Report to:

GLR RESOURCES LTD.

Technical Report on the Athona Deposit, SK

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TECHNICAL REPORT ON THE ATHONA DEPOSIT, SK

MAY 2007

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REVISION HISTORY

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1.0 SUMMARY

1.1 INTRODUCTION

The Goldfields property, which includes the Box Mine and Athona Deposit, is located in the Uranium City area on the north shore of Lake Athabasca in northwestern Saskatchewan. The Athona Deposit was first discovered in 1934 and now is 100% owned by GLR Resources Ltd. (GLR).

GLR commissioned Wardrop Engineering Inc. (Wardrop) to complete an independent Technical Report on the Athona Deposit property based on a review of all technical data and exploration results.

1.2 GEOLOGY

It appears that the Athona Deposit is spatially related to zones of strong northerly trending faults that are sub parallel to fold axial planes. These faults may have been active during several events. Also, this represents gold deposition near the nose of the synclinal fold. The strongest shearing is located between the West Mine Granite and the Upper Gabbro. The dominant sulphide mineralization is pyrite not only within the quartz veining but also associated with the host rock. Associated sulphide mineralization is pyrrhotite, galena and sphalerite. It has been suggested by several authors and confirmed by Jensen that the Pond Zone is an altered and weakly granitized quartzite.

1.3 DIAMOND DRILLING

GLR conducted a 2006 diamond drilling campaign, totalling 1592 metres (m), on the Mining Lease – ML 5523. The diamond drilling program consisted of 16 NQ core size drill holes. The purpose of the 2006 summer drilling program was in support of bringing the Athona Deposit up to National Instrument (NI 43-101) standards.

Wardrop selected 10 drill hole locations for a confirmation diamond drilling program. This program was performed in order to provide confirmation of grade, geology and spatial continuity of the Athona Deposit.

In addition, six exploration drill holes were completed to test the extension of gold-bearing quartz veins located outside of the open pit area in order to expand the potential resource.

1.4 DATABASE

The database consists of surface and underground drillholes, along with underground chip samples, collected at the Athona Deposit to 2006. A total of 12,660 assays averaging 1.054 grams per tonne (g/t) gold (Au) were compiled in the database.

1.5 BULK DENSITY

A bulk density of 2.65 grams per cubic centimetre (g/cc) was used for the estimation of the mineralized blocks. This is comparable to the SGS Lakefield determinations reported by Bevans (1995).

1.6 COMPOSITES

Assays were composited into 3.0 m down-hole composites honouring the interpreted geological solids. Zero grades were composited if the intervals within the solids were not sampled.

The assays for the Athona Mine Granite (AMG) or Zone 201 were capped at 17.00 g/t Au. The historical capping applied a similar capping level.

1.7 GEOLOGICAL INTERPRETATION

Three-dimensional solid models of the mineralized zones were developed for the Athona Mine Granite and Athona West Granite to constrain the gold estimation. Sectional interpretations were developed for each of the zones as a guide.

No minimum thickness was implemented. The zones of mineralization interpreted for each deposit are generally contiguous, although some non-assayed or non-mineralized intervals were incorporated into the interpreted solids.

Sectional interpretations were digitized in Gemcom Version 6.04 software, and these interpretations were linked with tie lines and triangulated to build three-dimensional solids.

1.8 INTERPOLATION PLAN

Wardrop determined the mineral resource for the Athona Deposit using Gemcom version 6.04. The estimation was completed for gold grade at the Athona Deposit using historic data and from more recent drilling completed in 2006 by GLR.

The interpolation plans for inverse distance squared (IDW2) and ordinary kriging (OK) were designed with three passes. The first and second passes were designed to estimate blocks only if a minimum of two drill holes were found in the search. The first-pass search ellipse measured 25 x 25 x 25 m and the second pass measured 50 x 50 x 50 m. The search ellipse dimensions for the third pass were 90 x 90 x 90 m and only one drill hole was required.

The nearest neighbour (NN) interpolation plan used the same search distances as the third pass. The NN model was estimated using the single nearest composite.

1.9 MINERAL RESOURCE CLASSIFICATION

On the basis of the criteria outlined in Table 1.1, approximately 85% of the blocks estimated in the Athona model are Indicated Resources and the balance are Inferred Resources.

Table 1.1 Resource Classification Criteria

Measured	Indicated	Inferred
• Not determined	• Minimum of two drill holes • Minimum of four composites • Distance to nearest composite less than 50 meters	• Minimum of three composites • Distance to nearest composite less than 90 meters

1.10 MINERAL RESOURCE TABULATION

Table 1.2 shows Indicated Resources for the Athona Deposit. Table 1.3 summarizes the Inferred Resources for Athona. The base case is reported on a 0.5 g/t Au cut-off grade.

Table 1.2 Athona Indicated Resources

	Au, g/t	**Tonnage**	**Au**
	Cut-off	000's T	g/t
Indicated	**> 3.0**	371.4	4.08
	> 2.5	1033.2	3.00
	> 2.0	1870.7	2.43
	> 1.0	3399.8	1.89
	> 0.5	7036.4	1.28

Table 1.3 Athona Inferred Resources

	Au, g/t	**Tonnage**	**Au**
	Cut-off	000's T	g/t
Inferred	**> 3.0**	50.3	4.45
	> 2.5	88.8	3.46
	> 2.0	213.7	2.44
	> 1.0	558.6	1.69
	> 0.5	1406.4	1.10

1.11 BLOCK MODEL VALIDATION

The Athona Deposit grade models were validated by two methods:

1. Visual comparison of colour-coded block model grades with composite grades on section plots.

2. Comparisons of the global mean block grades for ordinary kriging, nearest neighbour and composites.

The visual comparisons of block model grades with composite grades for each of the four zones show a reasonable correlation between the values. No significant discrepancies were apparent from the sections reviewed.

The grade statistics for the ordinary kriging, inverse distance and nearest neighbour models were compared. The contained metal in the IDW2 model is 0.1% higher than the OK model. The NN model contains 2.6% less metal than the kriged model. There is generally close agreement among all three methods.

Kriged values are slightly higher than the nearest neighbour averages, which is a reflection of sample density, with the higher kriged values corresponding to “smearing” of values in areas of lower drillhole density, particularly in the high grade gold veins along the lake.

1.12 RECONCILIATION

No allowance has been made to subtract tonnage due to mine development drifts, crosscuts or shafts. The exact location of some of these workings are not known. Previous mining can be visually confirmed at the Athona Deposit. This mined-out material has been estimated between 10,000 and 15,000 tonnes (Bevan, 1995), which corresponds to 0.1 to 0.2% of the Indicated Resource tonnage respectively. Production was not achieved at Athona.

1.13 INTERPRETATION AND CONCLUSIONS

Wardrop has completed a mineral resource estimate for the Athona Deposit. The gold mineralization is hosted within a granitic body. Gold mineralization is associated with quartz stringers (with and without observed sulphides) in the granite. Some spatial relationship to sheared zones and contacts is suggested. Further structural mapping and analysis could improve the interpretation of the geological model.

The 2006 drill program provided confirmation of historic drilling. However, the database has inconsistencies which were identified and should be addressed to remove further uncertainty. Additional review of the database is warranted.

The resource was interpolated using three methods: nearest neighbour, inverse distance squared and ordinary kriging. No significant discrepancies exist between the methods. The ordinary kriging model was selected as the basis for reporting the resource.

At a gold cut-off grade of 0.5 g/t, the Indicated Resource is 7.0 million tonnes grading 1.28 g/t Au and Inferred Resource is 1.4 million tonnes grading 1.10 g/t Au. This resource could provide supplemental feed, extractable by open pit, for the contiguous Box Mine project.

1.14 RECOMMENDATIONS

In order to increase the resource of the Athona Deposit, additional exploration drilling is recommended in three different areas of the Athona Mine property: the Vein Zone, north of the Athona Deposit and southwest of the Athona Deposit.

1.15 BUDGET

The proposed budget for this recommended work is $341,000 (see Table 1.4).

Table 1.4 Budget

Personnel	$15,000
Report Writing	$5,000
Transportation, Food, Fuel, Other	$50,000
Drilling (Heath & Sherwood) 13 NQ Holes – 1480 m	$200,000
Assaying	$40,000
Subtotal	$310,000
10% Contingency	$31,000
Total	**$341,000**

2.0 INTRODUCTION AND TERMS OF REFERENCE

The Goldfields property, which includes the Box Mine and Athona Deposit, is located in the Uranium City area on the north shore of Lake Athabasca in northwestern Saskatchewan. The Athona Deposit was first discovered in 1934 and now is 100% owned by GLR.

GLR commissioned Wardrop to complete an independent Technical Report on the Athona Deposit property based on a review of all technical data and exploration results.

The work entailed estimating mineral resources in conformance with the CIM Mineral Resource and Mineral Reserve definitions referred to in NI 43-101, Standards and Disclosure for Mineral Projects. It also involved the preparation of a Technical Report as defined in NI 43-101, and in compliance with Form 43-101F1. This report and other technical information will be presented by GLR for the acquisition of financial resources and to fulfill the requirements of the Annual Information Form (AIF).

The information used for the resource estimate was obtained from GLR and included the diamond drill hole database containing the collar, down-hole survey information, geology and assays for all surface and underground samples. The previous database was updated to include the 2006 surface diamond drilling and survey information.

3.0 RELIANCE ON OTHER EXPERTS

No reliance on other experts.

4.0 PROPERTY DESCRIPTION AND LOCATION

The following section has been extracted from a technical report prepared by Kian A. Jensen (2003).

4.1 PROPERTY LOCATION

The Goldfields Property, which includes the Box and Athona Deposits, is located in the Beaverlodge Lake mining district in northwestern Saskatchewan (Figure 4.1). The property is located on the north shore of Lake Athabasca, approximately 55 kilometres (km) [34.16 miles (mi)] south of the Saskatchewan and Northwest Territory boundary and approximately 75 km (46.58 mi) east of the Saskatchewan and Alberta boundary. The property is located within National Topographic System (NTS) map sheets 74N-06, 74N-07, 74N-08, 74N-09 and 74N-10.

The Goldfields Property forms a rough triangle approximately 23.3 km (14.5 mi) southwest, 17.6 km (10.9 mi) northeast and 23.3 km (14.5 mi) southeast of Uranium City. The coordinates of the triangular shaped property with Uranium City on the western boundary are approximately 649,240 m E and 6,617,650 m N in the northeast, 625,980 m E and 6,584,900 m N in the southeast, and 650,990 m E and 6,588,150 m N in the east (UTM Zone 12, NAD 83).

4.2 PROPERTY DESCRIPTION

The Goldfields Property consists of 37 contiguous mining claims and five mining leases, covering approximately 32,641 hectares (80,656 acres).

The Box Mine and the Athona Deposit properties are 100% owned by GLR. Franco Nevada Mining Corporation Limited (Franco Nevada) own a 2% Net Smelter Return (NSR) on an area of interest 10 mi from the external property boundaries of the Box Mine property, Athona Deposit property, Fish Hook Bay property and the Nicholson Bay property.

Franco Nevada had an option to earn an additional 1% for $1,500,000 within 90 days of receiving the feasibility study. Franco Nevada declined to exercise this option. The Box Mine, which was acquired in 1986 from Cominco (now Teck Cominco), is also subject to a 1.5% NSR on all production beneath the 50 m below mean sea level that is on the original Cominco mining claims.

Figure 4.1 Location of the Athona Project

The land package held by GLR consisting of 37 mining claims is illustrated in Table 4.1 as provided by GLR and obtained from the Government of Saskatchewan's web site and illustrated in Figure 4.2.

The original properties of the Box Mine (ML 5522) and Athona Deposit (ML 5523) are leased and their boundaries have been legally surveyed. The remainder of the mining claims have not been legally surveyed.

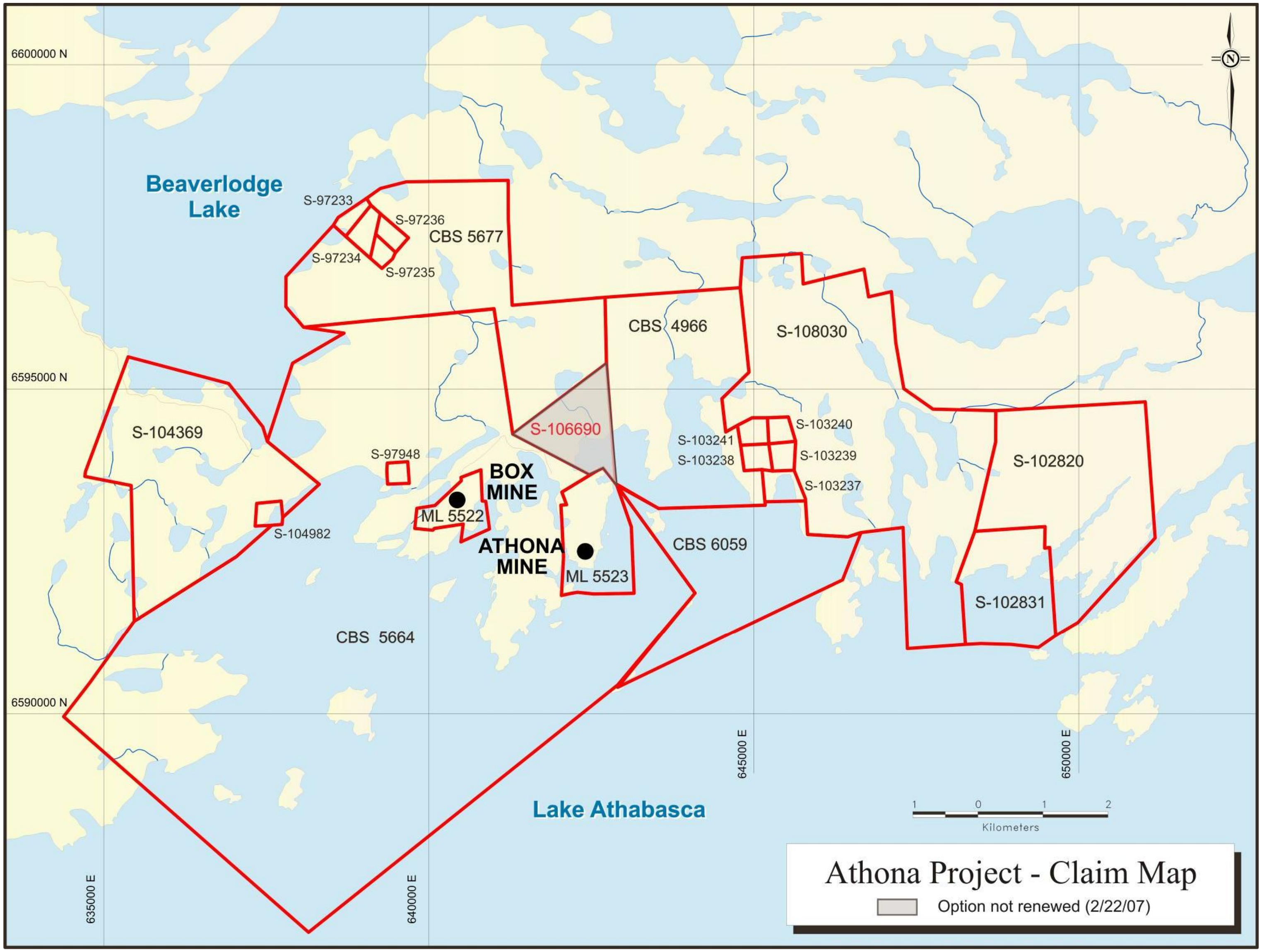
The option (disposition number S-106690) owned 100% by Rod Dubnick has not been renewed after February 22, 2007.

Table 4.1 Current Mining Claim Status of the GLR Goldfields Property, Northern Mining District, SK

Disposition Number	NTS Map Reference	Work Due Date	Owner	Amount Required	Size (Ha)*	Grouping Certificate
CBS 5664	74-N-06/07/08	12/21/2007	GLR 100%	$113,675.00	4547	
CBS 6059	74-N-08	2/23/2007	GLR 100%	$12,150.00	486	
S-97233	74-N-06/07	8/8/2007	GLR 100%	$400.00	16	44501
S-97234	74-N06/07	8/8/2007	GLR 100%	$400.00	16	44501
S-97235	74-N-06/07	9/24/2007	GLR 100%	$400.00	16	44501
S-97236	74-N-06/07	9/24/2007	GLR 100%	$400.00	16	44501
S-97948	74-N-07	11/16/2007	GLR 100%	$400.00	16	
S-102820	74-N-08	5/5/2007	GLR 100%	$7,800.00	650	45220
S-102831	74-N-08	5/5/2007	GLR 100%	$2,664.00	222	45220
S-103237	74-N-08	2/12/2007	GLR 100%	$400.00	16	
S-103238	74-N-08	2/12/2007	GLR 100%	$400.00	16	
S-103239	74-N-08	2/12/2007	GLR 100%	$400.00	16	
S-103240	74-N-08	2/12/2007	GLR 100%	$400.00	16	
S-103241	74-N-08	2/12/2007	GLR 100%	$400.00	16	
Leases						
ML 5522	74-N-07	7/22/2007	GLR 100%	$1,750.00	70	
ML 5523	74-N-08	8/23/2006	GLR 100%	$4,175.00	167	
Option						
S-106690	74-N-07/08	2/22/2007	Rod Dubnick 100%	$1,752.00	146	

*Ha - hectare

Figure 4.2 Mining Claim Location Map of the Goldfields Property in the Beaverlodge Lake Area, SK



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The following section has been extracted from a technical report prepared by Kian A. Jensen (2003).

5.1 ACCESSIBILITY

Uranium City, the closest city to the property, is serviced by a 1500 m all weather runway with year round accessibility. Daily flights depart from Saskatoon and Regina. Charter air service by fixed wing, including floatplanes and ski-equipped aircraft, is available from Saskatoon, Regina and the northern communities of Prince Albert, La Ronge and Stoney Rapids.

The Goldfields property is accessible via a network of gravel and dirt roads from Uranium City, with one branch leading to the former Box Mine site.

From May to October, heavy equipment and supplies can be trucked to Stoney Rapids and shipped by barge along Fond-du-Lac River to the north shore of Lake Athabasca. During the winter, the property is accessible by driving over the frozen Lake Athabasca along an established ice road.

5.2 INFRASTRUCTURE

Uranium City was established in the early 1950's to support the exploitation of Canada's largest uranium field. Currently, the regional centre provides adequate infrastructure and resources to support the development of a mine. Fuel is available, including aviation fuel, from the local airport.

Electrical power for the Uranium City region is supplied from the Charlotte River hydroelectric station operated by the Saskatchewan provincial power authority, SaskPower. Electrical grids connect the Box Mine and the Eldorado Mine. A new line has been constructed to connect this local grid with the provincial grid in the Collins Bay area.

Government administrative offices, banks, communication and hospital facilities, hotels and food stores are well established and most types of consumable field supplies and equipment are readily available in Stoney Rapids.

Assay laboratory facilities are available in Saskatoon. Technical Service Laboratories (TSL) maintains a full geochemical laboratory which provides gold analyses by fire assay/atomic absorption (AA) or fire assay/gravimetric, as well as silver, base metal and indicator element determinations by AA. TSL also provides 30 element semi-quantitative ICP analyses.

5.3 CLIMATE AND VEGETATION

The average temperature during the winter ranges from -8 degrees Celsius (°C) to -32°C, with extreme lows of -49°C recorded in January and February. The average temperature during the summer months ranges from +6°C to +21°C with extreme highs between +29°C to +35°C recorded from May to September. Average annual rainfall is 224 millimetres (mm), with the largest amount of rainfall recorded from May to October. The average annual snowfall is 215 mm with the maximum amount recorded from November to January. The above information was obtained from Environment Canada averages for Uranium City from 1961 to 1990.

The lakes generally freeze over by late September or early October and may remain frozen until late May. The largest lake in the area, other than Lake Athabasca which covers 7850 square kilometres (km^2), is Beaverlodge Lake which occupies the central portion of the Goldfields Property. Numerous other lakes are scattered throughout the area.

The vegetation of the area is typical of boreal forests in northern Saskatchewan, consisting of small and scattered trees on hilly outcrop areas. The valleys are generally filled by glacial drift which supports a denser growth of larger trees. The major varieties of trees observed in the southern Goldfields area are black spruce, pine, white birch and poplar. The main tree species observed in the northern area are jack pine and white spruce over areas of bedrock, and black spruce in valleys and swampy areas. The lower lying areas consist of muskeg swamps and bogs containing predominately black spruce, grass, shrubs, moss and lichens.

5.4 PHYSIOGRAPHY

The topographic relief of the area near the Beaverlodge-Goldfields is characterized by moderately high hills with the highest being Beaverlodge Mountain at 419.7 m [1377 feet (ft)]. North of the property, near Virgin Lake, the mean elevation of the area is about 450 m (1476 ft). The elevation of Lake Athabasca is 211.3 m (694 ft) above sea level. Contact Lake, located in the northern portion of the Goldfields Property, is situated at approximately 427 m (1401 ft) above sea level. The surrounding hills of conglomerate of the Martin Group, to the north of Contact Lake, are up to 445 m (1460 ft) above sea level. Hills of basement rocks of the Tazin Group to the south are approximately 455 m (1493 ft) above sea level. The relief decreases sharply to the north, from approximately 445 m (1460 ft) to 350 m (1148 ft) in the sandstone and arkose units of the Martin Group.

Several factors related to glacial erosion control much of the topographic relief (Figure 5.1). Elongated ridges and valleys trend in the direction of the major fold for the Goldfields area and in the Fredette Lake basin. Many of the ridges in the western portion of the syncline are either composed of, or capped by, amphibolite. The eastern portion of the syncline has high hills consisting of dolomite. The Fredette Lake Basin has hills and ridges composed of either resistant conglomerate rocks or gneissic granitic basement rocks; usually quartzite and granites due to jointing and erosion are located in the valleys.

Fault and shear zones are generally areas of weakness which are susceptible to erosion. This results in features such as talus slopes, linear deep valleys sometimes filled by lakes (such as Vic Lake and Frontier Lake), and straight topographic features. The eastern side of the Athona Deposit is bordered by a relatively straight shoreline along with several small cliffs which continue below lake level.

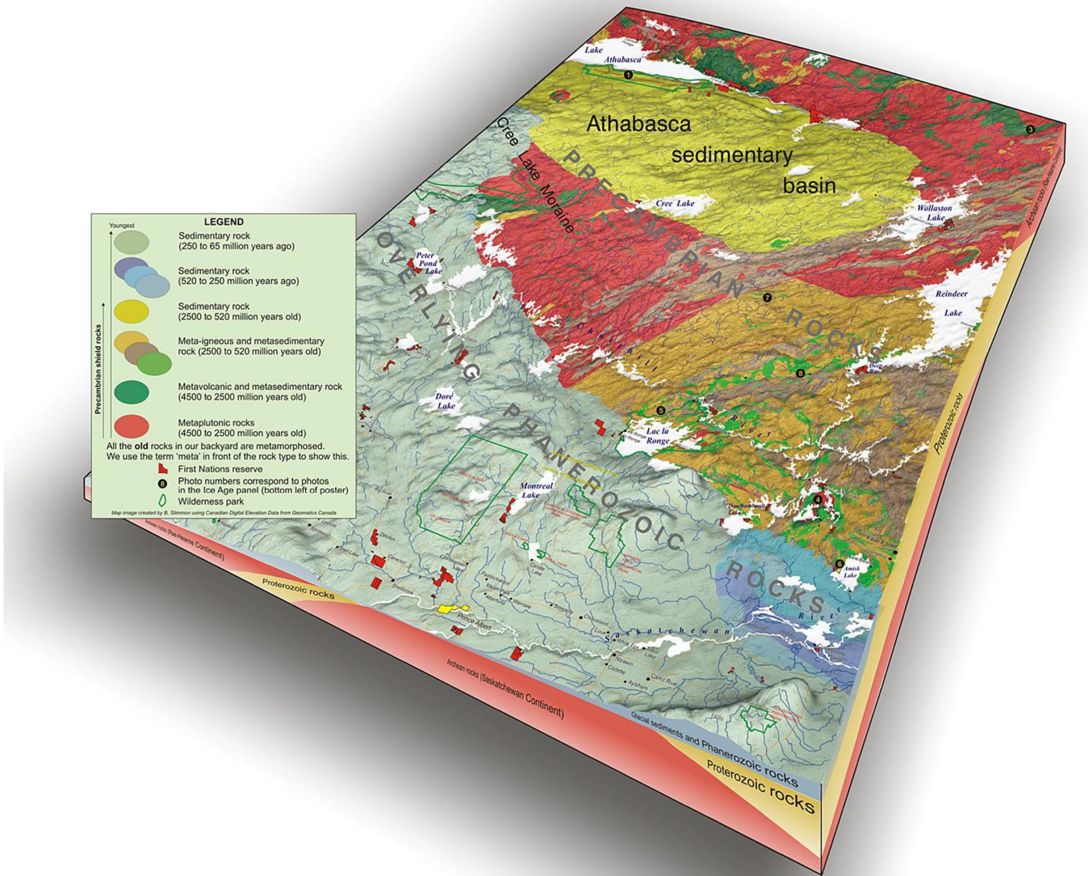
Additional erosional features of the area are caused by the foliation and jointing of intrusives as in the Macintosh granite.

Glacial rivers, discharge channels and alluvial fans are oriented in a southwesterly direction within the Beaverlodge Area (Tremblay, 1972). These rivers and channels follow the topography of the area defined by elongated hills of rocks of the Martin Group and Tazin Group formed by erosion and locally fault-bounded.

Soils are mainly derived from till, sand and silt of various colours (grey, beige, orange, brown and red). Their distribution is discontinuous and patchy. The thickness of till, sand and silty soils varies generally from a few centimetres to tens of centimetres near fractures, faulted bedrock and on some bedrock steps. Tills are rare, being generally of grey to pale brown colour, and contain a few cobbles in a clay matrix. Sand and silt soils are mainly beige, brown, and orange to red. Most of these soil types are transported materials mainly of glaciofluvial to lacustrine origin. However, a component of the reddish and brown soils may be locally derived from the underlying bedrock based on soil particles observed near the contact with bedrock.

Large portions of selected areas have bedrock exposure as high as 50% with an overall bedrock exposure of approximately 10%. In areas lacking outcrops, around lakes and in valleys, thicker overburden cover is present. Swampy areas in valleys are often composed of humus and peat layers that could measure a few metres to several tens of metres in thickness.

Figure 5.1 Saskatchewan Physiography (Geoscape Canada)



6.0 HISTORY

The following section has been extracted from a technical report prepared by Kian A. Jensen (2003).

6.1 BEAVERLODGE AREA HISTORY

The earliest reported geological work in northern Saskatchewan commenced in 1880, when the Geological Survey of Canada (GSC) conducted a topographic survey along the Saskatchewan River to Reindeer Lake and northwards to Lake Athabasca. Between 1882 and 1893, J.B. Tyrrell surveyed many of the waterways and reported the presence of noritic rocks on the north shore of Pine Channel at the east end of Lake Athabasca.

6.1.1 1930-1940

Exploration activities in the Greater Beaverlodge Area date back to the early 1930's. Some of the available literature expresses the assay results in dollars at $35.00 per ounce of gold.

In August, 1934, Tom Box and Gus Nyman discovered gold near the east shore of Vic Lake on the northshore of Lake Athabasca. The Consolidated Mining and Smelting Company of Canada Limited aquired the discovery and carried out development of a mine-mill complex from 1935 to 1939. The Box Mine operated from 1939 until 1942 and produced 64,066 ounces of gold and 22,205 ounces of silver (Ag) from a reported 1,418,320 tons or 1,286,416 tonnes of milled ore.

Other showings were discovered in the Beaverlodge Area. The most significant of these showings was the Lucky-Willy group of Great Bear Lake Mines Limited (later Athona Mines Limited) property about 2.5 km east of the Box Mine. Extensive underground development was done on the property from 1935 to 1939. A resource was outlined but operations discontinued in 1939 without commencing gold production (Christie, 1953).

6.1.2 1940-1950

Shortly after the cessation of gold operations, intense exploration for uranium commenced in the Beaverlodge Area by Eldorado Nuclear Limited, Ameranium Mines Limited, Steeloy Mining Corporation and Noranium Mines Limited.

6.1.3 1960-PRESENT

A major uranium exploration program conducted by Detour Mines Ltd. in the 1960's on claims 5664 and 5667 included geological mapping, radiometric surveys and x-ray diffraction (XRD) analysis of rock samples.

In 1973 Calgary International Energy Ltd. did a limited amount of exploration in the vicinity of the showings on the former Hazel group of claims at Caldwell Bay.

From 1979 to 1982, Denison Mines Ltd. conducted line-cutting, Max-Min EM surveys and geological prospecting for uranium. In 1979, a BQ core size diamond drilling program was completed totalling 635.7 m (2085 ft). A 1981 drill program which tested the EM anomalies did not encounter significant uranium or gold mineralization.

Pyx Exploration worked on the Athona Mine deposit in 1980. During the same year, Denison Mines Ltd. carried out surface exploration in the vicinity of the Box Mine.

Saskatchewan Mining and Development Corporation (SMDC) conducted a major precious metal exploration program which resulted in the discovery of the Magnetite (currently known as My France occurrence), Anderson and the JSK showings. SMDC became the operator in 1982 and completed 647.09 m (2123 ft) diamond drilling on the Frontier Trust property in 1983. Also, geological mapping at 1:5000 was completed over their project area.

6.2 ATHONA DEPOSIT

The Athona Deposit is situated approximately 3/8 of a mile (0.6 km) southeast of Neiman Bay, and about 3/4 mile south of the former townsite of Goldfields. The mine is situated on the LUCKY-WILLY Group of 14 claims which were staked in 1934 by Great Bear Lake Mines Ltd., following the discovery of gold on the adjoining Box property of Cominco of Canada Ltd. Work consisted of extensive trenching and diamond drilling (7344.7 m; 24,097 ft) in 1935 which was successful in locating a number of gold occurrences.

The Willy claims 1 and 2 and Lucky claims 1 to 12 were staked in the fall of 1934 and spring of 1935 for Great Bear Lake Mines Limited. In 1935 the name of the company changed to Athona Mines Limited.

Work between 1935 and 1938 consisted of extensive trenching and diamond drilling as summarized as follows:

- Work began on two shafts in 1935 which were sunk on the main zone as identified by N.W. Byrne. The No.1 shaft, a three compartment vertical shaft, was sunk to a depth of 85 m (278 ft) with levels at 38 m (125 ft) and 76 m (250 ft) and a westerly inclined 30 m (100 ft) winze from the 38 m level to the 106.68 m (350 ft) level. Lateral development consisted of 1016.20 m (3334 ft) in the West Zone and 479.15 m (1572 ft) in the East Vein on the 38 m level and 658.37 m (2160 ft) in the West Zone and 676.05 m (2218 ft) in the East Vein on the 76 m level. Also, 13.72 m (45 ft) of raising was completed on the H vein system.
- The No.2 shaft, a two compartment -70 degrees (°) east inclined shaft located approximately 244 m south of the No.1 shaft, was sunk to a depth of 34 m (112 ft) with a level at 30 m (100 ft) with approximately 100.28 m (329 ft) of lateral development.
- In 1937 the company was reorganized, following the acquisition of Greenlee Mines Limited properties, and renamed Athona Mines (1937) Limited. Athona continued underground development indicating values around 0.22 ounces per ton (oz/st) Au.

- The annual report of 1938 indicated the ore reserves in the Main Zone as probable ore at 1,340,000 tons at 3.326 g/t (0.097 oz/st) Au (uncut) or 2.949 g/t (0.086 oz/st) Au (cut). The total "indicated ore" (including probable) was 3,485,000 tons at 2.949 g/t (0.086 oz/st) Au (uncut) or 2.743 g/t (0.080 oz/st) Au (cut). It was estimated that approximately 2,500,000 tons of ore was amenable to open pit mining based on a 1500 ton per day operation. The 1939 annual report indicated the ore reserves in the Main Zone with 1,185,000 tons of probable ore at 2.949 g/t (0.086 oz/st) Au and in the East Zone as 30,000 tons of probable ore at 8.914 g/t (0.26 oz/st) Au and 50,000 tons of possible ore at 5.829 g/t (0.17 oz/st) Au.
- Athona closed not from the lack of ore or grade but for the lack of an agreement with Cominco on treating the ore and no satisfactory source of power for the operation of a mill.

These resource estimates are historical and do not meet the standard terminology criteria of the NI 43-101 or the CIM Standards on Mineral Resources and Reserves. Wardrop has not done the work necessary to verify this historical estimate. The estimate is no longer relevant as it is replaced by the current estimate prepared by Wardrop outlined in Section 17 of this report. The historical estimate should not be relied upon.

Between 1952 and 1953, Pole Star Mines Ltd controlled the WILL 1 to 9 claims. Pole Star completed two holes close to SMDI 2163 that intersected minor scheelite (AF 74N08-0025).

By 1967, the showing was under Mokta CBS 305. Mokta completed an airborne scintillometer survey and ground follow-up mapping and prospecting (AF 74N08-0036).
In 1970, Norcan Mines completed two drill holes and radiometric prospecting on the CBS (AF 74N08-0071.0072).

In 1980, Pyx Exploration carried out a heap leaching test on three barrels of ore grade material.

6.2.1 GREATER LENORA RESOURCE CORPORATION, 1995

A historical resource estimate was determined by Greater Lenora Resources Corporation for the Athona Deposit during their evaluation of the property in 1995. This calculation was based on the information from underground workings, underground diamond drilling, surface diamond drilling, reverse circulation drilling, and trenching.

A three dimensional block model of the Athona Deposit was constructed using Medsystem software.

The final model used inverse distance to the third power, a search distance of 25 m in the north/south direction, 5 m in the east/west direction and 25 m vertically. A minimum of two and a maximum of twelve composites were required to estimate a block. The composites were capped at 17 g/t Au. A global bulk density of 2.63 g/cc [2630 kilograms per cubed metre (kg/m^3)] was used for ore and waste. Table 6.1 summarizes the reserve estimate for the final model.

The Athona reserves were classified as Probable Reserves representing blocks within 25 m of at least two composites.

These resource estimates are historical and do not meet the standard terminology criteria of the NI 43-101 or the CIM Standards on Mineral Resources and Reserves. Wardrop has not done the work necessary to verify this historical estimate. The estimate is no longer relevant as it is replaced by the current estimate prepared by Wardrop outlined in Section 17 of this report. The historical estimate should not be relied upon.

Table 6.1 Athona Deposit Reserve Global Summary (All Zones)

Gold Cut-off	Tonnes (Mt)*	Grade		Contained Gold	
		(g/t)	(oz/st)	(kg)	(oz)
0 g/t	22.65	0.71	0.021	16.082	517,000
0.514 g/t	8.51	1.55	0.045	13.191	424,100
0.686 g/t	6.54	1.83	0.053	11.968	384,800
0.856 g/t	5.11	2.13	0.062	10.884	349,900
1.028 g/t	4.08	2.43	0.071	9.914	318,700

*Mt – millions of tonnes

7.0 GEOLOGICAL SETTING

The following section has been extracted from a technical report prepared by Kian A. Jensen (2003).

7.1 REGIONAL GEOLOGY

Northern Saskatchewan is predominantly underlain by variably deformed and metamorphosed rocks of Archean age [3070 to 3014 million years (Ma)], to Helikian (1450 to 1350 Ma) age. In the northwest, the Archean to Aphebian crystalline basement, influenced by Lower Proterozoic thermotectonic events, is overlain by redbeds of the Martin Group (and immediately underlying Thluicho Lake and Ellis Bay Groups) which were probably deposited during and immediately following the main Hudsonian event (ca. 1900 to 1800 Ma). Immediately to the south, the metamorphic basement rocks are overlain by post-metamorphic sedimentary rocks of the Helikian Athabasca Group. Post-Hudsonian diabase dykes (ca. 1400 to 1100 Ma.) are the youngest rocks in the Precambrian of northern Saskatchewan.

The metamorphic crystalline basement is part of the Trans-Hudson Orogeny, a major Early Proterozoic orogenic belt that extended more than 5000 km from the U.S.A. to Greenland (Lewry et al., 1985). In Saskatchewan, the basement rock has been grouped into three broad crustal regions: the Western Craton, the Cree Lake Zone and the Reindeer Zone (e.g. Macdonald, 1987). The ensialic Western Craton and Cree Lake Zone lie west of a major crustal 'break' (the Needle Falls Shear Zone); the ensimatic Reindeer Zone lies to the east.

The Western Craton (Lewry and Sibbald, 1980; Macdonald, 1987) forms part of the more extensive Keewatin Zone (Hoffman, 1988), which underlies contiguous parts of the Northwest Territories. The Western Craton is separated from the easterly-lying Cree Lake Zone by the Virgin River-Black Lake Shear Zone. The latter zone of mylonitic rocks form part of the 3000 km long Snowbird Line that has been variously interpreted as an intracontinental activation structure or a crustal suture within the Trans-Hudson Orogeny.

The Western Craton comprises mainly Archean basement, Lower Proterozoic granite plutons and migmatites, and remnants of both Archean and Early Proterozoic supracrustal belts. The Archean rocks have suffered upper amphibolite to granulite facies metamorphism during the Kenoran orogeny. These were later variably overprinted by Hudsonian greenschist to amphibolite facies metamorphism.

North of the Athabasca Basin, the Western Craton is formed by several predominantly Archean cratonic blocks, bounded by mylonitic shear zones, and intervening terrains of reworked Archean and/or Lower Proterozoic retrogressed granulite facies rocks. The Western Craton is formed mainly by sediment and volcanic-derived supracrustals. Alcock

(1936b) termed these rocks the "Tazin Group". Later workers (e.g. Tremblay, 1972) also included derived felsic gneisses and granites within the Tazin Group. Linear zones of intense Hudsonian reworking, manifest themselves as zones of refoliation within this part of the craton (Beck, 1969).

The Goldfields Property of GLR is located within the past producing Beaverlodge Mining District.

The Goldfields Property lies within the Western Craton Tectonic Zone of the Churchill Structural Province (Stockwell, 1961). The property is located in the southwestern portion the Beaverlodge Domain (includes the former Black Bay Domain and the Nevins Lake Block, Morelli et al, 2001) of the Rae Province of the Canadian Shield which rests on the Churchill Platform which was sutured to the Superior Craton to the southeast during the Hudsonian Orogeny.

7.2 LOCAL GEOLOGY

Since 1935, the region, generally referred to as the Greater Beaverlodge Area, has been mapped at various times.

The Greater Beaverlodge Area is characterized by several fault blocks, each with distinct lithologies and structures, these being the “stable blocks” which show a confused airborne magnetic pattern with minor faulting and little or no mylonitization of the bedrock and “linear belts” which are characterized by isoclinal folding, intense faulting, brecciation and mylonitization.

The contacts between the stable blocks and the linear belts are sharp where they are faulted but elsewhere they are gradational and poorly defined. In the Greater Beaverlodge Area, the majority of the Crackingstone Peninsula is termed the Beaverlodge Belt while the remainder of the area was termed the Nevins Lake Block, now a portion of the Beaverlodge Domain.

In the type area around Beaverlodge Lake, the Murmac Bay group is composed of mildly metamorphosed and deformed quartzites, calcareous rocks and amphibolites, including volcanic-derived units, as well as subordinate pelites and iron formation. Ultramafic bodies also occur within the sequence, particularly in proximity to amphibolite units which show a komatiitic affinity.

Intrusions include sill-like amphibolite bodies, granitoid rocks and mafic dikes. The amphibolites occur as sills particularly in the quartzite sequence but also as relict bodies within granites and granite gneisses. Granites and granite gneisses are intrusive, metasomatic and possibly older “basement” types of lithologies. Locally, the granite gneisses are demonstrably derived from the supracrustal sequence. Intrusive granites are predominately leucogranite as well as subordinate feldspar-augen granite and late pegmatites. Mafic dikes, probably pre- and post-tectonic, are locally prominent.

To the north and east of Beaverlodge Lake, the supracrustals are composed of predominately quartzo-feldspathic gneisses with minor interlayers of Murmac Bay type lithologies.

Sibbald (1984) mapped the area in detail and summarizes the lithologies as: "a quartz-carbonate succession metamorphosed under lower to middle amphibolite conditions to yield quartzite, quartz-mica schists, dolomitic marbles, diopsidic calc-silicate rocks and amphibolite schists".

The exposed metamorphic rocks are a mixture of metamorphosed sediments, minor volcanics, intrusives and the "mine granites" (Sibbald, 1984). The large Lodge Bay Granite has been dated as Archean at 3.01 to 3.07 billion years (van Schmus, et al.,1986), whereas the metamorphic rocks have been dated as Lower Proterozoic (Macdonald, 1987).

The series of metamorphic rocks which host the Box and Athona "mine granites" are part of the Murmac Bay Group (Macdonald, 1983). The "mine granites" are distinct lithologic units which host the Box and Athona gold deposits. Over the years, there has been some debate as to the genesis of the granites: the conventional magmatic, intrusive origin (Cooke, 1937; Beavan, 1936) versus the granitization or feldspathization of the clastic metasediments (Swanson, 1938; Christie, 1953; Sibbald, 1984; Sibbald and Jaricka, 1986; Quirt and Rees, 1987). Appleyard (1990) proposed that the granites were of igneous origin, that the granites themselves had been the source of late magmatic hydrothermal fluids which had imposed feldspathization, silicification, hematitization, chloritization, pyritization and quartz veining on the country rocks and granites.

During the 1995 diamond drilling program at the Box Mine deposit, the "Box Mine granite" was intersected in several holes which returned core with distinct metasedimentary textures and composition. Notable are the draping of the bedding around clasts, distinct pebble to cobble size clasts generally of medium- to coarse-grained feldspar granite occasionally being quartz filled fractures that did not extend into the matrix. Also, a distinct granitic intrusive with fine to medium grains of allanite was located in some of the drill core of the "Box Mine Granite".

The geochronology of the Beaverlodge Area, based upon the U/Pb dating method of zircons, has indicated that the Athona Granite is 2.35 billion years and the Box Granite is 1.99 billion years.

The Murmac Bay Group consists of metasedimentary rocks, interpreted as being shallow-water shelf facies of pre quartzites, dolomitic quartzites, dolomites with minor magnetite iron formation, intercalated with minor acid feldspathic gneisses, and basic metavolcanics, amphibolites, locally intruded by metagabbro, which is abundant west of the Box Mine, and ultramafic plutons similar to those in the Cornwall Bay area. The Murmac Bay Group is dated at 2.58 to 2.64 billion years.

The Martin Formation is a typical molasse, red bed succession consisting essentially of unmetamorphosed arkose, conglomerates, siltstone with mafic flows and sills of alkalic affinity, folded into broad open folds and occurring in a fault controlled basin centred about Martin Lake. The formation unconformably overlies the Murmac Bay group and is estimated to be 6000 m thick. The units probably represent rapid deposition in local basins which may be grabens, with detritus derived from the mountains formed by the orogeny that metamorphosed the Murmac Bay group.

In the Beaverlodge Area, the Murmac Bay lithologies are overlain unconformably both by the unmetamorphosed red arkosic Martin Formation (Beaverlodge Lake Area) dated at 1.8 to 1.9 billion years, and by the white, fluvial non-arkosic sandstones of the Athabasca Group (Lake Athabasca area) dated at 1.35 to 1.45 billion years. Outliers of Athabasca Formation have been reported on the Nicholson deposit peninsula.

The Athabasca Formation is the most extensive of the cover rocks and is generally flat lying, predominantly fluviatile, quartz sandstone sequence deposited from a source area to the east and southeast. The sequence includes minor shale and conglomerate beds and greywacke. The typical sandstone of the formation consists essentially of quartz, both as detrital grains and cement, and is an ortho-quartzite. Much of the sandstone is white, greyish white, or cream but in some localities the beds are reddened. The red colouration is due to hematite, largely as a fine film around grains and rarely as cement and has been termed “red beds”.

The last period of glaciation was from the Laurentide Ice Sheet flowing radially outwards from the Keewatin Centre. The flow was dominantly southwest, with local variations. Deglaciation took place between 8200 and 8000 years before present (Schreiner, 1984).

In early 1995, J.F. Touborg Consultants Inc. were contracted to conduct a Radar study of the Box Mine - Fish Hook Bay area and to develop guidelines for exploration follow-up and aid in the mine development on the Box and Athona properties. The interpreted results were at different scales being 1:100,000, 1:50,000 and 1:31,500.

Touborg states that the area from Lake Athabasca to Tazin Lake has been subjected to ENE-WSW faulting and shearing parallel to the St. Louis Fault. Also, they feel that the Athabasca coastline from Milliken Lake to Fish Hook Point appears to be controlled by a large ENE-WSW fold, axial plane fault and Athabasca basin fault. The axial plane fault idea is illustrated by fold closures in metasedimentary units extending into the lake and alignment of lake shores. These faults could act as conduits and depositories for hydrothermal and supergene vein mineralization.

The Athabasca coastline from Fish Hook Point to Big Hill Lake to Fond du Lac is controlled by a WNW-ESE basement fault system. The NNE-SSW and NNW-SSE fold and fault trends appear in distinct but isolated V-shaped corridors of 5 to 10 km in strike and 2 to 3 km wide.

7.2.1 *Structural Geology*

The supracrustal sequence has undergone at least two periods of deformation with the degree of deformation gradually increasing to the northeast. Early deformation resulted in a moderate tectonic foliation (S_1) which generally parallels original bedding (S_0). A second deformational event resulted in open folding of S_1 and the local development of a weak axial planar schistosity (S_2).

In the Goldfields project area, a major syncline structure with associated minor folds, was produced in the deformation event with the retrogressive greenschist metamorphism. The fold axis strikes N 020° E to N 030° E, the axial trace of a minor fold passes through the Athona property. The Box property lies on its western limb. Most rocks responded to this event by folding. The Box and Athona "granitic" units, as suggested by several authors, responded in a brittle and brittle-ductile manner (i.e. the large porphyroblasts, present in both deposits but more in the Box "Mine Granite", rendered them resistant to ductile deformation), developing the fracture sets (at the Box Mine) and fracture - shear zones (at the Athona Deposit) which formed the depositional setting for auriferous sulphide-bearing quartz hydrothermal solutions (Roberts, 1990).

In the Goldfields area, the rocks are deformed into NNW to NE trending folds which plunge gently, 10° to 25° south. The limbs of these folds have variable inclinations of 30° to 45° in the Box and Athona.

The rocks are locally cut by faults and shear zones of variable strike and offset. The oldest structures strike subparallel to fold axes, and trend approximately east and northeast. These faults post-date the granitization events recorded in Murmac Bay group rocks. However, they are associated with mylonitization zones within these "granite rocks", and therefore may be a late product of the alteration/deformation event. Later faults are highly variable in strike (northwest, north-northwest, northeast, and east) and predate deposition of the Martin formation. At least four periods of faulting are recognized within the Greater Beaverlodge Area, these being early faulting from 1900 Ma to 1780-1800 Ma, and normal or block faulting from 1780-1800 Ma to 1630 Ma, 1410 to 1110 Ma and approximately 270 Ma.

The St. Louis Fault is a prominent NE trending structure dipping southerly from 50° to 55°, which is traced for more than 10 km from the northern shore of Beaverlodge Lake through Ace and Verna Lakes. Near the shore of Beaverlodge Lake, the fault either deflects westwards through an arc of about 90° and becomes the ABC Fault, or the latter represents one of many splay faults which extend southwesterly and westerly from this point.

The ABC Fault extends northwesterly about 5.6 km to a point where it terminates against the NE trending Black Bay Fault. The strike varies from 300° to 330° with a dip ranging from 40° to 55° southwest.

The Black Bay Fault is traceable for at least 18 km along the shore of Black Bay on Lake Athabasca, through Cinch and Fredette Lakes and beyond to the northeast.

7.2.2 *METAMORPHISM*

The Western Craton area is composed of Archean rocks which have been altered by upper amphibolite to granulite facies of metamorphism during the Kenoran orogeny (Lewry et al, 1978). The Archean rocks were later variably overprinted by Hudsonian greenschist to amphibolite facies metamorphism. In the northwest, north of Lake Athabasca, the Western Craton is formed mainly by sediments and volcanic derived supracrustals. Alcock (1936b) termed these rocks the "Tazin Group". Later workers, Tremblay (1972), also included derived felsic gneisses and granites within the Tazin Group and believe that the Tazin Group is Archean in age. However, it is also probable that some supracrustals are Aphebian. Linear zones of intense Hudsonian reworking, manifested as zones of refoliation or mylonitization are also recognized within part of the craton.

The Murmac Bay Group lithologies have undergone at least two metamorphic and deformation events. The first, amphibolite facies, produced the dominant regional gneissic fabric, roughly parallel to the original bedding. The resulting pseudo-stratigraphy has lensoid shaped lithological units along strike. Partial melting to form migmatites occurred, and allowed for the growth of the feldspar - quartz porphyroblasts in specific units in the Box and Athona Deposits. The second metamorphic event occurred as a retrogressive greenschist facies which resulted in the deformation of the existing foliation.

8.0 DEPOSIT TYPES

The following section has been extracted from a technical report prepared by Kian A. Jensen (2003).

Mason (1987) has suggested that the Nicholson Bay - Fish Hook Bay areas are mineralogically similar to that of Coronation Hill deposit in Australia. This model has a central core of higher-grade uranium-bearing mineralization surrounded by a zonation of gold and gold-platinum group metals. To date, this is an excellent concept and valued exploration guide line. However, a great deal of data compilation will be required to define the limits of the mineralogical zonation.

It has been suggested that the large area of the Martin Formation may have several similarities to the Olympic Dam type model. Unfortunately, this area has not received the exploration activity required to confirm this suggestion and future exploration activities are warranted.

The genesis of the uranium deposits within or near the present limits of the Athabasca sandstone limits are well documented. It is worth noting that the current limits of the Athabasca sandstone near the north shore of Athabasca Lake has been moved northwards in the area around Nicholson Bay and Fish Hook Bay areas. The new locations of outliers of the sandstone explains the location and the depositional nature of the gold and platinum group metals associated with the pitchblende deposits of simple and complex mineralogy.

The exploration activities and the compilation of the available information have resulted in the development of the geological environmental models for gold and gold-platinum group mineralization. It is apparent that some of the mineral occurrences may have similarities to more than one model type and indicates the complex geological setting involved and that several gold mineralization events exists for the Goldfields-Beaverlodge Area.

Kian A. Jensen and Bryan J. McKay (2003), with the assistance of the geological personnel of Greater Lenora Resources, developed geological models based upon the known gold and gold-platinum group metal occurrences. The model for the Athona Deposit is described in detail below.

8.1 ATHONA MODEL

It appears that the Athona Deposit is spatially related to zones of strong northerly trending faults that are sub parallel to fold axial planes. These faults may have been active during several events. Also, this represents gold deposition near the nose of the synclinal fold. The strongest shearing is located between the West Mine Granite and the Upper Gabbro. The dominant sulphide mineralization is pyrite not only within the quartz veining but also associated with the host rock. Associated sulphide mineralization is pyrrhotite, galena and sphalerite. It has been suggested by several authors and confirmed by Jensen that the Pond Zone is an altered and weakly granitized quartzite.

9.0 MINERALIZATION

The gold-bearing zones at the Athona Deposit are from west to east: the eastern portion of the West Mine Granite, the Athona Mine Granite, the Pond Zone and in a prominent en echelon and boudinage quartz vein system of the East Zone. The underground mine development was concentrated in the western portion of the Athona Mine Granite and the eastern quartz vein systems (H, I, J, K veins) on the 125 and 250 ft levels.

The Athona West Granite (AWG) is a medium- to coarse-grained, reddish hematitic altered granite, dipping moderately westwards, containing fracture filling quartz veining within the footwall sheared contact or mylonite zone. The unit is underlain by the central gabbroic to amphibolitic intrusive which separates the AWG from the Athona Mine Granite (AMG).

The AMG is porphyroblastic with similar amounts of potassium feldspars and plagioclase. This unit may represent a complex multi-intrusive with variable composition or a metamorphosed sequence of sedimentary lithologies. The northern portion of the original mining claim has exposures of quartzite. The auriferous sulphides are contained within the AMG and in the fracture/shear zone filled with quartz veins trending N020°E and dipping 80° west. The sulphides are less than 1% fine grained pyrite, trace amounts of galena and sphalerite with minor amounts of pyrrhotite. This zone appears to be shallow dipping to the west and is underlain by a thin gabbroic sill which separates a deeper, coarse grained granite locally termed "Tombstone granite". The Pond Zone appears very similar to that of the Athona Mine Granite.

The major quartz vein systems containing the H, I, J and K veins are located at or near the eastern extent of the AMG. The veining has been traced from surface to below the second level and for a strike length of approximately 100 m. The vein set is a combination of en echelon and bouginage veins trending approximately N010°E and dipping 72° east. Further to the southeast, a parallel to sub-parallel vein sets, L and M veins, appears to be contained within a north-northeast shear/fault zone which may extend towards the vicinity of Shaft 2.

A northwesterly trending basaltic dike cuts the southeastern gabbroic unit and the Athona Mine Granite from Shaft 2 to the southern portion of the auriferous portion of the Athona Mine Granite.

The area is underlain by a granite body (Athona Granite) which separates two bodies of barren gabbroic amphibolite. The sill-like upper amphibolite dips flatly to the west and has faulted contacts on the east and west sides. The lower amphibolite dips flatly to the west and has a faulted contact with the Footwall gneiss. Both the amphibolite and granite strike N030°W. The footwall gneiss consists of a well-foliated, locally quartz veined, barren felsic gneiss which was derived from a greywacke protolith. The Athona Granite consists of an unfoliated, sheared (chlorite filled), porphyroblastic unit which varies in composition from granite to monzonite to diorite. The principle gangue minerals occurring in the granite are microperthite, feldspar, quartz, chlorite and rare tourmaline. The Athona Granite hosts the N020°E-trending auriferous quartz veins which form this deposit. The gold mineralization is confined to two separate areas of quartz veining (the Main Zone and East Zone) in association with 1% pyrite and minor sphalerite and galena. Visible gold is rare. Individual host quartz veins are discontinuous and rarely more than a few centimetres wide. The main ore shoots, which occupy zones of linear brittle deformation (as opposed to the shatter deformation found at the Box Mine), are formed by a series of vein sets which consist of en echelon stringers, veins, and offshoots. The West or Main Zone consists of a series of N020°E to N030°E trending, 80° NW dipping, narrow, auriferous quartz veins which form a zone up to 24.4 m (80 ft) wide by 121.92 m (400 ft) long.

The Main Zone mineralization, which lies wholly within the Athona Granite, continues to the south until the granite is cut off and capped by the upper amphibolite. At the north end, the Main Zone overlies the lower amphibolite. The quartz veins host small amounts of sphalerite and galena which are present as streaks or fine-grained masses. Pyrite occurs as disseminated cubes in the granite. Chalcopyrite, pyrrhotite, and native gold occur mainly in the quartz veining, but are also associated with chlorite in the granite. The East Zone system (or Central Zone), which is located near the fault east of Shaft No.1, includes the 0^o to 30° trending H, K, and L veins. This zone, which is less extensive than the Main Zone, is similar in attitude and mineralogy to the Main Zone. In 1987, Greater Lenora Resources Corporation optioned the Box and Athona properties from New Athona Mines Ltd. Work indicated that the joint properties contained an estimated 1.23 million ounces Au.

These resource estimates are historical and do not meet the standard terminology criteria of the NI 43-101 or the CIM Standards on Mineral Resources and Reserves. Wardrop has not done the work necessary to verify this historical estimate. The estimate is no longer relevant as it is replaced by the current estimate prepared by Wardrop outlined in Section 17 of this report. In Wardrop's opinion, the historical estimate should not be relied upon as it is superceded by the current NI 43-101 compliant resource.

10.0 EXPLORATION

The following section has been extracted from a technical report prepared by Kian A. Jensen (2003).

GLR and its former companies have been actively conducting exploration programs in the Greater Beaverlodge Area since 1987. Mary Ellen Resources Ltd. amalgamated with Lenora Explorations Ltd. and AXR Resources Ltd., effective December 31, 1988 to form Greater Lenora Resources Corporation. On July 24, 2001, Greater Lenora Resources Corp. completed a plan of arrangement pursuant to which GLR acquired all of the assets of Greater Lenora Resources Corporation.

The exploration activities are summarized below with a more detailed description of the activities discussed for the Athona Deposit.

In 1987, the Kasner Group of Companies optioned both the Box Mine property from Cominco Ltd. and the Athona Mine property from New Athona Mines Ltd.

In the summer of 1987, samples were taken at three old trenches located approximately 400 m southwest of the Athona Mine dock. These trenches exposed north-south trending quartz veins hosted in a medium grained, equigranular, grey to pink granite. The sampling of these trenches returned an average value of 0.926 g/t (0.027 oz/st) Au (sample No. 8866 to 8868).

During the summer of 1987, the Kasner Group of Companies conducted prospecting, mapping and sampling as part of a reconnaissance program at the Beaverlodge Project. The exploration program of the area consisted of intensive prospecting and sampling of known uraniferous showings for precious metals. Geological reconnaissance mapping was conducted at a scale of 1:10,000. Phase Two of the program was to locate diamond drill targets based on favourable geochemical results and geological mapping. These programs were conducted between June 22 and September 20, 1987.

During 1988, the Kasner Group of Companies completed three diamond drill holes from September 2 to 23. These holes, LB-88-1 to LB-88-3, totalled 1,132.1 m. Drill holes LB-88-1 and LB-88-2 are located approximately 700 m northeast of Shaft No.2 and had an azimuth of N310°E, dipping 45°. LB-88-2 is approximately 50 m at N130°E from LB-88-1 and these holes did not contain significant gold values. Hole LB-88-3 was drilled to test the down dip extension of the Box deposit under Neiman Bay and contained a number of anomalous gold values with the best intersection being 4.663 g/t (0.136 oz/st) over 3.0 m (Bowe and Petrie, 1989). A 9,000 ton bulk sample from the Athona trenches and a 4,000 ton bulk sample from the Box Mine trenches returned a reported overall grade of 1.88 g/t (0.055 oz/st) Au. The trenches from the west zone at Athona reportedly averaged between 0.07-0.08 oz/st Au.

Also, a single drill hole (VI-88-1) was completed to test potential of the Vic Lake Fault zone. This drill hole was located at the boundary of the Box Mine and Lodge Bay project boundaries. No significant gold assays were obtained.

During 1988, 52 drill holes were completed totalling 6381 m. In the summer, nine diamond drill holes were surveyed with a Mount Sopris down-hole radiometric logging instrument. The survey results indicated none of the holes contained uranium mineralization. A slight increase in radioactivity was detected in the Box Mine granite, foliated granite and hanging wall gneisses, which may be caused from the decay of potassium in the feldspars and sericite.

In 1988, Greater Lenora completed a pre-feasibility study, using 1934 to 1988 data.

The 1989 drilling program completed 47 reverse circulation drill holes (RCD) with a total footage of 3169 m over a small area, 150 m of strike length. Western Caissons, using a reverse circulation hammer drill, conducted the drilling. During the drilling, the bit size was reduced every 25 m from 5.5 inches (in.), to 5.25 in., 5.125 in. and so on. Individual samples were taken at one-metre intervals. Samples weighed approximately 36 kilograms (kg) and were assayed by total cyanide leaching by Casmyn Research.

Samples were assayed by fire assay technique by early participants as well as several drill holes in the 1988 Greater Lenora program. The remainder of the 1988 drill holes and those of the 1989 RCD drill program were assayed by the cyanide leach technique. From 1994 onwards, the complete BQ drill core was assayed by the total metallic technique.

In 1989, Greater Lenora completed on-site metallurgical testing, bulk sampling and 3,199 m of reverse circulation drilling on the Box property and 1,037 m reverse circulation drilling on the Athona property.

In 1990, Greater Lenora Resources announced new reserves for the deposit. The reserves were estimated using the kriging, inverse distance weighting, and polygonal methods.

In 1992, Greater Lenora Resources estimated the combined resources for the Box and Athona Deposits (Toronto Stock Exchange - January 20, 1992). In the same year, RJK Mineral Corporation also listed the Box Mine reserves as 4,500,000 tonnes grading 0.05 oz/st Au.

These resource estimates are historical and do not meet the standard terminology criteria of the NI 43-101 or the CIM Standards on Mineral Resources and Reserves. Wardrop has not done the work necessary to verify this historical estimate. The estimate is no longer relevant as it is replaced by the current estimate prepared by Wardrop outlined in Section 17 of this report. The historical estimate should not be relied upon.

After a period of evaluation and additional exploration activities, Greater Lenora completed 52 drill holes totalling 6704 m in 1994.

In 1994, they released the results of drill holes B94-109 to -150. These infill drill holes were designed to test the deposit below the level of the existing mine workings.

Between 1994 and 1995 delineation holes B95-151 to 250 and an environmental impact study were completed on the deposit. The Box resources were re-estimated at this time.

In 1995, 17 drill holes and an environmental impact study were completed on the Box-Athona mines. In October 1995, the combined reserves for Box-Athona were published. A total of 18,560 m of BQ diamond drilling in 97 holes were completed during the 1995 summer program. The program was designed to fill in voids from previous drilling programs, define the strike limits and define the down dip extension of the mineralized zone below the level of the proposed open pit. F. Hurdy completed geological mapping of the trenches at the Box Mine. During 1995, the diamond drill holes and several of the original survey monument and mine workings (vent raises, shaft collars, etc.,) were located and surveyed. This information was incorporated into the various databases used for the resource estimations. The surface trenches surveyed at both the Box Mine and the Athona Mine were incorporated into the up-dated database.

In 1996, Greater Lenora announced a new, lower combined resource estimation for Box and Athona Deposits. This was published in The Northern Miner May 13, 1996.

In 1997, Behre Dolbear completed an audit of the published resources for the combined Box-Athona Deposits. In 1997, Pearson, Hoffman & Associates completed a resource evaluation of the Box Mine. In the same year, GLR flew an airborne EM, resistivity, magnetic, and spectrometer survey over the property.

In 2006, Greater Lenora Resources announced plans for a major drilling program with the goal of conducting further exploration drilling to test higher-grade veins (H, K, L, F and M) which are located east of the Athona Gold Deposit. In addition, the drilling campaign was also designed with the intent of bringing resources and reserves up to NI 43-101 standards.

11.0 DRILLING

11.1 PREVIOUS DRILLING

The following section has been extracted from a technical report prepared by Kian A. Jensen (2003).

Initial surface and underground diamond drilling was conducted on the Box and the Athona properties during 1935 to 1939. Diamond drilling by GLR commenced in 1987-1988 on both properties. This was followed by reverse circulation drilling in 1989 and two additional programs of diamond drilling in 1994 and 1995. In total (1935 to 2005), 402 holes totalling 48,561 m containing 17,226 assays has been completed on the Box property and 263 holes totalling 23,899 m (12,650 samples) has been completed on the Athona property. Table 11.1 summarizes the diamond drilling completed at the Athona mine by type and location.

Table 11.1 Athona Mine Drill Hole and Sample Summary

Year(s)	Type	Location	Number of Holes	Length (metres)	Length (feet)	Number of Samples
1935 to 1939	DDH	surface	44	5,065.60	16,619.42	831
1939	DDH	underground	23	1,587.25	5,207.51	765
1987 to 1988	DDH	surface	55	5,656.20	18,557.09	4,105
1989	RCD	surface	11	1,176.00	3,858.27	560
1994	DDH	surface	52	4,000.60	13,125.33	1,871
1995	DDH	surface	78	6,413.00	21,040.03	4,518
Totals	-	-	263	23,898.65	78,407.64	12,650

11.2 ATHONA 2006 DIAMOND DRILLING PROGRAM

GLR Resources Inc. conducted a diamond drilling campaign, totalling 1592 m, on the Mining Lease – ML 5523. The diamond drilling program consisted of 16 NQ core size drill holes.

The purpose of the 2006 summer drilling program was to bring the Athona Deposit up to NI 43-101 standards. As outlined in the 1995 Simons Engineering Study, the Athona Mine Gold deposit contains 232,900 ounces gold in 3.62 million tons at a grade of 1.99 g/t. These resource estimates are historical and do not meet the standard terminology criteria of the NI 43-101 or the CIM Standards on Mineral Resources and Reserves. Wardrop has not completed the work necessary to verify this historical estimate. The estimate is no longer relevant as it is replaced by the current estimate prepared by Wardrop outlined in Section 17 of this report. In Wardrop's opinion, the historical estimate should not be relied upon as it is superceded by the current NI 43-101 compliant resource in this report which incorporates the sixteen drill holes completed in 2006.

Wardrop selected 10 drill hole locations for a confirmation diamond drilling program. This program was performed in order to provide confirmation of grade, geology and spatial continuity of the Athona Deposit.

In addition, six exploration drill holes were completed to test the extension of gold-bearing quartz veins located outside of the open pit area in order to expand the potential resource.

Table 11.2 Confirmation Drill Hole Results

Hole ID	Azimuth (°)	Dip (°)	Total Length of Hole (m)	From (m)	To (m)	Core Length (m)	Average Grade Au g/t
A06-194	270	-45	75.00	9.00	22.00	13.00	1.53
			Including	9.00	13.00	4.00	2.79
A06-195	80	-74	69.00	7.00	17.00	10.00	1.61
			Including	10.00	13.00	3.00	3.93
A06-196	90	-73	80.00	11.00	27.00	16.00	1.01
			Including	20.00	26.00	6.00	1.30
A06-197	90	-60	100.00	10.74	39.75	29.00	1.01
			Including	14.75	24.75	10.00	1.78
				73.75	76.75	3	1.8
A06-206	90	-70	110.00	64.00	67.62	3.62	1.32
				78.00	81.00	3.00	1.06
A06-207	90	-45	165.00	47.00	55.00	8.00	1.43
				80.00	87.00	7.00	1.59
				96.00	121.00	25.00	4.23
A06-208	90	-70	130.00	46.00	61.00	15.00	0.51
A06-209	90	-70	110.00	20.00	51.00	31.00	0.53
				63.00	70.00	7.00	0.76
A06-210	270	-50	66.00	3.75	37	33.25	0.97
A06-211	84	-70	70.00	1.20	47.00	45.80	1.61
			Including	1.20	11.00	9.80	5.33

Table 11.3 Exploration Drill Hole Results

Hole ID	Azimuth (°)	Dip (°)	Total Length of Hole (m)	From (m)	To (m)	Core Length (m)	Average Grade Au g/t
A06-198	105	-50	118.00	16.00	53.00	37.00	1.09
				101.00	104.00	3.00	1.34
A06-199	90	-50	100.00	82.00	84.95	2.95	1.12
A06-200	85	-50	100.45	70.00	80.00	10.00	1.61
A06-201	100	-45	100.30	0.00	29.48	29.48	1.13
A06-202	110	-45	100.00	83.55	88.50	4.95	0.48
A06-203	110	-65	98.00	3.00	8.00	5.00	1.77

12.0 SAMPLING METHOD AND APPROACH

Drilling was composed of NQ diamond core with recovery close to 100%. The core samples were cut with a Target diamond blade saw. The samples were sawed half core. One half of the sampled core was placed in a plastic sample bag along with a sample tag and the other half of the split core was returned to the core box at the end of the sample interval.

The blanks and gold, platinum and palladium standard (PGE Standard – CDN PGMS-7) as part of quality assurance/quality control (QA/QC) program, were inserted throughout the drill program.

Sampling methods for historic drilling were reported by Jensen (2003).

13.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

Core boxes from the 2006 Winter/Spring drilling program were transported to Uranium City for logging and sampling.

Samples were shipped via Transwest Air commercial flight from Uranium City to TSL Laboratories of Saskatoon. TSL is an ISO 17025 certified laboratory.

13.1 SAMPLE PREPARATION

For the Feasibility Study GLR, and in agreement with Wardrop, decided to perform Au Screen Metallic Assays of the core samples in order to use the same assay procedures as in previous drilling programs at the Athona Deposit (campaigns 1988-89, 1994-95). Previous testing by GLR of gold from the Athona Deposit and of the Box Mine showed that assays were in general, un-reproducible unless determined for Au by Screen Metallic Assays.

The Au Screen Metallic Assay procedure followed by TSL Laboratories is summarized below and a copy of their procedure is also included in Appendix A.

Summary:
1. Crushing of the entire sample.
2. Entire sample pulverized with 95% passing 150 mesh.
3. Screen entire sample through 150 mesh.
4. Assay entire +150 mesh fraction.
5. Duplicate assay of -150 mesh fraction.
6. Weighted average Au for entire sample.

Figure 13.1 TSL Assay Specification

TSL LABORATORIES

2 - 302 48th Street - Saskatoon, SK - S7K 6A4
P (306) 931-1033 F (306) 242-4717 E info@tsllabs.com

Company:	GLR Resources Inc.
Geologist:	A. Mihailovic
Project:	L-019
TSL Report:	S20099 – Individual minus assays on attached Report S20100
Date Received:	Aug 09, 2006
Date Reported:	Aug 23, 2006
Invoice:	39902

Remarks:

Sample Type:	Number	Size Fraction	Sample Preparation
Core	19	Reject ~ 70% at –10 mesh (1.70 mm) Pulp ~ 95% at –150 mesh (106 μm)	Crush, Pulverize
Pulp	1		None

Screen Metallic Analyses: Entire Sample

Screen Metallic for Gold

Minus fraction for gold analysis is weighed at 1 AT (29.16g)

Au g/tonne Total	-	*Au weighted average*
Au g/tonne +150	-	*Au value of +150 mesh fraction*
Au g/tonne –150	-	*Au value of –150 mesh fraction*
Wt g Total	-	*Total sample weight*
Wt g +150	-	*Weight of +150 mesh fraction*
Wt g –150	-	*Weight of –150 mesh fraction*
Au mg +150	-	*Value is the entire plus fraction*
Au mg –150	-	*Value is based on a 1 AT sample weight*
AuM-2	-	*Value is based on a 1 AT sample weight*

Samples with 100% passing 150 mesh (106 μm) are screened at 200 mesh (75 μm).

Element Name	Unit	Extraction Technique	Lower Detection Limit	Upper Detection Limit
Au	g/tonne	Fire Assay/Gravimetric	0.10	6500

13.2 SAMPLE ANALYSIS

Gold was analyzed by standard fire assay procedures with a gravimetric finish and reported as one assay-tonne (AT) sample.

13.3 SAMPLE SECURITY

To evaluate the sample preparation procedure and assay at TSL Laboratories we have submitted two international standards continuously added during the drilling program. An international blank standard was submitted to evaluate the possibility of sample cross-contamination during sample handling and assay determination. The second international standard was of known gold content to check the accuracy and precision of the gold determination.

The results of the international blank standard were all below the detection limit of 0.01 g/t Au thus implying that no significant sample cross-contamination for Au was present during the sample preparation, handling or analysis stages.

To check the accuracy and precision of the gold determination by TSL Laboratories one international gold standard (CDN-GS-2) was submitted regularly with the core samples (one standard sample was included per twenty core samples submitted.). However, GLR ran out of this standard during the drilling program and purchased another batch of the same standard. The standard was received with a different batch number (first batch was CDN-GS-2A and second batch CDN-GS-2B). The recommended Au values for the two batches of this international standard were: CDN-GS-2A with 2.04 ±0.19 g/t Au and CDN-GS-2B with 2.03 ±0.12 g/t Au.

The gold standard CDN-GS-2 (A and B) was submitted 67 times and the mean value obtained was 2.02 ±0.10 g/t Au (Table 13.1) which is within the range of the recommended values for both CDN-GS-2A and CDN-GS-2B.

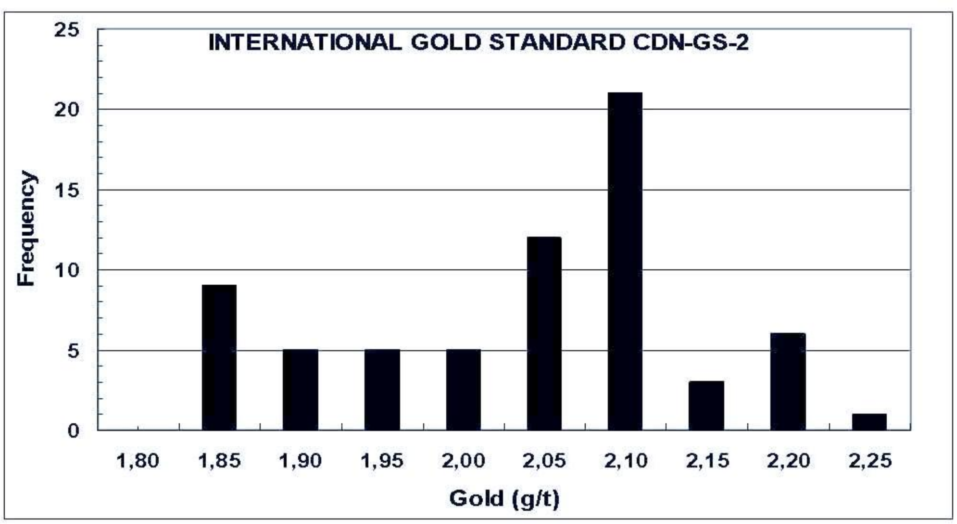
Table 13.1 Summary Statistic of Gold Content in Standard CDN-GS-2

Average	2.02
Standard Deviation	0.10
Maximum	2.23
Minimum	1.85
Median	2.02
Mode	2.02
Counts	67

The mean, median and mode values of the two gold standard batches submitted at TSL of 2.02 g/t Au are close to the recommended values for CDN-GS-2A with 2.04 ±0.19 g/t Au and of CDN-GS-2B with 2.03 ±0.12 g/t Au, respectively. The assays for the standard were within the reported accepted values.

The TSL QC Report (Appendix A) states that their internal standard demonstrated a slight high basis but was within accepted limits.

Figure 13.2 Frequency vs. Gold, CDN-GS-2



14.0 DATA VERIFICATION

Wardrop carried out validation of the data pertaining to 12 (3.3%) of the 361 records which were comprised of core drill holes, RC drill holes, trenches and underground sampling. Spatial parameters, such as collar and survey records, as well as geology and assay records were reviewed.

This validation was carried out on a combination of the MineSight© files, Log II files and assay certificates to identify inconsistencies and potential errors. Original drill log files were not available for historic data. Assay certificates were available for the majority of the more recent drill programs. Assay certificates were not available for the historic drilling completed in the 1930's and early 1940's nor for the underground drift and crosscut samples.

Wardrop noted the following from the databases provided:

- Various levels of precision were noted in the spatial coordinates, varying from 1 to 3 decimal places. The coordinates should be resolved in UTM coordinates with the appropriate level of precision.
- Multiple assay values were recorded as an average value. Wardrop recommends selecting an individual assay value based on an identified criterion and not to average multiple values.
- Gold assay values were noted in units of ppb, oz/st and g/t. Care should be taken moving forward to minimize errors arising from conversions between these units.

In Wardrop's opinion, the data are useable for this resource estimation. However, more exhaustive diligence should be undertaken as this project moves forward to resolve these issues. If assay certificates are not found or core is not available for some of the historic drilling then additional confirmation drilling may be required.

14.1 SITE VISIT CHECKS

Wardrop conducted a site visit to the Athona deposit from August 14 and 18, 2006. Drill holes from the current drilling program were reviewed as well as historic core. Table 14.1 lists the drill holes.

Core prior to 1995 was not available for review. During 1995, the complete interval was submitted for sampling so only unsampled intervals were available for review.

For the 2006 drilling, the draft logs were supplied along with the core box intervals, Reflex EZ-Shot Drill hole survey records, recovery, and RQD determinations. The sampling procedure was also monitored for these drill holes.

The 2006 drill program was being performed to industry accepted standards

Table 14.1 Site Visit Drill Hole Checks

A06-195	A95-172	A95-164	A95-150
A06-197	A95-171	A95-163	A95-148
A95-178	A95-167	A95-161	A95-146
A95-174	A95-157	A95-154	A95-144
A95-176	A95-165	A95-152	A95-140
		A95-135	A95-125

15.0 ADJACENT PROPERTIES

Since the creation of the Goldfields Property, several exploration companies and individuals have held mining claims in the area and adjacent to the property.

None of the adjacent properties have mineralization that trends onto the Goldfields Property since this property covers the majority of the uranium and gold camps of the Uranium City area.

Currently there are small miscellaneous holdings by other parties but a search of current mining claim records has not been conducted.

Other gold mines, deposits, occurrences and showing in the Beaverlodge Lake Area are summarized in Table 15.1 (Jensen, 2003).

Table 15.1 Locations of Gold Mines, Deposits, Occurrences and Showings for the Beaverlodge Area, Northern Mining District, SK

Occurrence Name	NTS	Latitude	Longitude	UTM12 NAD 1927	
				Northing	Easting
Adrianne Au Zones (Zones 1 to 3) or On Golden Pond Au Showing, Jane Showing (Adrianne Trench 5 Show), Suzanne Showing (Adrianne Trench 4 Show)	74-N-08-NW	59° 28' 08"	108° 29' 44"	6594729	641909
Anchor Pb-Zn-Ag Showing, Cornwall Trenches Au Showing	74-N-08-NW	59° 28' 25"	108° 27' 00"	6595353	644469
Athona Au Mine or Athona Main Zone and Athona East Zone	74-N-08-NW	59° 26' 47"	108° 29' 16"	6592241	642444
Box Mine	74-N-07-NE	59° 27' 10"	108° 31' 25"	6592876	640386
Drill hole LB-88-3, Strike Point	74-N-07-NE	59° 26' 52"	108° 30' 33"	6592350	641226
Fish Hook Bay Uranium Mine B and C Zones	74-N-08-NW	59° 28' 00"	108° 24' 23"	6594676	646969
Frontier Lake - northwest of	74-N-07-NE	59° 27' 45"	108° 31' 25"	6593959	640346
Gauthier Au Occurrence/Shaft or Apex Au Showing, Rose Au Showing	74-N-07-NE	59° 27' 06"	108° 31' 53"	6592736	639950
GIL Claims Au-U Veins 1 to 3	74-N-07-NE	59° 27' 05"	108° 34' 21"	6592620	637621
Greenlee Au Showing/Adit, Anderson Au Showing, Anderson North Au Showing	74-N-07-NE	59° 26' 04"	108° 30' 36"	6590865	641234
Hazel Claims Au Showing (4 veins: Center, South, Galena, and Contact Au Zones), Vein No. 1 Au Showing, Vein No. 10 Au Showing	74-N-08-NW	59° 26' 38"	108° 21' 56"	6592231	649383
JKS Au-As-Cu-Zn Showing	74-N-07-NW	59° 24' 05"	108° 39' 19"	6586886	633126
Melma Au Showing	74-N-08-NW	59° 26' 30"	108° 30' 00"	6591690	641771
MISSY Au Showings or MISSY #1 Au Showing and MISSY #2 Au Showing	74-N-07-NE	59° 29' 36"	108° 31' 56"	6597373	639731
Murmac Lake Au Showing	74-N-08-NW	59° 28' 17"	108° 27' 58"	6595071	643566
MY Au-Cu Showing, France Au-Cu Showing, Magnetite Mt-Au-Cu Zone	74-N-07-NE	59° 29' 55"	108° 32' 22"	6597945	639300
Nicholson Bay Uranium Mine {Nicholson Zones 1 to 6}	74-N-08-NW	59° 27' 28"	108° 25' 56"	6593629	645544
Northwest Minerals Au Showing	74-N-08-NW	59° 26' 50"	108° 21' 20"	6592625	649935
Quartzite Ridge Au-Pt-Pd Occurrence	74-N-07-NE	59° 28' 15"	108° 38' 42"	6594636	633435
The Pebble Island Gold Occurrence	74-N-07-NE	59° 26' 44"	108° 33' 37"	6591995	638337
Yah Au Showing {Shirley Au Zone, Crush Au Zone}	74-N-08-NW	59° 27' 25"	108° 22' 45"	6593654	648554

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

A summary of the metallurgical test programs conducted for the Athona Deposit is provided in the following section. This information is based on metallurgical testwork programs conducted through the years for GLR Resources by Ontario Research Foundation, Casmyn Research & Engineering, Ortech International, SGS Lakefield and Gekko Systems. There are two studies prepared for GLR based on these test programs: 1995 H.A. Simons Feasibility Study and 2003 Gekko Systems Feasibility Study using different techniques and flowsheets to process the ore from both the Box and Athona Deposits.

16.1 ONTARIO RESEARCH FOUNDATION TEST PROGRAM, 1988

In 1988 Ontario Research Foundation was awarded a contract by Lenora Explorations Ltd. to conduct pilot scale testing of Athona and Box ore bulk samples. A total of 46 samples (15,168 pounds) from the Athona and 15 samples (5,643 pounds) from the Box were tested. The report concludes that “the two ores, as represented by the bulk samples used in the testwork, were similar in all matters investigated and all conclusions drawn from the testing apply to both ores. The gold content of the ores, as determined by bulk cyanidation of 500 kg lots was 0.052 oz/st for the Box ore and 0.053 for the Athona ore. Gravity separation at -48 mesh will recover only 25 to 30% of the contained gold, probably due to insufficient liberation at the screen size tested. Flotation of the ore ground to 80% -200 mesh resulted in concentrates grading 0.72 oz/st Au for the Athona ore with a gold recovery of 90.7%. Flotation of the Box ore resulted in a concentrate grading 1.056 oz/st Au, with a recovery of 91.9% of the gold contained in the ore. Flotation concentrate cyanidation gave gold recoveries of 97.6% for the Athona concentrate and 96.1% for the Box concentrate.”

16.2 CASMYN RESEARCH & ENGINEERING CYANIDE LEACH TEST PROGRAM, 1988-89

During the last half of 1988 a pilot plant was constructed at the Box property to conduct cyanide leach tests on Box and Athona mineralization. A total of 80 batch samples weighing approximately 300 kg were obtained from 41 trenches established at the Box (32) and Athona (9) properties. Samples varying from 1 to 3 tonnes were taken from each trench. Initially the coarse rock was crushed and screened to 1/8 in. The samples were split by the cone and quarter technique. According to Casmyn Research & Engineering (1989) “A 3 tonne sample is coned and quartered to give three one tonne sample cones. Since one leach test is performed for every tonne of sample, the one tonne cone is further split to produce a 303 kg leach feed sample. The sample rejects are stored in barrels in the storage yard. In the case of a 2 tonne sample, the first split results in two one tonne sample cones, which are then coned and quartered to produce the leach sample.” The leach samples were screened to 80% -200 mesh. Upon completion of the tests Casmyn determined that the “Optimum Residence Time” for the Box was 77 hours resulting in an average gold recovery of 93.1%. The “Optimum Residence Time” for the Athona was 59 hours with an average gold recovery of 92.3%. The results of the 1988 Casmyn leach test “indicate that a significant proportion of the gold in the ore reports to the finer fractions. The results of the leach tests confirm that the ore is amenable to cyanidation. In view of the high gold recoveries obtained through these tests, it can be assumed that most of the gold in the ore is in a recoverable form.” During the tests all analytical procedures were conducted at TSL in Saskatoon. A statistical study of the fire assays and leach assays indicate a correlation factor of 0.88 which indicates “a high degree of confidence in the data”, Casmyn, 1989.

16.3 Ortech International Audit on the Casmyn Research & Engineering Leach Test Program, 1990

In September 1990, RJK Mineral Corp. commissioned Ortech International to conduct an audit of the leach test program by Casmyn Research & Engineering, on reverse circulation samples from the Box and Athona Deposits. The Ortech report indicates that 3,457 20 to 40 kg samples were shipped to the Casmyn plant for testing. Ortech addressed two concerns while the testing was in progress. One dealt with moisture content of the samples prior to leaching and the second dealt with the collection of the slurry sample at the end of the leach cycle. Both concerns were corrected. Ortech concludes, “the leach test program as conducted by Casmyn meets with industry standards.”

16.4 SGS Lakefield Research Test Program, 1995

Based on the results from the past test programs conducted for both Athona and Box, GLR Resources approved a test program at Lakefield Research to evaluate and confirm them as well as to provide design data for semi-autogenous grinding (SAG) and improvements to other aspects of the potential flowsheets. This test program is a basis for the 1995 H.A. Simons Feasibility Study.

The test program has shown the ores to be of medium hardness with a Bond Ball Mill Index of 15 to 16 and that it is suitable for one stage SAG to obtain the relatively coarse grind of 80% passing 350 microns required for the gravity concentration and further recovery by scavenger flotation. This coarse one-stage grinding circuit should result in up to a 40% reduction in capital and operating costs in comparison to a conventional circuit.

The primary gravity concentration circuit with scavenger flotation, Knelson recovery of free gold and cyanidation of concentrate will result in a projected overall recovery of 94% for Box and 88% for Athona ore for a nominal head of 1.8 g/t.

The selected flowsheet with separate gravity-flotation and cyanidation tailings depositories, and zinc precipitation recovery of gold will permit a zero effluent mill-tailings depository operation. Cyanide destruction will not be required.

The complete test program included the following work:

- Pebble grinding as a replacement for ball grinding in the case of conventional milling.
- Tabling to demonstrate performance by gravity concentration.
- Batch testing of gravity concentration using spirals to demonstrate the suitability of this equipment for the ore.
- SAG mill pilot plant operation to provide SAG circuit design data.
- Continuous operation of spiral concentrators in conjunction with the SAG mill testing.
- Tabling and batch spiral testing using at depth and at grade drill core samples to confirm the viability of gravity concentration.
- Scavenger flotation of gravity testings.
- Cyanidation of pilot plant and drill core concentrate to confirm cyanidation recovery of gold. Solid-liquid separation testwork for design factors.
- Environmental testing of ores, tailings and pore waters as necessary for the project's licensing purposes.

16.5 GEKKO SYSTEMS GRAVITY CONCENTRATION TEST PROGRAM, 2001

The Gekko Systems test program was the basis for the 2003 Study that used both Box and Athona samples. The aim was to investigate the amenability of these ores to gravity concentration using the InLine Pressure Jig.

The Box and Athona samples were progressively ground and tabled to produce a number of concentrate and tails samples. All samples were analysed to determine the yield – recovery and yield – grade curves for gold and sulphur.

Samples of Athona and Box samples were split and a sample sent for head grade analysis. The results are shown below in Table 16.1, together with the calculated Au heads.

Table 16.1 Gekko Systems Test Results

Sample	Sulphur (%)	Gold Assay (g/t)	Gold Calculated (g/t)
Athona	0.16	0.69	2.24
Box	0.24	2.17	1.47

The test results showed that gravity was effective in producing a concentrate from the Box ore sample containing 68% of the gold and 58% of the sulphur in 2.5% of the mass at a grade of 42 g/t Au and 5.68% sulphur (S) and also that gravity was effective in producing a concentrate from the Athona ore sample containing 75.8% of the gold and 74% of the sulphur in 2.3% of the mass at a grade of 75.4 g/t Au and 6.11% S.

The Inline Pressure Jig amenability tests showed that recoveries are similar with Athona giving higher recoveries than Box at low yields. For both samples approximately 70% of gold is recovered into 2.5% yield and about 90% into 20% yield. To achieve a 90% gold recovery from the samples tested a higher yield of up to 20% is required.

Sulphur recovery shows similar recovery yield-relationships however recoveries from the Athona sample were significantly higher than Box. This is probably due to Box having a finer liberation size for sulphides.

The low sulphur levels seen in the final gravity tail from both samples is a positive environmental factor since the possibility of acid drainage is reduced (Box 0.06% S, Athona 0.01% S).

The final conclusion was that both samples tested are suitable for gold recovery using the InLine Pressure Jig.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

17.1 INTRODUCTION

Wardrop determined the mineral resource for the Athona Deposit using Gemcom version 6.04. The estimation was completed for gold at the Athona Deposit using historic data and from more recent drilling completed in 2006 by GLR.

17.2 DATA

17.2.1 DATABASE

The database consists of surface and underground drillholes, along with underground chip samples, collected at the Athona Deposit to 2006 (Table 17.1).

Table 17.1 Summary of Assay Data (Au >0)

Data Set	Count	Average Grade (Au g/t)
All Data	12,660	1.054
1939 Underground Data	1,626	2.855
1939 Surface Data (Core)	465	1.932
1987 Surface Data (Core)	268	0.936
1988 Surface Data (Core)	3759	0.800
1989 Surface Data (RC)	544	0.340
1994 Surface Data (Core)	1,618	1.074
1995 Surface Data (Core)	3,131	0.632
2006 Surface Data (Core)	1,248	0.514

17.2.2 BULK DENSITY

A bulk density of 2.65 g/cc was used for the estimation of the mineralized blocks. This is comparable to the SGS Lakefield determinations reported by Bevans (1995). Additional work is recommended to supplement the bulk density determinations.

17.3 EXPLORATORY DATA ANALYSIS

17.3.1 COMPOSITES

Assays were composited into 3.0 meter down-hole composites while honouring the interpreted geological solids. Zero grades were composited if the intervals within the solids were not sampled. Table 17.2 summarizes composite statistics for each of the two zones investigated. The composites in this table represent only those that fall within the geological solids described below in Section 17.4.

Histograms were created to provide a comparison of composite grades within the various interpreted solids for each zone (Figure 17.1).

Figure 17.1 Athona Composite Histograms, Au g/t

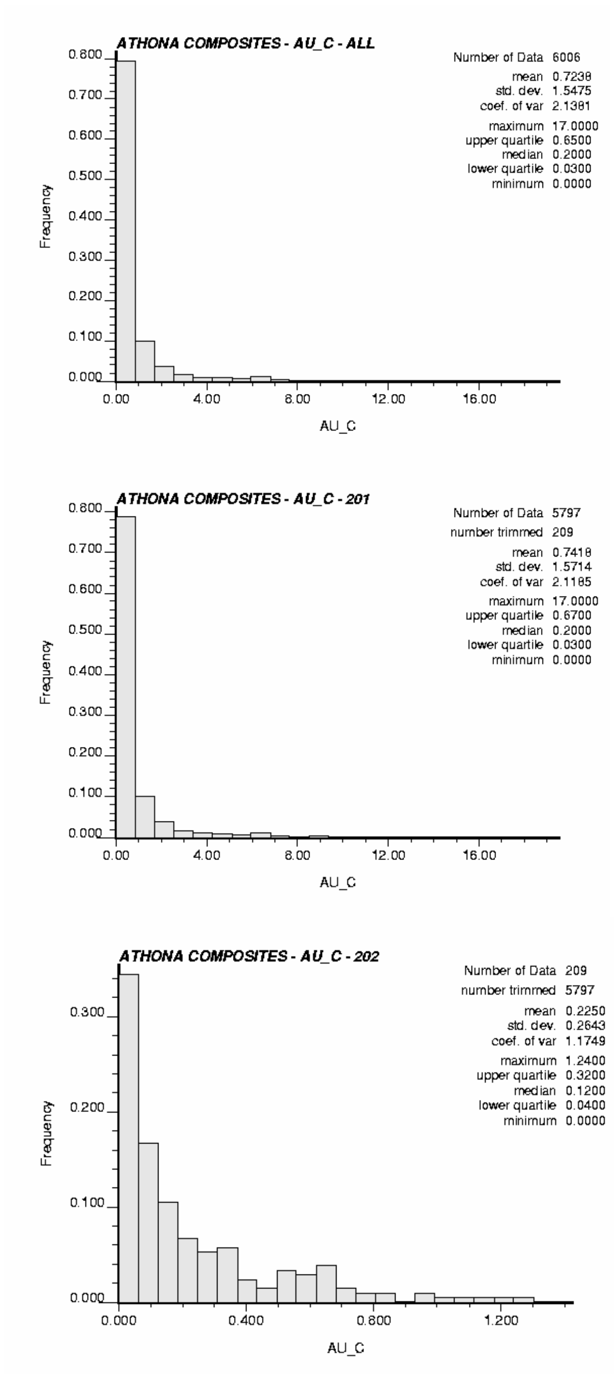


Table 17.2 Composite Statistics, Au Uncapped

Wireframe Code	Count	Average, Au g/t	Std Deviation
201	5,797	0.7418	1.5714
202	209	0.2250	0.2643
Total	6,006	0.7238	1.5475

17.3.2 CAPPING

A combination of decile analysis and review of probability plots was used to determine potential risk of grade distortion from higher-grade assays. For Zone 201, the decile analysis identified that 39% of the contained gold was reported in the 99th percentile. On the probability plot, there appears to be an inflection at 17.00 g/t Au too, so this cap was selected. In Zone 202, 34% of the contained metal was reported in the 99th percentile. However, the probability plot showed a break in the population around 1.5 g/t Au so that capping level was selected.

Table 17.3 reports the 99th percentile value determined from the decile analysis, the capping level implemented and compares capped and uncapped grades. Assays were capped before compositing.

Table 17.3 Capping Analyses and Implemented Capping Level

Zone	99th Percentile Value	Capping Level	Total Assays	Assays Capped	Au g/t Uncapped	Au g/t Capped
201	16.989	17.00	10,643	91	1.18	0.94
202	5.380	1.50	439	25	0.42	0.31

17.4 GEOLOGICAL INTERPRETATION

Three-dimensional solid models of the mineralized zones were developed for the Athona Mine Granite and Athona West Granite to constrain the gold estimation. Sectional interpretations were developed for each of the zones as a guide.

No minimum thickness was implemented. The zones of mineralization interpreted for each deposit are generally contiguous, although some non-assayed or non-mineralized intervals were incorporated into the interpreted solids.

Sectional interpretations were digitized in Gemcom Version 6.04 software, and these interpretations were linked with tie lines and triangulated to build three-dimensional solids. Table 17.4 summarizes the naming scheme and volume of the wireframe solids.

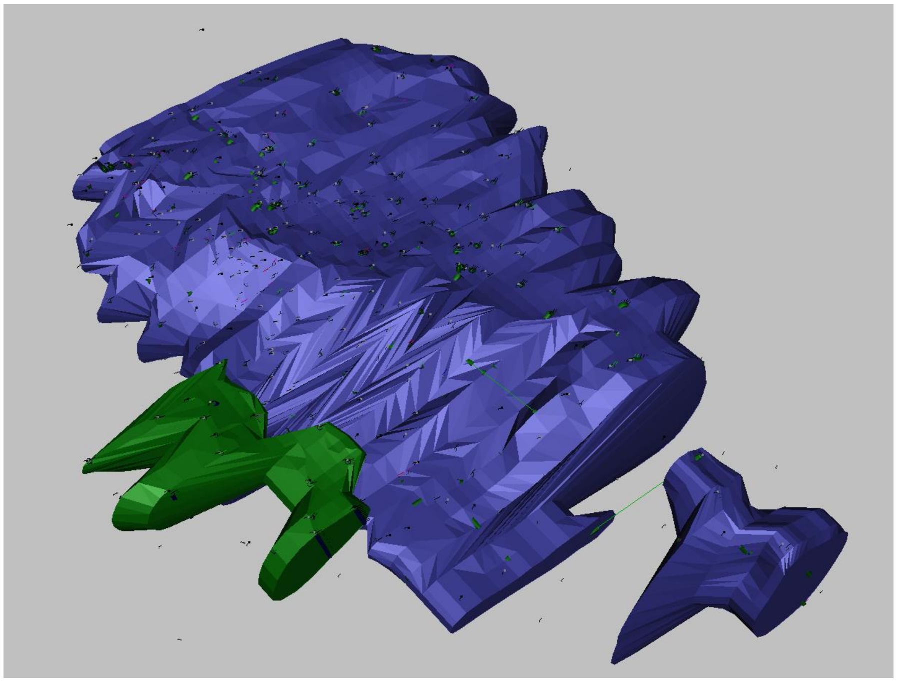
Table 17.4 Wireframe Names and Volumes

Name 1	Name 2	Name 3	Category	Rock Code	Volume * 1000
Athona	AMG	2007_01_28	GEOLOGY	AMG	7104.856
AMG	South	Final	GEOLOGY	AMG	531.926
AWG	Zone	Final	GEOLOGY	AWG	344.435
					7981.217

The boundaries of these solids were then compared for goodness-of-fit with the distribution of composited assay values.

The solids were validated in Gemcom and no errors were found. Figure 17.2 presents a 3D view of the interpreted mineralization, where 201 or AMG is blue and 202 or AWG is green.

Figure 17.2 Wireframe Solid of Athona Deposit



17.4.1 OVERBURDEN AND TOPOGRAPHY

The topographic surface provided by GLR was expanded to fit the block model honouring the drill hole colours. The overburden surface was also built from the logging using the rock code 9 to identify it in the drill holes.

17.5 SPATIAL ANALYSIS

Variography, using Pangeos software, was completed for gold in each of the two zones to determine spatial continuity. Table 17.5 summarizes the results of the variography.

Table 17.5 Athona Variography

Name	Nugget	Sill	Range1	Range2	Range3
OK201	0.641	0.293	35.0	35.0	35.0
AMG		0.066	90.0	90.0	90.0
OK202	0.356	0.622	51.1	51.1	51.1
AWG		0.022	51.3	51.4	51.3

17.6 Block Model

17.6.1 Block Model Setup

Block models were established in Gemcom. Within each zone, the models were mapped to the rock types assigned to each solid.

Figure 17.3 Gemcom Block Model Setup

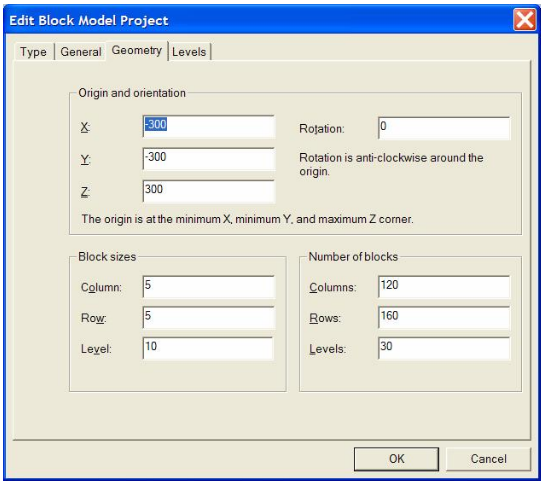


Table 17.6 provides a description of the block models created.

Special models were used to track the actual distance to the nearest composite from the block centre and the number of composites used to estimate the block. These models were used to facilitate the resource classification.

17.7 Interpolation Plan

The interpolation plans for IDW2 and OK were designed with three passes. The first and second passes were designed to estimate blocks only if a minimum of two drill holes were found in the search. The first-pass search ellipse measured 25 x 25 x 25 meter sand the second pass measured 50 x 50 x 50 meters. The search ellipse dimensions for the third pass were 90 x 90 x 90 meters and only one drill hole was required. Table 17.7 summarizes the interpolation parameters used.

The NN interpolation plan used the same search distances as the third pass. The NN model was estimated using the single nearest composite.

Table 17.6 Block Model Description

Block Model	Description
Rock Type	Rock type
Density	Density
Percent	Percent within wireframe
KRIGVAR	Kriging variance
AU_NN	Au g/t Nearest neighbour interpolation
AU_ID	Au g/t Inverse distance weighting
AU_OK	Au g/t Ordinary kriging
AU_C_NN	Au g/t Capped NN
AU_C_ID	Au g/t Capped ID
AU_C_OK	Au g/t Capped OK
CAT	Resource classification category
PASS_ID	ID Interpolation pass - Not used
PASS_OK	OK Interpolation pass
NCMP_ID	ID Number of composites used
NCMP_OK	OK Number of composites used
DIST_ID	ID Distance to nearest composite
TOPO	Percent below topo surface
DIST_NN	NN Distance to nearest composites
DIST_OK1	OK Pass 1 Distance to nearest composite
DIST_OK2	OK Pass 2 Distance to nearest composite
DIST_OK3	OK Pass 3 Distance to nearest composite

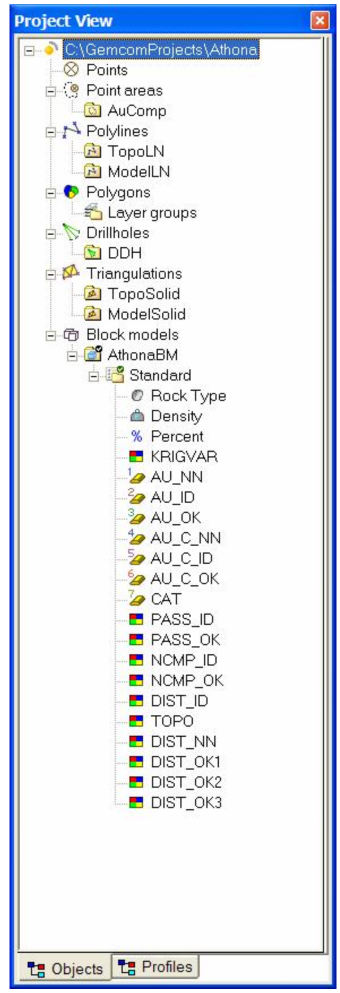


Table 17.7 Block Model Interpolation Parameters (excluding Nearest Neighbour)

Parameter	Pass 1	Pass 2	Pass 3
Maximum Composites per hole	3	3	3
Search type	Ellipsoidal	Ellipsoidal	Ellipsoidal
Anisotropy	ZYZ Rotation	ZYZ Rotation	ZYZ Rotation
Block Model Access	Overwrite completely	Partial Upgrade (0 grades)	Partial Upgrade (0 grades)
Block Variance	Constant	Constant	Constant
Negative Weights	Set to zero	Set to zero	Set to zero
Duplicate Samples	Move	Move	Move
Minimum Samples	5	4	3
Maximum Samples	12	12	12
Block Division	3 x 3 x 3	3 x 3 x 3	3 x 3 x 3

17.8 MINERAL RESOURCE CLASSIFICATION

Several factors were considered in the definition of a resource classification:

- CIM requirements and guidelines.
- Experience with similar deposits.
- Spatial continuity.
- Confidence limit analysis.

No environmental, permitting, legal, title, taxation, socio-economic, marketing or other relevant issues are known to the author that may affect the estimate of mineral resources. Mineral reserves can only be estimated on the basis of an economic evaluation that is used in a preliminary feasibility study of a mineral project, thus no reserves have been estimated. As per NI 43-101, mineral resources which are not mineral reserves do not have demonstrated economic viability. Mineral resources were classified according to a number of criteria.

On the basis of the criteria outlined in Table 17.8, approximately 85% of the blocks estimated in the Athona model are Indicated Resources and the balance are Inferred Resources.

Table 17.8 Resource Classification Criteria

Measured	Indicated	Inferred
• Not determined	• Minimum of two drill holes • Minimum of four composites • Distance to nearest composite less than 50 meters	• Minimum of three composites • Distance to nearest composite less than 90 meters

17.9 MINERAL RESOURCE TABULATION

Table 17.9 shows Indicated Resources for the Athona Deposit. Table 17.10 summarizes the Inferred Resources for Athona. The base case is reported on a 0.5 g/t Au cut-off grade.

Table 17.9 Athona Indicated Resources

	Au, g/t	**Tonnage**	**Au**
	Cut-off	000's T	g/t
Indicated	**> 3.0**	371.4	4.08
	> 2.5	1033.2	3.00
	> 2.0	1870.7	2.43
	> 1.0	3399.8	1.89
	> 0.5	7036.4	1.28

Table 17.10 Athona Inferred Resources

	Au, g/t	Tonnage	Au
	Cut-off	000's T	g/t
Inferred	**> 3.0**	50.3	4.45
	> 2.5	88.8	3.46
	> 2.0	213.7	2.44
	> 1.0	558.6	1.69
	> 0.5	1406.4	1.10

17.10 Block Model Validation

The Athona deposit grade models were validated by two methods:

1. Visual comparison of colour-coded block model grades with composite grades on section plots.
2. Comparisons of the global mean block grades for ordinary kriging, nearest neighbour and composites.

Visual Comparisons

The visual comparisons of block model grades with composite grades for each of the four zones show a reasonable correlation between the values. No significant discrepancies were apparent from the sections reviewed. Appendix B includes representative Gemcom plots of the comparison between the block model and composite grades.

Global Comparisons

The grade statistics for the ordinary kriging, inverse distance and nearest neighbour models (approximated by an Inverse Distance to the fifth power) were compared. The contained metal in the IDW2 model is 0.1% higher than the OK model. The NN model contains 2.6% less metal than the kriged model. There is generally close agreement among all three methods (Table 17.11).

Kriged values are slightly higher than the nearest neighbour averages, which is a reflection of sample density, with the higher kriged values corresponding to “smearing” of values in areas of lower drillhole density, particularly in the high grade gold veins along the lake.

Table 17.11 Block Model Validation

Estimation Model	**Au, kg**	**Relative Difference**
Nearest Neighbour	12,945.4	-2.6%
Inverse Distance Squared	13,296.1	0.1%
Ordinary Kriging	13,281.0	

17.11 Reconciliation

No allowance has been made to subtract tonnage due to mine development drifts, crosscuts or shafts. The exact location of some of these workings are not known. Previous mining can be visually confirmed at the Athona Deposit. This mined-out material has been estimated between 10,000 and 15,000 tonnes (Bevan, 1995) which corresponds to 0.1 to 0.2% of the Indicated Resource tonnage respectively. Production was not achieved at Athona.

18.0 OTHER RELEVANT DATA AND INFORMATION

Not applicable.

19.0 INTERPRETATION AND CONCLUSIONS

Wardrop has completed a mineral resource estimate for the Athona Deposit. The gold mineralization is hosted within a granitic body. Gold mineralization is associated with quartz stringers (with and without observed sulphides) in the granite. Some spatial relationship to sheared zones and contacts is suggested. Further structural mapping and analysis could improve the interpretation of the geological model.

The 2006 drill program provided confirmation of historic drilling. However, the database has inconsistencies which were identified and should be addressed to remove further uncertainty. Additional review of the database is warranted.

The resource was interpolated using three methods: nearest neighbour, inverse distance squared and ordinary kriging. No significant discrepancies exist between the methods. The ordinary kriging model was selected as the basis for reporting the resource.

At a gold cut-off grade of 0.5 g/t, the Indicated Resource is 7.0 million tonnes grading 1.28 g/t Au and Inferred Resource is 1.4 million tonnes grading 1.10 g/t Au. This resource could provide supplemental feed, extractable by open pit, for the contiguous Box Mine project.

20.0 RECOMMENDATIONS

In order to increase the resource of the Athona Deposit, additional exploration drilling is recommended in three different areas of the Athona Mine property. The location, azimuth and dip of the proposed 10 diamond drill holes for follow up work and of three additional holes for follow up work are in Table 20.1.

Table 20.1 Proposed Drill Holes for Follow-up Work

Hole ID	Easting	Northing	Azimuth (°)	Dip(°)	Length(m)	Purpose
1	165	235	100	-45	100	Exploration Hole
2	135	265	100	-45	120	Exploration Hole
2A	135	295	100	-45	120	Contingent Hole
3	150	200	100	-45	120	Exploration Hole
4	190	200	100	-45	120	Exploration Hole
5	170	130	90	-50	100	Exploration Hole
6	115	-20	105	-50	120	Exploration Hole
6A	125	10	105	-50	120	Contingent Hole
7	100	-80	105	-50	120	Exploration Hole
7A	100	-110	105	-50	120	Contingent Hole
8	-180	255	90	-50	120	Exploration Hole
9	-165	-155	290	-45	100	Exploration Hole
10	-200	-130	290	-45	100	Exploration Hole
Total					**1,480 m**	

20.1 VEIN ZONE

Additional drilling is proposed at the Vein Zone (including higher grade veins H, K, L, F and M) located on the east part of the Athona Mine property. The drill holes proposed are shown in Table 20.1.

Hole #1 should be drilled 30m east from holes A06-202 and A06-203 in order to delineate the extension of gold-bearing quartz veins in AMG. A06-203 intersected 17.75 m of AMG and yielded 1.77 g/t Au over 5 m.

Hole #2 should be drilled 30 m north from holes A06-202 and A06-203 in order to delineate the extension of gold-bearing quartz veins in AMG. A06-203 intersected 17.75 m of AMG and yielded 1.77 g/t Au over 5 m. If hole #2 intersects quartz veins an additional hole #2A is suggested about 30 m north from hole #2.

Hole #3 should be drilled 20 m east from hole A06-201 in order to delineate the extension of gold-bearing quartz veins in AMG. A06-201 intersected gold-bearing quartz veins with values of 1.13 g/t Au over 29.48 m in A06-201. Specks of visible gold were noted by GLR within a quartz vein at 11.95 m depth.

Hole #4 should be drilled 20 m east from hole A06-200 in order to delineate the extension of gold-bearing quartz veins in AMG. A06-200 intersected over 50 m of quartz veins in AMG and returned 1.60 g/t Au over 10 m.

Hole #5 should be drilled 30 m south from hole A06-199 in order to delineate the extension of gold-bearing quartz veins in AMG. A06-199 returned values of 1.12 g/t Au over 2.95 m.

Holes #6 and #7 should be drilled approximately 30 m north and south from the hole A06-198. These holes should be drilled in order to check ore grade and thickness of AMG. A06-198 returned values of 1.09 g/t Au over 37 m and 1.34 g/t over 3 m. Specks of visible gold were noted at 32 m depth within quartz vein. Additional holes #6A (approximately 30 m north from hole #6) and #7A (approximately 30 m south from the hole #7) are suggested depending of results of holes #6 and #7.

20.2 NORTH OF THE ATHONA DEPOSIT

Hole #8 should be also drilled in order to follow the northern extension of quartz veins within AMG. Hole #8 is located within the north amphibolite, north from the road located on the western part of the property.

20.3 SOUTH-WEST OF THE ATHONA DEPOSIT

Holes #9 and #10 should be drilled to delineate the extension of gold-bearing quartz veins in the West Athona Granite. Both drill holes are located perpendicular to the quartz veins. Hole #9 is located south from the Athona dock, hole#10 is located north from the same dock. These quartz veins look very similar to M veins intersected by hole A06-198.

20.4 BUDGET

The proposed budget for this recommended work is $341,000 (see Table 20.2).

Table 20.2 Budget

Personnel	$15,000
Report Writing	$5,000
Transportation, Food, Fuel, Other	$50,000
Drilling (Heath & Sherwood) 13 NQ Holes – 1480 m	$200,000
Assaying	$40,000
Subtotal	$310,000
10% Contingency	$31,000
Total	**$341,000**

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Saskatchewan Energy and Mines <http://www.gov.sk.ca/enermine/default.htm>

22.0 CERTIFICATE OF QUALIFIED PERSON

I, Tim Maunula, of Oakville, Ontario do hereby certify that as the author of this Technical Report on the Athona Deposit, SK, dated May 17th, 2007, I hereby make the following statements:

- I am General Manager with Wardrop Engineering Inc. with a business address at 604-330 Bay Street, Toronto, Ontario, M5H 2S8.
- I am a graduate of Lakehead University, (B.Sc. Honours, 1979).
- I am a member in good standing of the Association of Professional Geoscientists of Ontario (License #1115).
- I have practiced my profession continuously since graduation.
- 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 association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purpose of NI 43-101.
- My relevant experience with respect to this report includes over 30 years in exploration, mine geology and resource estimation for gold deposits in Canada and internationally. Over the last three years I have worked on mineral resource estimates following CIM guidelines on a number of gold projects including Fuller Project (ON), Box Mine (SK), Taurus (BC), Greywacke Lake (SK) and confidential projects in Mexico, Kazkhstan and Brazil.
- I am responsible for the preparation of all sections of this report titled "Technical Report on the Athona Deposit, SK", dated May 17th, 2007. I visited the site for five days from August 14 to 18, 2006.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- As of the date of this Certificate, to my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
- I am independent of the Issuer as defined by Section 1.4 of the Instrument.
- I have read National Instrument 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

Signed and dated this 17th day of May**,** 2007 at Toronto, Ontario.

"Original Document, Revision 01 signed and sealed by Tim Maunula, P.Geo

Signature

APPENDIX A
QUALITY ASSURANCE/QUALITY CONTROL PROCEDURES

APPENDIX B
GEMCOM PLOTS