

**Balmoral Resources Ltd.**

**2013 TECHNICAL (N.I. 43-101) REPORT ON  
THE MARTINIÈRE PROPERTY**

Located in Lanouiller, La Martinière, La Peltrie and Martigny Townships, Québec  
NTS 32L/02 and 32L/03  
50° 02' N Latitude; 79° 02' W Longitude

-prepared for-

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## 1.0 SUMMARY

The Martinière property covers 112 contiguous claims (61.7 km<sup>2</sup>) of flat-lying swamp in the Nord-du-Québec Region of western Québec, approximately 110 km west of Matagami and 150 km north of Amos. Balmoral Resources Ltd. ("Balmoral") owns 100% of the Martinière property, subject to a 2% NSR royalty payable to Cyprus Canada Inc. ("Cyprus Canada") on 76 of the claims.

Currently, Martinière is accessible year-round only by helicopter. A winter road provides property access from January to March, although this may not always be possible if a major river crossing five kilometres from Martinière doesn't freeze adequately. The nearest road-accessible infrastructure is 33 km to the east at Camp Fenelon, which is connected by gravel (20 km) and paved (240 km) roads to the towns of Mattagami and Amos, Québec. Several gold and base metal mines are in production or undergoing construction in this part of Québec and Ontario, supporting a vibrant infrastructure of mining and exploration services and supplies. Several railway lines and commercial airports are located within 200 kilometres of the Martinière property. The property experiences a continental-style climate with cold winters and warm summers and drilling can be carried out year-round with the exception of spring break-up.

Since 1959, a number of companies have conducted geophysical surveys and diamond drilling over the Martinière property. Exploration was directed at orogenic gold and VMS base metal potential; recent exploration has been focused almost entirely on the orogenic gold potential of the property given its association with a crustal-scale deformation zone. The first significant gold mineralization was only intersected in 1996, due to the property's almost total lack of outcrop. Balmoral acquired the property in November 2010 and has since drilled 34,165 metres in 170 holes, and carried out a property-wide heliborne magnetics/VTEM survey and more limited IP and soil geochemical surveys.

The Martinière property lies in the northern portion of the Abitibi Sub-province of the Archean Superior Province of the Canadian Shield. It is located in the Harricana-Turgeon greenstone belt within the Manthet domain, which is bounded to the south by the Sunday Lake Deformation Zone (SLDZ), an east-west striking crustal-scale high-strain zone. The Manthet domain is characterized by predominantly east-west striking mafic to intermediate volcanic/pyroclastic units intercalated with pelitic sedimentary units and intruded by mafic to ultramafic intrusions and felsic plugs, dykes and sills. Significant orogenic gold mineralization is associated with the SLDZ fifty kilometres to the west at the 17 million oz Detour Lake mine.

Three areas of orogenic gold mineralization have been recognized on the Martinière property: Martinière West, Martinière East and the Bug Lake Fault Zone (BLFZ). In each area, gold mineralization is hosted by dolomite-calcite±quartz±sulphides±tourmaline veining in high-strain zones, enveloped by silica, sericite and/or carbonate alteration. At Martinière West, the strongest indicator of gold mineralization is the presence of silica alteration surrounding the mineralized structures whereas in the Martinière East and Bug Lake areas, silica alteration is subordinate to carbonate (both dolomite and calcite). High-grade gold is rarely found at Martinière West without arsenopyrite, but this correlation is less apparent in the other zones.

In the Martinière West area, a north-northeast-striking shear is centred on a multi-phase gabbroic intrusion which appears to lie along the contact between mafic volcanic rocks to the north and sedimentary rocks to the south. Alteration and gold mineralization associated with the Martinière West shearing have been traced by drilling for over 400 m along strike and to a vertical depth of 320 m below the surface, remaining open to the south and to depth; intersections include 20.40 m @ 8.84 g/t Au (MDW-11-02) and 21.47 m @ 7.78 g/t Au (MDW-11-17). Martinière East is dominated by a volcano-sedimentary sequence composed of intercalated basalts, fine-grained sedimentary rocks and felsic dykes. The basalts host semi-massive to massive sulphide lenses which are barren in gold or base metals.

The northerly-trending, east-dipping BLFZ separates the Martinière West area from Martinière East, possibly juxtaposing deeper levels at Martinière West against shallower levels at Martinière East. Drilling has shown significant alteration, veining and gold mineralization along a strike length of 340 metres and to a depth of 250 metres for the BLFZ, remaining open in each direction along strike and to depth. The dip of the BLFZ varies with depth; the best mineralization appears to be located on steeper segments of the fault zone.

Significant intersections include 16.00 m @ 5.00 g/t Au (MDE-12-70) and 15.66 m @ 3.74 g/t Au (MDE-12-60). Relatively narrow, discrete shears up to 40 metres into the weakly deformed footwall gabbroic intrusion can host very high-grade gold mineralization, with the best intersections grading 7.78 m @ 117.32 g/t Au (MDE-12-29) and 5.70 m @ 16.45 g/t Au (MDE-12-63). Drilling in the Martinière East area has intersected shearing, carbonate alteration and gold mineralization approximately 300 metres east of the BLFZ, including 9.30 m @ 11.28 g/t Au (MDE-12-20) and 15.92 m @ 4.83 g/t Au, but its orientation and significance is not yet clear.

The author believes that aggressive exploration is warranted on the Martinière property, given the zones of significant gold mineralization discovered to date, open at depth and along strike in one or two directions, and associated with a crustal-scale deformation zone which hosts the 17 million oz Detour Lake gold deposit fifty kilometres to the west. A 20,000 metre diamond drilling program is recommended for the Martinière property, concentrated on the BLFZ, Martinière West and Martinière East areas, with an estimated budget of C\$4.65 million.

## 2.0 INTRODUCTION

This report has been prepared for Balmoral Resources Ltd. ("Balmoral") in order to satisfy its continuous disclosure requirements for the TSX-V exchange. Equity Exploration Consultants Ltd. ("Equity") was contracted to execute the 2012 diamond drilling and soil sampling programs on the Martinière property and has been engaged by Balmoral to compile all exploration information available on the property and to make recommendations for further exploration, if warranted. This report has been prepared on the basis of personal observations, core-logging carried out by the author and other Equity geologists, assessment reports filed with the Québec MRN, information and reports supplied by Balmoral, news releases issued by Balmoral, a 2011 M.Sc. thesis on the Martinière property by F. Rabayrol, and regional geological publications by the Québec MRN. A complete list of references is provided in Appendix A.

The author, an independent Qualified Person under the meaning of National Instrument 43-101 ("NI 43-101"), managed exploration on the Martinière property in the field in July and August, 2012 and monitored its progress through the balance of the 2012 program. He examined core from all of the drill holes from the summer 2012 program and several holes from the winter 2012 program. He examined the property in the field from July 6-24 and August 20-27, 2012. The author is not a director, officer or significant shareholder of Balmoral and has no interest in the Martinière property or any nearby properties.

Units and abbreviations used in this report are as follows:

### Units:

|                 |                                                        |
|-----------------|--------------------------------------------------------|
| cm              | Centimetre                                             |
| C\$             | Canadian dollar                                        |
| Ga              | billion years ago                                      |
| g/t             | grams/tonne (1 g/t = 1 ppm = 1,000 ppb)                |
| km              | kilometre (1 km = 1,000 m = 100,000 cm = 1,000,000 mm) |
| km <sup>2</sup> | square kilometre                                       |
| kg              | kilogram                                               |
| kW              | kilowatt                                               |
| m               | Metre                                                  |
| Ma              | million years ago                                      |
| mm              | millimetre                                             |
| mV/V            | millivolt per volt                                     |
| oz              | troy ounce (1 oz = 31.10348 grams = 0.0310348 kg)      |
| ppb             | part per billion                                       |
| ppm             | part per million (1 ppm = 1,000 ppb)                   |
| °C              | degree Celsius                                         |
| µm              | micron (1 m = 1,000 mm = 1,000,000 µm)                 |

### Abbreviations:

|           |                                                          |
|-----------|----------------------------------------------------------|
| AAS       | atomic absorption spectroscopy                           |
| Au        | Gold                                                     |
| EM        | electromagnetic                                          |
| FA-AA     | fire assay with AAS finish                               |
| FA-GRAV   | fire assay with gravimetric finish                       |
| FA-ICP    | fire assay with ICP finish                               |
| GPS       | global positioning system                                |
| IP        | induced polarization                                     |
| ICP       | inductively coupled plasma (analytical technique)        |
| ISO       | International Standards Organization                     |
| IEC       | International Electrotechnical Commission                |
| M.Sc.     | Master of Science                                        |
| MRN       | Ministère des Ressources Naturelles (Province of Québec) |
| MTO       | Mineral Titles Online                                    |
| N         | North                                                    |
| NAD-83    | North American Datum (1983)                              |
| NI 43-101 | National Instrument 43-101                               |
| NSR       | net smelter return                                       |
| NTS       | National Topographic System                              |
| QA        | quality assurance                                        |
| QC        | quality control                                          |
| RTK       | Real Time Kinetic (high-accuracy GPS system)             |
| S         | South                                                    |
| TSX-V     | Toronto Stock Exchange – Ventures                        |
| UTM       | Universal Transverse Mercator                            |
| VTEM      | Versatile Time Domain Electro-Magnetics                  |
| 2D        | two-dimensional                                          |
| 3D        | three-dimensional                                        |
| $\sigma$  | sigma (standard deviation)                               |

### **3.0 RELIANCE ON OTHER EXPERTS**

In Section 4.0, the author has relied entirely upon information provided by Balmoral concerning the terms of their property purchase agreement with American Bonanza Gold Corp. (“American Bonanza”), their obligations under the underlying purchase agreement between American Bonanza and Cyprus Canada Inc. (“Cyprus Canada”) and the extent of any underlying interests and royalties. In Section 4.0, the authors have relied entirely on Balmoral for tenure data.

The authors have not relied upon a report, opinion or statement of another expert concerning legal, political, environmental or tax matters relevant to the technical report.

### **4.0 PROPERTY DESCRIPTION AND LOCATION**

The Martinière property consists of 112 contiguous claims which cover 6,173 hectares (61.7 km<sup>2</sup>) at the junction of Lanouiller, La Martinière, La Peltrie and Martigny townships of western Québec (Figure 1). It is centred at 50° 02' N latitude and 79° 02' W longitude (NAD-83 UTM Zone 17N: 640800E 5545000N) on NTS



Balmoral Resources Ltd.

## Martiniere Property Location Map

|                                                                                              |             |                |                 |                |        |
|----------------------------------------------------------------------------------------------|-------------|----------------|-----------------|----------------|--------|
|  EQUITY | Date:       | JAN 2013       | Scale:          | 1:10,000,000   | Figure |
|                                                                                              | U.T.M. Zone | UTM 17 - NAD83 | Mining District | Nord-du-Quebec | 1      |
|                                                                                              | N.T.S.      | 32E14, 32L03   | Province        | Quebec         |        |

map-sheets 32L/2 and 32L/03, within the Nord-du-Québec Region, approximately 110 km west of Matagami and 150 km north of Amos.

Claim data is detailed in Appendix B. In Québec, claims give the holder an exclusive right to search for mineral substances except sand, gravel, clay and other unconsolidated deposits. Claims are acquired through Internet map-staking with boundaries defined on maps kept at the MRN's Bureau du Registraire; the claims form a seamless grid without overlap (Figure 2).

Balmoral acquired a 100% interest in the Martinière property, the adjacent Fenelon property and two other exploration properties in Québec and Ontario through a purchase agreement in November 2010 with American Bonanza. This purchase was effected by payment of C\$3.7 million cash and issuance of 4.5 million Balmoral shares to American Bonanza, and assumption of American Bonanza's underlying obligations to Cyprus Canada in regard to the properties. These obligations included a 2% NSR royalty payable on 76 claims in the Martinière property to Cyprus Canada, a wholly-owned subsidiary of Freeport-McMoran Copper & Gold Inc., and a US\$450,000 cash payment to Cyprus Canada which was made in January 2013. The claims to which the 2% NSR is applicable are noted in Appendix B.

To the author's knowledge, the property has no royalties, back-in rights or other agreements and encumbrances, apart from the 2% NSR royalty payable to Cyprus Canada. No significant environmental liabilities were noted by the author on the Martinière property.

The claims confer rights to hard-rock mineral exploration only. Mine development requires conversion of claims to a mining lease. Surface rights over the Martinière property are held by the Crown, as administered by the Province of Québec. The ownership of other rights (timber, water, trapping, etc.) over the Martinière property has not been investigated by the author. The Martinière property is located within the traditional territory of the Cree First Nation of Waskaganish and is located within the confines of the James Bay Accord between the Cree First Nation and the province of Quebec which facilitated the development of extensive hydro-electric facilities to the north of the property.

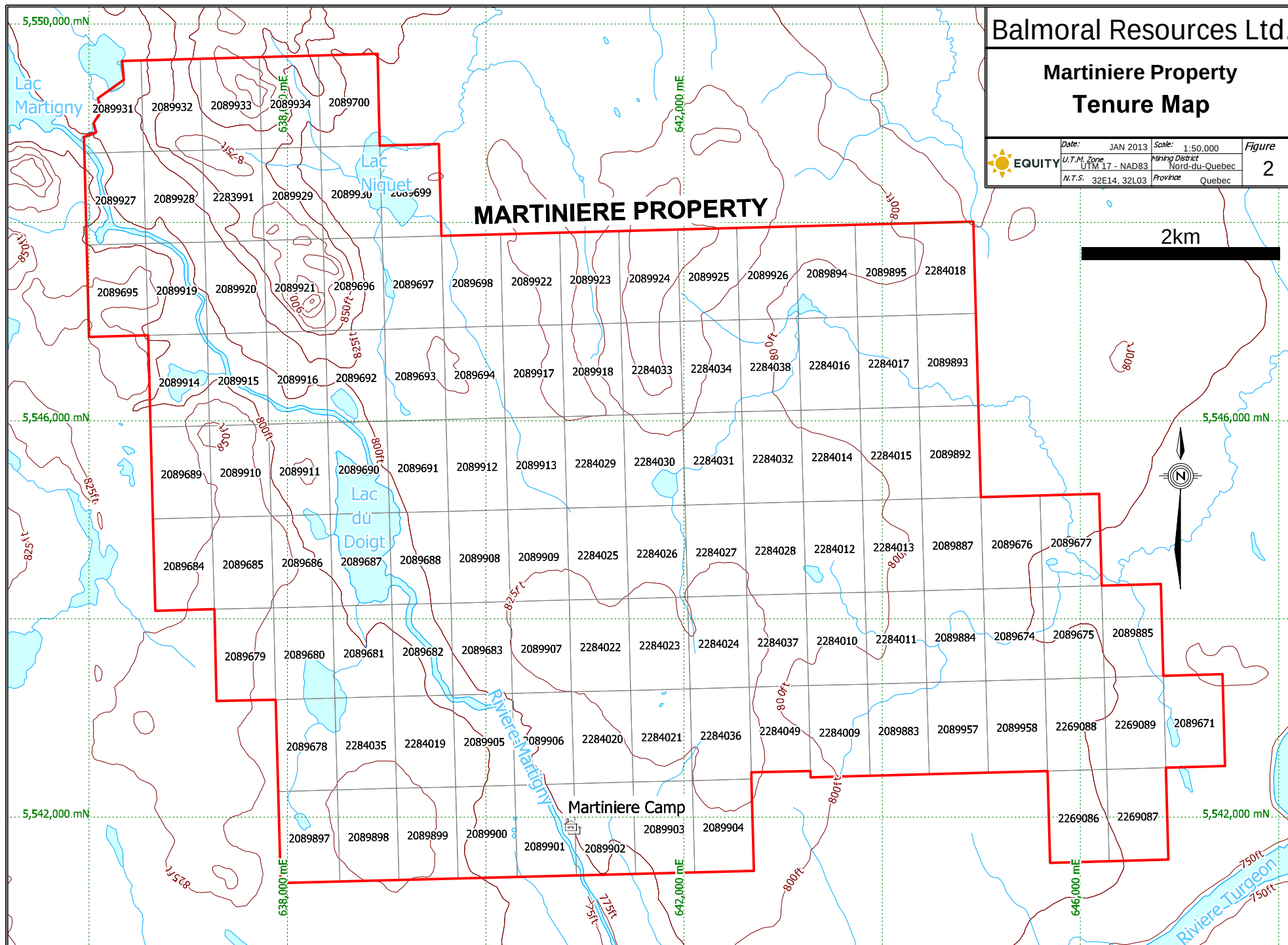
Claims have initial terms of two years. Québec law requires assessment expenditures to maintain tenure ownership past the current expiry dates. Allowable assessment work must be completed prior to 60 days before expiry of the claim. Required amounts of work for two-year renewals vary depending upon location, size and age of the claim. For all claims within the Martinière property, the required biennial assessment amounts to \$2,500/claim. Assessment filing fees of \$53/claim are payable if filed >60 days prior to the claim expiry date, doubling to \$106/claim if filed within 60 days of the claim expiry date.

Permits are required for any exploration program which involves camp construction or tree-cutting, including drilling, helicopter use or road construction. Balmoral has the required permits to execute the proposed drilling program, although amendments may be required to allow minor shifts in locations of drill sites.

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

### **5.1 Accessibility**

Martinière is not currently road accessible, but may be accessed by helicopter year-round. The closest road accessible infrastructure is at the past-producing Selbaie Mine located 24 km south of Martinière, but Camp Fenelon, operated by Balmoral, is located approximately 33 km east of Martinière and has been used to support exploration at Martinière. In some years, a winter road can be opened from forest road R1036 near Camp Fenelon to the Martinière property, but in other years inadequate freezing at a crossing of the Turgeon River limits winter road access to approximately five kilometres away from the Martinière camp. Camp Fenelon is road accessible from the town of Amos along 168 kilometres of paved provincial highway 111, then 70 kilometres of paved forest road R1036 and 20 kilometres of gravel road. The town of Val d'Or lies an additional 67 kilometres south of Amos (Figure 3).

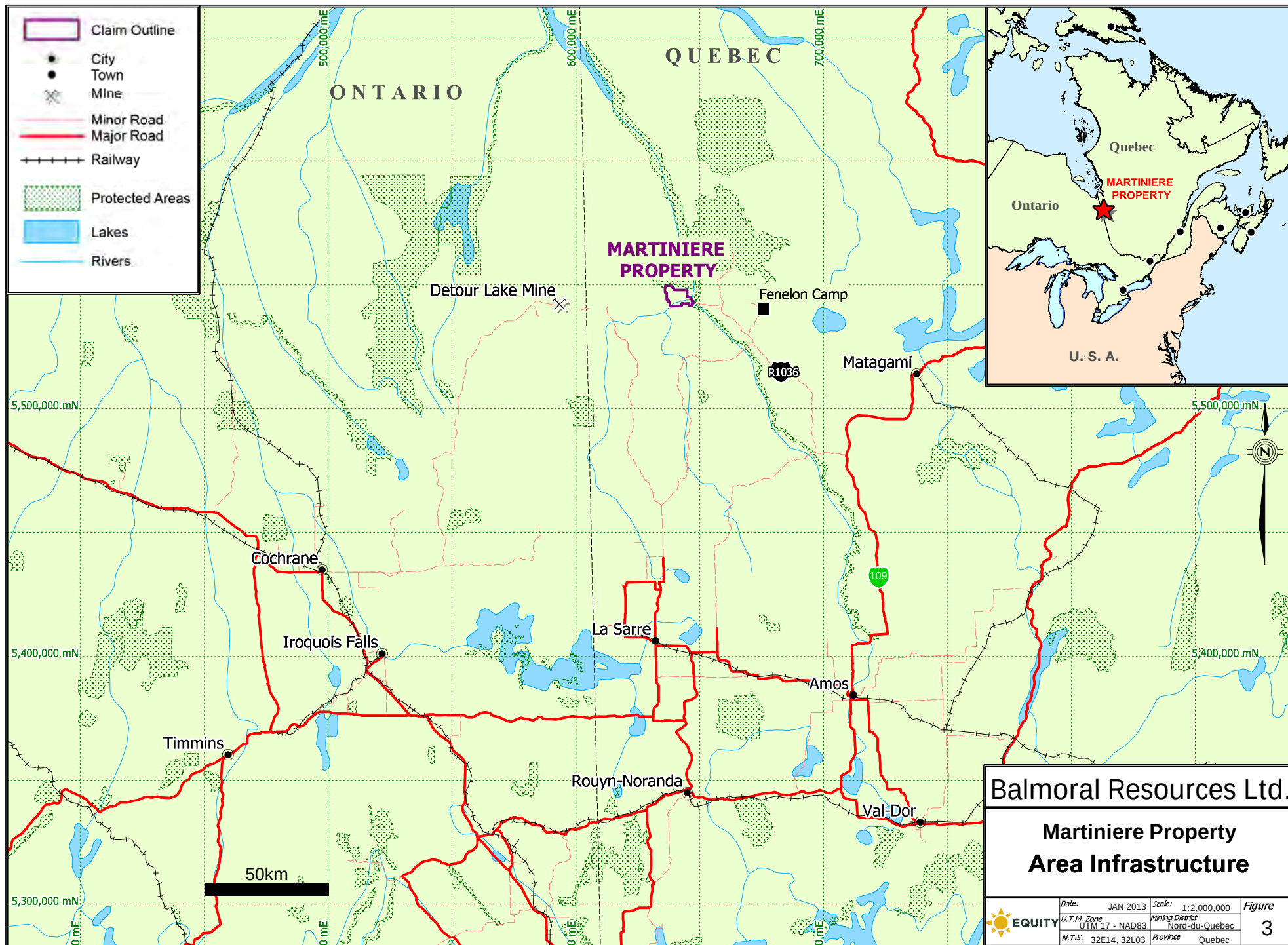


Balmoral Resources Ltd.

## Martiniere Property Tenure Map



|             |                |                 |                |        |
|-------------|----------------|-----------------|----------------|--------|
| Date:       | JAN 2013       | Scale:          | 1:50,000       | Figure |
| U.T.M. Zone | UTM 17 - NAD83 | Mining District | Nord-du-Quebec | 2      |
| N.T.S.      | 32E14, 32L03   | Province        | Quebec         |        |



## 5.2 Local Resources and Infrastructure

There is a camp located on the Martinière property capable of housing 28 people in tent-based accommodations with running water in kitchen and dry, diesel stove heating, and electricity provided by two generators (Figure 2). The primary generator has a capacity of 30 kW, backed up by a secondary 20 kW unit which is mostly used to power electric core saws, but which is capable of powering most camp systems in the event of an outage of the primary generator. Water is obtained from a ~100 m deep well located ~25 m from camp. Logistical support is provided by the road-accessible camp located at Camp Fenelon, 33 km to the east, which is capable of housing up to 25 people in trailer-based lodgings with indoor plumbing, a potable water well, forced-air heating, and electricity from a 78 kW generator. Supplies and personnel arrive at Camp Fenelon from the nearby towns of Amos, Québec (pop. 9,400) and Val d'Or, Québec (pop. 31,900) via road transportation.

Amos and Val d'Or offer a full range of services and supplies for mineral exploration, including skilled and unskilled labour, bulk fuel, freight, heavy equipment, groceries and hardware. The nearest helicopter base is in Cochrane, Ontario, located 180 kilometres southwest of Martinière (Figure 3). Several gold and base metal mines are in production or undergoing construction throughout this part of Québec and Ontario, supporting a vibrant infrastructure of mining and exploration services. Val d'Or is the nearest regional airport to Martinière which has daily commercial flights to Montreal.

CN Rail operates railway lines to Matagami, 100 kilometres east of Martinière, and La Sarre, 140 kilometres south of Martinière. Ontario Northland Railway operates a rail line through Cochrane, Ontario, 180 kilometres southwest of Martinière.

Surface rights over the Martinière property are owned by the Crown and administered by the Province of Québec; they would be available for any eventual mining operation. The property has abundant water and water rights could be obtained for milling. It is still too early to determine potential tailings storage areas, potential waste disposal areas, and potential processing plant sites.

## 5.3 Physiography and Climate

The Martinière property is dominated by a flat swamp on the northwest side of the Turgeon River (Figure 2). Topography on the property is very subdued, with elevations ranging from 235 metres near the Turgeon River to 290 metres in the northwestern part of the property. Most of the drilling has been done in the swampy south-central part of the property at 250-260 metres elevation.

The property is covered by swamp and boreal forest comprised of spruce, fir, and pine. It is almost completely devoid of outcrop, with isolated exposures of mafic volcanic rocks in the southwest of the property along the Martigny River.

The region experiences a typical continental-style climate with cold winters and warm summers. Snow accumulation begins in November and generally remains until early May. Environment Canada climate normals for 1971-2000, from the nearest weather station in the town of Matagami, indicate that the daily average temperature ranges from -20° C in January to 16° C in July. The coldest months are December to March, during which the coldest temperatures can fall below -40° C. Matagami has 91 cm of annual precipitation with average snow depth peaking at 65 cm in February (EnvironmentCanada, 2012). Drilling can be conducted year-round with the exception of spring thaw from mid-March to May.

## 6.0 HISTORY

The following summary of historical exploration on the Martinière property (Table 1) has been largely taken from Peshkepia and Sylvester (2011). Historical assessment reports filed with the government of Québec's MRN indicate prior ownership of the Martinière property, which has consisted of at least three separately explored properties (Martinière A, Martinière C, and Martinière D) in the past, but reference to explicit ownership is unclear until 1994 when Cyprus Canada established the current, amalgamated La

Martinière property. This property was optioned by International Taurus Resources Inc. ("International Taurus") in 1998 and subsequently purchased by them. Ownership changed to American Bonanza as a result of a merger with International Taurus in 2004. In November 2010, Balmoral purchased 100% interest in La Martinière from American Bonanza, subject to a 2% NSR royalty held by Cyprus Canada.

Over the past 54 years, a number of companies have conducted exploration over the Martinière property, including geophysical surveying and diamond drilling. The almost total lack of outcrop precluded geological mapping. Geophysical methods utilized include IP/resistivity, electromagnetic (EM), and magnetic surveys, with drilling initially testing various geophysical anomalies and later extending mineralized zones. Although sporadic drilling has taken place since 1959, the presence of significant gold was not confirmed in drill core until 1996. The following is a brief description of some of the more relevant historic work.

***Kateri Mining Co. Ltd. (1959)***

In 1959, two holes were drilled following up on a magnetic high coinciding with a medium strength conductor identified by electromagnetic and ground magnetometer surveys, and intersected disseminated pyrite in a dioritic sill and quartz stringers in a shear zone with trace gold values.

***Monpre Mining Co. Ltd. (1960)***

In 1960, two holes were drilled that intersected 2-3% sulphides in sheared mafic volcanic and graphitic schists, but no gold was detected by assays in either hole.

***Queenston Gold Mines (1982, 1984)***

In 1982, Queenston Gold Mines compiled the geological and geophysical data of the Lac du Doigt property (in the northwest of Martinière), which produced a map showing northwest/southeast-trending EM anomalies, after which an airborne EM survey was done in 1984.

***Teck Exploration (1984)***

In 1984, one hole was drilled in the south-central part of Martinière to test an EM conductor in this area. The drilling intercepted altered, carbonatized mafic volcanic intercalated with pyritic graphitic argillite and minor tuffaceous horizons.

***Noranda Exploration Ltd. (1986-1987)***

Between 1986 and 1987, IP surveys and diamond drilling at Lac Bug in the northwest of Martinière identified irregular, northwest-trending veins and shear zones hosted in fine-grained gabbroic rocks.

***Cyprus Canada (1996-1997)***

In 1996-1997, IP and resistivity surveys were carried out that identified northeast to east/west trending structures at Martinière. Eight holes were drilled, one of which (MD-97-06) hit 12.44 g/t Au over 2.5 m and 1.07 g/t Au over 12.0 m in what is now known as the Martinière Central Zone. These gold values were obtained in chloritic shears that hosted 10-30% quartz-carbonate-pyrite veining, with zones of strong carbonate/silica/sericite/fuchsite alteration and silica flooding in a magnesium-rich tholeiite.

***International Taurus (1998-2000)***

In 1998, nine holes were drilled to follow-up on the Au-bearing mineralization identified the previous year. Drilling intersected quartz-carbonate veins in the south of the property with 5.91 g/t Au over 6.45 m (MD-99-11) and 14.55 g/t Au over 4.2 m (MD-99-13). In 2000, continuing to follow up on the Au-bearing mineralization, twelve holes were drilled, with the highlights being: 11.12 g/t Au over 1.5 m (MD-00-19); 12.80 g/t Au over 1.5 m (MD-00-28); and 3.45 g/t Au over 1.0 m (MD-00-28).

***American Bonanza (2006-2007)***

In 2006, nine holes were drilled to test the high-grade Au intercepts of previous drilling programs. Low-grade mineralization was intersected over shorter intervals, but an extension of the zone in hole MD-00-28 was discovered and the mineralization reported in previous holes MD-99-13 and -14 and MD-97-06 was confirmed. Follow-up was conducted in 2007, with the drilling of thirteen additional holes to test for extensions of mineralized zones and to test IP/magnetic anomalies.

**Table 1: Summary of Historical Work at Martinière**

| Year      | Company                        | Work completed                             |
|-----------|--------------------------------|--------------------------------------------|
| 1959      | Monpre Mining Co. Ltd.         | IP/resistivity survey                      |
|           | Kateri Mining Co. Ltd.         | EM and magnetometer surveys, 2 drill holes |
| 1960      | Monpre Mining Co Ltd.          | 2 drill holes                              |
| 1970s     | Selco Mining Corp.             | 2 drill holes                              |
| 1982      | Queenston Gold Mines           | EM survey                                  |
| 1984      | Teck Exploration               | 1 drill hole                               |
| 1986-1987 | Aerodat                        | EM and magnetic surveys                    |
|           | Noranda Exploration Ltd.       | IP survey, drilling                        |
| 1996      | Cyprus Canada Inc.             | IP/resistivity survey                      |
| 1997      | Cyprus Canada Inc.             | IP/resistivity survey, 2 drill holes       |
| 1998      | International Taurus Resources | 9 drill holes                              |
| 2000      | International Taurus Resources | 12 drill holes                             |
| 2006      | American Bonanza Gold Corp.    | 9 drill holes                              |
| 2007      | American Bonanza Gold Corp.    | 13 drill holes                             |

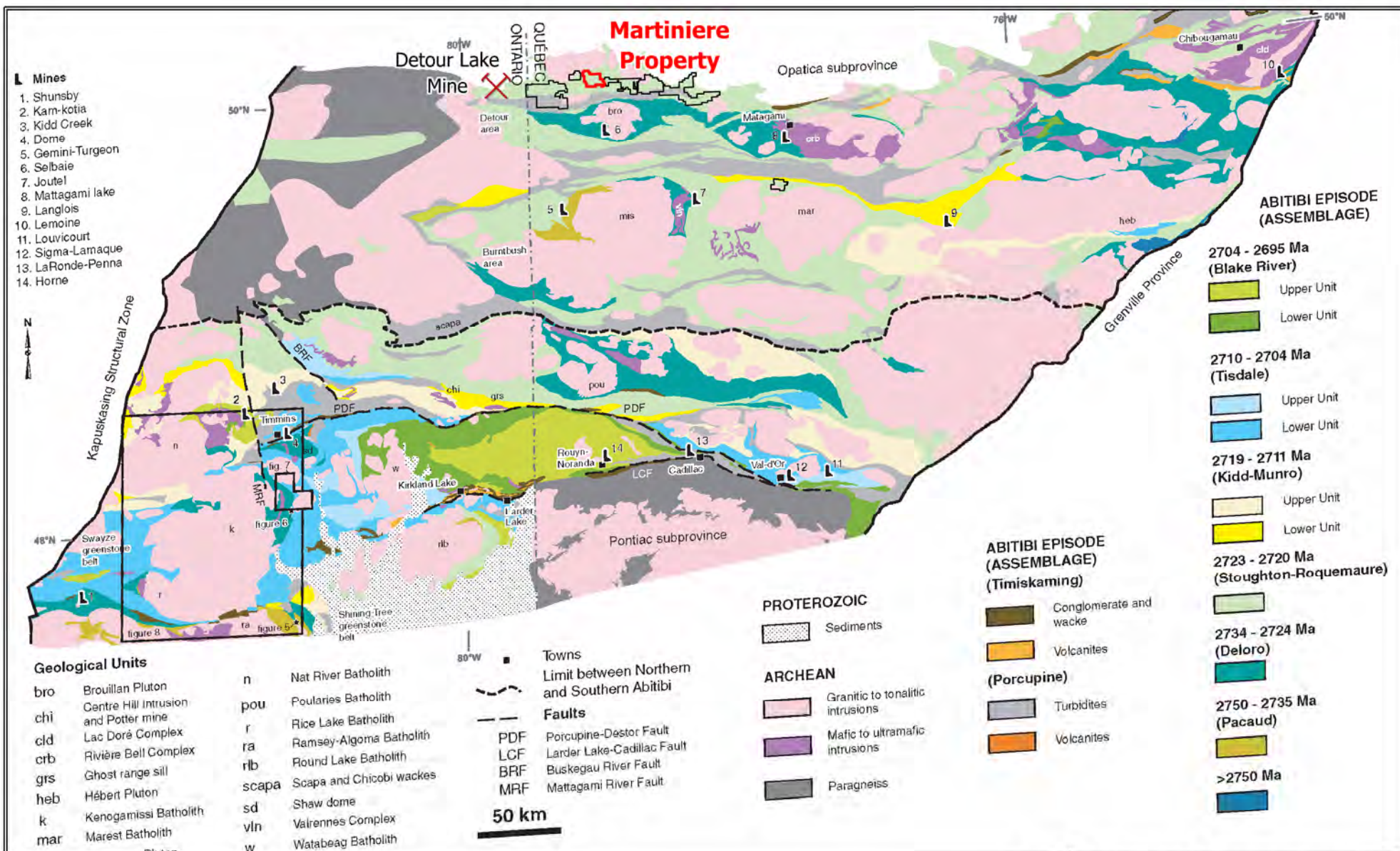
There have been no significant historical mineral resource or mineral reserve estimates for the Martinière property and there has been no production from it.

## **7.0 GEOLOGICAL SETTING AND MINERALIZATION**

### **7.1 Regional Geology**

The Martinière property lies in the northern portion of the Abitibi Sub-province, which itself lies in the south-central part of the Archean Superior Province of the Canadian Shield (Figure 4). The Abitibi Sub-province is composed of east-trending synclines of largely volcanic rocks and intervening domes cored by synvolcanic and/or syntectonic plutonic rocks (gabbro-diorite, tonalite, and granite) alternating with east-trending bands of turbiditic wackes. Most of the volcanic and sedimentary strata dip vertically and are generally separated by abrupt, east-trending faults with variable dip. Some of these faults, such as the Porcupine-Destor fault, display evidence for overprinting deformation events including early thrusting, later strike-slip and extension events. Two ages of unconformable successor basins occur: early, widely distributed "Porcupine-style" basins of fine-grained clastic rocks, followed by "Timiskaming-style" basins of coarser clastic and minor volcanic rocks which are largely proximal to major strike-slip faults (e.g. Porcupine-Destor, Larder-Cadillac, Sunday Lake). In addition, the Abitibi Sub-province is cut by numerous late-tectonic plutons ranging in composition from syenite and gabbro to granite with lesser dikes of lamprophyre and carbonatite (Thurston et al., 2008).

Thurston et al (2008) divided the stratigraphy of the Abitibi Sub-province into seven discrete volcanic assemblages and two later sedimentary-dominated assemblages (Table 2).



From Thurston et al (2008)

50km

Balmoral Resources Ltd.

## Martiniere Property Regional Geology (Abitibi Sub-Province)

|        |                             |                                 |        |
|--------|-----------------------------|---------------------------------|--------|
| EQUITY | Date: JAN 2013              | Scale: 1:as shown               | Figure |
|        | U.T.M. Zone: UTM 17 - NAD83 | Mining District: Nord-du-Quebec | 4      |
|        | N.T.S. 32E14, 32L03         | Province: Quebec                |        |

**Table 2: Abitibi Sub-province Stratigraphic Assemblages**

| <b>Assemblage</b>   | <b>Age (Ma)</b> | <b>Thickness (km)</b> | <b>Dominant Rock Types</b>                                                                                                                                                                                                             |
|---------------------|-----------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Timiskaming         | 2677-2670       | <3                    | Polymictic conglomerate and sandstone in subaerial alluvial fan, fluvial and deltaic settings; local alkaline volcanic rocks                                                                                                           |
| Porcupine           | 2690-2685       | <3                    | Local calc-alkaline felsic pyroclastic rocks overlain by turbiditic argillite to wacke                                                                                                                                                 |
| Blake River         | 2704-2695       | ~11-17                | Minor clastic metasediments and high Mg and Fe tholeiites overlain by mafic to felsic tholeiitic to calc-alkaline volcanic units with volcanoclastic components                                                                        |
| Tisdale             | 2710-2704       | ~10-15                | Mafic volcanic rocks with localized ultramafic and intermediate to felsic volcanic rocks and iron formation; overlain by intermediate to felsic, calc-alkaline, amygdaloidal flows, heterolithic debris flows and volcanoclastic units |
| Kidd-Munro          | 2719-2711       | ~10                   | Intermediate to felsic calc-alkaline volcanic rocks, overlain by mafic volcanic rocks with local ultramafic and felsic volcanic rocks and graphitic metasedimentary rocks                                                              |
| Stoughton-Roquemare | 2723-2720       | <12                   | Tholeiitic basalts with komatiites and local felsic volcanic rocks                                                                                                                                                                     |
| Deloro              | 2734-2724       | ~5                    | Mafic to felsic calc-alkaline volcanic rocks with local tholeiitic mafic volcanic rocks, capped by iron formation                                                                                                                      |
| Pacaud              | 2750-2735       | ~5                    | Ultramafic, mafic and felsic volcanic rocks, with minor iron formation                                                                                                                                                                 |
| Pre-2750 Ma         | >2750           | ~5                    | Intermediate to felsic, calc-alkaline pyroclastic rocks capped by iron formation                                                                                                                                                       |

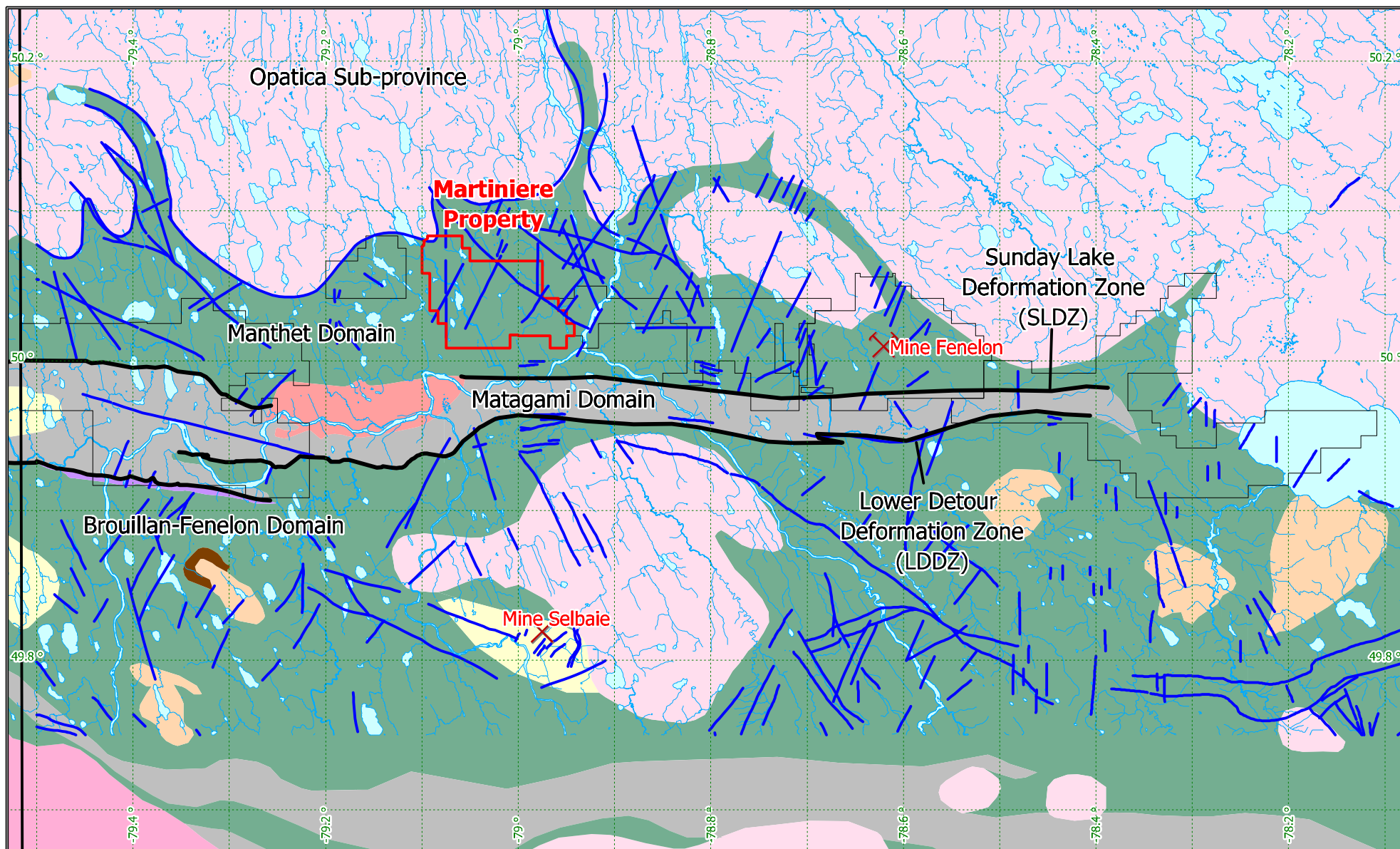
The northern Abitibi Sub-province has undergone four main deformation events (Daigneault et al., 2004{Peshkepia, 2011 #2257}):

- D<sub>1</sub>: regional N-S folding (pre-2710 Ma);
- D<sub>2</sub>: E-W trending subvertical schistosity associated with E-W regional folding (2710-2706 Ma);
- D<sub>3</sub>: longitudinal thrust faulting which cross-cut D<sub>2</sub> folds (2705-2697 Ma);
- D<sub>4</sub>: E-W dextral strike-slip faulting.

## **7.2 Local Geology and Mineralization**

The Martinière property is located in the Harricana-Turgeon greenstone belt, located in the northern part of the Abitibi Sub-province near its interpreted boundary with the Opatika Sub-province. A network of regional deformation corridors extend from Ontario eastwards and separate two dominantly volcanic domains from an area dominated by volcanic-derived sedimentary (or volcano-sedimentary) rocks with minor volcanic rocks (Figure 5). These regional high-strain zones include the Lower Detour (LDDZ) and Sunday Lake (SLDZ) deformation zones, which track east-west across the Martinière area and are spatially associated with significant orogenic gold mineralisation including the Detour Lake deposit (Ritchie et al., 2012). The Detour Lake gold deposit, for example, is located within and immediately adjacent to the Sunday Lake Deformation Zone (SLDZ).

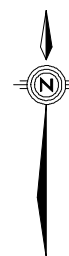
Integration of geological mapping, diamond drilling, and geophysical data suggests that there are three distinct geological domains in the vicinity of Martinière: the Manthet Domain; the Matagami Domain; and the Brouillian-Fenelon Domain (Wagner, 2012).



#### Legend

- Banded Gneiss
- Diorite, granodiorite
- Felsic Intrusion
- Mafic Intusion, Ultramafic

- Felsic volcanic rock
- Mafic Flows
- Greywacke, siltstone, argillite, iron formation
- Iron formation
- Faults



**5,000m**

Modified from Quebec Geological Survey

**Balmoral Resources Ltd.**

**Martiniere Property**

**Local Geology**



|             |                |                 |                |        |
|-------------|----------------|-----------------|----------------|--------|
| Date:       | JAN 2013       | Scale:          | 1:400,000      | Figure |
| U.T.M. Zone | UTM 17 - NAD83 | Mining District | Nord-du-Quebec | 5      |
| N.T.S.      | 32E14, 32L03   | Province        | Quebec         |        |

The Manthet Domain lies north of the SLDZ in the Stoughton-Roquemaure volcanic assemblage, and is characterized by predominantly east-west striking mafic to intermediate volcanic/pyroclastic units, that are commonly intercalated with pelitic sedimentary units. Lesser volumes of felsic volcanic rocks also occur throughout this domain, as do mafic to ultramafic intrusions and small felsic intrusive bodies, dykes, and sills. Late north- to northwest-trending mafic dykes appear to represent the most recent lithological element (Wagner, 2012).

The Matagami Domain lies south of the SLDZ, but north of the Lower Detour Deformation Zone, and consists mostly of volcano-sedimentary rocks, including wackes and argillites, as well as tuffaceous units and iron formation (Lacroix, 1988). The iron formation units show strong lateral continuity along east-west trends. Other rock types include numerous mafic to ultramafic sill-like intrusions and at least one larger composite mafic-ultramafic intrusion. The contact between the Matagami and Manthet domains is a focus for shearing and faulting along the SLDZ, which dips 72° to 82° to the south-southwest (Wagner, 2012). It can be traced through geophysical interpretation for over 100 kilometres in an east-west direction, passing a few kilometres south of the Martinière property. The degree of metamorphism and deformation within the Manthet domain increases gradually northward toward the Opatica gneiss.

The volcanic-dominated Brouillan-Fenelon domain lies to the south of the Lower Detour Deformation Zone within the Deloro volcanic assemblage. This sequence includes a greater volume of felsic volcanic and intrusive rocks than the Manthet Domain and hosts the formerly producing Selbaie volcanogenic massive sulphide deposit.

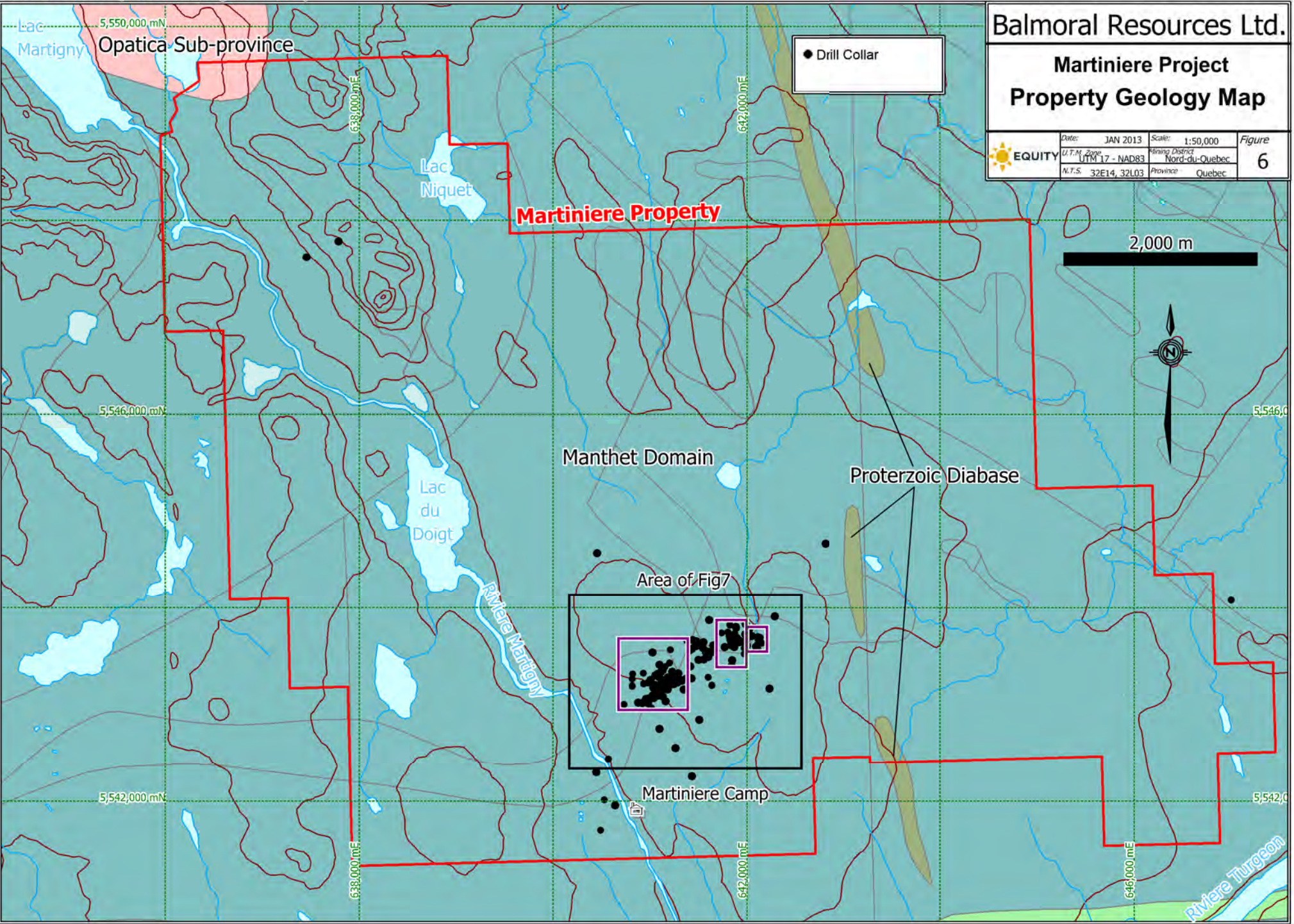
Both orogenic gold and volcanogenic massive sulphide deposits have been mined in the Harricana-Turgeon belt. Of most relevance to the Martinière property is the Detour Lake deposit, located 50 kilometres west of the Martinière East and West zones. Detour Lake produced 55,000 kg (1.77 million oz) Au at 4.55 g/t Au between 1983 and 1999; an open pit mine is currently under construction with Proven and Probable Reserves (as of year-end 2011) of 484,000 kg (15.57 million oz) Au at 1.03 g/t Au (Ritchie et al., 2012). The Detour Lake deposit is hosted by Manthet domain rocks known as the Upper and Lower Detour Lake formations. Gold mineralization within the Detour Lake deposit is principally hosted in a 200-350 metre wide E-W corridor in the hanging wall of the SLDZ. High-grade gold mineralisation is localized along highly strained geological contacts that provided conduits for fluids associated with regional-scale deformation. Gold mineralisation is hosted in a series of steeply-plunging ore-shoots in quartz-carbonate veins, associated with pyrite and other sulphides (Ritchie et al., 2012).

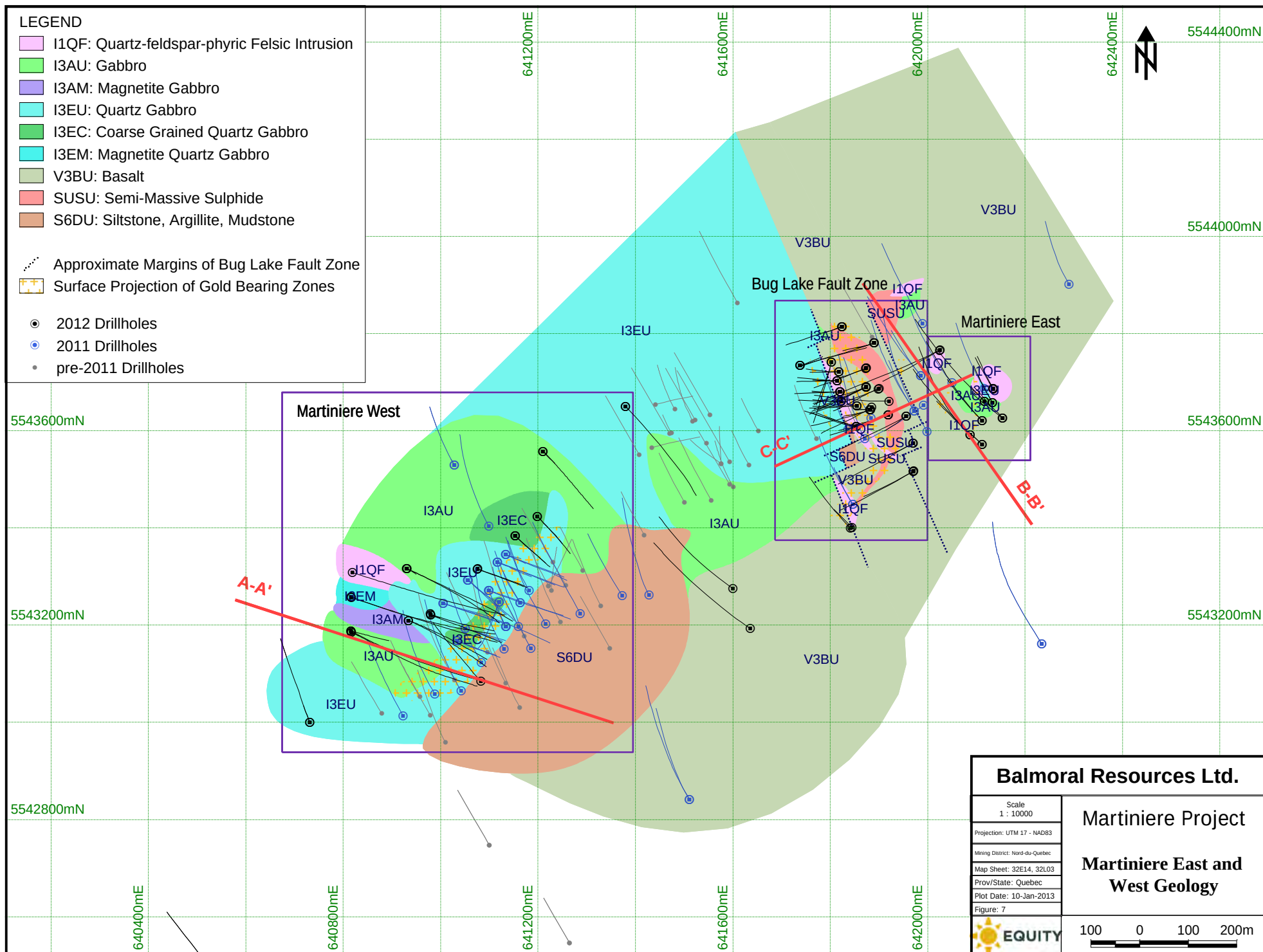
To the east, Balmoral's Fenelon Property contains a typical Archean lode gold zone that is named the Discovery Zone. This zone is associated with shearing and silicification of a gabbro or pyroxenite body and is located north of both the regional Lower Detour and Sunday Lake deformation zones. High-grade gold mineralization is contained within a series of structurally controlled shears and quartz veins and is associated with approximately 5 to 10% pyrrhotite, chalcopyrite, and pyrite (Leclerc and Giguère, 2010).

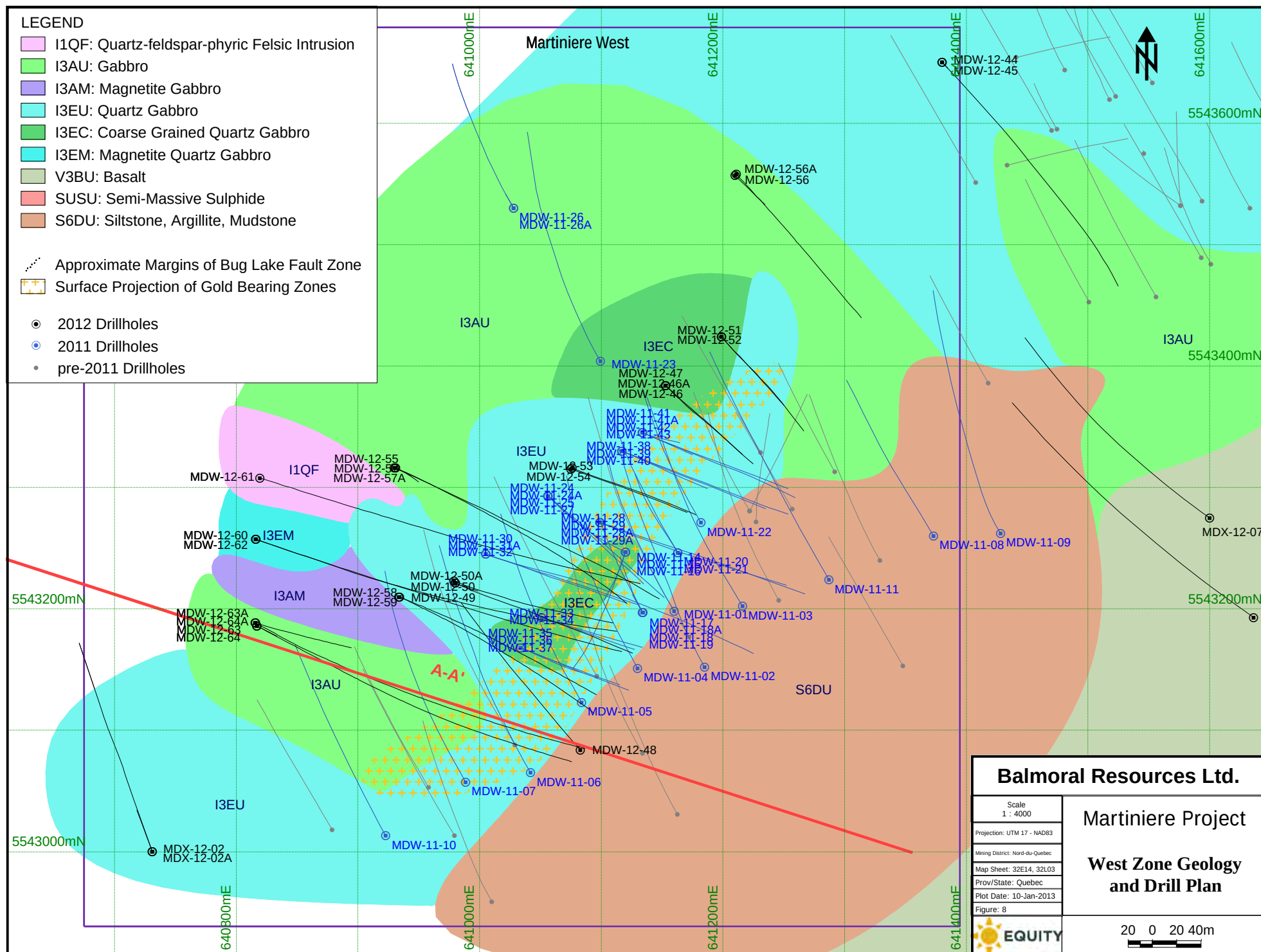
### 7.3 Property Geology

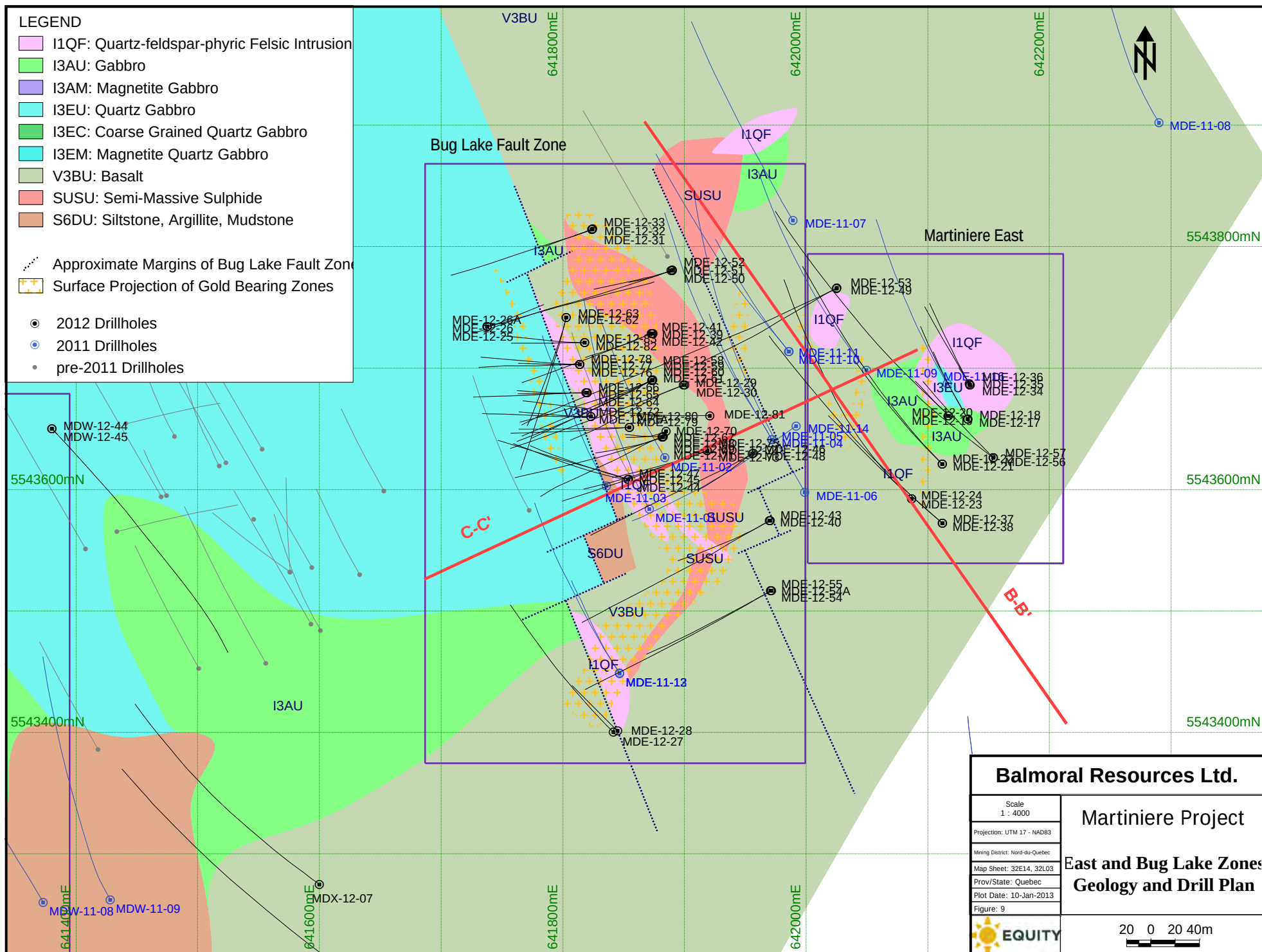
The Martinière property is covered by 10 to 60 m of glacio-fluvial overburden consisting mainly of sand-gravel-boulder tills. Outcrop is limited to a few isolated mafic volcanic rock occurrences exposed along the Martigny River in the southwestern part of the claim group. Figure 6 shows a property-wide geological map prepared by Géologie Québec (MRN, 2007a, b), largely interpreted from geophysics. They interpret the Martinière property to be almost entirely underlain by Manthet domain andesitic to felsic volcanic rocks and variably graphitic mudstones. Proterozoic diabase dykes trend NNW across the property. Granodiorite and tonalite of the Opatica Sub-province are mapped in the extreme northwest corner of the Martinière property.

A geological plan map at the 200-m elevation has been interpreted from drill core in the small portion of the Martinière property which has sufficient drill hole density (Figures 7-9). This portion of the property can be divided into two separate areas, termed Martinière West and Martinière East, each with distinct styles of lithology, structure, and mineralization (Perk et al., 2013). Martinière West and Martinière East are separated by the north-striking, east-dipping Bug Lake Fault Zone (BLFZ).









The Martinière West area is dominated by mafic intrusive and volcanic rocks. A north-northeast-striking shear is centred on a multi-phase gabbroic intrusion which appears to sit along the contact between mafic volcanic rocks to the north and sedimentary rocks to the south. This intrusion is composed of gabbro, quartz gabbro, quartz-magnetite gabbro, magnetite gabbro and pyroxene-phyrlic gabbro phases, all of medium to coarse grain size. In some areas it is possible to delineate distinct zones of one sub-unit of the intrusion from another; however on a property scale the units form a single body. Weak to moderate shearing is present over a width of 200-300 m, centred on the gabbro body, and has been traced for over 400 m along strike and to a vertical depth of 320 m below the surface. This represents the Martinière West Main Zone.

Martinière East is dominated by a volcano-sedimentary sequence composed of intercalated basalts, fine-grained sedimentary rocks and felsic dykes, which hosts semi-massive to massive sulphide lenses. Mostly composed of pyrite, the massive sulphide lenses are characterized by more than 50% sulphides, with low-grade gold and base metal content. The semi-massive sulphide units appear to dip shallowly toward the southeast. Local faulting, shearing and an abundance of early and later quartz and quartz-feldspar porphyry dykes are present in this area along with calcite alteration and associated gold mineralization.

The north-northwest (335°) striking, east-dipping Bug Lake Fault Zone (BLFZ) separates the Martinière West area from Martinière East. The Bug Lake Fault Zone dips approximately 50 degrees to the east but has a sigmoidal dip plane, and initial movement along the Bug Lake Fault Zone appears to pre-date gold mineralization (Wagner, 2012). Intersections of the BLFZ during the 2012 drill program demonstrate that the zone is at least 100 m wide and incorporates sheared panels of nearly every lithology seen on the property, including gabbro, basalt, massive sulphide, graphitic mudstone and siltstone. The zone also hosts at least two stages of felsic quartz±feldspar porphyritic dykes which appear to have intruded roughly synchronously with late-stage movement along the fault and strike generally sub-parallel to it. These porphyry dykes generally contain 0.5-1% disseminated pyrite and are weakly to moderately sericite-altered along fracture planes. Proximal to the hanging wall of the fault and cross-cutting all other units is a coarse-grained, almost fragmental, felsic dyke composed primarily of cemented quartz grains. The unit does not appear to be associated in any way with mineralization, but is useful as a marker for the upper part of the BLFZ. Other units of country rock incorporated within the BLFZ host varying degrees of silica, calcite, dolomite, sericite and/or fuchsite alteration. In addition to the pervasive alteration found in the panels of country rock caught up in the fault zone, the zone also hosts a network of quartz-calcite-dolomite±pyrite veins which cut through and between the fragments caught up in the fault. Much, though not all, of the gold mineralization in the BLFZ appears to be spatially associated with these veins. Movement along the fault appears to have been accomplished in a number of separate deformation events: a ductile shearing event, represented by shear fabrics and foliations in basalt and gabbros; a brittle shearing event, represented by re-healed breccias (typically with calcite in-fill); and a brittle faulting event, represented by broken ground, with clay coatings on fracture surfaces and rare fault gouge. Overall sense of movement along the fault has been previously interpreted to be sinistral, thereby exposing a deeper section of the overall sequence to the west of the fault (Rabayrol, 2011a).

#### 7.4 Property Mineralization

Mineralization on the Martinière property (Figure 6) is only known through drilling, which has tested only a relatively small area. Areas of known mineralization can be divided into Martinière West (Figure 8), Bug Lake (Figure 9) and Martinière East (Figure 9), each with distinct styles of lithology, structure, and mineralization. Known gold mineralization at Martinière is localized along shear zones which appear to be subordinate structures to the main Sunday Lake Deformation Zone (SLDZ), which trends generally east-west and forms the contact between the Matagami and Manthet domains.

The overall characteristics of mineralization on the Martinière property are consistent with structurally-controlled orogenic gold, with variations in vein and alteration mineralogy at different zones of the property.

### 7.4.1 Martinière West

The Martinière West Main Zone (Figure 8) is marked by moderate shearing associated with moderate to strong silicification and sulphide mineralization. A strongly silicified central core is bounded by several less-developed structures in the footwall and hanging wall that locally contain significant gold mineralization. Anomalous gold mineralization typically occurs over intervals of 20-70 m surrounding the high-grade core of the system, which ranges from just over one m to over 22 m in width. High-grade gold mineralization is typically associated with strong silicification, 5-20% disseminated sulphide mineralization (pyrite-arsenopyrite-chalcopryrite), with very high-grade intervals hosting very fine-grained visible gold.

A number of vein sets are associated with the shearing and mineralization in the main zone. Of greatest importance from an exploration perspective is a set of quartz + dolomite  $\pm$  pyrite  $\pm$  tourmaline  $\pm$  arsenopyrite  $\pm$  chalcopryrite veins, most likely derived from the same fluid flow event which produced the silica alteration described above. Well developed examples of these veins are good indicators of good gold grade. Separate from these are a late-stage set of quartz + dolomite veins which cross-cut all other structures and appear to be devoid of mineralization. It is also possible to find quartz + tourmaline veins with no dolomite or pyrite, which appear to have no connection to gold enrichment. More distal to the main shear zone are distinct sets of calcite + magnetite + pyrite and calcite + pyrite veins which do not appear to have an association with gold.

Mineralization in the Martinière West zone is generally characterized by white to cream, banded, multiphase quartz-dolomite-calcite $\pm$ pyrite $\pm$ tourmaline veining with associated alteration of the surrounding host rocks. True thicknesses of these veins can reach up to several dozen cm, with broad zones of mineralization composed of one or several 5 to 40 cm thick quartz-dolomite-calcite veins. These zones typically possess a silica and/or sericite alteration halo and show weak to moderate shearing. Pyrite content can reach up to 15% in the core of the mineralized zones, and typically serves as an indicator for the approximate distance of any mineralized intersections from the core of the mineralized zone. Arsenopyrite-rich zones can also be present within these alteration halos and are typically found along the margins of quartz-dolomite-calcite veins. Chalcopryrite and sphalerite are locally present in mineralized zones and are generally indicative of a local gold grade in excess of several grams per ton. The average thickness of these mineralized shear zones varies between 1-5 m, with average gold grades between 5 and 25 g/t Au. Very high grade Au intervals (>100 g/t Au) are common within the veins themselves (Rabayrol, 2011b).



Plate 1: Coarse arsenopyrite blebs along quartz vein margin at ~254 m in hole MDW-12-55 (Martinière West).

### 7.4.2 Martinière East

Martinière East is dominantly composed of intercalated basalts and felsic dykes which host semi-massive to massive sulphide lenses (Figure 9). Mostly composed of pyrite, the massive sulphide lenses are characterized by more than 50% sulphides, with low-grade gold and base metal content. Drilling indicates the presence of a northeast-trending corridor of shearing, carbonate alteration, and gold mineralization approximately 300 m east of the Bug Lake Fault Zone, including 11.28 g/t gold over 9.30 m in MDE-12-20. Orientation of mineralization within this corridor is not yet clear.

As with all known mineralization on the Martinière property, gold enrichment at Martinière East appears to be primarily structurally-controlled. Alteration within the zones is dominantly calcite and dolomite, with localized minor silica and/or sericite accompaniment. There is a weak association between gold-bearing zones and the quartz-feldspar porphyry dyke system, such that good gold grades are often (though not exclusively) found in highly altered/sheared basalt on the margins of these dykes. The massive sulphide unit does not appear to host significant gold or base metal values, and does not have a significant spatial association with later gold mineralization.

### 7.4.3 Bug Lake Fault Zone (BLFZ) and Footwall Zone

Significant gold-bearing mineralization has recently been discovered within and surrounding the Bug Lake Fault Zone (BLFZ) (Figure 9). Mineralization within the BLFZ is primarily concentrated within well developed quartz-dolomite-calcite-pyrite veins or in sheared and altered country rock, and often on the margins of quartz  $\pm$  feldspar porphyry intrusions. Pyrite concentration in the veins or sheared panels of country rock is a good indication of gold mineralization, and there appears to be a weak correlation between the two. Pyrite is generally fine-grained and partially defines a shear fabric. Accessory minerals (tourmaline, tellurides, arsenopyrite, chalcopyrite, galena and sphalerite) and alteration styles apart from silica-carbonate (fuchsite and sericite primarily) are locally present but do not necessarily accompany significant gold grades. Away from discrete veins and strongly altered panels of country rock, the BLFZ often hosts anomalous gold values (0.1-1 g/t), whereas within them grade can range up to >100 g/t Au, with visible gold often found in the extremely high-grade zones. The fault zone appears to have a “ramp-flat” morphology, with some sections appearing quite steep and others dipping quite shallowly (all towards the east). Though good gold mineralization can be present anywhere within the structure, they appear to be better developed in the steeper sections of the fault (i.e, the “ramps” as opposed to the “flats”). These “ramps” would seem to be the sections of the fault which allowed greater fluid flow, allowing access for both auriferous fluids and the small QFP intrusions dykes. There may even be a connection between the gold-bearing hydrothermal fluids and the dykes themselves.



Plate 2: Visible gold occurring on the edge of a calcite + pyrite + dolomite vein hosted within moderately sheared, calcite-altered, pyritic basalt @ ~84 m in MDE-12-70 (BLFZ).



Plate 3: Unidentified grey metallic mineral (telluride?) hosted in quartz-dolomite-tourmaline vein at ~117 m in hole MDE-12-74 (BLFZ).

The style of this mineralization is similar to that of the Martinière West Main Zone, with some key differences. From a mineralogical perspective, the primary difference is the relative paucity of silica and abundance of dolomite-calcite alteration. At Martinière West, the strongest indicator of gold mineralization is the presence of silica alteration surrounding the mineralized structures whereas in the Martinière East and Bug Lake areas, silica alteration (though still generally present) is subordinate to carbonate (both dolomite and calcite). There is also a distinct lack of close association between non-pyrite sulphides and gold abundance; high-grade gold is rarely found at Martinière West without arsenopyrite, whereas in other zones this connection does not seem to hold. Gold mineralization in the Bug Lake Fault Zone can therefore be described best as being hosted by discrete zones of dolomite-calcite±quartz alteration and veining within the larger Bug Lake shear corridor. Though much of the BLFZ is enriched in gold above background levels (>0.1 g/t Au), high-grade mineralization appears to be concentrated in discrete lenses and ore shoots, favouring but not exclusively confined to veining and alteration within mafic host rocks (i.e. gabbro and basalt) at the expense of sedimentary and felsic units.

In the footwall of the Bug Lake Fault Zone is the appropriately named Footwall Zone, discovered in 2012 and hosting exceptionally high gold grades. The Footwall Zone is marked by relatively narrow (0.5-2 m true thickness) discrete shears within a zone of weakly deformed gabbro, defined by wispy banding of pyrite, calcite, very fine-grained silica and (locally) an indeterminate red-coloured mineral (possibly hematite). Though it shows a general sense of orientation the shear fabric does not define well-formed bands, instead presenting a highly anastomosing and wispy appearance. This appearance, and the limited continuity of footwall mineralization, may indicate that the Footwall Zone is actually a collection of individual discontinuous zones of high deformation within the weakly deformed footwall of the BLFZ. This package of gold-bearing shear zones is mantled by a weakly gold-bearing halo of several percent pyrite within the surrounding gabbro, itself a marker of the overall footwall to the BLFZ. Gold grade within Footwall mineralization can be extremely high, ranging up to 1,200 g/t Au and generally in the ten to hundreds of grams per tonne gold (albeit over relatively narrow widths).



Plate 4: Visible gold at ~170.5 m of hole MDE-12-29 (Footwall Zone).

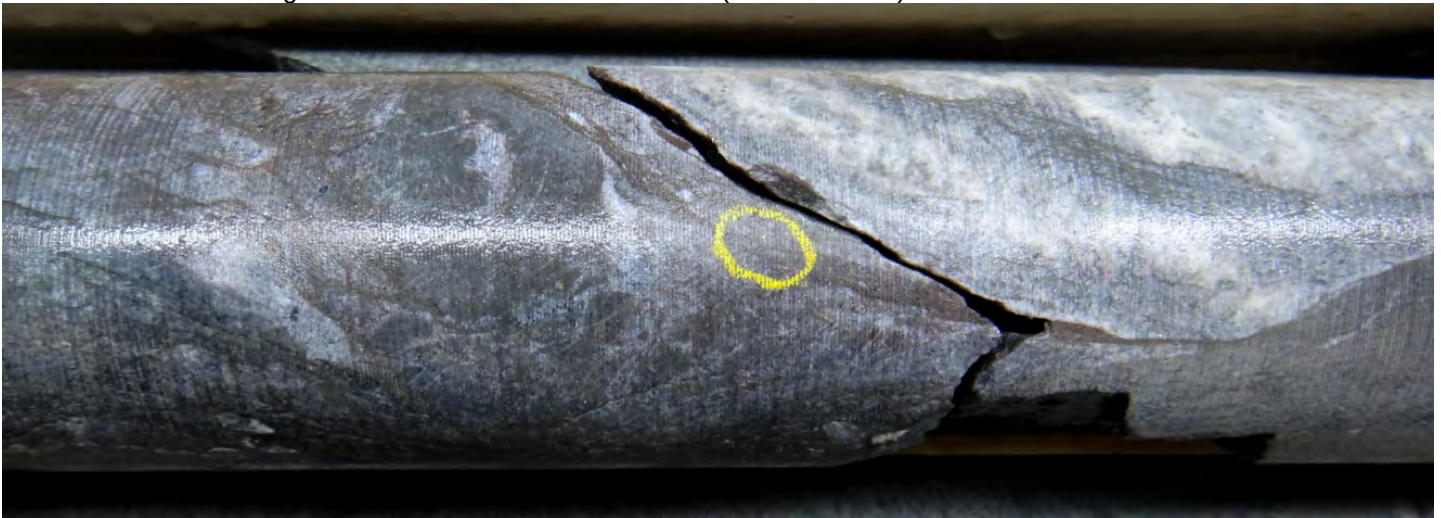


Plate 5: Visible gold in sheared quartz gabbro at ~67.5 m of hole MDE-12-80 (Footwall Zone).

To the east of the Bug Lake Fault Zone are a number of apparently isolated shear zones within the basalt sequence which host discrete intervals of high-grade gold mineralization ( $>100$  g/t Au). The style of mineralization in these zones is similar to that of the BLFZ, though the structure and host rocks of the individual zones appear to impart some unique characteristics. The highest grade gold zones are typically found on the margins of quartz-feldspar porphyry dykes and quartz-dolomite veins which typically cut sheared and altered basalt. Alteration style is variable but can include brown or purple sericite overprinting by calcite and silica with localized pyrite banding. Mineralogy of the veins themselves is also highly variable, locally including pyrite, arsenopyrite, chalcopyrite, tourmaline and possible tellurides. Though the mineralization east of the BLFZ has yet to be linked up into a cohesive single corridor similar to the Martinière West Main Zone or the Footwall Zone, this may be due to the fact that much of the drilling in the area has been oriented sub-parallel to the strike of the BLFZ.

## 8.0 DEPOSIT TYPES

Exploration on the Martinière property has been focused on discovering and delineating greenstone-hosted orogenic gold mineralization, whose name reflects a recognition that these deposits have temporal and spatial associations with late stages of orogenesis (Dubé and Gosselin, 2007; Goldfarb et al., 2005; Goldfarb et al., 2001; Groves et al., 1998). This very important category includes some of the largest gold deposits and districts in the world (e.g. Kalgoorlie in Australia, Timmins in Ontario and Ashanti in Ghana). Formation of orogenic gold mineralization was concentrated during the time intervals of 2.8 to 2.55 Ga (Archean), 2.1 to 1.8 Ga (Early Proterozoic) and 600 to 50 Ma (Phanerozoic). A very important sub-type of orogenic gold deposits is dominantly hosted by mafic metamorphic rocks in granite-greenstone terranes, and are referred to here as greenstone-hosted orogenic gold deposits.

Greenstone-hosted orogenic gold deposits are structurally controlled, complex epigenetic deposits that are hosted in deformed and regionally metamorphosed terranes. They consist of simple to complex networks of gold-bearing, laminated quartz-carbonate fault-fill veins in moderately to steeply dipping, compressional brittle-ductile shear zones and faults, with locally associated extensional veins and hydrothermal breccias. They are dominantly hosted by mafic metamorphic rocks of greenschist to locally lower amphibolites facies and formed at intermediate depths (5-10 km). The relative timing of mineralization is syn- to late-deformation and typically post-peak greenschist-facies or syn-peak amphibolite facies metamorphism. They are formed from low salinity, H<sub>2</sub>O-CO<sub>2</sub>-rich hydrothermal fluids with typically anomalous concentrations of CH<sub>4</sub>, N<sub>2</sub>, K, and S. Gold is mainly confined to the quartz-carbonate vein networks but may also be present in significant amounts within iron-rich sulphidized wall rock.

Greenstone-hosted orogenic gold deposits were formed during compressional to transpressional deformation processes at convergent plate margins in accretionary and collisional orogens. Orogenic Au systems are typically associated with deep-crustal fault zones, which show complex structural histories and may extend along strike for hundreds of kilometres with widths of as much as a few thousand metres. These faults commonly mark the convergent margins between major lithological boundaries, such as volcano-plutonic and sedimentary domains. The large greenstone-hosted orogenic gold deposits are commonly spatially associated with fluvio-alluvial conglomerate (e.g. Timiskaming conglomerate) distributed along these crustal fault zones (e.g. Destor Porcupine Fault). As a result, Dubé and Gosselin (2007) infer an empirical time and space relationship between large-scale deposits and regional unconformities.

Large gold camps are commonly associated with curvatures, flexures, and dilational jogs along major compressional fault zones which have created dilational zones that allowed migration of hydrothermal fluids. Ores formed as vein fill of second- and third-order compressional reverse-oblique to oblique brittle-ductile high-angle shear and high-strain zones, which are commonly located within 5 km of the first order fault and are best developed in its hanging wall. Ore shoots can be localized by dilational jogs or various intersections between a structural element (e.g. a fault, shear or vein) and a favourable lithological unit, such as a competent gabbroic sill, a dyke, an iron formation, or a particularly reactive rock, or by the intersection between different structural elements active at the time of vein formation. Individual vein thickness varies from a few centimetres to over 10 metres, although entire deposits may be wider than 1 km and extend along strike for as much as 2 to 5 km. The vertical extent of orebodies is commonly greater than 1 km and some deposits have been economically mined to depths of 1 to 3 km.

The veins in greenstone-hosted orogenic gold deposits are hosted by a wide variety of rock types; mafic and ultramafic volcanic rocks and competent iron-rich differentiated tholeiitic gabbroic sills and granitoid intrusions are common hosts. In each district, there may be lithological units which serve as better chemical and/or structural traps for the mineralizing fluids and form preferential hosts.

The main gangue minerals are quartz and carbonate (calcite, dolomite, ankerite, and siderite), with variable amounts of white micas, chlorite, tourmaline, and locally scheelite. Sulphide minerals typically constitute less than 5 to 10% of the volume of the orebodies. The main ore minerals are native gold with, in decreasing amounts, pyrite, pyrrhotite, and chalcopyrite and occur without any significant vertical mineral zoning. Arsenopyrite commonly represents the main sulphide in amphibolite-facies rocks and in deposits hosted by clastic sediments. Trace amounts of molybdenite and tellurides are present in some deposits.

Typically, the proximal alteration haloes are zoned and characterized, in rocks at greenschist facies, by iron-carbonatization and sericitization, with sulphidation of the immediate vein selvages (mainly pyrite, less commonly arsenopyrite). Further away from the vein, alteration is characterized by various amounts of chlorite and calcite, and locally magnetite. The dimensions of the alteration haloes vary with the composition of the host rocks and may envelope entire deposits hosted by mafic and ultramafic rocks. Pervasive chromium- or vanadium-rich green micas (fuchsite and roscoelite) and ankerite with zones of quartz-carbonate stockworks are common in sheared ultramafic rocks. Common hydrothermal alteration assemblages that are associated with gold mineralization in amphibolite-facies rocks include biotite, amphibole, pyrite, pyrrhotite, and arsenopyrite, and, at higher grades, biotite/phlogopite, diopside, garnet, pyrrhotite and/or arsenopyrite, with variable proportions of feldspar, calcite, and clinozoisite. The variations in alteration styles have been interpreted as a direct reflection of the depth of formation of the deposits (Dubé and Gosselin, 2007).

## 9.0 EXPLORATION

Since its acquisition in November 2010, Balmoral's exploration of the Martinière property has consisted almost entirely of diamond drilling, which is discussed in Section 10.0. However, Balmoral also carried out induced polarization and helicopter-borne magnetic/electromagnetic surveys in 2011 and soil sampling in 2012.

### 9.1 Geochemistry

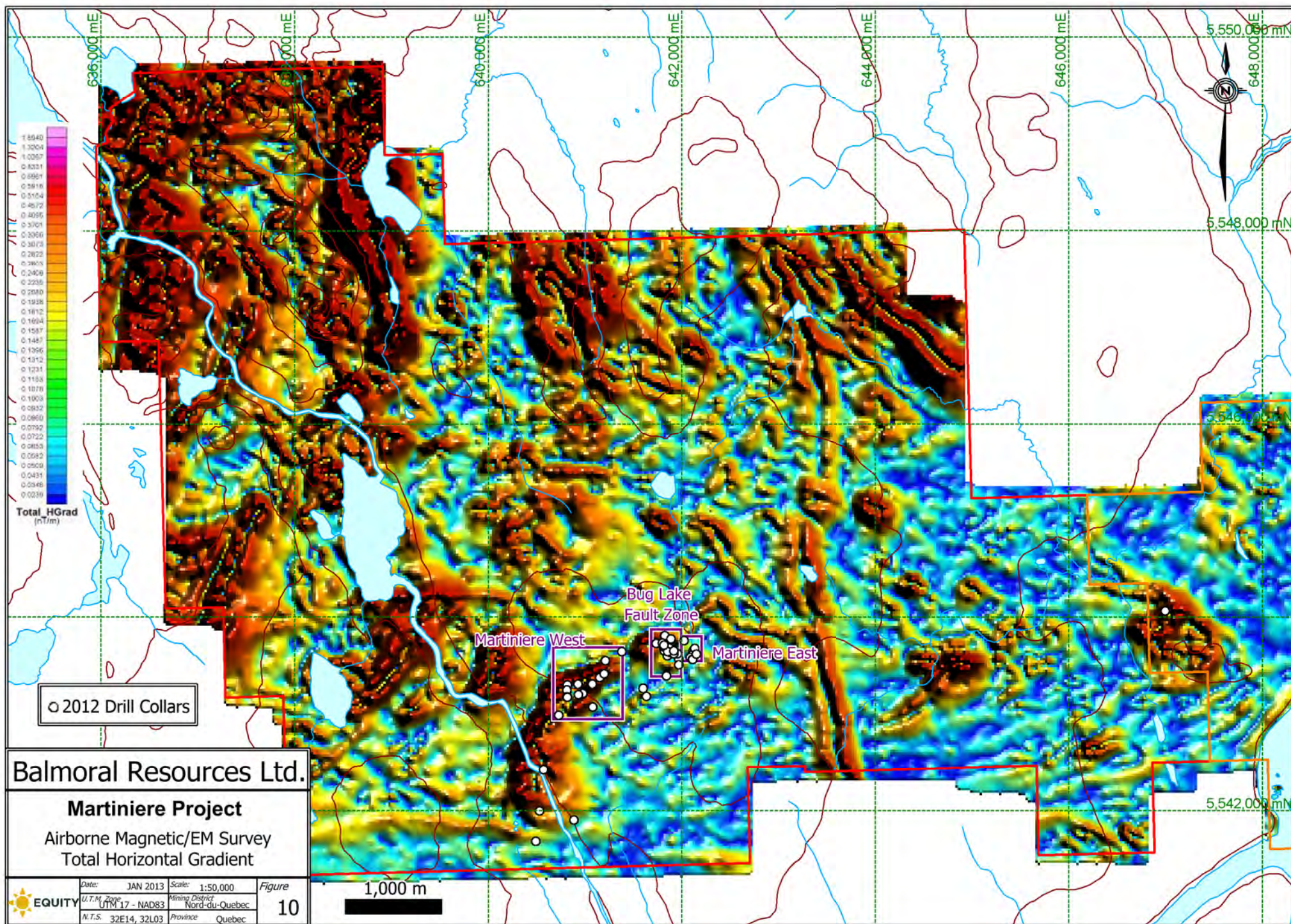
In 2012, Balmoral collected 864 soil samples from the Martinière property, not including an additional 8% taken for QA/QC purposes (blanks and duplicates). Of these, 518 were taken from mineral soil (B/C horizon) and 346 were organic material taken from the Om horizon. Mineral soil was sent to SGS Minerals in Toronto, ON for the 53-element analysis by the Mobile Metal Ion (SGS code MMI-M5) analysis technique. Organic material was sent to Acme Labs in Vancouver, BC for 53-element (including gold, silver and base metals) ultratrace analysis by ICP mass spectrometry (Acme code 1F05).

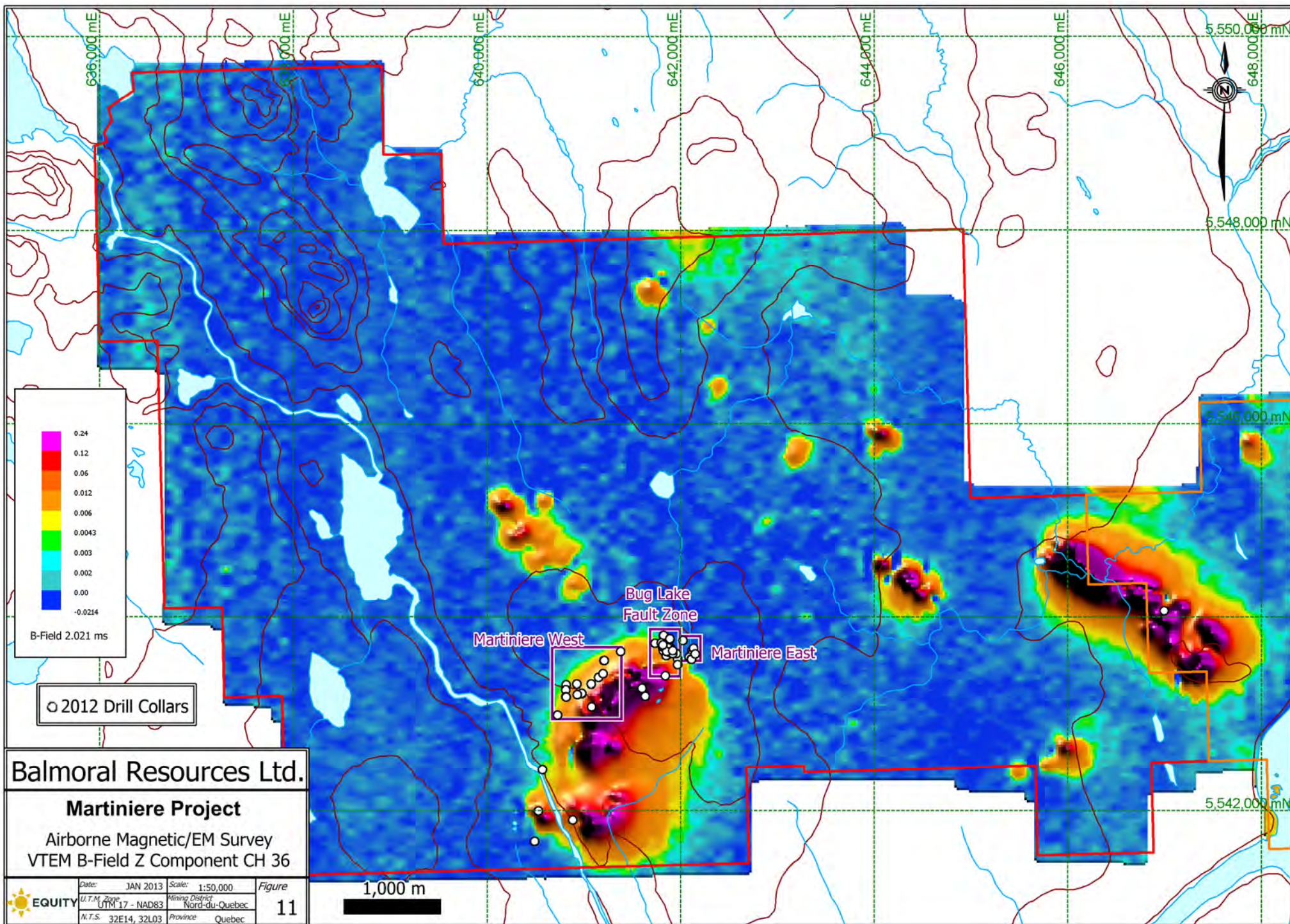
The raw geochemical data does not indicate significant anomalies for gold or any of its associated metallic elements. However, given the depth of glacial overburden across the property, it is unlikely that soil samples would directly reflect bedrock mineralization either through physical abrasion or groundwater transportation. A more sophisticated interpretation of results, based on electrochemical diffusion, has not yet been completed for the 2012 soil geochemistry.

### 9.2 Airborne Magnetic/Electromagnetic Geophysics

In the fall of 2011, Balmoral contracted Geotech Ltd. of Aurora, Ontario to fly a helicopter-borne Versatile Time Domain Electromagnetic (VTEM) and horizontal magnetic gradiometer survey over the entire Martinière property and the Harry property immediately to the east (Fiset et al., 2011). A total of 1216 line-km was flown, of which about half was flown on the Martinière property, with N-S lines spaced 100 metres apart and E-W tie lines spaced 1000 metres apart.

The magnetic survey allows some stratigraphic and structural extrapolation away from the small parts of the Martinière property with geological information gleaned from drilling and rare outcrops. Figure 10 presents the total horizontal magnetic gradient, which is useful for mapping contacts between magnetic and non-magnetic units and interpreting structural breaks. The multi-phase gabbroic intrusion in the Martinière West area is well marked by the northeast grain of the magnetic gradient, as is its contact with the magnetically flat clastic rocks to its south. The Bug Lake Fault Zone (BLFZ) is only weakly apparent as the truncation of the magnetic expression of the gabbro body. Martinière East is characterized by a weaker magnetic signature which appears unrelated to lithologies or the zones of massive to semi-massive pyrite. Mineralized structures are not apparent from the airborne magnetics.





The VTEM survey showed the property to be covered by conductive overburden. However, the survey showed four distinct conductive zones, two of which are on the Martinière property (Figure 11). One of these straddles its eastern boundary and has not been drilled on the Martinière property. The other conductive zone measures approximately two kilometres in diameter, with a distinct northeasterly grain in its northerly portion corresponding to the package of siltstone, argillite and mudstone immediately south of the gabbroic intrusion which hosts the Martinière West gold mineralization. The conductivity may be related to graphitic or pyritic content of the clastic rocks. The Martinière West and Bug Lake zones are within the northern fringes of this conductive zone and the Martinière East zone is immediately to the east.

### 9.3 Induced Polarization Geophysics

In April, 2011 Peter E. Walcott & Associates Ltd. ("Walcott") of Vancouver, British Columbia carried out a 19.5 line-kilometre ground induced polarization ("IP")/resistivity survey over a portion of the Martinière property, under contract to Balmoral. The grid was located over Martinière West and Martinière East with the intention of characterizing and extending mineralized zones. Walcott surveyed 21 northwest-trending lines spaced 100-200 metres apart and one northeast-trending tie line, with dipole spacing ("a") of 50 m expanded through twelve separations (n=1-12). In addition, Walcott completed both 2D and 3D chargeability and resistivity inversions using Geotomo RES2DINV & RES3DINV algorithms, respectively (Walcott and Walcott, 2011).

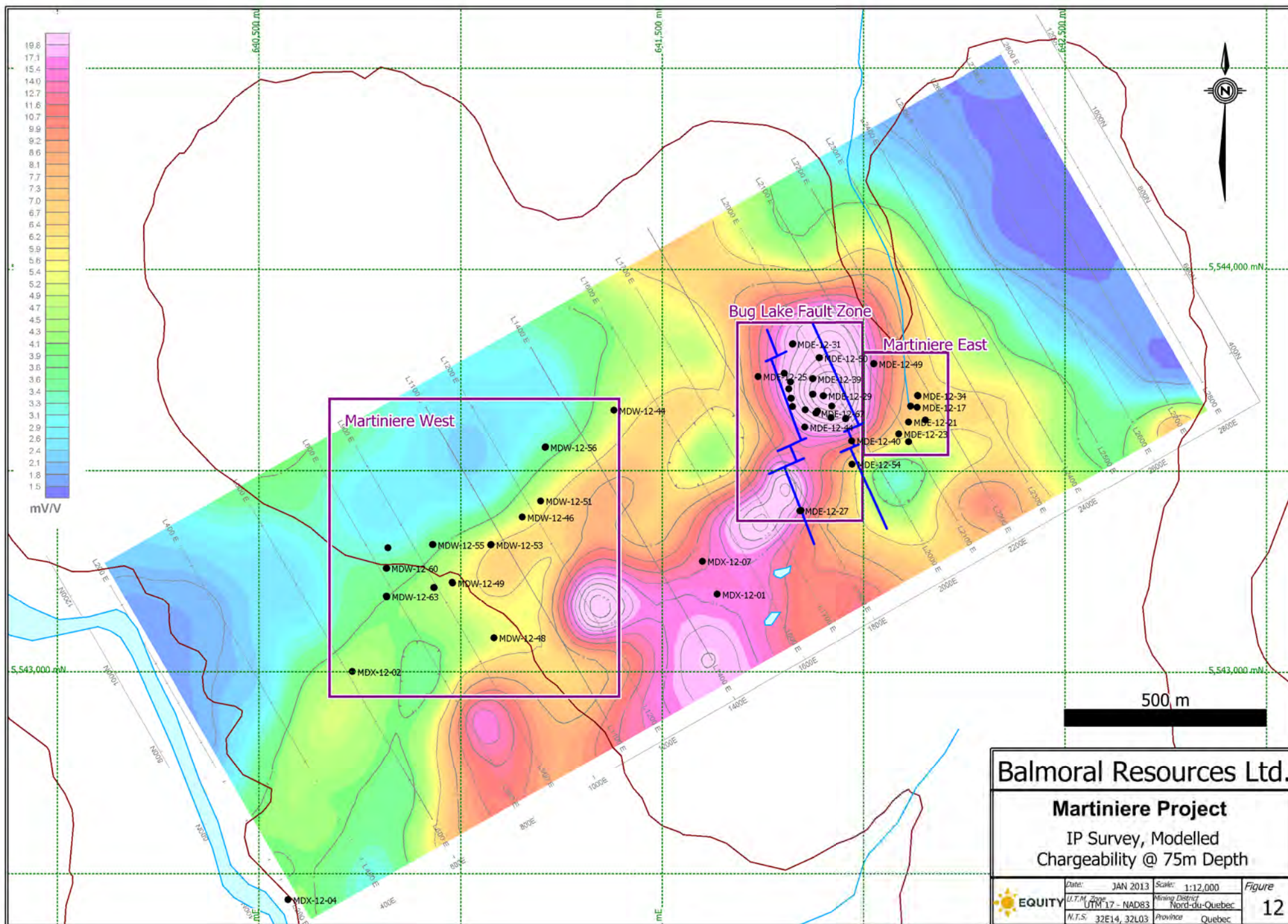
Figure 12 shows the modeled (inverted) chargeability at 75 metres below surface. As such, it is fairly comparable to the geology interpolated between drill holes at 200 metres elevation (50-60 metres below surface) shown in Figure 7. The units of basalt-hosted semi-massive pyrite which trend northerly within and to the east of the Bug Lake Fault Zone are marked by a prominent chargeability high (>10mV/V); the weakening of the chargeability high to the north of drilling indicates that the semi-massive unit does not likely extend much further north beyond the limits of current drilling. The chargeability high continues to the southwest across the Bug Lake Fault Zone; current thinking suggests that the semi-massive sulphides should not continue past the western edge of the fault zone, so the source of this portion of the chargeability high cannot be ascribed to them. Two reconnaissance holes in this area (MDX-12-01 and MDX-12-07) intersected graphitic mudstones intercalated with basalt in this area; the chargeability high probably reflects the graphite. Further west, spotty chargeability highs are associated with the sedimentary unit of siltstone, argillite and mudstone; like the VTEM conductive zone, these may reflect graphitic or pyritic concentrations.

Gold mineralization in the Martinière West and East zones is located within a fringe of weak to moderate chargeability (5-10 mV/V); Bug Lake's signature might be similar but is overpowered by the higher chargeabilities associated with the semi-massive pyrite unit. This may reflect the widespread presence of low sulphide contents accompanying gold mineralization.

Modeled (inverted) resistivity at 75 metres below surface is shown in Figure 13. Most prominent is a strong resistivity low (<300 ohm-m) on the south side of the grid. This generally corresponds to the clastic sedimentary unit of siltstone, argillite and mudstone, again suggesting a graphitic content. The fine clastic rocks, as marked by the strong resistivity low, are clearly truncated to the northeast by the Bug Lake Fault Zone (BLFZ). A band of slightly higher resistivity extends northerly through the BLFZ and to the east of the BLFZ, roughly marking out the basalt-hosted semi-massive pyrite units. The gabbroic intrusion which hosts Martinière West mineralization is characterized by higher resistivities, in the range of 1400-3000 ohm-m. Again, the BLFZ neatly truncates the northeastern end of the Martinière West gabbro and its associated band of higher resistivity.

## 10.0 DRILLING

Balmoral has drilled 34,165 metres of core on the Martinière property since acquiring it in November 2010. Drilling was carried out in five separate campaigns, during the winter and summer of 2011 and the winter, summer and fall of 2012. Appendix C lists collar location, collar orientation and length for all holes on the Martinière property.

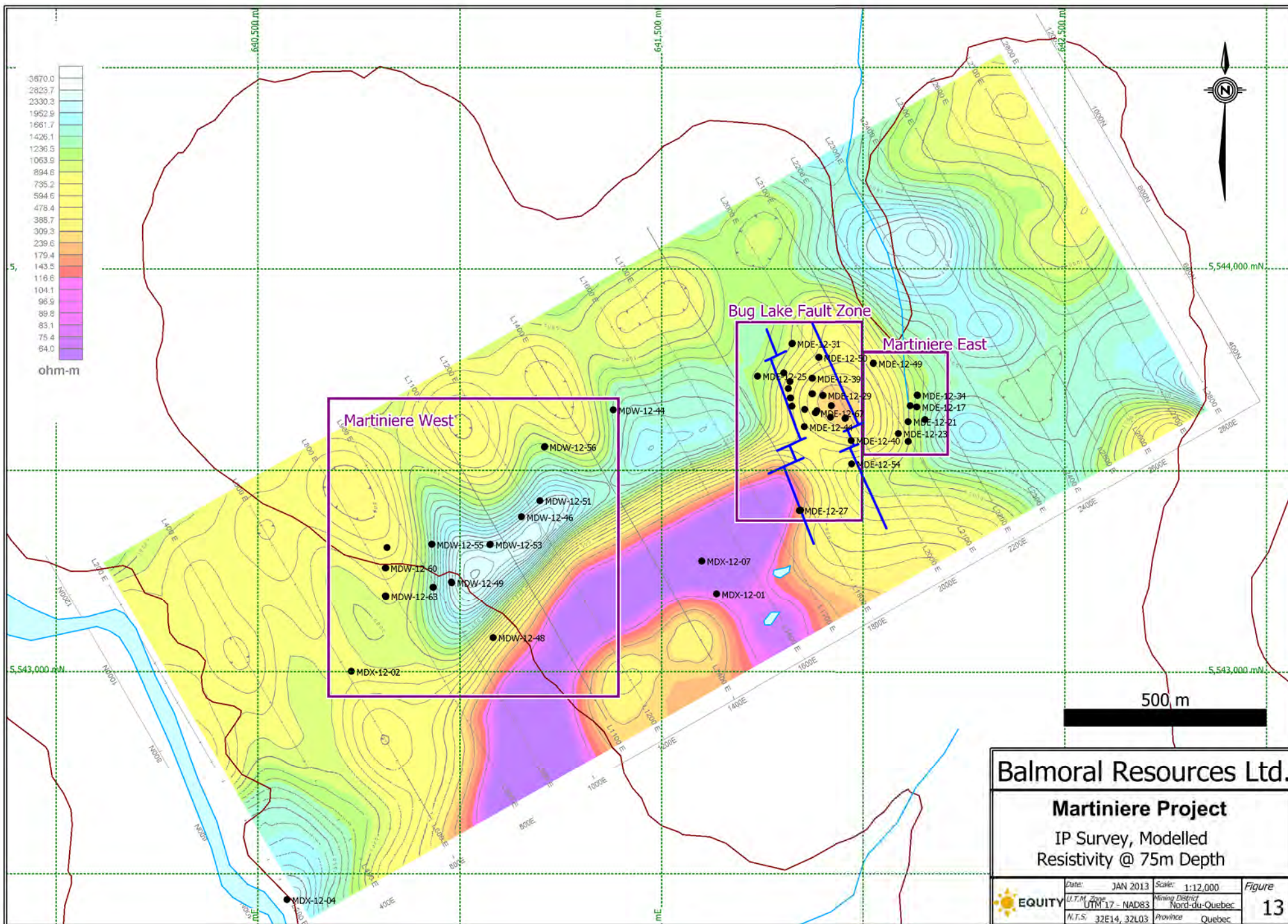


**Balmoral Resources Ltd.**

### Martiniere Project

IP Survey, Modelled  
Chargeability @ 75m Depth

|        |             |                |                 |                |              |
|--------|-------------|----------------|-----------------|----------------|--------------|
| EQUITY | Date:       | JAN 2013       | Scale:          | 1:12,000       | Figure<br>12 |
|        | U.T.M. Zone | UTM 17 - NAD83 | Mining District | Nord-du-Quebec |              |
|        | N.T.S.      | 32E14, 32L03   | Province        | Quebec         |              |



**Balmoral Resources Ltd.**

**Martiniere Project**

IP Survey, Modelled  
Resistivity @ 75m Depth

|  |             |                |                 |                |                                |
|--|-------------|----------------|-----------------|----------------|--------------------------------|
|  | Date:       | JAN 2013       | Scale:          | 1:12,000       | <b>Figure</b><br><br><b>13</b> |
|  | U.T.M. Zone | UTM 17 - NAD83 | Mining District | Nord-du-Quebec |                                |
|  | N.T.S.      | 32E14, 32L03   | Province        | Quebec         |                                |

The 2011 drill programs consisted of 65 NQ holes totalling 13,757.28 metres, of which 16 holes (4,243.99 m) were drilled at Martinière East and 49 holes (9,513.29 m) at Martinière West. Landdrill International Ltd. of Moncton, New Brunswick carried out the drilling under the management of Caracle Creek International Consulting Inc. of Sudbury, Ontario. All drill holes were surveyed and sampled. A Reflex downhole survey was performed at 30 m intervals. Drill casing was removed upon hole completion. Overburden depth varied between 15 and 50 m. The average core recovery was between 95 and 100%. A total of 10,521 samples were collected plus 1,263 QA/QC samples, consisting of 611 blanks, 585 standards and 67 duplicates (Peshkepia and Silvester, 2011).

Core from the 2011 drilling was placed in routed wooden core trays at the drill site, labelled with the hole and box number (e.g. MDW-11-01 Bx 1), sealed with a lid and strapped with wire. The core was transported daily from the drill site via helicopter by Expedition Helicopters to Balmoral's 2011 core facility at Camp Fenelon where all logging and sampling took place. It was then logged geotechnically and geologically, samples were laid out and core was moistened and photographed. Where sampled, core was sawn in half with a diamond-bladed core saw, with one half submitted for analysis and the remainder retained for reference. Core boxes were labelled with aluminum tags indicating the hole number and the core interval stored in each box, and were stored at Fenelon Mine and Camp Fenelon. Samples were collected from all mineralized zones intersected in drilling and from their immediate hanging walls and footwalls. On average, >90% of 2011 core was sampled, generally in 1.0 m intervals, but with sample lengths ranging from 0.22 m to 1.5 m (Peshkepia and Silvester, 2011).

The 2012 drill programs consisted of 105 NQ holes totalling 20,407.50 metres. Of these, 70 holes (12,297.06 m) were drilled at Martinière East, including those directed at the Bug Lake Zone and three that had to be re-drilled because of excessive deviation or drilling difficulties. Another 27 holes (6,164.26 m) were drilled at Martinière West, including 6 that had to be re-drilled, 7 holes (1,846.18 m) were directed at outside geophysical targets, including one that had to be re-drilled, and one hole (100 m) was drilled at the Martinière camp primarily as a source of water for the camp. The winter (January – April) 2012 drilling was carried out under contract by George Downing Estate Drilling Ltd. of Grenville-sur-la-Rouge, Québec, using two LF-70 drills. The summer (June - August) and fall (October) 2012 drilling was contracted to Norex Drilling Ltd. of Porcupine, Ontario who used one or two JKS Boyles BBS-37 drills. The 2012 drill programs were managed by Equity Exploration Consultants Ltd.

All holes were surveyed with a Reflex EZShot downhole tool during drilling, and holes drilled at Martinière West were surveyed with a Reflex Gyro downhole survey tool after completion. Casing was left in the majority of holes, as noted in the drill logs. Location, trend and plunge of drill hole collars were surveyed by Corriveau J. L. & Associés Inc. of Val d'Or, using a Leica RTK GPS system. Overburden depth averaged 25 metres for Martinière East within a range of 12-52 metres. For Martinière West, overburden depth averaged 17 metres, within a range of 8-44 metres. Core recovery averaged 99% for both Martinière East and Martinière West. Rock quality designation (RQD), a measurement of rock competency, averaged 88% for Martinière East and 94% for Martinière West. A total of 15,903 samples were collected in 2012 from core plus another 2,869 QA/QC samples, consisting of 992 blanks, 948 standards, 463 preparation duplicates and 466 field (core) duplicates. Samples were collected from all mineralized zones intersected in drilling and from their immediate hanging walls and footwalls. On average, 86% of 2012 core was sampled, generally in 1.5 m intervals, but with sample lengths ranging from 0.15 m to 3.0 m.

Core from the 2012 drilling was placed in routed wooden core trays at the drill site, labelled with the hole and box number (e.g. MDE-12-64 Bx 1), sealed with a lid and strapped with fibre tape. The core was transported daily from the drill site via helicopter by Expedition Helicopters to either Camp Fenelon (start of the winter program) or Martinière Camp (all but the first hole of the winter program and all of the summer and fall programs) where all core processing took place. It was then logged geotechnically and geologically, magnetic susceptibility measurements were recorded at 3 m intervals, samples were laid out and core was moistened and photographed. Where sampled, core was sawn in half with a diamond-bladed core saw, with one half submitted for analysis and the remainder retained for reference. Field duplicates were collected as a quarter-core sample from the same interval as the half-core sample, leaving a quarter core in the box for reference. Core boxes were labelled with aluminum tags indicating the hole number and the core interval within each box, and were stored at Camp Fenelon (hole MDW-12-44) or Martinière Camp (all other holes).

There were no drilling, sampling, or recovery factors reported from the 2011 or 2012 drill programs that could materially impact the accuracy and reliability of the results.

### 10.1 Martinière West Drilling

The majority of the holes drilled in the Martinière West area in 2011 and 2012 intersected at least some degree of gold enrichment. Drilling shows that the Main Zone at Martinière West has significant lateral and vertical extent, striking roughly 020-030° (200-210°) with a steep dip (averaging ~70-80°) towards the northwest (Figure 8). It has been traced along strike for 400 metres and to a maximum depth of 345 metres below surface.

The Martinière West Main Zone is not a continuous mineralized zone, but a concentration of narrower mineralized shears and veins. At its thickest, the Main Zone has a horizontal width of 120 metres or more, although individual shears and veins are in the order of tens of centimetres to a few metres wide. Some of the shears can be traced a considerable distance along strike and vertically, but gold grades can vary by an order of magnitude between closely spaced intersections on what appears to be the same structure.

Drilling has shown the Main Zone becomes weaker and appears to pinch out to the north. The northernmost section with significant mineralization contains holes MDW-12-51 and -52, which intersected narrower widths of mineralized shears and lower grades than further south; their best intersection was 2.21 metres @ 4.85 g/t Au (MDW-12-51.) The southernmost section drilled across the Martinière West Main Zone (Figure 14) revealed significant mineralization (MDW-12-64A: 7.48 metres @ 3.62 g/t Au) at 345 metres vertically below surface, as well as scattered gold-bearing shears and veins further up-hole over a horizontal extent of 160 metres. This is both the southernmost and the deepest test of the Martinière West Main Zone, suggesting potential in these directions.

Tables 3 and 4 summarize significant drill intersections from the 2011 and 2012 drill programs for Martinière West (Perk et al., 2013; Perk et al., 2012). Higher-grade sub-intervals have been included where they significantly influence longer intervals. True widths of intersections are estimated to be 35-80% of core lengths.

**Table 3: 2011 Martinière West Significant Intersections**

| Hole ID          | From (m) | To (m) | Length (m) | Au (g/t) |
|------------------|----------|--------|------------|----------|
| <b>MDW-11-01</b> | 106.00   | 118.00 | 12.00      | 12.88    |
| <i>including</i> | 107.75   | 113.00 | 5.25       | 25.32    |
|                  | 146.00   | 151.25 | 5.25       | 4.44     |
| <i>including</i> | 147.50   | 150.00 | 2.50       | 7.05     |
| <i>and</i>       | 148.00   | 149.00 | 1.00       | 10.4     |
|                  | 158.00   | 158.50 | 0.50       | 10.55    |
| <b>MDW-11-02</b> | 160.85   | 161.35 | 0.50       | 8.02     |
| <b>MDW-11-03</b> | 214.00   | 214.43 | 0.43       | 6.81     |
| <b>MDW-11-04</b> | 80.28    | 100.68 | 20.40      | 8.84     |
| <i>including</i> | 85.77    | 86.20  | 0.43       | 176.50   |
| <i>and</i>       | 89.00    | 89.30  | 0.30       | 21.00    |
|                  | 93.75    | 100.68 | 6.93       | 10.58    |
| <i>including</i> | 94.50    | 100.68 | 6.18       | 11.68    |
| <i>and</i>       | 95.63    | 98.46  | 2.83       | 20.99    |
|                  | 170.15   | 170.71 | 0.56       | 9.36     |

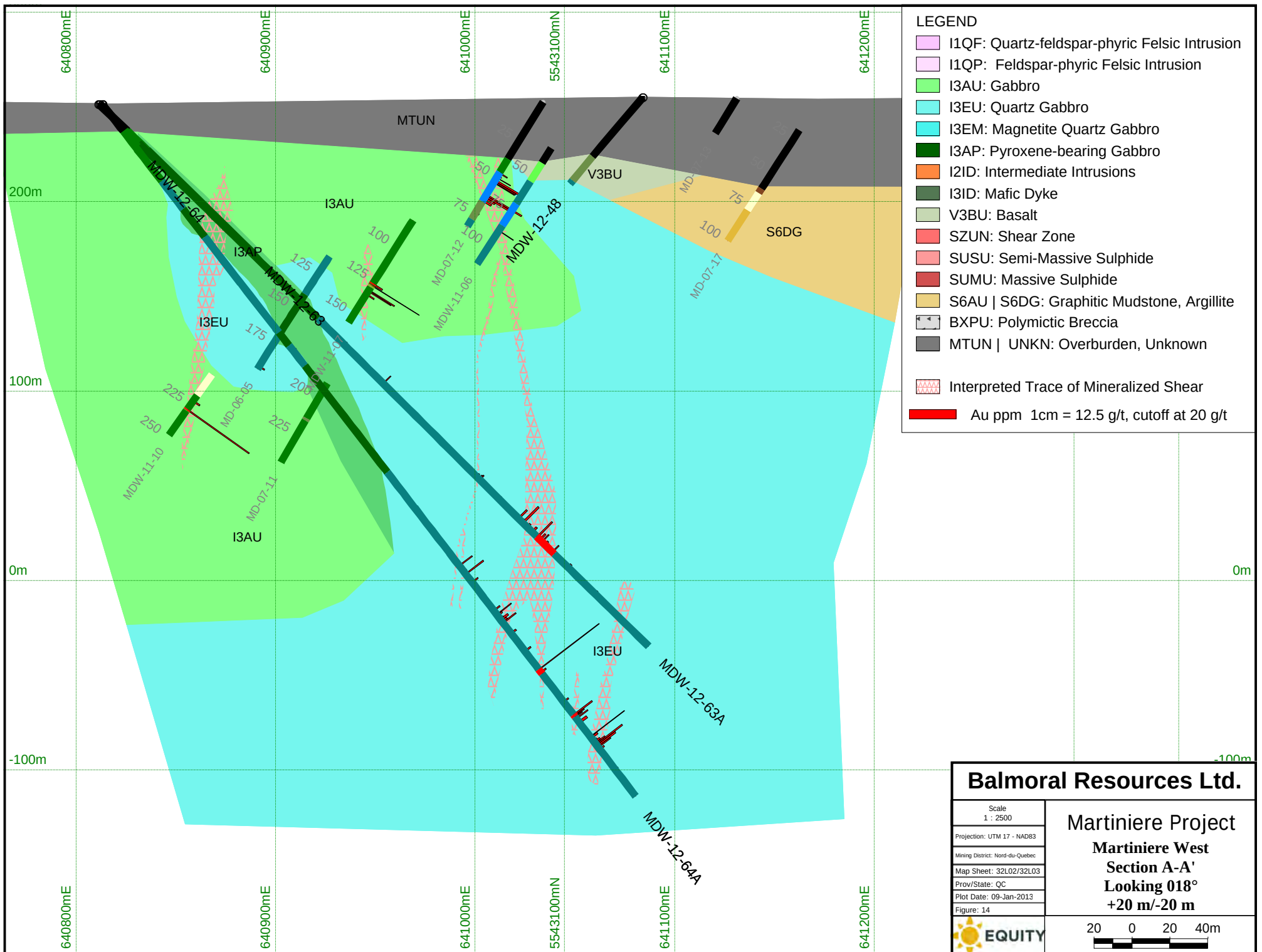


Table 3: 2011 Martinière West Significant Intersections (continued)

| Hole ID              | From (m) | To (m) | Length (m) | Au (g/t) |
|----------------------|----------|--------|------------|----------|
| <b>MDW-11-05</b>     | 185.00   | 185.35 | 0.35       | 5.23     |
|                      | 212.00   | 212.32 | 0.32       | 9.52     |
| <b>MDW-11-07</b>     | 129.94   | 130.34 | 0.40       | 14.75    |
|                      | 133.37   | 134.60 | 1.23       | 7.53     |
| <b>MDW-11-08</b>     | 138.00   | 138.43 | 0.43       | 13.55    |
| <b>MDW-11-10</b>     | 229.87   | 230.65 | 0.78       | 103.00   |
| <b>MDW-11-12</b>     | 124.70   | 125.50 | 0.80       | 6.79     |
| <b>MDW-11-13</b>     | 127.50   | 128.00 | 0.50       | 5.98     |
| <b>MDW-11-14</b>     | 68.75    | 79.15  | 10.40      | 7.44     |
| <i>including</i>     | 75.00    | 75.85  | 0.85       | 68.15    |
|                      | 91.80    | 92.70  | 0.90       | 5.00     |
| <b>MDW-11-16</b>     | 18.00    | 18.63  | 0.63       | 9.48     |
|                      | 95.00    | 98.96  | 3.96       | 3.88     |
| <i>including</i>     | 98.00    | 98.96  | 0.96       | 7.81     |
| <b>MDW-11-17</b>     | 40.28    | 41.63  | 1.35       | 19.75    |
|                      | 52.53    | 74.00  | 21.47      | 7.78     |
| <i>including</i>     | 53.20    | 54.00  | 0.80       | 22.60    |
| <i>and including</i> | 67.70    | 72.23  | 4.53       | 21.63    |
|                      | 99.15    | 102.04 | 2.89       | 24.04    |
| <i>including</i>     | 101.04   | 101.54 | 0.50       | 131.50   |
|                      | 138.27   | 138.87 | 0.60       | 7.45     |
|                      | 174.00   | 174.36 | 0.36       | 164.50   |
| <b>MDW-11-19</b>     | 135.50   | 164.10 | 28.60      | 4.23     |
| <i>including</i>     | 140.15   | 141.00 | 0.85       | 5.66     |
| <i>and</i>           | 147.00   | 147.80 | 0.80       | 96.40    |
| <i>and</i>           | 158.13   | 159.00 | 0.87       | 13.00    |
| <b>MDW-11-21</b>     | 59.49    | 60.28  | 0.79       | 10.15    |
| <b>MDW-11-22</b>     | 41.69    | 52.31  | 10.62      | 2.57     |
| <i>including</i>     | 41.69    | 43.03  | 1.34       | 12.94    |
| <i>and</i>           | 51.63    | 52.31  | 0.68       | 7.84     |
|                      | 67.50    | 68.86  | 1.36       | 74.45    |
| <i>including</i>     | 68.21    | 68.86  | 0.65       | 146.50   |
| <b>MDW-11-24a</b>    | 57.31    | 62.80  | 5.49       | 2.69     |
| <i>including</i>     | 58.22    | 58.84  | 0.62       | 13.60    |
|                      | 120.68   | 124.42 | 3.74       | 27.45    |
| <i>including</i>     | 121.70   | 124.01 | 2.31       | 42.90    |
|                      | 150.70   | 151.09 | 0.39       | 157.50   |
| <b>MDW-11-25</b>     | 132.26   | 146.50 | 14.24      | 5.86     |
|                      | 133.27   | 135.41 | 2.14       | 33.78    |
| <b>MDW-11-27</b>     | 119.61   | 120.48 | 0.87       | 6.43     |

Table 3: 2011 Martinière West Significant Intersections (continued)

| Hole ID           | From (m) | To (m) | Length (m) | Au (g/t) |
|-------------------|----------|--------|------------|----------|
| <b>MDW-11-27</b>  | 130.09   | 130.80 | 0.71       | 9.37     |
|                   | 160.21   | 168.28 | 8.07       | 2.72     |
| <i>including</i>  | 167.90   | 168.28 | 0.38       | 64.10    |
| <b>MDW-11-28a</b> | 38.76    | 41.48  | 2.72       | 7.13     |
| <i>including</i>  | 41.04    | 41.48  | 0.44       | 34.50    |
|                   | 55.13    | 55.54  | 0.41       | 8.82     |
| <i>including</i>  | 151.56   | 152.32 | 0.76       | 13.05    |
| <b>MDW-11-29a</b> | 70.11    | 71.88  | 1.77       | 25.47    |
| <i>including</i>  | 70.11    | 71.47  | 1.36       | 32.45    |
|                   | 134.77   | 135.42 | 0.65       | 6.21     |
|                   | 247.81   | 250.09 | 2.28       | 3.54     |
| <i>including</i>  | 247.81   | 248.35 | 0.54       | 5.39     |
| <i>and</i>        | 249.67   | 250.09 | 0.42       | 5.85     |
|                   | 259.25   | 259.60 | 0.35       | 11.15    |
| <b>MDW-11-30</b>  | 141.96   | 144.29 | 2.33       | 43.37    |
| <i>including</i>  | 143.00   | 144.29 | 1.29       | 70.58    |
| <b>MDW-11-31a</b> | 147.50   | 148.00 | 0.50       | 5.89     |
|                   | 162.24   | 176.23 | 13.99      | 3.84     |
| <i>including</i>  | 173.86   | 174.93 | 1.07       | 23.54    |
| <i>including</i>  | 173.86   | 174.47 | 0.61       | 34.50    |
| <b>MDW-11-32</b>  | 56.29    | 56.75  | 0.46       | 6.26     |
|                   | 160.04   | 161.61 | 1.57       | 6.38     |
| <i>including</i>  | 161.14   | 161.61 | 0.47       | 12.35    |
|                   | 194.14   | 195.75 | 1.61       | 12.31    |
| <i>including</i>  | 194.14   | 194.99 | 0.85       | 16.10    |
| <b>MDW-11-34</b>  | 96.01    | 104.21 | 8.20       | 4.58     |
| <i>including</i>  | 96.01    | 98.00  | 1.99       | 12.01    |
| <i>including</i>  | 96.60    | 97.19  | 0.59       | 21.60    |
|                   | 167.52   | 169.00 | 1.48       | 9.29     |
| <i>including</i>  | 167.94   | 169.00 | 1.06       | 11.05    |
| <b>MDW-11-38</b>  | 43.35    | 44.00  | 0.65       | 13.90    |
|                   | 53.30    | 54.40  | 1.10       | 8.47     |
| <i>including</i>  | 53.30    | 53.80  | 0.50       | 10.80    |
|                   | 177.00   | 177.70 | 0.70       | 6.25     |
| <b>MDW-11-41</b>  | 31.00    | 42.65  | 11.65      | 2.40     |
| <i>including</i>  | 36.00    | 36.91  | 0.91       | 6.43     |
| <b>MDW-11-41a</b> | 59.82    | 82.41  | 22.59      | 4.26     |
| <i>including</i>  | 62.98    | 66.21  | 3.23       | 10.25    |
| <i>including</i>  | 72.84    | 73.31  | 0.47       | 7.78     |
| <i>including</i>  | 80.54    | 81.93  | 1.39       | 27.62    |

Table 3: 2011 Martinière West Significant Intersections (continued)

| Hole ID   | From (m) | To (m) | Length (m) | Au (g/t) |
|-----------|----------|--------|------------|----------|
| MDW-11-42 | 73.69    | 74.10  | 0.41       | 14.80    |
|           | 141.81   | 142.61 | 0.80       | 10.35    |

Table 4: 2012 Martinière West Significant Intersections

| Hole ID                                                    | From (m) | To (m) | Length (m) | Au (g/t) |
|------------------------------------------------------------|----------|--------|------------|----------|
| MDW-12-44                                                  | 123.00   | 124.00 | 1.00       | 1.22     |
|                                                            | 199.00   | 200.00 | 1.00       | 2.02     |
|                                                            | 249.30   | 250.30 | 1.00       | 1.05     |
| MDW-12-46A<br><i>including</i>                             | 47.88    | 58.06  | 10.18      | 0.53     |
|                                                            | 72.52    | 79.80  | 7.28       | 1.03     |
|                                                            | 78.00    | 78.53  | 0.53       | 4.48     |
|                                                            | 105.73   | 117.05 | 11.32      | 0.67     |
| MDW-12-47                                                  | 69.80    | 71.63  | 1.83       | 1.89     |
|                                                            | 86.07    | 86.90  | 0.83       | 21.40    |
|                                                            | 89.95    | 90.61  | 0.66       | 3.67     |
| MDW-12-48                                                  | 190.15   | 192.25 | 2.10       | 2.15     |
| MDW-12-49                                                  | 70.82    | 73.85  | 3.03       | 1.93     |
|                                                            | 151.10   | 152.80 | 1.70       | 5.66     |
|                                                            | 155.71   | 158.40 | 2.69       | 1.37     |
|                                                            | 193.60   | 194.10 | 0.50       | 1.14     |
| MDW-12-50A<br><i>including</i><br><br><i>including and</i> | 22.05    | 22.45  | 0.40       | 27.00    |
|                                                            | 54.55    | 69.45  | 14.90      | 0.95     |
|                                                            | 62.50    | 63.35  | 0.85       | 6.41     |
|                                                            | 183.75   | 184.85 | 1.10       | 8.83     |
|                                                            | 237.87   | 247.70 | 9.83       | 3.84     |
|                                                            | 238.76   | 239.62 | 0.86       | 11.40    |
|                                                            | 246.60   | 247.00 | 0.40       | 29.90    |
| MDW-12-51                                                  | 31.90    | 32.40  | 0.50       | 5.59     |
|                                                            | 68.12    | 68.72  | 0.60       | 1.60     |
|                                                            | 78.06    | 80.27  | 2.21       | 4.85     |
|                                                            | 84.40    | 85.52  | 1.12       | 6.53     |
| MDW-12-52                                                  | 51.56    | 52.34  | 0.78       | 4.34     |
|                                                            | 119.28   | 119.95 | 0.67       | 1.10     |
|                                                            | 137.80   | 138.17 | 0.37       | 2.36     |
| MDW-12-53<br><i>including and</i>                          | 95.15    | 95.92  | 0.77       | 6.75     |
|                                                            | 97.84    | 102.00 | 4.16       | 5.39     |
|                                                            | 97.84    | 98.47  | 0.63       | 10.70    |
|                                                            | 101.27   | 102.00 | 0.73       | 11.20    |
| MDW-12-54<br><i>including</i>                              | 50.30    | 51.30  | 1.00       | 3.16     |
|                                                            | 110.91   | 118.00 | 7.09       | 2.28     |
|                                                            | 114.80   | 115.25 | 0.45       | 10.15    |

Table 4: 2012 Martinière West Significant Intersections (continued)

| Hole ID                                                           | From (m) | To (m) | Length (m) | Au (g/t) |
|-------------------------------------------------------------------|----------|--------|------------|----------|
| <b>MDW-12-55</b>                                                  | 188.30   | 189.20 | 0.90       | 4.12     |
|                                                                   | 191.00   | 193.00 | 2.00       | 3.35     |
|                                                                   | 254.60   | 255.30 | 0.70       | 12.50    |
|                                                                   | 269.85   | 270.75 | 0.90       | 3.38     |
| <b>MDW-12-56A</b>                                                 | 82.90    | 83.28  | 0.38       | 0.50     |
| <b>MDW-12-57A</b>                                                 | 181.30   | 181.80 | 0.50       | 6.25     |
|                                                                   | 230.20   | 231.00 | 0.80       | 4.50     |
|                                                                   | 308.20   | 309.20 | 1.00       | 13.45    |
| <b>MDW-12-58</b>                                                  | 183.23   | 184.20 | 0.97       | 32.80    |
|                                                                   | 230.70   | 231.30 | 0.60       | 4.88     |
|                                                                   | 235.87   | 237.01 | 1.14       | 4.41     |
|                                                                   | 244.70   | 245.36 | 0.66       | 8.78     |
| <b>MDW-12-59</b><br><i>including</i>                              | 77.80    | 80.80  | 3.00       | 1.52     |
|                                                                   | 209.00   | 211.50 | 2.50       | 5.65     |
|                                                                   | 209.50   | 210.45 | 0.95       | 12.45    |
| <b>MDW-12-60</b>                                                  | 360.56   | 361.15 | 0.59       | 5.98     |
|                                                                   | 398.26   | 398.90 | 0.64       | 16.00    |
| <b>MDW-12-61</b>                                                  | 238.20   | 239.05 | 0.85       | 3.44     |
|                                                                   | 290.50   | 291.00 | 0.50       | 3.03     |
|                                                                   | 410.40   | 411.00 | 0.60       | 4.21     |
| <b>MDW-12-62</b><br><i>including</i>                              | 411.46   | 411.86 | 0.40       | 5.80     |
|                                                                   | 417.23   | 419.41 | 2.18       | 28.27    |
|                                                                   | 490.34   | 492.52 | 2.18       | 4.66     |
|                                                                   | 490.34   | 491.00 | 0.66       | 11.55    |
|                                                                   | 495.00   | 495.58 | 0.58       | 9.60     |
| <b>MDW-12-63A</b><br><i>including and</i>                         | 210.66   | 211.16 | 0.50       | 2.77     |
|                                                                   | 281.80   | 283.11 | 1.31       | 1.41     |
|                                                                   | 311.29   | 337.22 | 25.93      | 1.04     |
|                                                                   | 314.40   | 315.40 | 1.00       | 5.82     |
|                                                                   | 325.18   | 326.05 | 0.87       | 5.61     |
|                                                                   |          |        |            |          |
| <b>MDW-12-64A</b><br><i>including and</i><br><br><i>including</i> | 308.30   | 308.88 | 0.58       | 4.23     |
|                                                                   | 313.78   | 314.45 | 0.67       | 5.85     |
|                                                                   | 338.07   | 346.80 | 8.73       | 1.48     |
|                                                                   | 340.75   | 341.20 | 0.45       | 4.78     |
|                                                                   | 346.10   | 346.80 | 0.70       | 4.21     |
|                                                                   | 377.40   | 377.75 | 0.35       | 84.90    |
|                                                                   | 407.45   | 413.30 | 5.85       | 2.32     |
|                                                                   | 421.92   | 429.40 | 7.48       | 3.62     |
|                                                                   | 421.92   | 422.28 | 0.36       | 11.35    |
|                                                                   |          |        |            |          |

## 10.2 Martinière East Drilling

Drilling at Martinière East mainly pre-dated the discovery of significant mineralization associated with the Bug Lake Fault Zone (BLFZ) and the delineation of its northerly-striking orientation. In the absence of any surface information on orientation of shearing and veining, drilling at Martinière East was generally oriented towards 330° on the hypothesis that mineralization was hosted within a northeasterly trending corridor. This orientation was also suitable for testing the gold and base metal potential of the basalt-hosted semi-massive to massive sulphides at Martinière East.

Drilling showed that the semi-massive sulphides and their associated massive sulphide lenses are extensive and dip shallowly to the southeast (Figure 15). However, the massive sulphide lenses do not appear to host significant gold or base metal values, and do not have a spatial association with later gold mineralization. Insufficient drilling has been done to define coherent zones of gold mineralization at Martinière East.

Tables 5 and 6 summarize significant intersections from 2011 and 2012 drilling in the Martinière East area (Perk et al., 2013; Perk et al., 2012). Higher-grade sub-intervals have been included where they significantly influence longer intervals. Some excellent intersections of gold mineralization have been returned from Martinière East drilling, including 9.30 metres @ 11.28 g/t Au (MDE-12-20). However, it may turn out that some of the gold mineralization at Martinière East is localized by northerly-trending structures similar to Martinière West and the BLFZ. In this case, drill holes at Martinière East could be oblique to mineralization in places, making it difficult to cut across entire zones and giving an exaggerated impression of mineralized widths. For mineralization that does trend northerly, it is estimated that true widths of intersections in Tables 5 and 6 would be 20-40% of core lengths. For mineralization that trends northeast, it is estimated that true widths are 35-80% of core lengths for their intersections.

**Table 5: 2011 Martinière East Significant Intersections**

| Hole ID                                                      | From (m) | To (m) | Length (m) | Au (g/t) |
|--------------------------------------------------------------|----------|--------|------------|----------|
| <b>MDE-11-04</b>                                             | 180.40   | 181.22 | 0.82       | 8.24     |
|                                                              | 289.00   | 289.86 | 0.86       | 7.00     |
| <b>MDE-11-06</b>                                             | 237.00   | 238.00 | 1.00       | 20.50    |
| <b>MDE-11-07</b>                                             | 174.00   | 174.53 | 0.53       | 5.89     |
| <b>MDE-11-09</b><br><i>including</i>                         | 229.00   | 232.40 | 3.40       | 8.71     |
|                                                              | 231.90   | 232.40 | 0.50       | 55.7     |
| <b>MDE-11-10</b>                                             | 127.00   | 128.08 | 1.08       | 6.51     |
|                                                              | 162.35   | 162.70 | 0.35       | 24.9     |
| <b>MDE-11-11</b><br><i>including</i>                         | 92.08    | 108.00 | 15.92      | 4.83     |
|                                                              | 97.01    | 101.00 | 3.99       | 15.82    |
| <b>MDE-11-15</b>                                             | 293.56   | 294.20 | 0.64       | 8.41     |
|                                                              | 300.80   | 301.50 | 0.70       | 6.75     |
| <b>MDE-11-16</b><br><br><i>including</i><br><i>including</i> | 44.57    | 45.17  | 0.60       | 9.46     |
|                                                              | 51.00    | 53.90  | 2.90       | 27.12    |
|                                                              | 52.00    | 53.90  | 1.90       | 38.25    |
|                                                              | 53.00    | 53.90  | 0.90       | 62.70    |

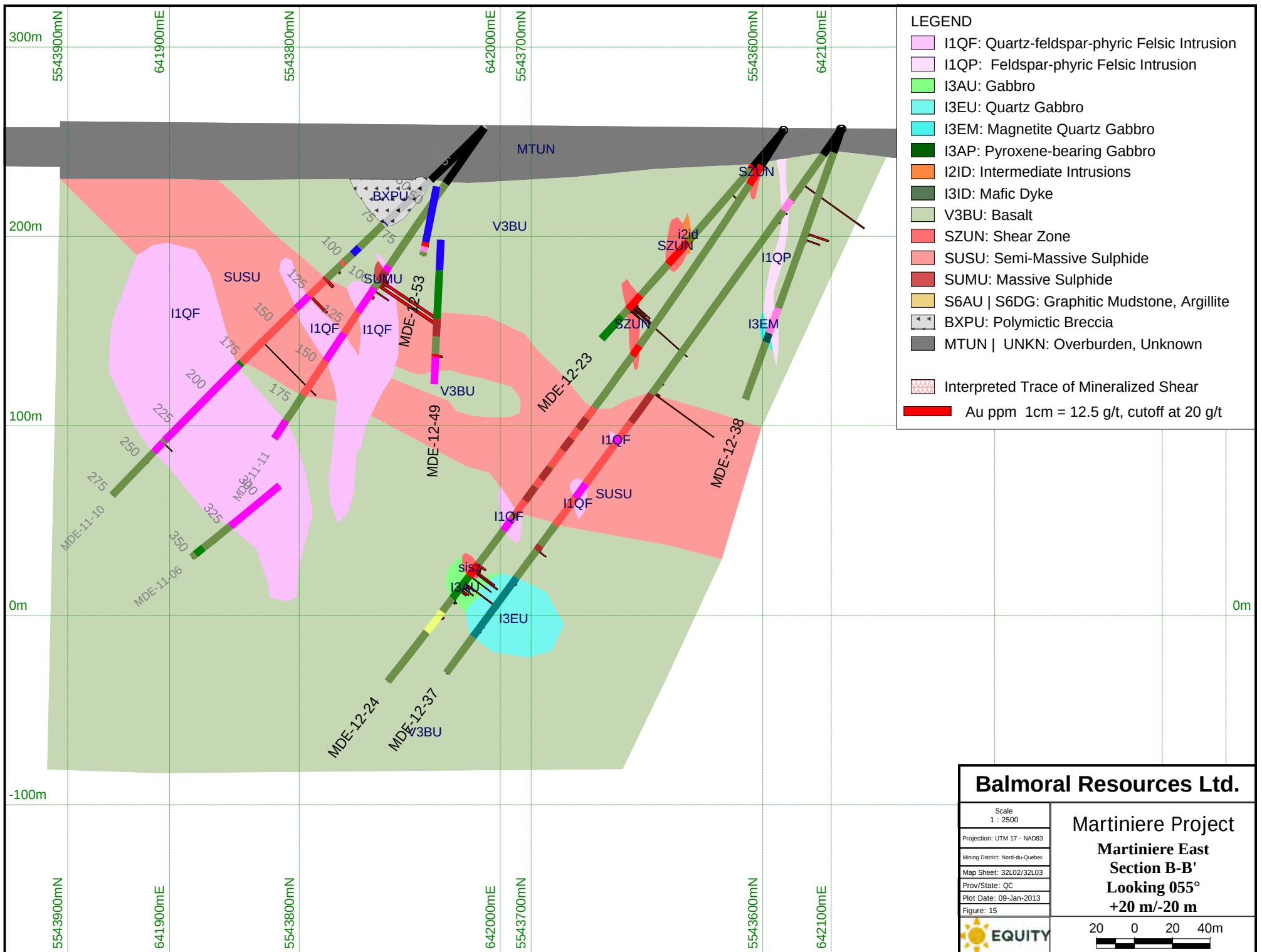


Table 6: 2012 Martinière East Significant Intersections

| Hole ID                                                                        | From (m) | To (m) | Length (m) | Au (g/t) |
|--------------------------------------------------------------------------------|----------|--------|------------|----------|
| <b>MDE-12-17</b>                                                               | 44.52    | 45.65  | 1.13       | 1.56     |
|                                                                                | 84.50    | 85.80  | 1.30       | 1.86     |
| <b>MDE-12-18</b>                                                               | 46.60    | 47.45  | 0.85       | 8.50     |
| <b>MDE-12-19</b><br><i>including</i>                                           | 32.00    | 38.93  | 6.93       | 1.71     |
|                                                                                | 33.15    | 33.95  | 0.80       | 8.23     |
|                                                                                | 77.50    | 78.00  | 0.50       | 9.77     |
| <b>MDE-12-20</b><br><br><i>including</i><br><i>and</i>                         | 22.00    | 23.00  | 1.00       | 7.70     |
|                                                                                | 41.00    | 50.30  | 9.30       | 11.28    |
|                                                                                | 46.90    | 47.50  | 0.60       | 25.40    |
|                                                                                | 47.50    | 48.20  | 0.70       | 112.50   |
|                                                                                | 77.50    | 78.85  | 1.35       | 4.22     |
| <b>MDE-12-21</b>                                                               | 36.85    | 37.60  | 0.75       | 2.33     |
| <b>MDE-12-22</b><br><br><i>including</i><br><i>and</i>                         | 90.20    | 91.40  | 1.20       | 2.98     |
|                                                                                | 217.50   | 230.00 | 12.50      | 2.70     |
|                                                                                | 223.00   | 223.60 | 0.60       | 10.15    |
|                                                                                | 228.40   | 229.40 | 1.00       | 10.05    |
| <b>MDE-12-23</b><br><i>including</i>                                           | 121.00   | 126.80 | 5.80       | 6.75     |
|                                                                                | 123.70   | 124.20 | 0.50       | 35.20    |
| <b>MDE-12-24</b><br><i>including</i><br><i>and</i><br><i>and</i><br><i>and</i> | 280.65   | 298.50 | 17.85      | 2.31     |
|                                                                                | 284.40   | 285.30 | 0.90       | 6.83     |
|                                                                                | 285.30   | 285.90 | 0.60       | 8.04     |
|                                                                                | 288.30   | 288.90 | 0.60       | 7.15     |
|                                                                                | 292.90   | 293.50 | 0.60       | 9.68     |
| <b>MDE-12-34</b>                                                               | 67.00    | 68.10  | 1.10       | 3.93     |
| <b>MDE-12-35</b>                                                               | 55.15    | 55.80  | 0.65       | 5.06     |
|                                                                                | 63.70    | 64.15  | 0.45       | 4.92     |
| <b>MDE-12-36</b>                                                               | 59.27    | 59.90  | 0.63       | 12.40    |
|                                                                                | 69.00    | 69.65  | 0.65       | 1.85     |
| <b>MDE-12-37</b>                                                               | 35.70    | 36.25  | 0.55       | 53.60    |
|                                                                                | 171.00   | 172.45 | 1.45       | 14.39    |
|                                                                                | 274.00   | 275.70 | 1.70       | 1.86     |
| <b>MDE-12-38</b><br><i>including</i>                                           | 58.05    | 63.75  | 5.70       | 2.04     |
|                                                                                | 58.05    | 58.95  | 0.90       | 6.51     |
| <b>MDE-12-56</b>                                                               | 106.00   | 107.00 | 1.00       | 138.00   |
| <b>MDE-12-57</b>                                                               | 87.13    | 87.55  | 0.42       | 7.70     |

### 10.3 Bug Lake Fault Zone (BLFZ) Drilling

Initial drill holes in the Bug Lake Fault Zone (BLFZ) were generally oriented toward 330° like the other holes in the Martinière East area (Figure 9). With the recognition of gold mineralization associated with the 335°-striking BLFZ, later holes were directed westerly in order to cut it more perpendicularly. Drilling to date has been limited to 340 metres strike length of the BLFZ, within 250 metres of surface.

The widest, most continuous mineralization is located in the BLFZ itself, a ~50-metre wide melange of interleaved basalt, argillite, gabbro (plus variations) and quartz±feldspar porphyry fragments above a footwall formed by progressively less-strained gabbro (or variants such as quartz gabbro, etc.). The BLFZ has a variable eastward dip with steeper and shallower segments; its steeper portions appear better endowed with gold mineralization. Figure 16 is a typical section across the BLFZ. In addition, several holes intersected gold mineralization within altered shears up to 40 metres into the footwall gabbro or quartz gabbro. The footwall mineralization is generally narrower and more erratic than the BLFZ, but is locally very high-grade, with the best intersection averaging 117.30 g/t Au across a core length of 7.78 metres (MDE-12-29). Drilling has defined a strike length of nearly 100 metres for the Footwall Zone, the highest grade and most continuous of the zones of footwall mineralization, shadowing the best-defined zone of mineralization within the BLFZ itself.

The northernmost section drilled across the BLFZ (holes MDE-12-31, -32 and -33) intersected only spotty gold mineralization within the BLFZ itself (best intersection: 0.66 metres @ 25.7 g/t Au in MDE-12-32) or the footwall quartz gabbro (best intersection: 1.73 metres @ 3.29 g/t Au in MDE-12-31). Although not spectacular results, the presence of shearing, alteration and spotty gold mineralization indicates that the zone remains open to the north of current drilling. Faulting, alteration and veining are still prominent within the southernmost section drilled across the BLFZ (holes MDE-12-27, -28, 54, -54A and -55), especially in its steeper section, with the best intersection averaging 4.20 g/t Au across 4.33 metres core length of the BLFZ (MDE-12-54). Gold mineralization within the BLFZ remains open to the north and the south.

Drilling across the BLFZ is confined to within a vertical depth of <250 metres from surface. Some of the deeper holes had only weak results, but they intersected a shallowly-dipping segment of the BLFZ, which starts at a vertical depth of 80 metres (in the north) to 200 metres (in the south). A few poorly-oriented holes indicate that the BLFZ steepens again below this shallow segment. For instance, hole MDE-12-24, directed 315° at Martinière East mineralization, passes into the BLFZ near the hole's bottom. It intersected 17.85 metres averaging 2.31 g/t Au (albeit at an oblique angle) within a lower steepened portion of the BLFZ, suggesting that further drilling should be directed across the BLFZ at depth. Like the BLFZ itself, mineralization in the footwall appears richer in gold where the BLFZ is steeper-dipping. No drilling, even poorly-oriented, has penetrated the footwall beneath this lower steepened section of the BLFZ.

Tables 7 and 8 summarize significant intersections from 2011 and 2012 drilling in the BLFZ area (Perk et al., 2013; Perk et al., 2012). Higher-grade sub-intervals have been included where they significantly influence longer intervals. Holes MDE-11-01, -02, -03, -12 and -13 and holes MDE-12-27, -28, -62 and -63 were poorly oriented to cut BLFZ mineralization and it is estimated that true widths of their intersections would be 20-40% of core lengths. Hole MDE-11-14 and the remainder of the 2012 holes were drilled roughly perpendicular to the strike of mineralization and it is estimated that true widths are 35-80% of core lengths for their intersections.

**Table 7: 2011 BLFZ Significant Intersections**

| Hole ID          | From (m) | To (m) | Length (m) | Au (g/t) |
|------------------|----------|--------|------------|----------|
| <b>MDE-11-01</b> | 69.00    | 75.56  | 6.56       | 13.25    |
|                  | 88.70    | 90.00  | 1.30       | 5.73     |
|                  | 147.48   | 161.00 | 13.52      | 2.53     |
| <i>including</i> | 160.42   | 161.00 | 0.58       | 20.9     |
|                  | 279.69   | 279.95 | 0.26       | 10.4     |
| <b>MDE-11-02</b> | 243.34   | 243.85 | 0.51       | 7.18     |
| <b>MDE-11-03</b> | 103.58   | 104.50 | 0.92       | 5.05     |
| <b>MDE-11-12</b> | 106.00   | 107.00 | 1.00       | 5.57     |
| <b>MDE-11-13</b> | 189.20   | 190.10 | 0.90       | 13.3     |
| <b>MDE-11-14</b> | 132.00   | 134.10 | 2.10       | 17.61    |
| <i>including</i> | 133.13   | 134.10 | 0.97       | 30.1     |

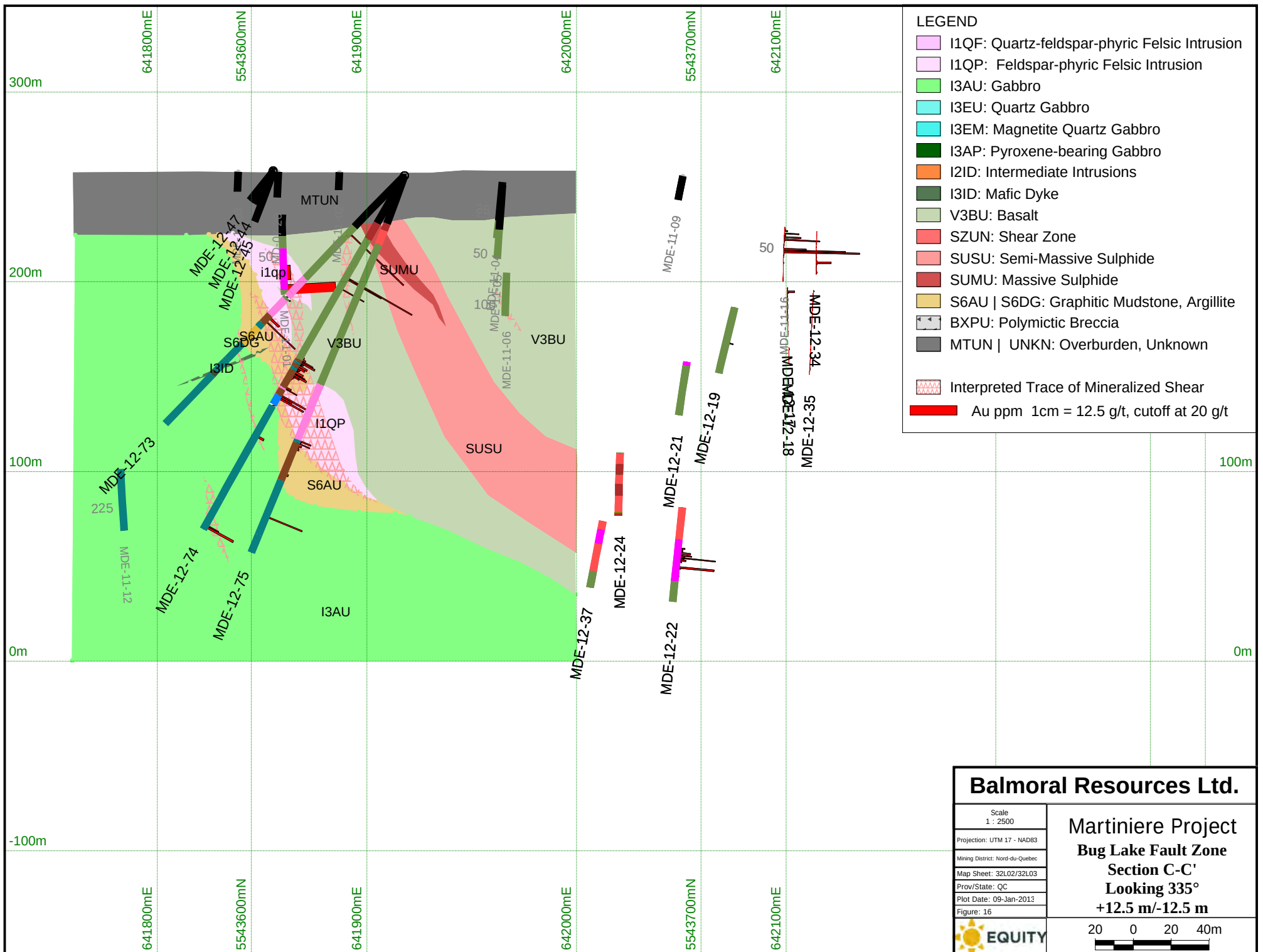


Table 7: 2011 BLFZ Significant Intersections (continued)

| Hole ID   | From (m) | To (m) | Length (m) | Au (g/t) |
|-----------|----------|--------|------------|----------|
| MDE-11-14 | 141.00   | 141.86 | 0.86       | 13.95    |
|           | 168.90   | 169.70 | 0.80       | 9.89     |
|           | 183.50   | 205.75 | 22.25      | 1.98     |
| including | 188.50   | 189.50 | 1.00       | 5.68     |

Table 8: 2012 BLFZ Significant Intersections

| Hole ID                                                                      | From (m)                             | To (m) | Length (m)        | Au (g/t)           |
|------------------------------------------------------------------------------|--------------------------------------|--------|-------------------|--------------------|
| <b>MDE-12-25</b><br><br><i>including</i><br><br><br><br><i>including</i>     | 39.00                                | 45.00  | 6.00 <sup>1</sup> | 2.65               |
|                                                                              | 73.40                                | 79.50  | 6.10 <sup>1</sup> | 4.73               |
|                                                                              | 77.60                                | 78.50  | 0.90 <sup>1</sup> | 15.60              |
|                                                                              | 155.55                               | 155.90 | 0.35 <sup>1</sup> | 25.30              |
|                                                                              | 167.30                               | 167.80 | 0.50 <sup>1</sup> | 6.49               |
|                                                                              | 187.70                               | 191.00 | 3.30 <sup>1</sup> | 7.17               |
|                                                                              | 188.40                               | 189.10 | 0.70 <sup>1</sup> | 20.40              |
|                                                                              | <b>MDE-12-27</b><br><i>including</i> | 38.80  | 51.20             | 12.40 <sup>1</sup> |
| 41.00                                                                        |                                      | 43.00  | 2.00 <sup>1</sup> | 4.74               |
| 69.00                                                                        |                                      | 71.00  | 2.00 <sup>1</sup> | 2.69               |
| 76.93                                                                        |                                      | 77.30  | 0.37 <sup>1</sup> | 3.49               |
| <b>MDE-12-28</b>                                                             | 20.30                                | 27.05  | 6.75 <sup>1</sup> | 2.35               |
|                                                                              | 34.00                                | 36.00  | 2.00 <sup>1</sup> | 2.45               |
|                                                                              | 89.00                                | 90.00  | 1.00 <sup>1</sup> | 3.40               |
|                                                                              | 96.00                                | 97.00  | 1.00 <sup>1</sup> | 3.57               |
| <b>MDE-12-29</b><br><br><br><br><i>including</i><br><i>and</i><br><i>and</i> | 98.30                                | 101.20 | 2.90 <sup>1</sup> | 2.29               |
|                                                                              | 117.80                               | 118.76 | 0.96 <sup>1</sup> | 11.55              |
|                                                                              | 121.50                               | 128.50 | 7.00 <sup>1</sup> | 1.80               |
|                                                                              | 166.00                               | 173.78 | 7.78 <sup>2</sup> | 117.32             |
|                                                                              | 169.90                               | 170.40 | 0.50 <sup>2</sup> | 409.00             |
|                                                                              | 170.40                               | 170.95 | 0.55 <sup>2</sup> | 1255.00            |
|                                                                              | 173.10                               | 173.78 | 0.68 <sup>2</sup> | 12.80              |
| <b>MDE-12-30</b><br><br><br><br><i>including</i>                             | 53.00                                | 54.00  | 1.00 <sup>1</sup> | 1.39               |
|                                                                              | 124.50                               | 127.50 | 3.00 <sup>1</sup> | 1.61               |
|                                                                              | 147.70                               | 149.90 | 2.20 <sup>1</sup> | 2.93               |
|                                                                              | 167.00                               | 172.00 | 5.00 <sup>1</sup> | 2.62               |
|                                                                              | 171.00                               | 172.00 | 1.00 <sup>1</sup> | 4.92               |
| <b>MDE-12-31</b>                                                             | 111.27                               | 113.00 | 1.73 <sup>2</sup> | 3.29               |
| <b>MDE-12-32</b>                                                             | 32.83                                | 33.63  | 0.80 <sup>1</sup> | 1.07               |
|                                                                              | 36.40                                | 36.92  | 0.52 <sup>1</sup> | 1.61               |
|                                                                              | 39.34                                | 40.00  | 0.66 <sup>1</sup> | 25.70              |
|                                                                              | 40.00                                | 40.80  | 0.80 <sup>1</sup> | 2.88               |
| <b>MDE-12-33</b>                                                             | 63.56                                | 66.00  | 2.44 <sup>1</sup> | 1.16               |
| <b>MDE-12-39</b>                                                             | 35.56                                | 36.53  | 0.97 <sup>1</sup> | 195.50             |

Table 8: 2012 BLFZ Significant Intersections (continued)

| Hole ID                                          | From (m) | To (m) | Length (m)         | Au (g/t) |
|--------------------------------------------------|----------|--------|--------------------|----------|
| <b>MDE-12-39</b><br><br><i>including<br/>and</i> | 55.42    | 58.00  | 2.58 <sup>1</sup>  | 4.49     |
|                                                  | 75.30    | 76.30  | 1.00 <sup>1</sup>  | 6.36     |
|                                                  | 77.25    | 78.12  | 0.87 <sup>1</sup>  | 2.68     |
|                                                  | 105.68   | 138.11 | 32.43 <sup>3</sup> | 1.49     |
|                                                  | 105.68   | 106.18 | 0.50 <sup>1</sup>  | 29.00    |
|                                                  | 113.50   | 114.88 | 1.38 <sup>2</sup>  | 3.95     |
|                                                  | 148.90   | 149.92 | 1.02 <sup>2</sup>  | 3.53     |
| <b>MDE-12-41</b>                                 | 89.16    | 90.35  | 1.19 <sup>1</sup>  | 1.21     |
|                                                  | 123.75   | 124.50 | 0.75 <sup>1</sup>  | 23.30    |
|                                                  | 134.41   | 135.62 | 1.21 <sup>1</sup>  | 1.31     |
| <b>MDE-12-42</b>                                 | 91.80    | 92.17  | 0.37 <sup>1</sup>  | 1.32     |
|                                                  | 139.85   | 140.70 | 0.85 <sup>1</sup>  | 39.30    |
|                                                  | 140.70   | 141.98 | 1.28 <sup>1</sup>  | 4.81     |
| <b>MDE-12-40</b>                                 | 80.57    | 81.55  | 0.98 <sup>1</sup>  | 5.09     |
|                                                  | 112.49   | 112.96 | 0.47 <sup>1</sup>  | 1.58     |
|                                                  | 149.27   | 150.93 | 1.66 <sup>1</sup>  | 1.62     |
|                                                  | 159.01   | 160.05 | 1.04 <sup>1</sup>  | 2.14     |
| <b>MDE-12-43</b>                                 | 68.00    | 68.80  | 0.80 <sup>1</sup>  | 20.00    |
|                                                  | 86.23    | 87.40  | 1.17 <sup>1</sup>  | 3.16     |
|                                                  | 89.62    | 91.04  | 1.42 <sup>1</sup>  | 3.46     |
|                                                  | 142.58   | 145.00 | 2.42 <sup>1</sup>  | 1.57     |
|                                                  | 184.37   | 187.16 | 2.79 <sup>1</sup>  | 0.97     |
|                                                  | 218.00   | 219.10 | 1.10 <sup>1</sup>  | 1.56     |
| <b>MDE-12-44</b>                                 | 123.70   | 124.76 | 1.06 <sup>2</sup>  | 29.90    |
|                                                  | 124.76   | 125.30 | 0.54 <sup>2</sup>  | 1.06     |
|                                                  | 148.97   | 150.00 | 1.03 <sup>2</sup>  | 2.88     |
| <b>MDE-12-46</b><br><i>including</i>             | 133.10   | 138.28 | 5.18 <sup>1</sup>  | 12.46    |
|                                                  | 134.00   | 135.58 | 1.58 <sup>1</sup>  | 35.56    |
| <b>MDE-12-48</b><br><br><i>including</i>         | 34.08    | 35.00  | 0.92 <sup>1</sup>  | 4.91     |
|                                                  | 163.28   | 164.00 | 0.72 <sup>1</sup>  | 11.95    |
|                                                  | 166.92   | 167.62 | 0.70 <sup>1</sup>  | 23.50    |
|                                                  | 176.85   | 181.07 | 4.22 <sup>1</sup>  | 6.40     |
|                                                  | 177.64   | 178.17 | 0.53 <sup>1</sup>  | 34.60    |
|                                                  | 210.30   | 211.20 | 0.90 <sup>1</sup>  | 1.62     |
|                                                  | 243.95   | 244.64 | 0.69 <sup>2</sup>  | 1.96     |
| <b>MDE-12-49</b>                                 | 37.00    | 38.00  | 1.00 <sup>1</sup>  | 2.00     |
|                                                  | 134.78   | 135.63 | 0.85 <sup>1</sup>  | 1.88     |
|                                                  | 161.32   | 161.68 | 0.36 <sup>1</sup>  | 5.38     |
|                                                  | 265.04   | 266.09 | 1.05 <sup>2</sup>  | 1.37     |
| <b>MDE-12-50</b>                                 | 116.85   | 119.81 | 2.96 <sup>1</sup>  | 2.15     |
|                                                  | 129.44   | 130.30 | 0.86 <sup>1</sup>  | 5.24     |

Table 8: 2012 BLFZ Significant Intersections (continued)

| Hole ID           | From (m)                | To (m) | Length (m)         | Au (g/t) |
|-------------------|-------------------------|--------|--------------------|----------|
| <b>MDE-12-50</b>  | 130.30                  | 131.14 | 0.84 <sup>1</sup>  | 1.38     |
| <b>MDE-12-51</b>  | 117.50                  | 118.60 | 1.10 <sup>1</sup>  | 3.26     |
| <b>MDE-12-53</b>  | 172.35                  | 172.90 | 0.55 <sup>1</sup>  | 1.03     |
|                   | 239.50                  | 240.15 | 0.65 <sup>1</sup>  | 4.92     |
| <b>MDE-12-54A</b> | 57.00                   | 57.85  | 0.85 <sup>1</sup>  | 2.15     |
|                   | 159.66                  | 160.46 | 0.80 <sup>1</sup>  | 1.12     |
|                   | 177.61                  | 178.40 | 0.79 <sup>1</sup>  | 1.79     |
|                   | 210.70                  | 215.03 | 4.33 <sup>1</sup>  | 4.20     |
| <b>MDE-12-58</b>  | 47.88                   | 48.60  | 0.72 <sup>1</sup>  | 129.00   |
|                   | 48.60                   | 49.25  | 0.65 <sup>1</sup>  | 1.87     |
|                   | 58.14                   | 59.84  | 1.70 <sup>1</sup>  | 9.43     |
|                   | 102.50                  | 118.38 | 15.88 <sup>2</sup> | 2.21     |
|                   | <i>including</i> 108.90 | 109.91 | 1.01 <sup>2</sup>  | 6.90     |
| <b>MDE-12-59</b>  | 79.10                   | 160.25 | 81.15 <sup>1</sup> | 1.04     |
|                   | 93.60                   | 103.35 | 9.75 <sup>1</sup>  | 2.34     |
|                   | 116.00                  | 117.00 | 1.00 <sup>2</sup>  | 4.03     |
|                   | 153.70                  | 158.45 | 4.75 <sup>2</sup>  | 8.19     |
|                   | <i>including</i> 154.45 | 155.00 | 0.55 <sup>2</sup>  | 14.40    |
|                   | <i>and</i> 157.53       | 158.10 | 0.57 <sup>2</sup>  | 42.10    |
| <b>MDE-12-60</b>  | 89.39                   | 90.10  | 0.71 <sup>1</sup>  | 3.00     |
|                   | 105.07                  | 120.73 | 15.66 <sup>1</sup> | 3.74     |
|                   | <i>including</i> 105.07 | 106.07 | 1.00 <sup>1</sup>  | 33.10    |
|                   | 173.99                  | 174.82 | 0.83 <sup>2</sup>  | 197.00   |
| <b>MDE-12-61</b>  | 51.45                   | 52.07  | 0.62 <sup>1</sup>  | 20.70    |
|                   | 64.90                   | 66.00  | 1.10 <sup>1</sup>  | 4.85     |
|                   | 90.60                   | 92.65  | 2.05 <sup>1</sup>  | 1.47     |
|                   | 110.40                  | 128.60 | 18.20 <sup>1</sup> | 2.85     |
|                   | <i>including</i> 125.30 | 126.40 | 1.10 <sup>1</sup>  | 14.15    |
|                   | 180.00                  | 181.00 | 1.00 <sup>2</sup>  | 2.84     |
| <b>MDE-12-62</b>  | 56.07                   | 85.55  | 29.48 <sup>2</sup> | 0.84     |
|                   | 119.15                  | 125.02 | 5.87 <sup>2</sup>  | 6.96     |
|                   | <i>including</i> 124.51 | 125.02 | 0.51 <sup>2</sup>  | 32.00    |
|                   | 175.91                  | 177.08 | 1.17 <sup>2</sup>  | 4.49     |
| <b>MDE-12-63</b>  | 50.00                   | 51.00  | 1.00 <sup>1</sup>  | 3.39     |
|                   | 61.30                   | 91.00  | 29.70 <sup>2</sup> | 0.75     |
|                   | 105.65                  | 111.35 | 5.70 <sup>2</sup>  | 16.45    |
|                   | <i>including</i> 110.00 | 110.35 | 0.35 <sup>2</sup>  | 141.00   |
| <b>MDE-12-64</b>  | 30.21                   | 58.10  | 27.89 <sup>2</sup> | 0.21     |
|                   | <i>including</i> 33.07  | 35.65  | 2.58 <sup>2</sup>  | 1.04     |
|                   | <i>and</i> 70.10        | 83.05  | 12.95 <sup>2</sup> | 0.12     |
| <b>MDE-12-65</b>  | 25.00                   | 92.00  | 67.00 <sup>2</sup> | 2.88     |

Table 8: 2012 BLFZ Significant Intersections (continued)

| Hole ID           | From (m) | To (m) | Length (m)         | Au (g/t) |
|-------------------|----------|--------|--------------------|----------|
| <i>including</i>  | 39.50    | 40.60  | 1.10 <sup>2</sup>  | 8.49     |
| <i>including</i>  | 60.55    | 65.00  | 4.45 <sup>2</sup>  | 27.03    |
| <b>MDE-12-66</b>  | 20.15    | 99.30  | 79.15 <sup>2</sup> | 0.38     |
| <i>including</i>  | 44.95    | 49.75  | 4.80 <sup>2</sup>  | 1.40     |
| <i>including</i>  | 56.85    | 57.90  | 1.05 <sup>2</sup>  | 3.48     |
| <b>MDE-12-67</b>  | 56.33    | 70.00  | 13.67 <sup>1</sup> | 0.70     |
| <i>and</i>        | 74.81    | 78.82  | 4.01 <sup>1</sup>  | 1.56     |
| <b>MDE-12-68</b>  | 36.90    | 48.10  | 11.20 <sup>1</sup> | 0.40     |
| <i>and</i>        | 70.47    | 122.20 | 51.73 <sup>1</sup> | 1.67     |
| <i>including</i>  | 71.08    | 72.35  | 1.27 <sup>1</sup>  | 13.63    |
| <i>including</i>  | 78.57    | 79.29  | 0.72 <sup>1</sup>  | 19.95    |
| <i>including</i>  | 89.51    | 90.29  | 0.78 <sup>1</sup>  | 8.09     |
| <b>MDE-12-69</b>  | 57.51    | 59.16  | 1.65 <sup>1</sup>  | 3.44     |
| <i>and</i>        | 85.96    | 86.60  | 0.64 <sup>1</sup>  | 49.00    |
| <i>and</i>        | 113.27   | 183.05 | 69.78 <sup>3</sup> | 0.51     |
| <i>including</i>  | 113.27   | 121.20 | 7.93 <sup>1</sup>  | 1.26     |
| <b>MDE-12-70</b>  | 48.26    | 67.26  | 19.00 <sup>1</sup> | 1.10     |
| <i>including</i>  | 50.30    | 52.46  | 2.16 <sup>1</sup>  | 3.33     |
| <i>and</i>        | 79.00    | 95.00  | 16.00 <sup>1</sup> | 5.00     |
| <i>including</i>  | 79.71    | 81.78  | 2.07 <sup>1</sup>  | 36.01    |
| <i>and</i>        | 171.30   | 189.89 | 18.59 <sup>3</sup> | 0.55     |
| <i>including</i>  | 171.30   | 178.55 | 7.25 <sup>3</sup>  | 0.97     |
| <b>MDE-12-71A</b> | 86.88    | 88.23  | 1.35 <sup>2</sup>  | 29.94    |
| <b>MDE-12-72</b>  | 25.73    | 68.20  | 42.47 <sup>2</sup> | 5.71     |
| <i>including</i>  | 29.30    | 32.46  | 3.16 <sup>2</sup>  | 46.53    |
| <i>including</i>  | 59.19    | 62.04  | 2.85 <sup>2</sup>  | 28.61    |
| <b>MDE-12-73</b>  | 41.85    | 42.39  | 0.54 <sup>1</sup>  | 31.30    |
| <i>and</i>        | 102.23   | 126.09 | 23.86 <sup>1</sup> | 0.69     |
| <i>including</i>  | 105.75   | 106.56 | 0.81 <sup>1</sup>  | 11.00    |
| <b>MDE-12-74</b>  | 61.58    | 62.77  | 1.19 <sup>1</sup>  | 41.96    |
| <i>and</i>        | 110.00   | 135.37 | 25.37 <sup>1</sup> | 2.33     |
| <i>and</i>        | 181.84   | 213.66 | 31.82 <sup>2</sup> | 0.43     |
| <i>including</i>  | 212.66   | 213.66 | 1.00 <sup>2</sup>  | 8.43     |
| <b>MDE-12-75</b>  | 150.45   | 215.00 | 64.55 <sup>3</sup> | 0.49     |
| <i>including</i>  | 150.45   | 152.53 | 2.08 <sup>1</sup>  | 2.70     |
| <i>including</i>  | 194.00   | 194.76 | 0.76 <sup>2</sup>  | 10.25    |
| <b>MDE-12-76</b>  | 27.60    | 100.71 | 73.11              | 0.54     |
| <i>including</i>  | 45.90    | 55.51  | 9.61 <sup>2</sup>  | 1.10     |
| <b>MDE-12-77</b>  | 24.70    | 95.60  | 70.90 <sup>3</sup> | 1.24     |
| <i>including</i>  | 54.64    | 82.99  | 28.35 <sup>2</sup> | 2.65     |
| <i>including</i>  | 65.94    | 66.95  | 1.01 <sup>2</sup>  | 47.30    |

**Table 8: 2012 BLFZ Significant Intersections (continued)**

| Hole ID          | From (m) | To (m) | Length (m)         | Au (g/t) |
|------------------|----------|--------|--------------------|----------|
| <b>MDE-12-78</b> | 31.42    | 106.04 | 74.62 <sup>3</sup> | 0.75     |
| <i>including</i> | 37.27    | 41.34  | 4.07 <sup>1</sup>  | 1.28     |
| <i>including</i> | 70.13    | 74.46  | 4.33 <sup>2</sup>  | 3.20     |
| <i>including</i> | 79.15    | 93.45  | 14.30 <sup>2</sup> | 1.09     |
| <b>MDE-12-79</b> | 39.19    | 80.60  | 41.41 <sup>3</sup> | 0.61     |
| <i>including</i> | 46.93    | 49.02  | 2.09 <sup>1</sup>  | 4.00     |
| <i>including</i> | 64.55    | 65.08  | 0.53 <sup>2</sup>  | 17.30    |
| <b>MDE-12-80</b> | 44.43    | 70.28  | 25.85 <sup>3</sup> | 1.82     |
| <i>including</i> | 45.98    | 52.30  | 6.32 <sup>1</sup>  | 3.54     |
| <i>including</i> | 66.25    | 66.78  | 0.53 <sup>2</sup>  | 38.60    |
| <b>MDE-12-81</b> | 135.46   | 175.10 | 39.64 <sup>3</sup> | 0.53     |
| <i>including</i> | 140.78   | 155.02 | 14.24 <sup>1</sup> | 1.01     |
| <b>MDE-12-82</b> | 48.88    | 94.06  | 45.18 <sup>2</sup> | 0.80     |
| <i>including</i> | 71.57    | 84.94  | 13.37 <sup>2</sup> | 1.90     |
| <b>MDE-12-83</b> | 18.09    | 28.70  | 10.61 <sup>1</sup> | 9.65     |
| <i>including</i> | 18.84    | 21.14  | 2.30 <sup>1</sup>  | 39.85    |
| <i>and</i>       | 59.86    | 98.04  | 38.18 <sup>2</sup> | 0.53     |
| <i>including</i> | 88.55    | 89.35  | 0.80 <sup>2</sup>  | 7.40     |

<sup>1</sup>BLFZ mineralization<sup>2</sup>Footwall mineralization<sup>3</sup> Both BLFZ and footwall mineralization

## 11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

### 11.1 2011 Program

The following description of 2011 sample preparation, analyses and security procedures is adapted from Peshkepia and Silvester (2011).

#### 11.1.1 2011 Core Handling and Security

All 2011 core samples were put in wooden core trays at the drill site, sealed with a lid and strapped with wire. The core was transported daily from the drill site via helicopter by Expedition Helicopters to Balmoral's core facility at Camp Fenelon where all logging and sampling occurred. The core was sawn in half as described in Section 10.0. One half of the core was placed back into the core tray for reference. The other half of the core was placed with a waterproof sample tag in a plastic sample bag labeled with the same unique six digit number as the sample tag and then sealed with a cable tie. Up to 10 sealed sample bags were placed in labeled rice bags along with the request for analysis and then these bags were sealed with a cable tie. Once the sampling was completed, samples from individual holes were sent to the laboratory as separate batches in order to optimally track and minimize possible handling and/or sample preparation errors. Prior to shipment to the laboratory, each sample bag was checked to verify it was numbered properly and sealed. Samples were transported to ALS Minerals in Val d'Or, Québec by Balmoral personnel. Upon arrival in Val d'Or an ALS Minerals employee would sign a copy of the request for analysis for that particular shipment to verify that the samples had been delivered. The core is stored at Balmoral's core storage area at Fenelon Mine and at Camp Fenelon. The only access road to Fenelon Mine is secured by a locked gate. During periods of no exploration activity a caretaker is contracted by Balmoral to look after the Fenelon camp.

### 11.1.2 2011 Analytical Techniques

All 2011 samples from the Martinière project were prepared and analysed by ALS Minerals' analytical facility in Val d'Or, Québec. This facility is individually certified to standards within ISO 9001:2008 and has received accreditation to ISO/IEC 17025:2005 from the Standards Council of Canada (SCC) for the following methods:

- Fire Assay Au by Atomic Absorption (AA) and Au by gravimetric finish.

Samples were prepared and analysed using conventional methods by ALS Minerals. Sample preparation and analysis procedures include the following steps:

- Samples were weighed and dried at 150°C for about 8 hours.
- Samples were crushed to a minimum of 70% <2 mm (10 mesh).
- Crushed samples were mechanically split (riffle) splitter to provide a 1000-gram representative sample.
- 1000-gram samples were then pulverized to a minimum of 85% <75µm (200 mesh).
- 30 to 50 grams of the pulverized samples were analyzed by standard fire assay/atomic absorption or gravimetric finish for gold and for 35 elements by Aqua Regia ICP-AES
- The results are reported in grams per tonne (g/t) Au and parts per million (ppm) for silver and other elements.

### 11.1.3 2011 Analytical Quality Assurance / Quality Control

During the 2011 drilling, Balmoral geologists inserted standards and blanks into the sample stream at regular intervals: every tenth sample was either a blank or a low, medium or high grade gold standard depending on the nature of mineralization sampled. During the summer drill program one core duplicate and one pulp duplicate were included with each hole/shipment. The core duplicate, a one-quarter split, was collected at the same time as the original sample using the same procedure and given a separate sample number. For the pulp duplicate the analytical lab was requested to re-assay the pulp of a selected sample and that assay was marked with a separate sample number. An empty sample bag with the sample tag was provided to the analytical lab.

Sealed bags of quartz chips were purchased from ALS Chemex for insertion as blanks within the sample stream. Of the 611 blanks inserted, 23 (4%) exceeded the failure criterion (15 ppb Au). All of the failed blanks immediately followed samples with >5 g/t Au, indicating possible contamination in the lab. In addition, one blank assayed 39.6 g/t Au, suggesting a sample mixup either at the Fenelon core facility or in the analytical lab.

Twelve different gold reference materials (standards) were used in the 2011 program. Standards were considered to have failed if analytical results for them fell outside the range defined by the accepted value  $\pm 3$  standard deviations. As shown in Table 9, 41 standards failed out of the 564 reported. Of these, 17 standard failures appear to be caused by mixups in the Fenelon core facility, with incorrect standards or blanks inserted into the sample stream. However, the remaining 24 standard failures remain unexplained and no further investigation or re-analysis is reported (Peshkepia and Silvester, 2011).

**Table 9: Summary of 2011 Gold Standards**

| Standard   | Assay Procedure  | Recommended Value | Acceptable Range ( $\pm 3$ standard deviations) | Number Analyzed | Number Failed  |
|------------|------------------|-------------------|-------------------------------------------------|-----------------|----------------|
| CDN-GS-2F  | FA-ICP and FA-AA | 2.16 g/t Au       | 1.80-2.52 g/t Au                                | 10              | 0              |
| CDN-GS-5F  | FA-ICP           | 5.30 g/t Au       | 4.76-5.84 g/t Au                                | 119             | 5 <sup>3</sup> |
| CDN-GS-5F  | FA-GRAV          | 5.27 g/t Au       | 4.76-5.78 g/t Au                                |                 |                |
| CDN-GS-14A | FA-GRAV          | 14.9 g/t Au       | 13.6-16.2 g/t Au                                | 24 <sup>4</sup> | 3              |

**Table 9: Summary of 2011 Gold Standards (continued)**

| Standard    | Assay Procedure  | Recommended Value | Acceptable Range ( $\pm 3$ standard deviations) | Number Analyzed | Number Failed     |
|-------------|------------------|-------------------|-------------------------------------------------|-----------------|-------------------|
| CDN-GS-2G   | FA-ICP           | 2.26 g/t Au       | 1.98-2.55 g/t Au                                | 10              | 1                 |
| CDN-GS-8A   | FA-ICP           | 8.25 g/t Au       | 7.35-9.15 g/t Au                                | 42              | 7                 |
| CDN-GS-30B  | FA-GRAV          | 29.21 g/t Au      | 27.37-31.06 g/t Au                              | 37              | 2                 |
| CDN-GS-1P5C | FA-ICP           | 1.56 g/t Au       | 1.37-1.76 g/t Au                                | 19              | 3                 |
| CDN-GS-1H   | FA-ICP           | 0.972 g/t Au      | 0.810-1.13 g/t Au                               | 236             | 14 <sup>1,2</sup> |
| CDN-GS-3J   | FA-ICP and FA-AA | 2.71 g/t Au       | 2.32-3.10 g/t Au                                | 50              | 3                 |
| CDN-GS-6A   | FA-ICP           | 5.69 g/t Au       | 4.97-6.41 g/t Au                                | 10              | 0                 |
| CDN-GS-6A   | FA-GRAV          | 5.79 g/t Au       | 5.10-6.48 g/t Au                                |                 |                   |
| CDN-GS-22   | FA-GRAV          | 22.94 g/t Au      | 21.26-24.62 g/t Au                              | 4               | 2                 |
| CDN-FCM-6   | FA-ICP and FA-AA | 2.15 g/t Au       | 1.91-2.39 g/t Au                                | 11              | 1                 |
|             |                  |                   |                                                 | 572             | 41                |

<sup>1</sup>12 of these assayed between 2.5 and 2.8 g/t Au, suggesting a possible mixup with insertion of standard CDN-GS-3J instead of standard CDN-GS-1H

<sup>2</sup>2 of these assayed below detection limit (<5 ppb Au) suggesting a possible mixup with insertion of blanks instead of standard CDN-GS-1H

<sup>3</sup>3 of these assayed below detection limit (<5 ppb Au), suggesting a possible mixup with insertion of blanks instead of standard CDN-GS-5F

<sup>4</sup>8 of these were not analyzed due to insufficient material

Pulp (33) and core (34) duplicates were analyzed during the summer 2011 drill program, with one of each per hole/shipment. The pulp duplicates showed good correlation between the two samples with  $R^2=0.9435$ . Core duplicates also showed good correlation between the original sample and the duplicate, with  $R^2=0.9517$  (Peshkepia and Silvester, 2011).

The author is confident that the 2011 core was securely handled and that laboratory contamination was not a problem in 2011, but believes that the program suffered from sloppy standard insertion in the core facility. The author does not have sufficient information to know whether the samples were securely transported from the core facility to ALS Minerals in Val d'Or. Likewise, the author does not know the reason for the standard failures, whether their batches were re-analyzed and whether the failures were due to faulty analyses or sample switches in the lab or core facility.

## 11.2 2012 Program

### 11.2.1 2012 Core Handling and Security

All 2012 core samples were put in wooden core trays at the drill site, sealed with a lid and strapped with fibre tape. The core was transported daily from the drill site via helicopter by Expedition Helicopters to Balmoral's core facility at Camp Fenelon (hole MDW-12-44) or Martinière camp (all remaining 2012 holes) where all logging and sampling occurred. The core was sawn in half as described in Section 10.0. One half of the core was placed back into the core tray for the record. The other half of the core was placed with a waterproof sample tag in a plastic sample bag labeled with the same unique six digit number as the sample tag and then sealed with a cable tie. Up to 10 sealed sample bags were placed in labeled rice bags along with the request for analysis. The rice bags were sealed with a custom-made cable tie imprinted with Equity's name and a unique number. Once the sampling was completed, samples from individual holes were sent to the laboratory as separate batches in order to optimally track and minimize possible handling and/or sample preparation errors. Prior to shipment to the laboratory, each sample bag was checked to verify it was numbered properly and sealed. Samples were transported to ALS Minerals in Val d'Or, Québec by Balmoral personnel. Upon arrival in Val d'Or an ALS Minerals employee would verify that each rice bag had been delivered without tampering. The core from the winter program is stored at Fenelon Mine and at Camp Fenelon; the core from the summer and fall programs is stored at Martinière camp.

### 11.2.2 2012 Analytical Techniques

All 2012 core samples from the Martinière project were prepared and analysed by ALS Minerals' analytical facility in Val d'Or, Québec. This facility is individually certified to standards within ISO 9001:2008 and has received accreditation to ISO/IEC 17025:2005 from the Standards Council of Canada (SCC) for the following methods:

- Determination of Au by Lead Collection Fire Assay and Atomic Absorption Spectrometry
- Determination of Au by Lead Collection Fire Assay and Gravimetric Finish

Core samples were prepared and analysed using conventional methods by ALS Minerals. Sample preparation and analysis procedures include the following steps:

- Samples were weighed, dried and crushed to a minimum of 70% < 2 mm material.
- Crushed samples were mechanically split (riffle) splitter to provide a 1000-gram representative sample.
- 1000-gram samples were then pulverized to a minimum of 85% <75µm material.
- 30 grams of the pulverized samples were fire assayed for gold with an atomic absorption finish (ALS code Au-AA23).
- For samples whose initial fire assay exceeded 5 g/t Au, another 30 grams of the pulverized samples were then fire assayed for gold with gravimetric finish (ALS code Au-GRA21).
- For samples whose Au-GRA21 fire assay exceeded 10 g/t Au, screen metallics fire assaying was carried out on a 1000 gram pulverized sample (ALS code Au-SCR21).
- Selected samples were analyzed for 35 other elements using ICP-AES methods and an aqua regia digestion (ALS code ME-ICP41).

### 11.2.3 2012 Analytical Quality Assurance / Quality Control

During the 2012 drilling programs, 941 standards, 978 field blanks, 471 quarter core duplicates and 462 preparation duplicates were inserted into the analytical sample stream to estimate accuracy and precision and to detect sample contamination during sample preparation and analysis (Lustig, 2012). Every tenth sample was alternately either a blank or a low, medium or high grade gold standard depending on the nature of mineralization sampled. Additional blanks were inserted in some sections of high-grade mineralization. Every twentieth sample was alternately either a field (core) duplicate or a laboratory (prep) duplicate. The core duplicate, a one-quarter split, was collected at the same time as the original sample using the same procedure and given a separate sample number. For the preparation duplicate the analytical lab was requested to prepare a second pulp from a selected sample's crushed reject material and that assay was marked with a separate sample number. An empty sample bag with the sample tag was provided to the analytical lab.

Blanks consisted of quartz chips known to be barren of gold mineralization. Of the 978 blanks inserted, 39 (4%) exceeded the failure criterion of 5x detection limit (25 ppb Au). Of these, it appears that 4 of the failures were due to mistaken insertion of standards instead of blanks into the sample stream, either one or two were due to sample mix-ups in the lab and the remainder of the failures were due to contamination in the lab. With one exception, all of the contamination failures were at a very low level and would have no significant impact on assay values. The remaining failed blank assayed 1.885 g/t Au, but this blank followed extremely high-grade samples assaying up to 1530 g/t Au; contamination at this level would be insignificant in this interval (Lustig, 2012).

Nine different reference materials, with varying mineralogy and Au grades, were used as standards; all were supplied by CDN Resource Laboratories Ltd. of Langley, B.C. Standards were considered to have failed if analytical results for them fell outside the range defined by the accepted value  $\pm 3$  standard deviations. Out of the 941 standards analyzed, 60 failed. Of these, 6 standard failures appear to be caused by mixups in the core facility or analytical laboratory, with incorrect standards or blanks inserted into the

sample stream. No follow-up action was taken on 33 of the failed standards, because they were within barren or background intervals. The remaining 21 failed standards were re-assayed with the surrounding samples and the new assays used, once the standards were within the failure limit of  $\pm 3$  standard deviations. Statistical summaries of the standards indicate the gold assays tend to be biased slightly high compared to the certified values of the standards. Lustig (2012) concluded:

*“Although standard analyses were close to the certified gold values overall, there were an unusually large number of ‘failures’, many of which could be considered far outliers with analyses significantly different from the expected values. Although many of these were associated with a single standard, the re-assays generally returned acceptable results, indicating that the initial result was spurious in nature and due to analytical issues rather than standard quality.*

*There were also a considerable number of lab mix-ups, more than normal for a program of this size. There did not seem to be single cause, as the mix-ups were at different stages in the analytical program. ALS were made aware of our concerns and were reviewing their procedures.”*

Duplicate sample analysis does not cause samples or batches to be passed or failed; it simply estimates precision and indicates how representative the sampling and sub-sampling procedures are. Figure 17 shows scatter-plots for core, preparation and pulp duplicates for the 2012 Martinière drill program; red points are outliers removed before statistical processing. The core duplicates show the most scatter and worst precision; these improve progressively with preparation duplicates and pulp duplicates (carried out by ALS as part of their internal QA/QC program), as the samples become more homogeneous through crushing, grinding and mixing. Lustig (2012) concludes:

*“Overall precision of gold analyses is typical of high grade gold mineralization of this type. The nugget effect of the high grade analyses and a large proportion of low grade analyses influencing some measures of precision such as the ARD% vs. rank plots and CVAVG(%). The large number of low grade analyses had a greater influence on the precision estimates preparation and pulp duplicates. The precision of higher grade gold analyses indicate that there is probably adequate sample and particle size reduction during crushing and pulverizing.*

*The measurement of the core sampling error would be improved by submitting the other half of the core instead of a quarter core but this would not have altered the actual sampling error, just our estimation of it. It is the same with submitting two equal sized  $\frac{1}{4}$  core samples for the original and field duplicate. Sampling error at the crushing/pulverizing stages is a relatively small component of the overall error compared to the initial sampling error (Stanley and Smee, 2007). There may be some benefit in increasing crushing to 85% passing 2 mm from the current 70% and/or pulverize to 95% passing 105  $\mu\text{m}$  from the current 85% passing 75  $\mu\text{m}$ . As indicated previously, although the overall precision does not appear good for preparation and pulp duplicates, at potential ore grades, precision is adequate.”*

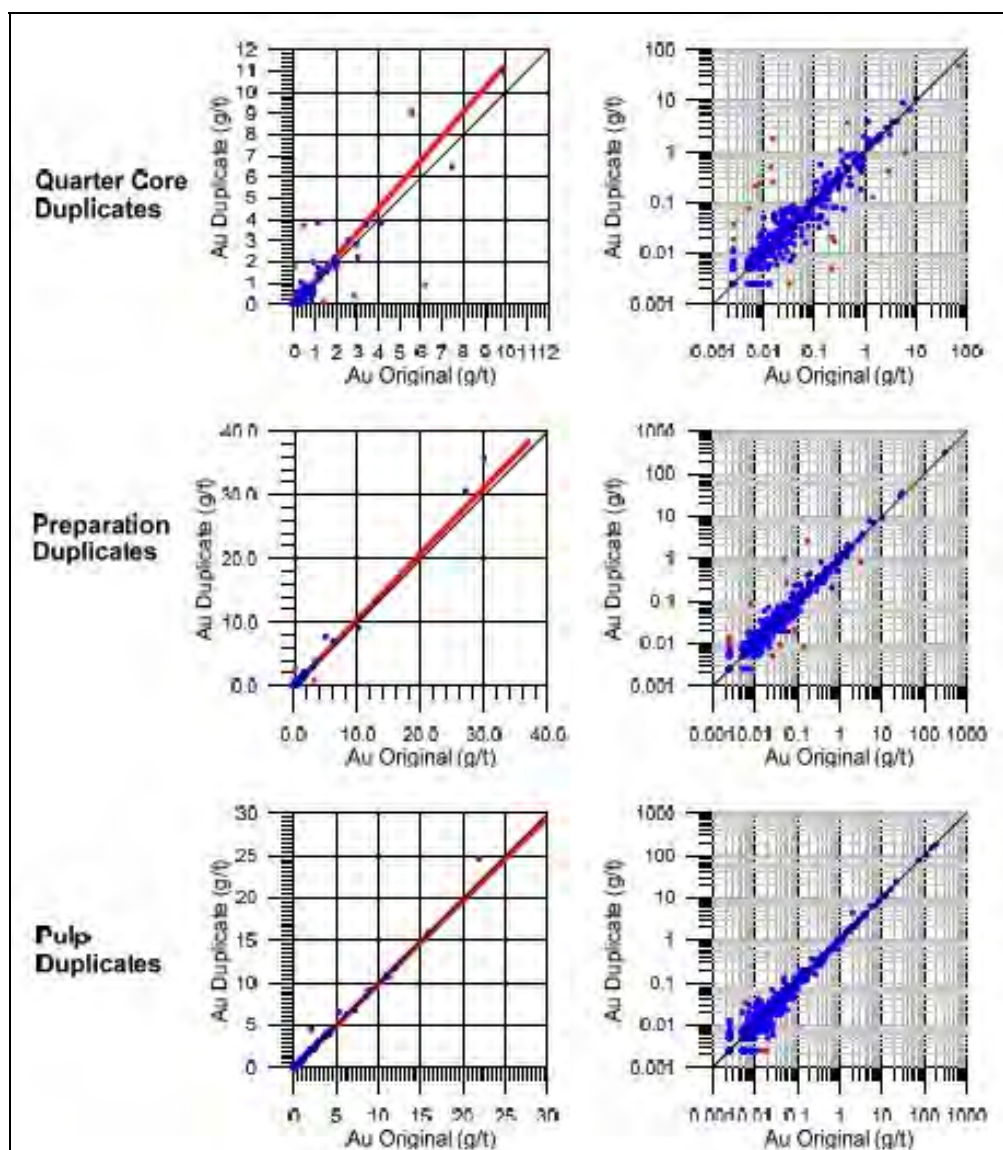


Figure 17: Scatter-plots for 2012 Martinière Duplicates

A random selection of 138 samples (6.6%) were chosen from a pyritic subset of the 2012 Martinière core samples for gold assay at an external laboratory. It was felt that using a pyritic subset would reduce the number of analyses of barren samples, given the association between gold and pyrite. The pyritic subset (n=2103) had a median gold value of 0.268 ppm against a median gold value of 0.024 ppm for all core samples. The 138 samples were assayed at Techni-Lab S. G. B. Abitibi Inc. in Ste-Germaine-Boulé, QC. Techni-Lab is a wholly owned subsidiary of Activation Labs and is accredited by the Standards Council of Canada to ISO/IEC 17025:2005 (CAN-P4E) for gold by fire assay followed by AAS and gravimetric finishes (Accredited Lab No. 707). The pulps were analysed by methods comparable to that employed by ALS. The median of the Techni-Lab analyses was 4.5% higher than the ALS original analyses and the mean was 5.32% higher than ALS. Techni-Lab results are higher at low grades but the difference decreases up to a grade of 0.17 ppm Au, where they are equal. Results are close between the two labs up to 7.4 ppm Au, above which the Techni-Lab results are higher (Lustig, 2012).

The author believes that sample preparation, security, and analytical procedures were adequate for the 2012 drilling on the Martinière property and agrees with Lustig's (2012) conclusion that *"the quality control and check assays completed confirm that the 2012 Martinière gold assay data is accurate, precise and free of contamination to industry standards and is of sufficient quality to be used in resource estimation"*.

## **12.0 DATA VERIFICATION**

The author examined the Martinière property in the field in July and August 2012 and spotted numerous holes of the summer 2012 program. He directly managed exploration on the Martinière property from July 6-24 and August 20-27, 2012 and examined core from holes MDW-12-60 to -64, MDE-12-29 to -63 and MDX-12-1 to -7. Before this time, field management of the exploration programs was carried out by other Equity personnel. After this time and for the period in between visits, field management of the exploration programs was carried out by other Equity personnel, but the author remained involved in oversight of the exploration throughout the balance of 2012. The author reviewed and discussed data and interpretations with Equity's geologists on numerous occasions throughout the 2012 drilling and after.

The author performed a number of checks to verify the data processed by other Equity personnel. He located 10 drill collars in the field and compared the coordinates he obtained from a hand-held GPS with those in the drill database. He compared descriptions in the drill logs from 3 holes with the corresponding core. He compared assays from 5 randomly-selected assay certificates against the values in the drill database. He calculated weighted averages for four randomly-selected intervals for comparison against those prepared by the project geologists and summarized in this report. In each case, the information in the project databases was verified by the data checks.

The author believes that the data is adequate for the purposes of this technical report.

## **13.0 MINERAL PROCESSING AND METALLURGICAL TESTING**

No mineral processing or metallurgical testwork has been reported on samples from the Martinière property.

## **14.0 MINERAL RESOURCE ESTIMATES**

No estimates of mineral resources or mineral reserves have been made for the Martinière property.

## **15.0 ADJACENT PROPERTIES**

There is no information on adjacent properties which is necessary to make the technical report understandable and not misleading.

## **16.0 OTHER RELEVANT DATA AND INFORMATION**

No other information or explanation is necessary to make this technical report understandable and not misleading.

## **17.0 INTERPRETATION AND CONCLUSIONS**

Exploration on the Martinière property has targeted shear-hosted gold mineralization linked to deformation along the Sunday Lake Deformation Zone. This style of mineralization is similar in nature to that at the Detour Lake mine, which is under construction 50 kilometres to the west along the same deformational belt. Historically, exploration has been hampered on the Martinière property by extensive glacial overburden, with gold mineralization discovered through drilling of geophysical anomalies. Only a very small portion of the property has been drill-tested to date, but three significant zones of gold mineralization have been recognized and partially delineated: Martinière West, Bug Lake Fault Zone (BLFZ) and Martinière East.

At Martinière West, 2012 drilling confirmed the existence of a planar structural corridor (the Main Zone) striking approximately 200° and dipping steeply to the west. High-grade gold mineralization is present within this corridor, localized into discrete shears and vein-rich zones which pinch and swell from tens of centimetres to several metres in width. In addition to gold-bearing structures within the Main Zone, there appear to be numerous satellite structures lying outboard and parallel to the main shear zone. These zones, while apparently smaller in size, locally host excellent gold values and could represent a valuable part of any future resource. The basic outline and nature of the mineralization in this zone was established during the 2011 drilling campaign; the major contribution of the 2012 program was to both better define the zone and show that it is open both to the south and at depth. Drilling at the south end of the zone intersected excellent gold grades at 345 metres below surface, the deepest and southernmost drilling at Martinière West to date. Though results of drilling from the northern end of the zone were not as promising as those from the south, the zone can still be considered open in this direction. Scattered historical drilling, corroborated by 2012 drilling, suggest that though the Main Zone does not appear to continue un-interrupted to the north, there is a possibility of fault offsets to the zone or parallel structures which gain width and importance at the expense of the Main Zone. The establishment of potential for mineralization at depth in the south also raises the possibility that good mineralization is present in the north below the current, poorly-mineralized intersections.

High-grade gold mineralization was discovered in 2012 within and surrounding the Bug Lake Fault Zone (BLFZ), which separates a multiphase gabbroic intrusion in the Martinière West area from shallower basalt, fine clastic sedimentary rocks, felsic dykes and massive pyrite lenses in the Martinière East area. Previous work had established this fault exists as a significant property-scale structure, but had not demonstrated the existence of any mineralization beyond a few isolated gold highs in the area. Current drilling shows that within a broad (up to 100 m in width) corridor, significant gold grades of 5-10 g/t are present over several metres with isolated samples of 30-100 g/t Au. The zone was shown to strike roughly north-south and to dip towards the east, with a shallowly south-plunging portion dipping shallowly whereas portions above and below dip quite steeply; initial indications are that gold mineralization was preferentially deposited in steeply-dipping portions. Within the fault corridor there is a mix of lithologies, including all units found in both Martinière East and West domains, which appear to have been caught up in the fault during an early stage of brittle deformation. Cutting through this mix of rock types (and apparently re-healing much of the faulting) is a network of felsic porphyry intrusions and accompanying quartz-calcite-dolomite veins. Gold deposition likely occurred during this later stage of fluid and magma emplacement. Gold is found primarily within highly altered wedges of country rock which were favourably placed to act as depositional sites for the mineralized fluids and within the veins themselves. The porphyritic intrusions are generally, but not always, low in gold content.

In addition to gold-bearing zones within the package of varied lithologies that defines the BLFZ, the basalt of the hanging wall of the fault hosts what appear to be isolated discontinuous zones of high-grade gold mineralization focussed on small shears and faults that have allowed mineralized fluid flow. These small shears are likely either second order structures which have splayed off the BLFZ or intersections of a parallel shear system which is not yet well described. Either way, their presence adds value to the corridor surrounding the BLFZ as an exploration target, and should be taken account when planning any future drill holes.

Within the footwall of the BLFZ is the Footwall Zone, which hosts the highest-grade mineralization so far discovered on the property, with gold concentrations up to 1200 g/t. Though slightly different in appearance to the mineralization within the main BLFZ, this zone's proximity to the larger fault zone strongly suggests a genetic connection. The set of ore shoots grouped into this zone may be a set of second-order structures branching off the main BLFZ which concentrated the auriferous fluids flowing through the area at the time of mineralization. Despite being relatively small in size and somewhat discontinuous, the extremely high-grade nature of the mineralization in the footwall of the BLFZ makes it a very attractive exploration target. Drilling in the latter part of the 2012 succeeded in tracing the zone over a strike length of nearly 100 m, shadowing the best-defined zone of mineralization within the BLFZ itself. Future exploration in the BLFZ area should take into account the possibility of the existence of Footwall Zone-style ore shoots anywhere along the footwall of the fault corridor.

Though it was not possible to trace out a single zone of high-grade mineralization (like the Main Zone at Martinière West) over the length of the BLFZ, drilling has demonstrated that significant gold-bearing zones are abundant within the overall structure over a strike length of ~250 m. Both its northern and southern ends are fully open and represent very prospective future exploration targets. The BLFZ is also open to depth, with almost no drilling having been done to depth from collars stepped out to the east and correctly oriented to target the fault (there has been drilling to the east of the BLFZ, but it was conducted prior to the discovery of the zone and holes were stopped short of it). In particular, another steeply-dipping portion of the BLFZ has been recognized at depth but to date no drilling has been oriented across it.

Drilling on the Martinière East zone to the east of the BLFZ has been largely targeted at a strata-bound massive sulphide package which strikes east-northeast with a dip to the south-southeast, for its potential to host base metals or gold. Results show that while the VMS horizon does not host any sulphides apart from pyrite, and thus is not an attractive base metal target, and is not itself enriched in gold, there are numerous gold-bearing shears and veins in the area. At present, it has not been possible to unambiguously link up these zones into a larger structural corridor. This is quite likely due to the fact that the area is extensively faulted and that all holes were drilled to cross-cut stratigraphy, an oblique angle for northerly-trending zones like the BLFZ or Martinière West. Westerly-directed holes would test for the presence of a northerly-trending gold-bearing structural corridor in the Martinière East area.

The author does not believe that there are any significant risks or uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information on the Martinière property.

The author believes that aggressive exploration is warranted on the Martinière property, given:

- the presence of significant orogenic gold mineralization associated with the Sunday Lake Deformation Zone to the east and west of the Martinière property at the Fenelon and Detour Lake mines;
- the excellent grades and widths of gold mineralization intersected in the Martinière West, BLFZ and Martinière East areas;
- that the Martinière West Main Zone is open to the south and to depth;
- that the BLFZ is open along strike in each direction and to depth;
- that the full extent of footwall mineralization below the BLFZ has not been delineated; and
- the potential of Martinière East to host a third northerly-trending shear/vein corridor like Martinière West and the BLFZ.

## 18.0 RECOMMENDATIONS

### 18.1 Program

An aggressive 20,000 metre diamond drilling program is recommended for the Martinière property. It is envisaged that this will require two diamond drills during the winter (January – March) 2013 season. Drill support will be provided by snow machines and cat based in the Martinière camp. Given the timing uncertainties due to weather in building an ice crossing of the Turgeon River, mobilization of drills, cat, fuel and ancillary equipment will be with a medium-lift helicopter, but later camp support and demobilization should be possible by winter road.

Drilling should be focused on the following areas:

- **Bug Lake Fault Zone (BLFZ) (12,000 metres, 50-60 holes).** Drilling should test the BLFZ to the north and south of current sections to determine its geometry, extending as far as alteration and gold mineralization continue along strike. There may be other high-grade sections along the BLFZ as yet unrecognized, controlled by fault geometry or lithology. Drilling should test the BLFZ at depth below the 2012 drilling. In particular, the BLFZ appears to steepen again below current drilling; the best

grades to date are within a steeply-dipping portion of the BLFZ nearer surface and this lower steeply-dipping portion should be thoroughly tested. All drilling at the BLFZ should be extended at least 50 metres into the footwall and further where deformation continues, in order to better understand and delineate the footwall mineralized zones.

- **Martinière West (4,000 metres, 10-15 holes).** The deep intersections at the southern end of the Main Zone should be followed up by further drilling, particularly at depth. Further drilling should be done on sections to the south of current drilling to determine whether alteration and mineralization continue in this direction.
- **Martinière East (3,000 metres, 15-20 holes).** Westerly-directed holes should be targeted at some of the better previously-reported intersections in the Martinière East area. Follow-up westerly-directed holes in close proximity should show whether mineralization in Martinière East is hosted by northerly-striking structures similar to those hosting Martinière West Main Zone and the BLFZ, and give an initial indication of the size and strength of these structures.
- **New targets (1,000 metres, 5-10 holes).** Drilling should continue to test geophysical and geochemical targets across the property in an effort to discover new zones of deformation, alteration and gold deposition away from known mineralization. These holes should be mainly targeted on the basis of breaks in geophysical data (magnetics, conductors, resistivity or chargeability), particularly northerly-trending ones, which could indicate structural dislocations and associated alteration and mineralization. The OM and MMI data from the soil geochemical survey could help prioritize the geophysical targets.

## 18.2 Budget

All figures are in Canadian dollars.

|                                   |                     |
|-----------------------------------|---------------------|
| Personnel                         | \$ 549,250          |
| Camp and Support                  | 219,254             |
| Drilling                          | 2,440,000           |
| Cat, Fuel, Coreboxes, Winter Road | 425,270             |
| Aircraft                          | 60,650              |
| Analyses                          | 249,590             |
| Report/Assessment                 | 32,700              |
|                                   | <u>\$ 3,976,714</u> |
| Contingency                       | 397,671             |
| Project Supervision               | 278,776             |
|                                   | <u>\$ 4,653,161</u> |

The recommended program will cost approximately C\$4.65 million to complete.

Respectfully submitted,

*"signed and sealed"*

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Neil W. Perk, P.Geo.

EQUITY EXPLORATION CONSULTANTS LTD.

Vancouver, British Columbia

Effective Date: January 5, 2013

## **Appendix A: References**

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## **Appendix B: Claim Data**

## CLAIM DATA

| Title Number | NTS   | Title Type | Registration Date | Expiry Date | Title Holder            | Area (ha) | NSR |
|--------------|-------|------------|-------------------|-------------|-------------------------|-----------|-----|
| 2089671      | 32L02 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.34     | 2%  |
| 2089674      | 32L02 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089675      | 32L02 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089676      | 32L02 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089677      | 32L02 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089678      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.34     | 2%  |
| 2089679      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089680      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089681      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089682      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089683      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089684      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089685      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089686      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089687      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089688      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089689      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.31     | 2%  |
| 2089690      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.31     | 2%  |
| 2089691      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.31     | 2%  |
| 2089692      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089693      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089694      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089695      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089696      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089697      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089698      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089699      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.28     | 2%  |
| 2089700      | 32L03 | CDC        | 05/06/2007        | 04/06/2013  | Balmoral Resources Ltd. | 55.27     | 2%  |
| 2089883      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.34     | 2%  |
| 2089884      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089885      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089887      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089892      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.31     | 2%  |
| 2089893      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089894      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089895      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089897      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.35     | 2%  |
| 2089898      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.35     | 2%  |
| 2089899      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.35     | 2%  |
| 2089900      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.35     | 2%  |
| 2089901      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.35     | 2%  |

| Title Number | NTS   | Title Type | Registration Date | Expiry Date | Title Holder            | Area (ha) | NSR |
|--------------|-------|------------|-------------------|-------------|-------------------------|-----------|-----|
| 2089902      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.35     | 2%  |
| 2089903      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.35     | 2%  |
| 2089904      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.35     | 2%  |
| 2089905      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.34     | 2%  |
| 2089906      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.34     | 2%  |
| 2089907      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.33     | 2%  |
| 2089908      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089909      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.32     | 2%  |
| 2089910      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.31     | 2%  |
| 2089911      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.31     | 2%  |
| 2089912      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.31     | 2%  |
| 2089913      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.31     | 2%  |
| 2089914      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089915      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089916      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089917      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089918      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.3      | 2%  |
| 2089919      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089920      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089921      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089922      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089923      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089924      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089925      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089926      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.29     | 2%  |
| 2089927      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.28     | 2%  |
| 2089928      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.28     | 2%  |
| 2089929      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.28     | 2%  |
| 2089930      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.28     | 2%  |
| 2089931      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 36.55     | 2%  |
| 2089932      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.27     | 2%  |
| 2089933      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.27     | 2%  |
| 2089934      | 32L03 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.27     | 2%  |
| 2089957      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.34     | 2%  |
| 2089958      | 32L02 | CDC        | 06/06/2007        | 05/06/2013  | Balmoral Resources Ltd. | 55.34     | 2%  |
| 2269086      | 32L02 | CDC        | 10/02/2011        | 21/09/2014  | Balmoral Resources Ltd. | 55.35     | 0   |
| 2269087      | 32L02 | CDC        | 10/02/2011        | 21/09/2014  | Balmoral Resources Ltd. | 55.35     | 0   |
| 2269088      | 32L02 | CDC        | 10/02/2011        | 21/09/2014  | Balmoral Resources Ltd. | 55.34     | 0   |
| 2269089      | 32L02 | CDC        | 10/02/2011        | 21/09/2014  | Balmoral Resources Ltd. | 55.34     | 0   |
| 2283991      | 32L03 | CDC        | 27/04/2011        | 01/05/2013  | Balmoral Resources Ltd. | 55.28     | 0   |
| 2284009      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.34     | 0   |
| 2284010      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.33     | 0   |
| 2284011      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.33     | 0   |

| Title Number | NTS   | Title Type | Registration Date | Expiry Date | Title Holder            | Area (ha) | NSR |
|--------------|-------|------------|-------------------|-------------|-------------------------|-----------|-----|
| 2284012      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.32     | 0   |
| 2284013      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.32     | 0   |
| 2284014      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.31     | 0   |
| 2284015      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.31     | 0   |
| 2284016      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.3      | 0   |
| 2284017      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.3      | 0   |
| 2284018      | 32L02 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.29     | 0   |
| 2284019      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.34     | 0   |
| 2284020      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.34     | 0   |
| 2284021      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.34     | 0   |
| 2284022      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.33     | 0   |
| 2284023      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.33     | 0   |
| 2284024      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.33     | 0   |
| 2284025      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.32     | 0   |
| 2284026      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.32     | 0   |
| 2284027      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.32     | 0   |
| 2284028      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.32     | 0   |
| 2284029      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.31     | 0   |
| 2284030      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.31     | 0   |
| 2284031      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.31     | 0   |
| 2284032      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.31     | 0   |
| 2284033      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.3      | 0   |
| 2284034      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.3      | 0   |
| 2284035      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.34     | 0   |
| 2284036      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.34     | 0   |
| 2284037      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.33     | 0   |
| 2284038      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 55.3      | 0   |
| 2284049      | 32L03 | CDC        | 27/04/2011        | 09/04/2014  | Balmoral Resources Ltd. | 51.45     | 0   |

**Appendix C: Drill Hole Collar Location, Collar  
Orientation and Length**

### Drill Hole Collar Location, Collar Orientation and Length

| Hole                   | Core Size | Easting | Northing | Elevation (m) | Azimuth (°) | Dip (°) | Length (m) |
|------------------------|-----------|---------|----------|---------------|-------------|---------|------------|
| MD-97-01               | Unknown   | 640643  | 5541948  | 256           | 330         | -50     | 109.50     |
| MD-97-02               | Unknown   | 641886  | 5543792  | 256           | 330         | -50     | 201.00     |
| MD-97-03               | Unknown   | 641435  | 5542251  | 256           | 330         | -45     | 153.00     |
| MD-97-04               | Unknown   | 641265  | 5542546  | 256           | 330         | -45     | 150.00     |
| MD-97-05               | Unknown   | 641100  | 5542747  | 256           | 330         | -50     | 201.00     |
| MD-97-06               | Unknown   | 641523  | 5543622  | 256           | 330         | -45     | 174.00     |
| MD-97-07               | Unknown   | 640455  | 5544556  | 256           | 60          | -45     | 150.00     |
| MD-97-08               | Unknown   | 642815  | 5544656  | 256           | 330         | -45     | 156.00     |
| MD-99-09               | Unknown   | 640449  | 5542291  | 256           | 330         | -49     | 203.00     |
| MD-99-10               | Unknown   | 641348  | 5543153  | 256           | 330         | -49     | 187.00     |
| MD-99-11               | Unknown   | 641231  | 5543329  | 256           | 330         | -50     | 201.00     |
| MD-99-12               | Unknown   | 641408  | 5543551  | 256           | 330         | -50     | 218.00     |
| MD-99-13               | Unknown   | 641594  | 5543536  | 256           | 330         | -45     | 306.00     |
| MD-99-14               | Unknown   | 641470  | 5543594  | 256           | 330         | -45     | 221.00     |
| MD-99-15               | Unknown   | 641553  | 5543633  | 256           | 330         | -45     | 209.00     |
| MD-99-16               | Unknown   | 641593  | 5543489  | 257           | 330         | -45     | 180.00     |
| MD-99-17               | Unknown   | 641257  | 5543282  | 256           | 330         | -50     | 144.00     |
| MD-00-18               | NQ        | 641653  | 5543599  | 256           | 330         | -50     | 119.00     |
| MD-00-19               | BQ        | 641501  | 5543453  | 256           | 330         | -45     | 161.00     |
| MD-00-20               | NQ        | 641556  | 5543457  | 256           | 330         | -50     | 224.00     |
| MD-00-21               | NQ        | 641292  | 5543313  | 256           | 330         | -50     | 155.00     |
| MD-00-22               | BQ        | 641441  | 5543654  | 257           | 75          | -45     | 111.00     |
| MD-00-23               | NQ        | 641434  | 5543565  | 257           | 105         | -50     | 152.00     |
| MD-00-24               | Unknown   | 641610  | 5543863  | 256           | 330         | -45     | 236.00     |
| MD-00-25               | Unknown   | 641576  | 5543532  | 256           | 355         | -45     | 110.00     |
| MD-00-26               | Unknown   | 641576  | 5543532  | 256           | 305         | -45     | 113.00     |
| MD-00-27               | Unknown   | 641633  | 5543530  | 256           | 330         | -60     | 155.50     |
| MD-00-28               | BQ        | 641096  | 5543145  | 253           | 330         | -45     | 260.00     |
| MD-00-29               | Unknown   | 641418  | 5543386  | 256           | 330         | -45     | 141.00     |
| MD-06-01               | NQ        | 641222  | 5543281  | 256           | 25          | -50     | 162.00     |
| MD-06-02               | NQ        | 641222  | 5543281  | 256           | 331         | -50     | 162.00     |
| MD-06-03               | NQ        | 641601  | 5543484  | 256           | 330         | -60     | 201.00     |
| MD-06-04               | NQ        | 641481  | 5543644  | 256           | 331         | -50     | 150.00     |
| MD-06-05               | NQ        | 640958  | 5543053  | 256           | 331         | -50     | 195.00     |
| MD-06-06               | NQ        | 641546  | 5543575  | 256           | 360         | -90     | 102.00     |
| MD-06-07               | NQ        | 641227  | 5543271  | 256           | 360         | -65     | 201.00     |
| MD-06-08 (MD-99-14-TW) | NQ        | 641474  | 5543595  | 257           | 331         | -45     | 60.00      |
| MD-06-09 (MD-97-06-TW) | NQ        | 641518  | 5543619  | 257           | 331         | -45     | 171.00     |
| MD-07-10               | NQ        | 640879  | 5543018  | 256           | 330         | -50     | 198.00     |
| MD-07-11               | NQ        | 640979  | 5543014  | 252           | 330         | -50     | 245.80     |
| MD-07-12               | NQ        | 641029  | 5543088  | 253           | 330         | -50     | 300.00     |
| MD-07-13               | NQ        | 641134  | 5543081  | 255           | 330         | -50     | 351.00     |
| MD-07-14               | NQ        | 641172  | 5543177  | 255           | 330         | -50     | 294.00     |
| MD-07-15               | NQ        | 641246  | 5543207  | 256           | 330         | -50     | 252.00     |
| MD-07-16               | NQ        | 641010  | 5542959  | 256           | 300         | -60     | 300.00     |
| MD-07-17               | NQ        | 641163  | 5543031  | 254           | 330         | -50     | 196.30     |
| MD-07-18               | NQ        | 641329  | 5543240  | 256           | 330         | -54     | 250.00     |

**Drill Hole Collar Location, Collar Orientation and Length (continued)**

| Hole       | Core Size | Easting | Northing | Elevation (m) | Azimuth (°) | Dip (°) | Length (m) |
|------------|-----------|---------|----------|---------------|-------------|---------|------------|
| MD-07-19   | NQ        | 641772  | 5543583  | 258           | 330         | -60     | 251.00     |
| MD-07-20   | NQ        | 641856  | 5543610  | 258           | 330         | -60     | 250.00     |
| MD-07-21   | NQ        | 637459  | 5547607  | 256           | 30          | -50     | 216.00     |
| MD-07-22   | NQ        | 637789  | 5547774  | 256           | 30          | -50     | 252.00     |
| MDE-11-01  | NQ        | 641871  | 5543584  | 258           | 330         | -60     | 326.83     |
| MDE-11-02  | NQ        | 641884  | 5543626  | 258           | 330         | -60     | 255.00     |
| MDE-11-03  | NQ        | 641836  | 5543603  | 258           | 330         | -60     | 252.00     |
| MDE-11-04  | NQ        | 641972  | 5543641  | 257           | 330         | -50     | 300.00     |
| MDE-11-05  | NQ        | 641972  | 5543641  | 257           | 330         | -57     | 207.00     |
| MDE-11-06  | NQ        | 641999  | 5543598  | 258           | 330         | -45     | 351.00     |
| MDE-11-07  | NQ        | 641989  | 5543821  | 256           | 330         | -45     | 247.89     |
| MDE-11-08  | NQ        | 642290  | 5543902  | 256           | 330         | -50     | 201.16     |
| MDE-11-09  | NQ        | 642050  | 5543698  | 256           | 320         | -50     | 309.00     |
| MDE-11-10  | NQ        | 641986  | 5543714  | 257           | 320         | -45     | 276.00     |
| MDE-11-11  | Unknown   | 641986  | 5543714  | 257           | 360         | -55     | 198.11     |
| MDE-11-12  | NQ        | 641847  | 5543449  | 258           | 326         | -50     | 252.00     |
| MDE-11-13  | NQ        | 641847  | 5543449  | 258           | 326         | -67     | 201.00     |
| MDE-11-14  | NQ        | 641992  | 5543652  | 258           | 235         | -50     | 240.00     |
| MDE-11-15  | NQ        | 642235  | 5543161  | 257           | 327         | -50     | 402.00     |
| MDE-11-16  | NQ        | 642116  | 5543687  | 256           | 330         | -50     | 225.00     |
| MDW-11-01  | NQ        | 641160  | 5543198  | 255           | 330         | -50     | 200.00     |
| MDW-11-02  | NQ        | 641185  | 5543152  | 255           | 330         | -54     | 300.00     |
| MDW-11-03  | NQ        | 641216  | 5543202  | 256           | 330         | -50     | 269.00     |
| MDW-11-04  | NQ        | 641130  | 5543151  | 254           | 330         | -50     | 252.00     |
| MDW-11-05  | NQ        | 641084  | 5543123  | 253           | 330         | -50     | 251.00     |
| MDW-11-06  | NQ        | 641042  | 5543065  | 253           | 330         | -50     | 287.00     |
| MDW-11-07  | NQ        | 640989  | 5543058  | 252           | 330         | -50     | 265.58     |
| MDW-11-08  | NQ        | 641373  | 5543260  | 256           | 330         | -50     | 221.38     |
| MDW-11-09  | NQ        | 641428  | 5543262  | 256           | 345         | -50     | 299.83     |
| MDW-11-10  | NQ        | 640923  | 5543013  | 256           | 330         | -50     | 250.00     |
| MDW-11-11  | NQ        | 641287  | 5543224  | 256           | 330         | -50     | 300.00     |
| MDW-11-12  | NQ        | 641511  | 5542841  | 256           | 330         | -45     | 312.00     |
| MDW-11-13  | NQ        | 641511  | 5542841  | 256           | 330         | -50     | 291.00     |
| MDW-11-14  | NQ        | 641120  | 5543247  | 255           | 200         | -70     | 144.00     |
| MDW-11-15  | NQ        | 641120  | 5543247  | 255           | 200         | -88     | 102.00     |
| MDW-11-16  | NQ        | 641120  | 5543247  | 255           | 200         | -46     | 150.00     |
| MDW-11-17  | NQ        | 641134  | 5543197  | 254           | 330         | -63     | 190.11     |
| MDW-11-18  | NQ        | 641134  | 5543197  | 255           | 330         | -50     | 27.00      |
| MDW-11-18A | NQ        | 641134  | 5543197  | 255           | 330         | -47     | 9.00       |
| MDW-11-19  | NQ        | 641134  | 5543197  | 255           | 330         | -74     | 165.00     |
| MDW-11-20  | NQ        | 641163  | 5543246  | 255           | 330         | -66     | 165.00     |
| MDW-11-21  | NQ        | 641163  | 5543246  | 255           | 330         | -50     | 188.97     |
| MDW-11-22  | NQ        | 641182  | 5543271  | 256           | 330         | -50     | 180.00     |
| MDW-11-23  | NQ        | 641099  | 5543404  | 255           | 330         | -50     | 300.00     |
| MDW-11-24  | NQ        | 641056  | 5543293  | 255           | 130         | -45     | 21.00      |
| MDW-11-24A | NQ        | 641056  | 5543293  | 255           | 130         | -45     | 189.06     |
| MDW-11-25  | NQ        | 641056  | 5543293  | 255           | 130         | -54     | 185.92     |
| MDW-11-26  | NQ        | 641028  | 5543530  | 256           | 330         | -50     | 21.00      |
| MDW-11-26A | NQ        | 641028  | 5543530  | 256           | 330         | -54     | 234.00     |

### Drill Hole Collar Location, Collar Orientation and Length (continued)

| Hole       | Core Size | Easting | Northing | Elevation (m) | Azimuth (°) | Dip (°) | Length (m) |
|------------|-----------|---------|----------|---------------|-------------|---------|------------|
| MDW-11-27  | NQ        | 641056  | 5543293  | 255           | 130         | -68     | 240.00     |
| MDW-11-28  | NQ        | 641099  | 5543271  | 255           | 110         | -45     | 10.50      |
| MDW-11-28A | NQ        | 641099  | 5543271  | 255           | 110         | -45     | 261.00     |
| MDW-11-29  | NQ        | 641099  | 5543271  | 255           | 110         | -61     | 30.00      |
| MDW-11-29A | NQ        | 641099  | 5543271  | 255           | 110         | -61     | 360.20     |
| MDW-11-30  | NQ        | 641005  | 5543245  | 254           | 110         | -45     | 330.00     |
| MDW-11-31A | NQ        | 641005  | 5543245  | 254           | 110         | -52     | 220.00     |
| MDW-11-32  | NQ        | 641005  | 5543245  | 254           | 110         | -61     | 240.00     |
| MDW-11-33  | NQ        | 641051  | 5543193  | 254           | 110         | -45     | 126.00     |
| MDW-11-34  | NQ        | 641051  | 5543193  | 254           | 110         | -67     | 210.00     |
| MDW-11-35  | NQ        | 641034  | 5543168  | 254           | 113         | -45     | 126.00     |
| MDW-11-36  | NQ        | 641034  | 5543168  | 254           | 113         | -57     | 181.75     |
| MDW-11-37  | NQ        | 641034  | 5543168  | 254           | 113         | -67     | 141.00     |
| MDW-11-38  | NQ        | 641117  | 5543330  | 255           | 113         | -57     | 276.00     |
| MDW-11-39  | NQ        | 641117  | 5543330  | 255           | 113         | -45     | 180.00     |
| MDW-11-40  | NQ        | 641117  | 5543330  | 255           | 113         | -66     | 189.00     |
| MDW-11-41  | NQ        | 641134  | 5543345  | 256           | 113         | -45     | 45.11      |
| MDW-11-41A | NQ        | 641134  | 5543345  | 256           | 113         | -45     | 177.00     |
| MDW-11-42  | Unknown   | 641134  | 5543345  | 256           | 113         | -59     | 273.00     |
| MDW-11-43  | NQ        | 641134  | 5543345  | 256           | 113         | -69     | 125.88     |
| MDE-12-17  | NQ        | 642133  | 5543658  | 256           | 330         | -46     | 123.00     |
| MDE-12-18  | NQ        | 642133  | 5543658  | 256           | 330         | -59     | 117.00     |
| MDE-12-19  | NQ        | 642117  | 5543661  | 255           | 315         | -55     | 360.00     |
| MDE-12-20  | NQ        | 642117  | 5543661  | 255           | 315         | -69     | 105.00     |
| MDE-12-21  | NQ        | 642112  | 5543621  | 255           | 315         | -50     | 300.00     |
| MDE-12-22  | NQ        | 642112  | 5543621  | 255           | 315         | -65     | 252.00     |
| MDE-12-23  | NQ        | 642087  | 5543592  | 256           | 315         | -50     | 147.00     |
| MDE-12-24  | NQ        | 642087  | 5543592  | 256           | 315         | -58     | 360.00     |
| MDE-12-25  | NQ        | 641738  | 5543734  | 259           | 75          | -45     | 198.00     |
| MDE-12-26  | NQ        | 641738  | 5543734  | 259           | 75          | -65     | 12.00      |
| MDE-12-26A | NQ        | 641738  | 5543734  | 259           | 75          | -70     | 150.00     |
| MDE-12-27  | NQ        | 641842  | 5543400  | 258           | 315         | -45     | 186.00     |
| MDE-12-28  | NQ        | 641845  | 5543401  | 257           | 315         | -60     | 102.00     |
| MDE-12-29  | NQ        | 641899  | 5543686  | 258           | 248         | -45     | 218.00     |
| MDE-12-30  | NQ        | 641900  | 5543686  | 258           | 248         | -60     | 200.00     |
| MDE-12-31  | NQ        | 641824  | 5543814  | 257           | 248         | -45     | 167.00     |
| MDE-12-32  | NQ        | 641824  | 5543814  | 257           | 248         | -65     | 92.00      |
| MDE-12-33  | NQ        | 641824  | 5543815  | 257           | 248         | -80     | 101.00     |
| MDE-12-34  | NQ        | 642134  | 5543687  | 256           | 331         | -45     | 101.00     |
| MDE-12-35  | NQ        | 642135  | 5543686  | 256           | 331         | -65     | 155.00     |
| MDE-12-36  | NQ        | 642135  | 5543686  | 256           | 337         | -80     | 101.00     |
| MDE-12-37  | NQ        | 642112  | 5543572  | 257           | 310         | -55     | 356.00     |
| MDE-12-38  | NQ        | 642112  | 5543572  | 257           | 310         | -70     | 152.00     |
| MDE-12-39  | NQ        | 641873  | 5543728  | 258           | 250         | -45     | 161.00     |
| MDE-12-40  | NQ        | 641970  | 5543574  | 258           | 240         | -45     | 239.00     |
| MDE-12-41  | NQ        | 641874  | 5543729  | 258           | 250         | -70     | 170.00     |
| MDE-12-42  | NQ        | 641874  | 5543729  | 258           | 250         | -88     | 176.00     |
| MDE-12-43  | NQ        | 641971  | 5543575  | 258           | 240         | -68     | 230.00     |
| MDE-12-44  | NQ        | 641854  | 5543608  | 259           | 288         | -55     | 182.02     |

**Drill Hole Collar Location, Collar Orientation and Length (continued)**

| Hole       | Core Size | Easting | Northing | Elevation (m) | Azimuth (°) | Dip (°) | Length (m) |
|------------|-----------|---------|----------|---------------|-------------|---------|------------|
| MDE-12-45  | NQ        | 641854  | 5543608  | 258           | 286         | -64     | 185.00     |
| MDE-12-46  | NQ        | 641957  | 5543630  | 258           | 240         | -45     | 197.00     |
| MDE-12-47  | NQ        | 641854  | 5543608  | 258           | 278         | -46     | 137.00     |
| MDE-12-48  | NQ        | 641956  | 5543629  | 258           | 240         | -77     | 251.00     |
| MDE-12-49  | NQ        | 642025  | 5543766  | 256           | 244         | -62     | 290.00     |
| MDE-12-50  | NQ        | 641889  | 5543780  | 257           | 250         | -45     | 236.00     |
| MDE-12-51  | NQ        | 641890  | 5543781  | 257           | 250         | -62     | 149.92     |
| MDE-12-52  | NQ        | 641890  | 5543781  | 257           | 250         | -76     | 150.00     |
| MDE-12-53  | NQ        | 642025  | 5543766  | 256           | 244         | -45     | 380.00     |
| MDE-12-54  | NQ        | 641971  | 5543516  | 258           | 240         | -45     | 12.00      |
| MDE-12-54A | NQ        | 641971  | 5543517  | 258           | 240         | -45     | 245.05     |
| MDE-12-55  | NQ        | 641971  | 5543517  | 258           | 240         | -65     | 227.03     |
| MDE-12-56  | NQ        | 642154  | 5543626  | 257           | 308         | -50     | 125.00     |
| MDE-12-57  | NQ        | 642154  | 5543626  | 257           | 319         | -50     | 134.00     |
| MDE-12-58  | NQ        | 641873  | 5543690  | 258           | 245         | -54     | 185.00     |
| MDE-12-59  | NQ        | 641873  | 5543690  | 258           | 245         | -49     | 182.00     |
| MDE-12-60  | NQ        | 641874  | 5543690  | 258           | 242         | -55     | 191.04     |
| MDE-12-61  | NQ        | 641874  | 5543690  | 258           | 242         | -57     | 224.00     |
| MDE-12-62  | NQ        | 641803  | 5543742  | 258           | 193         | -46     | 191.00     |
| MDE-12-63  | NQ        | 641803  | 5543742  | 258           | 193         | -45     | 134.00     |
| MDE-12-64  | NQ        | 641819  | 5543679  | 258           | 270         | -45     | 128.00     |
| MDE-12-65  | NQ        | 641820  | 5543680  | 258           | 270         | -56     | 107.00     |
| MDE-12-66  | NQ        | 641820  | 5543680  | 258           | 270         | -67     | 149.00     |
| MDE-12-67  | NQ        | 641881  | 5543643  | 258           | 250         | -45     | 179.00     |
| MDE-12-68  | NQ        | 641882  | 5543643  | 258           | 250         | -60     | 248.00     |
| MDE-12-69  | NQ        | 641882  | 5543643  | 258           | 250         | -72     | 191.00     |
| MDE-12-70  | NQ        | 641885  | 5543648  | 256           | 250         | -82     | 236.00     |
| MDE-12-71  | NQ        | 641882  | 5543643  | 258           | 270         | -45     | 44.00      |
| MDE-12-71A | NQ        | 641823  | 5543660  | 256           | 270         | -45     | 125.00     |
| MDE-12-72  | NQ        | 641823  | 5543660  | 256           | 270         | -55     | 101.00     |
| MDE-12-73  | NQ        | 641919  | 5543632  | 256           | 250         | -45     | 182.00     |
| MDE-12-74  | NQ        | 641919  | 5543632  | 256           | 250         | -60     | 215.00     |
| MDE-12-75  | NQ        | 641919  | 5543632  | 256           | 250         | -71     | 215.00     |
| MDE-12-76  | NQ        | 641814  | 5543703  | 256           | 270         | -45     | 113.00     |
| MDE-12-77  | NQ        | 641814  | 5543703  | 256           | 270         | -58     | 155.00     |
| MDE-12-78  | NQ        | 641814  | 5543703  | 256           | 270         | -65     | 122.00     |
| MDE-12-79  | NQ        | 641855  | 5543651  | 256           | 268         | -49     | 152.00     |
| MDE-12-80  | NQ        | 641855  | 5543651  | 256           | 268         | -53     | 149.00     |
| MDE-12-81  | NQ        | 641921  | 5543661  | 256           | 270         | -50     | 245.00     |
| MDE-12-82  | NQ        | 641818  | 5543721  | 256           | 270         | -45     | 95.00      |
| MDE-12-83  | NQ        | 641818  | 5543721  | 256           | 270         | -57     | 107.00     |
| MDW-12-44  | NQ        | 641380  | 5543650  | 259           | 135         | -45     | 324.00     |
| MDW-12-45  | NQ        | 641380  | 5543650  | 259           | 135         | -56     | 12.00      |
| MDW-12-46  | NQ        | 641153  | 5543384  | 258           | 135         | -45     | 21.55      |
| MDW-12-46A | NQ        | 641153  | 5543384  | 258           | 135         | -45     | 137.95     |
| MDW-12-47  | NQ        | 641153  | 5543384  | 258           | 135         | -60     | 167.90     |
| MDW-12-48  | NQ        | 641083  | 5543084  | 255           | 317         | -45     | 222.00     |
| MDW-12-49  | NQ        | 640980  | 5543221  | 254           | 113         | -45     | 210.00     |
| MDW-12-50  | NQ        | 640980  | 5543221  | 254           | 113         | -62     | 38.96      |

### Drill Hole Collar Location, Collar Orientation and Length (continued)

| Hole       | Core Size | Easting | Northing | Elevation (m) | Azimuth (°) | Dip (°) | Length (m) |
|------------|-----------|---------|----------|---------------|-------------|---------|------------|
| MDW-12-50A | NQ        | 640979  | 5543223  | 255           | 113         | -64     | 326.87     |
| MDW-12-51  | NQ        | 641199  | 5543424  | 254           | 140         | -45     | 143.91     |
| MDW-12-52  | NQ        | 641199  | 5543424  | 254           | 140         | -60     | 159.08     |
| MDW-12-53  | NQ        | 641076  | 5543316  | 256           | 113         | -45     | 146.95     |
| MDW-12-54  | NQ        | 641075  | 5543315  | 256           | 113         | -55     | 180.05     |
| MDW-12-55  | NQ        | 640930  | 5543316  | 252           | 113         | -45     | 342.00     |
| MDW-12-56  | NQ        | 641210  | 5543557  | 255           | 135         | -45     | 45.20      |
| MDW-12-56A | NQ        | 641211  | 5543558  | 255           | 135         | -49     | 252.00     |
| MDW-12-57  | NQ        | 640931  | 5543316  | 251           | 113         | -54     | 36.00      |
| MDW-12-57A | NQ        | 640931  | 5543316  | 251           | 113         | -55     | 372.00     |
| MDW-12-58  | NQ        | 640934  | 5543210  | 253           | 113         | -58     | 339.00     |
| MDW-12-59  | NQ        | 640934  | 5543210  | 252           | 113         | -47     | 252.00     |
| MDW-12-60  | NQ        | 640816  | 5543257  | 252           | 109         | -45     | 431.00     |
| MDW-12-61  | NQ        | 640819  | 5543308  | 252           | 109         | -47     | 476.00     |
| MDW-12-62  | NQ        | 640816  | 5543257  | 252           | 109         | -52     | 516.00     |
| MDW-12-63  | NQ        | 640816  | 5543188  | 251           | 107         | -45     | 113.17     |
| MDW-12-63A | NQ        | 640816  | 5543188  | 251           | 117         | -45     | 407.96     |
| MDW-12-64  | NQ        | 640817  | 5543186  | 251           | 117         | -51     | 29.00      |
| MDW-12-64A | NQ        | 640817  | 5543186  | 251           | 117         | -52     | 461.71     |
| MDX-12-01  | NQ        | 641636  | 5543193  | 260           | 305         | -45     | 385.51     |
| MDX-12-02  | NQ        | 640731  | 5543000  | 255           | 340         | -45     | 50.00      |
| MDX-12-02A | NQ        | 640731  | 5543000  | 255           | 340         | -47     | 269.00     |
| MDX-12-04  | NQ        | 640572  | 5542435  | 255           | 320         | -45     | 296.10     |
| MDX-12-05  | NQ        | 640529  | 5542008  | 255           | 320         | -45     | 272.00     |
| MDX-12-06  | NQ        | 640491  | 5541697  | 255           | 320         | -50     | 248.00     |
| MDX-12-07  | NQ        | 641600  | 5543275  | 257           | 305         | -50     | 325.57     |
| MWW-12-01  | NQ        | 640888  | 5541917  | 256           | 239         | -87     | 100.00     |

**Appendix D: Qualified Person's Certificate**

### QUALIFIED PERSON'S CERTIFICATE

I, Neil W. Perk, P.Geo., do hereby certify:

THAT I am a Professional Geoscientist with offices at 200-900 West Hastings Street and residing at 1518 Graveley Street, Vancouver, British Columbia, Canada.

THAT I am the author of the Technical Report entitled "2013 Technical (N.I. 43-101) Report on the Martinière Property" and with an effective date of January 5, 2013, relating to the Martinière property (the "Technical Report"). I am responsible for all items within it.

THAT I am a member in good standing (#34,688) of the Association of Professional Engineers and Geoscientists of British Columbia.

THAT I graduated from the University of Victoria with a Bachelor of Science (Honours) degree in Earth Sciences in 2006 and a Masters of Business Administration (Finance Concentration) from McGill University in 2012, and with the exception of 21 months spent acquiring the MBA, I have practiced my profession continuously since 2006.

THAT since 2006, I have been involved in mineral exploration for gold, silver, copper, lead, zinc, molybdenum, tungsten and uranium in Canada, Peru and Argentina.

THAT I am a Consulting Geologist and principal of Equity Exploration Consultants Ltd., a geological consulting and contracting firm, and have been so since June 2012.

THAT I have read the definition of "independence" set out in Part 1.5 of National Instrument 43-101 ("NI 43-101") and certify that I am independent of Balmoral Resources Ltd.

THAT I have examined the property which is the subject of the Technical Report in the field July 6-24, 2012 and August 20-27, 2012 and that I have had no prior involvement with that property.

THAT 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 purposes of NI 43-101.

THAT as of the effective date of the Technical Report, to the best of 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.

THAT I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form. I am responsible for the entire content of this report.

THAT I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated at Vancouver, British Columbia, with effective date of January 5, 2013:

*"signed and sealed"*

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Neil W. Perk, P.Geo.

