez during the second wave of colonization of the island which spread westwards from Santo Domingo in the period 1502 to 1509, following the first wave of colonization from the northwest coast to Santo Domingo (Lara & Aybar, 2002; Moya Pons, 2002). The town was named for Saint John and the Taino chiefdom of Maguana. San Juan was an important early Spanish gold mining area and included important mine owners such as Christopher Columbus' son, Hernando Colón. Indian labor was organized from 1503 under the native encomienda allocation scheme of tribute labor (Guitar, 1999). In 1514 there was a redistribution of Taino labor, and 45 Spaniards at San Juan de la Maguana received a total of 2,067 Indians. African slaves were introduced from 1505 as supervisors and technicians, rather than laborers, bringing their experience of mining, smelting, refining and gold smithing from west Africa (Guitar, 1998). In 1519 all gold mining on the island ended with the exhaustion of the deposits and the near extinction of the Indian labor. That same year San Juan de la Maguana was the scene of the first indigenous revolt in the Americas.

Following the demise of gold mining, San Juan became a center for sugar cane and cattle production, but was abandoned in 1605 to 1606 during the "Devastations" when the Spaniards

withdrew from all of the western and northern parts of the island due to their inability to hold them against attacks by maroons (escaped slaves and Indians) and pirates. The area was later occupied by the French, leading to the present day division of the island of Hispaniola into the Republic of Haiti, founded in 1804, and the Dominican Republic, which became independent in 1844. San Juan de la Maguana was refounded in 1733 in the frontier area and was largely populated with settlers from the Canary Islands.

7.2 Exploration in the 1960's and 1970's

Mitsubishi Metals Co. Ltd. of Japan carried out regional exploration of the whole Central Cordillera for copper from 1965 to 1971, although there is no record or evidence of any work in the La Escandalosa area (Watanabe, 1972; Watanabe et al., 1974).

A claim post exists at Hondo Valle marked "Marinos XIV" and dated 16 May 1973. No information has been found about this.

7.3 SYSMIN Regional Surveys in the 2000's

The La Escandalosa area is covered by the 1:50,000 geological map sheets and memoirs for Arroyo Limon (No. 5973-III; Bernardez & Soler, 2004) and Lamedero (Sheet No. 5973-II; Joubert, 2004), mapped by the European Union funded SYSMIN Program in 2002 to 2004. SYSMIN also carried out a stream sediment sampling program and aeromagnetic and radiometric surveys of the Central Cordillera.

7.4 Exploration by GoldQuest

EDLA formed a joint venture with Gold Fields on 1 June 2003 to carry out a regional exploration program for gold in the Tireo Formation of the Central Cordillera of the Dominican Republic, with EDLA as the initial operator. A regional stream sediment exploration program was carried out between June 2003 and April 2004. This program and the preliminary results are described in a paper by Redwood et al. (2006). GoldQuest became the owner of EDLA in April 2004.

Gold mineralization was discovered in the La Escandalosa area in late 2003 by the EDLA - Gold Fields joint venture regional stream sediment exploration program. Stream sediment samples gave anomalies of 42 ppb, 36 ppb and 12 ppb Au in Escandalosa Creek, and 21 ppb and 11 ppb Au in Los Jibaros Creek at Hondo Valle, while outcrop samples gave up to 5.62 g/t Au from Hondo Valle and up to 2.2 g/t Au from Escandalosa Creek. The Las Tres Palmas exploration

concession was applied for on 18 December 2003 and title was granted on 30 May 2005. The project was operated by GoldQuest between 2003 and 2007, by Gold Fields from 31 May 2007 until November 2009, and since then by GoldQuest.

8 GEOLOGICAL SETTING

8.1 Regional Geology

La Escandalosa is located on the south side of Central Cordillera of Hispaniola which is a composite of oceanic derived accreted terrains bounded by left-lateral strike slip fault zones, and is part of the Early Cretaceous to Paleogene Greater Antilles island arc (Figure 8.1). Hispaniola is located on the northern margin of the Caribbean plate which is a left-lateral transform plate boundary. The tectonic collage is the result of west south west to south west directed oblique convergence of the continental margin of the North American plate with the Greater Antilles island arc, which began in the Eocene to Early Miocene and continues today (Escuder Viruete et al., 2008).

Primitive island arc volcanic rocks of the Early Cretaceous Los Ranchos and Maimón Formations in the Eastern Cordillera are interpreted to be related to northward subduction (Lebron and Perfit, 1994). Cessation of subduction in the mid Cretaceous was marked by accretion of the Loma del Caribe peridotite between the Eastern and Central Cordilleras (Draper et al., 1996), and by Early Cretaceous greenstones and intrusions of the Duarte Complex in the Central Cordillera, interpreted to be of metamorphosed ocean island or seamount origin (Draper and Lewis, 1991; Lewis and Jimenez, 1991). This was followed by arc reversal and southward subduction, with formation of calc-alkaline volcanic and sedimentary rocks of the Tireo Formation of Late Cretaceous to Eocene age in the Central Cordillera (Lewis et al., 1991). Since then the tectonics of the Central Cordillera have been dominated by left lateral transpressional strike slip related to the Caribbean – North American plate boundary.

La Escandalosa is hosted by Cretaceous age Tireo Formation volcanic rocks and limestones (Figure 8.2). The Tireo Formation is bounded on the south side by flysch comprising calcareous slates, limestones, sandstones and shales of the Trois Rivières or Peralta Formation of Upper Campanian to Paleogene age. The contact with the Tireo Formation is a northwest-trending, southwest-verging reverse fault, the San Juan – Restauración Fault Zone, which represents a transpressional fault bend. South of the Peralta Formation is block of Paleocene to Miocene marine and platform limestone of the Neiba and Sombrerito Formations forming an antiformal restraining bend structure with reverse faults and folds (Figure 8.2). The Central Cordillera is bounded on the south side of these formations by an east southeast-trending, south-verging, high angle reverse fault. To the south is the east southeast-trending San Juan graben with a thick sequence of Oligocene to Quaternary molasse sediments deposited in a marine to lagoon environment, with Quaternary alkaline basalts related to graben extension.

The San Juan valley is a major north-south trending lineament and fault (Figure 8.2). This may have played a role in the localization of mineralization at La Escandalosa. There is a major deflection in the frontal thrust of the Central Cordillera with further transport south on the east

side and a sinistral compressional bend. The Trois Rivières-Peralta Formation is thinned in the fault zone, indicating that this may also reflect a basin depositional margin.

The tectonic deflection coincides with a major north northwest trending aeromagnetic and aeroradiometric break which lies 3 to 5 km west of the mineralization at La Escandalosa. On the east there is high amplitude magnetic topography with a general east southeast ridge texture in the Tíreo Formation, tonalites and shear zones, against a magnetic low with smooth textures on the west in the Trois Rivières Formation.

The 1:50,000 published geological map shows acid to intermediate volcanic rocks of the Tíreo Formation in the south part of the La Escandalosa concession, and basic volcanic rocks of the Tíreo Formation in the north part, with a northwest-trending block of acid to intermediate volcanic rocks at Hondo Valle (Figure 8.2, Bernárdez & Soler, 2004). The bedding and foliation generally strike northwest and have moderate to steep dips to northeast. The major structures are northwest-trending faults and thrusts, and north-south and northeast trending faults. In contrast, mapping by GoldQuest has shown that the geology comprises felsic to intermediate volcanic rocks and limestones with low to moderate dips.

The nearest intrusive bodies shown on the 1:50,000 published map are 3 km to 7.5 km from Hondo Valle and are in the Tíreo Formation (Figure 8.2). These comprise a small sheared peridotite and foliated tonalite body, 3 km northeast of Hondo Valle; a foliated tonalite pluton at Loma del Tambor (more than 30 km long by 5 km wide) in a west northwest-trending shear zone 5 km northeast of Hondo Valle; and the Macutico Batholith tonalite (16 km long by 12 km wide), 7.5 km southeast of Hondo Valle, dated at 85 to 92 million years old (Ma) (Late Cretaceous) (Bernárdez & Soler, 2004; Joubert, 2004).

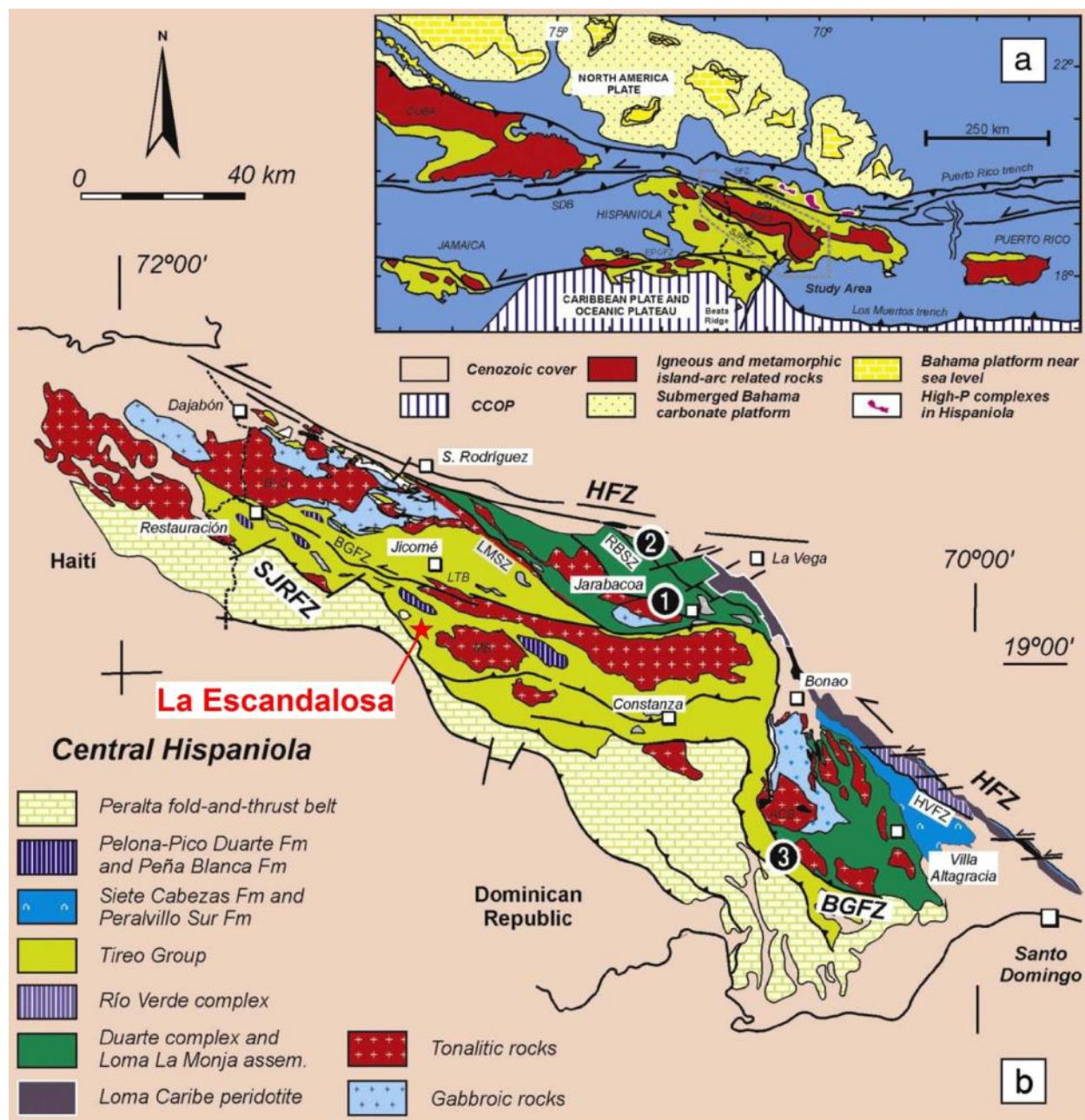


Figure 8.1 (a) Plate tectonic setting of Hispaniola. (b) Regional geology map of the Central Cordillera of Hispaniola showing the location of La Escandalosa.
(Map from Escuder Viruete et al., 2008, Fig. 1).

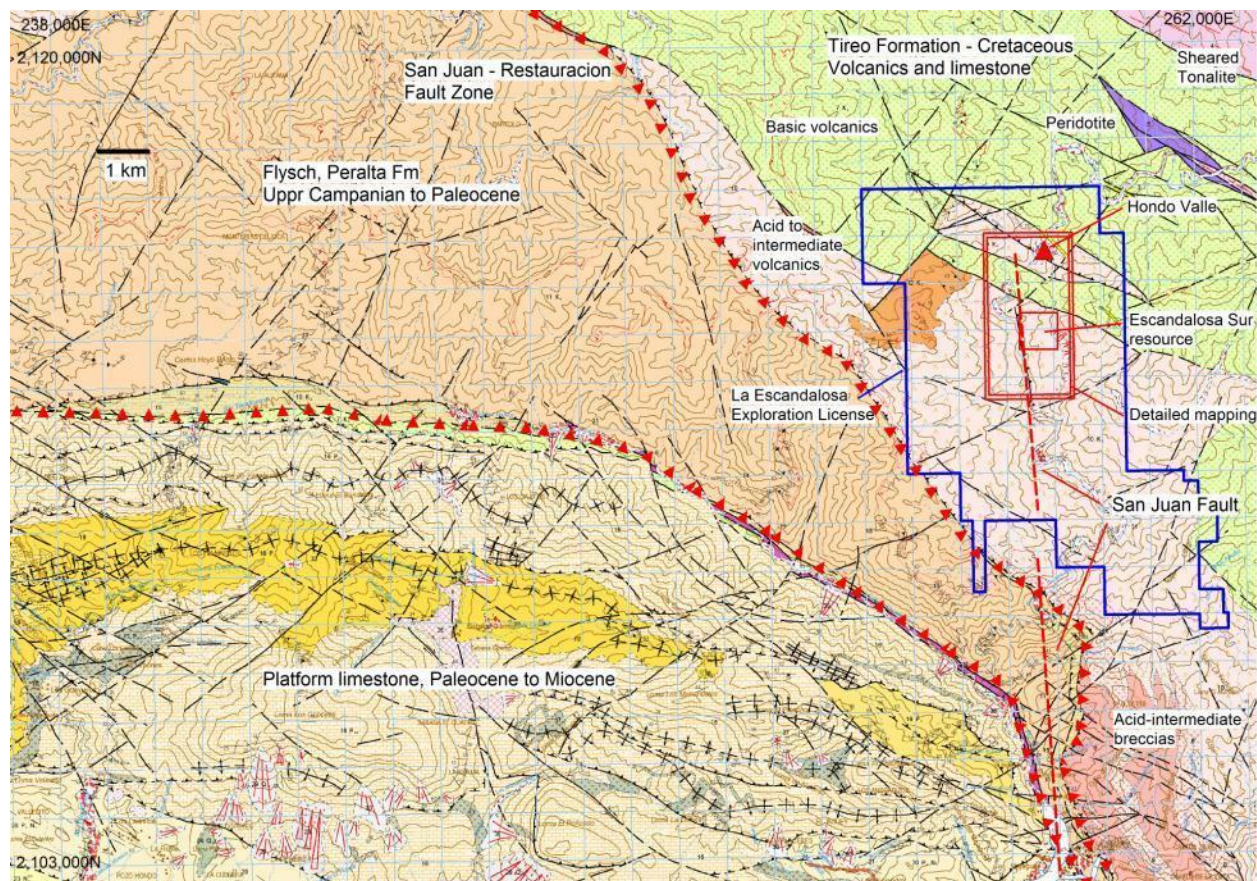


Figure 8.2 Regional geology of the La Escandalosa area.
(Based on 1:50,000 geological map by Bernárdez & Soler, 2004).

8.2 Project Geology

Geological mapping at La Escandalosa has been carried out for GoldQuest at scales of 1:10,000 (Gonzalez, 2004) and 1:2,000 scale (MacDonald, 2005; Redwood, 2006b, 2006c), with revision and additional mapping by Gold Fields (Dunkley & Gabor, 2008a, 2008b). A geological map at 1:2,000 scale is shown in Figure 8.3. A petrographic study was carried out by Tidy (2006). Infra-red spectrometry (Pima) has been used to aid identification of alteration minerals.

The geology of the Hondo Valle to Escandalosa Sur area of La Escandalosa comprises a relatively flat lying sequence of intercalated subaqueous volcanic rocks and limestones which youngs from west to east as a function of erosional level. The oldest rocks are rhyolite flows exposed in the river San Juan on the west side. These are overlain by dacite breccias which contain the gold mineralization. These are overlain by limestones and andesite breccias. The stratigraphy is described from oldest to youngest in this section.



8.2.1 Lithological Units

8.2.1.1 Rhyolite

Rhyolite outcrops for at least 2,000 m strike length on the west side of the altered horizon from north of Hondo Valle to Escandalosa Sur. There are two apparent rhyolite centers at Hondo Valle and La Escandalosa defined by thick rhyolite outcrops, and in between these the flows are thinner with more breccias. The rhyolite is volcanic, rather than intrusive, and has the form of thick flows or lava domes with marginal flows and hyaloclastite breccias. The flows have autobrecciation and flow banding in places. The hyaloclastite tuffs and breccias are intercalated with limestone, andesite and dacite. The extent of rhyolite to the east and north has not been mapped.

The rhyolite is a very siliceous and hard rock with phenocrysts of quartz, plagioclase and green hornblende. The mafic minerals have usually been altered to magnetite and trace pyrite. Petrography shows an andesine composition for plagioclase phenocrysts, with the matrix ones slightly more sodic. The highly siliceous nature is, in part, due to silicification.

8.2.1.2 Dacite Breccia

Dacite breccias host the favorable horizon for hydrothermal alteration and gold mineralization which can be traced for about 2,200 m from Hondo Valle south to Escandalosa Sur on the east side of the River San Juan. The dacite breccias overlie rhyolite lavas and are interpreted to be autobreccias and hyaloclastite breccias derived from the rhyolite. The high porosity and permeability of the dacite breccias has evidently made them a receptive host for hydrothermal fluids.

The dacite breccias are overlain by limestone or by andesite breccia. The altered dacite breccias horizon varies from a thick (>180 m) body at Hondo Valle between rhyolite and andesite, to a thinner discrete horizon within less strongly altered dacite breccias at Escandalosa Sur.

At Hondo Valle the dacite breccias lie above and east of the rhyolite flow/dome and dip from 40-50°E near the base to 15°E at the top contact in Arroyo de los Jibaros. They form a body with a vertical thickness of >180 m. The soft altered dacite is susceptible to forming landslides, and erosion to form river terraces.

North of Hondo Valle the dacite breccias are terminated against the Hondo Valle Fault with an apparent right lateral offset of at least 200 meters.

South of the Arroyo La Escandalosa and the Escandalosa Fault, the mineralized horizon in the dacite breccias is exposed in a trail at the Discovery Outcrop where there is strong argillic and

sericite-quartz alteration with jarosite after pyrite. Trenching gave high gold grades. Holes LTP-05 and 06 were drilled on the trenches and gave low grade gold and are interpreted to be in the lower part of the zone with landslipped higher grade material from the upper part in the trenches. Hole LTP-07 was drilled from higher up slope and intersected the whole mineralized horizon.

To the west of the Discovery Outcrop, the mineralized horizon outcrops in a cliff on the east side of the San Juan canyon. The cliff face is a fault plane (355°80°E) with gossan, jarosite and copper carbonate staining of silicified breccias with zones of semi-massive pyrite and abundant sphalerite and chalcopyrite.

There are similar looking outcrops with a low angle of dip on the west side of the river San Juan also. These are apparently continuous across the canyon with an apparent dip of 10°W, and there does not appear to be any significant displacement across the prominent north-south lineament that forms the San Juan canyon. However no disseminated gold mineralization has been found west of the river by reconnaissance soil and rock sampling.

Lithologically the dacite breccias generally have a lapilli grain size with varying proportions of clasts of:

1. Rounded clasts of siliceous rhyodacite probably derived from the rhyolite flow/dome, and commonly with quartz veinlets and disseminated pyrite. They often have a color change at the rim. There are variations in phenocrysts and texture.
2. Green elongate fiamme-like clasts with quartz and plagioclase phenocrysts, which are locally parallel and may define poor bedding. These are interpreted to be glass with diagenetic or post-alteration flattening and alteration of the glass to green illite-chlorite, and some are pyrite-rich. They are interpreted to be hyaloclastite derived from chilling and shattering of the rhyolite lava on contact with water, rather than pumice clasts of pyroclastic origin.
3. Rounded pyrite-rich porphyry clasts. These have very fine grained disseminated to semi-massive pyrite and often have a pyrite-rich or color-changed rim. They are interpreted to be derived from pyrite mineralization.
4. Fine grained, aphyric siliceous clasts.

The clast distribution is generally polymict but varies to monomict which is probably an in situ hyaloclastite breccia. The matrix of the breccias is fine grained and matrix supported. The clast shape varies from angular to rounded, and sorting is usually poor with clast size from <1 mm up to 100 mm. There are also fine grained tuff to ash sized breccias with a curved convex clasts and shards which are hyaloclastites.

Some weakly altered hyaloclastite breccias have a red limestone matrix (e.g. Los Tomates Ridge). It is possible that the control of the favorable horizon within the dacite breccias was a carbonate matrix which was dissolved by hydrothermal fluids thus enhancing porosity and permeability and fluid flow.

8.2.1.3 Limestone

Two units of limestone have been mapped, Maroon Limestone and Gray Limestone. They have similar lithofacies and are distinguished by color and outcrop in different areas. The color difference is interpreted to be due to hydrothermal alteration and bleaching.

The Maroon Limestone is a maroon colored, fine grained micritic limestone, with fine to medium bedding, thin graded beds of volcanic sandstone (probably a re-sedimented hyaloclastite or autoclastic sandstone) and red chert or jasperoid beds. The dips are low and are locally high dips due to folding. The Maroon Limestone occurs in several horizons and is intercalated with dacite breccia, rhyolite flows and hyaloclastites.

The Gray Limestone has a similar lithofacies to the Maroon Limestone and forms a well-defined mappable unit at Escandalosa Sur. It forms a graben-block bounded by NE- and NW-trending faults, with stratigraphic contacts on the SE and SW sides. Stratigraphically the Gray Limestone lies directly above the altered and mineralized dacite breccias, and is overlain by andesites. The Gray Limestone is finely bedded (10-15 cm beds), dark gray, locally maroon colored, micritic limestone, with laminated dacitic volcanic sandstone beds, and black chert beds. In core there are some beds of fine grained pyrite. The limestones have open folds with dips up to 50-60°. The vertical outcrop interval is about 110 m.

The Gray Limestones are bounded on north side by the Escandalosa Fault which trends 070° ENE with vertical dip which forms cliffs and can be mapped for 1,200 m, and is interpreted as south-side down. Andesite breccias outcrop on the north side of fault. On the east side the Gray Limestone is in stratigraphic contact with andesite. On the west side the Gray Limestone is bounded against dacite by a fault trending 135° (east side down) to the north of the Escandalosa Sur discovery outcrop and holes LTP-05 and 06. The southern contact of the Gray Limestone is the Escandalosa Sur fault which trends 055° with steep dip (north-side down).

On the SW side of Escandalosa Sur the Gray Limestone contact over mineralized dacite is stratigraphic (LTP-08, 09) and is exposed in cliffs in the San Juan canyon and on the hill top at platform LTP-08. Gray Limestone outcrop in cliffs continues to south of LTP-09 for an undefined distance, and may be terminated or displaced by the inferred SW continuation of the Escandalosa Sur Fault.

8.2.1.4 Andesite

Coarse grained, green, chlorite-altered andesite breccias are well exposed in Arroyo La Escandalosa and its tributaries and form the ridge on the east side of the mapped area of alteration. The andesites outcrop over a vertical interval of about 220 m to the top of the ridge. They overlie dacite breccias from La Escandalosa to Hondo Valle and form the hanging wall to the altered unit.

The lithology is a green volcanic conglomerate or breccia. The green color is chlorite alteration with carbonate and magnetite. The clasts are gravel to block (30 cm) sized and rounded, in a sandy matrix, but there is no bedding except for a weak, low angle parting. The composition is andesite to quartz-phyric dacite.

Further south at Escandalosa Sur and La Hilguera the andesites comprises a sequence of andesitic to dacitic lavas or volcanic sandstones / ash tuffs, with texture varying from crowded phenocrysts to fine grained aphyric. The phenocrysts include pyroxene, quartz, plagioclase and mafics with alteration to chlorite, epidote, magnetite and pyrite.

8.2.1.5 Dikes

The only intrusive rock mapped is a single dike of plagioclase-phyric andesite with a chilled margin cutting andesitic volcanic rocks at La Laguna (Escandalosa Sur), with a trend of 128° with 85°E dip.

8.2.2 Structure

The principal lineament trends are northeast, northwest and north-south. Faults were mapped in the field. West northwest-trending faults dominate in the northern part of the area, and northeast trending faults in the south. The faults are generally steep and show vertical displacement, although it has not been established whether this is normal or reverse movement. However slickensides often show horizontal to low angle plunge indicating strike slip movement. In places this can also be mapped by lateral offset of units, notably right lateral displacement on the Hondo Valle Fault. North northwest to northwest-striking low angle reverse faults and thrusts occur at a number of localities in the Hondo Valle area, although the scale of thrusting is uncertain.

The thinly bedded limestones have tight folding and bedding is locally steep or overturned. The hinges dip to the east with reverse faults, shallow east limbs and overturned steep west limbs, indicating west-verging folding and thrusting. They have focused deformation due to low rheological competency, while the massive limestone beds and volcanic units are not folded.

The structural observations are consistent with the transpressional tectonics that have affected the Central Cordillera since the Eocene. This may include strike slip reactivation of older, steeper normal faults.

8.2.3 Alteration and Mineralization

8.2.3.1 Silicic and Phyllic Alteration

Phyllic and silicic alteration have been mapped as a continuous zone over about 2,200 meters of strike length with a general north-south trend from Hondo Valle to Escandalosa Sur. Gold mineralization with anomalous silver, zinc and copper is associated with the phyllic and silicic alteration. Mapping and drilling support a model of stratabound and stratiform alteration of dacite breccias.

These alteration types are pervasive and are quartz-pyrite alteration (silicification), quartz-illite-pyrite alteration (phyllic), and illite-chlorite-pyrite alteration, with gradations between each type. Discrete zones of silicification can be mapped in places, notably at Hondo Valle, but it is usually gradational with, or alternates with phyllic alteration and they have generally been mapped together as phyllic alteration. A similar relationship is seen in drill core where phyllic and silicic alteration can be logged separately in some places, and in others alternate every few meters. Silicification varies from intense, giving a very hard, cherty rock, to moderate and weaker intensities with progressive lowering of hardness and rock quality designation (RQD) of core. Quartz forms irregular veining in phyllic alteration.

Silicification and phyllic alteration appear to be strongest in the upper part of the altered horizon where fluid flow may have been focused. Lower down the alteration becomes weaker and is typically pale blue-green illite and chlorite (confirmed by Pima) with disseminated pyrite and no quartz.

The phyllic-silicic alteration zone is marked by an absence of magnetite due to magnetite destruction by sulfidization.

8.2.3.2 Propylitic Alteration

Propylitic alteration occurs in both the hanging wall and the footwall to the phyllic-silicic alteration zone.

The andesite breccia of the hanging wall has pervasive chlorite alteration with trace to 1% disseminated pyrite giving the rock a dark green color. It is accompanied locally by epidote, calcite veinlets, quartz veinlets, silicification and magnetite.

The footwall dacite breccias and rhyolites also have propylitic alteration with chlorite-magnetite-(epidote-quartz-pyrite) and local silicification. There is up to 5% magnetite after hornblende and widespread barite in veinlets and replacement, especially in the lower part of Arroyo La Escandalosa. Magnetite and barite alteration are stronger in the footwall than the hanging wall.

The first appearance of magnetite in the hanging wall and footwall to the phyllic-silicic zone marks the start of the propylitic zone and is sharply defined in core. The magnetite is a combination of primary igneous magnetite and hydrothermal alteration of mafic minerals.

There is a narrow zone of hematite-silica above and below the phyllic-silicic zone in some holes indicating a redox front. The hydrothermal fluid is interpreted to have been reducing with lateral flow in the main phyllic-silicic horizon, changing to oxidizing with vertical flow into the hanging wall and footwall.

8.2.3.3 Hydrothermal Breccias

There are several types of phreatic hydrothermal breccias with sulfides in the phyllic and silicic alteration zones. These are volumetrically small and are only seen in core and not in outcrop. Most of the breccias at La Escandalosa are volcanoclastic.

Three types of phreatic breccia have been identified in core, listed from oldest to youngest based on cross-cutting relationships:

1. A black jigsaw breccia with a black matrix of silica, fine grained pyrite and a fine grained, black, non-sulfide mineral (biotite?) in zones of tens of cm. It is matrix- to clast-supported.
2. This is cut by quartz-sulfide veinlets which can form a network fracture breccia.
3. A clay-matrix breccia cuts silicified rock and is a jigsaw, clast-supported breccia with angular, milled silicified clasts in a matrix of soft pale gray-green clay-pyrite. It forms irregular breccia veinlets of a few to tens of cm width. It is interpreted to be a phreatic breccia rather than a fault breccia due to the matrix of clay (in silicified zones) and pyrite (which does not appear to be milled), but may in fact be fault breccia.

8.2.3.4 Fault Breccias

Late stage fault breccias also occur. These have a soft clay matrix when in phyllic alteration zones. Faults in rhyolite form a mylonite of brittle fractured shards. The fault breccias affect and thus postdate alteration and the thick white quartz veins.

8.2.3.5 Barite

White barite is commonly present in veinlets and hydrothermal breccias with quartz and calcite, and in places forms a fine grained pervasive replacement. It is more abundant in the footwall to the phyllic alteration zone than in the hanging wall. Barium usually does not show in geochemistry due to the insolubility of barite in the acid digestion used for the ICP analyses.

At the Rio San Juan at La Escandalosa there a 10 m wide, white barite vein surrounded by a stockwork of barite veinlets, associated with silica and phyllic alteration. Pervasive very fine grained white barite occurs with quartz replacing rhyolite in the lower part of Arroyo La Escandalosa.

8.2.3.6 Quartz Veining

There are two types of quartz veining, namely veinlets associated with phyllic alteration, and massive white quartz veins.

The quartz veinlets are white quartz and chalcedony which form irregular veinlets and network veinlet breccias in the phyllic alteration zone. There are also rare straight-sided veinlets. The quartz may have a vuggy texture with a center-line. Quartz is accompanied by white barite, calcite and sulfides. Sulfides may dominate in some veinlets. Minor late-stage quartz veinlets cross-cut quartz-sulfide veinlets.

Massive white quartz veins are locally common in the propylitically altered andesite breccia, especially in the Escandalosa Fault zone. The veins are white, massive and multidirectional and may have minor pyrite and chalcopryite. They are up to at least 2 meters width as shown by abundant river boulders in Arroyo La Escandalosa. Massive white quartz veins can also occur in the phyllic zone, and are distinct from the quartz-chalcedony veinlets described above.

8.2.3.7 Calcite Veining

Calcite veinlets are common in the Maroon and Grey Limestone and are of two types, bedding parallel ptigmatic (strongly deformed), and irregular cross-cutting veinlets with quartz and/or barite. The latter also occur in volcanic rocks.

8.2.3.8 Limestone Bleaching

The Gray Limestone is interpreted as hydrothermally altered and bleached Maroon Limestone based on the restricted outcrop of Gray Limestone in the hanging wall of the phyllic alteration zone. The Gray Limestone has a similar lithofacies to the Maroon Limestone, which has an extensive regional distribution, in contrast to the Maroon Limestone.

It is interpreted that the original color of the limestone is maroon and that this is indicative of deposition in an oxidizing environment suggesting continental lacustrine rather than submarine conditions. Hydrothermal alteration by a reducing fluid caused a color change to gray.

8.2.3.9 Sulfides

Coarse grained pyrite (1-2 mm) occurs as disseminations in phyllic and silicic alteration and with other sulfides in semi-massive zones up to 50 cm wide, and in sulfide and quartz-calcite-barite veinlets. The other common sulfides are sphalerite, chalcopyrite and galena, with rare possible tennantite-tetrahedrite (lacks confirmation). The sphalerite is pale brown in color indicating a low iron and high zinc content. It usually occurs with chalcopyrite in well formed crystals of 1-2 mm and they are partly replaced by black iron-rich sphalerite.

Pyrite also occurs in a fine grained, framboidal habit in clasts in volcanic breccia in amounts varying from a few percent dissemination to massive.

8.2.3.10 Oxidation & Enrichment

Supergene oxidation due to weathering is shallow with a depth of 10 to 15 m. In zones of silicic alteration, the pyrite is leached giving residual vuggy silica with jarosite and hematite, for example at Hondo Valle. Supergene argillic alteration is developed from quartz-illite-pyrite, illite-chlorite-pyrite and propylitic alteration and gives white clay (kaolinite-smectite) with jarosite and hematite, and forms color anomalies.

Rare copper oxide minerals occur in outcrop such as brochantite and blue copper carbonates. There is a thin zone of minor supergene chalcocite coating sulfides below the base of oxidation for 1 to 2 m.

8.2.4 Geomorphology and Overburden

The La Escandalosa project is located in the valley of the south-flowing San Juan river. The relief within the project is over 1,000 m with steep slopes. There are three geomorphological zones:

1. Ridges: defined by remnant ridge crests with red clay laterite tops on the east and west sides of the valley at between 1,300 m to over 1,712 m altitude, and interpreted to be a remnant plateau. The road from Boca de los Arroyos to Hondo Valle runs along the ridge top on the west side of the valley.
2. Valleys: defined by a wide valley with a plateau on east side at an altitude of 1,100 to 1,200 m at Los Tomates, and 1,120 – 1,150 m at Las Lagunas, south of La Escandalosa.

3. Canyons: the actual course of the San Juan river course is a series of alternating canyons and broad meanders. The river drops from 1,080 to 900 m altitude with a gradient of 180 m over 3,200 m (5.6%) from Hondo Valle to La Hilguera. The canyons are 100 to 160 m deep and are often inaccessible. The meandering course is unusual for mountainous terrain. Large meanders with broad terraces or old river channels have formed on outcrops of soft limestone and hydrothermal alteration, and the canyons in harder volcanic rocks, especially rhyolites.

These geomorphological zones are interpreted to indicate a three-stage history of uplift and erosion:

1. An old Plateau Phase of which the ridge tops with laterite are a remnant. The age of lateritization elsewhere in the Dominican Republic has been dated stratigraphically as Late Tertiary (post-Middle Oligocene).
2. Major uplift and river erosion to form the broad valleys in the Valley Phase.
3. Recent uplift and rapid river down cutting to form canyons and meanders in the Canyon Phase.

The mineralization at Tres Palmas was exposed relatively recently during the Valley and Canyon Phases. For this reason sulfides are commonly exposed as there has been relatively little time for oxidation.

Unconsolidated Quaternary overburden deposits mapped are active river bed alluvium, river terraces, landslides and colluvium. Landslides are common especially in the Canyon phase topography.

9 DEPOSIT TYPES

The features of the geological model for alteration and mineralization at La Escandalosa are as follows:

- Hosted by Cretaceous age Tiro Formation island arc sequence.
- The host rocks are subaqueous, felsic to intermediate volcanic and volcanoclastic rocks (rhyolite to dacite flows, possible domes, autobreccias, hyaloclastite sandstones to breccias) and non-volcanic sediments (limestones).
- Alteration and mineralization are epigenetic and of intermediate sulfidation epithermal style.
- Alteration and mineralization are stratabound and flat lying in dacitic volcanoclastic breccia (lithic lapilli tuff, with variable clast size from ash to block, also hyaloclastites). Can log bedding and lithological variations in the altered zones. May also be in massive lava units. The breccia clasts are dacite to rhyolite, hyaloclast shards, and also mineralized clasts.
- The mineralized clasts in the dacite breccia are silicified with very fine grained pyrite, occasional quartz veinlets and no gold. The clasts were mineralized before being incorporated into the tuff.
- The mineralized breccia is located on the eastern flank of rhyolite flows (flow-domes?). They are capped by limestone, dacite flows and andesite breccias.
- Alteration can be mapped for 2,200 m north-south.
- Alteration – illite, chlorite, smectite, quartz, pyrite, with zones of massive white quartz replacement of the breccia matrix.
- The alteration is zoned vertically:
 - Propylitic alteration of the hanging wall (chlorite, epidote, quartz and silicification, pyrite and magnetite).
 - Quartz-illite-pyrite and quartz-pyrite in the mineralized zone. Quartz forms irregular veins in competent rock and matrix replacement in breccias. Alteration is stronger in the upper part of the zone and becomes weaker downwards and is pale green illite-chlorite-pyrite. The sulfides comprise disseminated to semi-massive pyrite with chalcopyrite, sphalerite, galena and tennantite-tetrahedrite. The gold grade appears to correlate with silicification or quartz veining.
 - Propylitic alteration in the footwall (chlorite-magnetite-epidote-quartz-pyrite-barite) with strong magnetite and barite.
- Gold is associated with silicification and quartz-sulfide veining.
- There are several stages of volumetrically minor hydrothermal breccias with sulfides (although most of the breccias are volcanoclastic).
- Veinlet breccias form in massive lava units.

- Barite is ubiquitous in breccias and veinlets, and forms pervasive fine grained replacements.
- The alteration zonation shows a stratabound to stratiform geometry and indicates lateral fluid flow.
- There is a redox change in the fluid coincident with the change from quartz-illite-pyrite to propylitic alteration with magnetite. In some holes there is hematite-silica above and below illite. The hydrothermal fluid is interpreted to have been reducing with lateral flow in the main illite-quartz horizon, changing to oxidizing with vertical flow into the hanging and foot walls.
- The favorable horizon has restricted outcrop and is masked by weakly altered rocks in the hanging wall and foot wall.

Flow of the hydrothermal fluids is interpreted to have been lateral and related to the porosity and permeability of the host dacite breccias to form a flat-lying, stratiform mineralized body with intermediate sulfidation epithermal characteristics.

There are several unknown aspects to the deposit model which have implications for exploration:

- A flat-lying, stratiform intermediate sulfidation epithermal system is very unusual;
- No steep, mineralized feeder structures have been identified;
- No porphyry intrusion or dikes have been identified as possible fluid source;
- What is the source of the mineralized clasts in the host breccia?

The model for the mineralization at La Escandalosa is of intermediate sulfidation epithermal type. Epithermal gold and silver deposits of both vein and bulk-tonnage styles are classified as high-sulfidation (HS), intermediate-sulfidation (IS) and low-sulfidation (LS) types based on the sulfidation states of their hypogene sulfide assemblages (Hedenquist et al., 2004). The sulfidation state describes the sulfur activity ($\log fS_2$). The HS and LS terms were introduced in the 1980s, and the IS term was defined more recently. HS deposits are also called “acid sulfate”, and LS deposits “adularia-sericite”. IS deposits were often previously included with LS deposits, and sometimes called a “high sulfide plus high base metal” subtype. HS deposits contain sulfide-rich assemblages of high sulfidation state, typically pyrite with enargite, luzonite, famatinite, and covellite, hosted by leached silicic rock with a halo of advanced argillic minerals. In contrast, LS deposits contain the low-sulfidation pair pyrite-arsenopyrite. The latter sulfide mineralization is typically present only in relatively minor quantities, within banded veins of quartz, chalcedony and adularia plus subordinate calcite. Very minor amounts of copper (usually <100-200 ppm) are present as chalcopryrite or, less commonly, tetrahedrite-tennantite. Pyrrhotite is present in trace amounts on only some LS deposits. As the name implies, IS deposits possess sulfidation states between those of HS and LS types, typically with stability of chalcopryrite, tetrahedrite-tennantite, and Fe-poor sphalerite, but lacking appreciable arsenopyrite and pyrrhotite.

10 MINERALIZATION

Gold mineralization forms a stratiform body in dacite breccias. The stratiform style is shown in Figure 10.1. Alteration and mineralization can be traced for about 2,200 m from Hondo Valle south to Escandalosa Sur. The altered unit is more than 160 m thick vertically at Hondo Valle. Sufficient drilling has been carried out at Escandalosa Sur to demonstrate continuity of mineralization and enable a mineral resource to be estimated. The average thickness of the mineralized horizon at Escandalosa Sur at a 0.1 g/t Au cutoff is 30.4 m, with a minimum of 8.0 m and a maximum of 64.4 m, while at a 0.3 g/t Au cutoff the average thickness is 13.3 m, with a minimum of 4.0 m and a maximum of 29.0 m;

Gold mineralization is related to quartz and sulfides. Coarse grained pyrite (1-2 mm) occurs as disseminations in phyllic and silicic alteration and with other sulfides in semi-massive zones up to 50 cm wide, and in sulfide and quartz-calcite-barite veinlets. The other common sulfides are sphalerite, chalcopyrite and galena, with rare possible tennantite-tetrahedrite (lacks confirmation). The sphalerite is pale brown in color indicating a low iron and high zinc content. It usually occurs with chalcopyrite in well formed crystals of 1-2 mm and they are partly replaced by black iron-rich sphalerite.

Pyrite also occurs in a fine grained, framboidal habit in clasts in volcanic breccia in amounts varying from a few percent dissemination to massive.

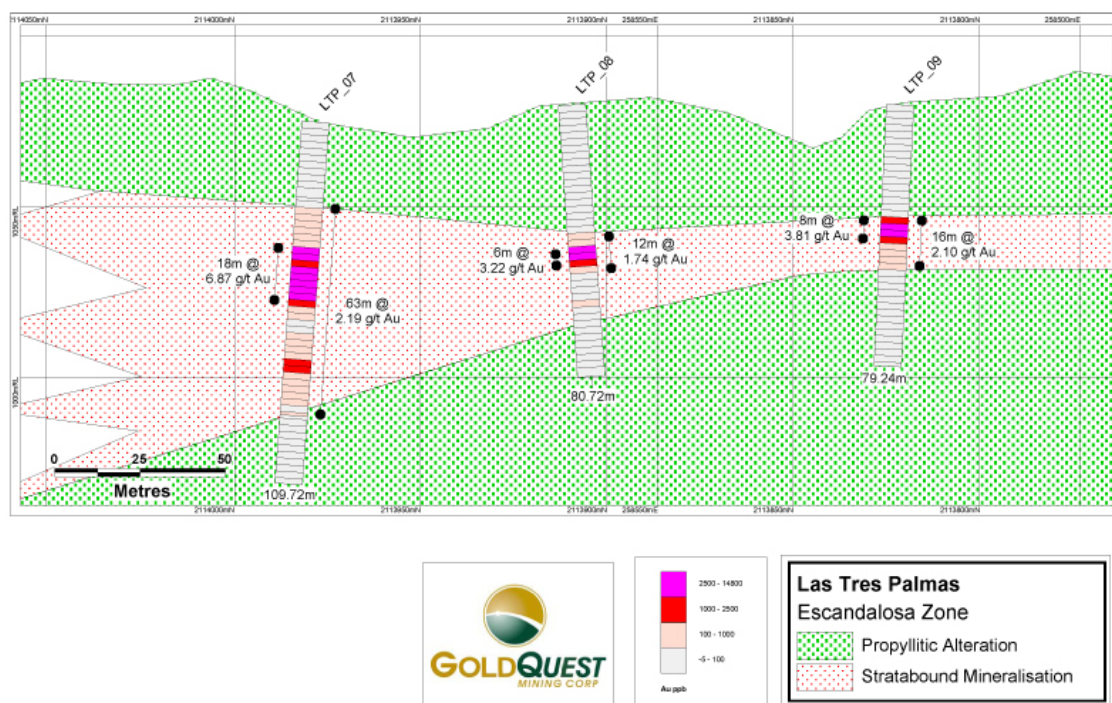


Figure 10.1 Cross section through drill holes LTP-07, LTP-08 and LTP-09.

11 EXPLORATION

11.1 Topography & Imagery

GoldQuest commissioned a detailed topographic map with 2 m contour intervals derived from Ikonos satellite imagery (1 m resolution) which provided a detailed base map for mapping, plotting drill holes and polygons, as well as a high resolution satellite image.

The company also carried out spectral interpretation for alteration mapping of an Aster satellite image (15 m resolution).

11.2 Geological Mapping

Geological mapping at La Escandalosa has been carried out for GoldQuest at 1:10,000 scale (Gonzalez, 2004) and at 1:2,000 scale (MacDonald, 2005; Redwood, 2006b, 2006c), with revision and additional mapping by Gold Fields (Dunkley & Gabor, 2008a, 2008b). A petrographic study of 15 samples was carried out by Tidy (2006).

11.3 Geochemistry

One of the main exploration techniques used at La Escandalosa has been geochemistry. GoldQuest has taken 40 fine fraction stream sediment samples (minus 200 mesh), 1090 soil samples and 1176 rock samples, including channel samples.

Soil geochemical grids have been carried out over most of the areas of outcropping mineralization between Hondo Valle and La Hilguera on 100 m by 100 m, and 50 m by 50 m grids, and ridge and spur soil samples for reconnaissance. The area sampled on grids is about 2.0 km long north-south by 1.0 km across, and the total area sampled including ridges and spurs is about 4.0 km north-south by 3.0 km wide. A total of 1,090 soil samples have been taken.

Hand dug trenches were made to follow up on soil anomalies prior to drilling, and continuous channel samples were taken of the exposed bedrock.

11.4 Geophysics

GoldQuest obtained a regional airborne magnetics and radiometric survey flown on a 1 km line spacing for the SYSMIN program. Reprocessing was carried out by Gold Fields. No ground geophysics has been carried out.

12 DRILLING

Three programs of diamond drilling have been carried out at La Escandalosa by GoldQuest for a total of 5,404.68 m in 42 holes. The average hole length was 129 m.

The drill contractor for all three programs was Energold Drilling Corporation of Vancouver using a man-portable, hydraulic Hydracore Gopher diamond drill, with NTW (56.0 mm diameter) and BTW (42.0 mm diameter) core (Figure 12.1).

A list of the holes is given in Table 12.1. A list of significant gold intersections is given in Table 12.2. Plans of the drill hole locations are given in Figure 12.2 to Figure 12.4. A cross section of Escandalosa Sur is given in Figure 10.1.

The Phase 1 program comprised 17 drill holes for 1,820.72 m in Hondo Valle, Los Tomates, Escandalosa Sur and La Hilguera (Hoyo Prieto) (holes LTP-01 to LTP-17). They were drilled between 17 March and 6 May 2006. The program is described in reports by MacDonald (2006) and Redwood (2006a). Magnetic susceptibility readings were taken from 10 holes from the Phase 1 program.

The Phase 2 program comprised 16 holes for a total of 2,223.31 m including 16 holes in Escandalosa Sur and three at Hondo Valle (holes LTP-18 to LTP-33). The drilling was carried out between 16 November 2006 and 29 January 2007. The program is described in a report by Vega (2007).

The Phase 3 program was carried out at Escandalosa Sur and comprised 9 holes for 1,360.75 m (holes LTP-34 to LTP-42). It was carried out between 15 April and 17 May 2010. The program is described in a report by Gonzalez (2010).

Downhole surveys were not carried out.

The geological drill logs record recovery, rock quality designation (RQD), structures, lithology, alteration and mineralization.

Drill platforms, mud sumps and access paths were recontoured and revegetated after use. Drill holes were capped and marked with plastic pipe set in cement.

Hole No.	UTM Easting	UTM Northing	UTM Altitude (m)	Azimuth (degrees)	Inclination (degrees)	Depth (m)	Zone
Phase 1							
LTP-01	258893	2115598	1090	270	-65	148.44	Hondo Valle
LTP-02	258893	2115598	1090	90	-70	233.17	Hondo Valle
LTP-03	258959	2115680	1064	270	-60	149.35	Hondo Valle
LTP-04	258979	2115584	1056	270	-75	150.88	Hondo Valle
LTP-05	258537	2114029	1076	270	-60	19.79	Escandalosa Sur
LTP-06	258537	2114029	1076	310	-60	99.20	Escandalosa Sur
LTP-07	258585	2113976	1110	310	-75	109.72	Escandalosa Sur
LTP-08	258528	2113924	1110	270	-80	88.72	Escandalosa Sur
LTP-09	258539	2113814	1104	304	-75	79.24	Escandalosa Sur
LTP-10	258664	2113727	1126	304	-75	97.52	Escandalosa Sur
LTP-11	258118	2114440	1080	160	-60	41.75	Los Tomates
LTP-12	258319	2114524	1116	270	-65	123.84	Los Tomates
LTP-13	258431	2114668	1120	270	-60	67.05	Los Tomates
LTP-14	258924	2115156	1130	-	-90	187.50	Hondo Valle
LTP-15	257674	2113315	1190	-	-90	125.91	La Hilguera
LTP-16	258247	2113042	1040	-	-90	52.92	La Hilguera
LTP-17	258220	2113180	1026	-	-90	45.72	La Hilguera
Total Phase 1						1,820.72	
Phase 2							
LTP-18	258653	2114046	1120	-	-90	141.73	Escandalosa Sur
LTP-19	258655	2113945	1145	-	-90	121.92	Escandalosa Sur
LTP-20	258650	2113847	1129	-	-90	102.11	Escandalosa Sur
LTP-21	258758	2113916	1151	-	-90	106.68	Escandalosa Sur
LTP-22	258750	2113800	1144	-	-90	115.82	Escandalosa Sur
LTP-23	258750	2113590	1126	-	-90	105.16	Escandalosa Sur
LTP-24	258744	2113997	1164	-	-90	129.54	Escandalosa Sur
LTP-25	258850	2113995	1178	-	-90	143.26	Escandalosa Sur
LTP-26	258778	2114101	1113	-	-90	307.24	Escandalosa Sur
LTP-27	258667	2114213	1118	-	-90	170.69	Escandalosa Sur
LTP-28	258653	2114561	1070	-	-90	89.92	Los Tomates
LTP-29	258541	2114458	1074	-	-90	85.34	Los Tomates
LTP-30	258295	2114250	982	240	-60	100.58	Los Tomates
LTP-31	258898	2115396	1110	-	-90	150.88	Hondo Valle
LTP-32	258760	2115555	1078	280	-70	100.88	Hondo Valle
LTP-33	259319	2115782	1188	-	-90	251.46	Hondo Valle
Total Phase 2						2,223.21	
Phase 3							
LTP-34	258550	2113700	1132	-	-90	82.93	Escandalosa Sur
LTP-35	258555	2113951	1102	-	-90	89.92	Escandalosa Sur
LTP-36	258850	2113900	1160	-	-90	134.16	Escandalosa Sur
LTP-37	258950	2113900	1173	-	-90	170.74	Escandalosa Sur
LTP-38	259104	2114311	1283	180	-75	323.20	Escandalosa Sur

LTP-41	258619	2114011	1115	-	-90	112.81	Escandalosa Sur
LTP-39	258700	2114100	1120	-	-90	180.20	Escandalosa Sur
LTP-40	258850	2114000	1187	-	-90	192.09	Escandalosa Sur
LTP-42	258532	2113868	1112	-	-90	74.70	Escandalosa Sur
Total Phase 3						1,360.75	
Grand Total						5,404.68	

Table 12.1 La Escandalosa drill holes, 2006 to 2010

Easting and Northing are coordinates are in UTM NAD 27 Conus.

Azimuths are in degrees relative to grid north. They were corrected for magnetic declination of 10°19' west.



Figure 12.1 Drill rig on hole LTP-24 at Escandalosa Sur.
The rig is a man-portable, hydraulic Hydracore Gopher diamond drill.

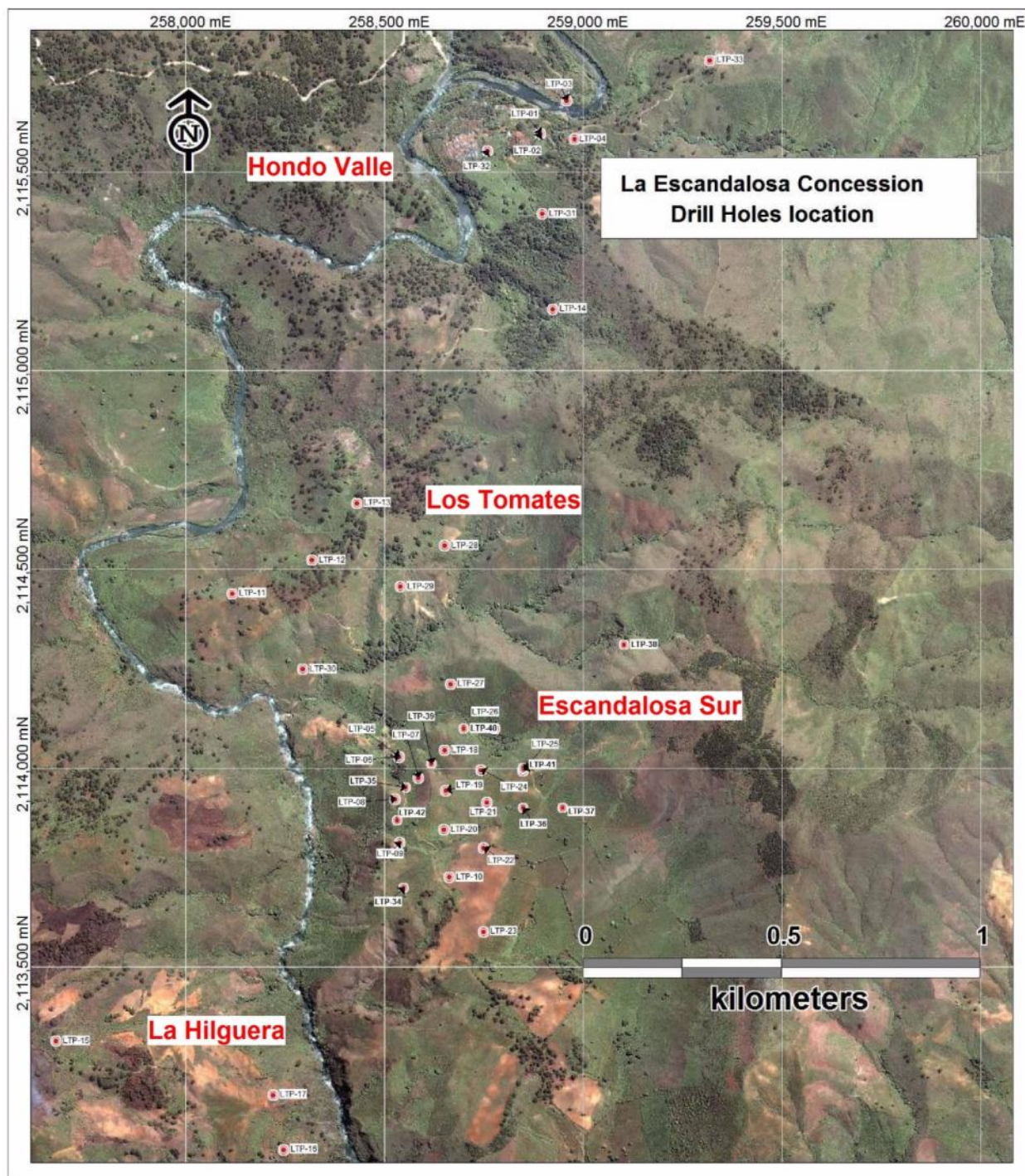


Figure 12.2 Location of all drill holes on the La Escandalosa concession.

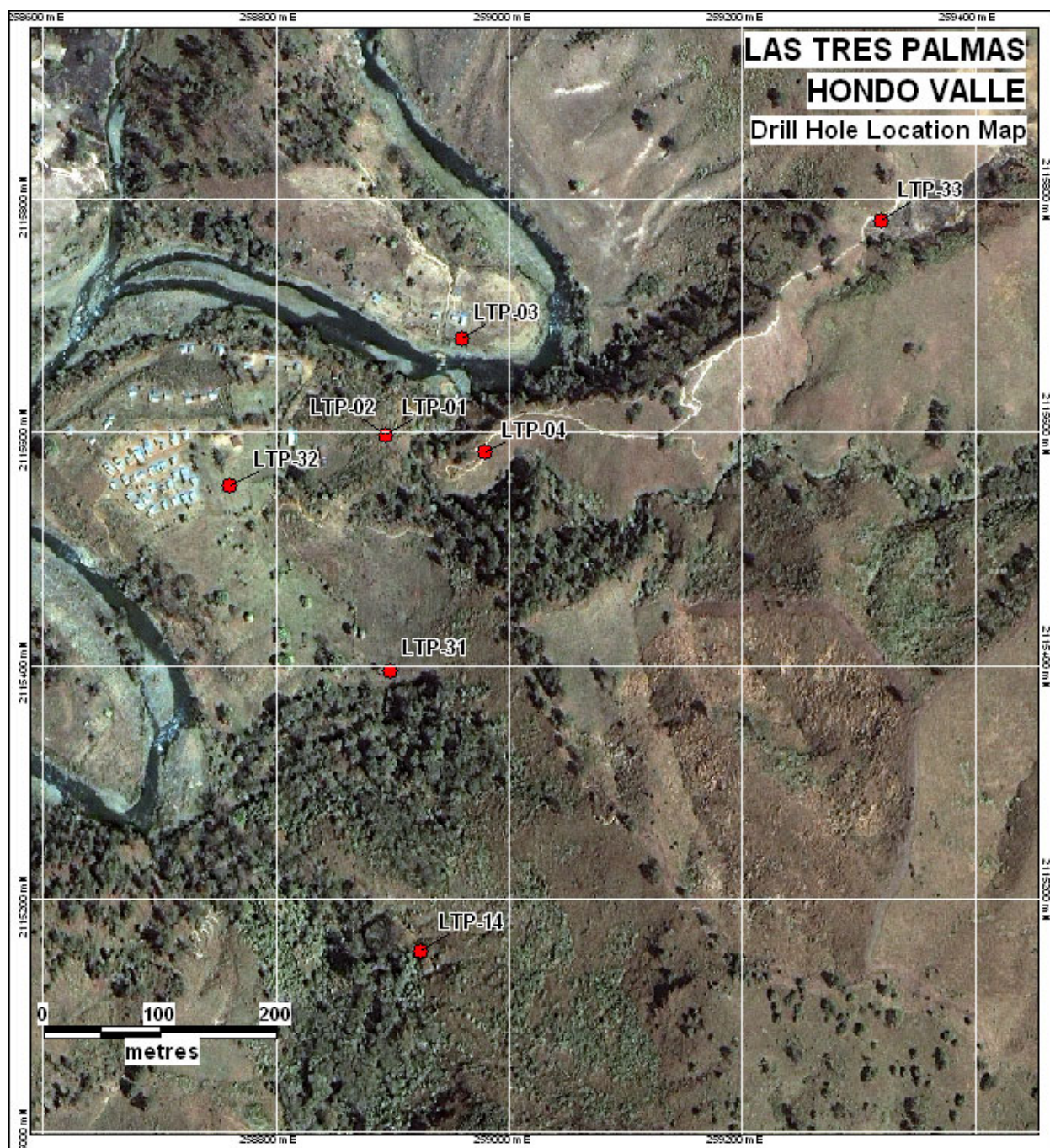


Figure 12.3 Location of drill holes at Hondo Valle zone, La Escandalosa.

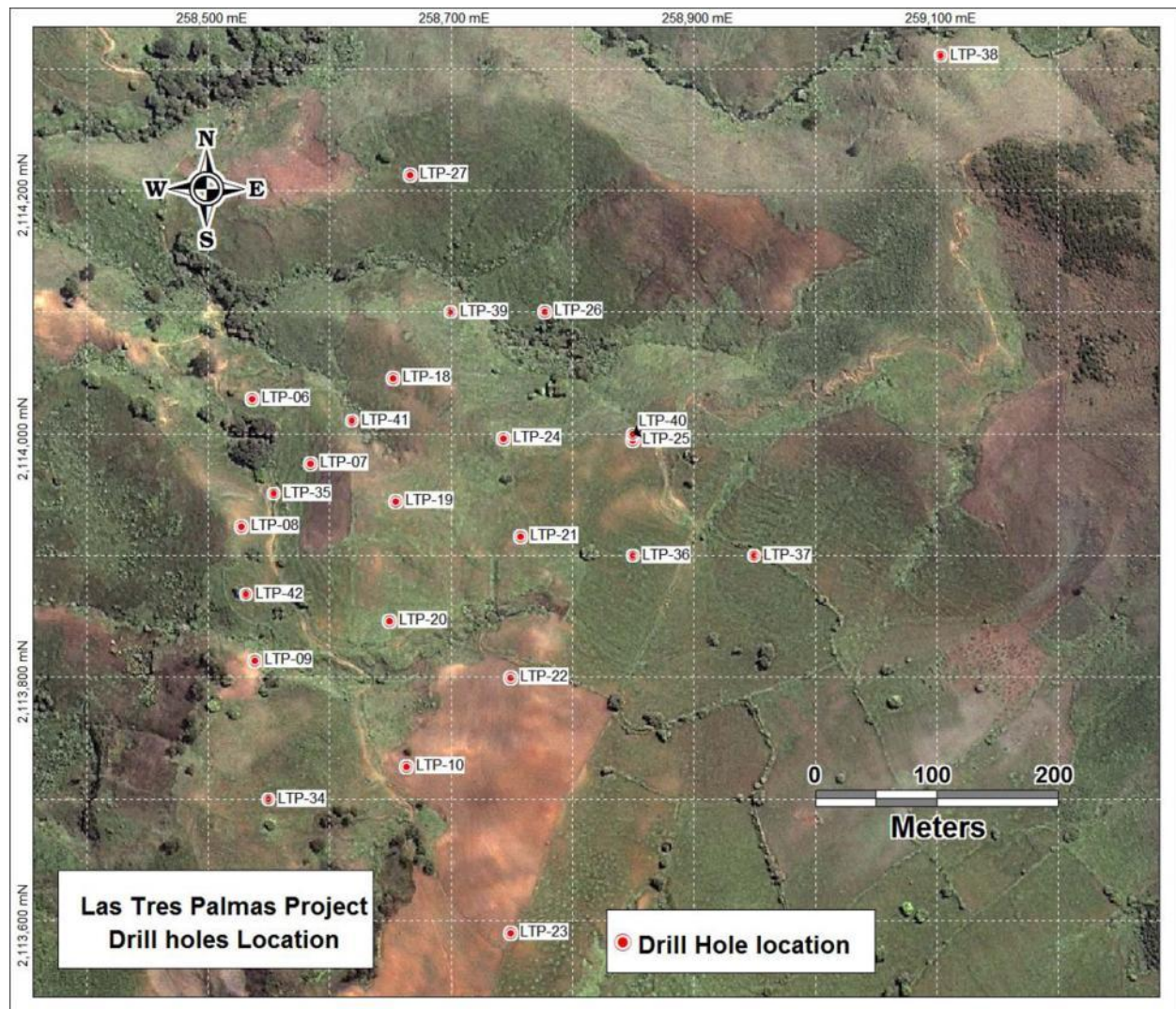


Figure 12.4 Location of drill holes at Escandalosa Sur, La Escandalosa.

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Zone
LTP-01	0.00	20.00	20.00	0.98	Hondo Valle
LTP-02	0.00	42.00	42.00	1.68	Hondo Valle
inc.	0.00	20.00	20.00	2.65	
LTP-03	8.00	149.35	141.35	0.31	Hondo Valle
inc.	8.00	100.00	92.00	0.35	
LTP-05	0.00	14.00	14.00	0.50	Escandalosa Sur
LTP-06	0.00	20.00	20.00	0.26	Escandalosa Sur
LTP-07	26.00	86.00	60.00	2.07	Escandalosa Sur
inc.	38.00	76.00	38.00	3.15	
inc.	38.00	56.00	18.00	6.11	
LTP-08	38.00	64.00	26.00	0.84	Escandalosa Sur
inc.	38.00	50.00	12.00	1.74	
LTP-09	34.00	50.00	16.00	2.10	Escandalosa Sur
inc.	34.00	42.00	8.00	3.81	
LTP-10	60.00	84.00	22.00	0.31	Escandalosa Sur
LTP-14	8.00	58.00	50.00	0.28	Hondo Valle
LTP-18	60.00	108.00	48.00	0.29	Escandalosa Sur
LTP-19	78.46	110.56	32.10	0.37	Escandalosa Sur
LTP-20	65.00	87.00	22.00	0.27	Escandalosa Sur
LTP-21	78.00	104.00	26.00	0.24	Escandalosa Sur
LTP-22	74.00	112.00	38.00	0.17	Escandalosa Sur
LTP-23	62.00	70.00	8.00	0.18	Escandalosa Sur
LTP-24	102.46	129.54	27.08	0.33	Escandalosa Sur
LTP-26	124.00	153.90	29.90	0.20	Escandalosa Sur
LTP-27	115.00	127.00	12.00	0.11	Escandalosa Sur
and	161.00	170.69	9.69	0.15	
LTP-28	36.00	49.28	13.28	0.15	Los Tomates
LTP-30	96.00	100.58	4.58	0.13	Los Tomates
LTP-31	12.00	118.00	106.00	0.11	Hondo Valle
inc.	12.00	35.46	23.46	0.21	Hondo Valle
LTP-32	8.00	36.45	28.45	0.36	Hondo Valle
inc.	26.00	36.45	10.45	0.84	Hondo Valle
LTP-34	61.02	68.11	7.09	5.85	Escandalosa Sur
LTP-35	18.00	56.00	38.00	0.84	Escandalosa Sur
inc.	28.00	36.00	8.00	3.12	
LTP-38	282.00	318.00	36.00	0.12	Escandalosa Sur
LTP-39	66.00	92.00	26.00	11.39	Escandalosa Sur
inc.	68.00	86.00	18.00	16.33	
and	101.63	142.00	40.37	0.21	
LTP-40	178.00	192.09	14.09	0.18	Escandalosa Sur
LTP-41	25.00	78.00	53.00	3.02	Escandalosa Sur
inc.	36.00	52.00	16.00	9.39	
LTP-42	35.23	58.00	22.77	1.33	Escandalosa Sur
inc.	38.00	48.00	10.00	2.74	

Table 12.2 Table of significant gold intersections from La Escandalosa.

13 SAMPLING METHOD AND APPROACH

The initial indications of mineralization at La Escandalosa were found by fine fraction stream sediment sampling and float sampling carried out as part of a regional stream sediment geochemistry exploration program.

The main exploration technique used for definition of drill targets was soil sampling. A total of 1090 soil samples were taken in several programs between 2005-10 and analyzed for gold and multielements. Soil samples were taken from the B horizon and were not sieved. The average sample weight was about 0.5 kg. Sampling was on grids of 50 m by 50 m, and 100 m by 100 m, and along ridges and spurs in reconnaissance areas. The area sampled on grids is about 2.0 km long north-south by 1.0 km across, and the total area sampled including ridges and spurs is about 4.0 km north-south by 3.0 km wide.

Rock sampling was carried out as grab samples of outcrop and float, and channel samples from hand-dug pits and trenches. A total of 1176 rock samples were collected. Samples were 2 to 4 kg in weight and were analyzed for gold and multielements. Surface rock samples are collected to check for the existence of mineralization, but not to quantify it, and were not used for resource estimation.

Diamond drilling was carried out using NTW (56.0 mm diameter) and BTW (42.0 mm diameter) core. Sample intervals in the core were selected by the geologist after geological logging. The sample intervals are generally 2.00 meters. Priority was given to geological contacts so that some intervals may be shorter. In areas of low recovery the sample interval is between drill run markers. The average sample length is 2.00 m (n = 2,714 samples). The minimum sample length is 0.86 m and the maximum is 9.50 m. The core samples were cut lengthwise by diamond saw and one-half of the core was sampled, and the other half left in the core box for reference. Samples were collected in heavy duty polythene sample bags which were sealed with plastic cable-ties. A sample ticket was glued on the core box at the start of the sample interval. Another sample ticket was inserted in the bag and the number written on the outside of the bag with indelible marker pen.

The upper part of two holes were not sampled or analyzed, although they were marked up with sample numbers; these were LTP-38 from 0 to 220 m due to no mineralization, and LTP-40 from 0 to 142.36 m as it was a twin of hole LTP-25 designed to drill deeper to reach the target. There are 2714 samples and 2538 analyses for core.

14 SAMPLE PREPARATION, ANALYSIS AND SECURITY

14.1 Sample Security and Chain of Custody

Soil and rock samples were collected in heavy duty paper and polythene sample bags respectively, sealed with wire ties and plastic cable ties respectively. A detailed sample description form was filled in for each sample, and a tear-off sample ticket inserted in the bag.

Core samples were placed into wooden core boxes by the drillers. Core was collected from the drill rig by GoldQuest field assistant and taken to the core shack at Hondo Valle for logging and sampling.

The core was logged and marked for sampling by the GoldQuest geologist. The core samples were cut lengthwise by diamond saw and one-half core was sampled, and the other half left in the core box for reference. Samples were collected in heavy duty polythene sample bags which were sealed with plastic cable ties. A sample ticket was glued on the core box at the start of the sample interval. Another sample ticket was inserted in the bag and the sample number was written on the outside of the bag with indelible marker pen.

All of the split core is stored at GoldQuest's core store at Hondo Valle.

Stream sediment, soil, rock and core samples from the Phase 1 and 2 drill programs (holes LTP-01 to LTP-33) were shipped to ALS Chemex Ltd (ALS Chemex), Vancouver, Canada for preparation and analysis. This lab complies with the requirements of international standards ISO 9001:2000 and ISO 17025:1999. The whole sample was shipped as there was no sample preparation facility in the Dominican Republic at that time. The samples were bagged in nylon sacks and taken by GoldQuest vehicle to the GoldQuest office in Santo Domingo, where standard and blank samples were inserted and sample shipment forms prepared. The samples were then taken to Punta Cana by GoldQuest vehicle, about a four hour drive, and sent by air to Vancouver. It was found that the best air freight rates could be obtained from Punta Cana on direct holiday charter flights to Vancouver, with an average time of two to three days to reach the lab. (Other courier and air freight routes from Santo Domingo were found by previous experience to be much more expensive, slower and prone to delays due cargo being carried when space was available.)

From September 2007, all soil, rock and core samples from the Phase 3 drill program (holes LTP-34 to LTP-42) were prepared at Acme Analytical Laboratories Ltd's (Acme) new sample preparation facility in Maimon, Dominican Republic. Samples were delivered by GoldQuest vehicle. Acme is registered with ISO 9001:2000 and ISO 17025 accreditation.

14.2 Sample Preparation

Sample preparation for rock and core samples at ALS Chemex in Vancouver was to log the sample into the tracking system; record the weight; dry; crush the entire sample to >70% passing 2 mm; split off 1.5 kg; and pulverize the split to >85% passing 75 microns (method PREP-32). Coarse rejects and pulps are stored at the lab. Soil samples were prepared by sample login; record weight; dry, disaggregate and sieve sample to -80 mesh (method PREP-41). Some assay certificates indicate that for some soil sample orders a split of unspecified weight was pulverized to >85% passing 75 microns (method PUL-31).

Rock and drill core sample preparation by Acme in Maimon comprises logging the sample into the Acme tracking system with a bar code; dry in an electric oven; crush by Terminator jaw crusher to 80% passing -10 mesh (2 mm); and 300 g split by riffle splitter. The sample split was then shipped by courier by Acme to their lab in Santiago, Chile or Vancouver for pulverization to 95% passing -150 mesh (106 microns) (method R150). Soil samples were prepared by drying at 60°C; and sieving a 100 g split to -80 mesh. Coarse rejects for core, rock and soil samples were returned to GoldQuest and are stored at GoldQuest's core store in Bonao. Pulps are stored at Acme's lab in Chile.

14.3 Sample Analysis

There are a total of 1176 rock sample analyses, 1090 soil sample analyses and 2538 drill core analyses, excluding QC samples.

ALS Chemex analyzed samples in their Vancouver lab (VA assay certificate number prefixes) for gold by fire assay (30 g) with measurement by inductively coupled plasma atomic emission spectrometer (ICP-AES or ICP-ES) (method Au-ICP21, range 0.001 to 10 ppm), with over-runs by fire assay (30 grams) with atomic absorption spectrometry (AAS) finish (method Au-AA25). Multi-elements were done in a 53 element package (Ag, Al*, As, Au, B*, Ba*, Be*, Bi, Ca*, Cd, Ce*, Co, Cr*, Cs*, Cu, Fe, Ga*, Ge*, Hf*, Hg, In*, K*, La*, Li*, Mg*, Mn, Mo, Na*, Nb*, Ni, P, Pb, Pd, Pt, Rb*, Re*, S*, Sb, Sc*, Se, Sn*, Sr*, Ta*, Te*, Th*, Ti*, Tl*, U, V, W*, Y*, Zn, Zr*) by aqua regia digestion and a combination of inductively coupled plasma mass spectroscopy (ICP-MS) and ICP-AES (method ME-MS41). Major rock forming elements and more resistive minerals are only partly dissolved, and for elements marked (*), digestion is incomplete for most sample matrices. Over-runs for Ag, Cu, Pb and Zn were done by aqua regia digestion and AAS (method AA46).

Acme analyzed core samples from holes LTP-34 to LTP-42 at their lab in Vancouver (DRG-series assay certificates) by fire assay by classical lead-collection on a 50 gram sample with AAS analysis of the bead and a lower limit of detection of 5 ppb, and results were reported in ppb

(method G6), or by fire assay fusion of a 50 g sample with detection by ICP-ES (method G601+G610). Over-runs above 10,000 ppb were re-analyzed by fire assay on a 50 g sample with gravimetric analysis and reported in g/t (method G6Gr-50). Multi-elements were analyzed in Acme's Vancouver lab in a 53 element ultra-trace level package including Au, Pt, Pd, Ag, Al*, As, B*, Ba*, Be*, Bi, Ca*, Cd, Ce*, Co, Cr*, Cs*, Cu, Fe, Ga*, Ge*, Hf*, Hg, In, K*, La*, Li*, Mg*, Mn, Mo, Na*, Nb*, Ni*, P*, Pb, Pd*, Pt*, Rb*, Re, S*, Sb, Sc*, Se, Sn*, Sr*, Ta*, Te, Th*, Ti*, Tl*, U*, V*, W*, Y*, Zn, Zr*) on a 15 g sample with aqua regia digestion (1:1:1) and ICP-MS analysis (method 1F05). Some elements (*) report partial concentrations due to refractory minerals. Over-limit analyses for Ag, Cu and Zn were re-analyzed by four acid digestion on a 0.5 g split and ICP-ES analysis and reported in ppm for Ag and percent for Cu, Pb and Zn (method 7TD1). The gold fire assay was used for resource estimation rather than the ICP gold.

Acme analyzed soil and rock samples initially for Au and multielements by the ultra-trace level package 1F, and later for Au by method G6 and multielements by method 7TX. These methods are described above.

Barium values are not representative due to the insolubility of barite in the aqua regia and multi-acid digestion used for the ICP analyses. In the sulfide zone Ba values are very low, despite abundant barite in places. In the oxide zone there are values up to 0.35% Ba, indicating some Ba in a more soluble mineral form, but still not representative of the total barium content. X-ray fluorescence (XRF) analyses are required to get accurate Ba analyses.

14.4 Quality Assurance / Quality Control (QA/QC)

GoldQuest carried out QA/QC of the drill programs by the insertion of 3 certified standard reference materials (CSRM), 3 blanks and 2 core duplicates per 100 samples, giving 7% QC samples. The results of the QC samples were checked upon receipt of the analytical results from the lab; if the QC sample results fell outwith the acceptable limits, described in sections 14.4.1 to 14.4.4, the lab was notified and requested to investigate the problem, and, if necessary, to re-analyze the batch. Once the sample order passed QC it was approved and entered into the company database.

Similar QA/QC procedures were carried out by GoldQuest for stream sediment, soil and rock samples. The results are not described in this report as these data were not used for the resource estimation.

14.4.1 Certified Standard Reference Materials

CSRM number OxD27 was used for the Phase 1 drill program, SF12 was used for the Phase 2 drill program, and CDN-GS-P5B and CDN-GS-P8 were used for the Phase 3 drill program. Three CSRM were inserted per 100 samples. The results were evaluated using performance gates. The results are accepted if they are within plus or minus two standard deviations (SD) of the recommended value. A single value lying between plus or minus 2SD and 3SD is also acceptable, but two consecutive values between plus or minus 2SD and 3SD are rejected, as are any values greater or less than 3SD.

OxD27 and SF12 were produced by Rocklabs Ltd., New Zealand. OxD27 has a certified value of 0.416 ± 0.025 (1 SD) g/t. SF12 has a certified value of 0.819 ± 0.028 (1 SD) ppm.

CDN-GS-P5B and CDN-GS-P8 were produced by CDN Resource Laboratories Ltd., British Columbia, Canada. CDN-GS-P5B has a certified value of 0.44 ± 0.04 (2 SD) g/t Au. CDN-GS-P8 has a certified value of 0.78 ± 0.06 (2 SD) g/t Au.

Gold results for the CSRM are shown in Figure 14.1 to Figure 14.3 and are generally within the accepted limits. There is one exception in the Phase 1 drill program, and four exceptions from the Phase 2 drill program where Au is ± 3 SD.

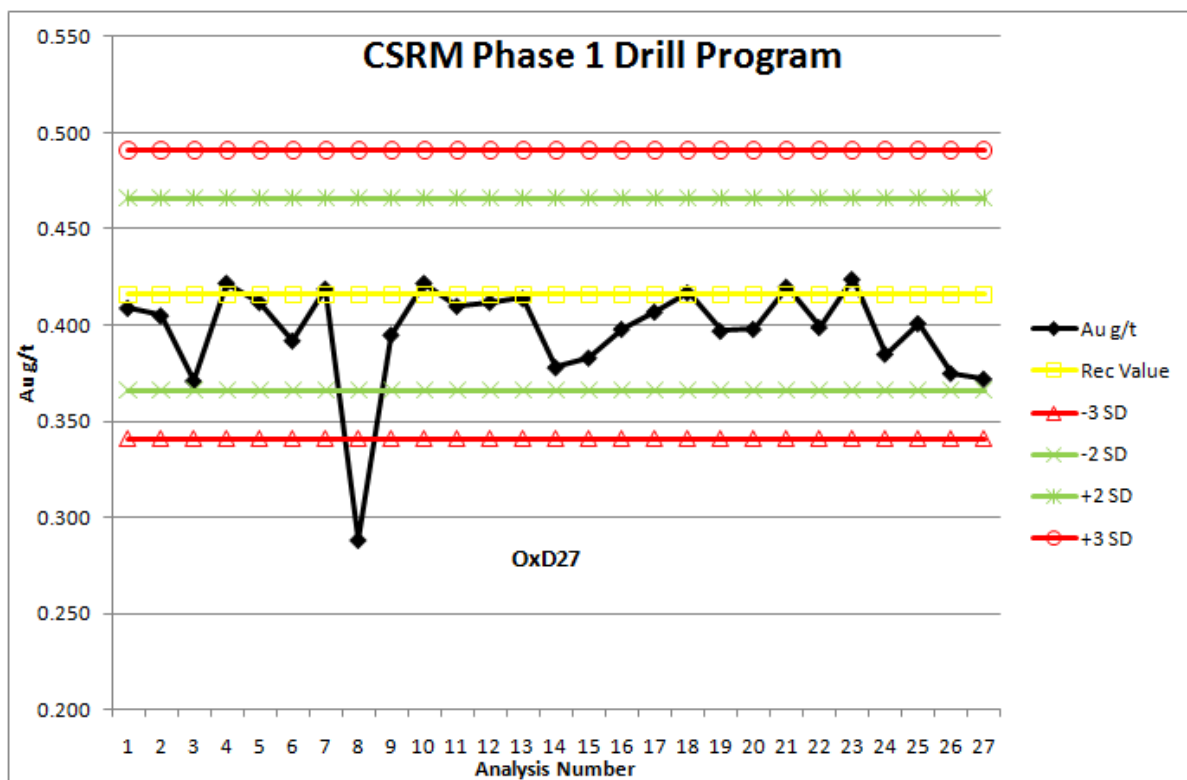


Figure 14.1 CSRM plot for Phase 1 drill program.

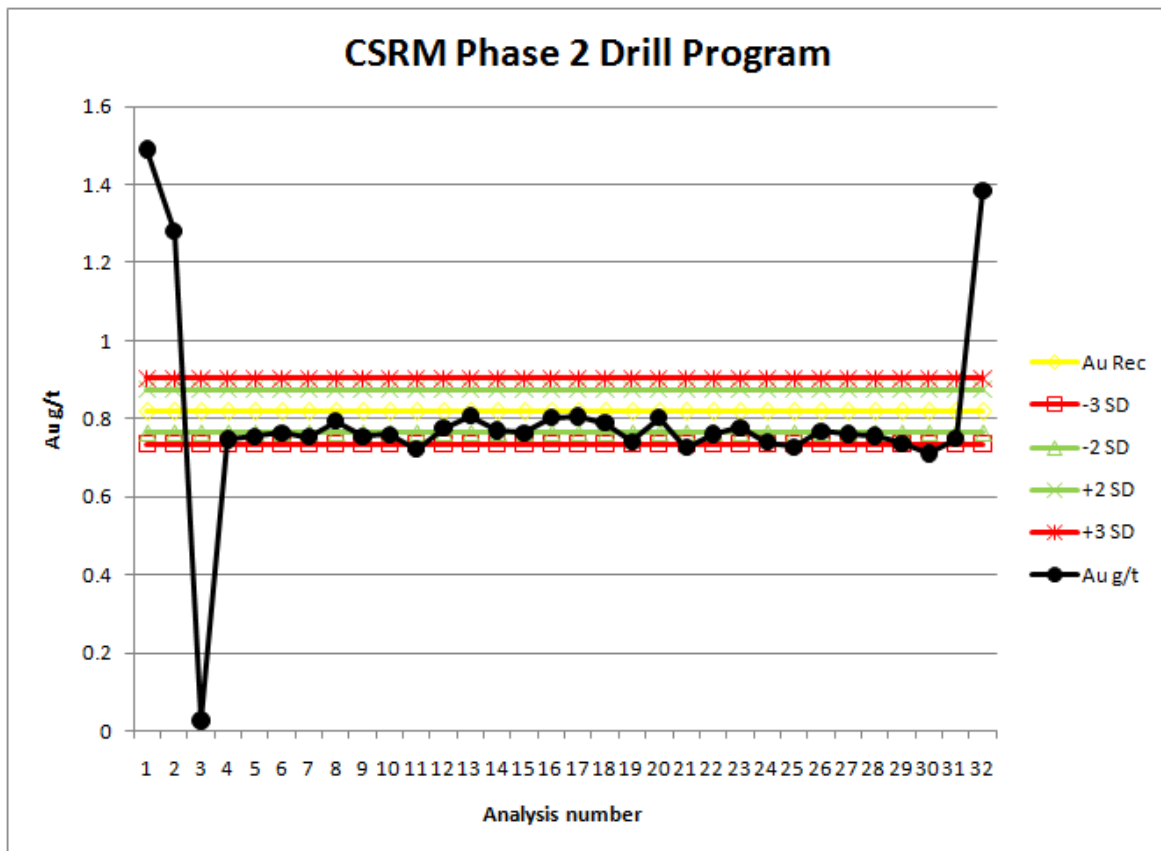


Figure 14.2 CSRM plot for Phase 2 drill program.

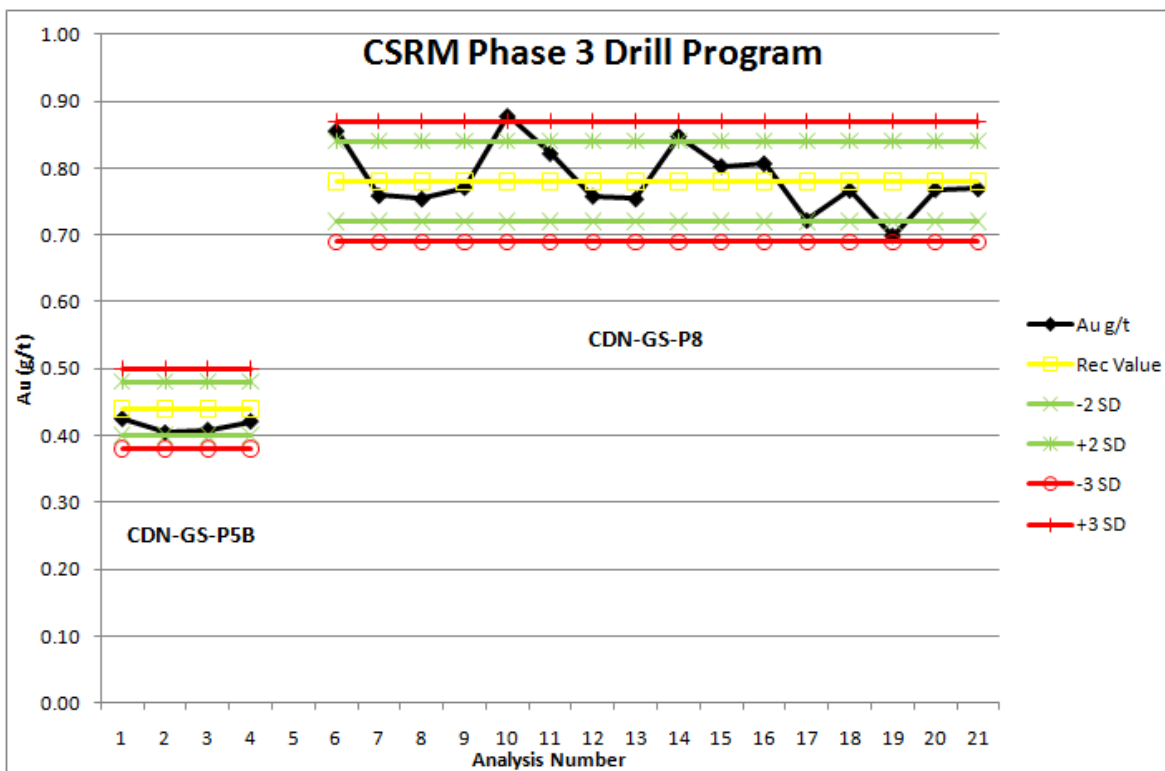


Figure 14.3 CSRM plot for Phase 3 drill program

14.4.2 Blank Assays

Three blank samples were inserted per 100 samples. The blank used was silica sand. The plot of blank analyses for gold is shown in Figure 14.4. The blank results are generally within acceptable limits, defined as 5 times the detection limit, with three exceptions in Phase 2 drill program: since these are in intervals with no significant values, GoldQuest decided not to reanalyze these intervals at the time.

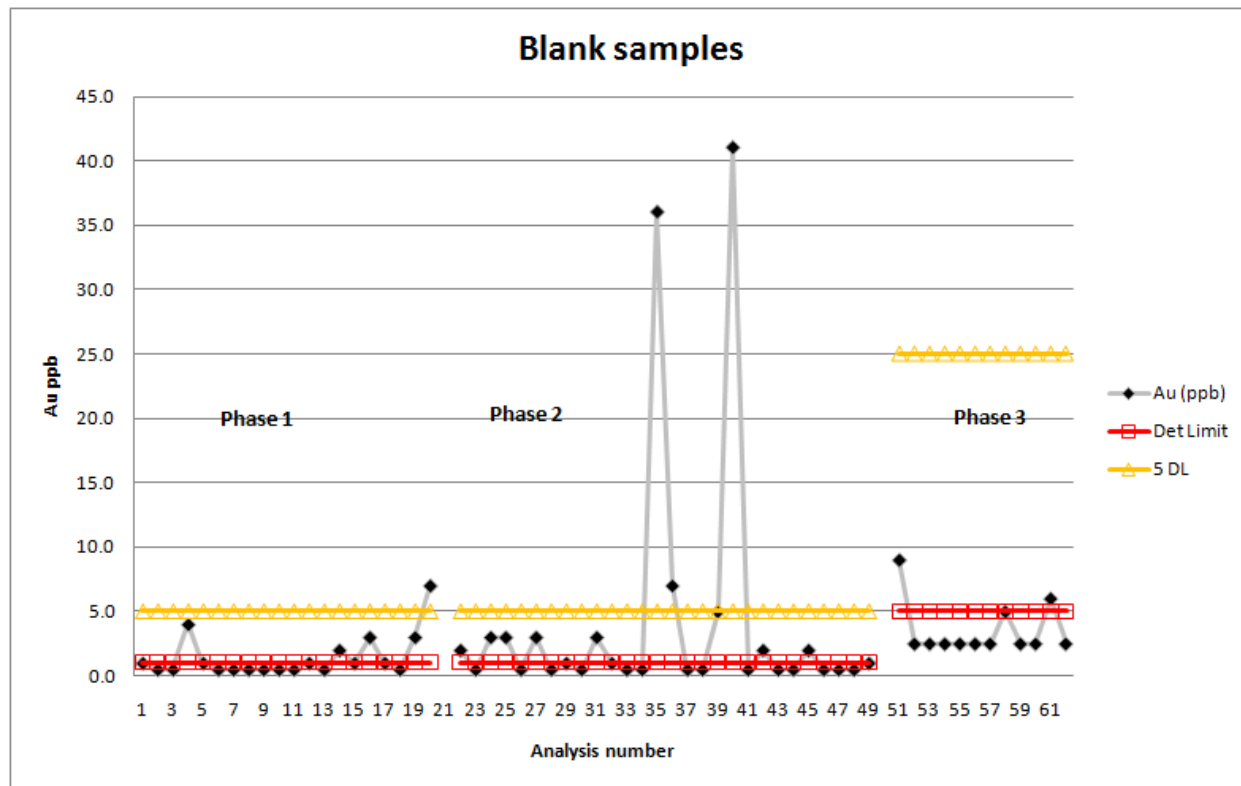


Figure 14.4 Plot of blank samples for Phase 1 to Phase 3 drill programs.
Values below detection replaced by half the detection limit to avoid negative numbers.

14.4.3 Core Duplicates

Two core duplicates were taken for every 100 samples. The core duplicate is a quarter core sample taken by cutting the reference half core sample in two with a diamond saw. A plots of all the core duplicates is shown in Figure 14.5 and shows one outlier sample which may be the result of geological variability, or a laboratory error. In Figure 14.6 the outlier sample has been removed and shows good repeatability of all the other samples.

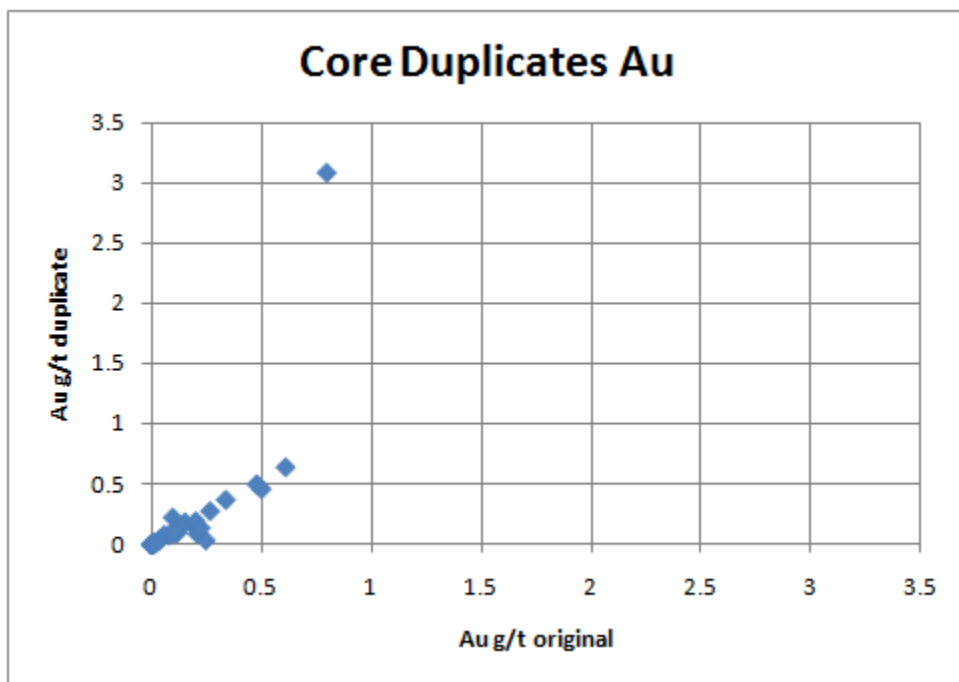


Figure 14.5 Plot of core duplicate analyses for Au, Phases 1 to 3 drill programs.

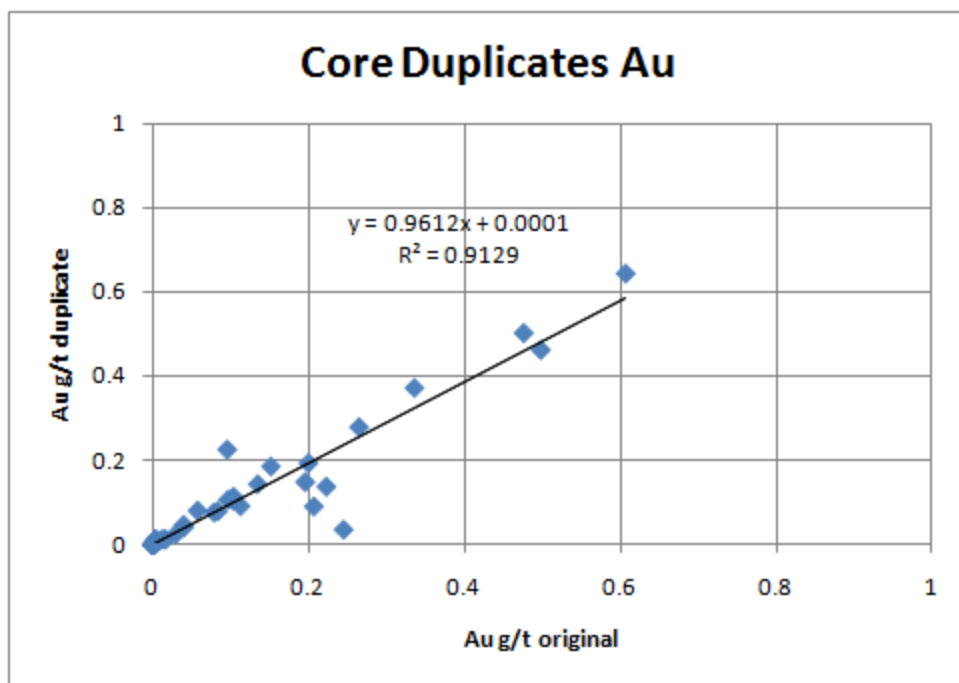


Figure 14.6 Plot of core duplicate analyses for Au with one outlier removed, Phases 1 to 3 drill programs.

14.4.4 External Laboratory Repeats

Replicate analyses of the same sample pulp were made at a third part, certified laboratory on 55 sample pulps from the Phase 3 drill program. The 55 sample pulps were selected above a cut off of 0.2 g/t Au, out of 501 analyses (excluding QC samples), representing 11% of the total. These were sent, with 2 CSRM and 2 blanks for QC, to ALS Chemex in Vancouver for analysis for Au by Au-AA23 (FA30g-AAS) and multielements by ME-ICP41. A cut off grade was used to select replicate samples rather than selection at random since the latter would have resulted in the majority of the check samples being below detection or of very low grade, due to the stratiform nature of the mineralization.

The gold results are plotted in Figure 14.7 and show a very good correlation between the two laboratories.

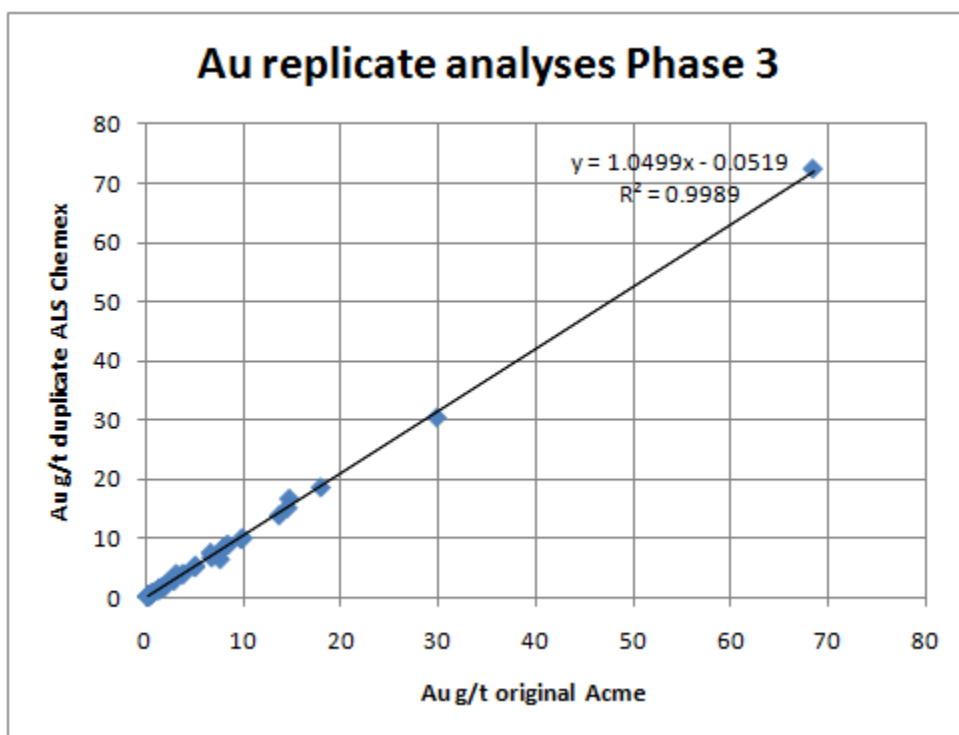


Figure 14.7 Plot of replicate analyses for the Phase 3 drill program.

14.5 Specific Gravity

No measurements of specific gravity or density were made.

14.6 Database

GoldQuest maintain the project data in Excel spreadsheets and an Access database on a server in the INEX office in Santo Domingo.

15 DATA VERIFICATION

The author has verified the data used upon in this report by:

- Visiting the property and confirming the geology on several occasions;
- Relogging and confirming the drill core including all of the mineralized intersections;
- Checking the location of the drill holes in the field;
- Review of QA/QC of core samples;
- Taking check samples from drill core of the Phase 3 drill program.

For the resource estimate the author used Excel files supplied by GoldQuest. The author checked all of these against digital Adobe Acrobat (PDF) assay certificates supplied by the analytical labs and found no discrepancies.

Check samples were taken from drill core of the Phase 3 drill program. The samples are selective samples of 10 to 20 cm length of half core. The selections were made to verify mineralization and in some cases to check the grade of particular styles of mineralization. The samples were kept in the author's possession and taken in person to the Acme lab in Maimon. The samples were analyzed at Acme for gold by fire assay on a 50 g sample with AAS finish (method G6), with over-runs repeated by fire assay on a 50 g sample with gravimetric finish (method G6Gr-50), and multielements were analyzed by 4 acid digestion and ICP-MS (method 1EX). The results are shown in Table 15.1 and the descriptions and original results in Table 15.2. The assay certificate is in Annex 1. The check assays are comparable with the original assays, taking into account that the check assays are on much shorter intervals of selected core than the original sample intervals.

Sample	Hole No.	From (m)	To (m)	Length (m)	Au g/t	Cu ppm	Pb ppm	Zn ppm	Ag ppm
D-16035A	LTP-34	65.10	65.25	0.15	8.015	5253.6	36.5	4039	3.3
D-16035B	LTP-34	66.36	66.53	0.17	21.1	>10000.0	114.8	>10000	13.4
D-16066A	LTP-35	33.36	33.54	0.18	11.9	1879.5	23.6	207	2.2
D-16058A	LTP-35	20.64	20.78	0.14	0.898	234.6	73.1	9418	3.6
D-16157A	LTP-36	115.5	115.69	0.19	0.232	92.5	91.5	104	5.3
D-16092A	LTP-35	80.8	80.9	0.10	0.010	97.1	19.1	126	0.1

Table 15.1 Check sample results

Sample	Description	Original Sample		
		Number	Length (m)	Au g/t
D-16035A	Quartz+sulfide veining	D-16035	1.82	9.817
D-16035B	Sulfide-rich mineralization, broken core	D-16035	1.82	9.817
D-16066A	Lapilli tuff with sulfides+quartz matrix +veinlets	D-16066	2.00	3.783
D-16058A	Quartz-pyrite veinlets in dacite lava.	D-16058	2.00	0.107
D-16157A	20% disseminated sulfide in illite altered dacite.	D-16157	2.00	0.052
D-16092A	Sulfidic clast in volcanic breccia.	D-16092	2.00	-0.005

Table 15.2 Check sample descriptions and original assays

The author concludes that:

- Exploration drilling, drill hole surveys, sampling, sample preparation and assaying have been carried out in accordance with best current industry standard practices and are suitable to support resource estimates.
- Exploration and drilling programs are well planned and executed and supply sufficient information for resource estimates and resource classification.
- Sampling and assaying includes quality assurance procedures.
- Exploration databases are professionally constructed and are sufficiently error-free to support resource estimates.

16 ADJACENT PROPERTIES

There are no mineral deposits with NI 43-101 mineral resource estimates adjacent to La Escandalosa. GoldQuest has several other exploration concessions nearby at early stages of exploration.

The Dominican Republic has a significant mining industry. The most important mines are the Falcondo nickel laterite mine and the Pueblo Viejo gold deposit, located 100 km east and 120 km east of La Escandalosa respectively. Pueblo Viejo is currently being developed by Barrick Gold Corp. and Goldcorp Inc. and has proven and probable mineral reserves of 22.4 Moz gold, 132.3 Moz silver and 455 million pounds of copper, contained in 223.7 Mt of ore grading 3.12 g/t Au, 18.4 g/t Ag and 0.09% Cu (Barrick Annual Information Form, 31 December 2008). The mine historically produced 5.4 Moz of gold from oxides.

17 MINERAL PROCESSING AND METALLURGICAL TESTING

Preliminary bottle roll tests were carried out on 14 samples from the Phase 1 drill program in 2006 by ALS Chemex in Vancouver. The samples used were coarse rejects from drill core. The procedure was to assay the gold head grade by ICP (method Au-ICP21). A prepared sample was weighed into an appropriately sized plastic vessel, to which a 0.25% cyanide solution was added and the sample was shaken until homogenized, then rolled for an additional hour. An aliquot of the final leach solution was centrifuged and then analyzed by AAS with background correction (method AA13 cyanide). The difference with the head grade ICP analysis was taken as the gold recovery. The results are shown in Table 17.1.

	Sample No.	ICP Job No.	Hole No.	Zone	Au-ICP21 Au g/t	AA13 Cyanide Au g/t	% Difference
SULFIDES							
1	R-12404	VA06028260	LTP-02	Hondo Valle	1.185	0.13	10.97
2	R-12526	VA06035335	LTP-03	Hondo Valle	1.375	0.87	63.27
3	R-12575	VA06035335	LTP-03	Hondo Valle	1.220	1.14	93.44
4	R-12627	VA06047412	LTP-04	Hondo Valle	0.600	0.44	73.33
5	R-12768	VA06040106	LTP-07	Escandalosa	4.960	4.01	80.85
6	R-12773	VA06040106	LTP-07	Escandalosa	11.450	8.26	72.14
7	R-12776	VA06040106	LTP-07	Escandalosa	14.700	11.60	78.91
8	R-12788	VA06040106	LTP-07	Escandalosa	1.475	0.72	48.81
9	R-12828	VA06040106	LTP-08	Escandalosa	2.560	1.90	74.22
10	R-12829	VA06040106	LTP-08	Escandalosa	5.490	4.13	75.23
11	R-12871	VA06040107	LTP-09	Escandalosa	6.420	4.56	71.03
12	R-12998	VA06047412	LTP-14	Medio Tomate	1.855	1.10	59.30
						Average	66.79
OXIDES							
1	R-12321	VA06025141	LTP-01	Hondo Valle	1.770	1.66	93.79
2	R-12396	VA06028260	LTP-02	Hondo Valle	3.530	3.43	97.17
						Average	95.48

Table 17.1 Preliminary shake tests for cyanide gold extraction of La Escandalosa samples.

The results show recoveries of 48.8% to 93.4% for sulfide samples, with an outlier of 11.0 %, and an average of 66.8% (71.9 % without the outlier). The two oxide samples give recoveries of 93.8% and 97.2%, with an average of 95.5%.

The tests were simple one-hour shake tests to determine what gold is available to go into solution right away. Based on the results, most of the sulfide samples do not exhibit refractory behavior and indicate that the gold could be mainly free. It is anticipated that if 24-hour bottle roll tests were run on similar samples the extractions would go up.

18 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Sufficient drilling has been carried out from surface at the Escandalosa Sur zone to define the geology and geometry of the deposit, and to estimate an inferred mineral resource in accordance with CIM standards and definitions as required by NI 43-101. The mineral resource at Escandalosa Sur has a strike length of about 600 m. The resources stated for the Escandalosa Sur zone of La Escandalosa in this report conform to the definitions adopted by the Canadian Institute for Mining, Metallurgy and Petroleum, 23 December 2005, and meet the criteria of Inferred Mineral Resources. La Escandalosa is not materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, political or other relevant issues.

18.1 Mineral Resource Estimation

18.1.1 Drilling Data

The La Escandalosa project was drilled in three phases between 2006 and 2010. In the Escandalosa Sur zone there are 25 drill holes with a total length of 3,291.09 m (holes LTP-5 to LTP-10; LTP-18 to LTP-27; and LTP-34 to LTP-42). The drilling data is maintained in an Excel spreadsheet.

18.1.2 Topographic Data

GoldQuest commissioned a detailed topographic map with 2 m contour intervals derived from Ikonos satellite imagery which provided a detailed base map for plotting drill holes and polygons, as well as a high resolution satellite image.

18.1.3 Tonnage Estimation

The tonnage was estimated using a polygonal model which was constructed using the following criteria:

- Each polygonal block was assigned the name of the drill hole;
- The mineralized body was modeled as flat-lying and stratabound;
- Continuity of mineralization between holes has been demonstrated by the drilling to date and assumed for the resource estimation;
- Most holes have a single mineralized intersection, however some holes have no significant mineralization and others may have two or three zones of mineralization;

- Later block faults with small displacement were ignored;
- The polygons were delimited by a line perpendicular to a tie line between two holes at the midpoint;
- Where there is no adjacent hole the block limit was drawn 50 m from the hole;
- For isolated holes (LTP-38) a square block was drawn around the hole for 50 m in each direction, i.e. with sides of 100 m;
- The blocks on the west side were extended to where mineralization crops out in the side of the canyon, using the altitude of the midpoint between the top and base of the mineralized interval from the drill hole (at 0.1 g/t Au cutoff);
- The blocks were digitized in MapInfo and the area obtained from MapInfo;
- Calculations were made in an Excel spreadsheet;
- The vertical thickness of each intersection was used and is assumed to be the true thickness;
- A density of 2.6 was used to calculate tonnages;
- The average thickness of the mineralized horizon at 0.1 g/t Au cutoff is 30.4 m, with a minimum of 8.0 m and a maximum of 64.4 m;
- At a 0.3 g/t Au cutoff the average thickness of the mineralized horizon is 13.3 m, with a minimum of 4.0 m and a maximum of 29.0 m;

The polygons are shown in a plan in Figure 18.1 and the calculation of tonnage and grade is shown in Table 18.1.

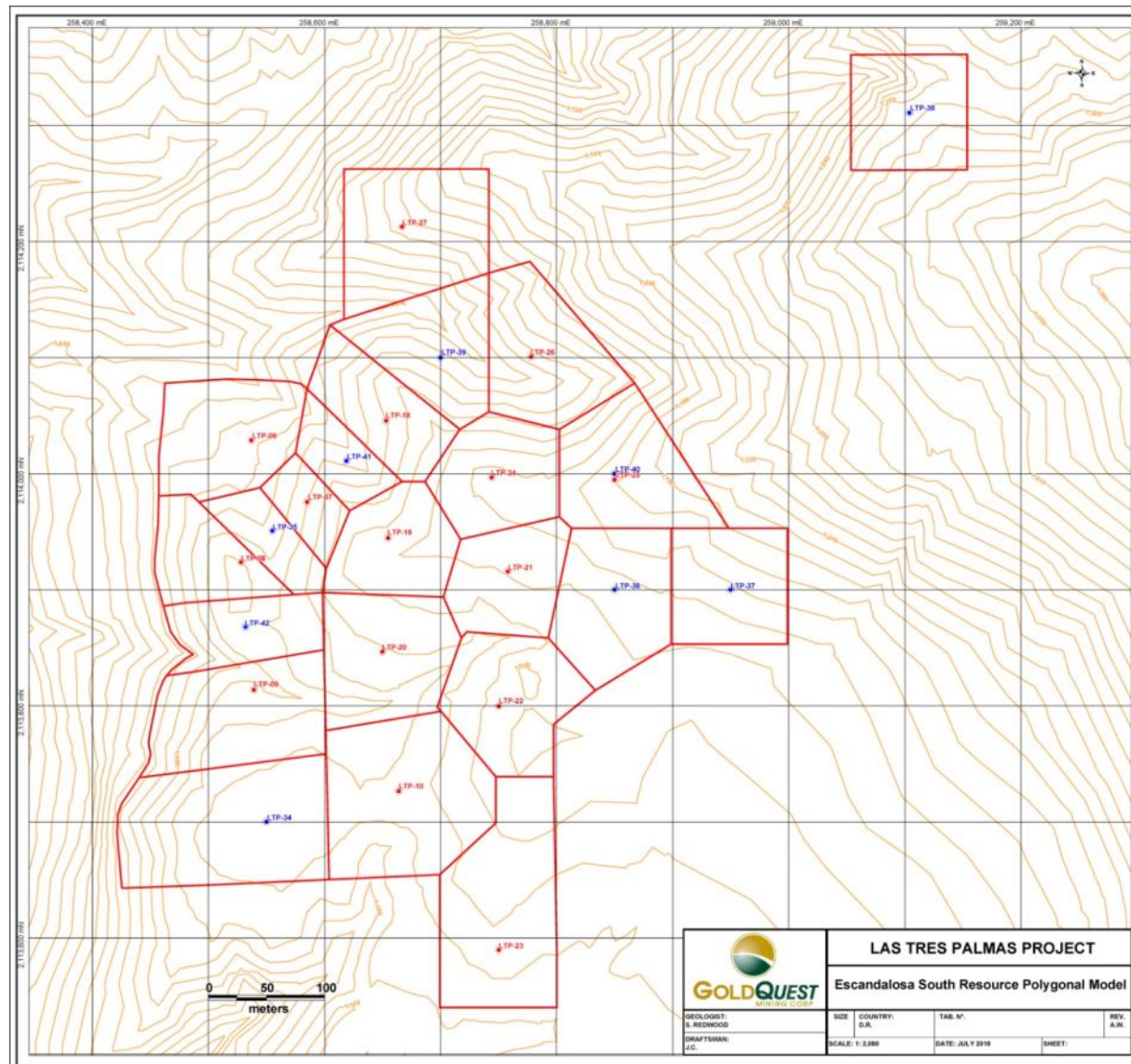


Figure 18.1 Escandalosa Sur resource polygonal model

Hole ID	Incl	Thick (m)	True thick (m)	Au (g/t)	Area (m2)	Volume (m3)	Tonnes	Au (g)	Cu (%)	Cu (t)	Zn (%)	Zn (t)	Ag (g/t)	Ag (g)
LTP-06	-60	10.00	8.66	0.327	11070	95866.2	249,252	81,505	0.058	145	0.006	15	0.74	184,447
LTP-07	-75	20.00	19.32	6.266	3582	69204.24	179,931	1,127,448	0.272	489	0.149	268	2.24	403,045
LTP-07	-75	10.00	9.66	0.815	3582	34602.12	89,966	73,322	0.086	77	0.01	9	1.88	169,135
LTP-08	-80	8.00	7.88	2.524	6867	54111.96	140,691	355,104	0.205	288	0.321	452	3.16	444,584
LTP-09	-75	16.00	15.45	2.101	12990	200695.5	521,808	1,096,450	0.148	772	0.442	2,306	4.00	2,087,233
LTP-10	-75	14.00	13.52	0.416	17470	236194.4	614,105	255,468	0.015	92	0.033	203	1.30	798,337
LTP-18	-90	4.28	4.28	1.755	8232	35232.96	91,606	160,768	0.146	134	0.022	20	2.26	207,029
LTP-19	-90	10.00	10.00	0.565	8680	86800	225,680	127,509	0.137	309	0.156	352	1.73	390,426
LTP-20	-90	10.00	10.00	0.369	11760	117600	305,760	112,825	0.02	61	0.043	131	1.93	590,117
LTP-21	-90	13.70	13.70	0.339	8592	117710.4	306,047	103,750	0.015	46	0.063	193	0.53	162,205
LTP-24	-90	9.70	9.70	0.525	9332	90520.4	235,353	123,560	0.242	570	0.329	774	3.02	710,766
LTP-27	-90	4.00	4.00	0.525	13720	54880	142,688	74,911	0.104	148	0.025	36	1.18	168,372
LTP-34	-90	7.09	7.09	5.845	18010	127690.9	331,996	1,940,519	0.264	876	1.012	3,360	4.16	1,381,105
LTP-35	-90	12.00	12.00	2.218	4480	53760	139,776	310,023	0.222	310	0.135	189	2.39	334,065
LTP-39	-90	24.00	22.00	7.454	10270	225940	587,444	4,378,808	0.304	1,786	0.044	258	2.60	1,527,354
LTP-39	-90	6.37	6.37	0.757	10270	65419.9	170,092	128,759	0.372	633	0.025	43	3.53	600,424
LTP-41	-75	26.00	25.11	5.675	4371	109755.81	285,365	1,619,447	0.145	414	0.074	211	2.09	596,413
LTP-41	-75	4.00	3.86	0.908	4371	16872.06	43,867	39,832	0.13	57	0.201	88	3.94	172,837
LTP-42	-90	10.86	10.86	2.560	7133	77464.38	201,407	515,603	0.186	375	0.631	1,271	3.25	654,574
Total							4,862,835	12,625,611 g		7,582.86 t		10,178.92 t		11,398,022 g
								405,924 oz		16,717,328 lb		22,440,655 lb		366,456 oz
Average grade								2.596 g/t		0.156 %		0.209 %		2.34 g/t

Table 18.1 Escandalosa Sur polygonal tonnage and grade estimation spreadsheet (0.3 g/t Au cutoff grade, capped grades).

18.1.4 Grade Capping

Lognormal plots were made of the data to investigate the grade distribution for gold, copper, silver and zinc and are shown in Figure 18.2 to Figure 18.5. Grade capping was conducted in order to avoid influencing the resource estimate as a result of the inclusion of erratic high assay values. Probability plots were created from the uncut data set in order to determine the top cut values, supported by a statistical analysis of the resulting plot lines; the top cut value is determined by looking at the consistent lognormal distributed populations and the point at which those populations break down. Gold and silver show lognormal distributions and major inflexion points at 15.0 g/t and 30 g/t respectively, and outlier grades were cut to these grades. The number of sample grades cut was 3 for Au (69.60, 26.20 and 18.0 g/t) and 3 for Ag (36.800, 32.223 and 31.003 g/t). There are some minor inflexions at lower grades, but essentially the plots form straight lines below the major inflexions. Copper and zinc also show lognormal distributions but are sufficiently similar. Copper shows several populations with a clear inflexion at 6,000 ppm (0.6%). Outlier grades were cut to 0.6% Cu, which affected 3 samples (0.687, 0.759 and 0.739%). Zinc also shows several populations with a clear inflexion at 12,000 ppm (1.20%). Outlier grades were cut to 1.20% Zn, which affected 3 samples (3.17, 1.76 and 1.34%).

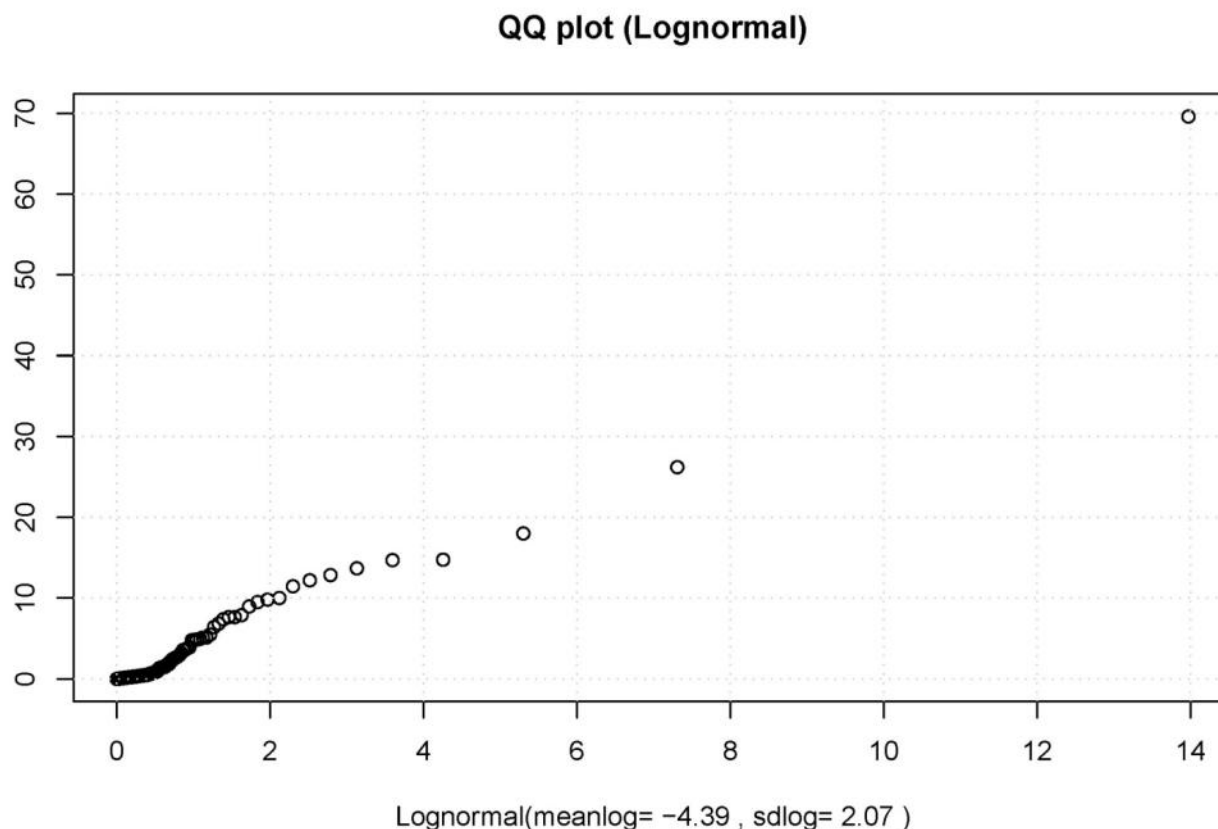


Figure 18.2 Lognormal grade distribution plot for Au (g/t).

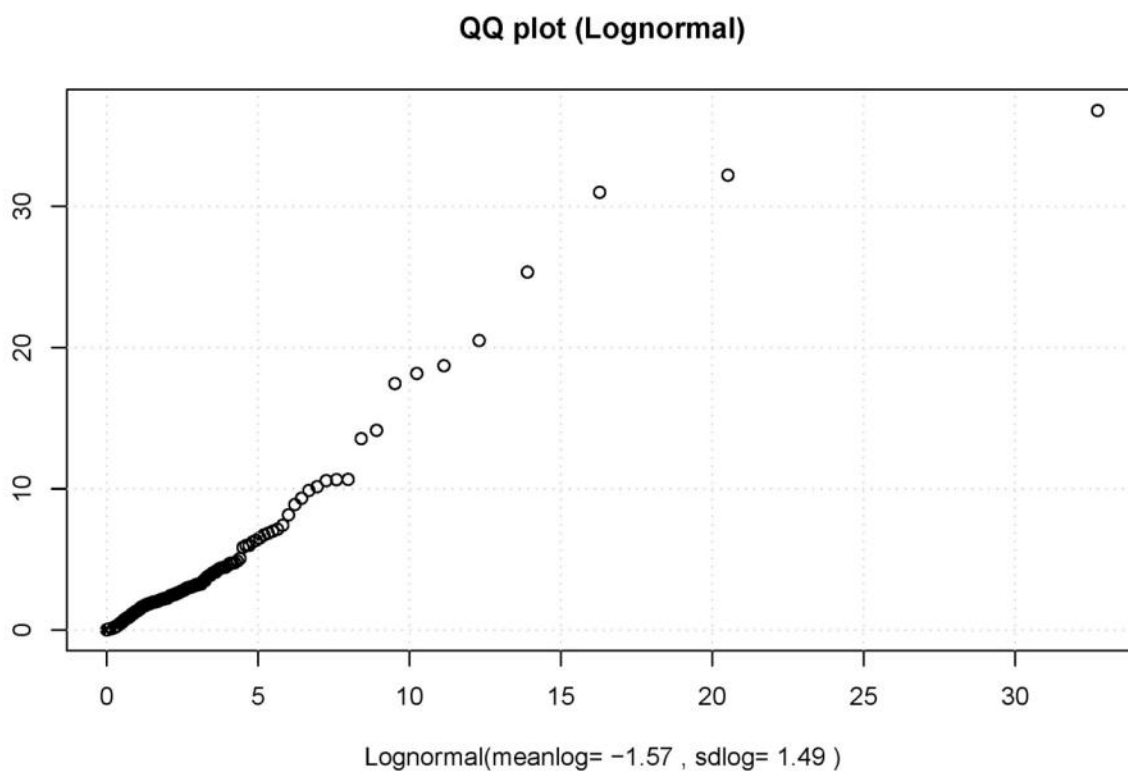


Figure 18.3 Lognormal grade distribution plot for Ag (g/t).

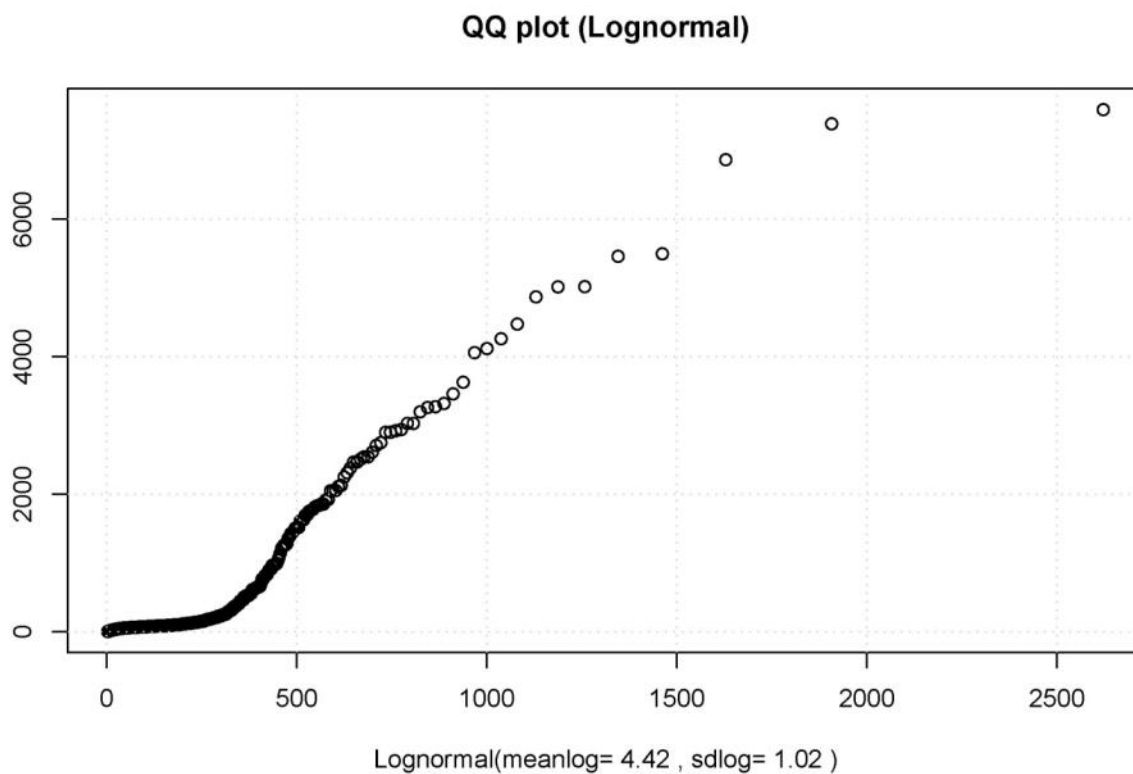


Figure 18.4 Lognormal grade distribution plot for Cu (ppm).

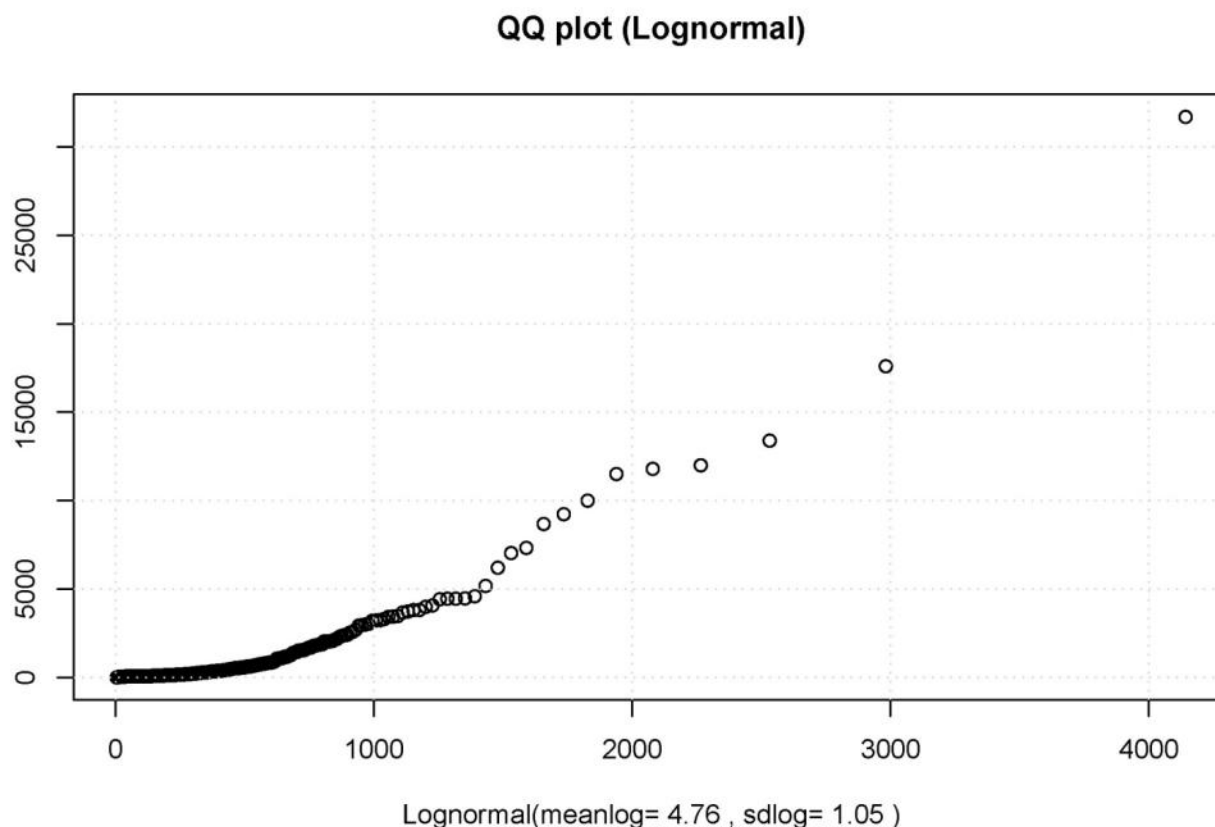


Figure 18.5 Lognormal grade distribution plot for Zn (ppm).

18.1.5 Grade Estimation

- Grades were capped using the grade capping criteria described above;
- The length weighted average grade was calculated for each drill hole and was assigned to the appropriate block;
- Minimum thickness 4.0 m;
- Single sample intervals omitted (usually 2.0 m);
- Up to 3 samples (6.0 m) of internal waste permitted in intersections;

18.2 Mineral Resource Estimates

The Escandalosa Sur mineral resources are assigned to the inferred category.

The CIM definitions of a Mineral Resource require that “there are reasonable prospects for economic extraction.” The author considers that a 0.3 g/t gold cut-off grade at current metals

prices using open pit bulk tonnage methods is appropriate for a preliminary mineral resource estimate at Escandalosa Sur.

18.2.1 Resource Summary

The inferred mineral resource for gold, copper, zinc and silver at Escandalosa Sur as of 9 November 2010 is summarized in Table 18.2.

Inferred Mineral Resource, 9 November 2010									
Cutoff grade Au (g/t)	Tonnes	Au (g/t)	Au (ounces)	Cu (%)	Cu (tonnes)	Zn (%)	Zn (tonnes)	Ag (g/t)	Ag (ounces)
0.3	4,862,835	2.596	405,924	0.156	7,583	0.209	10,179	2.34	366,456

Table 18.2. Inferred mineral resources for Escandalosa Sur.

The mineralized intersections were defined by gold and the inferred mineral resources for Cu, Zn and Ag were calculated for the corresponding gold intervals. Copper generally correlates well with gold. Zinc and silver mineralization may extend beyond the upper and lower limits of the gold mineralization, indeed the highest grade intersection of silver, 18.0 m grading 15.0 g/t (LTP-41 from 88.0 m depth), is an interval with no gold above the 0.3 g/t Au cutoff, and so is not included in the mineral resource estimate.

The mineralization is sulfide. The depth of oxidation is low. Partial oxidation may affect the upper part of two intervals (LTP-6, 23).

Four holes ended in mineralization: LTP-21, 22, 24 and 27.

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources do not appear to be materially affected by any technical, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There are currently no mineral reserves reported for the La Escandalosa project.

18.2.2 Mineral Reserve Estimates

There are no measured and indicated mineral reserves.

18.2.3 Resource Summary – Grade/Tonnage Chart

The inferred mineral resource for gold, copper, zinc and silver at different gold cutoff grades is summarized in Table 18.3.

Inferred Mineral Resource, 9 November 2010									
Cutoff grade Au (g/t)	Tonnes	Au (g/t)	Au (ounces)	Cu (%)	Cu (tonnes)	Zn (%)	Zn (tonnes)	Ag (g/t)	Ag (ounces)
0.1	15,203,521	0.935	457,258	0.067	10,234	0.108	16,375	1.88	916,865
0.3	4,862,835	2.596	405,924	0.156	7,583	0.209	10,179	2.34	366,456
0.5	2,498,446	4.688	376,554	0.256	6,393	0.232	5,798	2.78	223,630

Table 18.3. Inferred mineral resource at different cutoff grades.

The chart shows a strong break in the grade-tonnage distribution between 0.1 and 0.3 g/t Au cutoff.

The mineralized intersections were defined by gold cutoffs and the inferred mineral resources for Cu, Zn and Ag were calculated for the corresponding gold intervals. Copper generally correlates well with gold. Zinc and silver mineralization may extend beyond the upper and lower limits of the gold mineralization but mineral resources have not been estimated for intervals with only zinc and silver.

19 OTHER RELEVANT DATA AND INFORMATION

There are no other relevant data and information to be reported.

20 INTERPRETATION AND CONCLUSIONS

The La Escandalosa property contains stratiform gold mineralization with copper, silver and zinc of intermediate sulfidation epithermal style. Alteration and mineralization has been traced for 2,200 m from Hondo Valle to La Hilguera.

Sufficient drilling has been carried out from surface at the Escandalosa Sur zone to define the geology and geometry of the deposit, and to estimate an inferred mineral resource in accordance with CIM standards and definitions as required by NI 43-101. The mineral resource at Escandalosa Sur has a strike length of about 600 m. The geometry of the deposit at Escandalosa Sur is suitable for an open pit mine operation, and possibly underground where the cover is thicker to the east.

Drilling along strike is insufficient in quantity and continuity to be able to estimate additional mineral resources. Drilling along strike is sufficient to indicate the presence of mineralization and there is potential to add resources at along strike to the north and south of Escandalosa Sur. Additional drilling will be required to determine the continuity of mineralization along strike.

The source of the mineralizing fluids remains unknown and there is exploration potential for the discovery of mineralization in structural feeder zones or possibly in a porphyry copper-gold type system.

21 RECOMMENDATIONS

The following work is recommended:

5. Metallurgical test work on the Escandalosa Sur resource;
6. Drilling along strike from Escandalosa Sur to determine continuity of mineralization and define additional resources:
 - a. 50 holes of 200 m average depth for 10,000 m.
7. Helicopter-borne geophysical survey (magnetics, possibly EM) over a wider area than the known mineralization to carry out exploration for extensions to mineralization and for feeder structures and porphyries;
8. Environmental baseline study;

The estimated costs are listed in Table 21.1.

Item	US\$ (000)
Metallurgy	100
Drilling 10,000 m at \$150 per meter	1,500
Geophysics	100
Environmental baseline study	100
Geology	100
General & Administration	100
Total	2,000

Table 21.1. Estimated cost of recommended exploration program at La Escandalosa.

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23 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORTS ON DEVELOPMENT PROPERTIES AND PRODUCTION PROPERTIES

The Escandalosa Project is neither a development property nor a production property.

24 Date

The effective date of this report is 9 November 2010.

25 CERTIFICATE OF AUTHOR

I, Stewart D. Redwood, FIMMM, hereby certify that:

1. I am a Consulting Geologist with address at P.O. Box 0832-1784, World Trade Center, Panama City, Republic of Panama.
2. I am responsible for the preparation of the technical report titled “NI 43-101 Technical Report and Mineral Resource Estimate for the La Escandalosa Project, Province of San Juan, Dominican Republic” dated 9 November 2010.
3. I graduated from Glasgow University with a First Class Honours Bachelor of Science degree in Geology in 1982, and from Aberdeen University with a Doctorate in Geology in 1986.
4. I am a Fellow of The Institute of Materials, Minerals and Mining, Number 47017.
5. I have worked as a geologist for 28 years and have been involved in mineral exploration, mine site geology, mineral resource and reserve estimations and feasibility studies on numerous gold, precious metal and base metal deposits in South and Central America, the Caribbean, North America, Europe, Asia and Australia.
6. I have read the definition of “Qualified Person” set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional organization (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “Qualified Person” for the purposes of NI 43-101.
7. I am the author of all the sections of the technical report titled “NI 43-101 Technical Report and Mineral Resource Estimate for the La Escandalosa Project, Province of San Juan, Dominican Republic” dated 9 November 2010.
8. I have visited the project on several occasions as a Consulting Geologist for the issuer. The most recent visit was 11 to 12 June 2010.
9. I am independent of the issuer applying all of the tests in Section 1.4 of NI 43-101. I own stock and stock options in the issuer but I am not an insider and I do not consider that this compromises my independence and judgment regarding the preparation of the Technical Report according to Section 3.5 of NI 43-101CP. I was an officer and director of the issuer until 26 April 2005 and since that date, I have not received the majority of my income from the issuer, as per Section 3.5 of NI 43-101CP.
10. I was President, Chief Executive Officer and a Director of the issuer until 26 April 2005. Subsequently I visited the project on several occasions as a Consulting Geologist for the issuer in 2005-10.

11. As of the date of the certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
12. I have read NI 43-101 and the Technical Report has been prepared in compliance with that instrument.
13. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the company files on their websites accessible by the public, of the Technical Report.

Dated 9 November 2010

“Signed”

Signature of Qualified Person

Stewart D. Redwood

Print Name of Qualified Person

26 ANNEX 1

Check analysis certificate number DRG10000655.1, Acme Labs.



Acme Analytical Laboratories (Chile) S.A.
Av. Claudio Arrau 7152 Pudahuel Región Metropolitana de Santiago Chile
Phone 011-56-2-7486771 Fax 011-56-2-7486772

www.acmelab.com

Client: **Goldquest Mining Corp.**
720-700 West Pender Street
Vancouver BC V6C 1G8 Canada

Submitted By: Felix Mercedes
Receiving Lab: Dominican Republic - Maimon
Received: June 16, 2010
Report Date: July 06, 2010
Page: 1 of 2

CERTIFICATE OF ANALYSIS

DRG10000655.1

CLIENT JOB INFORMATION

Project: LAS_TRES_PALMAS
Shipment ID:
P.O. Number SIN_REFERENCIA
Number of Samples: 6

SAMPLE DISPOSAL

STOR-PLP Store After 90 days Invoice for Storage
STOR-RJT Store After 90 days Invoice for Storage

Acme does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

Invoice To: Goldquest Mining Corp.
720-700 West Pender Street
Vancouver BC V6C 1G8
Canada

CC: Alistair Waddell
Stewart Redwood

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Method Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
R150	6	Crush split and pulverize drill core to 150mesh		Completed	SAN
G6	6	Au Fire Assay AAS 50	50	Completed	SAN
G6Gr-50	2	Lead collection fire assay 50G fusion - Grav finish	50	Completed	SAN
1EX	6	4 Acid digestion ICP-MS analysis	0.25	Completed	VAN

ADDITIONAL COMMENTS

KATHERINE VARELA
Jefe de Servicios Analíticos

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.
All results are considered the confidential property of the client. Acme assumes the liabilities for actual cost of analysis only.
** asterisk indicates that an analytical result could not be provided due to unusually high levels of interference from other elements.



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Project: LAS_TRES_PALMAS

Report Date: July 06, 2010

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CERTIFICATE OF ANALYSIS

DRG10000655.1

	Method Analyte Unit MDL	WGHT	G6-50	G6Gr-50	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX
		Wgt	Au	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb
		kg	ppb	gm/mt	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm
		0.01	5	0.9	0.1	0.1	0.1	1	0.1	0.1	0.2	1	0.01	1	0.1	0.1	0.1	1	0.1	0.1
D-16035A	Drill Core	0.40	8015		21.3	5254	36.5	4039	3.3	9.5	7.3	229	3.50	70	0.7	8.5	<0.1	48	30.2	6.2
D-16035B	Drill Core	0.55	>10000	21.1	62.1	>10000	114.8	>10000	13.4	11.4	13.7	341	9.34	128	0.6	24.3	0.1	65	506.2	11.2
D-16066A	Drill Core	0.52	>10000	11.9	10.4	1879	23.6	207	2.2	3.4	15.2	153	2.54	36	0.4	12.4	0.2	27	1.1	1.5
D-16058A	Drill Core	0.43	898		56.1	234.6	73.1	9418	3.6	9.8	23.1	95	5.99	1961	2.8	0.8	0.3	22	49.2	187.5
D-16157A	Drill Core	0.54	232		29.5	92.5	91.5	104	5.3	6.4	20.9	152	18.39	85	1.0	0.2	0.2	52	0.4	3.5
D-16092A	Drill Core	0.34	10		3.8	97.1	19.1	126	0.1	24.6	35.6	246	5.85	79	1.1	<0.1	0.6	259	0.6	2.9



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CERTIFICATE OF ANALYSIS

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	Method Analyte Unit MDL	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX
		V	Ca	P	La	Cr	Mg	Ba	Ti	Al	Na	K	W	Zr	Ce	Sn	Y	Nb	Ta	Be
		ppm	%	%	ppm	ppm	%	ppm	%	%	%	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
		1	0.01	0.001	0.1	1	0.01	1	0.001	0.01	0.001	0.01	0.1	0.1	1	0.1	0.1	0.1	0.1	1
D-16035A	Drill Core	38	0.51	0.009	0.3	15	3.56	18	0.036	1.84	0.015	0.02	0.4	6.3	1	0.2	1.0	0.3	<0.1	<1
D-16035B	Drill Core	89	1.81	0.012	0.4	17	3.93	196	0.079	3.85	0.031	0.70	0.6	18.0	2	0.2	1.2	0.7	<0.1	<1
D-16066A	Drill Core	66	0.23	0.025	1.6	4	2.50	127	0.088	4.13	0.026	1.22	0.4	21.8	4	0.2	2.4	0.6	<0.1	<1
D-16058A	Drill Core	71	0.29	0.023	1.6	5	2.24	32	0.123	5.73	0.041	1.57	0.7	37.0	5	0.3	2.0	1.0	<0.1	<1
D-16157A	Drill Core	128	0.35	0.025	1.1	4	1.37	9	0.145	6.44	0.948	1.85	0.6	27.7	3	0.4	0.8	1.0	<0.1	<1
D-16092A	Drill Core	143	2.63	0.026	7.2	37	2.66	103	0.151	6.90	1.160	0.32	0.2	37.9	12	0.6	3.8	1.4	<0.1	<1



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CERTIFICATE OF ANALYSIS

DRG10000655.1

	Method	1EX	1EX	1EX	1EX
	Analyte	Li	S	Rb	Hf
	Unit	ppm	%	ppm	ppm
	MDL	0.1	0.1	0.1	0.1
D-16035A	Drill Core	42.5	3.5	<0.1	0.2
D-16035B	Drill Core	42.0	>10	14.6	0.4
D-16066A	Drill Core	14.3	2.2	19.7	0.7
D-16058A	Drill Core	18.5	6.7	15.6	0.8
D-16157A	Drill Core	13.8	>10	17.9	0.7
D-16092A	Drill Core	14.3	2.3	4.6	1.1



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QUALITY CONTROL REPORT

DRG10000655.1

	Method Analyte Unit MDL	WGHT	G6-50	G6Gr-50	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX	1EX
		Wgt	Au	Au	Mo	Cu	Pb	Zn	Ag	Ni	Co	Mn	Fe	As	U	Au	Th	Sr	Cd	Sb
		kg	ppb	gm/mt	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm
		0.01	5	0.9	0.1	0.1	0.1	1	0.1	0.1	0.2	1	0.01	1	0.1	0.1	0.1	1	0.1	0.1
Pulp Duplicates																				
REP QUARTZ_MAI	QC				0.3	12.3	0.4	19	<0.1	1.7	0.4	72	0.56	<1	<0.1	<0.1	<0.1	51	<0.1	<0.1
D-16066A	Drill Core	0.52	>10000	11.9	10.4	1879	23.6	207	2.2	3.4	15.2	153	2.54	36	0.4	12.4	0.2	27	1.1	1.5
REP D-16066A	QC			11.2																
D-16157A	Drill Core	0.54	232		29.5	92.5	91.5	104	5.3	6.4	20.9	152	18.39	85	1.0	0.2	0.2	52	0.4	3.5
REP D-16157A	QC		238																	<0.1
Reference Materials																				
STD OREAS24P	Standard				1.7	49.6	2.4	107	<0.1	141.5	44.9	1104	7.30	2	0.7	<0.1	2.5	382	<0.1	<0.1
STD OREAS24P	Standard				1.4	53.8	3.0	126	<0.1	153.3	48.8	1159	7.62	1	0.7	<0.1	2.9	375	0.1	<0.1
STD OREAS45P	Standard				2.3	761.2	22.7	145	0.4	401.2	125.4	1390	19.16	13	2.2	<0.1	10.4	33	0.2	1.1
STD OREAS45P	Standard				2.2	743.6	21.3	145	0.3	386.8	126.6	1354	19.49	11	2.2	<0.1	9.9	32	0.2	0.9
STD OXL51	Standard		6011																	
STD OXL51	Standard			5.8																
STD OXL51 Expected			5850	5.85																
STD OREAS24P Expected					1.5	52	2.9	119	0.06	141	44	1100	7.53	1.2	0.75		2.85	403	0.15	0.09
STD OREAS45P Expected					2.1	749	22	141	0.32	385	120	1338	19.22	12	2.2	0.055	9.8	32.6	0.2	0.82
BLK	Blank		<5																	
BLK	Blank			<0.9																
BLK	Blank				<0.1	<0.1	<0.1	<1	<0.1	<0.1	<0.2	<1	<0.01	<1	<0.1	<0.1	<0.1	<1	<0.1	<0.1
Prep Wash																				
QUARTZ_MAI	Prep Blank		11																	
QUARTZ_MAI	Prep Blank				0.3	12.1	0.5	19	<0.1	1.9	0.4	70	0.54	<1	<0.1	<0.1	<0.1	51	0.1	<0.1



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QUALITY CONTROL REPORT

DRG10000655.1

	Method Analyte Unit MDL	1EX V ppm 1	1EX Ca % 0.01	1EX P % 0.001	1EX La ppm 0.1	1EX Cr ppm 1	1EX Mg % 0.01	1EX Ba ppm 1	1EX Ti % 0.001	1EX Al % 0.01	1EX Na % 0.001	1EX K % 0.01	1EX W ppm 0.1	1EX Zr ppm 0.1	1EX Ce ppm 1	1EX Sn ppm 0.1	1EX Y ppm 0.1	1EX Nb ppm 0.1	1EX Ta ppm 0.1	1EX Be ppm 1	1EX Sc ppm 1
Pulp Duplicates																					
REP QUARTZ_MAI	QC	10	0.40	<0.001	0.3	14	0.02	8	0.006	0.39	0.060	<0.01	<0.1	0.3	<1	0.3	0.2	<0.1	<0.1	<1	<1
D-16066A	Drill Core	66	0.23	0.025	1.6	4	2.50	127	0.088	4.13	0.026	1.22	0.4	21.8	4	0.2	2.4	0.6	<0.1	<1	11
REP D-16066A	QC																				
D-16157A	Drill Core	128	0.35	0.025	1.1	4	1.37	9	0.145	6.44	0.948	1.85	0.6	27.7	3	0.4	0.8	1.0	<0.1	<1	17
REP D-16157A	QC																				
Reference Materials																					
STD OREAS24P	Standard	165	5.78	0.133	17.3	188	4.01	276	1.100	7.67	2.373	0.69	0.5	140.5	34	1.7	20.4	21.1	1.0	1	20
STD OREAS24P	Standard	159	5.86	0.146	18.6	202	4.12	279	1.070	8.30	2.380	0.69	0.5	145.3	37	1.7	23.3	22.5	1.1	1	21
STD OREAS45P	Standard	278	0.28	0.047	23.4	1108	0.21	284	1.116	7.18	0.080	0.37	1.2	167.1	47	2.5	13.4	22.1	1.2	1	71
STD OREAS45P	Standard	264	0.30	0.048	26.2	1108	0.20	293	0.964	7.19	0.086	0.40	1.2	158.9	50	2.7	14.4	22.6	1.1	<1	70
STD OXL51	Standard																				
STD OXL51	Standard																				
STD OXL51 Expected																					
STD OREAS24P Expected		158	5.83	0.136	17.4	196	4.13	285	1.1	7.66	2.34	0.7	0.5	141	37.6	1.6	21.3	21	1.04		20
STD OREAS45P Expected		267	0.3	0.047	24.8	1089	0.1962	296	1.037	6.82	0.081	0.35	1.1	154	48.9	2.5	13	21.6	1.2		67
BLK	Blank																				
BLK	Blank																				
BLK	Blank	<1	<0.01	<0.001	<0.1	<1	<0.01	<1	<0.001	<0.01	<0.001	<0.01	<0.1	<0.1	<1	<0.1	<0.1	<0.1	<0.1	<1	<1
Prep Wash																					
QUARTZ_MAI	Prep Blank																				
QUARTZ_MAI	Prep Blank	10	0.38	0.001	0.4	16	0.02	7	0.006	0.39	0.059	<0.01	<0.1	0.3	<1	0.2	0.2	0.1	<0.1	<1	<1



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QUALITY CONTROL REPORT

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		Method	1EX	1EX	1EX	1EX
		Analyte	Li	S	Rb	Hf
		Unit	ppm	%	ppm	ppm
		MDL	0.1	0.1	0.1	0.1
Pulp Duplicates						
REP QUARTZ_MAI	QC		0.5	<0.1	<0.1	<0.1
D-16066A	Drill Core		14.3	2.2	19.7	0.7
REP D-16066A	QC					
D-16157A	Drill Core		13.8	>10	17.9	0.7
REP D-16157A	QC					
Reference Materials						
STD OREAS24P	Standard		8.0	<0.1	20.5	3.2
STD OREAS24P	Standard		8.3	<0.1	21.1	3.6
STD OREAS45P	Standard		17.3	<0.1	22.7	4.2
STD OREAS45P	Standard		14.5	<0.1	24.4	3.8
STD OXL51	Standard					
STD OXL51	Standard					
STD OXL51 Expected						
STD OREAS24P Expected			8.7		22.4	3.6
STD OREAS45P Expected			14.7	0.03	24.6	4.12
BLK	Blank					
BLK	Blank					
BLK	Blank		<0.1	<0.1	<0.1	<0.1
Prep Wash						
QUARTZ_MAI	Prep Blank					
QUARTZ_MAI	Prep Blank		0.3	<0.1	0.9	<0.1