TECHNICAL REPORT ON THE VICTORY

LAKE PROJECT

DISTRICT OF KIVALLIQ

NUNAVUT

NTS 55L/11 + 12
Latitude 62 40'
Longitude 95 30'

ZAC 1 to ZAC 3 Series of Claims
in the Victory Lake Area

For

Citadel Gold Mines Inc.
at the request of 2215107 Ontario Inc.
304-65 Front St East
Toronto Ontario M5E 1B5

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3.0 Summary

Howard R. Lahti Ph D. P Geo was retained on October 13, 2010 by Minroc Management Limited. to prepare a National Instrument 43 - 101 (NI 43-101)compliant technical report and recommend an exploration program on the Victory Lake property located in the Ennadai-Rankin Greenstone Belt in the District of Kivalliq, Nunavut. This report is co-authored by John C. Archibald B.Sc., P.Geo., who visited the property in July 2009 and while doing so collected rock chip samples from various representative VMS occurrences that were previously identified in order to verify sampling that was done in 1996 and 1997 that was not necessarily NI 43-101 compliant.

This report contains information from past work carried out on the property by a number of exploration companies from the first discovery of zinc, lead and silver in the area around 1997 by Comaplex Minerals Corporation and subsequent reconnaissance work carried out by Starfield Explorations (exploring the nearby Ferguson Lake Deposit) in the late nineteen - nineties up until the present time. There has been no reporting of recent work on these claims for the period from 1998 to 2009 as these claims had enough work on them to keep the main three claims in good standing. Several peripheral claims lapsed for lack of follow-up work (VIC 4, VIC 5, VIC 6 and VIC 7) by the previous owners.

The present claim group is comprised of three un-patented mining claims of roughly four square kilometres each, for more than 7,231 acres. The claims are held in good standing at the writing of this report and are registered in the name of Marcelle Hauseux and are illustrated in Fig.3 in this report. A list of the claims are also shown in Table 1 in this report along with the acreage, NTS reference, Recording and Expiry dates and work requirements per year in dollar amounts. Prior to September 24, 2009, sufficient work was completed on the property to satisfy the assessment work requirement estimated to be **$28,924**, this work is currently awaiting final approval by the mining recorder in Nunavut. A similar amount of work expenditure is due prior to each subsequent anniversary date.

Table 1 Claim Status – List of Claim Units

	Table 1 : Claim Status – List of Claim Units					
	Claim	**NTS**	**Issue**	**Expiry**		**Claims**
TAG#	Name	Reference	Date	Date	Acres	Holder
F85323	ZAC 1	55L11	Sept 24/07	Sept 24/2017	2582.5	M.Hauseax
F85324	ZAC 2	55L11+12	Sept 24/07	Sept 24/2017	2582.5	M.Hauseax
F85325	ZAC 3	55L12	Sept 24/07	Sept 24/2016	2066	M.Hauseax

Pursuant to an option agreement dated October 20, 2010 (the "Option Agreement") between Marcelle Hauseux and Sandor Surmacz (together, the "Optionors") and Elen Enterprises (Ontario) Inc. ("Elen") and Nominex Ltd. ("Nominex") (together the "Optionees"), the Optionees were granted an option (the "Option") to acquire a 100% undivided interest in the property. The Option is exercisable upon payment of $250,000 (in staged payments over four years; up to 50% of which may be satisfied by the issuance of shares of Citadel Gold Mines Inc. ("Citadel") following completion of its reverse takeover transaction) and prior to exercise of the Option, the Optionees are responsible for incurring all costs, payments and expenses in order to keep the Property in good standing and to file all assessment work in a timely fashion.

The purpose of the property visit by John C. Archibald was to verify and take samples of the mineralized occurrences in order to show reproducibility and to recommend whether the property had merit under the new guidelines initiated by the regulatory bodies across Canada. The visit by John C. Archibald verified that the mineralized zones existed where indicated by the previous mapping/sampling program and that the samples returned very significant analytical results. The zones appear to be in alignment, related to the structural and lithological field observations and as such may indicate a much larger mineralized system to depth, certainly along strike.

Part of the reason for Mr. Archibald's 2009 site visit was to recommend a two-phase exploration program along with a recommended work program and budget to further the potential of the property.

This report was intended to evaluate the massive sulphide occurrence and in particular the zinc, copper, lead, silver and gold potential of this property and provide recommendations for a two phase exploration program over the company's three claims consisting of approximately 7,231 acres. This report is based primarily on a property visit by the John C. Archibald, along with information from the public archives of the Mineral Resources Division in Iqaluit, Nunavut, the previous owners' knowledge of the geology on the property and in the general area of the claim block, and the previous owners personal experience in mapping and sampling for Comaplex Minerals Corp. as well as discussions with the Starfield Explorations field personnel, working to the west of the Victory project area.

A considerable amount of information was taken from an in-house report written by John C. Archibald P. Geo. (dated September 15, 2009) who visited the property, confirmed the geology, structures, alteration and collected rock samples to confirm samples collected in past exploration work. Other information was taken from a ground geophysical report as prepared by Gordon Ostapovitch (of Patterson Geophysics Inc. of La Ronge, Saskatchewan) who conducted a magnetic, and HLEM survey in September 2010. A limited gravity survey was also reported upon by Joel Grunerud, as completed in September 2010, Mr. Grunerud also works for Patterson Geophysics Inc.

The correctness and accuracy of all the sources cannot be guaranteed and therefore the authors cannot be held responsible for any inaccuracies, damages or losses that may occur through the use of this report, as related to information derived from other sources.

There are no environmental liabilities or known public hazards that exist on the property under the present Option Agreement and if any hazards are left on the property by the Optionee then they are deemed responsible for cleaning up such spills or hazards as they occur at the Optionee's expense. The author notes that 'Notice of Work' permits or 'Notification of Exploration' is required to be submitted to the Mineral Resource Division of the Indian and Northern Affairs Canada offices in Nunavut prior to commencing any ground work in the area.

The Victory Lake property is located approximately 175 kilometres due west of the town of Rankin Inlet in Nunavut in the District of Kivalliq, or conversely 190 kilometres south of Baker Lake in Nunavut. One can access the property by float-plane to Victory Lake or numerous other sizeable lakes in the area or by helicopter directly onto the property. Winter access is by snow-machine or by helicopter but due to the winds and inhospitable weather conditions this latter form of transport is not reliable.

The climate is typical of the western Hudson Bay area with a continental climate consisting of warm summers and frigid arctic winters. Precipitation is typically in the 25-75 centimetres per year range although some summers can be dry. The lack of vegetation reduces the risk of fire hazards for working. There are a number of motels, hotels, and tourist operators in the Baker Lake and Rankin Inlet area that have both summer and winter accommodation available. There is also a fishing Lodge operator with two cabins located at the outflow of Kaminuriaq Lake situated approximately 10 kilometres from the ZAC claim group, which could be used in the summer months as a staging point for exploration. There is no other infrastructure in this part of Nunavut.The topographic features and vegetation on the property are of generally low relief, consisting of rolling hills of less than 100 metres in height with outcrop only visible along the ridges. There is no tree cover of any kind with low muskeg, lichens and meager grasses covering the lower wetland areas. Approximately 70% of the land area of the property is covered by overburden consisting of glacial tills, boulders and gravels. Approximately 30% of the property is underlain by water from small lakes, rivers, and minor creek drainages. The largest lake in the area is Victory Lake that abuts the western edge of the property and extends northwest to southeasterly for roughly ten kilometers by five kilometers wide. The few outcrop areas are generally common on the higher points such as ridges and hilltops with a thin mantle of boulders and gravels covering the lower relief areas. The past work in this area is summarized in Table 2.

Table 2 : Previous Work on Property

Regional mapping by the GAC	Precambrian Geology Dept., Ottawa Davidson and Bell 1968-1970 – Paper 69-51 Kaminak Lake Area
Reconnaissance and detailed Geology, Prospecting and Geochemistry on the VIC 1-4 claims	Comaplex Minerals - 1996
Detailed Geology Geochemistry and Geophysics on the Victory Grid by Comaplex Minerals	A. Armitage-1997
Geology and Geophysics on the Marce Zone, Victory Lake Area by Comaplex Minerals	A. Armitage –1999
Precambrian Geology of the Victory and MacKenzie Lakes Area; GAC-Continental Geoscience Division	B. Aspler, A. Armitage, J.J. Ryan, M.Hauseux, S. Sumacz and J.A. Harvey, 2000

The geology of the region has been mapped by various exploration companies doing work on a number of gold and base metal showings in the area, as well as the different government agencies including the Geological Survey of Canada (Continental Geoscience Division). The geology is complex on a regional scale but locally over the property appears to be underlain by a series of sedimentary and metavolcanic sequences forming part of the Baker Lake Group (Dubawnt Supergroup), Archean granitoid and gneissic rocks as well as remnants of the Kaminak Group (Ennadai-Rankin Greenstone Belt) and the Hurwitz Group metasediments (part of the Mackenzie Lake metasediments within the western part of the Churchill Province). These favorable volcanic rocks play host to a number of gold and volcanogenic hosted base metal deposits with a green-schist to amphibolite metamorphic grade and often associated with northeast trending structural features and localized faults (Kaminak Swarm gabbro dikes) trending north and north-east through the area and cross-cutting the sediments, volcanics, Archean supracrustal and granitic rocks. The area is underlain by felsic metavolcanic rocks of mainly pyroclastic lapilli tuffs and mafic volcanics of andesite and basaltic composition as part of the Kaminak Group.

The Victory Lake sulphide mineralization is hosted within an east-west trending, north-dipping sequence of mafic to felsic metavolcanics of the Archean Kaminak Group. The volcanic sequence appears to be bounded to the north by foliated Archean granitoid rocks (Henik Gp.) and to the south by distinctive siliceous quartzites and sandstone sedimentary units believed to be remnant rafts of the Hurwitz Group sediments overlying the volcanics.
The West Zone appears to be the most extensive of the mineralized zones. It is hosted by the northern mafic volcanic horizon having an exposed strike length of approximately 425 meters, composed of one large massive sulphide lens and associated stringer sulphide mineralization containing both chalcopyrite (Copper) and sphalerite (Zinc). The stringer zone in particular is

hosted by intensely silicified volcanic rocks as part of the hanging wall of the West Zone. Sampling some of these mineralized areas produced assay values of 2360 ppb in gold, 0.67% in copper, 6.59% in lead and 17.5 % in zinc within the ZAC 1-3 claim boundaries. Structurally below the stringer horizon, there is a layered massive sulphide lense(s) containing pyrite/pyrrhotite and sphalerite with minor chalcopyrite and galena (which would be related to the silver values). Magnetite was also observed in the specimens. A 4-5 metre long trench was noted cross-cutting the massive sulphide lens exposed in the West Zone which made sampling easier due to the better exposures of rock.

The Main Zone is located some 1500 metres to the east and was identified by sulphide lenses and stringers in a silicified felsic-intermediate metavolcanic composed of mainly lapilli, ash and crystal tuffs. Some of the sulphide lenses are 50-75 metres long but pinch and swell and appear as sub-parallel structures indicating perhaps several bands/beds of mineralization following a similar strike and foliation directions. The most predominate sulfide mineralization encountered here was zinc, lead, and silver with only minor chalcopyrite noted. The best assay value in zinc was noted in sample #53694 which returned a grade of 21.8 % Zn (Archibald J.C., 2009). The Main Zone mineralization is hosted by strongly pyritic muscovite-quartz rich granite schist that may be the metamorphic equivalent sericitized hydrothermally altered intermediate to mafic volcanics. The zone extends intermittently for over 1000 metres, but mineralization could not be followed continuously as overburden masks the lateral extension of this zone - it too may have pinched out or had been faulted off before it could be linked up with the East and Far East Zones.

Table 3 lists the samples and assay results taken during the site visit in July 2009.

Table 3 : of Samples, Description and Assay Results

Sample #	Description	Location	Assays				
			Cu%	Pb%	Zn%	Au ppb	Ag gms/t
53672	rusty shrd int-mafic volc	Main zn.	<0.01	<0.01	<0.01	12 ppb	<0.3
53673	mass.sulph.+qtz.-sil.volc	Main zn.	<0.01	<0.01	<0.01	7 ppb	0.8
53674	mass. Sulph.in shrd/fol. fels.volc		<0.01	<0.01	<0.01	8 ppb	0.8
53675	70% sulph. in fels.Volc	Main Tr	<0.01	<0.01	<0.01	7 ppb	<0.3
53676	shrd.rusty min. fels.Volc	Main Tr	<0.01	<0.01	<0.01	8 ppb	<0.3
53677	hi fol./shrd.sil volc.20% py/po		<0.01	<0.01	<0.01	3 ppb	0.4
53678	lite/alt.acid volcs./ser.sch.15% Sul		<0.01	2.04	3.72	1270 ppb	>300
53679	diss.py/po/cpy in nodular qtz. brecc		<0.01	<0.01	0.02	19 ppb	3.2
53680	rusty ser.sch./qtz.ank-50% sul.	West Tr.	0.39	0.24	0.09	1290 ppb	169.0
53681	rusty ser.sch./qtz.ank-50% sul	West Tr.	0.09	0.03	0.12	51 ppb	12.7
53682	rusty ank.brecc Fe carb.	West Zone Tr.	0.03	0.03	0.03	4 ppb	2.0
53683	mass.sulph/tuffac.qtz.frags/py blebs		0.48	0.34	5.31	91 ppb	42.7
53684	sil.sch.w.diss. py/po(10%)	lam.beds	0.07	0.01	0.11	17 ppb	1.0
53685	shrd.blk. biot.sch+cpy on slips	West Zn	0.67	0.01	0.09	256 ppb	56.0
53686	banded Int-acid volc./ser.sch.w.py/qtz		0.65	0.02	1.07	612 ppb	55.0
53687	sil ser.sch./acid volc.+qtz. boudins		0.19	0.06	8.37	327 ppb	38.9
53688	blk.u.m. py/po rich rock	E.end West Zn	0.37	0.15	8.03	547 ppb	35.4
53689	blk.Tourm.+qtz+sulph. vuggy brecc.		0.11	0.01	0.06	786 ppb	81.7
53690	mass. Sulph.+ py/po Zn/Pb in bands		0.09	5.83	17.50	2360 ppb	>300
53691	E. of mass. sulph.hi Ag/zn/pb/cpy		0.06	6.59	17.70	2000 ppb	>300
53692	mass. sulph(70%)w.qtz. eyes		0.18	3.50	16.30	518 ppb	241.0
53693	anded/fol. mass. sulph.on	Main Zone	2.69	0.23	10.30	3520 ppb	>300
53694	banded/layered py/po/sphal.	Main Zone	0.02	3.11	21.80	339 ppb	>300
53695	mass. Sulph;gran. c.g.qtz/sil	Main Zone	<0.01	0.01	0.05	23 ppb	2.5

Totals	Highest Assay Value Per Element				
24 Samples	2.69% Cu	6.59% Pb	21.8% Zn	3520 ppb Au	>300 gm/t Ag.

Since 1999 there has been no sampling or exploration work carried out over the ZAC claims and in 2006 the original Victory claims expired. These were re-staked as the ZAC 1-3 group that exists today. The owner had not carried out any exploration work over the three sets of claim blocks since the staking in 2007. The previous exploration work on the property had included prospecting and sampling, utilizing a grid system over the Victory mineralized zones, airborne and ground geophysics were conducted which included Magnetometer, HLEM, Induced Polarization and gravity surveys over the known mineralized zones.

The salient HLEM, magnetic and gravity conclusions of these programs are as follows:

1) The 2010 HLEM surveys have delineated six (6) conductor trends on the Victory West Grid (VW-1a, b through VW-6, Table 4, below). Each of these trends represent weak, predominantly out-of-phase, anomalies which are orientated roughly parallel to localized total field magnetic trends outlined by the September 2010 magnetometer survey in the same area (Figure 12). Although the 2010 HLEM survey results do not indicate the existence of shallow zones of conductive, massive sulphide mineralization, there is a good likelihood that they may represent less conductive, semi-massive or stringer sulphide zones similar to the Main Zone mineralization outlined by Comaplex Minerals further to the east (1996-1999). It is recommended that the 2010 HLEM survey results for the Victory West Grid be followed-up by conducting pole-pole or pole-dipole induced polarization/resistivity surveys during the 2011 summer field season.

2) The main residual gravity anomaly on the Victory East grid is reasonably well modeled as approx. 60-80 m depth-to-top, 30-40 m thick, 1.00 g/cc more dense than the surrounding rock, and sub-horizontal, dipping slightly south. Secondary anomalies can be modeled as similar in size and density, but dipping slightly north. The "real picture" geology is undoubtedly more complex.
3) Further modeling of the Victory East gravity data may help to clarify the complex gravity signature seen over the West Zone and Main Zone anomalies; for example, by using a larger number of discrete model blocks to better fit the gravity profile. The density contrast of the model blocks used here (1.00 g/cc above the Bouguer density) is high enough that massive sulphide mineralization is likely.
4) Pole-pole or pole-dipole induced polarization resistivity surveying, or large fixed-loop TEM surveying, may also be beneficial in mapping sulphide bodies on the Victory East grid.

Table 4 - Victory Lake 2010 Project - Victory West Grid - HLEM Anomaly Summary

ANOMALY	LINE	STATION	STRIKE LENGTH	MAGNETIC ASSOCIATION	COMMENTS
VW-1 a,b	6800W	050S	100m+	direct, weak mag high	Out-of-phase anomaly
	6700W	090S			
	6200W	200S-275S	100m+	flanking	
	6100W	280S-360S			
VW-2	6600W	300S	400m+	direct, mag low	Out-of-phase anomaly
	6500W	285S-405S			
	6400W	430S - ?			
	6300W	570S			
	6200W	~660S			
VW-3 a,b	6000W	190N	800m	direct, weak mag high	Out-of-phase anomaly
	5900W	200N			
	5800W	205N			
	5600W	210N		flanking	
	5500W	225N			
	5400W	240N			
	5300W	235N			
	5200W	200N(?)			
VW-4 a,b	5900W	115S	700m+	direct to flanking, mag low	Out-of-phase anomaly
	5800W	110S			
	5700W	080S(?)			
	5600W	150S(?)		direct to flanking, mag low	
	5500W	160S-200S			
	5400W	165S-260S			
	5300W	150S			
	5200W	110S(?)			
VW-5	5900W	480S	200m+	Flanking	Out-of-phase anomaly
	5800W	450S			
	5700W	415S			
VW-6	5300W	430S-480S	<100m	direct, isolated mag low	Out-of-phase anomaly

Detailed mapping, sampling and trenching was undertaken over the main zones which uncovered mineralization up to 4 metres in apparent (not true) thickness over an extensive distance on both properties. Values ranged up to 19% Zinc, 3.5% Lead, 4.35% Copper, 464 gm./tonne in Silver and up to 8.30 gms./tonne in Gold in chip channel, grab and chip samples across the massive sulphide exposures across both properties.

A comparison chart between the previously collected rock samples (1998) and the ones collected in July 2010 is given in Table 6 below. Note in most cases the samples collected were not duplicates but were taken from the same VMS outcrops.

	Assays 2009						Assays 1998 (Previous)					
	Sample #	Cu%	Pb%	Zn%	Au ppb	Ag g/t.	Sample #	Cu%	Pb ppm	Zn%	Au ppb	Ag ppm
Main Zone	53672	<0.01	<0.01	<0.01	12 ppb	<0.3	90695	0.7	1	73 ppb	9	0.036
	53673	<0.01	<0.01	<0.01	7 ppb	0.8						
	53674	<0.01	<0.01	<0.01	8 ppb	0.8						
	53675	<0.01	<0.01	<0.01								
	53676	<0.01	<0.01	<0.01								
	53677	<0.01	<0.01	<0.01								
	53678	<0.01	2.04	3.72	1270 ppb	>300						
	53679	<0.01	<0.01	0.02	19 ppb	3.2						
West Zone	53680	0.39	0.24	0.09	1290 ppb	169	90668	0.164	0.145	1.49	4.6	0.304
	53681	0.09	0.03	0.12	51 ppb	17	90669	0.76	0.45	0.5	4.6	0.248
	53682	0.03	0.03	0.03	4 ppb	2	90670	0.124	175 ppm	0.26	11.2	0.058
	53683	0.48	0.34	5.31	91 ppb	42.7	90671	1.31	185 ppm	0.36	20.4	2.24
	53684	0.07	0.01	0.11	17 ppb	1	90683	1.43	34	115	765	0.64
	53685	0.67	0.01	0.09	256 ppb	56	90693	2.4	11	300	85	0.828
	53686	0.65	0.02	1.07	612 ppb	55						
	53687	0.19	0.06	8.37	327 ppb	38.9						
	53688	0.37	0.15	8.03	547 ppb	35.4						
	53689	0.11	0.01	0.06	786 ppb	81.7						
Marce Claims	53690	0.09	5.83	17.5	2360 ppb	>300						
	53691	0.06	6.59	17.7	2000 ppb	>300						
	53692	0.18	3.5	16.3	518 ppb	241						
Main Zone-High Grade samples	53693	2.69	0.23	10.3	3520 ppb	>300						
	53694	0.02	3.11	21.8	339 ppb	>300						
West Zone-massive sulphides (py-po)	53695	<0.01	0.01	0.05	23 ppb	2.5						

Highest Assay Value per Element				
2.69 % Cu	6.59 % Pb	21.8 % Zn	3520 ppb Au	>300 gm/t.Ag

24 Samples

Table 6 Comparison Chart between samples collected in 1998 and 2010.

Table 6 above illustrates and compares a number of the samples from previous work with the grades of samples taken during the 2009 program. The analytical results compare favorably with values of the base metals Cu, Zn, Pb, and Au/Ag showing significant values in these elements. Since the exact locations of the sample stations could not be verified, the assay numbers would not necessarily reflect exact or

duplication of grades in these elements but significant values were nonetheless found thus reflecting the existence of similar grades to the original sampling.

The main conclusions of the previous exploration programs are as follows:

a) The ZAC1, 2 and 3 are located in an area with complex geology, deformation with metamorphism varying from Green Schist to lower Amphibolite Facies.
b) Within the Felsic and Intermediate Tuff are stratabound massive to semi-massive VMS sulphides consisting of sphalerite, chalcopyrite, galena, pyrite, pyrrhotite with minor marcasite, cubanite and bornite.
c) There is microscopic evidence that the sulphides have undergone metamorphic re-crystallization.
d) The quartz veins with sulphides similar or the same as in the VMS mineralization and conductors that do not follow the main foliation suggest re-mobilization of the VMS sulphides.
e) The grades of the different sulphide outcrops vary greatly but all three ZAC claims have high concentrations of zinc with lesser concentrations of copper, lead and with a variable but interesting concentrations of silver and gold.
f) Zinc varied from 3.72% to 21.8 %, copper 0.39 to 2.59%, lead 0.24 to 6.59% with a maximum gold of 3520 ppb and silver >300ppm.
g) There are untested geophysical magnetic, HLEM conductors and a strong gravity anomaly in the north where little exploration has been carried out.
h) The above conclusions that show evidence of stratibound VMS mineralization on the three ZAC claims certainly make this a property of merit and deserves the expenditure of additional funds to test areas with outcrops of VMS mineralization and geophysical targets by an extensive drill program.
i) The fact that the ZAC Claims have high-grade potential supports a larger field program to explore the surrounding area most notably to the west where an additional four claims have recently been acquired forming the Marce Group located 20 kilometres to the west. The two main tools in this exploration program will be air and ground geophysics and diamond drilling to test the 'blind 'targets hidden by the extensive glacial cover.

The Recommendations are as follows:

a) Since the base metal-gold-silver mineralization is widespread a detailed grid should be established and surveyed with 25 metre stations on lines with a 50 metre spacing. Where there are known VMS mineralization exposed and there are untested geophysical HLEM anomalies 25 metre fill-in lines should be completed.
b) All geophysical survey data, geochemical analysis, reports both private and government related to this property and adjacent areas should be collected and studied in detail before the next phase of work commences.
c) The re-processing of the raw geophysical data should be investigated as there may be improved programs available, such as inversion modeling.
d) Once the above work has been completed and any new geochemical soil (MMI) and geophysical survey data has been interpreted the best geophysical HLEM, and geochemical anomalies should be drill tested. It is critical that the orientation of the conductors and other possible targets are determined so that the drill holes will cut the rock perpendicular to the foliation/bedding.
e) The gravity anomaly that occurs in the northern part of the ZAC claims is very important as sphalerite, one of the main VMS target minerals is a non-conductor, may be the cause of the gravity anomaly. It is recommended that the target be tested by a few shallow drill holes.
f) Due to the short exploration work season and remoteness of the property it would be cost efficient for some obvious anomalies to be tested by drilling early in the 2011 exploration season. Also it is important to properly geologically map the claims, rehabilitate and dig new trenches where

possible; all of this should be carefully coordinated as it is necessary to complete this work in the short summer field season.

g) Depending on the size of the exploration budget it is recommended that the land extending from the ZAC claims to the Marce Groups be acquired and assuming that the land is stratigraphically and structurally related to the existing claims, provision should be made to properly examine the area on a first pass basis. This is recommended because preliminary rock chip sampling gave similar grades of base metals and accessory gold and silver concentrations across the two existing claim groups and if the geology that extends between the two groups is related there would be 20km of prospective ground.

The proposed two phase exploration budget for 2011

PHASE 1 PROGRAM

1. Compile all the available data on the property from private and public records from the assessment files in Iqaluit, Nunavut, as well as from any private or corporate files that Comaplex may have in house……..$ 10,000.00

2. Develop a data base and base maps for the field program on the property which will include digitizing any existing data……...….$ 6,000.00

3. Grid Survey: Line cutting of approx. 90 line km. at 50 m. intervals across the three mineralized zones with stations at 25 m. interval:
90 km.@$400/km…….....…..$36,000.00

4. Detailed Geological Mapping, prospecting and sampling:
2 men for 1 month @$750/day…….….$ 22,500.00
Maps and Report……..$ 6,000.00
Analysis of samples: 200 samples@$40.00 ea……...….$ 8,000.00

5. Ground Mag.+ V.L.F.(HLEM), I.P. and Gravity Surveys:
V.L.F.-Electromagnetic survey @$250/km. x 75 km……..….$ 18,750.00
Proton Mag Survey; 75 km. @ $250/km…….…… $ 18,750.00
Induced Polarization Surveys; 15 kms. @ $2,000./km…….……$ 30,000.00
Gravity Survey: 20 kms. @$2,500/km,…….….$ 50,000.00
Maps, report and Interpretation:……...…….…..$ 15,000.00

6. Support Services:
Low PSI 4x4 ATV….3 mo.@ $3,000/mo…… …...……..…$ 9,000.00
Field Equipment/supplies: tents, flagging, GPS, etc……...……...$ 15,000.00
Sample Shipping:……...….. $ 5,500.00
Room/Board: local for 3 months @$300/day/5 man……..$135,000.00

7. Engineering, supervision, maps, reports…….…… $ 47,000.00

Sub-total of the above……..…….. $432,500.00

10 % Contingency on the above program……... $ 43,250.00
Total for the above Program……..…….. **$ 475,750.00**

PHASE 2 PROGRAM

1. 10,000 ft. of diamond drilling to test a number of geophysical and geological targets on the property:
10,000 ft. @$35/foot (Approx. $120/m.)……...…….$ 350,000.00
Mob/Demob of Drill/men/supplies……..…….$ 50,000.00

2. Logging, sampling the core:
2 men $750/day x 2 months……..……..…...$ 45,000.00
3. Analysis of the samples/core:
Approximately 500 samples @ $40/sample…….….$ 20,000.00

4. Shipment of samples to the Lab……..$ 5,000.00

5. Work and site expenses:
Local room and board: 2 mo. x 2 men @ $300/day/man……..….$ 36,000.00
Local travel, gas, fuel, supplies……..….. $ 14,000.00

6. Helicopter and Fixed wing support:
2 months charter of helicopter @ 3 hr. min/day x 60 days……..…$ 324,000.00
Jet A Fuel: 2.5 /day x $800/brl. x 60 days……..…$ 130,000.00

7. Office support, overhead, accounting, supplies……..…. $ 15,000.00

8. Engineering, supervision, travel etc……..... $ 50,000.00

Sub-total of the above program……..$**1,039,000.00**
10% Contingency on the above expenses……$ 103,900.00
Total for the Phase II Program ……..……..$ **1,142,900.00**
Total for Phase I + II ……..…….$ **1,618,650.00**

It is the authors' opinion that this property has sufficient merit to justify the expenditure of the amounts indicated by the two phases of work recommended in this report.

4.0 Introduction And Terms Of Reference

4.1 Introduction

This report was prepared by the author, Howard Lahti Ph. D., P. Geo. a consultant to Minroc Management Limited, and certain sections were prepared by John C. Archibald, B.Sc, P.Geo. a consultant to Billiken Management Services Inc., at the request of the Board of Directors of 2215107 Ontario Inc., a private corporation, in contemplation of a proposed transaction with Citadel Gold Mines Inc. This report contains information from a recent (July 2009) site visit by John C. Archibald as well as past work carried out on the property by a number of exploration companies from the first discovery of zinc, lead and silver in the area during 1997 by Comaplex Minerals Corporation and subsequent reconnaissance work carried out by Starfield Explorations (Ferguson Lake Deposit) in the late nineties up until the present time. There has been no record of recent work on these claims for the period from 1998 to 2009 as these claims had enough work on them to keep the main three claims in good standing. Several peripheral claims were allowed to lapse over the past few years for lack of follow-up work (VIC 4, VIC 5, VIC 6 and VIC 7).

The purpose of the property visit in July 2009, by John C. Archibald was to verify and take samples of the mineralized occurrences in order to determine reproducibility and to ascertain whether the property had merit under the new guidelines initiated by the regulatory bodies across Canada. The visit and subsequent field work by John C. Archibald verified that the mineralized zones existed where indicated by the previous mapping/sampling program and that the samples selected returned very significant analytical results. The mineralized zones appear to align and may indicate a much larger mineralized system to depth. As a result of John Archibald's initial visit, a two-phase exploration program along with a budget to further the potential of the property has been recommended. Geophysical work was completed during September 2010 as a follow-up to the initial site visit.

This report evaluates the massive sulphide and in particular the zinc, copper, lead, silver and gold potential of this property and recommends a two phase exploration program over the company's three blocks of claims consisting of approximately 7,231 acres. This report is based on a property visit by the John C. Archibald, information from the public archives of the Mineral Resources Division in Iqaluit, Nunavut, the owners' knowledge of the geology on the property, in the general area, as well as the previous owners experience in mapping and sampling for Comaplex Minerals Corp., and her in-house discussions with the Starfield Explorations field personnel. In addition this report also reports upon the HLEM, IP, Magnetic and Gravity surveys done by Patterson Geophysics, all of which was extensively used in the preparation of this report.

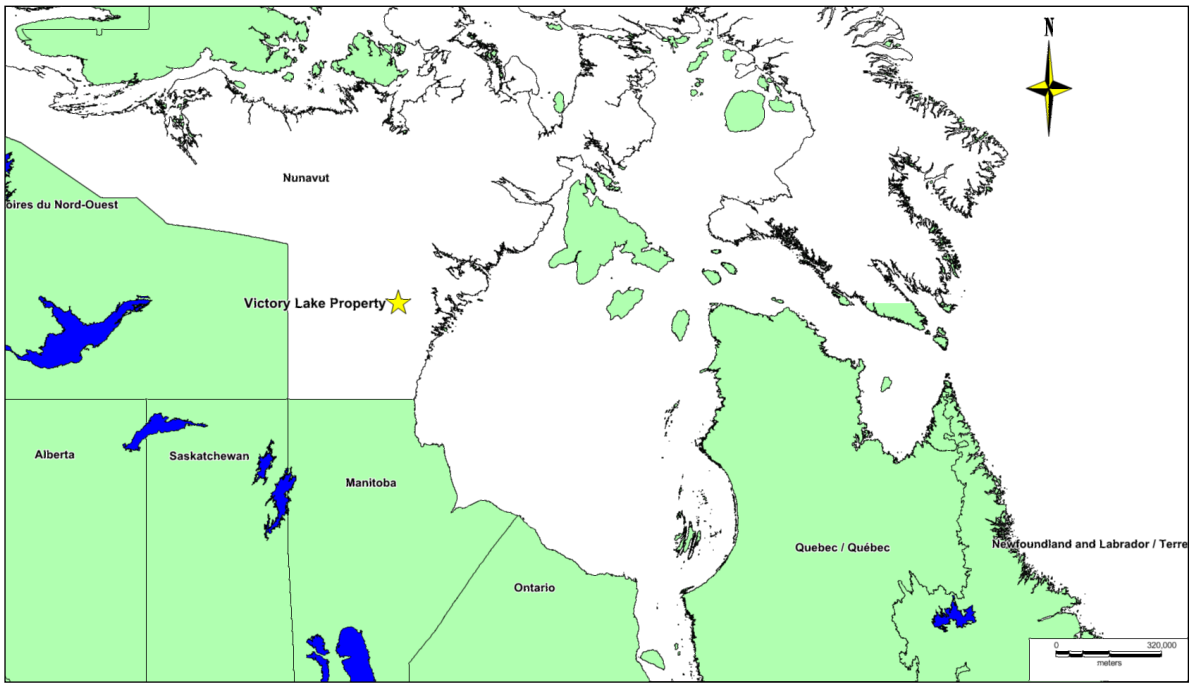


Figure 1: - Regional - Location Map

4.2 Disclaimer

A summary report that was prepared by John C. Archibald, Honors, B.Sc., P.Geo., in September 2009, was the main source of information used in the preparation of this technical report. This report represents material gathered from the public archives at the Mineral Resources Division offices in Iqaluit, Nunavut, personal observations and discussions with the previous property owner and taking samples and viewing the massive sulphide zones on the property. Every effort has been made to gather all the available data on this property. The correctness and accuracy of all the sources cannot be guaranteed and therefore the authors cannot be held responsible for any inaccuracies, damages or losses that may occur through the use of this report. It is also noted that geological reports are subject to changes as new data becomes available. It is reflective of the author's opinion only and is open to multiple interpretations since the geological findings are not finite in nature. Any conclusions and recommendations are subject to modifications and any reproductions or information quoted from this report can only be made with the express consent of the authors. While the authors have made every attempt to accurately convey the content of the public archival information, he cannot guarantee either their accuracy or validity of the work contained within these files. The authors of those files were not necessarily “Qualified Persons” within the context of the National Instrument 43-101.

4.3 Units

All units in this report are metric and all funds are in Canadian dollars.

5.0 Reliance On Other Experts

Considerable amount of information was taken from an earlier report written by John C. Archibald, P.Geo. (dated September 15, 2009) who visited the property, confirmed the geology, structures alteration and collected rock samples to confirm samples collected in past exploration work. Other information was

gleaned from a ground geophysical report written by Gordon Ostapovitch (Patterson Geophysics) who conducted magnetic, an HLEM as well as a limited gravity survey reported on by Joel Grunerud who also works for Patterson Geophysics Inc.

6.0 Property Description And Location

The claim group is comprised of three un-patented mining claims of roughly four, square kilometres each, for more than 7,231 acres. The claims are held in good standing at the date of writing of this report and are registered in the name of Marcelle Hauseux and are illustrated in Fig.3 in this report. A list of the claims are also shown in Table 1 in this report along with the acreage, NTS reference, Recording and Expiry dates and work requirements per year in dollar amounts. The estimated assessment credits which were due by September 30, 2009 in the amount of **$28,924** in order to keep the claims (ZAC 1, 2 and 3) in good standing were satisfied, and accordingly the claims are in good standing until September 24 2017 (Zac 1 and Zac 2) and September 24 2016 (Zac 3). Pursuant to an option agreement dated October 20, 2010 (the "Option Agreement") between Marcelle Hauseux and Sandor Surmacz (together, the "Optionors") and Elen Enterprises (Ontario) Inc. ("Elen") and Nominex Ltd. ("Nominex") (together the "Optionees"), the Optionees were granted an option (the "Option") to acquire a 100% undivided interest in the property. The Option is exercisable upon payment of $250,000 (in staged payments over four years; up to 50% of which may be satisfied by the issuance of shares of Citadel Gold Mines Inc. ("Citadel") following completion of its reverse takeover transaction) and prior to exercise of the Option, the Optionees are responsible for incurring all costs, payments and expenses in order to keep the Property in good standing and to file all assessment work in a timely fashion.

Pursuant to an assignment agreement dated October 22, 2010 (the "Assignment Agreement") between Elen, Nominex and 22115107 Ontario Inc. ("221"), Elen and Nominex (together, the "Assignors") assigned all of their right, title and interest in the Option Agreement to 221 (the "Assignee"). Pursuant to the Assignment Agreement, the Assignors retained a 2% net smelter return royalty.

Pursuant to a share exchange agreement entered into among Citadel, 221 and the shareholders of 221 dated January 26, 2011, as amended (the "Share Exchange Agreement"), Citadel has agreed to acquire all of the outstanding shares of 221 in exchange for shares of Citadel, such that following completion of the share exchange, 221 will become a wholly-owned subsidiary of Citadel.

There are no environmental liabilities or known public hazards that exists on the property under the present Option Agreement and if any hazards are left on the property by the optionee then they are deemed responsible for cleaning up such spills or hazards as they occur at the optionee's expense. The author notes that 'Notice of Work' permits or 'Notification of Exploration' is required to be submitted to the Mineral Resource Division of the Indian and Northern Affairs Canada offices in Nunavut prior to commencing any ground work in the area.

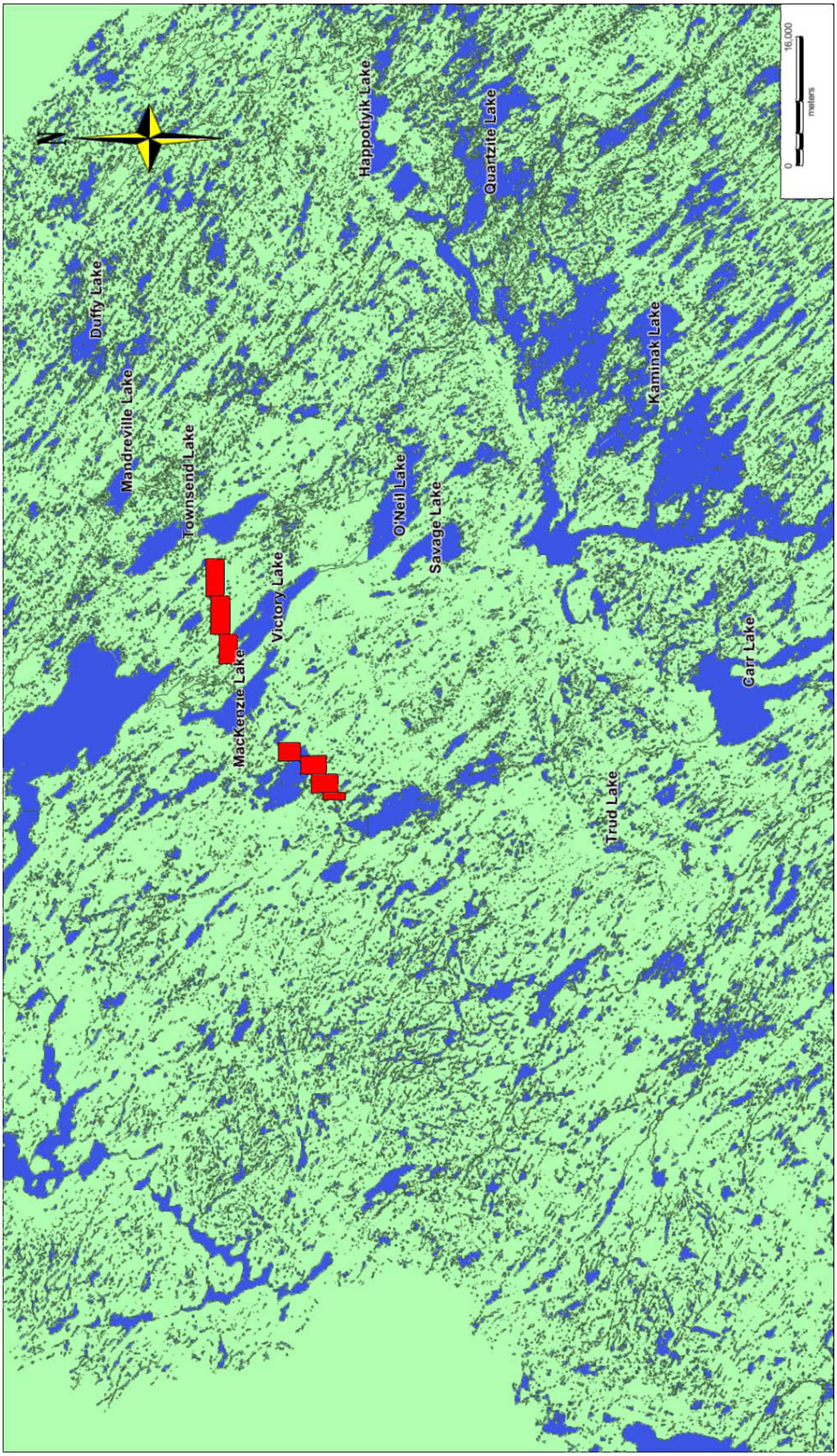


Figure 2: - Property Location Map

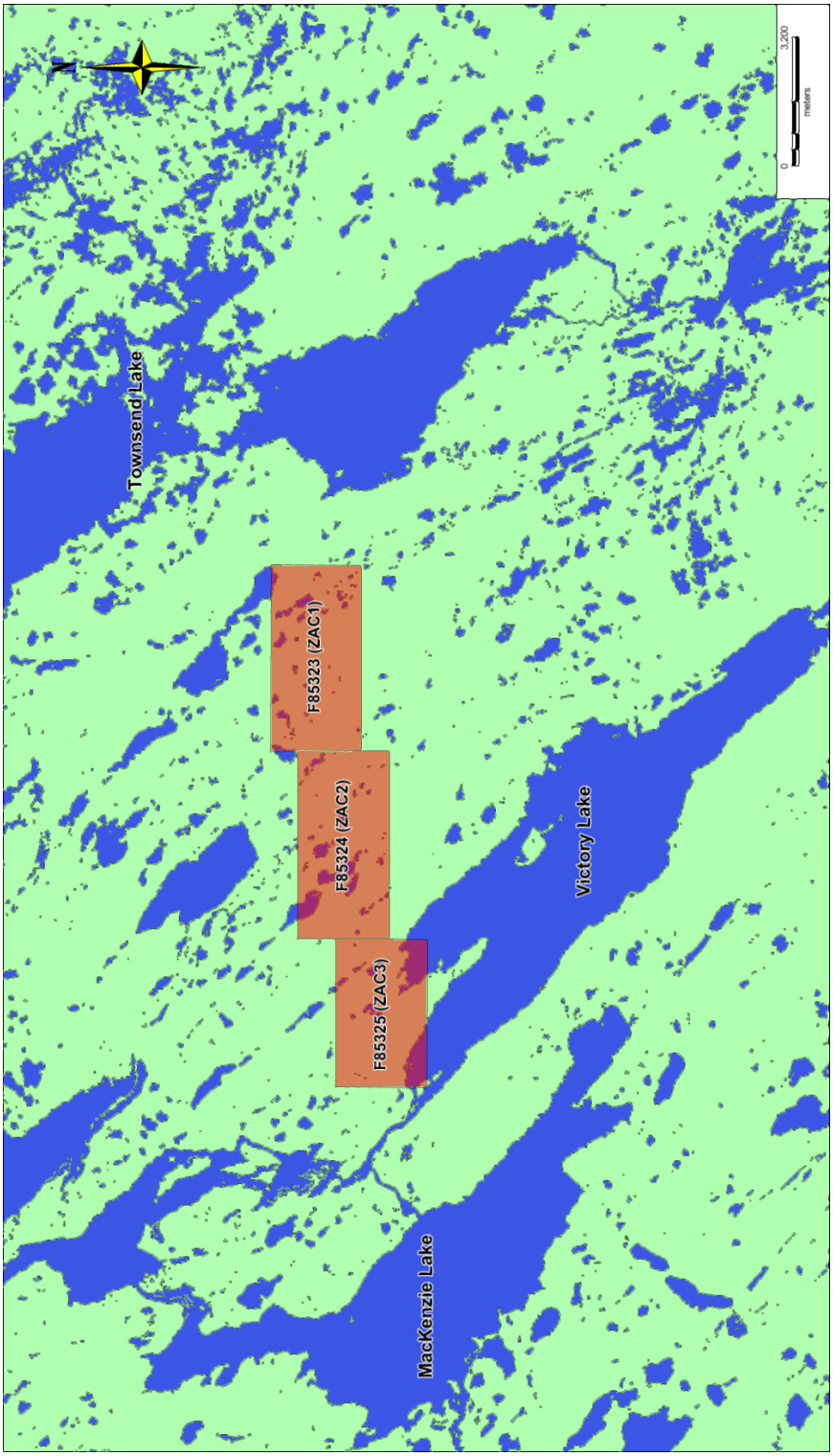


Figure 3: - Claim Location Map

Table 1 Claim Status – List of Claim Units

	Table 1 : Claim Status – List of Claim Units					
	Claim	**NTS**	**Issue**	**Expiry**		**Claims**
TAG#	Name	Reference	Date	Date	Acres	Holder
F85323	ZAC 1	55L11	Sept 24/07	Sept 24/17	2582.5	M.Hauseax
F85324	ZAC 2	55L11+12	Sept 24/07	Sept 24/17	2582.5	M.Hauseax
F85325	ZAC 3	55L12	Sept 24/07	Sept 24/16	2066	M.Hauseax

Pursuant to an assignment agreement dated October 22, 2010 (the "Assignment Agreement") between Elen, Nominex and 22115107 Ontario Inc. ("221"), Elen and Nominex (together, the "Assignors") assigned all of their right, title and interest in the Option Agreement to 221 (the "Assignee"). Pursuant to the Assignment Agreement, the Assignors retained a 2% net smelter return royalty.

7.0 Accessibility, Climate, Local Resources, Infrastructure And Pysiography

7.1 Accessibility

The Victory Lake property is located approximately 175 kilometres due west of the town of Rankin Inlet in Nunavut in the District of Kivalliq, or conversely 190 kilometres south of Baker Lake, Nunavut. One can access the property by float-plane to Victory Lake or numerous other sizeable lakes in the area or by helicopter directly onto the property. Winter access is by snow-machine or by helicopter but due to the winds and inhospitable weather conditions this latter form of transport is not reliable.

7.2 Climate

The climate is typical of the western Hudson Bay area with a continental climate consisting of warm to summers and frigid arctic winters. Precipitation is typically in the 25-75 centimetres per year range although some summers can be dry. The lack of vegetation reduces the risk of fire hazards for working.

7.3 Local Resources

There are a number of motels, hotels, and tourist operators in the Baker Lake and Rankin Inlet area that have both summer and winter accommodation. There is also a fishing Lodge operator with two cabins located at the outflow of Kaminuriaq Lake approximately 10 kilometres from the ZAC claim group which could be used in the summer months as a staging point for exploration.

7.4 Infrastructure

There is no infrastructure in this remote part of Nunavut.

7.5 Physiography

The topographic features and vegetation on the property is generally low, rolling hills of less than 100 metres in height with outcrop only visible along the ridges. There is no tree cover of any kind with low muskeg, lichens and meager grasses covering the lower wetland areas. Approximately 70% of the land area of the property is covered by overburden consisting of glacial tills, boulders and gravels.
Approximately 30% of the property is underlain by water from small lakes, rivers, and minor creek drainages. The largest lake in the area is Victory Lake that abuts the western edge of the property and extends northwest to southeasterly for roughly ten kilometers by five kilometers wide. The few outcrop areas are generally common on the higher points such as ridges and hilltops with a thin mantle of boulder and gravels covering the lower relief areas.

8.0 History

The following is the summary of the work history for the Victory Lake property as shown in Table 2 in the report. The information was taken from the assessment file records for the area from the resident geologist's office in the Mineral Resources Division of the Indian and Northern Affairs offices in Iqaluit, Nunavut, then GSC of Canada in Ottawa and the private reports from several of the exploration companies working in the area (eg.Starfield Explorations Ltd.). The mineralization on the property has a fairly long lateral extension and is covered by at least two of the three claims (ZAC 2 and ZAC 3) shown in Figure 4 in this report. Over the past fourteen years, it appears as though only two separate exploration programs have been carried out and recorded over these claims or in the immediate vicinity of the claim group. The historical record for this property relates to the original mapping of the volcanic belt by the Geological Survey of Canada headquartered in Ottawa, Ontario and the discovery by two of the field crew of massive sulphide mineralization that occurred in outcrop exposure on the original ZAC 1 and ZAC 2 claims.

From 1996 to 1998, Comaplex Minerals Corp. of Calgary, Alberta carried out geological mapping, detailed sampling, and detailed ground geophysics including HLEM surveys, Induced Polarization ("IP") and Resistivity surveys, Magnetometer surveys and a gravity survey over specific areas of the property. The area laid dormant from 1998 to the present with several of the previous claims lapsing but the original ZAC 1 to ZAC 3 claims remain in good standing.

Table 2 : Previous Work on Property

Regional mapping by the GAC	Precambrian Geology Dept., Ottawa Davidson and Bell 1968-1970 – Paper 69-51 Kaminak Lake Area
Reconnaissance and detailed Geology, Prospecting and Geochemistry on the VIC 1-4 claims	Comaplex Minerals - 1996
Detailed Geology Geochemistry and Geophysics on the Victory Grid by Comaplex Minerals	A. Armitage-1997
Geology and Geophysics on the Marce Zone, Victory Lake Area by Comaplex Minerals	A. Armitage –1999
Precambrian Geology of the Victory and MacKenzie Lakes Area; GAC-Continental Geoscience Division	B. Aspler, A. Armitage, J.J. Ryan, M.Hauseux, S. Surmacz and J.A. Harvey, 2000

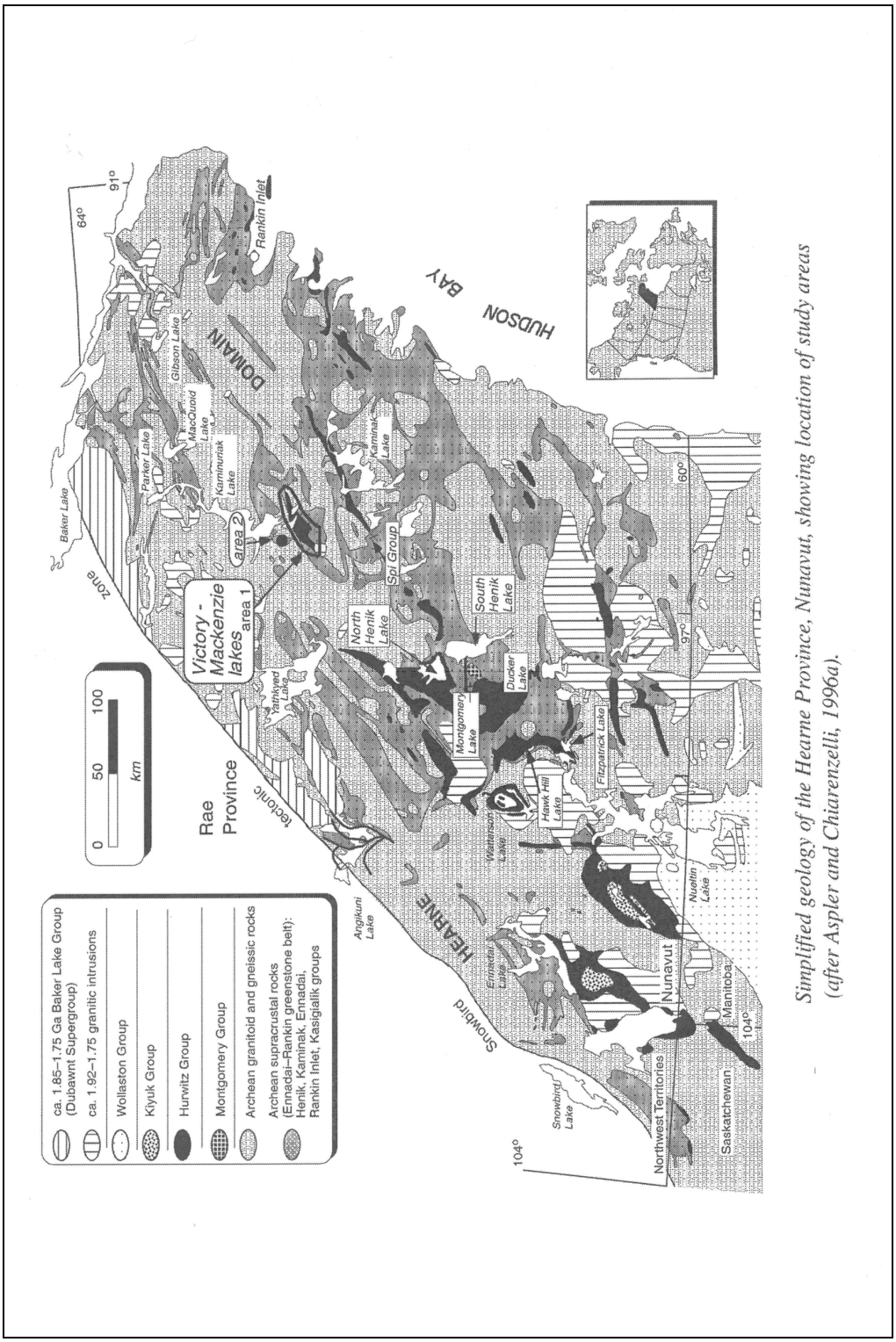
9.0 Geological Setting

9.1 Regional Geology

The geology of the region has been mapped by various exploration companies doing work on a number of gold and base metal showings in the area as well as the different government agencies including the Geological Survey of Canada (Continental Geoscience Division). The geology is complex on a regional scale but locally over the property appears to be underlain by a series of sedimentary and metavolcanic sequences as part of the Baker Lake Group (Dubawnt Supergroup), Archean granitoid and gneissic rocks as well as remnants of the Kaminak Group (Ennadai-Rankin Greenstone Belt) and the Hurwitz Group metasediments (part of the Mackenzie Lake metasediments within the western part of the Churchill Province). These favorable volcanic rocks play host to a number of gold and volcanogenic hosted base metal deposits with a green-schist to amphibolite metamorphic grade and often associated with northeast trending structural features and localized faults (Kaminak Swarm gabbro dikes) trending in a north and north-east direction through the area cross-cutting the sediments, volcanics, Archean supracrustal and granitic rocks.

The area is underlain by felsic metavolcanic rocks of mainly pyroclastic lapilli tuffs and mafic volcanics of andesite and basaltic composition as part of the Kaminak Group, and metavolcanics of the Ennadai-Rankin Greenstone Belt. This belt (the Hearne Domain) is part of the western Churchill Province making up part of the Canadian Shield and occupies an area of approximately 480 km. long by 220 km. across (Figs. 4, 5 and 6). The belt has several Archean Age felsic to mafic sequences interbedded with clastic to chemical (Iron Formations) metasedimentary rocks. There appears to be a number episodes of volcanism (at least four with one incomplete cycle (Ridler and Shilts,1974) as well as numerous stockworks of granite, feldspar porphyry, mafic and ultramafic rocks (Heninga, Turquetil and Kaminak Batholiths) which have intruded these older units. Late stage north and northeast trending gabbro dikes and late stage lamprophyre dikes (Christopher Island Fm.) cut all the other units in the area. These units have been extensively folded, faulted and intruded by dikes, batholiths of both mafic and felsic compositions, and intercalated with periods of quiet marine sedimentary deposition which produced the Hurwitz Group.

The Kaminak Greenstone Belt has been deformed into east trending, doubly plunging, isoclinal folds with the Archean regional metamorphism ranging from lower greenschist facies to upper amphibolite facies adjacent to the larger intrusions. The U-Pb zircon ages of 2697.5 +-1.4 and 2692 +-1.0 Ma were obtained for felsic volcanic rocks (Mortensen and Thorpe 1987). A U-Pb zircon age of 2700 +- 11 Ma was obtained from a tonalite of the Kaminak batholith which indicates that some plutons in the Kaminak Lake area were synvolcanic while other ages obtained by Cavell et al.(1992) indicate the presence of younger igneous rocks including an alkaline intrusion dated at 2659 +- 5 Ma hosted by the Kaminak batholith.



Simplified geology of the Hearne Province, Nunavut, showing location of study areas (after Aspler and Chiarenzelli, 1996a).

Figure 4: - Simplified Geology of the Hearne Province

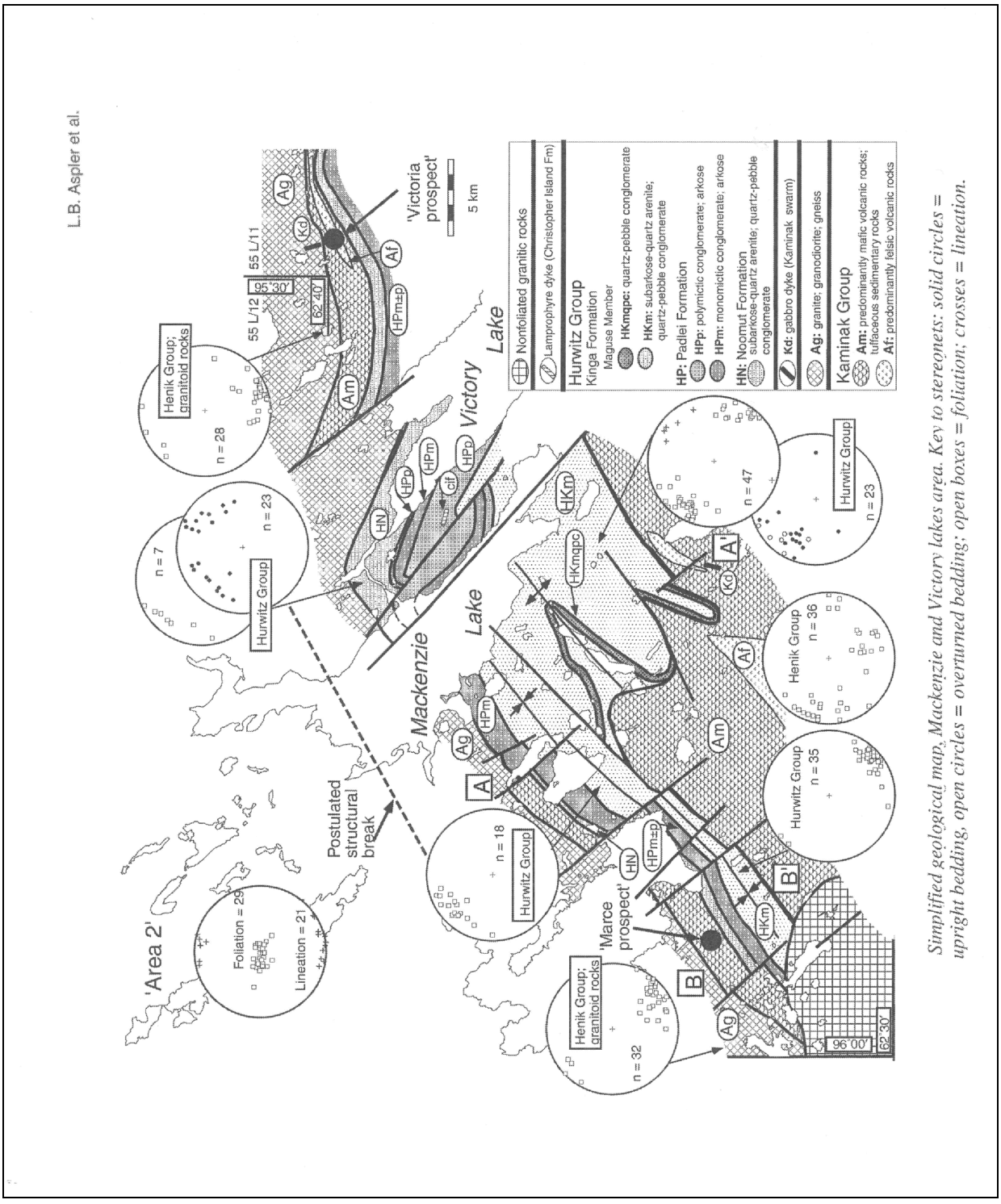
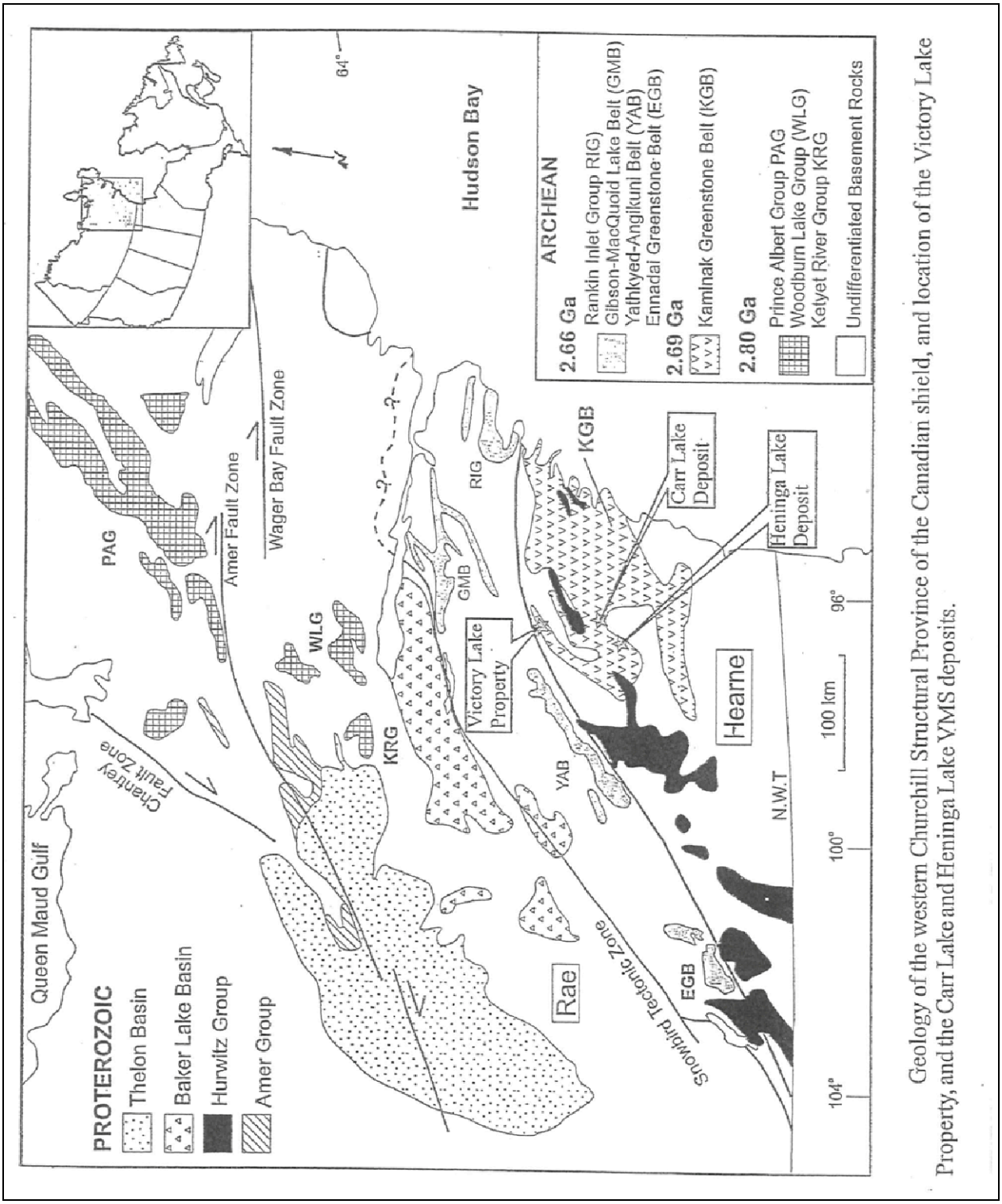


Figure 5: - Simplified Geological Map, Mackenzie and Victory Lakes Area



Geology of the western Churchill Structural Province of the Canadian shield, and location of the Victory Lake Property, and the Carr Lake and Heninga Lake VMS deposits.

Figure 6: - Geology of the Western Churchill Province

9.2 Local Geology

9.2.1 General

The most recent mapping in the Victory Lake area was completed by Davidson (1970) as part of a regional mapping program for the NTS map Sheet 55L. The Kaminak Lake area is underlain by metavolcanic and metasedimentary rocks of the Archean Kaminak Group that were subsequently intruded by a series of younger plutonic rocks. These were then cut by much younger diabase dikes and overlain by younger metasedimentary rocks of the Hurwitz and Mackenzie Lake groups. The Victory Lake area lies within a zone identified by Davidson (1970) that encompasses the Mackenzie Lake, Victory Lake and Townsend Lake areas. The area is underlain by metasedimentary and metavolcanic rocks of the Kaminak Group. The metasedimentary rocks are primarily comprised of greywackes, argillites, quartzites, quartz-arenites and conglomerates.

The Victory Lake sulphide mineralization is hosted within an east-west trending, north-dipping sequence of mafic to felsic metavolcanics of the Archean Kaminak Group. The volcanic sequence appears to be bounded to the north by foliated Archean granitoid rocks (Henik Gp.) and to the south by distinctive siliceous quartzites and sandstone sedimentary units believed to be remnant rafts of the Hurwitz Group sediments overlying the volcanics. The volcanics appear to be of lower amphibolite facies metamorphism, with pillow tops to the south and thus the north dipping structure appears to be overturned. There are numerous intrusions or interlayers of gabbroic rock north of the sulphide mineralization. The best sulphide mineralization is restricted mainly to the West and Main Zones with minor exposures of sulphides to the East, Far East and Far West zones. This may indicate a thinning of the units laterally or may be due to the poor exposures of bedrock and incomplete mapping detail (Aspler, L. B. et al, 2000). The West Zone appears to be the most extensive of the mineralized zones. It is hosted by the northern mafic volcanic horizon having a strike length of 425 meters, composed of one large massive sulphide lens and associated stringer sulphide mineralization containing both chalcopyrite (Copper) and sphalerite (Zinc). The stringer zone in particular is hosted by intensely silicified volcanic rocks as part of the hanging wall of the West Zone. Sampling some of these mineralized areas produced assay values of 2360 ppb in gold, 0.67% in copper, 6.59% in lead and 17.5 % in zinc within the ZAC 1-3 claim boundaries.

Structurally below the stringer horizon, there is a layered massive sulphide lens(s) containing pyrite/pyrrhotite and sphalerite with minor chalcopyrite and galena (which would give the silver values). Magnetite was also noted in the specimens. A 4-5 metre long trench was noted cross-cutting the massive sulphide lens exposed in the West Zone which made sampling easier due to the better exposures of rock. Results from the analytical results from this area produced assays that had possible ore grade Zn, Cu , Ag and Au from the four samples taken from this area. The zinc assays were confirmed to be increasing in a north to south direction although the trench was cut diagonally across the mineralization rather than perpendicular. It did appear that the pyritic sulphide-rich portion was related to the north (top) side of the trench and zinc was more predominant on the south or footwall side of the mineralized zone. As one proceeds easterly along the mineralization, the sulphide exposures were more sporadic, narrower and pinched down to tens of centimeters, rather than metres, in thickness to a point where the mineralization could not be followed along strike. Towards the east, the rock units hosting the mineralization were silicified, quartz-rich amphibolite schists displaying chlorite and biotite alteration products. Stringer type mineralization extended for another 1000 metres to the east and returned minor chalcopyrite values before reaching the Main Zone mineralization.

The Main Zone was located some 1500 metres to the east and was identified by sulphide lenses and stringers in a silicified felsic-intermediate metavolcanic composed of mainly lapilli, ash and crystal tuffs. Some of the sulphide lenses were 50-75 metres long but pinched and swelled and appeared as sub-parallel structures indicating perhaps several bands/beds of mineralization following a similar strike and foliation

directions. The most predominate sulfide mineralization encountered here was zinc, lead, and silver with only minor chalcopyrite noted. The best assay value in zinc was noted in sample #53694 which returned a grade of 21.8 % Zn (Archibald J.C., 2010). The Main Zone mineralization was hosted by strongly pyritic muscovite-quartz rich granite schist that may be the metamorphic equivalent sericitized hydrothermally altered intermediate to mafic volcanics. The zone extended for over 1000 metres but the mineralization could not be followed continuously as overburden masks the lateral extension of this zone - it too may have pinched out or had been faulted off before it could be linked up with the East and Far East Zones. The previous geophysical survey data of HLEM and I.P. has shown that the Main zone does in fact continue for another 1000 metres to the east but doesn't appear to link up or continue as far as the East Zone mineralization.

9.2.2 Andesite Unit

This unit is found in the mid to mid-northern section of the property and is comprised of pillowed and massive flows of basalt to andesite composition. These flows grade southward with pillow tops to the south. The rocks weather a light grey-green with minor iron staining. Pillows are elongated and stretched with selvages darker and colored. Amygdules up to 1.0 cm. diameter are often present near selvage contacts and are quartz-carbonate rich and biotite to amphibolite-rich in places. This unit is composed of massive mafic volcanic flows which grade upwards into pillowed volcanic sequences having a predominant enrichment of carbonate amygdules (up to 30%). Pillows are rounded to elongated, up to 2-3 feet in width and are often rimmed by carbonate rich selvage material. The finer grained andesites consist of chlorite, magnetite, plagioclase, leucoxene, epidote and minor carbonate.

Towards the south, the flows become increasingly carbonitized and sheared and weathered to a beige-pink color. Biotite alteration was observed to preferentially replace selvages and comprise 10-15% of the rock. This alteration shows no preferred orientation to the schistocity thus indicating a post-deformational emplacement (Archibald, J. C., 2009 in house report).

9.2.3 Cherty Banded Iron Formation

Overlying the mafic flows are thin, discontinuous bands of chert and sulphide-oxide facies banded iron formations intercalated with argillaceous sediments and greywackes and containing bands of pyrite. This unit is up to 3-4 metres in thickness but normally is approximately less than a half metre thick and intensely foliated, sheared and carbonatized. This unit appears to have been sheared by an east-west trending series of dilational shears that sub-parallel the metavolcanic units within this Ennadai-Rankin Greenstone Belt. I t has been postulated that the volcanics have been overturned by regional folding and underlie the younger Hurwitz Group sediments to the south. A similar association can be observed between the ZAC Claims and to the Murce Claims further west (15 kms.) across Victory Lake. The banded iron formations, if continuous, would be an excellent marker horizon for mapping the various metavolcanic and metasedimentary units in the field.

9.2.4 Mafic to Intermediate Pyroclastics

A distinct unit of intermediate to felsic pyroclastic volcanics, measuring up to 200 metres thick stratigraphically, overlies a thin band of iron formation and lower mafic flows. The main component is polymictic lapilli tuffs with minor amounts of breccia. The lapilli tuffs have sub-rounded fragments of felsic and mafic composition supported by a fine grained, dark green mafic matrix. Carbonatization is pervasive and rhombs of ankerite up to 1 cm. in diameter are evident.

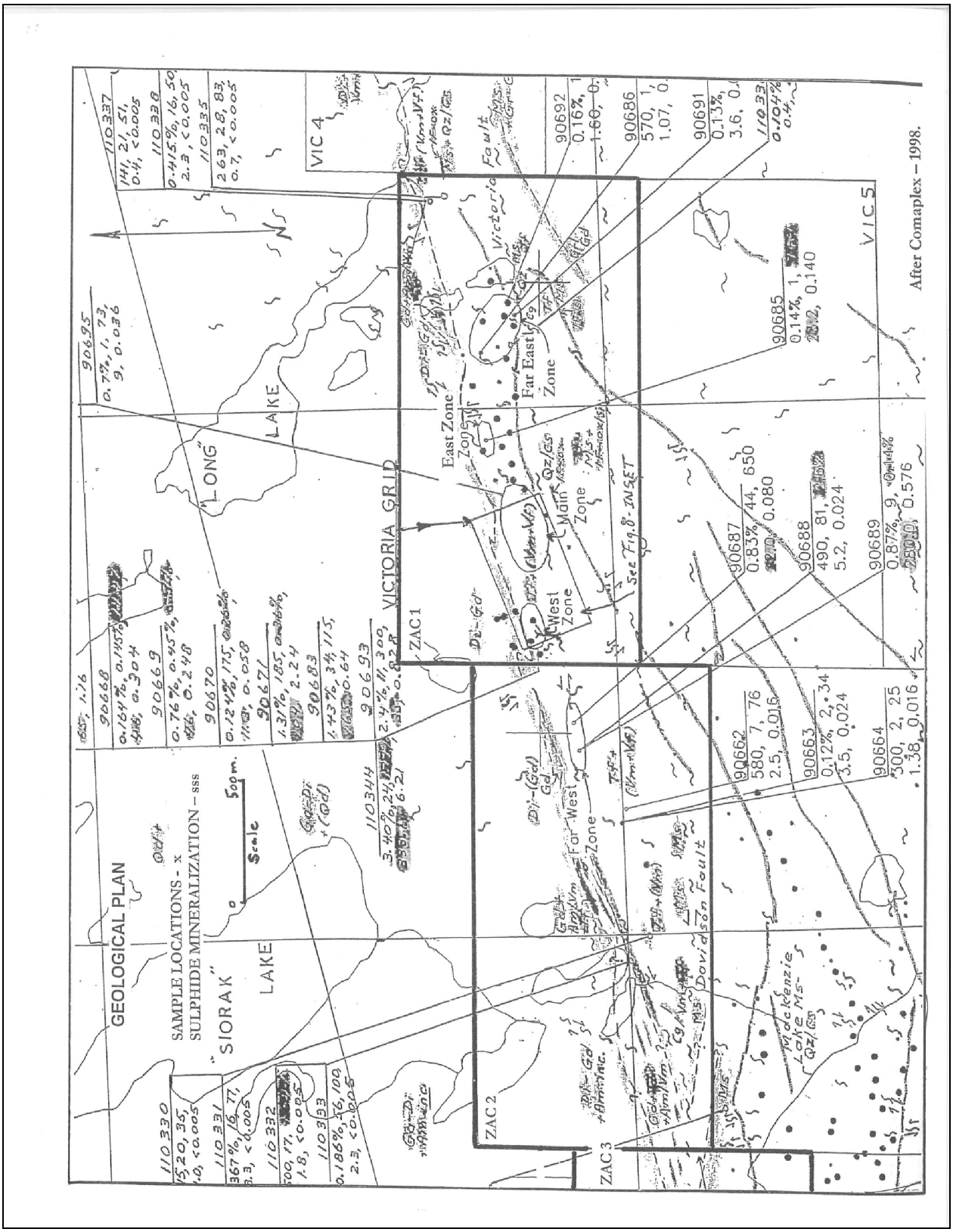


Figure 7: - Geological Plan: Victory Grid - West Trench Area

This brecciated unit contains blocks of chert and sulphide iron formation and biotite replacement of the lapilli-sized fragments as well as biotite content within the matrix material is evident. Some interlayers of felsic crystal tuffs were also found within the felsic pyroclastic units east of Victory Lake on ZAC Claims 1 and 2. They are massive with plagioclase crystals up to 5 mm. in size and comprises over 80% of the rock. It weathers to a buff grey colour with minor iron staining. At the upper contact of the intermediate to felsic pyrolclastics is a highly sheared and altered lapilli tuff with a dark green matrix and containing a high biotite content. The felsic pyroclastic unit underlies a portion of the ZAC 1 and 2 claims and extends eastwardly from the West Zone towards the Main and East Zones. It has been mapped in places to be over 400 metres thick but its continuity could not be accurately assessed due to the extensive glacial till cover and lack of bedrock exposures. It is mainly un-bedded, un-sorted sequences of fine-grained tuffs, lapilli tuffs and breccias laid down quickly in a marine environment. They are thicker and coarser in the south-central portion of the property and become more sheared, schistose and highly carbonated near the contacts with the banded iron formations and mafic units through the central part of the property (Archibald J. C., 2009 in-house report).

9.2.5 Upper Mafic Flows and Sedimentary Quartzites and Conglomerate

An upper mafic flow and sedimentary unit consisting of massive to bedded conglomerates, quartzites, argillites, and arkoses was mapped along the southern extent of the property in previous geological studies. A closer study of these units will be necessary to determine if the volcanic and sedimentary contacts are an unconformable boundary and whether the volcanics of the Kaminak Group in fact underlie the sediments which have been mapped as an inlier of the proterozoic Hurwitz Group (MacKenzie Lake metasediments – Davidson, 1970).

These flows and sedimentary units have also been truncated and offset by the minor local faults cross-cutting through the area, making correlation and identification difficult. This faulting could be related to the late intrusion of the gabbro dikes.

9.2.6 Quartz Veins

Quartz veins are common throughout the area cross-cutting all the different rock units. Often varying in thickness from a few centimetres to over 0.5 metres, they often boudinage or pinch out over several metres in length. The veins often have associated minerals such as pyrite, pyrrhotite, biotite, chlorite, tourmaline, magnetite and chalcopyrite with them and analysis has shown that low grade gold values are present in the area.

9.2.7 Intrusive Rocks

Many small intrusive dikes are found cross-cutting the meta-volcanic and meta-sediments. These are highly silicified and composed mainly of gabbros, diorites, tonalites and diabase. A number of lamprophyre dikes have also been noted to the north of the property as part of the Christopher Island Formation. Two sets of Proterozoic dikes are also evident on the property; one set striking in a northerly and the other set in a north-easterly direction across the property. These are late stage granitoid and diabase dikes common to the area and are generally non-mineralized but show up in airborne magnetometer surveys due to their high magnetite content. They are often filling the major fractures and faults that have transected the Ennadai-Rankin Greenstone Belt and occupy widths of a few metres to several hundred feet. Their exact relationship to the emplacement of late stage kimberlitic and lamprophyre dikes is not entirely clear. A few hundred metres north of the West and Main showing lies a band of foliated, massive leuco-gabbroic rocks, whose contact runs east-northeasterly and parallels the volcanic units to the south. The units soon are masked by overlying glacial till so exact thicknesses and relationships to the granitic units to the north are undetermined. These could in fact be part of the massive

granitic batholith to the north (as part of the Henik Gp. plutonic rocks) and has a gradational or zonational component as it approaches the contacts. Thus it takes on the localized shearing and intense foliation textures of the more ductile volcanics. Otherwise one could misinterpret the unit as a later intrusive gabbroic unit which may have intruded up along the contacts and in fact be related to the mineralization to the south.

10.0 Deposit Types

An idealized VMS deposit consists of a concordant massive sulphide (>60% sulphide minerals) lens that is normally underlain by a discordant stockwork or stringer zone of vein-type sulphide mineralization contained in a pipe ("feeder pipe") of hydrothermally altered rock. The stockwork representing the near surface channel way of a submarine hydrothermal system and the massive sulphide lens the accumulation of sulphides precipitated on the sea floor above and adjacent to the discharge vent or vents. Submarine volcanic flows and pyroclastic rocks are the usual host rocks but volcanoclastic and chemical sediments such as chert bands may also be present. The mineralization usually occurs at the contact between the stratigraphic units. Of the minerals found at the VMS (Matagami-Type) deposits, the primary minerals are pyrite, pyrrhotite, sphalerite, chalcopyrite, and lesser quantities of magnetite. Chlorite and sericite are the main alteration minerals. The VMS occurrences at the Victoria Lake ZAC1 to 3 contains higher grade zinc, with significant amounts of copper and lead. It is unusual in Archean VMS deposits to have any significant amount of lead. This VMS occurrence has some similarities with the Proterozoic VMS deposits found in New Brunswick where there is usually significant concentrations of lead.

A single deposit or mine may consist of several individual massive sulphide lenses and their underlying stockwork zones. Deposits frequently occur in clusters. Often deposits are blanketed by a pyritic horizon that extends as a stratigraphic marker horizon far away from the deposit. At McFaulds Lake, Ontario, the blanket is magnetite and is found distal from the deposits where the sulphides appear to pinch out. Dimensions for a massive sulphide lense normally are a few hundreds of metres in length and tens of metres thick. The average size and grade of the 58 VMS deposits from the Abitibi Sub-Province are 9.2 million tonnes at 1.47% Cu, 3.43% Zn, 31.9 g/t Ag and 0.8 g/t Au. It is obvious that VMS deposits represent extremely attractive exploration targets. The massive sulphide lenses almost always respond well to electromagnetic (EM) geophysical methods. By contrast, the stringer zone, due to the lesser concentration of sulphides, that are quite often disseminated, is more easily detected by Induced Potential (IP) surveys and may also display a magnetic geophysical signature due to the presence of pyrrhotite and/or magnetite. Once a deposit and its surrounding rocks have been subjected to a regional deformation event, the geophysical footprint of a VMS deposit could be short (1000 m) and/or be reflected by a series of short electromagnetic anomalies that are in close proximity to a stratigraphically overlying much longer, regional, formational, electromagnetic anomaly. Any EM anomaly with a signature in a geological setting similar to that described above should be considered as a candidate for testing by drilling.

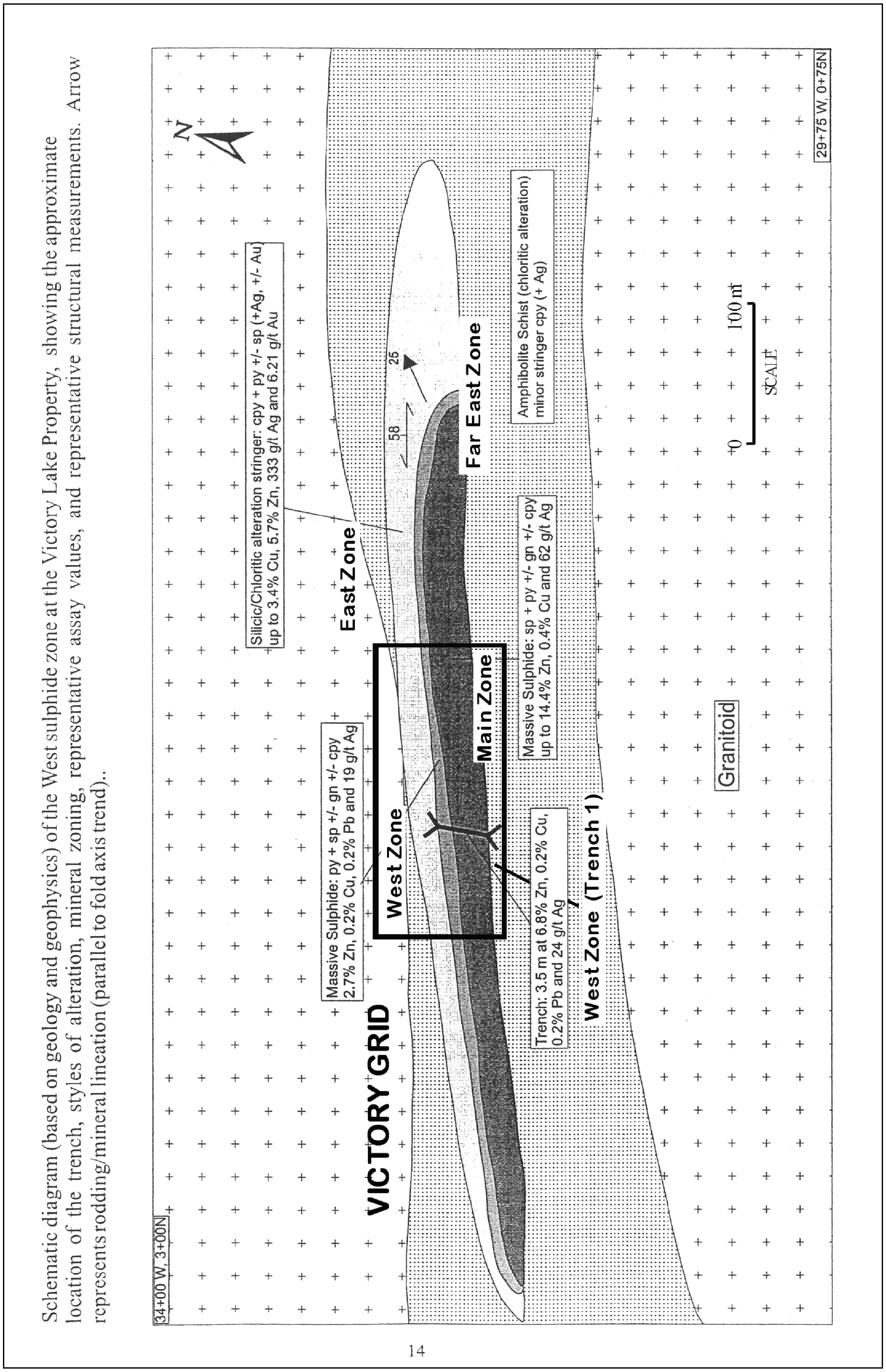
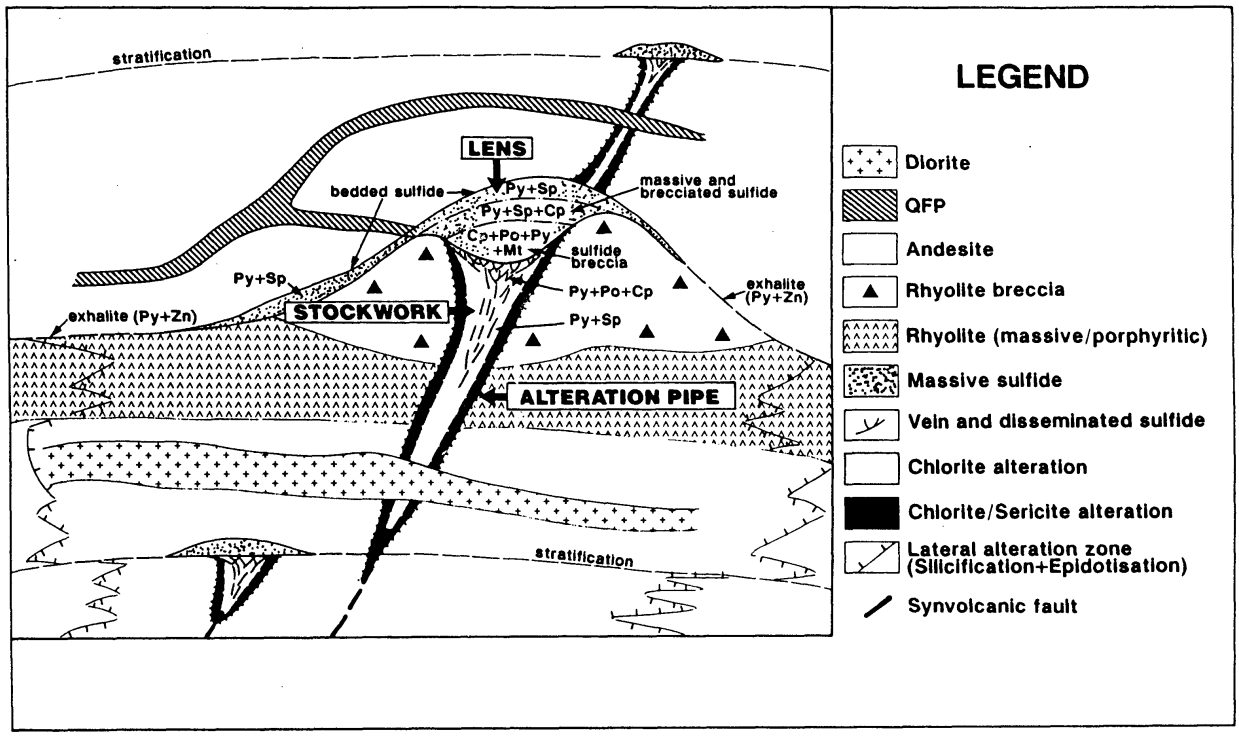


Figure 8: - Victory Grid-West Sulphide Zone



Depiction of an ideal, "Noranda" type VMS deposit. Major features include: (1) pipe-like zone of alteration and stockwork sulfides below massive sulfide, (2) massive sulfide occurring on lava flow surface or within volcaniclastic horizon, (3) Cu/Zn ratio decreases upwards and outwards, (4) locally important post-ore diorite intrusions present, (5) laterally equivalent cherty tuffaceous exhalite present. Modified from Lydon (1984), Knuckey et al. (1982), and Spence and de Rosen-Spence (1975).

Figure 9: -Schematic diagram of an undeformed VMS deposit with simplified geology.

11.0 Mineralization

The principle ore minerals at the Victory Lake occurrences are copper, lead and zinc with significant erratic concentration of gold and silver. Other significant sulphides are massive to disseminated pyrite and pyrrhotite. The sulphide mineralization is restricted mainly to the West and Main Zones with minor exposures of sulphides to the East, Far East and Far West zones. This may indicate a thinning of the units laterally or may be due to the poor exposures of bedrock and incomplete mapping detail.

The West Zone appears to be the most extensive of the mineralized zones. It is hosted by the northern mafic volcanic horizon having a strike length of approximately 425 meters, composed of one large massive sulphide lense and associated stringer sulphide mineralization containing both chalcopyrite (Copper) and sphalerite (Zinc). The stringer zone in particular is hosted by intensely silicified volcanic rocks as part of the hanging wall of the West Zone. Sampling some of these mineralized areas produced assay values of 2360 ppb in gold, 0.67% copper, 6.59% lead and 17.5 % zinc within the ZAC 1-3 claim boundaries. Below is a Table 3 that lists the samples and assay results taken during the site visit in July 2009.

Table 3 : of Samples, Description and Assay Results

Sample #	Description	Location	Assays				
			Cu%	Pb%	Zn%	Au ppb	Ag gms/t
53672	rusty shrd int-mafic volc	Main zn.	<0.01	<0.01	<0.01	12 ppb	<0.3
53673	mass.sulph.+qtz.-sil.volc	Main zn.	<0.01	<0.01	<0.01	7 ppb	0.8
53674	mass. Sulph.in shrd/fol. fels.volc		<0.01	<0.01	<0.01	8 ppb	0.8
53675	70% sulph. in fels.Volc	Main Tr	<0.01	<0.01	<0.01	7 ppb	<0.3
53676	shrd.rusty min. fels.Volc	Main Tr	<0.01	<0.01	<0.01	8 ppb	<0.3
53677	hi fol./shrd.sil volc.20% py/po		<0.01	<0.01	<0.01	3 ppb	0.4
53678	lite/alt.acid volcs./ser.sch.15% Sul		<0.01	2.04	3.72	1270 ppb	>300
53679	diss.py/po/cpy in nodular qtz. brecc		<0.01	<0.01	0.02	19 ppb	3.2
53680	rusty ser.sch./qtz.ank-50% sul.	West Tr.	0.39	0.24	0.09	1290 ppb	169.0
53681	rusty ser.sch./qtz.ank-50% sul	West Tr.	0.09	0.03	0.12	51 ppb	12.7
53682	rusty ank.brecc Fe carb.	West Zone Tr.	0.03	0.03	0.03	4 ppb	2.0
53683	mass.sulph/tuffac.qtz.frags/py blebs		0.48	0.34	5.31	91 ppb	42.7
53684	sil.sch.w.diss. py/po(10%)	lam.beds	0.07	0.01	0.11	17 ppb	1.0
53685	shrd.blk. biot.sch+cpy on slips	West Zn	0.67	0.01	0.09	256 ppb	56.0
53686	banded Int-acid volc./ser.sch.w.py/qtz		0.65	0.02	1.07	612 ppb	55.0
53687	sil ser.sch./acid volc.+qtz. boudins		0.19	0.06	8.37	327 ppb	38.9
53688	blk.u.m. py/po rich rock	E.end West Zn	0.37	0.15	8.03	547 ppb	35.4
53689	blk.Tourm.+qtz+sulph. vuggy brecc.		0.11	0.01	0.06	786 ppb	81.7
53690	mass. Sulph.+ py/po Zn/Pb in bands		0.09	5.83	17.50	2360 ppb	>300
53691	E. of mass. sulph.hi Ag/zn/pb/cpy		0.06	6.59	17.70	2000 ppb	>300
53692	mass. sulph(70%)w.qtz. eyes		0.18	3.50	16.30	518 ppb	241.0
53693	anded/fol. mass. sulph.on	Main Zone	2.69	0.23	10.30	3520 ppb	>300
53694	banded/layered py/po/sphal.	Main Zone	0.02	3.11	21.80	339 ppb	>300
53695	mass. Sulph;gran. c.g.qtz/sil	Main Zone	<0.01	0.01	0.05	23 ppb	2.5

Totals	Highest Assay Value Per Element				
24 Samples	2.69% Cu	6.59% Pb	21.8% Zn	3520 ppb Au	>300 gm/t Ag.

12.0 Exploration

12.1 General

Since 1999 there has been no reported sampling or exploration work carried out over the ZAC claims and in 2006 the original Victory claims expired. These were re-staked as the ZAC 1-3 group, by Marcelle Hauseux, these claims constitute the property that exists today. The previous owner had not carried out any exploration work over the three claims since the staking in 2007. The previous exploration work on the property by Comaplex included prospecting and sampling, cutting a grid system over the Victory mineralized zones, airborne and follow up ground geophysics including; Magnetometer, HLEM, Induced Polarization and Gravity surveys over the known mineralized zones.

Detailed mapping, sampling and trenching was undertaken over the main zones which uncovered mineralization up to 4 metres in exposed apparent thickness over an extensive distance on the ZAC claims. Values ranged up to 19% Zinc, 3.5% Lead, 4.35% Copper, 464 gm./tonne in Silver and up to 8.30 gms./tonne in gold in chip channel, grab and chip samples across the massive sulphide exposures across the Zac Property, as well as the nearby (20 kilometres distant to the west) Marce Occurrence.

John C. Archibald visited the property between the dates of July 28 and 31, 2009 on a due diligence trip pursuant to the agreement between Hauseux/Surmacz and Elen Enterprises/Nominex. The mandate of this trip was to verify the existence and the extent of the high grade mineralization through sampling and site examination, and to have a preliminary site visit to the nearby Marce Occurrence. In addition, the author evaluated the property to assess the potential scope of the mineralization as indicated by regional trends and anecdotal evidence. The sampling done by Archibald, was intended to reproduce prior sampling results, and to sample new material in a current and compliant manner, in order to determine the merit of the property and, if warranted, permit significant fundraising, as well as consider the merits of acquiring by staking the nearby Marce Occurrence. This would allow further exploration work to be carried out in an organized manner, which has not been done to date. Based upon the sampling results and the mineralization observed in the field, the authors have determined that the three ZAC claims (ZAC 1, ZAC 2, and ZAC 3) warrant a two phased exploration program as recommended in this report.

12.2 Geophysics

12.2.1 Introduction

Between September 7th and September 16th, 2010, Patterson Geophysics Inc. (PGI) of La Ronge, Saskatchewan conducted a ground geophysical field program for 2215107 Ontario Inc. of Toronto, Ontario, a private company formed to acquire the Property through an assignment agreement with Elen/Nominex. In total, 23.225 line-kilometres of grid preparation work, 17.150 line-kilometres of ground magnetometer survey coverage, 18.000 line-kilometres of horizontal loop electromagnetic (HLEM) survey coverage, and 7.125 line-kilometres of gravity and level survey coverage were completed in two grid areas on the Victory Lake 2010 Project (Nunavut Territory, Canada).

12.2.2 Location and Access

The Victory Lake 2010 Project is located in eastern Nunavut Territory, approximately 190 kilometres south of Baker Lake, and approximately 170 kilometres west of Rankin Inlet. Access to the property can be obtained from Baker Lake, Rankin Inlet, or Arviat by fixed wing aircraft or helicopter. The property is also accessible during the winter months by muskeg tractor from Arviat. For the duration of the September 2010 program the PGI geophysical survey crew was stationed at a temporary exploration field camp established by PGI near an existing airstrip, located approximately 3 kilometres northeast of Victory Lake (NTS 55 L/11). The job sites were accessed daily from the camp on foot (Ostapovitch, 2010).

12.2.3 Geophysical Program

Grid preparation work was completed by the PGI survey crew, prior to commencing ground geophysical survey coverage in the areas under investigation. The work consisted of establishing baselines using predetermined start points (grid origins) and base line orientations. Cross lines were ‘turned off’ perpendicular to the baselines every 100m (Victory West Grid), and 300 - 600m (Victory East Grid). In total, 23.225 line-kilometres of grid work were completed by the PGI survey crew in the two grid areas (Figure 11). To verify grid positioning, and to assist base map generation and data presentation, Garmin GPS hand held global positioning receivers were used to record the locations of profile endpoints and baseline stations for the Victory West and Victory East grids established during the 2010 geophysical field season.

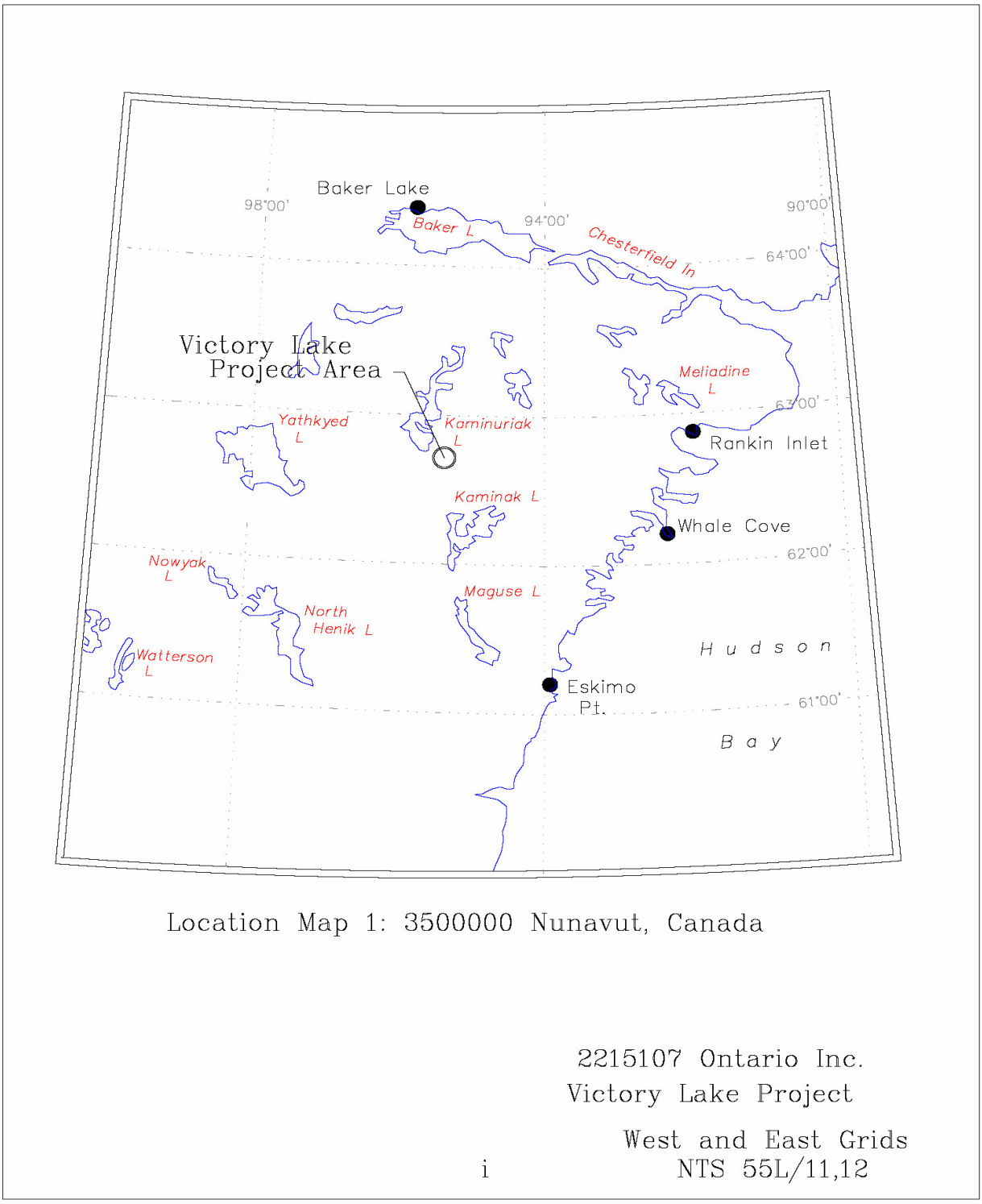


Figure 10: -Property Location

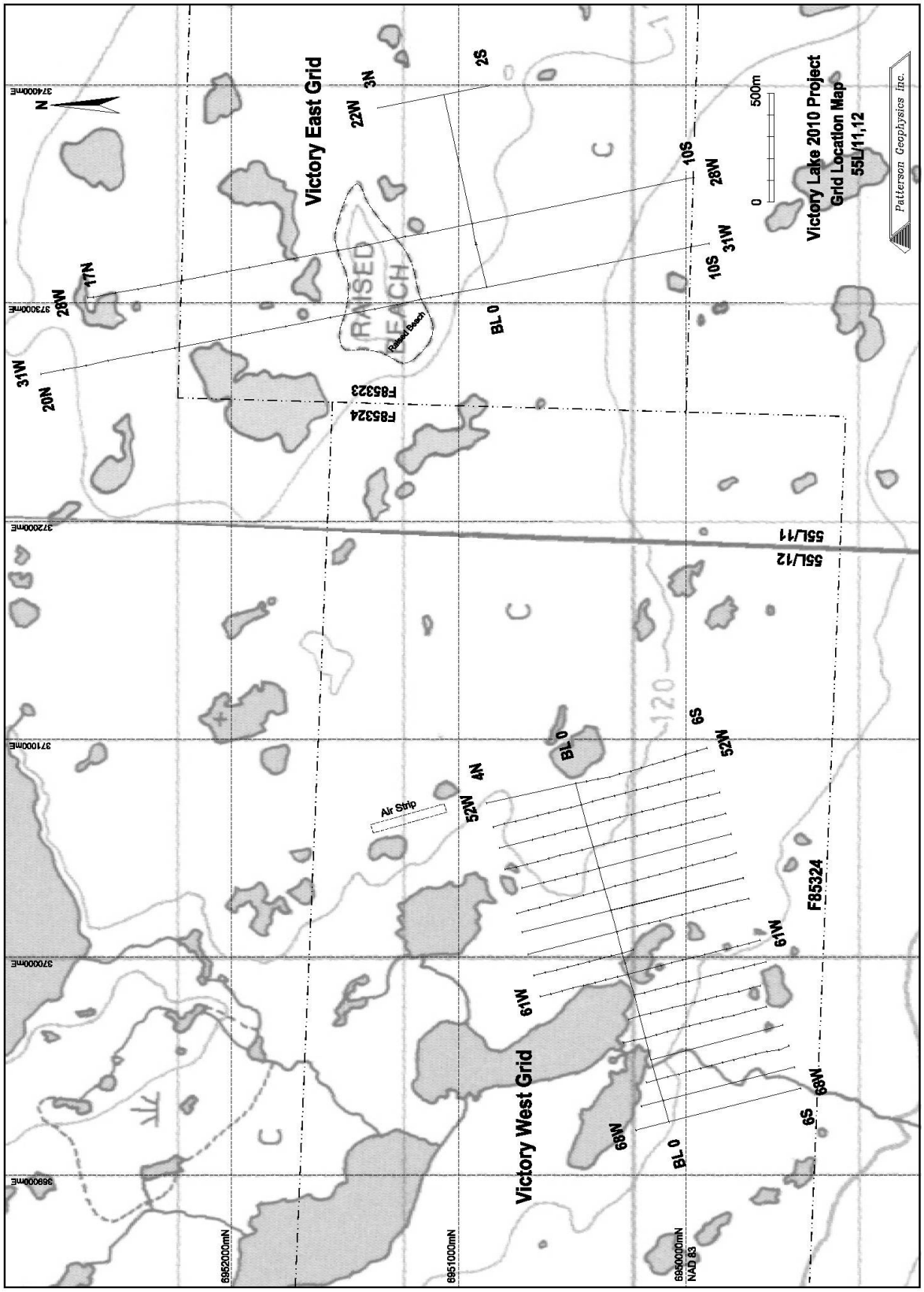


Figure 11: -2010 cut grids

12.2.4 Magnetometer Survey

Ground magnetometer survey coverage on the Victory West Grid was carried out using a GEM Systems GSM-19T proton precession magnetometer. In total, 17.150 line-kilometres of total field magnetometer survey data were collected on the grid. Magnetometer readings were acquired at 12.5 metre station intervals on all lines surveyed. A GEM Systems GSM-19W Overhauser magnetometer was set up north of the grid as a stationary base station unit to monitor diurnal total field magnetic variations during the course of the survey. The base station unit was synchronized with the GSM-19T field unit at the start of each survey day; base station readings were then recorded every 5 seconds, throughout the day. At the end of each field day, the total field magnetometer survey data were down loaded from the GSM-19 field and base station units via serial cable link to a Dell personal computer (using GEM Systems' GEMLinkW communication software). Diurnal drift corrections were then applied to the raw, total field magnetometer survey data using the GEMLinkW software, then the drift-corrected data were edited, converted to Geosoft .XYZ format, and collated (Ostapovitch, 2010).

12.2.5 Horizontal Loop Electromagnetic Surveys

Horizontal loop electromagnetic (HLEM) survey coverage was carried out on the Victory West Grid using an Apex Parametrics MaxMin I-10 slingram unit and MMC data acquisition computer. In-phase and outof-phase component HLEM measurements were recorded at 25 metre station intervals using a 200 metre transmitter-receiver coil separation and three transmit frequencies: 440, 1760, and 7040 Hz. Upon completion of the initial coverage, 4 lines (6200W, 6100W, 5700W, and 5300W) were re-surveyed using a 100 metre coil separation (25 metre stations) in order to better define anomalous targets. In total, 18.00 line-kilometres of multi-frequency HLEM survey data were collected on the Victory West Grid during the September 2010 geophysical field program.

For the duration of the program the receiver and transmit coils were held horizontal during the field measurements. Changes in elevation between the transmitter and receiver locations were measured as slope, in percent grade, using a Suunto clinometer. Corrections for slope and shortening of the coil spacing were applied to the raw HLEM survey data at the end of each field day using Apex MMC data reduction software.

12.2.6 Gravity Survey

The September 2010 gravity survey was carried on three lines (3100W, 2800W, and 2200W, Victory East Grid) using a LaCoste & Romberg Model G 'Geodetic' gravity meter (Serial Number G-267). In total, 7.125 line-kilometres of gravity survey coverage were completed on the grid using a 50 – 100 m station interval. The program was designed to in-fill the 1997-98 gravity coverage completed by an earlier operator (Comaplex Minerals), and to extend this coverage to the north and south to obtain a better representation of the regional gravity signature in the area of the West Zone and Main Zone massive sulphide mineralization. More gravity information is found in Section 12.3.

A primary gravity base station was established in the PGI field camp, and was subsequently tied in with an older base station located on the grid (at 3200W, 500N). The 2010 base station was occupied at the start and end of each survey day to monitor diurnal instrument drift of the LaCoste & Romberg meter during the course of the survey.

Gravity meter data acquired on the Victory Lake 2010 Project were reduced to their corresponding 'Bouguer Anomaly' gravity values using Geosoft Inc.'s GRAVRED gravity processing software. The

software applies several correction factors to the raw gravity field data including: instrument scale conversion factor, earth tide correction, instrument height correction, diurnal instrument drift correction, latitude correction, free-air correction, and Bouguer density correction.

The following equations were used to reduce gravity field readings to Bouguer Anomaly values:

Gabs = Gf + gtide + gih + gd
Gb = Gabs + gl + gfa – gb

where: Gabs = calculated Absolute gravity value at the observed station (mgal)
Gf = field reading converted to mgal units using instrument scale factor
gtide = earth tide correction (calculated using Geosoft GRAVRED software)
gih = instrument height correction = 0.308596 x hi
(hi = instrument height above station elevation pin, in metres)
gd = diurnal instrument drift correction (calculated by linear interpolation of the loop closure error with respect to time)
Gb = calculated Bouguer anomaly gravity value at the observed station (mgal)
gl = latitude correction = 0.000812132 x sin(2l) x ys (mgal)
(l = gravity reference latitude; ys = station distance north of ref. loc'n)
gfa = free-air correction = 0.308596 x hs (hs = station elevation in metres)
gb = Bouguer correction = 0.0419088 x pb x hs (hs = as above)
(pb = Bouguer density of near surface material)

The reduced Bouguer anomaly gravity values for the Victory East Grid have been calculated using Bouguer densities of 2.0 -3.0 g/cc, in increments of 0.1 g/cc. Although terrain corrections have been applied to the observed gravity values using Hammer B and C inner zone graticules, the corrections were generally less than 0.01 mgal due to the low relief encountered in the immediate survey area (Ostapovitch, 2010).

12.2.7 Results

The 2010 HLEM surveys have delineated six (6) conductor trends on the Victory West Grid (VW-1a, b through VW-6, Table 4, below). Each of these trends represent weak, predominantly out-of-phase, anomalies which are orientated roughly parallel to localized total field magnetic trends outlined by the September 2010 magnetometer survey in the same area (Figure 12). Although the 2010 HLEM survey results do not indicate the existence of shallow zones of conductive, massive sulphide mineralization, there is a good likelihood that they may represent less conductive, semi-massive or stringer sulphide zones similar to the Main Zone mineralization outlined by Comaplex Minerals further to the east (1996-1999). It is recommended that the 2010 HLEM survey results for the Victory West Grid be followed-up by conducting pole-pole or pole-dipole induced polarization/resistivity surveys during the 2011 summer field season (Ostapovitch, 2010).

The gravity/level surveys performed on the Victory East Grid in September 2010 have obtained useful infill gravity data which can be merged with the 1997-1998 gravity data set (Comaplex Minerals Inc.) for further modeling studies. The 2010 gravity/level surveys have also been successful in better-defining the regional gravity signature in the area of the West Zone and Main Zone massive sulphide mineralization. It is recommended that the positive gravity anomaly feature positioned north of the West Zone mineralization be drill-tested at depth (300-500m vertical), pending depths-to-source and anomaly axes determined by gravity modeling studies (of the combined data sets).

Table 4 - Victory Lake 2010 Project - Victory West Grid - HLEM Anomaly Summary

ANOMALY	LINE	STATION	STRIKE LENGTH	MAGNETIC ASSOCIATION	COMMENTS
VW-1 a,b	6800W	050S	100m+	direct, weak mag high	Out-of-phase anomaly
	6700W	090S			
	6200W	200S-275S	100m+	flanking	
	6100W	280S-360S			
VW-2	6600W	300S	400m+	direct, mag low	Out-of-phase anomaly
	6500W	285S-405S			
	6400W	430S - ?			
	6300W	570S			
	6200W	~660S			
VW-3 a,b	6000W	190N	800m	direct, weak mag high	Out-of-phase anomaly
	5900W	200N			
	5800W	205N			
	5600W	210N		flanking	
	5500W	225N			
	5400W	240N			
	5300W	235N			
	5200W	200N(?)			
VW-4 a,b	5900W	115S	700m+	direct to flanking, mag low	Out-of-phase anomaly
	5800W	110S			
	5700W	080S(?)			
	5600W	150S(?)		direct to flanking, mag low	
	5500W	160S-200S			
	5400W	165S-260S			
	5300W	150S			
	5200W	110S(?)			
VW-5	5900W	480S	200m+	Flanking	Out-of-phase anomaly
	5800W	450S			
	5700W	415S			
VW-6	5300W	430S-480S	<100m	direct, isolated mag low	Out-of-phase anomaly

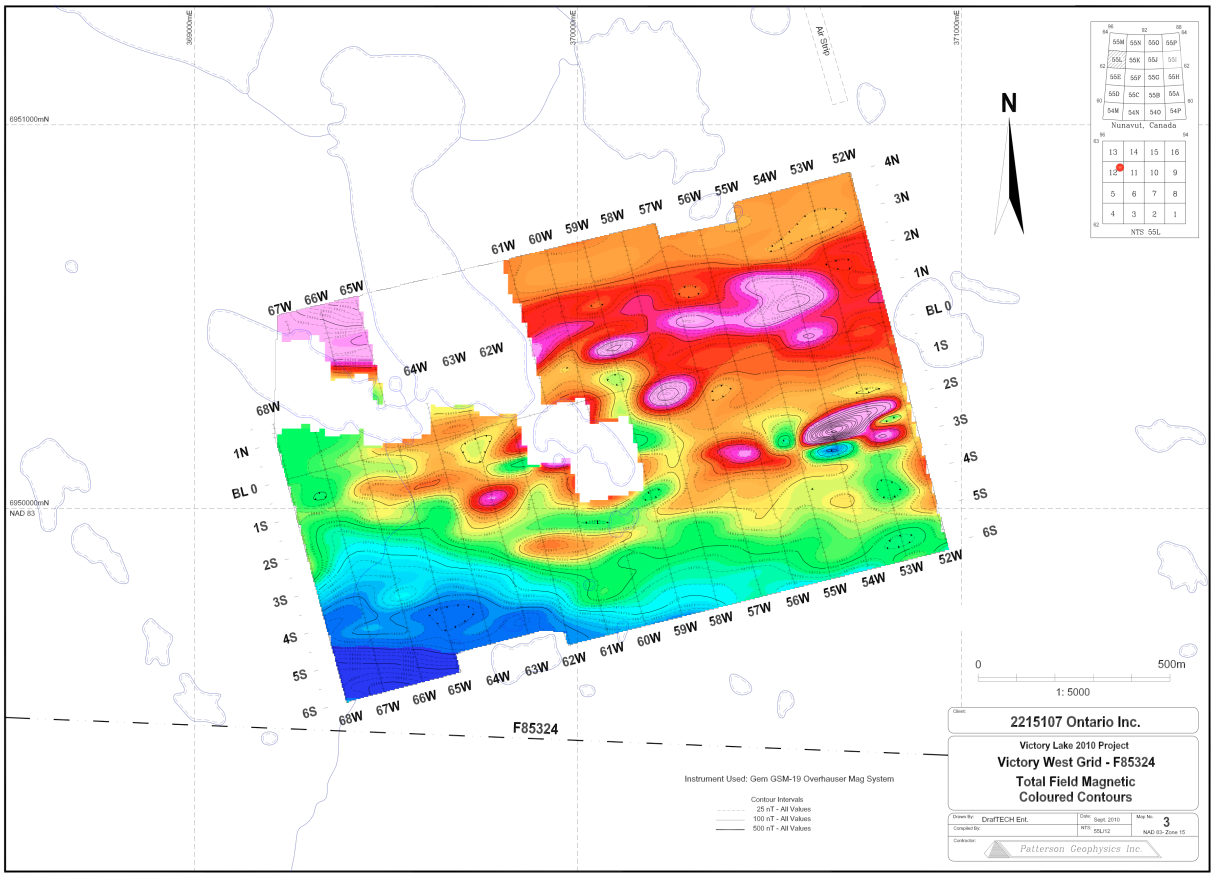


Figure 12: -2010 magnetometer survey results, West grid

12.3 Gravity Survey

12.3.1 Introduction

2010 Gravity survey coverage on the Victory East grid was designed to build upon previous data gathered in the area – in-fill of previous coverage, extension to north and south to obtain a better estimate of the regional gravity field, and detail over two areas of known massive sulphide mineralization ("West Zone" and "Main Zone"). Preliminary modeling for density contrast was performed by David Bingham of Living Sky Geophysics, using Geosoft's PotentQ program, assuming a Bouguer density of 2.60 g/cc.

Previous (1996-1998) electromagnetic surveying on the Victory East grid (TEM and HLEM) had located the West Zone conductor axis at approximately 200N – 400N on survey lines 3400W – 2750W (see Figures 13 and 14). The 2010 PGI survey crew noted a trench in this area (approx. 3200W, 200N) indicating near-surface sulphide mineralization. Previous drill holes had apparently been placed north of this trench, indicating an expected northerly dip of the sulphide unit. Prior to modeling, a regional trend was removed from the gravity data set. This trend (see Figure 13) shows a north-south gradient (Grunerud, 2010).

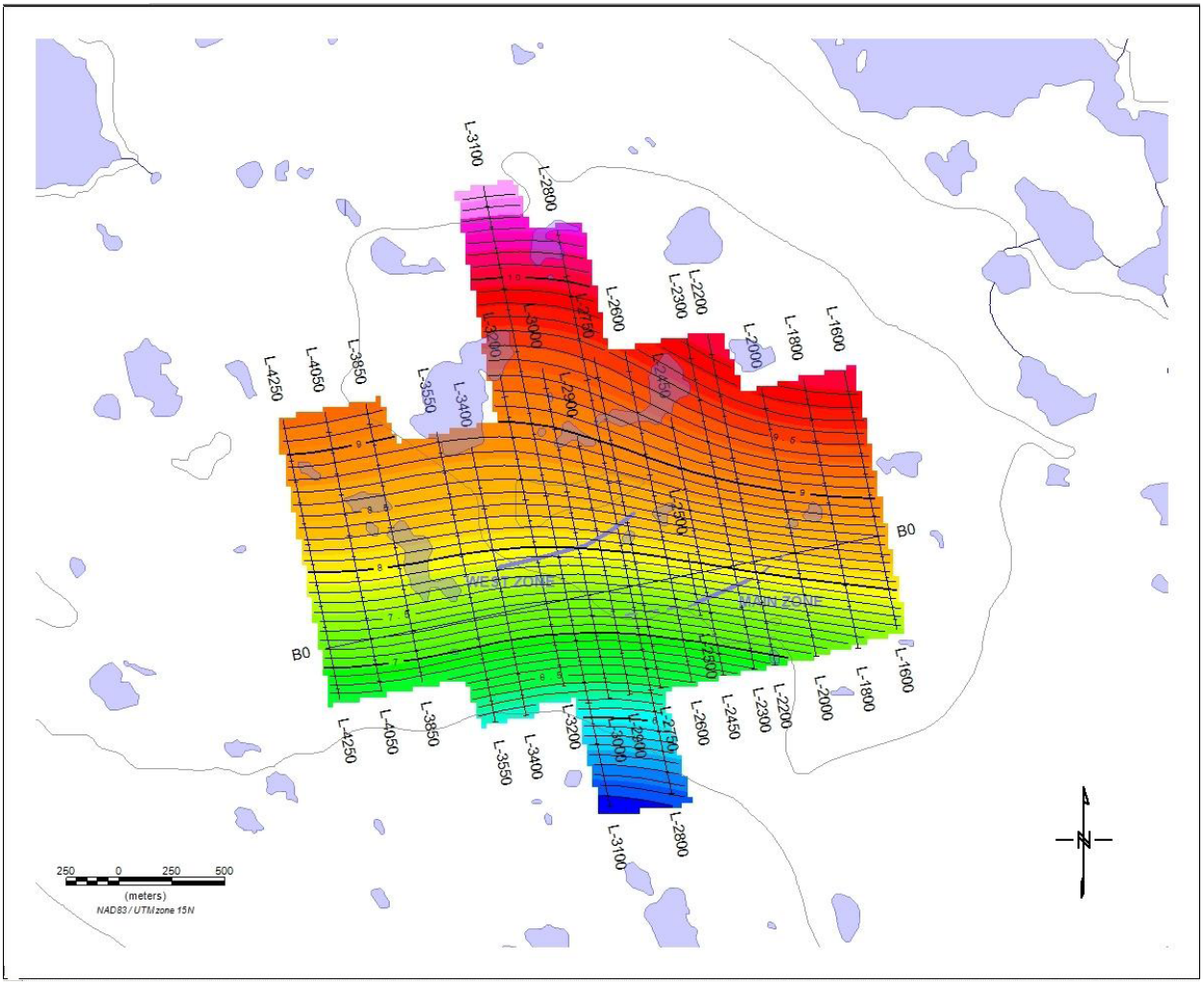


Figure 13: **-Regional gravity contours and EM conductor axes.**

12.3.2 West Zone

Residual gravity shows a NE-trending gravity high through the center of the grid. The West Zone EM conductor axis appears at the south end of this anomaly (refer to Figure 14). The gravity anomaly is approximately 400 m wide in the area of the 2010 profiles, and less than 1 mGal in amplitude. High, rocky ground in this area corresponds reasonably well to the anomaly location, but contouring of previous gravity data suggests that the body extends well to the southwest and northeast, beyond the confines of the local topographic feature.

Figure 15 shows approximate profiles of Bouguer gravity, regional field, residual field, and elevation for line 3100W. Here it is seen that the anomalous region is wider than the topographic feature, indicating a source or sources at depth. The dominant gravity feature appears to be south-dipping.

Preliminary modeling of this feature used a rectangular block with a density of 3.60 g/cc, 62 to 67 m below surface, over 400 m in width, and 37 m thick, plunging slightly east, and dipping slightly south. A good fit to the profile curve was attained (see Figures 16 and 17). The southern (down-dip) edge of this block approximates the West Zone EM conductor trend. As mentioned above, this model contradicts the northerly dip expected to prevail in the area.

Modeling for a second, north-dipping anomaly produces the model seen in Figure 18. This second model block does well to approximate the shape of the southern end of the residual in this area. The model block may actually intersect the block of the main anomaly.

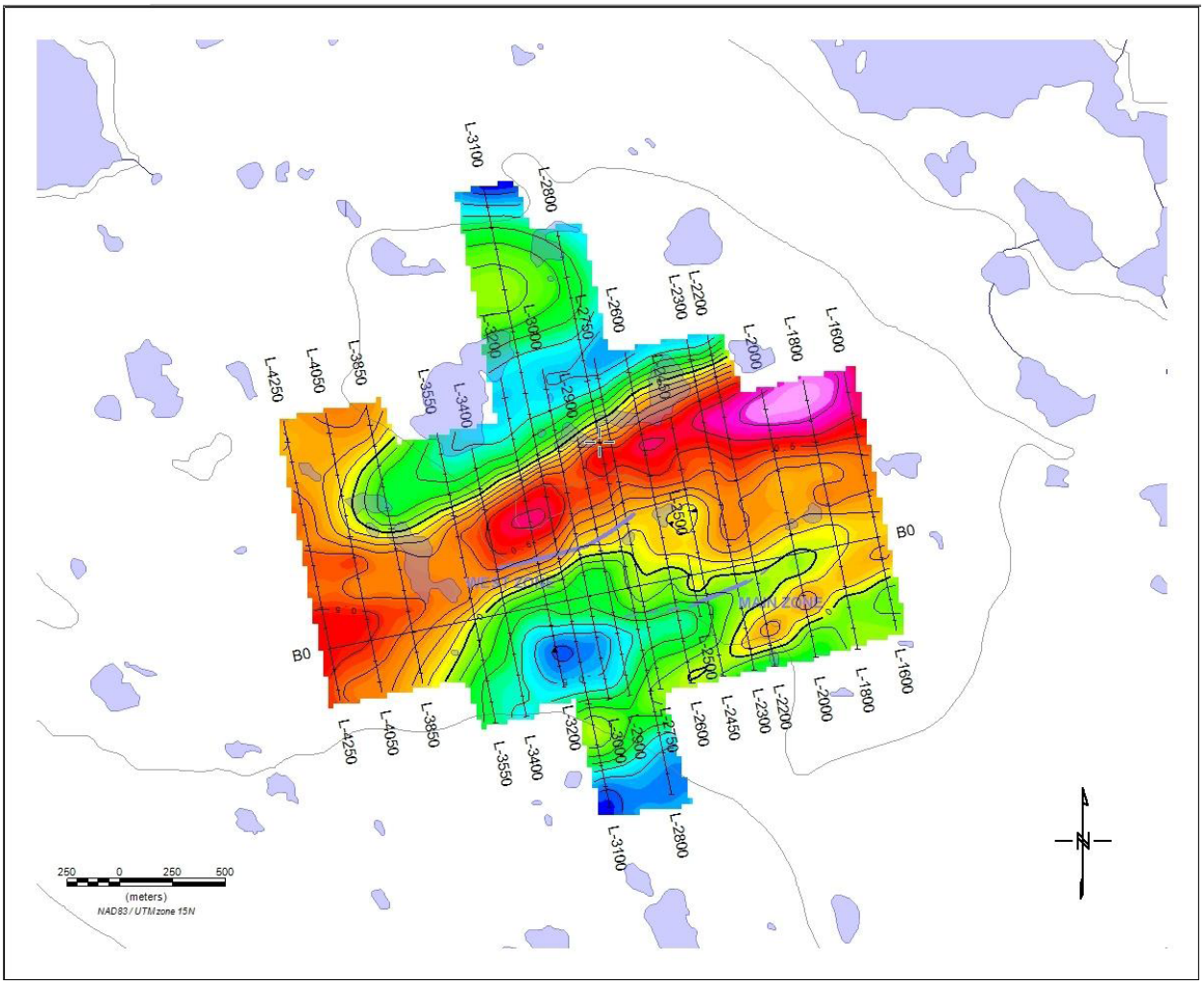


Figure 14: -Residual gravity contours and EM conductor axes.

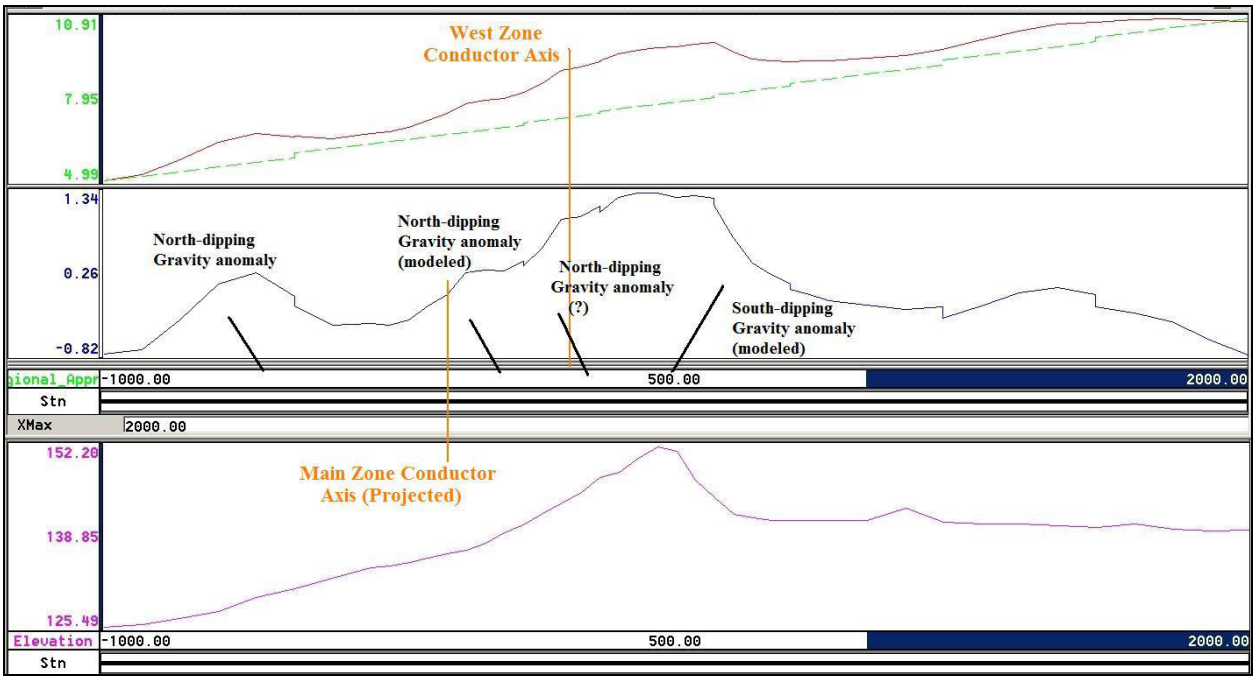


Figure 15: -Bouguer gravity (solid) and approximate regional field (dashed) (top), residual gravity (middle), and elevation profile (bottom), line 3100W.

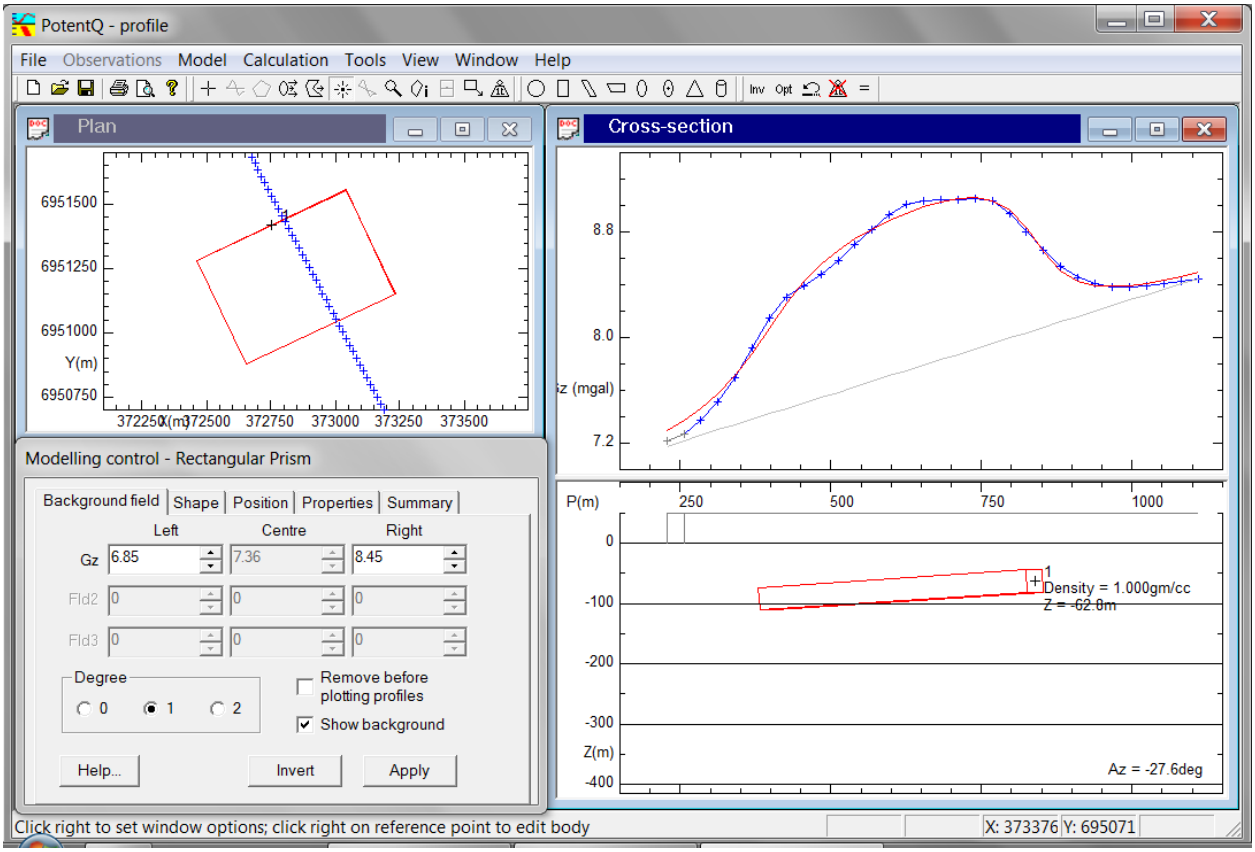


Figure 16: -Line 3200W block model and profiles, main anomaly.

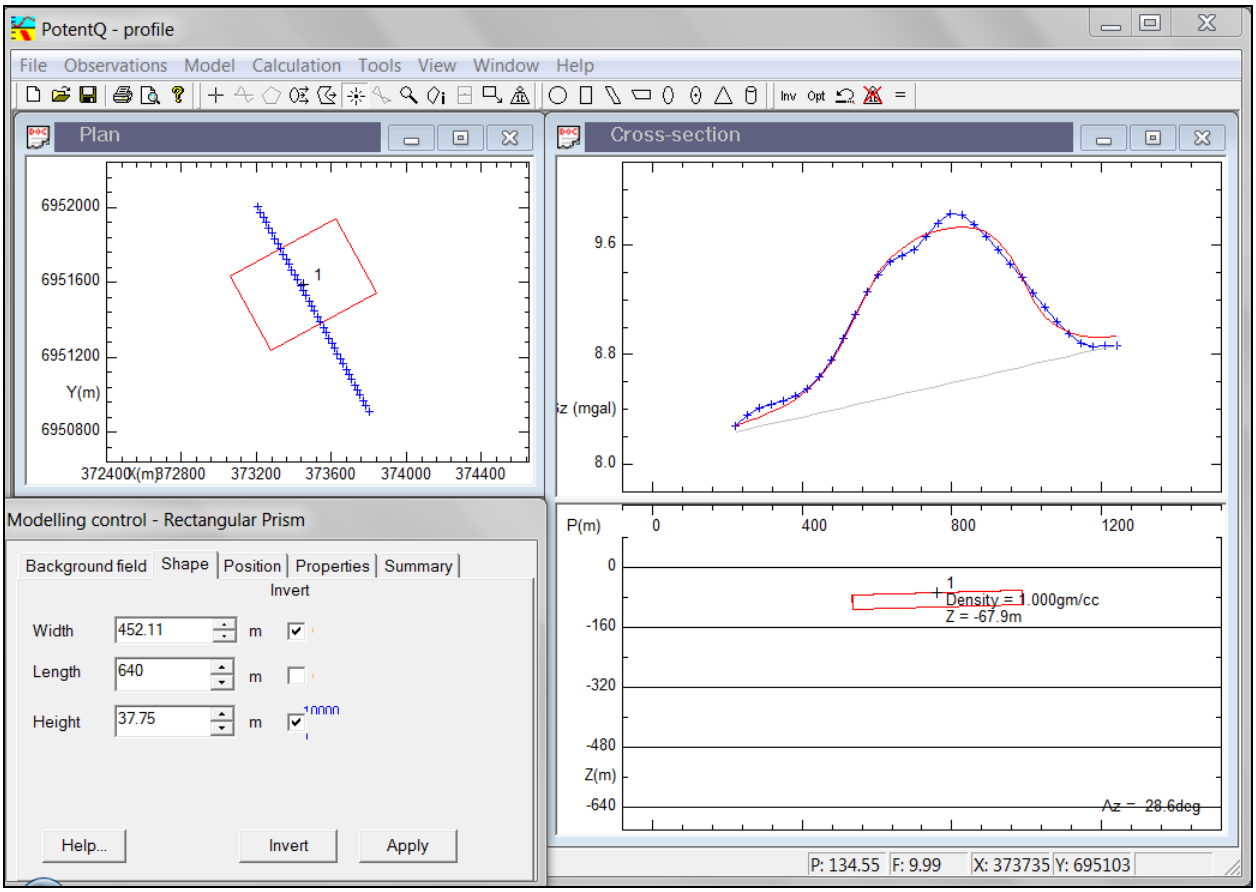


Figure 17: -Line 2800W block model and profiles, main anomaly.

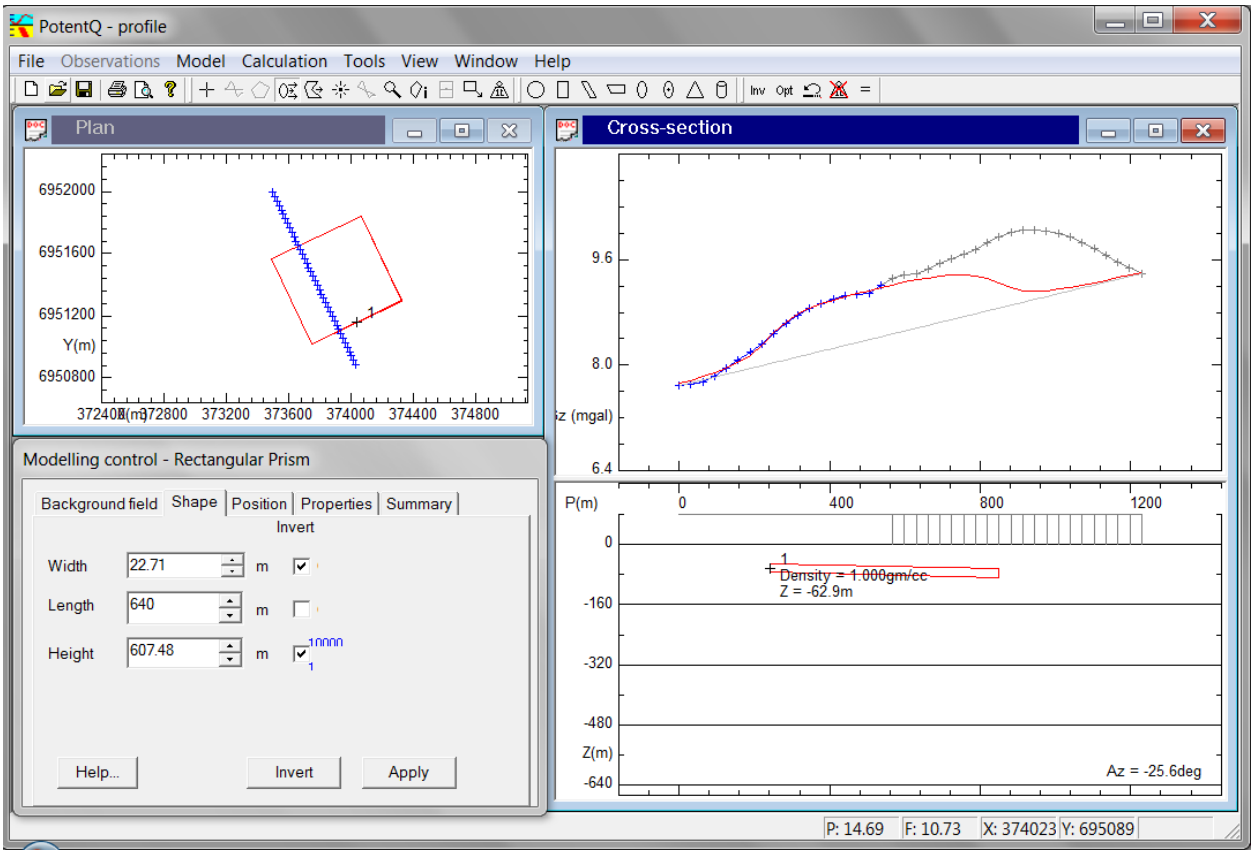


Figure 18: -Line 2800W block model and profiles, secondary anomaly.

12.3.3 Main Zone

A second residual gravity anomaly appears near the expected continuation of the Main Zone on both profiles 2800W and 3100W (at approx. 100S). Although the anomaly is distorted by proximity to the large anomaly noted above, it is most likely dipping northwards and is relatively shallow. Another gravity high is apparent in the residual data, south of the Main Zone (approx. 500S-600S). This anomaly is similarly shallow and also apparently dips north (Grunerud, 2010).

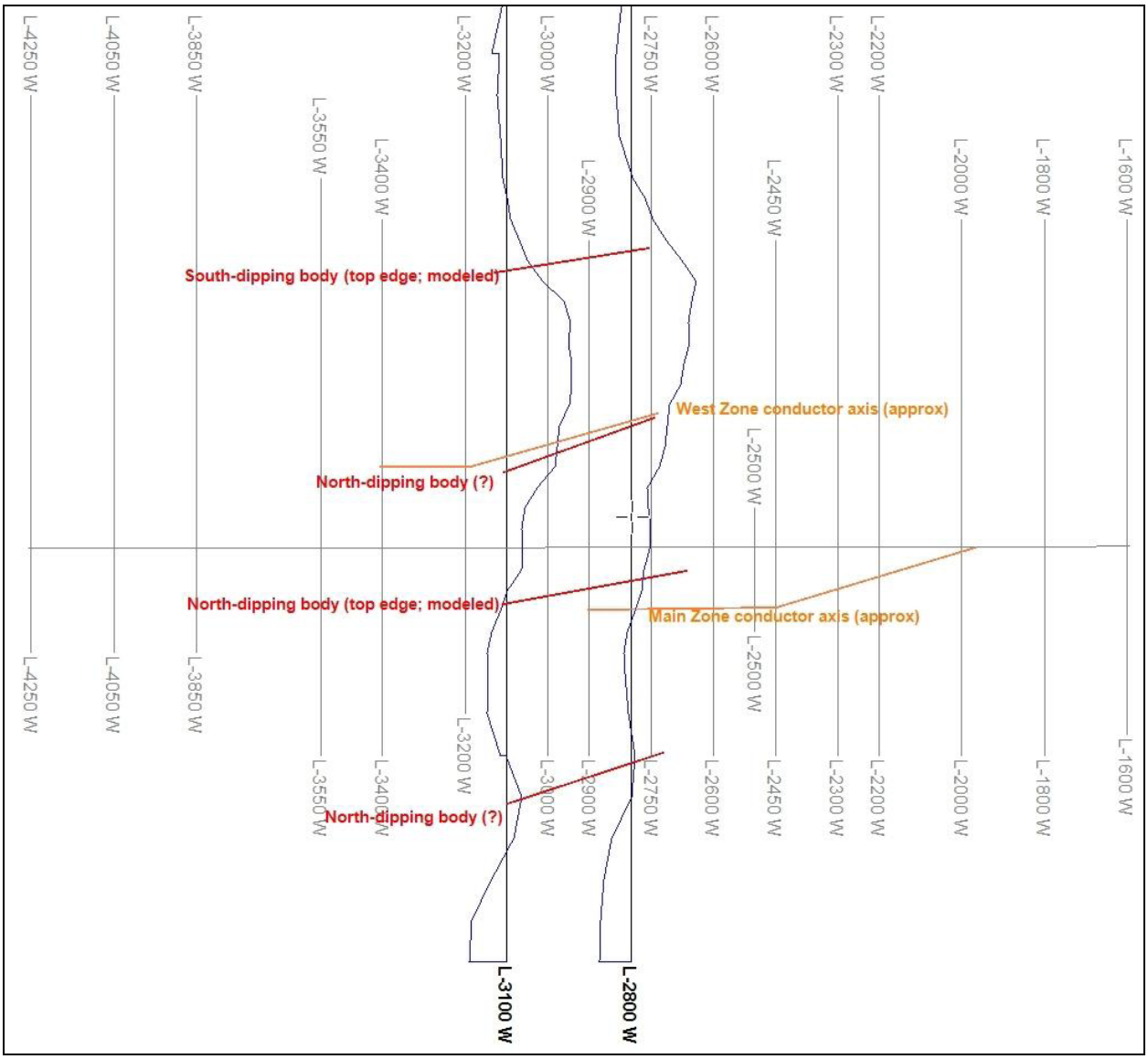


Figure 19: -Residual gravity profiles and approximate anomaly axes.

12.3.4 Conclusions

1) The main residual gravity anomaly on the Victory East grid is reasonably well modeled as approx. 60-80 m depth-to-top, 30-40 m thick, 1.00 g/cc more dense than the surrounding rock, and sub-horizontal, dipping slightly south. Secondary anomalies can be modeled as similar in size and density, but dipping slightly north. The "real picture" geology is undoubtedly more complex.

2) Further modeling of the Victory East gravity data may help to clarify the complex gravity signature seen over the West Zone and Main Zone anomalies; for example, by using a larger number of discrete model blocks to better fit the gravity profile. The density contrast of the model blocks used here (1.00 g/cc above the Bouguer density) is high enough that massive sulphide mineralization is likely.

3) Drill-testing of these anomalies should be performed and may be the most effective method of mapping local geology – i.e. confirming depth and orientation of mineralization, as well as mapping local structure. Vertical drilling to at least 300 m depth may be the best option. Drill holes located between 150N-450N on line 3100W, or 250N-550N on line 2800W, should intersect either of the two modeled anomalies. (Again, further gravity modeling or inversions may help to define the expected location and orientation of mineralized bodies.)

4) Pole-pole or pole-dipole induced polarization resistivity surveying, or large fixed-loop TEM surveying, may also be beneficial in mapping sulphide bodies on the Victory East grid.

13.0 Drilling

Although drilling was done on the ZAC1, 2 and 3 claims the authors have not been able to find any of the information related to this program.

14.0 Sampling Method And Approach

The previous work carried out over these three claim blocks was done before the institution of the National Instrument 43-101 regulations. Assessment work requirements by the Northwest Territories Government (up until April 1, 1999 when it became the Nunavut Government) were in effect and the quality of work submitted in the late 1990's are factual, thorough and up to industry standards for the time. Previous work required sampling method descriptions and accompanying assay report verifications and methodologies. The work completed by the various exploration companies on the property dating as far back as 1996 has all been documented and copies are available at the Mining Recorder's Offices in Iqaluit, Nunavut. One has to take the reports as being a fair and honest reflection of the work done at the time. The work appears to be thorough and a diligent representation of the 1990's style of work and this property has some excellent data to review, consisting of numerous sampling programs carried out over the mineralized trends. The lab work has been done by an accredited lab (Loring Lab in Calgary) to stand up to the NI 43-101 Standards. This report reflects on the compilation of all this available data in the files and the author's observations on his visit to sample and confirm the analytical results of the past work (reproducibility).
The sample numbers and UTM coordinates of the samples collected during the site visit is illustrated in table 5 below. The assay results are found in Table 3 in Section 8 Deposits.

Table 5: Sample Location

Sample Number	GPS Coordinates	Claim Block
53672	15V0373650 - 6950692	ZAC 1- Victory Grid-Main Zone
53673	15V0373657 - 6950699	ZAC 1- Victory Grid-Main Zone
53674	15V0373661 - 6950709	ZAC 1- Victory Grid-Main Zone
53675	15V0373689 - 6950794	ZAC 1- Victory Grid-Main Zone
53676	15V0373689 - 6950794	ZAC 1- Victory Grid-Main Zone
53677	15V0373804 - 6950747	ZAC 1- Victory Grid-Main Zone
53678	15V0373734 - 6950723	ZAC 1- Victory Grid-Main Zone
53679	15V0373338 - 6950718	ZAC 1- Victory Grid-Main Zone
53680	15V0372911 - 6950792	ZAC 1-Trench 1-West Zone Area
53681	15V0372932 - 6950793	ZAC 1-Trench 1-West Zone Area
53682	15V0372933 - 6950794	ZAC 1-Trench 1-West Zone Area
53683	15V0372934 - 6950795	ZAC 1-Trench 1-West Zone Area
53684	15V0372934 - 6950796	ZAC 1-Trench 1-West Zone Area
53685	15V0372935 - 6950797	ZAC 1-Trench 1-West Zone Area
53686	15V0373001 - 6950736	ZAC 1-Trench 1-West Zone Area
53687	15V0373001 - 6950735	ZAC 1-Trench 1-West Zone Area
53688	15V0373003 - 6950739	ZAC 1-Trench 1-West Zone Area
53689	15V0373004 - 6950742	ZAC 1-Tr.1-E. end tr.on West Zn.
53690	15V0349455 - 6938624	Marce 1-east end min. Zn. Hi Zn.
53691	15V0349461 - 6938629	Marce 2- center of min.Zn/Cu/Pb
53692	15V0349017 - 6938388	Marce 3-east end min.Zn (hi Ag)
53693	15V0373712 - 6950722	ZAC 1- Main Zone-Hi Zn. Area
53694	15V0373336 - 6950717	ZAC 1- Main Zone-west end
53695	15V0372935 - 6950793	ZAC 1-West Zone-Tr.1-mass.py

15.0 Sample Preparation, Analysis And Security

The twenty-four samples taken by John C. Archibald, between the dates of July 28 and 31, 2009, were representative of the mineralization in the areas on and around the showings known as the West Zone, Main Zone and East Zone on the ZAC claim group owned by M. Hauseux of North York, Ontario. The author's samples were hand carried and delivered in secure sample containers to SGS Labs of Toronto for multi-element analysis and confirmation of the zinc-lead-silver-copper and gold content. This lab has accreditation to carry out standard fire assay procedures for gold and analysis of the other base metals taken in the field and their results are accepted by the industry as being a fair and representative value. The assay procedure at most laboratories is to log in, ticket and provide I.D. numbers, dry, prep and crush each sample. First is a jaw crush to 0.25 inch size, then cone crush to –8 mesh and do a riffle split on each. A 200 gram parting of this sample is pulverized to –150 mesh, from which a 30 gram test sample is extracted and used in the fire assay method. The sample is then checked with an Atomic Absorption finish and every tenth sample submitted is checked against a lab standard for accuracy and consistency. If any high results are obtained these are automatically rechecked for their consistency and to eradicate

erroneous or accidental cross-contamination with the internal lab procedures. The analytical laboratory chosen was SGS an internationally recognized analytical company that is ISO 9001 certified. The sampling methods used were ICP 90Q for Copper, Lead, and Zind, FAA313 (Fire Assay) for Gold, and AAS21E (Atomic Absorption) for Silver.

Using the above sample preparation and analytical procedures the best possible assay results were obtained.

16.0 Data Verification

The data presented in this report has been selected from the assessment files located at the Resident Geologist's and Recorder's office in Iqaluit, Nunavut, and various private reports made available from the previous owner and data obtained from her expertise and services with Comaplex Minerals Corp. from Calgary on previous work programs covering the ZAC group of claims. The authors can verify that the information has been presented accurately, to the best of their ability, and is a complete and fair representation of the information that exists in the files. The author cannot verify the accuracy or validity of this information, but can verify that the assay values for the samples taken by John Archibald and the observations made by him in the field are accurate. The rock chip and grab sampling program as undertaken by Archibald in 2009, basically verifies the presence of copper, lead, zinc, silver, and gold that had been indicated be previous geological sampling work (1993 – 1999).

Note in most cases the samples collected were not duplicates but were taken from the same VMS mineralized outcrops. A comparison chart between the previously collected rock samples and the ones collected in July 2009 is given in Table 6 below, which show the presence of significant values in these five main elements, although the values were not exactly reproduced.

	Assays 2009						Assays 1998 (Previous)					
	Sample #	Cu%	Pb%	Zn%	Au ppb	Ag g/t.	Sample #	Cu%	Pb ppm	Zn%	Au ppb	Ag ppm
Main Zone	53672	<0.01	<0.01	<0.01	12 ppb	<0.3	90695	0.7	1	73 ppb	9	0.036
	53673	<0.01	<0.01	<0.01	7 ppb	0.8						
	53674	<0.01	<0.01	<0.01	8 ppb	0.8						
	53675	<0.01	<0.01	<0.01								
	53676	<0.01	<0.01	<0.01								
	53677	<0.01	<0.01	<0.01								
	53678	<0.01	2.04	3.72	1270 ppb	>300						
	53679	<0.01	<0.01	0.02	19 ppb	3.2						
West Zone	53680	0.39	0.24	0.09	1290 ppb	169	90668	0.164	0.145	1.49	4.6	0.304
	53681	0.09	0.03	0.12	51 ppb	17	90669	0.76	0.45	0.5	4.6	0.248
	53682	0.03	0.03	0.03	4 ppb	2	90670	0.124	175 ppm	0.26	11.2	0.058
	53683	0.48	0.34	5.31	91 ppb	42.7	90671	1.31	185 ppm	0.36	20.4	2.24
	53684	0.07	0.01	0.11	17 ppb	1	90683	1.43	34	115	765	0.64
	53685	0.67	0.01	0.09	256 ppb	56	90693	2.4	11	300	85	0.828
	53686	0.65	0.02	1.07	612 ppb	55						
	53687	0.19	0.06	8.37	327 ppb	38.9						
	53688	0.37	0.15	8.03	547 ppb	35.4						
	53689	0.11	0.01	0.06	786 ppb	81.7						
Marce Claims	53690	0.09	5.83	17.5	2360 ppb	>300						
	53691	0.06	6.59	17.7	2000 ppb	>300						
	53692	0.18	3.5	16.3	518 ppb	241						
Main Zone-High Grade samples	53693	2.69	0.23	10.3	3520 ppb	>300						
	53694	0.02	3.11	21.8	339 ppb	>300						
West Zone-massive sulphides (py-po)	53695	<0.01	0.01	0.05	23 ppb	2.5						

Highest Assay Value per Element				
2.69 % Cu	6.59 % Pb	21.8 % Zn	3520 ppb Au	>300 gm/t.Ag

24 Samples

Table 6: -Comparison Chart for Samples. (Prev. vs. 2009)

17.0 Adjacent Properties

There are no significant deposits or mineralization in the immediate area of Victoria Lake ZAC claims. This section is not pertinent to this technical report.

18.0 Mineral Processing And Metallurical Testing

No drilling results have been publicly filed, so it is unknown if there was any mineral processing done on any of the drill core samples.

19.0 Mineral Resource And Mineral Reserve Estimates

Due to the absence of any publicly filed drilling information no estimate was made of any resources or reserves.

20.0 Other Revalent Data And Information

The authors believe that all relevant and available data and information was used when preparing this report.

21.0 Interpretation And Conclusions

After reviewing the mineralized areas on the property (ZAC Claims 1-3) the available information in the assessment files, it can be conclude that the three claim block previously owned by Marcelle Hauseux and optioned to Elen/Nominex has high potential for hosting further Volcanogenic Massive Sulphide (VMS) occurrences based upon the following:

- The claims were traversed from west to east, visiting each of the trenched/mineralized areas in order (Far West / West / Main and Far East Zones) and took samples of the most prevalent sulphide mineralization for both base metal and gold determinations.
- The analytical results held up on a number of areas that were re-sampled and the mapping and interpretation of the rock units and rock associations (lithologies) were accurate and consistent.
- The interpretation of the volcanogenic events certainly would indicate that further work is merited and that due to lack of along strike exposures that more mineralization is likely to occur.
- The units are regular, consistent and extensive enough laterally that further embayments or swells in the mineralization could likely occur.
- The resultant ground gravity survey indicated a large gravity anomaly to the northeast under the gabbroic/mafic volcanic contact and may indicate a large mineralized body (especially in zinc) in that direction down dip to the surface mineralization.
- The previous operators of the property had not taken the effort to drill off a number of the identified geophysical anomalies and the lack of good outcrop exposure along strike to the known zones may hide further sub-cropping of mineralization.
- The mineralized zones of prime interest are those identified by the Comaplex exploration programs from 1996-1999 and any that exist along strike to these zones.
- The long linear bands of massive sulphides should readily produce surface conductors and Induced Polarization methods should be one of the better methods of identifying these conductors. There is not an extensive amount of glacial cover or a lot of conductive clays on surface to mask the conductors.
- The existence of similar long linear trends and high-grade values in zinc-lead-copper and silver on the ZAC property in similar lithological units indicates that the mineralization is widespread and may in fact have very deep roots
- Due to sphalerite being a poor conductor the gravity method may be a useful tool to use on these properties, the limited test survey completed in September 2010 attests to this.
- John C. Archibald attempted to take independent samples (grab and chip-channel samples) along the mineralized zones that were accessible and easily identifiable and in some instances at locations that twinned previous sample locations (as indicated by their sample tags) in order to corroborate some of the past sampling work. This corroboration work was successful.
- The samples were taken as chips across the trenches at strategic locations, especially where previous sample tags were observed/found, thus being representative of the sample location.
- The best results occurred where previous sampling returned a high grade Zinc value. The sample returned values as high as 2.69% copper, 3.11 % Lead, 21.8 % Zinc, greater than 300 gms./ton Silver and 3520 ppb Gold (0.103 oz./ton) from a sample at the Main Zone on the ZAC-1 claim.
- The West Zone also produced several significant assays in these five elements as samples ranged up to 0.67 % Copper, 0.34 % Lead, 8.37% in Zinc, 1290 ppb in Gold and 169 gms./ton in Silver. Summary of sample analytical data found in Table 3 in Appendix 1.
- It is significant to note that high grade samples of zinc, lead and silver were recovered in all three zones that were sampled.
- The Marce Occurrence was also visited briefly by Archibald in 2009, and out of the three samples taken, one in particular (No. 53,693) returned a combined value of 2.69 % in copper, another (No. 53691) with 3.11 % lead, 17.7 % zinc and 2000 ppb in gold and greater than 300 gms./ton in silver, making this prospect an attractive early exploration target.

The West trench/Zone appeared to be the most extensive/longest of the trenches which transected the geological strike at an oblique angle. Ten samples were taken from this area of the property. A further ten samples were taken along the linear mineralized zone known as the Main Zone with one sample taken between the two zones (S. 53679). Further to the east the mineralization is less discernable and covered by glacial overburden and a number of erratics /boulders or frost heaves, but the mineralization is still evident due to rusty staining and localized sulphide mineralization. It was in this area that a number of high grade values in zinc were found in a few of the large, more angular boulders (potentially frost heaved and almost in place). This area was less productive in picking out previous trenching and bedrock samples.

- Table 6 shows and compares a number of the samples from previous work with the grades of samples taken during this program. The analytical results compare favorably with values of the base metals Cu, Zn, Pb, and Au/Ag showing significant values in these elements. Since the exact locations of the sample stations could not be verified, the assay numbers would not necessarily reflect exact or duplication of grades in these elements but significant values were nonetheless found thus reflecting the existence of similar grades to the original sampling.
- It has been determined that all three claims share similar geological lithologies, that they appear to be part of a larger en-echelon or series of sub-parallel structures that dip steeply north and have strong geophysical conductors along strike and gravity anomalies to the northwest of the surface expressions of the mineralized zones.

The conclusions are as follows:

a) The ZAC1, 2 and 3 are located in an area with complex geology, deformation with metamorphism varying from Green Schist to lower Amphibolite Facies.
b) Within the Felsic and Intermediate Tuff are stratabound massive to semi-massive VMS sulphides consisting of sphalerite, chalcopyrite, galena, pyrite, pyrrhotite with minor marcasite, cubanite and bornite.
c) There is microscopic evidence that the sulphides have undergone metamorphic re-crystallization.
d) The quartz veins with sulphides similar or the same as in the VMS mineralization and conductors that do not follow the main foliation suggest re-mobilization of the VMS sulphides.
e) The grades of the different sulphide outcrops vary greatly but all three ZAC claims, as well as the
Marce claims have high concentrations of zinc with lesser concentrations of copper, lead, and with variable but interesting concentrations of silver and gold.
f) Zinc values varied from 3.72% to 21.8 %, Copper values ranged between 0.39 to 2.59%, Lead values ranged 0.24 to 6.59% with a maximum gold value of 3520 ppb and silver in excess of 300ppm.
g) There are untested geophysical magnetic, HLEM conductors and a strong gravity anomaly in the north section of the ZAC claims, where there appears to be little exploration done.
h) The above noted conclusions with evidence of stratabound VMS mineralization on the three ZAC and the Marce claims certainly make this a Property of Merit that warrants the expenditure of additional funds to test areas with outcrops of VMS mineralization and geophysical targets by an extensive drill program.
i) The fact that both the ZAC and the nearby Marce Claims have similar high-grade potential supports a larger field program to explore the areas between the two groups of claims as well as the strike extension of these zones both to the east and west of both groups. The two main tools in this exploration will be airborne and ground geophysics and

diamond drilling to test the 'blind 'targets hidden by the extensive glacial cover in these areas.

22.0 Recommendations

The previous work from the most recent exploration company (Comaplex Minerals) that carried out work on the original seven claim (ZAC /VIC) blocks was very limited in scope. Most of the work was carried out on, or along strike to the original massive sulphide exposures found in the West, Main and East Zones and also where the mineralization was covered by surface glacial tills and boulders work stopped due to the lack of mechanization (backhoe). The geophysical surveys in both the air and on the ground did extend a number of these zone laterally and indicated that perhaps the best potential lay to the north under the gabbros along the gabbro/mafic volcanic contact extending in a northeasterly direction.

1) Since the base metal-gold-silver mineralization is widespread a detailed grid should be surveyed with 25m stations on lines with optimum 50m line spacing. Where there are known VMS mineralization exposed and there are untested geophysical HLEM anomalies 25m fill-in lines should be surveyed in.
2) All geophysical survey data, geochemical analysis, reports both private and government related to this property and adjacent areas should be collected and studied in detail before the next phase of work commences.
3) The possible re-processing of recent and historical geophysical data should be investigated as there may be improved programs available.
4) Once the above work has been completed and any new geochemical soil (MMI) and geophysical survey data has been interpreted the best geophysical HLEM, and geochemical anomalies should be drilled. It is critical that the orientation of the conductors and other possible targets are determined so that the drill holes will cut the rock perpendicular to the foliation/bedding.
5) The gravity anomaly that occurs in the north part of the claims is very important as sphalerite, one of the main VMS target minerals is a non-conductor, may be the cause of the gravity anomaly. It is recommended that the target be tested by 1-3 shallow drill holes.
6) Due to the short exploration work season and remoteness of the property it would be cost efficient for some obvious anomalies to be tested by drilling early in the 2011 exploration season. Also in order to properly map the claims, rehabilitate and dig new trenches it must be done in the short summer field season.
7) Depending on the size of the exploration budget it is recommended that the land extending from the ZAC claims to the Marce Groups be considered for acquisition and if the land is stratigraphically and structurally related then this area should be examined. This is recommended because rock chip sampling gave similar grades of base metals and accessory gold and silver concentrations for both occurrences, and if the geology that extends between the two prospects is related there would be 20km strike length of prospective ground.

The authors recommend a two-phase program to cover the three blocks of claims owned by Hauseux/Surmacz and presently under option with Elen Enterprises/Nominex. The work will consist mainly of compiling the past historical information and putting the pertinent geophysical, geological, geochemical, structural and interpretive information on layer plans at common scale to be used as base maps for the new work. Once this is compilation and follow up work is completed strategically placed drill holes will be required to test the best targets as prioritized by the exploration techniques utilized.

PHASE 1

The first stage of exploration work will be to locate and reestablish as necessary the grid lines over various parts of the property, especially in areas where geological and structural features were indicated.

- The geology should then be re-mapped in detail, outcrops studied and sampled and a base plan made to cover the whole property.
- Prospecting and mechanical trenching should follow, tracking mineralized trends and cleaning up some of the past trenches and pits for better understanding of the mineralization and structure.
- The use of a structural geologist should determine which way the mineral lineation are dipping in anticipation of using this as a guide to further down-hole geophysical methods and diamond drilling of a number of the better geophysical targets.
- The overall picture can be enhanced by carrying out a property-wide Magnetometer (for the Banded Iron Formations) and deep penetrating Pulse-Electromagnetic surveys over the claim group with the ability to determine structural features, deformation zones, extrapolate geology, and locating further linear mineralized zones along strike.

Phase 1 does not contemplate 'results' being either positive or negative. Rather, information gathered upon completion of Phase 1 will be used to guide the location of the drill targets in Phase 2. A statement as to whether Phase 2 is contingent on positive results in Phase 1 does not seem appropriate in the circumstances.

PHASE 2

Once the geophysical surveys are finished and interpreted, then diamond drilling should be used to test a number of high priority targets to see if there is any additional Zn-Pb-Cu-Au-Ag potential on the company's claim block.

PROPOSED BUDGET

PHASE 1 PROGRAM

1. Compile all the available data on the property from private and public records from the assessment files in Iqaluit, Nunavut, as well as from any private or corporate files that Comaplex may have in house……..$ 10,000.00

2. Develop a data base and base maps for the field program on the property which will include digitizing any existing data……...….$ 6,000.00

3. Grid Survey: Line cutting of approx. 90 line km. at 50 m. intervals across the three mineralized zones with stations at 25 m. interval:
90 km.@$400/km…….....…..$36,000.00

4. Detailed Geological Mapping, prospecting and sampling:
2 men for 1 month @$750/day…….….$ 22,500.00
Maps and Report……..$ 6,000.00
Analysis of samples: 200 samples@$40.00 ea……..….$ 8,000.00

5. Ground Mag.+ V.L.F.(HLEM), I.P. and Gravity Surveys:
V.L.F.-Electromagnetic survey @$250/km. x 75 km……..….$ 18,750.00
Proton Mag Survey; 75 km. @ $250/km…….…… $ 18,750.00
Induced Polarization Surveys; 15 kms. @ $2,000./km…….……$ 30,000.00
Gravity Survey: 20 kms. @$2,500/km,…….….$ 50,000.00
Maps, report and Interpretation:…….…….…..$ 15,000.00

6. Support Services:
Low PSI 4x4 ATV….3 mo.@ $3,000/mo…….....……..….$ 9,000.00
Field Equipment/supplies: tents, flagging, GPS, etc.……...……...$ 15,000.00
Sample Shipping:……...….. $ 5,500.00
Room/Board: local for 3 months @$300/day/5 man……..$135,000.00

7. Engineering, supervision, maps, reports…….…… $ 47,000.00

Sub-total of the above……..…….. $432,500.00
10 % Contingency on the above program……..…..... $ 43,250.00
Total for the above Program……..…….. **$ 475,750.00**

PHASE 2 PROGRAM

1. 10,000 ft. of diamond drilling to test a number of geophysical and geological targets on the property:

10,000 ft. @$35/foot (Approx. $120/m.)…….…….$ 350,000.00
Mob/Demob of Drill/men/supplies…….$ 50,000.00

2. Logging, sampling the core:
2 men $750/day x 2 months……..…….$ 45,000.00

3. Analysis of the samples/core:
Approximately 500 samples @ $40/sample…….…….$ 20,000.00

4. Shipment of samples to the Lab……...……$ 5,000.00

5. Work and site expenses:
Local room and Board: 2 mo. x 2 men @ $300/day/man……..…$ 36,000.00
Local travel, gas, fuel, supplies……..…….. $ 14,000.00
6. Helicopter and Fixed wing support:
2 months charter of helicopter @ 3 hr. min/day x 60 days…….……$ 324,000.00
Jet A Fuel: 2.5 /day x $800/brl. x 60 days……..……$ 130,000.00

7. Office support, overhead, accounting, supplies……..…. $ 15,000.00

8. Engineering, supervision, travel etc……..... $ 50,000.00

Sub-total of the above program……**$1,039,,000.00**
10% Contingency on the above expenses……$103,900.00
Total for the Phase II Program ……$ **1,142,900.00**
Total for Phase I + II ……..…….$ **1,618,650.00**

It is the authors' opinion this property has sufficient merit to justify the expenditure of the amounts indicated by the two phases of work recommended in this report.

23.0 References And Bibliography

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24.0 Date And Signature Page

(Signed and Sealed) "Howard Lahti"
Howard Lahti, Ph.D, P.Geo.

Date: May 25, 2011

(Signed and Sealed) "John C. Archibald"
John C. Archibald, Hons. B.Sc., P.Geo.

Date: May 25, 2011

25.0 CERTIFICATE of AUTHORS

Howard Lahti

1.0 I, Howard Lahti, certify that: I reside at 1158 Woodstock Road, Fredericton, New Brunswick, E3B 7S1. This certificate applies to the technical report entitled "NI43-101 Technical Report on the Victoria Project, District of Kivalliq, Nunavut."

2.0 This report was written for Citadel Gold Mines Inc at the request of 2215107 Ontario Inc., October 20, 2010 and revised May 25, 2011.

3.0 I am a graduate from the University of New Brunswick, Fredericton, NB, with a B.Sc. in Geology (1968) and a Ph.D. in Geology (1978), and I have practiced my profession continuously since that time.

4.0 I am a member of the Association of Professional Engineers and Professional Geoscientists of New Brunswick (since 2002; Membership Number M5594).

5.0 I am a geologist engaged as a consultant for Deep Search Exploration Technologies Inc., a firm of consulting geologists based in Fredericton, New Brunswick.

5.0 I am a qualified person for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). I have worked in exploration and geochemical method development since 1967. I have explored for VMS, MMS, gold, chromite and uranium deposits. Since 2004 I have worked on volcanic massive sulphide, copper-nickel-PGE magmatic and chromite deposits in the "Ring of Fire," VMS deposits in New Brunswick and VMS deposits on the El Condor Goldmarca Resources property and Salazar Resources properties in Ecuador.

6.0 I reviewed the most recent geological report (JOHN C. Archibald, 2010), including, the Patterson Geophysics HLE –magnetic and gravity survey results.

7.0 I am responsible for all the technical sections of Technical Report on THE Victoria Lake Project the Technical Report dated October 20, 2010 and revised and revised May 25, 2011 except for the information obtained during site visit by John C. Archibald and sections prepared by him.

8.0 I am independent, as described in Section 1.4 of NI 43-101, of Citadel Gold Mines Inc.

10.0 I have had no prior involvement with the property that is the subject of the Technical Report. I have read NI 43-101F1 and the Technical Report has been prepared in compliance with NI-43-101

11.0 As of the date of this certificate, to the best of my knowledge, information and belief, the Technical report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

12.0 Consent is hereby given to Citadel Gold Mines Inc. to reproduce this report in part or in whole for corporate purposes or purposes relating to the raising of funds by way of a prospectus and/or statement of material facts.

(Signed and Sealed) "Howard Lahti"
Howard Lahti, Ph.D, P.Geo.

Date: May 25, 2011

John Archibald

I, John C. Archibald, (Hons.) B.Sc. Geology, P.Geo. do hereby certify that:

1. I am currently self-employed as a consulting geologist.

2. I graduated with a degree in Honours, Bachelor of Science, from Carleton University, Ottawa, in 1973.

3. I am presently registered for full-time status with the APGO (Registration No. 1251) and also a member of the Ontario Prospectors Association (OPA - Southern Ontario Branch), and have been a member as a Fellow in the Geological Association of Canada (FGAC).

4. I have worked as a geologist for the past 37 years since my graduation from University.

5. I have read the definition of " Qualified Person" set out in the National Instrument 43-101 Guidelines ("NI 43-101") and certify that by reason of my education, affiliation with a Professional Association (as defined in the N.I. 43-101 Guidelines) and past relevant experience, I fulfill the requirements to be a "Qualified Person" for the purpose of NI 43-101.

6. I am responsible for the preparation and content in this report titled "Technical Report on the Victory Lake Claims, District of Kivalliq, Nunavut", for Citadel Gold Mines Ltd. dated October 20, 2010 and revised May 25, 2011, (the Technical Report), relating to the Victory Lake claim groups. I visited the property between the dates of Sept. 4-6th, 2009, in order to view the mineral occurrences and research the database on the property. A number of samples were taken at this time at locations previously sampled in order to verify the existence of significant lead, silver, zinc, copper and gold mineralization from trenches and outcrop exposures.

7. I have had geologist mapping, drilling and interpretation experience in the McFauld's area and Voisey's Bay area looking for MMS and VMS-styles of mineralization in the past and feel that I have the relevant experience and qualifications to determine the geological significance of the airborne geophysical and evaluate the potential for these claims to have VMS-MMS type mineralization present. I have not had prior involvement with the property that is the subject of this technical report.

8. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

9. I am independent of the issuer applying all of the tests in Section 1.4 of National Instrument 43-101.

10. I have read the National Instrument 43-101 Guidelines and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

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

(Signed and Sealed) "John C. Archibald"
John C. Archibald, Hon B.Sc., P.Geo.

Date: May 25, 2011

26.0 Additional requirements For Technical Reports On Development properties and production properties

This section is not required for this technical report.

27.0 Illustrations

There are no illustrations in this report.