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Final

Prodigy Gold Incorporated: Mineral Resource Estimate, Magino Gold Project, Ste. Sault Marie Mining District, Ontario

NI 43-101 Technical Report
28 February 2011

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Issued by: Vancouver Office
Doc Ref: 110412_V1000_Final_ProdigyGold_TR_au

Print Date: 12 April 2011

Number of copies

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Prodigy Gold Incorporated:	2

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1 Summary

In late 2010, Snowden Mining Industry Consultants Inc. ("Snowden") was requested by Kodiak Exploration Limited (a precursor company to Prodigy Gold Inc.), to complete a mineral resource estimate and preliminary economic assessment for the Magino gold project in compliance with National Instrument 43-101 and Form 43-101F1. Prodigy Gold Inc. ("Prodigy") was formed in January 2011 by the unification of Kodiak Exploration Limited and Golden Goose Resources Inc.

The purpose of this Technical Report is to support the news release of 28 February 2011 in which an updated Mineral Resource estimate was reported for the Magino gold property. The preliminary economic assessment will be reported in a subsequent technical report.

The Magino property is approximately 40 km north-east of the town of Wawa, Ontario, and consists of a former underground mine that was active in the period 1988 to 1992, and processed 768,678 tons at a recovered grade of 0.137 oz/t Au to produce 105,543 ounces of gold. Since closure of the underground mine there have been several studies by Golden Goose Resources Inc. ("Golden Goose") to evaluate the feasibility for re-commencing underground operations and / or commencing open pit operations.

The intention of Prodigy is to re-assess the Magino gold deposit as an open pittable scenario.

Claim Group Inc. acts as agent on behalf of Prodigy with regards to the exploration and mining tenements that form the Magino property. Claim Group Inc. confirmed that the issuer's wholly-owned (i.e., 100% Registered Ownership) land holdings forming the Magino property comprise seven (7) patented mining claims (mining and surface rights), four (4) leased mining claims, and sixty-three (63) unpatented mining claims with a combined area of 4,762.99 acres (1,910.10 hectares). Additionally, on 9 February, 2011 Prodigy announced that it had signed an option agreement with MPH Resources Corp. that allows Prodigy to earn up to a 100% interest in the 112 ha Gould Gold property located adjacent to the Magino property.

1.1 Geology and Mineralization

The Magino property is located within the Michipicoten greenstone belt of the Archean Superior Province. The Michipicoten greenstone belt is a structurally and stratigraphically complex assemblage of volcanic, sedimentary and intrusive rocks that were metamorphosed to greenschist and amphibolites facies. Several suites of plutonic rocks ranging in composition from gabbro to monzogranite and syenite occur in and around the Michipicoten greenstone belt. The Magino property is situated in the Goudreau-Lochalsh gold district of the Wawa gold camp. Supracrustal rocks in the Goudreau-Lochalsh district consist of Cycle 2 felsic to intermediate pyroclastic metavolcanics capped by pyrite-bearing ironstone. To the north are pillowed, massive and schistose, mafic to intermediate metavolcanics and minor intercalations of Cycle 3 mafic pyroclastic rock. Several medium- to coarse-grained quartz dioritic to dioritic sills and/or dikes intrude all metavolcanic rocks.

Gold mineralization at the former Magino mine is dominantly hosted by the Webb Lake stock, which intrudes Cycle 3 mafic volcanic rocks. The Webb Lake stock is a felsic intrusion interpreted as a trondhjemite, but continues to be called a granodiorite in mine terminology. The long axis of the Webb Lake stock is parallel to the regional supracrustal rock stratigraphy. The Webb Lake stock is ENE-striking and has a steep northerly dip. The granodiorite (trondhjemite) contains 5-10% veins of carbonate, quartz, tourmaline and pyrite in various orientations.

The current focuses of Prodigy's evaluation are zones of low-grade gold-bearing quartz-sericite-pyrite mineralization that include narrow higher-grade gold-bearing veins, the target of former underground mining. Prodigy commenced a surface drilling program in early 2011 to in-fill and replace earlier sample data, however the database used for the current study (this report) pre-dates this recent drilling information.

1.2 Mineral Resource Estimate

The region of interest covers 1,350 metres of the 075 degree trending Webb Lake grandiorite stock and the alteration zones that aggregate up to 300 metres width, and dip steeply to depths of up to 600 metres. At Magino the Webb Lake stock is covered by up to 30 m thickness of fluvio-glacial material. The felsic and mafic volcanic country rock surrounding the stock does contain examples of low grade mineralization encountered by drilling, however the main focus remains the broad low-grade alteration zones within the stock. A late stage diabase dyke transects the stock.

The database used by Snowden contains 386 surface diamond drillholes (for a total of 76,000 metres; average length 200 m) and 980 underground diamond drillholes (for a total of 60,200 m; average length 60 m). Ninety-four surface drillholes were completed in the period from 1997 to 2009 and comprise HQ and NQ diameter core. All underground drillholes were completed in the period 1986 to 1991 and are dominated by AQ diameter core with some BQ diameter core, clearly clustered around the underground workings and, in some cases subsequently stoped out. Since the sample volumes of the underground drill cores are markedly less than the surface drill cores, and assays performed at the mine laboratory are un-verifiable, Snowden elected to use only the assays from the surface drillholes in the grade estimates. Assay information from the underground drill cores however was used to develop the geological interpretation of the mineralized bodies.

A GEMS block model with cell dimensions of 5m (X) 5m (Y) 5m (Z) was coded to reflect the surface topography, base of overburden, Webb Lake granodiorite contacts, and the late stage diabase dyke. A 3D wireframe model of the underground development and stopes was stored as percent volumes in the block model to ensure that the reported mineral resource estimates are depleted for prior mining.

A threshold grade of 0.1 g/t Au was found to generally identify the broad zones of mineralization in the drill cores. This grade threshold was then used to generate a 3D categorical indicator model of the mineralized zones, after describing the mineralization continuity by indicator variography. The extents of the mineralized zones were constrained by ensuring any un-sampled drillhole intervals were assigned a "zero" gold grade. Mineralized blocks were further limited by ensuring that the amount of extrapolation was set to a maximum of 60 m from samples and that any blocks not achieving an 80% probability (of being at least 0.1 g/t Au) were subsequently re-categorised as "barren".

Gold grades were estimated from 1 m length-weighted un-cut composites into the interpreted mineralized blocks by multiple indicator kriging, using parameters established from multiple indicator variography. The impact of clustered high gold grades was controlled by using a combination of "sample per hole" restrictions, octant search and maximum distance extrapolation restrictions for grades above 7 g/t Au and 12 g/t Au. Any target blocks that remained uninformed after the first pass search were identified as "Inferred". Grades for these blocks were subsequently estimated using a broader search ellipse. Minimum / maximum numbers of composites used for estimation were set to 12 / 40 per block. Discretisation was set to 3 x 3 x 3.

Density factors of 2.87 and 2.77 were assigned to granodiorite and mafic to felsic country rock.

A conceptual pit shell was developed using Whittle software in order to identify those parts of the block model that have reasonable prospects for eventual economic extraction. Parameters used were: 50 degree (overall pit slope); $1.25 /t mining cost; $1400 per oz gold price; 95% process recovery; $7 /t process cost.

After considering the distribution of composites in the deeper parts of the deposit and drill spacing, an Inferred Classification was applied to all blocks in the Mineral Resource that lie beyond depths of 300 metres but within the limit of the conceptual pit shell.

Above 300 m, Resource blocks that lie within the search ellipse and have been estimated by at least 12 samples have been classified as Indicated Resource blocks. Snowden has not classified any Measured blocks after considering the uncertainty in geological interpretation, the high nugget environment, short ranges of gold grade continuity, use of assigned densities and the current drill spacing.

Mineral Resource estimates for the Magino property are reported in categories of Indicated and Inferred, in accordance with the CIM Definition Standards - For Mineral Resources and Mineral Reserves (CIM Code), as follows:

Table 1.1 Indicated Mineral Resource estimate – February 2011

Category CIM Code	Reporting cut-off grade g/t Au	Density	Tonnes X 1,000	Grade g/t Au	Gold grams X 1,000	Gold ounces X 1,000
Indicated	0.35	2.87	51,633	1.16	59,850.0	1,924.2

Table 1.2 Inferred Mineral Resource estimate – February 2011

Category CIM Code	Reporting cut-off grade g/t Au	Density	Tonnes X 1,000	Grade g/t Au	Gold grams X 1,000	Gold ounces X 1,000
Inferred	0.35	2.87	17,494	1.04	18,260.4	587.1

In the above Mineral Resource tables there may be inconsistences due to rounding. Estimates are rounded since the figures are not precise calculations.

There are no Mineral Reserves reported in this Technical Report. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserve.

1.3 Recommendations

The author makes the following recommendations:

- Undertake an in-fill drilling and sampling program so that all of the historic assay information can be replaced for use in subsequent mineral resource estimates. It will be possible to re-sample existing core and to ensure QAQC programs are in place, thus making use of much of the historic core.
- Update the drillhole and sample database with consistent lithogical, alteration and structural records.
- Repeat at least 30 density determinations of representative drill core specimens under certified laboratory conditions to validate the results obtained in the field.
- Complete a new series of 3D interpretations to map the distribution of quartz-sericite-pyrite alteration and veins. Consider multi-element assays to assist in characterization of alteration zones and geological interpretation.
- Use the current resource block model for a preliminary economic assessment.
- Compile exploration data for the recently acquired Gould property and develop a budget and schedule for an exploration program.

2 Introduction

This Technical Report has been prepared by Snowden Mining Industry Consultants ("Snowden") for Prodigy Gold Incorporated ("Prodigy"). Prodigy was formed from the unification of Kodiak Exploration Limited ("Kodiak") and Golden Goose Resources Incorporated ("Golden Goose") in 2011.

The purpose of the Technical Report is to support the news release of 28 February 2011 in which an updated Mineral Resource estimate was reported for the Magino gold property located in Ontario.

Data provided to Snowden was used as the basis for the study. A recompiled Gemcom drillhole and assay database was reviewed by Snowden, and is supported by documentation for numerous drilling programs covering the period from the early 1980s to the present.

3 Reliance on other experts

The author has relied upon an opinion provided by Claim Group Inc. in respect of the status of the mineral titles held by Prodigy's subsidiary, Golden Goose. This opinion is detailed in Section 4.2.

4 Property description and location

Information in this section has been excerpted from Turcotte, B., and Pelletier, C., (May 2009) and updated.

4.1 Location

The Magino property is approximately 40 kilometres ("km") northeast of the town of Wawa, Ontario, on NTS map sheet 42C/08 (Figure 4.1). The project is located in Finan Township, which falls within the Sault Ste. Marie mining district of Ontario. The Magino mine is about 14 km southeast of the town of Dubreuilville. The approximate UTM coordinates for the geographic centre of the property are 685900E, 5351800N (Zone 16, NAD 83). The approximate position of the Magino mine is 689000E, 5351000N.

4.2 Status of mining titles

Claim Group Inc. acts as the agent on behalf of Golden Goose (a subsidiary of the issuer) with regards to the exploration and mining lands that form the Magino property (Figure 4.2). Claim Group Inc. confirmed on 31 January 2011 that the issuer's wholly-owned (i.e., 100% Registered Ownership) land holdings forming the Magino property comprise seven (7) patented mining claims (mining and surface rights), four (4) leased mining claims, and sixty-three (63) unpatented mining claims with a combined area of 4,762.99 acres (1,910.10 hectares).

The four (4) leased mining claims are contiguous and consist of seven (7) mining titles (SSM 581948 to 581953 and SSM 722481) (Table 4.1). Golden Goose owns the mining and surface rights on these leased mining claims, except mining title SSM 722481 for which Golden Goose owns only the mining rights.

Claim Group Inc. further confirms that as of 31 January, 2011, all claims comprising the title opinion are in good standing under the Mining Act and Regulations of Ontario.

The mineralized area hosting the underground workings is located just north of Webb Lake near the south-eastern corner of the property (Figure 4.2).

Table 4.1 Description of mining title types in Ontario

Mining Titles	Associated Rights
Unpatented Mining Claims	Exploration for mineral substances Right to subsurface only Work required for renewal of right
Leased Mining Claims	20-year period No obligation or work required Payment of annual fee Surface rights limited to mining activities
Patented Mining Claims	For life No obligation or work required Payment of annual fee Surface rights limited to mining activities

(from Turcotte, B., and Pelletier, C., (May 2009)

On 1 November, 1985, an agreement was reached between Cavendish Investing Ltd ("Cavendish") and Muscocho Explorations Ltd ("Muscocho"). At the time, Cavendish Investing Ltd owned a 50% interest in the Magino property, and McNellen Resources Inc. ("McNellen"), formerly Rico Copper (1966) Inc., the other 50%.

The agreement stipulated that Muscocho would purchase all of Cavendish's right, title and interest in and to the Joint Venture with McNellen, and that Cavendish would retain a 10% royalty of Muscocho's share of net profits derived from its participation in the Joint Venture. The agreement further stipulated that if Muscocho assigns any or all part of its interest in the Joint Venture to another party or parties, it will cause the assignee(s) of such interest to enter into an agreement with Cavendish under which such assignee(s) will assume all of Muscocho's obligations under the terms of the agreement, including the payment of said royalty to Cavendish.

Net profits for the purposes of the above paragraph shall mean the monies received by Muscocho from its interest in the Joint Venture after Cavendish has paid Muscocho for all its costs incidental to the Joint Venture incurred before and after the closing date of the agreement.

In 1996, three companies; Muscocho Explorations, McNellen Resources and Flanagan McAdam Resources Inc., combined to form Golden Goose, which emerged with a 100% interest in the Magino property. Golden Goose thus became an assignee of Muscocho's obligation to pay Cavendish a 10% royalty for its share of the net profits, after reimbursement of all costs incurred by Muscocho since November 1985. Prodigy cannot reasonably estimate the likelihood of a royalty being paid, nor the amount.

On 31 August, 2010, Kodiak and Golden Goose announced that they entered into a definitive merger agreement and plan of arrangement dated 30 August, 2010 wherein Kodiak would acquire all of the issued and outstanding shares of Golden Goose. The arrangement effectively combined the assets of both companies on a consolidated basis, with Golden Goose becoming a wholly-owned subsidiary of Kodiak.

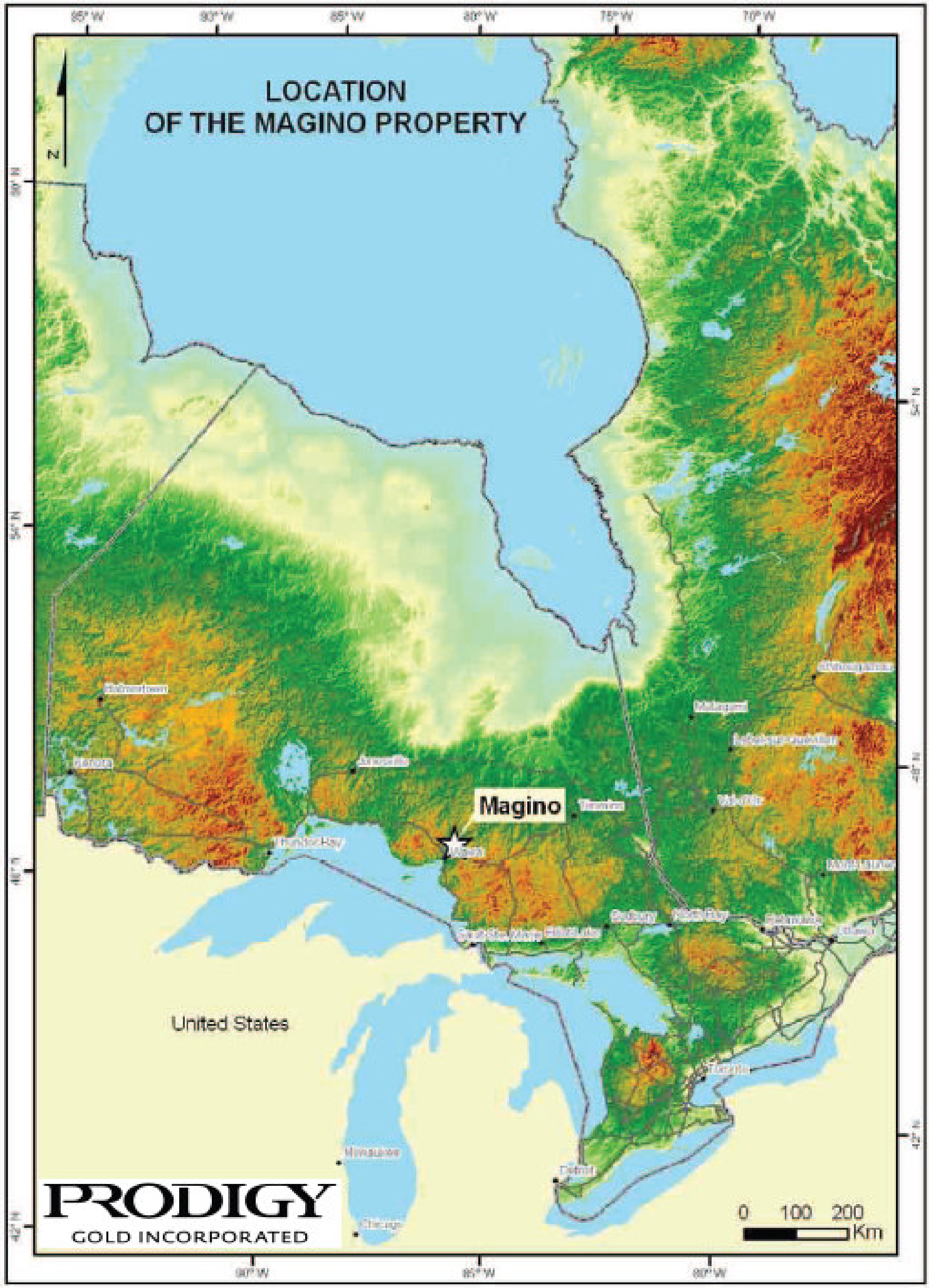
On 4 January, 2011 Prodigy announced that it was the named unification of Kodiak and Golden Goose.

On 9 February, 2011 Prodigy announced that it had signed an option agreement with MPH Resources Corp. that allows Prodigy to earn up to a 100% interest in the 112 ha Gould gold property located adjacent to the Magino property. The option property is identified as numbers 4218037 and 4218038 in Figure 4.2.

Prodigy has advised that the terms of the option agreement, subject to TSXV approval, are as follows:

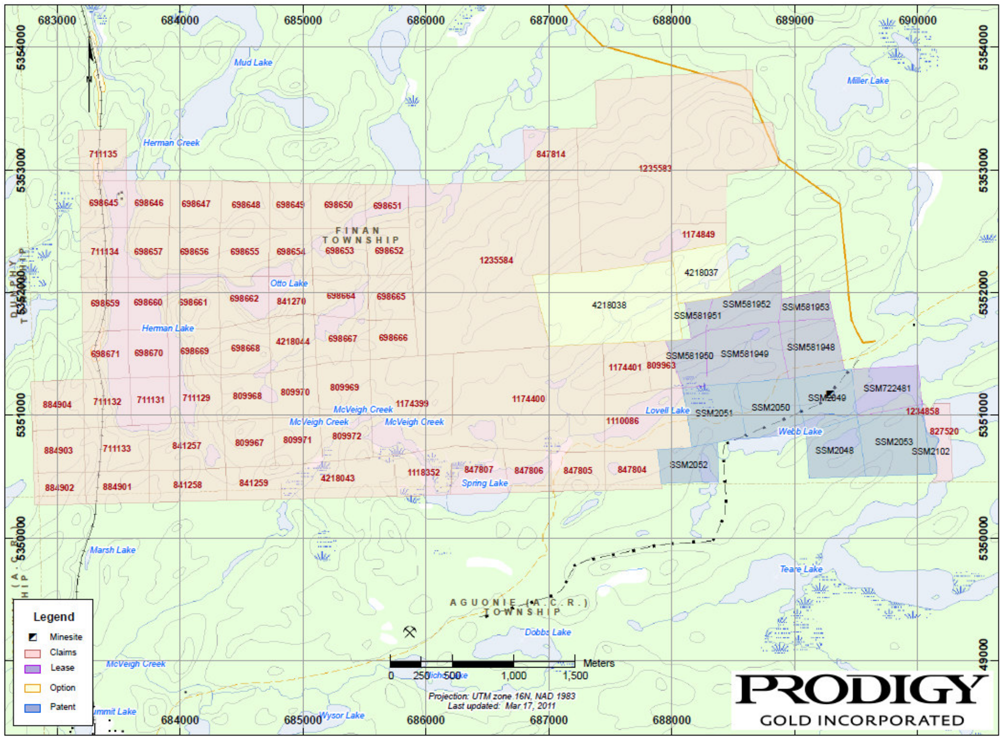
- Prodigy will pay MPH $10,000 and issue to MPH 50,000 common shares of Prodigy ("Shares") following acceptance by the TSXV of this transaction.
- Prodigy can earn a 60% interest in the Property within two years of TSXV approval by paying MPH an additional $35,000, issuing MPH an additional 150,000 Shares and incurring expenditures of $250,000.
- Prodigy can earn a 100% interest in the Property within three years of TSXV approval by paying MPH an additional $25,000 ($70,000 in aggregate), issuing MPH an additional 200,000 Shares (400,000 Shares in aggregate), incurring additional expenditures of $500,000 ($750,000 in aggregate) and granting MPH a net smelter returns royalty of 1%, which may be repurchased for $1,000,000.
- The Property is subject to an additional 2% net smelter returns royalty held by prior owners, half of which may be acquired for $1,000,000.

Figure 4.1 Map showing the location of the Magino property in Ontario



(after Turcotte, B., and Pelletier, C., (May 2009))

Figure 4.2 Claim map of the Magino property



4.3 Environmental matters

Golden Goose retained AMEC Earth & Environmental, a division of AMEC Americas Limited, to carry out a dam safety inspection of the tailings dams at the Magino mine (Yong et al., 2008). The inspection was conducted in accordance with guidelines applicable to structures in Ontario, and also took into account the site's closure plan requirements and the recommendations provided in AMEC's previous dam safety inspection report (AMEC Earth and Environmental Ltd, 2002). With the exception of some requirements for erosion protection maintenance, all three dams appeared to be in stable condition with no visible signs of distress or instability. The conditions of the dams are not expected to change because the tailings are no longer being discharged to the primary pond.

Since 1992, the site has been kept on a care and maintenance basis (temporary suspension) during which time the issuer was pursuing financing opportunities that could potentially lead to the resumption of mining operations. Personnel were kept on site to provide security and ensure compliance with the Certificate of Approval (C of A #4-0115-88-896) and other environmental requirements. In 1996, an authorization to reduce sampling frequency was granted for the Magino mine. These changes can only be implemented when the mine is not in operation. Once the mine reactivates, the frequencies specified in the Certificate of Approval must be re-implemented. The annual toxicity sample for the Rainbow Trout 96-hour LC50 bioassay toxicity test was collected from the secondary polishing pond in June 2009. Water was no longer being pumped from the mine, so the mine water settling pond was dry and sampling the pond was not required.

A detailed mine site characterization was completed for the Magino mine as part of the mine closure plan. The original plan, titled "Magino Mine Closure Plan – Muscocho Explorations Limited" was prepared in October 1992 by Environmental Applications Group Limited (Young and Simms, 1992). It was revised in 1993 by HBT AGRA Limited (Young and Simms, 1993). The mine site characterization is part of the February 2003 amendment titled "Closure Plan - Amendment No.1, Golden Goose Resources Inc., Magino Mine Site" (Dyck and Bleiker, 2003). The changes in the amendment are in accordance with the requirements laid out in Part VII of the Ontario Mining Act and have been formatted as per Ontario Regulation 240/00 and the associated Mine Rehabilitation Code of Ontario. The 2003 closure plan will have to be updated to reflect the current site conditions and the required Financial Assurance for completing mine site rehabilitation.

In addition, the following documents will be required if mining operations resume:

- A Certificate of Authorization for Air under the Environmental Protection Act, Regulation 346.
- A permit to take water (PTTW) for dewatering of the mine.
- A permit to take water (PTTW) from Webb Lake.
- Waste Generator Registration from the Ontario Ministry of Environment (MOE), for waste generated on site such as oils, solvents, etc.

A Notice of Project Status (NOPS) must be submitted to change the current status of the mine from Temporary Suspension to Advanced Exploration or Mine Production status under Regulation 240/00. In addition, a Notice of Project must be submitted to the Ministry of Labour.

A First Nation Consultation must be held with any First Nations potentially affected by the project. Such consultations would address a requirement in Ontario's mining regulations, as well as various requirements for other approvals. The project lies within the Finan and Jacobson townships. The Michipicoten and Missanabie Cree First Nations will have to be apprised and the consultation process initiated. The Métis Nation of Ontario should also be consulted.

In 2010 AMEC Earth & Environmental conducted a hydro-geological study for Golden Goose (McBride, T.I. and Duckworth, P., 2010).

5 Accessibility, climate, local resources, infrastructure and physiography

Information in this section has been excerpted from Turcotte, B., and Pelletier, C., (May 2009) and updated.

5.1 Accessibility

The closed Magino mine is located in Finan Township, Ontario, Canada, approximately 40 km northeast of Wawa. The Magino mine can be reached by travelling along a 14-km all-weather gravel road (Chemin Goudreau) that turns off Highway 519 just west of the town of Dubreuilville (Figure 5.1). Dubreuilville is on Highway 519, 30 km east of the junction of highways 17 and 519. This junction is about 40 km north of Wawa on Highway 17. The Magino mine is also connected to the rail sidings of Lochalsh (14 km to the east, Canadian Pacific Railway) and Goudreau (7 km to the west, Algoma Central Railway) by means of a gravel road. A 44-kV power line extends from Goudreau to Lochalsh and currently services the Magino mine. Most of the former surface buildings have been dismantled, and only the electrical and carpenter shops remain in service. The underground workings have been flooded since the early 1990s and are sealed to prevent entry.

5.2 Climate

The mean annual temperature for the area is slightly above the freezing point at 1 °C. The average July temperature is 20 °C and the average January temperature is -15 °C. Average annual precipitation is 650 mm. Rainfall is highest in September, averaging 90 mm. Snow typically falls from October to May, but the peak is from November to March when the monthly average reaches 30 mm (expressed in mm of water).

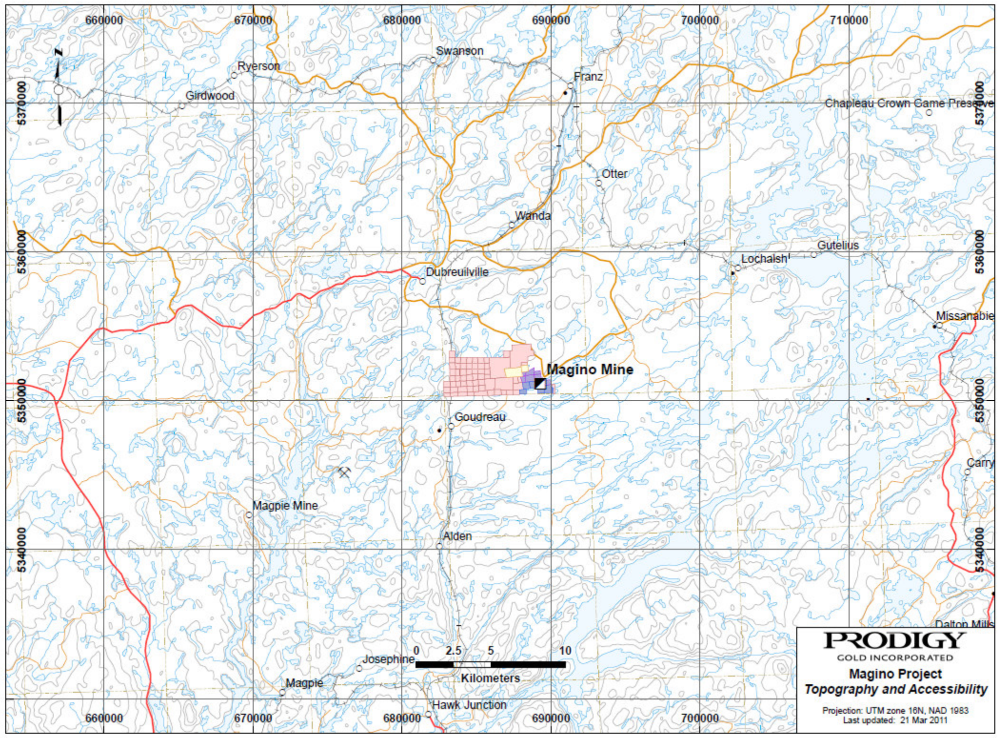
5.3 Local resources

The area is well serviced by mining and milling industries. The town of Dubreuilville, population 900, is the closest service community. The Island Gold mine (operated by Richmont) is 1.5 km east of the Magino mine, and the Eagle River mine (Wesdome Gold Mines) is 80 km to the west. The Hemlo operations (Barrick Gold Corp) are located approximately 150 km to the northwest. General labour and experienced workers are readily available in Wawa, Sault Ste. Marie and Thunder Bay.

5.4 Physiography

The Magino mine is located in the geological Wawa Sub-province of the Canadian Shield. The topography of the area is characterized by low ridges and hills (up to 50 m of relief), flanked by generally flat areas of glacial outwash, swamps and numerous lakes and bogs.

Figure 5.1 Topography and accessibility of the Magino property



6 History

Information in this section has been excerpted from Turcotte, B., and Pelletier, C., (May 2009) and updated with information from Turcotte et al (2010).

6.1 Prior to 1940s

The area around the towns of Goudreau and Lochalsh has been prospected for many years. The discovery of iron ore around the turn of the twentieth century in the Michipicoten area southwest of Wawa led to a search for similar deposits along the iron ranges further north. In places, the iron formations near Goudreau were found to contain pyrite in sufficient quantity to form the basis of a mining industry of considerable importance at one time. Between 1916 and 1919, about 250,000 tons of pyrite were produced, but a lack of markets for sulphuric acid at the close of World War I led to the abandonment of the mines and the dismantling of the acid plants that had been erected 2 miles east of Goudreau.

Meanwhile, gold was discovered in 1918 in the vicinity of Goudreau, and prospecting and mining have continued since then, being particularly active from the mid-1920s to the beginning of World War II. The available records show that gold production from the Goudreau area was somewhat sporadic.

In the fall of 1917, D.J. McCarthy and W.J. Webb of Sault Ste. Marie staked the current patented claims for pyrite after Rand Consolidated and Nichols Chemical Company started their operations in the district. Gold was discovered on the property on what is now claim 2050. Between then and 1925, when McCarthy-Webb Goudreau Mines Limited was formed to take over and develop the claim group, two shallow shafts or pits had been sunk and some stripping and 1,100 feet (335.3 m) of surface diamond drilling had also been completed.

Between 1925 and 1933, McCarthy-Webb Goudreau Mines excavated test pits and trenches on the property while trying to interest major companies. One such company was Consolidated Mining and Smelting Company, which drilled an unknown number of metres ("m") in five (5) surface holes. McCarthy-Webb Goudreau Mines constructed and operated a small test mill with a daily capacity of 25 tons. In 1934, this mill processed 421 tons of ore and extracted 144 ounces of gold for a recovered gold grade of 0.342 oz/t[1].

In 1935, Algoma Summit started underground development by sinking an inclined shaft at -33° on the Grey Vein to a vertical depth of 100 feet (30.5 m). During 1936, a 500-ton-per-day mill was constructed, consisting of amalgamation and flotation sections. According to the existing records, underground development was minor.

A report written in 1937 by consulting mining engineer, M.C.H. Little, states that extremely poor mining practices were in effect throughout the initial production stage, resulting in a significant amount of over-break in the stopes (dilution up to 100-200%), and the processing of substantial amounts of waste rock derived from development drifting and cross-cutting. Poor production planning also resulted in the initial mill feed coming from low-grade sections of the D-Zone where ground conditions were exceptionally poor as a result of the hanging wall felsite. Once the D-Zone open cut was abandoned, mill recoveries improved, though it only operated at 25% efficiency.

[1] *Tons = short tons; oz/t = ounces per short ton; tonnes or t = metric tons*

Between April and August 1937, the mill processed 26,801 tons of ore from the open pit. The grade was 0.042 oz/t and 1,125 ounces of gold were extracted. Gold recovery in the mill was about 79%. At the end of August 1937, production from the open pit was abandoned and ore came only from underground stopes.

Production continued through to 1938 when the inclined shaft was deepened to a vertical depth of 200 feet. Algoma Summit apparently developed and mined some stopes in the A-Zone and D-Zone, but mining conditions did not improve that year. Toward the end of 1938, control of the property passed to a newly formed company called Magino Gold Mines Ltd. The company quickly began a detailed underground exploration program consisting of diamond drilling, mapping, sampling and drifting in an effort to develop a proven ore reserve inventory. From 1934 to 1939, the company drilled twenty-three (23) underground diamond drillholes totalling 4,190 feet (1,277 m). From 1938 to 1940, Algoma Summit and Magino Gold Mines Ltd drifted 3,613 feet (1,101 m) and cross-cut 945 feet (288 m) on the first level, and drifted 2,248 feet (685 m) and cross-cut 757 feet (230 m) on the second level. In 1939 and 1940, Magino Gold Mines Ltd drilled forty-two (42) underground diamond drillholes totalling 2,124 feet (647 m).

Just before Magino Gold Mines acquired the property, the M. J. O'Brien interests, who operated the nearby Cline gold mine, drilled a series of holes east of the mill buildings and discovered a new gold zone referred to as the E-Zone. Monthly reports from 1940 referred to these drillholes. By the late 1940s, Magino was unable to obtain the financing needed to continue ore development, and there was undoubtedly a growing shortage of men and supplies due to wartime rationing. As a consequence, the mine was closed and the mill sold in 1942. Between 1934 and 1939, 116,627 tons were milled with a grade recovery of 0.075 oz/t (8,776 ounces).

6.2 1972 to 1996 McNellen Resources and Muscocho Explorations

The Magino property lay dormant until 1972 when Mr. C. McNellen of Toronto carried out a privately financed six (6)-hole drilling program totalling 2,000 feet (610 m). The property remained idle until 1981 when Rico Copper (1966) Limited (later renamed McNellen Resources Inc.) conducted a diamond drilling program to evaluate the depth continuity of the A-Zone and B-Zone, and the lateral continuity of the E-Zone. A total of 6,915 feet (2 107 m) was drilled in sixteen (16) holes.

McNellen Resources entered into a joint venture with Cavendish Investing Ltd on 25 September, 1981. Under the terms of the agreement, Cavendish could earn an undivided 50% interest in the property by spending C$900,000 on the property. Work on the property started on 6 October, 1981. Surface facilities were installed and dewatering of the underground workings dewatered. Pumping started on 26 November, 1981 and was completed on 21 January, 1982.

S. L. MacDougall O.L.S. of Sault Ste. Marie conducted a surface survey in 1981. The surface drillholes from the 1981 summer drilling were tied into several surface triangulation points and the old mill foundation. A sun-shot was taken to determine true north. The underground workings were resurveyed and the survey carried to surface and tied into the surface survey. A channel sampling program was carried out on both levels. Channel samples were cut into the drift backs using a stoping machine and a power air hammer. A total of 1,723 individual samples were collected. Seventy-five (75) test holes, 20 feet long (6.1 m), were drilled into the drift walls. Sludge samples were assayed. Cuttings were collected every 2.5 feet (0.76 m) for a total of 600 samples. A total of 8,581 feet (2,615 m) of forty-two (42) AQ holes was completed underground. Old core was re-logged and re-sampled.

During the fall of 1982, a total of 6,798 feet (2,072 m) of surface drilling was completed in thirty-eight (38) holes. Old drill core was re-logged and about 683 new samples were taken, revealing a number of "ore-grade" intersections. Magnetic, electromagnetic and geological surveys were also carried out on the Magino property.

In 1983, James Wade Engineer Ltd was contracted by McNellen Resources Inc., to prepare a pre-feasibility study for the Magino Joint Venture Gold Project. James Wade Engineer Ltd calculated a mineral inventory estimate over a minimum of 4.0 feet (1.2 m) and at two "cut back" levels for high-grade assays. Table 6.1 presents the reported tonnages and grades.

Table 6.1 Historical tonnages and grades estimated for the Magino Joint Venture Gold Project of McNellen Resources[2]

Classification	Short tons	Grades cut to 2 oz	Grades cut to 1 oz
Proven	17,091	0.220	0.168
Probable	151,876	0.214	0.176
Possible	120,913	0.190	0.163
Inferred	70,623	0.150	0.142
Proven + Probable	**168,967**	**0.215**	**0.175**

James Wade Engineer Ltd concluded that the 1983 mineral inventory was insufficient to support a viable independent mining and milling operation on the property given the gold prices of the early 1980s. The report also stated that reserves of three-quarters to one million tons would be required to support this scale of mining using a mill with a capacity of 500 tons per day.

[2] *Resources and / or reserves reported are historical. These historical "resources" and/or "reserves" should not be relied upon because it is unlikely they conform to current Regulation 43-101 criteria or to CIM Definition Standards, and they have not been verified to determine their relevance or reliability. They are included in this section for illustrative purposes only and should not be disclosed out of context.*

At the request of Prophet Resources Ltd and June Resources Inc., D. A. Bourne, a professional engineer and consulting geologist, carried out a re-assessment and evaluation of the Magino gold mine in 1984. The mineral inventory was evaluated at 228,734 tons[2] grading 0.35 oz/t Au to a vertical depth of 400 feet (122 m) and over a minimum mining width of 4.0 feet (1.20 m). The "cut back" level for high-grade assays was 2 oz. Prior to a production decision and in order to progress to a proper feasibility study, Donald A. Bourne recommended a program of 18,000 feet (5,485 m) of surface diamond drilling. From 5 July to 19 September, 1984, McNellen Resources completed 5,122 feet (1,561 m) of surface diamond drilling in twenty (25) holes on the Magino property without Prophet Resources Ltd or June Resources Inc.

Muscocho Explorations Ltd acquired a 50% interest in the property from Cavendish Resources in the fall of 1985. From September to December, they carried out a surface drilling program west of the main mine workings. During this period, twenty-nine (29) diamond drillholes were completed on the Magino property for a total of 16,441 feet (5,011 m). The objective of the program was to delineate the gold-bearing zones outlined by McNellen Resources in 1984.

Surface drilling continued in 1986. During the period of June 1986 to December 1986, sixty-four (64) diamond drillholes (BQ diameter) were drilled on the Magino property for a total of 12,372 feet (3,771 m). Exploratory underground development started in June. A ramp was collared at 25+00 E, 5+50 S. From June to December 1986, 3,075 feet (937 m) of underground advances were completed, consisting of 1,900 feet (579 m) of ramp, 755 feet (230 m) of crosscut (the crosscut was established on line 20+50 E), and 420 feet (128 m) of drifting.

Five (5) drift headings were driven on three potential ore zones, 200 feet (61 m) below surface. The haulage ramp was collared south of the granodiorite stock, and the dimensions were 10 feet (3 m) by 16 feet (4.9 m). The best drift results, based on face sampling, included 0.298 oz/t over an 8.0-foot horizontal width along a strike length of 120 feet (35.50 m), and 0.25 oz/t over a 4.0-foot horizontal width along a strike length of 50 feet (15 m). A total of 5,508 feet (1,679 m) of underground drilling in twelve (12) diamond drillholes (AQ diameter), completed from the ramp, helped delineate eight (8) potential ore zones (A through H) east of the crosscut between sections 2070E and 2450E. Estimated property-wide "inferred reserves", as at the end of 1986, stood at 1,926,645 tons grading 0.251 oz/t to the 500 foot level[3]. These reserves were derived from four laterally contiguous zones: Mine, North-east, West and West Extension (Bourne et al., 1987).

Sample processing and assaying was conducted on-site from 1986 (Magino JV 1986 Year End report).

Drillholes (with few exceptions) were sampled in their entirety. Samples were analysed for gold either by AA ("atomic absorption") or FA ("fire assay") methods, or by both methods if the primary AA value was greater than 800 ppb Au (0.8 g/t Au). On-site assaying was done on 20 g pulp by AA and where the value exceeded 800 ppb then the coarse reject fraction was re-assayed using a 1 assay-ton gravimetric FA. The reject was crushed to 3/8 inch. Consequently obtaining a representative split of discrete particles of gold was not likely (Perkins, 1997).

[3] *Resources and / or reserves reported are historical. These historical "resources" and/or "reserves" should not be relied upon because it is unlikely they conform to current Regulation 43-101 criteria or to CIM Definition Standards, and they have not been verified to determine their relevance or reliability. They are included in this section for illustrative purposes only and should not be disclosed out of context.*

Mining and construction of a mill with a capacity of 400 tons per day started in 1987. Surface drilling continued early in 1987. From January 1987 to December 1987, ninety-two (92) diamond drillholes (BQ diameter) were drilled on the Magino property for a total of 54,359 feet (16,569 m). An additional 51,330 feet (15,645 m) were drilled underground from drifts in 187 diamond drillholes (AQ diameter). Underground development was also carried out.

The first gold bar was poured in June of 1988 and production began in October of 1988. From February 1988 to December 1988, Muscocho and McNellen drilled 213 underground diamond drillholes totalling 57,434 feet (17,506 m). Between January 1988 and June 1988, nine (9) surface holes were completed for a total of 19,545 feet (5,957 m). Underground development and mining work was also carried out.

There was no surface drilling in 1989, although 53,493 feet (16,305 m) were drilled underground from drifts in 293 diamond drillholes. Underground development and mining work was also carried out. By the end of December 1989, the mine had processed 202,764 tons of ore, which returned 29,350 ounces of gold for an average recovered grade of 0.145 oz/t. From 1988 to sometime in 1989, mining was mainly accomplished by shrinkage stoping, which produced an average grade of 0.20 oz/t Au. In 1989, mill throughput was increased to 640 tons per day and production was mainly from long-hole stopes at an average grade of 0.12 oz/t. The reduced mining cost for the long-hole stopes was offset by substantial dilution, with a resultant increase in the cost per ounce mined.

In 1990, underground drilling amounted to 15,178 feet (4,626 m) in 166 holes, compared to only 1,081 feet (329 m) in 13 holes in 1991. There was no surface drilling in either year, although underground development and mining work continued.

Neither underground nor surface drilling was carried out in 1992. The 650 ramp was driven down to a depth of 685 feet (back elevation), and work was started to open up the exploration/mining level. Almost 1,100 feet of exploration drifting and cross-cutting was carried out. Several rounds of the 650 exploration drift were mucked to the mill. The 680 level was ready for further detailed exploration, which was considered necessary if it was to be established as the future source of mill feed. The mine closed in mid-1992 due to high operating costs, and the underground workings were allowed to flood. From 1988 to 1992, the Magino mine processed 768,678 tons at a recovered grade of 0.137 oz/t Au to produce 105,543 ounces of gold.

The total production from twenty-eight (28) shrinkage stopes was 177,486 tons with a grade of 0.217 oz/ton (38,572 ounces). The total production from thirty-four (34) long-hole stopes was 371,285 tons with a grade of 0.118 oz/ton (43,938 ounces). Three stopes were mined using a combination of long-hole and shrinkage methods, producing 53,766 tons with a grade of 0.177 oz/ton (9,534 ounces). Essentially, the excess dilution within long-hole stopes seemed to be a major factor in the reduced grades from these stopes (Nielsen, 1995). The average long-hole stope had a width in excess of 10.0 feet (3 m). The lower operating costs of the long-hole mining method were not sufficient to offset the dilution factor (Nielsen, 1995).

In February 1995, Muscocho Explorations Ltd requested that R. Bruce Graham and Associates Ltd carry out a technical review of the Magino mine property. Conclusions released by the author, F. W. Nielsen, included: (1) the mining methods resulted in excessive dilution on the relatively narrow, high-grade zones and veins; (2) the zones which were thought to join up, both along strike and up and down dip, were in fact discontinuous; (3) there are no proven reserves left in the underground mine workings; and (4) there remain numerous narrow, high-grade drill intersections, indicating that a similar mineralized environment occurs throughout the Webb Lake granodiorite, especially at depth.

6.2.1 Comments on drilling and core sampling

Drill logs for the period do not always describe the core diameter. Where this information is recorded it is clear that surface drilling was generally BQ diameter and underground drilling was either BQ or AQ diameter (though several drillhole cores are recorded as EX).

Surface and underground BQ core, when originally split, was with a mechanical splitter which would result in many broken fragments and poor sample representativity (Bloom, 2009).

Drill logs often indicate that underground core was either, sampled in its entirety, or split. It is likely that BQ core was either split or sampled entirely, and that AQ and EX core was sampled entirely.

6.2.2 Comments on analytical laboratory

There currently is no documentation to confirm the quality of sample processing and analytical determinations performed by the Magino mine assay laboratory during the period of mine operations (late 1980s to early 1990s).

In 1997, it was considered that sample assaying procedure used at the mine was not standard industry practice and studies indicated that a rigorous check assay program was required (Perkins, 1997).

Accordingly several studies have been undertaken in the Golden Goose period to understand whether sample representativity and analytical bias is an issue for the deposit which is characterized by coarse gold mineralization. There is no comprehensive documentation to address this issue.

6.3 1996 – 2010 Golden Goose

6.3.1 1996

In 1996, Golden Goose obtained the Magino mine property through an amalgamation of Muscocho Explorations Ltd, Flanagan McAdams Resources Inc. and McNellen Resources Inc. In that same year, BLM Bharti Engineering Ltd conducted a property review that evaluated the potential for both underground and open-pit mining (BLM Bharti Engineering Limited, 1996).

6.3.2 1997

In early 1997, a drill core re-sampling program was carried out to determine the reliability of previous drill assay results. A stripping program with structural mapping was completed on 17 July, 1997, to determine the orientation and continuity of gold bearing veins.

Drilling

In 1997, ten (10) diamond drillholes totalling 2,087.5 m were drilled from 1 April to 25 April by Chibougamau Diamond Drilling Ltd of Chibougamau, Québec (Nielsen, 1997). The holes were drilled to: (1) verify the potential of the mine area for hosting large-tonnage, low-grade gold mineralization amenable to open-pit mining; (2) determine the distribution of gold mineralization; (3) twin previous holes and determine the repeatability of assay results; and (4) establish a sampling protocol.

All holes were drilled from north to south (N180° Az) on baseline-cut grid lines turned off a surveyed base line that was established in late 1996. The locations of the holes were determined using the Magino mine grid. All recovered core was NQ diameter. After each hole was completed, a Van Ruth plug was inserted in the bedrock below the bottom of the casing, and the top of the hole cemented. The casing was left in all holes. All drill core from this program is stored in tagged core boxes at the mine site. Several important objectives were set for the April 1997 program, with positive results. Firstly, the program confirmed the nature of the Magino mine mineralization and demonstrated that low-grade mineralization (0.5 g/t Au or higher), amenable to open-pit mining, occurs throughout the previously mined areas. Secondly, the new drillholes were used to determine sampling and assaying protocols for any future work.

Sampling and analytical quality assurance and quality control

In 1997, 5% of the original pulps and 5% of the coarse rejects were checked by Swastika Laboratories Ltd of Swastika, Ontario. Golden Goose did not insert any standards or blanks. Another total of 87 pulps were sent to another laboratory (ALS Chemex) for an independent check (Nielsen, 1997).

Mineral processing and metallurgical testwork

Samples from diamond drillholes and rock samples from the stripped areas were sent to Lakefield Research Laboratories for gravity, column leach, bottle roll and Bond Work Index testing to develop metallurgical mill process flow sheets (Perkins, 1999a).

BLM Bharti Engineering Ltd (BLME) conducted a metallurgical research program as part of their 1997 Preliminary Feasibility Study on the Magino gold property. The main results and conclusions provided below were extracted from the report (BLM Bharti Engineering Limited, 1997):

- Based on excellent standard leaching results, a carbon-in-leach (CIL) process was chosen for the Magino ore.
- Drill core and surface bulk samples were tested at Lakefield Research Laboratories. The drill core samples were higher grade material representing the main ore types to be processed. Gold recoveries for future operations were determined using a blended mill feed of drill core and surface sample ore.
- Bottle roll tests show that the material has an excellent dissolution rate of 97.8% in cyanide solution at a grind of 84% at minus 200 mesh. The cyanide and lime additions were found to be low relative to the majority of gold leaching applications.
- An overall dissolution of 96.4% can be expected, even when including a 25% blend of surface ore at 92% extraction. Consequently, an overall gold recovery of 95% should be attainable.
- Column leaching tests indicated that heap leaching is not economical. Recoveries were very low even after 35 to 42 days of leaching.

- Gravity separation did not lead to high grades in the concentrate, the highest test result being 1.64%. A higher grade is generally desired to minimize direct smelting costs.

Geochemistry and geophysical surveys

A baseline study was completed to evaluate the usefulness of geochemical sampling in future surface exploration. Quantec Consulting Inc. carried out an induced polarization-resistivity survey over the Webb Lake granodiorite on a local cut-and-picketed survey grid (non-UTM reference). The line separation was 400 feet and the station interval 100 feet. In all, 15.4 miles (24.8 km) were surveyed. The gradient and dipole-dipole IP-resistivity results for the Magino property identified potential chargeability and resistivity signatures relating to subsurface geology, including possible lithological discriminations, concordant and discordant fault-fracture structures, geochemical alteration, and weak concentrations of disseminated mineralization potentially associated with auriferous quartz- and carbonate-altered faults, fractures or shear zones.

Sample and assay database

A digital database that included imported archived diamond drillhole information was compiled for the property, and digital solids were created for the purposes of computer based modelling. The underground workings, including both long-hole and shrinkage stopes, were modelled using Gemcom software. A block model was created for resource evaluation purposes.

Economic analysis

A scoping study was performed to determine the economic viability of the project using the block model data and estimated costs for commissioning and operating an open-pit mine with a mill throughput of 7,500 tons per day (Pearson, Hofman and Associates Ltd., 1997). The scoping study indicated that at a gold price of US$350 per ounce and a cut-off grade of 0.025 oz/t Au, the property had combined proven and probable reserves of 20.5 million short tons at an overall average grade of 0.050 oz/t Au (18.6 Mt @ 1.7 g/t Au)[4]. Discounted cash flow indicators from that study showed a pre-tax internal rate of return of 11.3% and a net present value of C$32M at a 5% discount rate. The decline in the gold price to the US$265-275 level in the late 1990s obviously nullified these economic analyses.

6.3.3 1998-1999

Mineral processing and metallurgical testwork

In August 1998, two bulk samples representing two rock types; mafic volcanics and granodiorite, were amassed from the 1997 diamond drill core and sent to Kappes Cassiday and Associates for further metallurgical column leach testing. The average head grade was 0.88 g/t Au for the mafic volcanics and 0.96 g/t Au for the granodiorite (Kappes Cassiday and Associates, 1999). Column testing indicated an expected field recovery of 45% Au for the mafic volcanics and 51% for the granodiorite ore when crushed to minus 9.5 mm. Gold recovery increased from 80 to 84% with crushing to minus 1.70 mm.

[4] *Resources and/or reserves reported are historical. These historical "resources" and/or "reserves" should not be relied upon because it is unlikely they conform to current Regulation 43-101 criteria or to CIM Definition Standards, and they have not been verified to determine their relevance or reliability. They are included in this section for illustrative purposes only and should not be disclosed out of context.*

6.3.4 2000

Additional sampling

In May of 2000, F. W. Nielsen of Golden Goose asked Reddick Consulting Inc. to carry out a program that would assist their re-evaluation of the Magino mine property. There were two separate components to the work. The first was a review of the digital diamond drillhole database to determine where un-sampled and/or missing core occurred in the central part of deposit. This was followed by retrieving the archived core for those intervals and having them assayed to determine background gold levels for un-sampled lengths of core.

Drilling

The second component involved the drilling of nineteen (19) large diameter diamond drillholes (HQ diameter) in the central part of the deposit to: a) assist with grade determination in areas subject to underground mining; b) provide new baseline data to aid with grade reconciliation; and c) determine if there was variability in assay data as a function of sample size.

Dominik Drilling of Timmins, Ontario, was awarded the drill contract in 2000. Drilling ran from 30 September to 18 October (Reddick, 2001a). A total of 1,231 m was drilled, producing 1,196 m of recovered core. The core was logged and sampled on the site. Drill collars were located by clearing out and re-chaining the parts of the grid lines that had been turned off the surveyed baseline established by Golden Goose in 1996. All drill cores from this program core is stored in tagged core boxes at the mine site. The 2000 drill program was designed to test the central part of the property to help reconcile grade estimates in the main mine area where stoping has removed some of the mineralization. There were two main considerations in designing the 2000 drill program. Firstly, in order to provide an even spatial distribution of samples, the holes were laid out in the most regular pattern possible. Secondly, only large diameter holes (HQ) were drilled and only one quarter of the core was archived to obtain the most representative samples possible.

Sampling and analytical quality assurance – quality control (QA/QC)

In 2000, Golden Goose randomly inserted diabase samples in the shipped samples as blanks. In addition, Swastika Laboratories reported on their internal blanks, which they use for their own QA/QC purposes. To determine the variation introduced by sub-sampling, every 25th sample had a check assay done on the original pulp and a second pulp was split from the coarse reject fraction for a third assay. Swastika also performed many additional random checks. Golden Goose did not insert any standards. None of the samples assayed by Swastika Laboratory were sent for independent verification at another laboratory (Reddick, 2001b).

A total of 1,231 m was drilled. The results of the 2000 drilling program, as well as the re-sampling program, helped to establish a mean grade of 0.015 oz/t Au for un-sampled core from the central 1,000 feet (305 m) of the deposit. It also provided information on the existence of a significant percentage of granodiorite in the main part of the deposit at a grade considered sufficient for a low-grade, large-tonnage mining operation (0.06-0.10 oz/t).

6.3.5 2001

In 2001, Reddick Consulting Inc. re-evaluated the variography and interpolation techniques to produce a revised resource estimate based on the inclusion of data obtained in 2000. Taking into account past production, the total measured resource[5] when applying a cut-off grade of 0.05 oz/t was estimated at approximately 5.8 Mt at a grade of 0.09 oz/t Au. These resources were estimated for an open-pit operation.

6.3.6 2002

Drilling

In 2002, Golden Goose conducted a seventeen (17)-hole diamond drilling program (2,743 m) under the supervision of Reddick Consulting Inc. The holes were mostly drilled west of the mine area and did not identify significant mineralization.

Dominik Drilling of Timmins, Ontario, was awarded the drill contract in 2002. Drilling ran from 12 May to 12 June, 2002 (Reddick, 2002). A total of 2,743 m was drilled with 2,508 m of core recovered. Drill collars were located on the grid established by Golden Goose in 1996–1997. The core was logged and sampled on the site. All drill cores from this program are stored in tagged core boxes at the mine site. The 2002 drill program tested targets along the gold trend in the mine area; these targets were in the vicinity of anomalous results obtained during earlier drilling of the Lovell Lake and North Plug granodiorite intrusions, and the previously undrilled Southern granodiorite. The best mineralization from the 2002 drilling program was in diamond drillholes near the mine area.

Sampling and analytical quality assurance – quality control

In 2002, Golden Goose inserted seventeen (17) diabase samples in the shipped samples as blanks. As in 2000, Swastika Laboratories reported their internal blanks. Check assays were performed on random pulps, as were checks of a second pulp split from the coarse reject fraction. None of the assayed samples were sent for independent verification at another laboratory (Reddick, 2002).

6.3.7 2004

Resource estimate

An NI43-101 Technical Report by Snowden Mining Industry Consultants and Reddick Consulting Inc. in 2004 reviewed the 2001 block model resource estimate to determine its suitability for use in scoping studies involving pit optimization (Burns and Reddick, 2004). Reddick Consulting Inc. concluded that for a potential open pit mine based on a cut-off grade of 0.04 oz/t, the 2004 combined Measured and Indicated Mineral Resource at the Magino mine was 7.295 Mt grading 0.075 oz/t Au after subtracting historical production.

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[5] *Resources and/or reserves reported are historical. These historical "resources" and/or "reserves" should not be relied upon because it is unlikely they conform to current Regulation 43-101 criteria or to CIM Definition Standards, and they have not been verified to determine their relevance or reliability. They are included in this section for illustrative purposes only and should not be disclosed out of context.*

6.3.8 2006

Drilling

In 2006, eighteen (18) NQ diamond drillholes were completed for a total of 8,055 m. The holes identified a very robust system of gold mineralization with numerous intersections greater than 100 g/t Au, and clearly demonstrated the down-dip continuity of the mineralization, which remained open at depth and along strike. The deepest intersection of the diamond drill program was 440 m below surface (Hole 06-12), and mineralization was still open.

The 2006 drill contract was awarded to Bradley Brothers Drilling of Rouyn-Noranda, Québec. Drilling ran from 9 February to 11 April, producing eleven (11) NQ diamond drillholes totalling 4,802 m. Another four (4) holes totalling 1,866 m were drilled from 9 June to 1 July.

Three (3) other holes totalling 1,387 m were drilled from 23 November to 12 December. The core was logged and sampled at the mine site. All drill core from this program is stored in tagged core boxes at the mine site. The 2006 drilling program was designed to target mineralization below historical workings from a depth of 130 to 400 m below surface and within the range of a future extended decline access.

Sampling and analytical quality assurance – quality control

In 2006, the Golden Goose QA/QC program consisted of 189 un-mineralized mafic volcanic samples inserted as blanks to check for cross-contamination. In addition, 177 core duplicates were assayed at ALS Chemex in Thunder Bay to monitor sample variability. Golden Goose did not insert any standards. A selection of 115 master pulps were sent to a secondary laboratory (Swastika) for check assays (Waldie, 2006). For the assay range from 0 to 100 g/t Au, the correlation coefficient was 0.983.

From 1997 to 2006, Golden Goose did not detect any significant variation between subsamples.

Analytical laboratory

In 2006 core samples were sent to the ALS Chemex laboratory at Thunder Bay, Ontario. The sample preparation process was as follows:

- Sample login
- Received sample weighing
- Crush with 90% passing 2 mm
- Crushing – quality control test
- Split sample with riffle splitter
- Pulverise 1000 g to 85% passing 75 micron
- Pulverising – quality control test

Gold analysis conformed to Code Au-AA24 with a 50 g charge for fire assay followed by AA finish. "Ore" grade results were re-assayed according to Code Au-AA26.

6.3.9 2007

Drilling

Golden Goose drilled fourteen (14) NQ diamond drillholes on the Magino property for a total of 9,239 m. The drilling program was originally designed to outline and extend multiple known gold zones from 150 to 400 m below surface, below the historical Magino mine workings.

Bradley Brothers Drilling of Rouyn-Noranda, Québec was awarded the drill contract in 2007. Drilling ran from 6 January to 17 December. Fourteen (14) NQ diamond drillholes were completed totalling 9,836 m. The core was logged and sampled at the mine site. All drill core from this program is stored in tagged core boxes at the mine site. The fourteen (14) diamond drillholes identified a gold system with numerous intersections and clearly demonstrated the continuity of the mineralization, which remains open at depth and along strike.

Sampling and Analytical Quality Assurance – Quality Control

In 2007, samples were assayed at Accurassay Laboratories in Thunder Bay, Ontario. Golden Goose did not establish a QA/QC protocol for samples from the 2007 drilling program, nor did the company double-check the results using a second laboratory. Independent consultants InnovExplo asked Golden Goose to send assayed samples for independent verification at ALS Chemex in Thunder Bay, Ontario. In all, 363 pulps from the 2007 program were sent, and InnovExplo's analysis of the results from this second laboratory revealed no bias in the original data obtained from Accurassay.

6.3.10 2008

Resource estimate

In 2008, InnovExplo completed a Mineral Resource Estimate for the Magino gold mine below the old mine workings (i.e., below the 650 level) that was published as a Technical Report in compliance with NI 43-101 and Form 43-101F1 (Turcotte and Pelletier, 2008). Specifically, InnovExplo's mandate was to prepare a Resource Estimate from a depth of 200 to 600 m. The resulting resources could only be classified as Inferred as per CIM standards and guidelines for reporting mineral resources and reserves. The total estimated Inferred Resources were 3,755,600 tonnes grading 5.94 g/t Au for a total of 717,227 ounces of gold (cut-off at 3 g/t Au). The highlight of this Resource Estimate was the addition of a large portion of Inferred Resources below the old workings of the Magino mine (i.e., below the 650 level). This upgrade was possible due to the results from the 2006-2007 diamond drilling program, the most recent drill program at that time. This additional information increased the number of mineralized zones.

Exploration potential

InnovExplo also performed an exhaustive compilation of the entire Magino property to identify new regional exploration targets for diamond drilling and stripping. It was concluded that there is potential for gold mineralization in granodiorite, gabbro/diorite and volcanic rocks throughout the Magino property. InnovExplo constructed a geological compilation map showing all historical exploration work on the Magino property. The compilation work encompassed all previous geological mapping, trenching, diamond drilling, surface sampling, geophysical surveying, geochemical surveying, etc., and all historical mineral occurrences

Surface sampling

In July 2008, Golden Goose carried out stripping and channel sampling in the vicinity of the southern contact of the Webb Lake granodiorite stock and adjacent volcanic rocks (Golden Goose news release dated 28 October, 2008). The stripped area lays over the old mine workings and consists of seven (7) small strippings totalling 2,790 square m. The purpose of the work was to enhance the understanding of structural controls on gold deposition. A total of seventy-eight (78) channel samples were collected from the stripped areas. The best results for the stripping and channel sampling program were: 19.85 g/t Au over 0.5 metre, and 17.59 g/t Au over 1.0 metre.

6.3.11 2009

Geochemistry and geophysical surveys

In 2009, Gestion Aline Leclerc Inc. of Val-d'Or, Québec, performed a geochemical field survey from 18 to 21 September, 2009. A total of 661 humus samples were collected and assayed for gold and 48 other elements. Two grids were established with lines spaced 100 m apart. Grid locations were established with a hand-held GPS. One (1) sample was collected every 25 m. That same Autumn, D/C Géophysique of Val d'Or, Québec, carried out a ground magnetic survey from 26 September to 10 October, 2009. A total of 75 km was surveyed on a grid of 42 lines spaced 50 m apart.

Resource estimate

InnovExplo reported that the Magino mine has Measured and Indicated Resources of 2,091,900 metric tonnes grading 6.74 g/t Au for a total of 453,189 ounces. Total Inferred Resources were reported as 5,828,800 metric tonnes grading 6.29 g/t Au for a total of 1,178,124 ounces at a cut-off grade of 3.0 g/t Au, as published in a Technical Report in compliance with NI 43-101 and Form 43-101F1 (Turcotte and Pelletier, 2009).

6.3.12 2010

Drilling

From 15 November, 2009 to 1 March, 2010, Golden Goose conducted a fourteen (14)-hole diamond drilling program totalling 4,012 m. Most of the holes were drilled in volcanic rocks south of the mine area and succeeded in identifying some significant gold mineralization.

Bradley Brothers Drilling of Rouyn-Noranda, Québec was awarded the drill contract in 2009-2010. Drilling ran from 15 November, 2009 to 30 March, 2010. Fourteen (14) NQ diamond drillholes were completed totalling 4,012 m. The core was logged and sampled at the mine site.

All drill core from this program is stored in tagged core boxes at the mine site. The overall objective of the 2009-2010 drilling program was to discover new mineralized zones in volcanic rocks on the Magino property, south of the mine area. The fourteen (14) diamond drillholes identified some gold intersections and clearly demonstrated the possibility of increasing the gold resources in the volcanic rocks south of the mine area, which remain open at depth and along strike.

Sampling and Analytical Quality Assurance – Quality Control

A QA/QC control program was active during the Golden Goose 2009-2010 diamond drilling program on the Magino property. The objectives of the QA/QC program were to monitor and document the quality and integrity of the sampling procedure, sample preparation, and assaying. Using a series of quality control samples, Golden Goose's protocol stipulates that the entire sampling, sample preparation and assaying process be monitored and evaluated for:

- The integrity of field sampling and sample shipment by monitoring field blank results and sample shipment procedures;
- Possible contamination during sample preparation or the assaying process by monitoring the results of field blank standards submitted as regular samples, and by monitoring laboratory analytical blank standard results;
- The suitability of crushing/splitting/pulverization sizes by measuring the precision of coarse and pulp duplicate samples; and
- The level of assaying accuracy by using external and internal (laboratory) certified reference standards and by assaying blind certified reference standards in each batch of samples.

The laboratory inserted one (1) coarse crush duplicate sample split, selected at random, into each 10-sample sub-batch. Three (3) certified reference standards (CRMs) with different grades, all from Rocklabs in New Zealand, were used for QA/QC. One (1) field blank standard was prepared using "barren" rock from the project site, or other potentially "barren" material. One (1) of the three CRMs, or one (1) blank, was included in each batch of fifty (50) samples shipped by the Golden Goose geologist.

6.3.13 Summary

The exploration and mining history of Magino is summarized in Table 6.2.

Table 6.2 Historical summary

Year	Company	Work description	Results	References
1917 to 1924	McCarthy-Webb Goudreau Mines Ltd	• Development of claim group • Sinking of two shallow shafts or pits • 335 m of surface diamond drilling	• Discovery of gold	Bourne et al., 1983
1925 to 1932	McCarthy-Webb Goudreau Mines Ltd	• Test pits and trenching • 5 surface diamond drillholes (DDH)		Bourne et al., 1983
1933 to 1934	Consolidated Mining and Smelting Company	• Diamond drilling • Construction of mill	• 421 tons of ore milled • 144 oz of gold extracted	Bourne et al., 1983
1935 to 1937	Algoma Summit Gold Mines	• Inclined shaft sunk at 33 degrees • Sublevel at 100 ft (30.5 m); 1st level at 176 ft (53.6 m); 2nd level at 374 ft (114 m) • Underground diamond drilling	• 47,785 tons of ore milled • 2,274 oz of gold extracted	Bourne et al., 1983
1938 to 1939	Algoma Summit Gold Mines	• Inclined shaft sunk to 2nd level at 374 ft (114 m) • Underground diamond drilling • Drifting	• 68,421 tons of ore milled • 6,049 oz of gold extracted	Bourne et al., 1983
1939 to 1942	Magino Gold Mines	• Detailed underground exploration program • Mine closed	• Discovery of a new gold zone • 309 oz of gold from clean-up of mill	Bourne et al., 1983
1972	Mr. C. McNellen	• Surface diamond drilling: 6 DDH (AS-72-01 to AS-72-06) totalling 2,000 ft (610 m)	• Many new “ore-grade” intersections	Bourne et al., 1983
1981	Rico Copper (1966) Ltd	• Surface diamond drilling: 16 DDH (S-81-1 to S-81-16) totalling 6,915 ft (2,107 m)	• Many new “ore-grade” intersections	Bourne et al., 1983
1981 to 1982	McNellen Resources Inc. Cavendish Investing Ltd	• Surfaces facilities installed • Underground workings dewatered and resurveyed • Channel sampling • Test hole drilling • 75 test holes totalling 1,500 ft (457 m) • Surface diamond drilling: 38 DDH (SS-1 to SS-37A) totalling 6,798 ft (2,072 m) • Underground drilling: 42 DDH (U1-1 to U1-11; • U2-1 to U2-31) totalling 8,581 ft (2,615 m)	• Many new “ore-grade” intersections	Bourne et al., 1983
1982	McNellen Resources Inc. Cavendish Resources Ltd	• Magnetic and electromagnetic surveys • Geological survey	• No electromagnetic conductors • Magnetic anomalies	Mongeau, 1982 Parbery and Mongeau, 1982
1983	McNellen Resources Inc. Cavendish Resources Ltd	• Pre-feasibility study • Mineral inventory estimation	• Project not viable	Bourne et al., 1983

Year	Company	Work description	Results	References
1984	McNellen Resources Inc. Cavendish Resources Ltd Prophet Resources Ltd June Resources Inc.	• Pre-feasibility study • Mineral inventory estimation • Surface diamond drilling: 25 DDH (JJ-1 to JJ-24) totalling 5,122 ft (1,561 m)	• New gold-bearing zones found	Bourne, 1984 Sutherland, 1987
1985	McNellen Resources Inc. Muscocho Explorations Ltd	• Surface diamond drilling • 29 DDH (MAG-85-01 to MAG-85-29) totalling 16,441 ft (5,011 m)	• Four (4) mineralized zones outlined	Sutherland, 1987
1986	McNellen Resources Inc. Muscocho Explorations Ltd	• Surface diamond drilling: 64 DDH (S-86-01to S-86-55; S-86-57 to S-86-65) totalling 12,372 ft (3,771 m) • Underground diamond drilling: 12 DDH (U-86-01 to U-86-12) totalling 5,508 ft (1,679 m) • Ramp collared • Underground development	• Best drift results: 0.298 oz/t over 8.0 ft horizontal width along strike length of 120 ft (35.50 m) • DDH S-86-014 intersected 0.624 oz/t over 13.0 ft (21.38 g/t Au over 3.96 m)	Muscocho Explorations Ltd, 1987 Sutherland, 1987 DDH Logs
1987	McNellen Resources Inc. Muscocho Explorations Ltd	• Surface diamond drilling: 92 DDH (S-87-001 to S-87-079; S-87-201 to S-87-211) totalling 54,359 ft (16,369 m) • Underground diamond drilling: 187 DDH (U- 87-001 to U-87-118; U-87-120 to U-87-186) totalling 51,330 ft (15,645 m) • Underground development	• DDH S-87-045 intersected 0.708 oz/t over 14.2 ft (24.29 g/t Au over 4.33 m)	DDH logs
1988	McNellen Resources Inc. Muscocho Explorations Ltd	• Surface diamond drilling • 9 DDH (S-88-001 to S-88-009) totalling 54,359 ft (16,369 m) • Underground diamond drilling: 213 DDH (U-88-001 to U-88-064; U-88-072 to U-88-151; U-88-155 to U-88-166; U-88-171 to U-88-207; U-88-219 to U-88-232; U-88-240 to U-88-245) totalling 57,434 ft (17,506 m) • Underground development and mining work	• DDH S-88-001 intersected 0.371 oz/t over 31.0 ft (12.73 g/t Au over 9.45 m)	DDH logs
1989	McNellen Resources Inc. Muscocho Explorations Ltd	• Underground diamond drilling: 293 DDH (U-89-001 to U-89-090; U-89-092 to U-89-116; U-89-118 to U-89-142; U-89-147 to U-89-64; U-89-168 to U-89-169; U-89-171; U-89-173 to U-89-176; U-89-179 to U-89-188; U-89-190 to U-89-192; U-89-194 to U-89-196; U-89-198 to U-89-200; U-89-204 to U-89-237; U-89-238 to U-89-248; U-89-251 to U-89-315) totalling 53,493 ft (16,305 m) • Underground development and mining work	• DDH U-89-043 intersected 0.257 oz/t over 6.0 ft (8.81 g/t Au over 1.83 m) • DDH U-89-061 intersected 0.244 oz/t over 9.4 ft (8.37 g/t Au over 2.87 m) • DDH U-89-159 intersected 2.283 oz/t over 3.4 ft (78.27 g/t Au over 1.02 m) • DDH U-89-163 intersected 0.30 oz/t over 24.8 ft (10.29 g/t Au over 7.56 m)	DDH logs

Year	Company	Work description	Results	References
1990	McNellen Resources Inc. Muscocho Explorations Ltd	• Underground diamond drilling: 166 DDH (U-90-001 to U-90-015; U-90-017 to U-90-019; U-90-021 to U-90-023; U-90-025 to U-90-092; U-90-101 to U-90-127; U-90-129 to U-90-178) totalling 15,178 ft (4,626 m) • Underground development and mining work	• DDH U-90-080 intersected 0.21 oz/t over 10.3 ft (7.21 g/t Au over 3.14 m)	DDH logs
1991	McNellen Resources Inc. Muscocho Explorations Ltd	• Underground diamond drilling: 13 DDH (U-91-001 to U-91-013) totalling 1,081 ft (329 m) • Underground development and mining work	• DDH U-91-008 intersected 0.243 oz/t over 9.70 ft (8.32 g/t Au over 2.96 m)	DDH logs
1992	McNellen Resources Inc. Muscocho Explorations Ltd	• No underground and surface diamond drilling • Underground development and mining work • The 650 ramp was driven to a depth of 685 ft		Muschocho Explorations, 1992
1988 to 1992	McNellen Resources Inc. Muscocho Explorations Ltd	• Mining production	• 768,678t processed production of 105,543 oz of gold • 28 shrinkage stopes totalling 177,486 t with a grade of 0.217 oz/t (38,572 oz) • 34 long-hole stopes totalling 371,285 t with a grade of 0.118 oz/t (43,938 oz) • 3 combined long-hole and shrinkage stopes totalling 53,766 t with a grade of 0.177 oz/t (9,534 oz)	McBride, 1991 Nielsen, 1995 Perkins, 1999
1995	McNellen Resources Inc. Muscocho Explorations Ltd	• Technical review of the Magino mine property		Nielsen, 1995
1996	Golden Goose Resources Inc.	• Acquisition of Magino mine • Evaluation of potential for both underground and open-pit mining		BLME 1996 Reddick 1996a Reddick 1996b
1997	Golden Goose Resources Inc.	• Check sampling program • Geochemical study for surface exploration • IP survey of Webb Lake granodiorite • Surface diamond drilling • 10 DDH (S-97-01 to S-97-10) totalling 2,087 m • Stripping, mapping and channel sampling • Structural study • Creation of a digital database in Gemcom software • Creation of a block model for resource evaluation • Scoping study	• DDH S-97-05 intersected 18.57 g/t Au over 7.00 m	Nielsen, 1997 Perkins, 1997 PHA, 1997 Hall et al., 1997 Wilson, 1997 BLME, 1997 Analytical Solutions Ltd, 1997 Reddick, 1999 Perkins, 1999 Reddick, 2000
1998	Golden Goose Resources Inc.	• Two bulk samples		Reddick, 1999 Perkins, 1999

Year	Company	Work description	Results	References
2000 to 2001	Golden Goose Resources Inc.	• Surface diamond drilling • 19 DDH (00-01 to 00-18) totalling 1,231 m • Revised resource estimate	• Measured Resources: 5.8 Mt grading 0.09 oz/t Au • DDH 00-02 intersected 9.54 g/t Au over 3.65 m	Reddick, 2001a Reddick, 2001b
2002	Golden Goose Resources Inc.	• Surface diamond drilling • 17 DDH (00-02 to 02-17) totalling 2,743 m	• DDH 02-02 intersected 12.89 g/t Au over 0.67 m	Reddick, 2002
2004	Golden Goose Resources Inc.	• Review of mineral resources	• Measured and Indicated Resources: 7.295 Mt grading 0.075 oz/t Au	Burns and Reddick, 2004
2006	Golden Goose Resources Inc.	• Surface diamond drilling • 18 DDH (06-01 to 06-15; 2006-16 to 2006-17) totalling 8,055 m	• DDH 06-14 intersected 7.29 g/t Au over 5.4 m	Waldie, 2006
2007	Golden Goose Resources Inc.	• Surface diamond drilling • 14 DDH (2007-17 to 2007-30) totalling 9,239 m	• DDH 2007-30 intersected 7.94 g/t Au over 2.9 m	DDH logs
2008	Golden Goose Resources Inc.	• Technical Report and Mineral Resource Estimate • Stripping and channel sampling • Compilation of the entire Magino property	• Inferred Resources: 3,775 Mt grading 5.94 g/t (717,227 oz) below the old workings • Best channel sampling results: 19.85 g/t over 0.5 m and 17.59 g/t over 1.0 m	Turcotte and Pelletier, 2008 Press release from Golden Goose Resources: October 28, 2008
2009 to 2010	Golden Goose Resources Inc.	• Geochemical field survey (humus) • Ground magnetic survey (75 km) • 14 DDH (2009-01 to 2009-08; 2010-01 to 2010-06) totalling 4,012 m	• Some gold anomalies (humus) • Some magnetic anomalies • Some significant gold mineralization	Leclerc and Fleury, 2009 News release from Golden Goose Resources: March 30, 2010

7 Geological setting

Information in this section has been excerpted from Turcotte, B., and Pelletier, C., (May 2009) and updated.

7.1 The Archean Superior Province

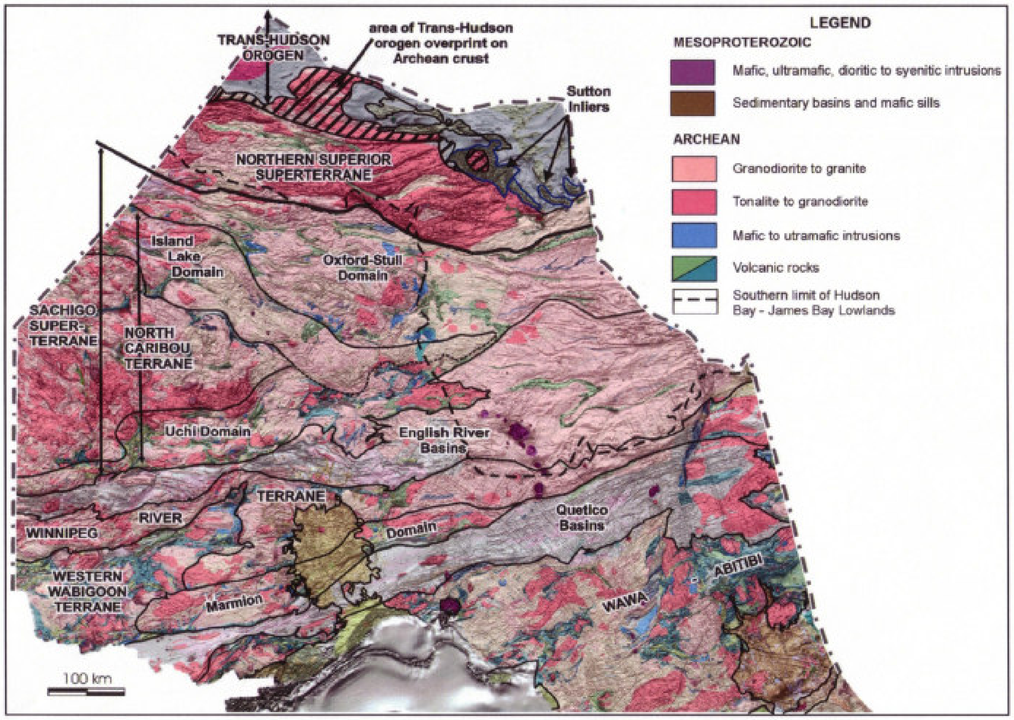
The Archean Superior Craton forms the core of the North American continent and is surrounded and truncated on all sides by Proterozoic orogens, the collisional zones along which elements of the Precambrian Canadian Shield were amalgamated (Hoffman, 1988 and 1989). The Superior Province represents two million square km of this craton that is free of significant post-Archean cover rocks and deformation (Card and Poulsen, 1998). Tectonic stability has prevailed since ca. 2.6 Ga in large parts of the Superior Province (Percival, 2007). The rocks of this Province are mainly Mesoarchean and Neoarchean in age and have been significantly affected by post-Archean deformation only along the boundaries marked by Proterozoic orogens, such as the Trans-Hudson and Grenville orogens, or along major internal fault zones, such as the Kapuskasing Structural Zone. The rest of the Superior Province has remained stable since the end of the Archean (Goodwin et al., 1972).

Proterozoic and younger activity is limited to rifting along the margins, emplacement of numerous mafic dyke swarms (Buchan and Ernst, 2004), compressional reactivation, and large scale rotation at ca. 1.9 Ga, and failed rifting at ca 1.1 Ga. With the exception of the northwest and northeast Superior margins that were pervasively deformed and metamorphosed at 1.9 to 1.8 Ga, the craton has escaped ductile deformation. A first-order feature of the Superior Province is its linear sub-provinces of distinctive lithological and structural character, accentuated by sub-parallel boundary faults (e.g. Card and Ciesielski, 1986). Trends in the Superior Province are generally easterly in the south, westerly to north-westerly in the northwest, and north-westerly in the northeast (Figure 7.1). The southern Superior Province (to latitude 52°N) is a major source of mineral wealth. Owing to its potential for base metals, gold and other commodities, the Superior Province continues to attract mineral exploration in both established and frontier regions.

7.2 The Wawa Sub-province

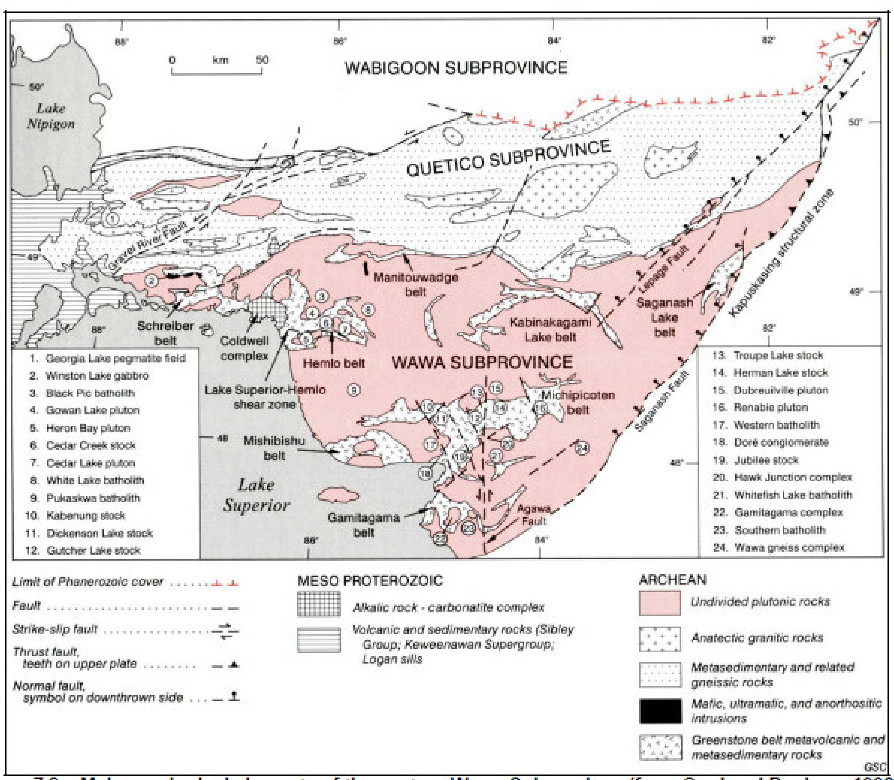
The Magino property is located in the Wawa Sub-province (Figure 7.2). Most workers accept a correlation between the Wawa and Abitibi terranes across the transverse Kapuskasing uplift (Percival, 2007). Volcanism appears to have begun with the 2.89 to 2.88 Ga Hawk assemblages. The 2.745 Ga Wawa assemblage and the 2.72 Ga Greenwater and Manitouwadge assemblages reflect oceanic settings. Volcanogenic massive sulphide deposits in the Wawa terrane have similar ages of 2.72 Ga (Corfu and Stott, 1986; Williams et al., 1991; Sage et al, 1996a and b). Polat and Kerrich (1999) reported a variety of oceanic magma types from the Schreiber belt and interpreted the belt as a tectonic mélange (Polat et al., 1998; Polat and Kerrich, 1999 and 2001). Relatively late-stage volcanism at ca. 2.695 Ga (Carfish assemblage) took place during D1 thrusting. Subsequent calc-alkalic to alkali magmatism (ca. 2.689 Ga; Corfu and Stott, 1996) and associated coarse clastic sedimentation (< 2.689 Ga) was followed by the emplacement of sanukitoid plutons (2.685-2.68 Ga) and dextral transpressive D2 deformation.

Figure 7.1 Tectonic subdivisions of the Superior Province within northern Ontario



(from Stott et al., 2007)

Figure 7.2 Major geological elements of the eastern Wawa Sub-province

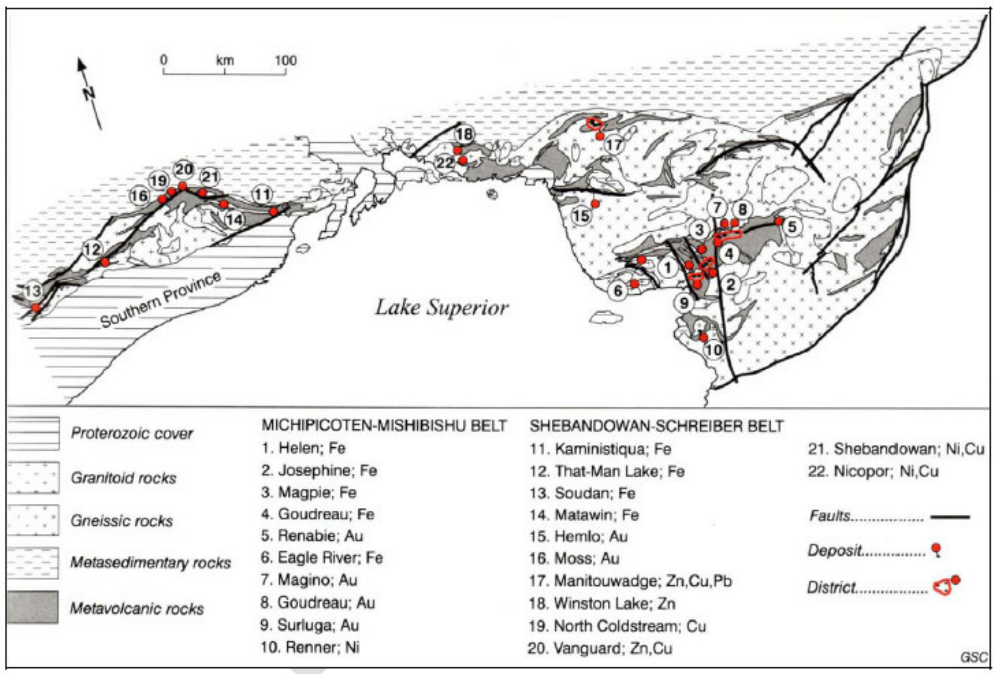


(from Card and Poulsen, 1998)

Mineralization occurs in two main regions: the Michipicoten-Mishubishu belt in the Wawa area, and the Shebandowan-Schreiber belt to the west (Percival, 2007). The Michipicoten-Mishubishu belt contains mainly iron and gold deposits with some nickel and copper-vein deposits (Figure 7.3). Iron deposits are in oxide-, sulphide- and carbonate-facies iron formations that lie stratigraphically above the 2.74 to 2.735 Ga Wawa assemblage. Gold deposits in this region occur within veins associated with shear zones in plutonic rocks of variable composition and age.

The Shebandowan-Schreiber belt hosts important deposits of gold, iron and base metals (volcanic-hosted massive sulphide deposits; e.g., Manitouwadge) (Peterson and Zaleski, 1999; Zaleski et al., 1999), as well as intrusion-hosted nickel deposits. The most significant is the Hemlo gold camp, a large disseminated deposit (Muir, 2003) in a strongly deformed, ca 2.693 to 2.685 Ga volcano-sedimentary sequence (Davis and Lin, 2003). Gold was deposited during D2 sinistral wrench deformation between 2.680 and 2.677 Ga, likely from fluids derived from granitoid rocks.

Figure 7.3 Mineral belts in the Michipicoten-Shebandowan region of the Wawa Sub-province



(from Card and Poulsen, 1998)

7.3 The Michipicoten greenstone belt

The Magino mine is located within the Michipicoten greenstone belt (Figure 7.2 and Figure 7.3). This belt, including the adjacent Gamitagama and Mishubishu greenstone belts, is one of the key localities with respect to the Superior Province (Wawa Sub-province) geology, partly because of the importance of its Algoma-type iron formations, partly because many important concepts of greenstone belt geology are based there, and partly because it contains a record of volcanism, sedimentation and plutonism that spans at least 240 Ma of Archean time (Card and Poulsen, 1998).

The Michipicoten greenstone belt is a structurally and stratigraphically complex assemblage of volcanic, sedimentary and intrusive rocks that were metamorphosed to greenschist and amphibolite facies (Attoh, 1981; Williams et al., 1991). To the east and south, the Michipicoten greenstone belt and satellite Gamitagama greenstone belt are bounded by plutonic rocks of the Wawa gneiss domain, mainly tonalite gneiss with abundant granitic intrusions (Card and Poulsen, 1998). The north-eastern Wawa Sub-province consists of similar gneissic and plutonic rocks along with the small Saganash Lake and Kabinakagami Lake greenstone belts. At the eastern edge of the Michipicoten greenstone belt, a Mesoarchean sequence (Cycle 1) of basalt and komatiite, overlain by calc-alkaline tuff, is intruded by the 2888 Ma Hawk granite and 2881 Ma felsic sills (Sage, 1994; Card and Poulsen, 1998). This sequence is in contact with 2747 Ma tonalite gneiss cut by 2698 Ma intrusions of the Whitefish Lake batholith. The Mesoarchean rocks may represent a basement to the younger volcanic succession (Jackson and Sutcliffe, 1990). The Mesoarchean and Neoarchean supracrustal rocks form at least three (3) mafic-felsic cycles with intercalated sediments, notably the thick Helen iron formation that caps the lower cycle and consists of a lower siderite member, a middle pyritic carbonate member, and upper chert-carbonate and black shale members (Goodwin, 1962; Sage, 1987; Sage, 1994). Cycle 2 is a 2749 to 2746 Ma and 2729 Ma sequence consisting of tholeiitic basalt and andesite overlain by calc-alkaline dacite and rhyolite (Sage, 1994; Card and Poulsen, 1998). The upper volcanic cycle (Cycle 3), which is separated from the lower cycles by the Doré conglomerate containing tonalite clasts as young as 2698 Ma, consists of tholeiitic basalt with minor komatiite, capped by 2701 to 2691 Ma calc-alkaline felsic volcanic and clastic sedimentary rocks that include wacke, arkose, polymictic conglomerate and oligomictic quartz conglomerate (Sage, 1994; Card and Poulsen, 1998). Detrital zircons from the sedimentary rocks are as young as 2680 Ma (Corfu and Sage, 1992), demonstrating that these sediments, like similar sequences in the Abitibi greenstone belt, were deposited following major volcanism. The petrography of the wacke units indicates that they were derived from bimodal mafic-felsic volcanic sequences (Ayres, 1983).

Several suites of plutonic rocks ranging in composition from gabbro to monzogranite and syenite occur in and around the Michipicoten greenstone belt. Early tonalite, trondhjemite and granodiorite plutons with ages of 2747 to 2737 Ma, 2729 to 2721 Ma and 2698 to 2693 Ma, respectively—similar to the ages of the main volcanic cycles—are probably syn-volcanic and have characteristics consistent with derivation from melting of basaltic sources (Card and Poulsen, 1998).

The rocks of the Michipicoten and Gamitagama greenstone belts have been repeatedly deformed and metamorphosed under low-pressure, greenschist to lower amphibolite facies conditions (Ayres, 1969, 1983; Studemeister, 1983; McGill and Shrady, 1986; Arias and Helmstaedt, 1990; McGill, 1992; Sage, 1993 and 1994). Early structures include major recumbent folds, thrusts and associated cleavages (Card and Poulsen, 1998). Later superimposed upright folds are accompanied by steep cleavages. The latest structures include northeast-trending shear zones that host auriferous vein systems (Heather, 1989) and northerly-trending sinistral faults.

The Michipicoten-Mishubishu mineral belt is dominated by iron and gold deposits (Figure 7.3); lesser prospects include nickel sulphide and copper-vein deposits. Iron formation deposits are widely distributed in this region. Gold deposits also typify the Michipicoten-Mishubishu mineral belt. Most of these occur in a linear zone extending west-southwest from Renabie in the east, through the Goudreau-Lochalsh area, to Mishubishu Lake. Although the gold deposits of this area occur in a terrane with extensive iron formations, they display a remarkable association with altered shear zones and plutonic rocks regardless of composition or age (Studemeister, 1985; Studemeister and Kilias, 1987; Arias and Heather, 1987; Heather and Arias, 1987 and 1992).

7.4 The geology of the Magino mine area

The Magino mine is situated in the Goudreau-Lochalsh gold district of the Wawa gold camp. The geology of the Goudreau-Lochalsh gold district has been mapped by Sage and published over a ten-year period (Sage 1983, 1984, 1985, 1987a, 1993, 1993a, 1993b, 1993c and 1993d). Supracrustal rocks in the Goudreau-Lochalsh district consist of Cycle 2 felsic to intermediate pyroclastic metavolcanics capped by pyrite-bearing ironstone. To the north are pillowed, massive and schistose, mafic to intermediate metavolcanics and minor intercalations of Cycle 3 mafic pyroclastic rock. Several medium- to coarse-grained quartz dioritic to dioritic sills and/or dikes intrude all metavolcanic rocks.

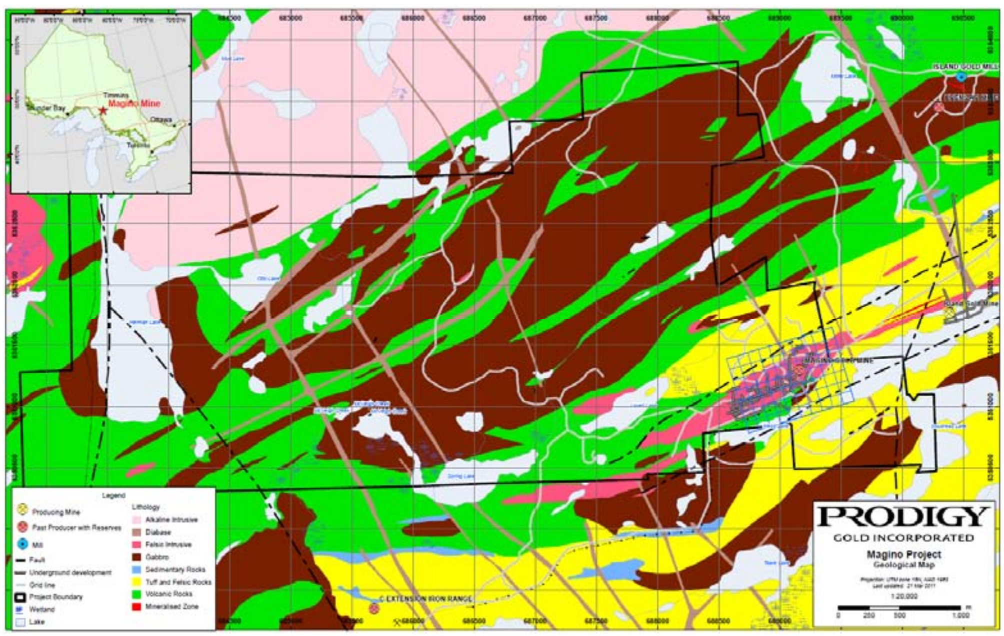
Gold mineralization at the Magino mine is dominantly hosted by the Webb Lake stock (Deevy, 1994), which intrudes isoclinally folded Cycle 3 mafic volcanic rocks (Sage, 1993). The Webb Lake stock is a felsic intrusion interpreted by Sage (1993, 1994) as a trondhjemite, but continues to be called a granodiorite in mine terminology and by mine geologists.

The long axis of the Webb Lake stock is parallel to the regional supracrustal rock stratigraphy (Sage, 1993; 1994). The Webb Lake stock is ENE-striking and has a steep northerly dip (Deevy, 1992 and 1994). Its surface expression is at least 1,800 m long and up to 300 m wide. The aureole rocks of the Webb Lake stock are predominately mafic volcanic rocks (Deevy, 1992 and 1994). The southern contact is quite linear and regular, consisting mostly of dark green mafic rocks. The northern contact is quite irregular and there is interfingering of granodiorite (trondhjemite) and aureole rocks. The granodiorite (trondhjemite) is medium- to coarse-grained, green-grey, moderately hard, non-magnetic and massive (Sutherland, 1987). It is locally foliated and hydrothermally altered, and has been affected by greenschist facies metamorphism. The granodiorite (trondhjemite) contains 5% to 10% veins of carbonate, quartz, tourmaline and pyrite in various orientations. Approximately 5% of the igneous rock contains healed faults and fractures, generally filled with chlorite and carbonate. They may correspond to the late, north-trending, 45°-dipping, carbonate-filled faults observed underground (Sutherland, 1987).

Some lithologies occur within the granodiorite. In mine terminology, these are "felsites", "mafics" and "intermediates" (Deevy, 1992 and 1994). "Grey felsite" is the oldest of the three and possibly predates gold mineralization. It is predominately a medium to dark grey aphanitic body about 0.30 to 1.20 m thick that can be traced from one end of the mine to the other. Grey felsite may not in fact be an intrusive in its own right, but rather cataclastized granodiorite (trondhjemite) (Deevy, 1992). "Pink felsite" and "brown felsite" postdate gold mineralization. They are both fine-grained rocks of quartz-feldspar porphyry composition. They vary from a few centimetres to 3.5 m wide and can be traced for a hundred metres or more both laterally and vertically.

The "mafics" may be either dykes or xenoliths. They are dark green in colour, generally strongly foliated, and are of similar composition to the aureole mafic rocks (Deevy, 1992 and 1994). These mafic rafts or dykes are up to 6 m wide (Bourne et al., 1987). The "intermediates" are much more limited in extent and have the texture of a crystal tuff. They are probably true xenoliths within the granodiorite. Both the mafic and intermediate xenoliths/dykes predate gold mineralization (Deevy, 1992 and 1994).

Figure 7.4 Geology of the Magino mine area



(adapted and modified from Sage 1990, 1993b, 1993c and 1993d)

Several diabase dykes up to 12 m wide, of probable Keweenawan age, strike north-north-west and cut all rock types (Bourne et al., 1987). Diamond drilling east of the diabase dyke marking the eastern limit of underground workings in the "old mine" indicates that the granodiorite(trondhjemite)-metavolcanic contact has been offset by approximately 50 feet (15 m), and that the dip of the contact at this location is vertical instead of 65° to the north as is found west of the dyke. Bourne et al. (1987) believe the diabase dyke intruded a pre-existing fault zone along which movement was mainly rotational in nature (sinistral displacement), which would explain both the apparent horizontal offset and the marked change in dip. The horizontal distance between mineralized zones across this structure exceeds that shown for the displacement of the stock's margins on mine plans (Nielsen, 1997). This suggests that if displacement entirely post-dates mineralization, it must have been oblique, or alternatively, the zones on either side of the diabase are not related (Nielsen, 1997).

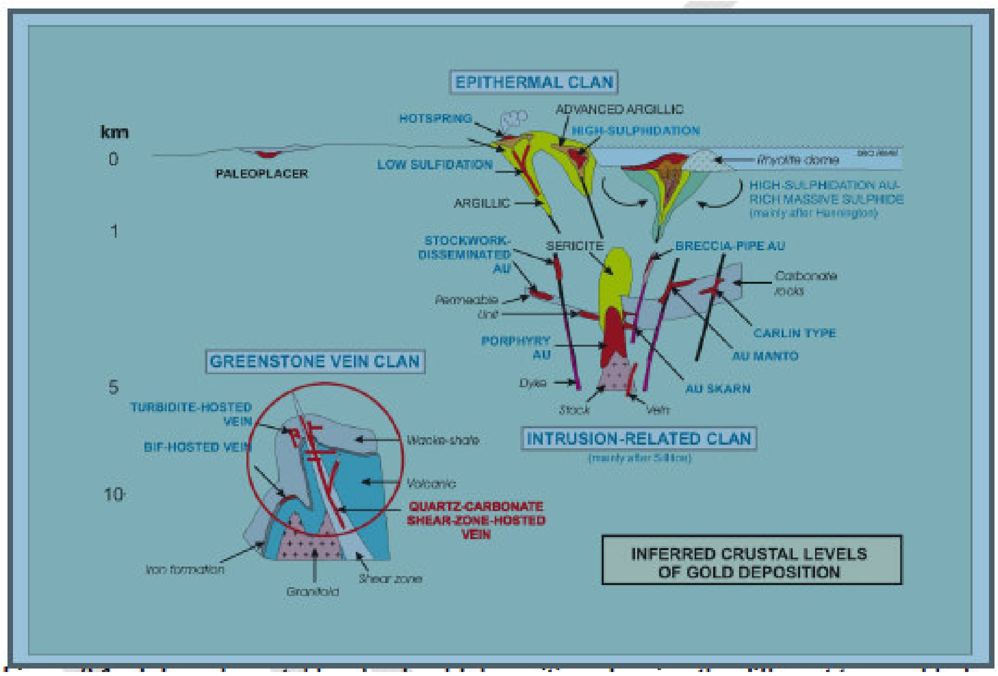
The granodiorite (trondhjemite) intrusion is cut by numerous shear zones related to the Goudreau Lake Deformation Zone and it is on these shear-hosted gold-bearing quartz veins that the Magino mine occurs (Sage, 1994). The portion of the intrusion north of the deformation zone hosts the gold mineralization and is more deformed than the southern portion. The Goudreau Lake Deformation Zone is a major contact between Cycle 2 to the south and Cycle 3 to the north. In the Magino mine area, the Goudreau Lake Deformation Zone consists of a 070°-striking, ductile-brittle zone sub-parallel to dextral oblique-slip high-strain zones developed within strongly altered and deformed, felsic to intermediate metavolcanic rocks (Heather and Arias, 1992)

8 Deposit types

Information in this section has been excerpted from Turcotte, B., and Pelletier, C., (May 2009).

Lode gold deposits (gold from bedrock sources: Figure 8.1) occur dominantly in terranes with an abundance of volcanic and clastic sedimentary rocks of low to medium metamorphic grade (Poulsen, 1996). The Magino mine is an orogenic gold occurrence related to longitudinal shear zones (greenstone-hosted quartz-carbonate vein deposit). Greenstone-hosted quartz-carbonate vein deposits are a subtype of lode-gold deposits (Poulsen et al., 2000). They correspond to structurally controlled, complex epigenetic deposits hosted in deformed metamorphosed terranes (Dubé and Gosselin, 2007).

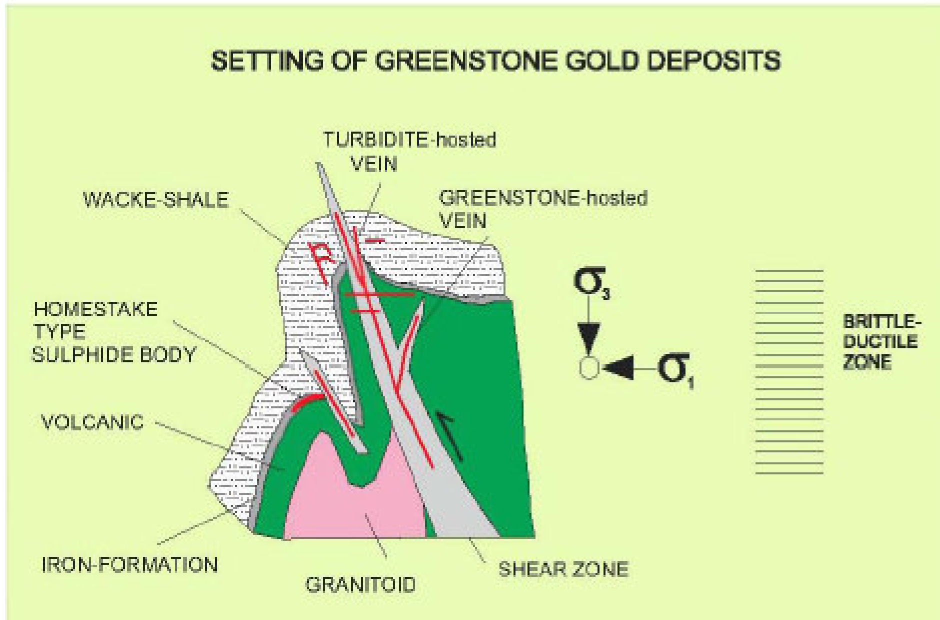
Figure 8.1 Inferred crustal levels of gold deposition showing the different types of lode gold deposits and the inferred deposit clan



(from Dubé et al., 2001; Poulsen et al., 2000)

Greenstone-hosted quartz-carbonate vein deposits consist of simple to complex networks of gold-bearing, laminated quartz-carbonate fault-fill veins in moderately to steeply dipping, compressional brittle-ductile shear zones and faults with locally associated shallow-dipping extensional veins and hydrothermal breccias. They are hosted by greenschist to locally amphibolite-facies metamorphic rocks of dominantly mafic composition and formed at intermediate depth in the crust (5-10 km). They are distributed along major compressional to transtensional crustal-scale fault zones in deformed greenstone terranes of all ages, but are more abundant and significant, in terms of total gold content, in Archean terranes. Greenstone hosted quartz-carbonate veins are thought to represent a major component of the greenstone deposit clan (Figure 8.1) (Dubé and Gosselin, 2007). They can coexist regionally with iron formation-hosted vein and disseminated deposits, as well as with turbidite-hosted quartz-carbonate vein deposits (Figure 8.2).

Figure 8.2 Schematic diagram illustrating the setting of greenstone-hosted quartz-carbonate vein deposits



(from Poulsen et al., 2000)

The main gangue minerals are quartz and carbonate, with variable amounts of white micas, chlorite, scheelite and tourmaline. The sulphide minerals typically constitute less than 10% of the ore. The main ore minerals are native gold with pyrite, pyrrhotite and chalcopyrite without significant vertical zoning (Dubé and Gosselin, 2007).

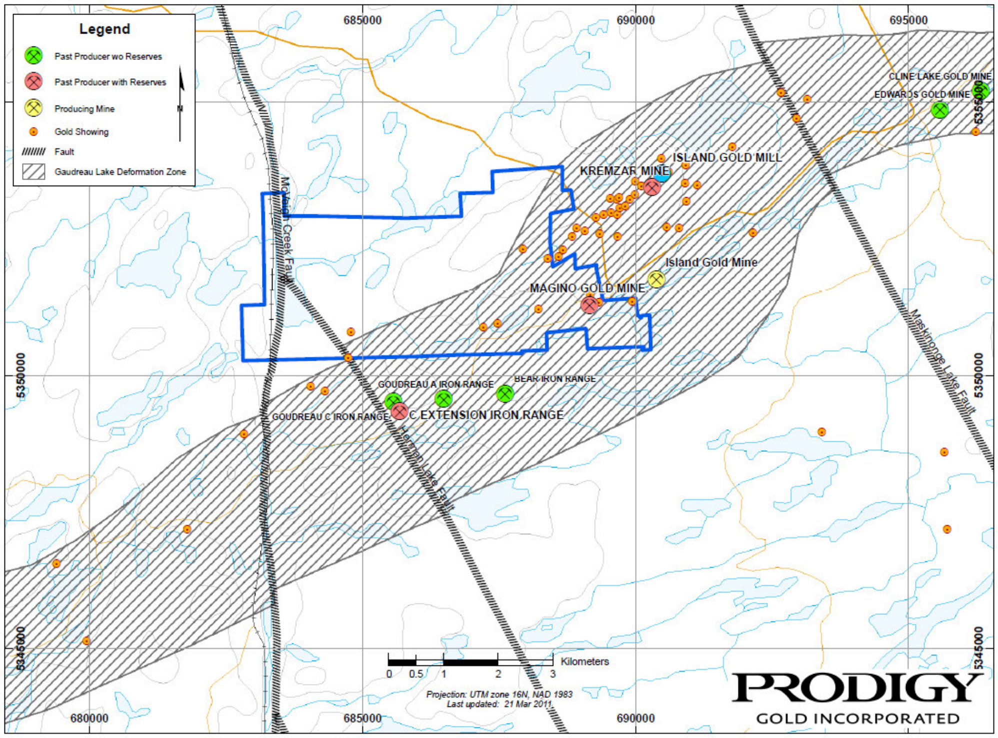
The Magino gold deposit lies within the Goudreau Lake Deformation Zone, a major contact between Cycle 2 felsic to intermediate pyroclastic metavolcanic rocks to the south and Cycle 3 massive pillowed mafic metavolcanic rocks to the north (Heather and Arias, 1992). The Goudreau Lake Deformation Zone appears to be spatially related to a large, regionally mappable intrusive sheet. This rigid meta-intrusive body deformed in a brittle manner relative to the enclosing mafic metavolcanic rocks, thus acting as a competency contrast and thereby focusing the strain and associated mineralization (Heather and Arias, 1992).

In the Magino gold deposit area, the Goudreau Lake Deformation Zone (Figure 8.3) is characterized as a 1- to 2-kilometre wide, 070°-striking zone of sub-parallel ductile and brittle-ductile high-strain zones (Heather and Arias, 1992). Gold mineralization occurs in these high-strain zones.

At the regional scale, there is no readily discernible alteration pattern directly related to gold mineralization. However, rocks within the Goudreau Lake Deformation Zone are slightly more altered relative to the rest of the supracrustal rocks in the Michipicoten Greenstone Belt. This suggests that hydrothermal fluids were preferentially focused into regional deformation zones (Heather and Arias, 1992).

Regionally, two types of gold mineralization have been recognized in the Magino gold mine area (Heather and Arias, 1992): (a) quartz veins hosted by brittle and brittle-ductile high strain zones; (b) brittle fault-hosted breccia-style mineralization.

Figure 8.3 Location of the Goudreau Lake deformation zone



(adapted and modified from Heather and Arias, 1992)

9 Mineralization

Information in this section has been excerpted from Turcotte, B., and Pelletier, C., (May 2009).

9.1 Gold mineralization

Gold mineralization at the Magino gold mine occurs within the Webb Lake granodiorite (trondhjemite) stock. The Webb Lake stock underwent variable metasomatic alteration during deformation and gold mineralization (Heather and Arias, 1992). Distinct haloes of quartz-sericite-pyrite with minor Fe-carbonate and hematite alteration are observed adjacent to the quartz vein systems. Alteration of the Webb Lake stock outside the gold-bearing zones is manifested by a chlorite-albite-quartz-tourmaline-calcite assemblage (Heather and Arias, 1992). Locally present within the stock are lenticular chlorite-schist zones that represent either strongly foliated mafic metavolcanic xenoliths or a chlorite-altered felsic intrusion (Heather and Arias, 1992).

Gold mineralization occurs in several sub-parallel high-strain zones striking 070°–080° within the Webb Lake stock and within mafic metavolcanic rocks immediately along the northern margin of the stock (Heather and Arias, 1992). Deevy (1992 and 1994) distinguished and described two types of ore shoots, namely "zones" and "veins". The "zones" are usually 2 to 4.5 m wide and have a strike length of 25 to 70 m. They consist of foliated, bleached and silica-flooded granodiorite (trondhjemite). The zones are folded in places, which produces mineable widths of up to 10.5 m. The "zones" dip at about the same angle as the foliation and have a vertical plunge. The vertical continuity of the "zones" is at a vertical to horizontal ratio of 2.5:1 (Deevy, 1994). Weak bleaching and silica flooding are the distinguishing features of the "zones" (Deevy, 1994). Silica flooding consists of incipient pale gray quartz replacing the foliated granodiorite. Gold content is directly related to the amount of silica flooding (Deevy, 1994).

The "veins" consist of discrete pale grey to pale green to almost white quartz veins varying in width from a few to 45 centimetres. They have a strike length of several to 35 m. Gold values are distributed erratically within the veins, but overall grades are quite high. The veins are folded in places, with gold concentrated in the fold noses (Deevy, 1992 and 1994). Vertical continuity of the "veins" is similar to that of the "zones", and the plunge is also vertical.

Native gold occurs in zones of pervasive silicification and in narrow (i.e., <1 to 20 cm wide) quartz veins that form complex systems 1 to 3 m wide. Gold occurs within both quartz veins and foliated and altered wall rocks, but the better gold grades are in the veins (1987 pers. comm. with T. Deevy, Magino mine geologist, as cited in Heather and Arias, 1992). Finely disseminated leaf-like visible gold was observed in numerous quartz veins in diamond drill cores and in drift backs on the second level (Koskitalo, 1983). The gold tends to form plates or leaves along fractures in quartz rather than coarse nuggets. The quartz hosting the gold tends to be fine-grained and dull milky grey (Koskitalo, 1983). Up to 10% disseminated pyrite is also present, most commonly found in alteration haloes around the gold-bearing quartz veins (Heather and Arias, 1992).

Figure 9.1 Historical G Zone in the 24+75E drift

The granodiorite (trondhjemite) is sericitized, carbonatized, silicified and chloritized. Gold-bearing quartz veins have diffuse boundaries. Photographed area is 50 centimetres across (from Sutherland, 1987)

Figure 9.2 Gold-bearing veins on the face of the 23+80E drift

Note the vein spacing and sericite alteration selvage along the vein contact. Centre vein is 15 centimetres wide (from Sutherland, 1987)

9.2 Structures associated with gold mineralization

There is a strong structural control on the gold-bearing quartz vein system within the Webb Lake stock. The system consists of several main 070°- to 075°-striking high-strain zones, which in turn consist of subsidiary, parallel 070°- to 075°-striking mineralized zones (Heather and Aria, 1992). The zones are also parallel to the regional schistosity in this area, which strikes 070°. Individual quartz veins are localized within narrow, secondary, brittle-ductile shear fractures with the following documented attitudes and apparent horizontal displacements (Heather and Arias, 1992):

a) 080°-090° / 65°N, ductile, dextral (oblique-slip)

b) 045°-055° / 70°N, ductile, (?)

A strongly developed foliation defined by elongated feldspar and aligned sericite has been observed wrapping asymptotically into the narrow shear fractures (Heather and Arias, 1992). These shear-fractures appear to splay off each other, with the 085° set being dominant. Surface outcrops show no obvious crosscutting relationships between these two sets of shear-fractures, suggesting synchronous development (Heather and Arias, 1992). Underground, however, it was reported by Magino's mine geologist T. Deevy that the 055° set is part of a conjugate set of post-ore faults (1991 pers. comm. cited in Heather and Arias, 1992). Locally, the veins are better developed within the 085°-striking fracture set than in the 055° set. Some of the auriferous high-strain zones comprise two or more obliquely-oriented auriferous vein structures (e.g., the 070°-striking high-strain zone containing 085°- and 050°-striking veins) (Heather and Arias, 1992).

Underground at the Magino mine, mine geologist T. Deevy noted that raise-mining on a single quartz vein structure revealed that the vein rolls from a dip of 80° to 60° and back to 80° over a vertical distance of roughly 15 m. He also noted that the best gold grades are found at the intersections between vein-bearing shear fractures with different orientations (1987 pers. comm. cited in Heather and Arias, 1992). The plunge of the Magino mineralization is sub-vertical and parallel to measured elongation lineations defined by stretched feldspar crystals (Heather and Arias, 1992).

The brittle-ductile shear fractures and associated veins are consistently offset by a few centimetres along brittle fractures with the following attitudes and apparent horizontal displacements (Heather and Arias, 1992):

a) 190° (010°) / 85°W, brittle, sinistral

b) 310° (130°) 67°N, brittle, dextral

North-striking late tourmaline-quartz veins cut both the Webb Lake stock and aforementioned gold-bearing quartz vein systems (Heather and Arias, 1992). Zones of intense tourmaline-quartz fracture-filling, flooding and brecciation are locally present within the Webb Lake stock. This late tourmaline-quartz mineralization uses the pre-existing fracture network in the rock. The tourmaline-quartz fracture-fillings and veins can contain anomalous gold values, especially where they cut an earlier gold-bearing quartz vein.

10 Exploration

In August 2010, Kodiak announced an agreement with Golden Goose to evaluate the Magino gold property.

Since that announcement, Kodiak has conducted a review of the geological and exploration data, and recompiled the drillhole and assay database in metric format. In addition, Kodiak has undertaken sampling of previously un-sampled intervals of drill core from the 2006 program, and submitted these for assaying at independent analytical laboratories.

The intervals of core that had been previously sampled by Golden Goose were visually mineralised and/or altered and interpreted as vein structures that might be amenable to underground mining. The intervening altered intervals were regarded as disseminated mineralization; were not the focus of Golden Goose's recent program; and remained un-sampled.

In response to higher prevailing gold prices in 2010, Kodiak considered that Magino's disseminated mineralization could be evaluated as an open pittable mining scenario.

Apart from the further sampling undertaken, Prodigy has not conducted exploration programs on the property.

Details of pre-Prodigy exploration undertaken at the Magino property are presented in Section 6 History.

Gould Gold property

The Gould Gold property covers an extensive sequence of gabbroic intrusive and metavolcanic rocks along a prospective structural trend that is parallel to the Magino gold deposit. There is no information from this property contained in the database that was provided to Snowden.

11 Drilling

Prodigy commenced in-fill drilling at Magino in January 2011, and after the resource estimate database was sealed on 7 January 2011. Drilling undertaken by Prodigy after 7 January 2011 has not been included in the resource estimate that is reported in this technical report.

Details of pre-Prodigy drilling are provided in Section 6 History.

12 Sampling method and approach

Sampling at Magino has been carried out through drill core sampling and underground channel sampling. The current database contains no verified channel sample data and therefore this sample type has not been used in the current study.

The reader is referred to Section 6 History for details of pre-Prodigy sampling programs.

Drill core programs have been conducted from surface and from underground during the operating mine period from 1988 to 1992. Drill core sizes have included AQ, EXT (both 27 mm diameter); BQ (36.5 mm); NQ (47.6 mm); and HQ (63.5 mm).

Surface drilling has included BQ, NQ and HQ coring, while underground drilling has included AQ, EXT and BQ coring.

Records are incomplete for the underground drilling and some of the early surface drilling, but they indicate that underground core was either sampled whole, or split or sawn. It is assumed that 27 mm core was sampled whole, and it is reported that BQ was either sampled whole or split / sawn. Surface drill core was either split or sawn prior to sampling.

In the author's opinion there are no recovery factors that would materially affect sampling. The rock mass is typically tight and recovery information indicates better than 98% core recovery in the granodiorite stock.

Coarse grained ("nuggety") gold mineralization is a feature of the Magino deposit. Consequently it has been noted by previous mineral resource estimators that samples of small-diameter core are likely to be unrepresentative, however no recent study has been undertaken to establish what is an acceptable minimum sample volume.

In the author's opinion, half-sawn NQ core is the minimum core diameter recommended for sampling of this deposit type. Apart from HQ coring in 2000, Golden Goose has maintained this standard. Snowden recommends that Prodigy continues to re-drill certain altered zones with NQ, where earlier pre-Golden Goose coring was BQ diameter or smaller.

13 Sample preparation, analyses and security

13.1 Sample preparation methods and quality control measures employed before dispatch of samples

13.1.1 2009 - 2010 Golden Goose program

Turcotte et al (2010) describe the process as follows:

- *The drill core sampling method and approach was established by Golden Goose and verified by their geologist Gilles Provost, P.Geo. Turcotte et al (2010) found no indication of anything in the drilling, core handling and sampling procedures, or in the sampling methods and approach that could have had a negative impact on the reliability of the reported assay results.*
- *Drill core sections were selected for sampling and assaying based on the presence of sulphide mineralization or visible gold and quartz veins.*
- *After being examined and described (logged), the core was sampled according to an established protocol. First, the core of the selected section was cut in half with a core splitter, with one half put aside for eventual shipment to the laboratory. The second half of the core was then put back in its place in the core box and a tag bearing the same number was placed at the beginning of sawed core halves forming the selected sampled length. The metallic bowls, core splitter and work table were cleaned thoroughly before proceeding to the next sample. Each bag, after being closed and tied, was placed with about twenty (20) other samples into a larger bag for shipment.*
- *Trans-Provincial Freight Carriers Ltd came to the mine site, picked up the larger bags, and shipped them to Accurassay Laboratories in Thunder Bay, Ontario.*

13.1.2 2010 Kodiak sampling program

In the latter half of 2010 Kodiak identified sections of core from the 2006 drill program that had not been sampled, and undertook the following process to effect the sampling:

- Core that is to be sampled is first logged by the geologist and a cut line is drawn on the core, perpendicular to the dominant structural fabric.
- The core is cut by a Kodiak employee using a table-fed circular diamond saw into halves with one half sent for analysis and the remaining half labelled and retained in core boxes for future reference. Core cutting is supervised by the geologist logging core who ensures that a sequence of blanks, duplicates and standards is followed.
- Sampling occurs at 1 metre intervals, or less to account for lithological contacts.
- Zones of low core recovery are noted, however these are rare due to the competency of the rock mass.
- The half core selected for analysis is always from one side and no regard for presence of visible gold is made, in order to reduce sampling bias.
- The sampled half core is placed into clean, new transparent plastic sample bags with one pre-printed sample tag as laboratories have their own internal numbering system. The sample bags are rolled and sealed with staples.
- A metal tag is stapled in the core tray along with the meterage represented by the sample. The sample tag is also printed on the remaining sample card in the booklets and once all tags have been used the booklets are stored in the core logging facility.

- The sealed sample bags are placed in rice sacks in sequence for shipment to the laboratory. A copy of the sample submittal form is returned to the project geologist/project manager after being stamped by the receiving laboratory. Samples are transported by Kodiak personnel or picked up by the laboratories directly from the project. If a third party transportation company is used the number or rice sacks is accounted for and sealed with a numbered sealing tie. The number is controlled by the laboratory to ensure no tampering of the bags has occurred.

13.1.3 Statement

Drilling programs in 2010 were conducted under the supervision of employees of the Golden Goose and Kodiak. Employees of these companies undertook sampling of the core, under the supervision of staff Qualified Persons and this is normal industry practice.

Gilles Provost, P.Geo. and Quentin Browne, P.Geo, were the Qualified Persons for site activities in 2010.

Following transport of half core samples to the analytical laboratory, all sample handling, reduction, splitting and analysis were conducted by independent registered companies and their employees.

13.2 Analytical laboratories

13.2.1 Accurassay Laboratories Ltd

Accurassay Laboratories Ltd is located at 1046 Gorham Street, Thunder Bay, Ontario P7B 5X5. Accurassay's methods are accredited to ISO 17025 by the Standards Council of Canada (SCC). Accurassay Laboratories is an independent, privately owned company with 30 years of experience in the mineral analysis business in Canada.

13.2.2 ALS Chemex

ALS Chemex is a division of ALS Laboratory Group, itself owned by the publically listed Campbell Brothers Limited company (Australia).

ALS Chemex has a sample preparation facility located at 2090 Riverside Drive, Timmins, Ontario P4R 0A2. Prepared samples are shipped from Timmins to the ALS Chemex Val D'Or laboratory for analysis. The Val D'Or laboratory is located at 1324 Rue Turcotte, Québec J9P 3X6. ALS Chemex laboratories are registered to ISO 9001:2008 certification, and analytical facilities have received ISO 17025 accreditations for specific laboratory procedures.

ALS Chemex commenced processing of Kodiak's Magino samples on 21 June 2010.

13.3 Sample splitting and reduction

13.3.1 Accurassay Laboratories Ltd

Turcotte et al (2010) describe the process as follows:

Upon arrival at Accurassay Laboratories, rock samples are entered into the Laboratory Information Management System (LIMS). Samples are then dried, if necessary, and jaw crushed to approximately 8 mesh. A 250- to 500-gram subsample is taken and pulverized to 90% at 150 mesh, and then matted to ensure homogeneity. Silica sand is used to clean out the pulverizing dishes between each sample to prevent cross-contamination. The homogenized sample is then sent to the fire assay laboratory or the wet chemistry laboratory, depending on the analysis required.

13.3.2 ALS Chemex

Upon arrival at the Timmins sample preparation facility, samples are entered into the LIMS. The average sample weight of split drill core is 2.2 kg. After drying, samples are crushed using a Terminator jaw crusher such that 70% of material passes 2 mm. Crushed material is then riffle split and 1 kg is pulverised such that 85% of material passes 75 µm. An extra 1 kg pulp is created for every 10th sample, for check analysis.

In the year ending 30 March 2011, ALS Chemex has processed 5,843 drill core samples from Magino.

13.4 Analytical procedures

13.4.1 Accurassay Laboratories Ltd

Turcotte et al (2010) describe the process as follows:

For precious metal analysis (gold, platinum, palladium, and/or rhodium), the sample is mixed with a lead-based flux and fused for one hour and fifteen minutes. A silver solution is added to each sample prior to fusion, producing a button that contains lead from the flux, the added silver and any precious metals from the sample. The button is placed in a cupelling furnace where all the lead is absorbed by the cupel, and a silver bead containing all the gold, platinum and palladium remains in the cupel. The cupel is then removed from the furnace and allowed to cool. Once the cupel is sufficiently cooled, the silver bead is placed in a labelled test tube and digested using aqua regia. The samples are bulked up with 1.0 ml of distilled de-ionized water and 1.0 ml of 1% digested lanthanum solution. The samples are allowed to cool before mixing to ensure proper homogeneity in the solution. Once the samples are settled, they are analyzed for gold, platinum and palladium using atomic absorption spectroscopy (AAS). The AAS unit is calibrated for each element using the appropriate ISO 9002 certified standards in an air-acetylene flame. The AAS results are checked by a technician, forwarded to data entry by means of electronic transfer, and a certificate produced. The Laboratory Manager checks the data, validates the certificates, and issues the results in the format requested by the client.

13.4.2 ALS Chemex

Gold analysis is by way of fire assay of a 30 g or 50 g pulp sub-sample. All samples are first subject to procedure AuAA23 which uses AAS. Any sample that returns grades higher than 10 g/t Au is re-assayed with a gravimetric finish, per procedure AuGRA21.

Details below are sourced from ALS Chemex.

Fire Assay-Gravimetric Procedure for Ore Grade Samples

Gravimetric methods involve the use of balances to weigh the element of interest, either in its pure elemental form or as a chemical compound. One of the most common gravimetric determinations is that of gold and silver following a fire Assay Fusion cupellation. The precious metal bead that remains following cupellation is an alloy of silver and gold. Weighing this bead will give the total weight of silver and gold. If the bead is then treated with dilute nitric acid, it is possible to remove the silver quantitatively. The residual mass consists of pure gold which can then be weighed separately, thus allowing the silver to be determined by difference. The balances used for this purpose are microbalances capable of weighing to the nearest microgram (one millionth of a gram). Analysis of Bullion for gold, silver and base metal content is another common procedure. The classical technique for determining gold is the fire assay fusion followed by cupellation and a gravimetric finish (method codes Au-GRA21, Au-GRA22and Au-GRA24).This is still the preferred procedure for the analysis of high grade ores. There is no upper quantitative limit applied for these procedures but clients should note that the detection limit is significantly higher than for procedures that use spectroscopic measurement techniques.

Fire Assay-Atomic Absorption procedures for Low to Medium Grade Ore Samples

The method involves fire assay collection followed by cupellation, dissolution of the precious metal prill and a pre-concentration solvent extraction step. The final determination is by flame AAS, providing a detection limit of 5 ppb.

13.5 Quality control

13.5.1 2009 - 2010 Golden Goose program

Turcotte et al (2010) describe the process as follows:

A quality control program was present for the Golden Goose 2009-2010 diamond drilling program on the Magino property. The objectives of the quality control program were to monitor and document the quality and integrity of the sampling procedure, sample preparation, and assaying. Using a series of quality control samples, Golden Goose's protocol stipulates that the entire sampling, sample preparation and assaying process be monitored and evaluated for:

- *the integrity of field sampling and sample shipment by monitoring field blank results and sample shipment procedures;*
- *possible contamination during sample preparation or the assaying process by monitoring the results of field blank standards submitted as regular samples, and by monitoring laboratory analytical blank standard results;*
- *the suitability of crushing/splitting/pulverization sizes by measuring the precision of coarse and pulp duplicate samples; and*
- *the level of assaying accuracy by using external and internal (laboratory) certified reference standards and by assaying blind certified reference standards in each batch of samples.*

The laboratory inserted one (1) coarse crush duplicate sample split, selected at random, into each 10-sample sub-batch. Three (3) certified reference standards (CRMs) with different grades, all from Rocklabs in New Zealand, were used for quality control. One (1) field blank standard was prepared using "barren" rock from the project site, or other potentially "barren" material. One (1) of the three CRMs, or one (1) blank, was included in each batch of fifty (50) samples shipped by the Golden Goose geologist.

13.5.2 Accurassay Laboratories Ltd

Turcotte et al (2010) describe the process as follows:

Accurassay Laboratories employs an internal quality control system that tracks certified reference materials and in-house quality assurance standards. Accurassay Laboratories uses a combination of reference materials, including reference materials purchased from CANMET, standards created in-house by Accurassay Laboratories (and tested by round robin with laboratories across Canada), and ISO-certified calibration standards purchased from suppliers. Should any of the standards fall outside the warning limits (+/- 2SD), reassays are performed on 10% of the samples analyzed in the same batch, and the reassay values are compared with the original values. If the values from the reassays match the original assays, the data is certified; if they do not match, the entire batch is reassayed. Should any of the standards fall outside the control limit (+/- 3SD), all the assay values are rejected and all samples in that batch are reassayed.

13.5.3 2010 Kodiak sampling program

Until September 2010, the protocol described in Section 13.5.1 continued. Since that time each batch of 20 samples included one (1) coarse reject, one (1) pulp duplicate, one (1) certified reference standard, and one (1) coarse blank.

Should any of the standards fall outside the warning limits (+/- 2SD), reassays are performed on 10 of the samples analyzed in the same batch around the position of the standard, and the reassay values are compared with the original values. If the values from the reassays match the original assays, the data is certified; if they do not match, the entire batch is reassayed. Should any of the standards fall outside the control limit (+/- 3SD), all the assay values are rejected and all samples in that batch are reassayed.

13.6 Results of Prodigy QAQC for 2010 - 11

Prodigy collates and monitors all quality control data through Maxwell Geosciences Data Shed and QAQCReporter softwares on a batch basis.

Results for blank and standard assays are presented below. Prodigy has advised the author that reassays have been requested for instances where certified reference standard assays fall outside of the control lines (blue).

Figure 13.1 Gold assays for coarse blank inserted by Prodigy

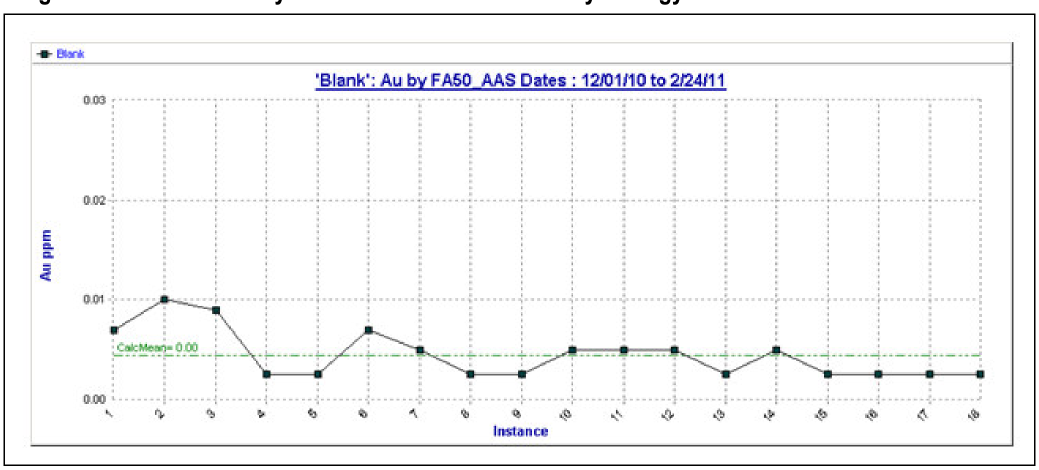


Figure 13.2 Gold assays for blank inserted by ALS Chemex Timmins

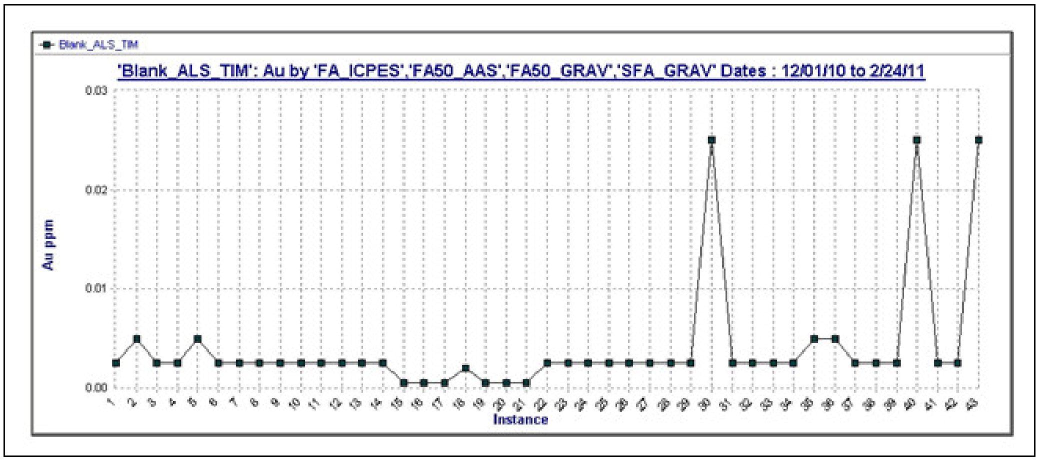


Figure 13.3 Gold assays for standard CDN-BL-7

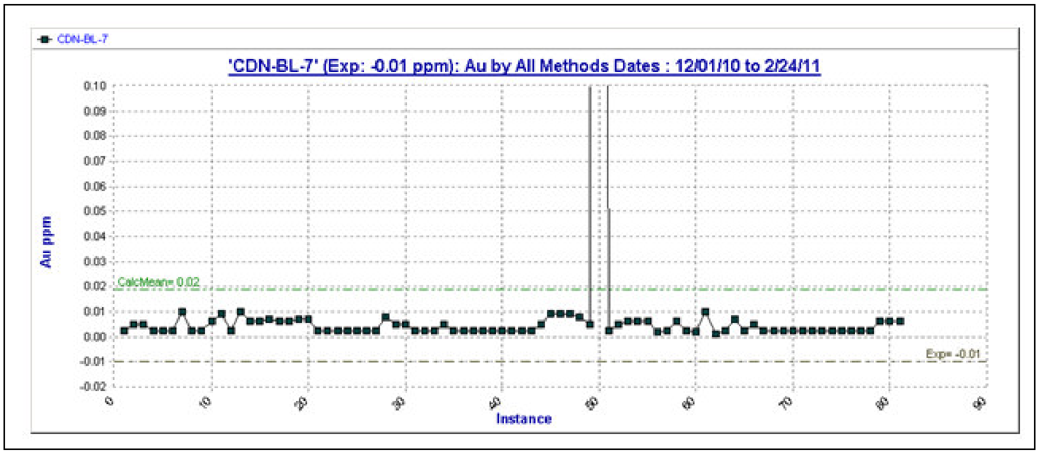


Figure 13.4 Gold assays for standard CDN-GS-1F

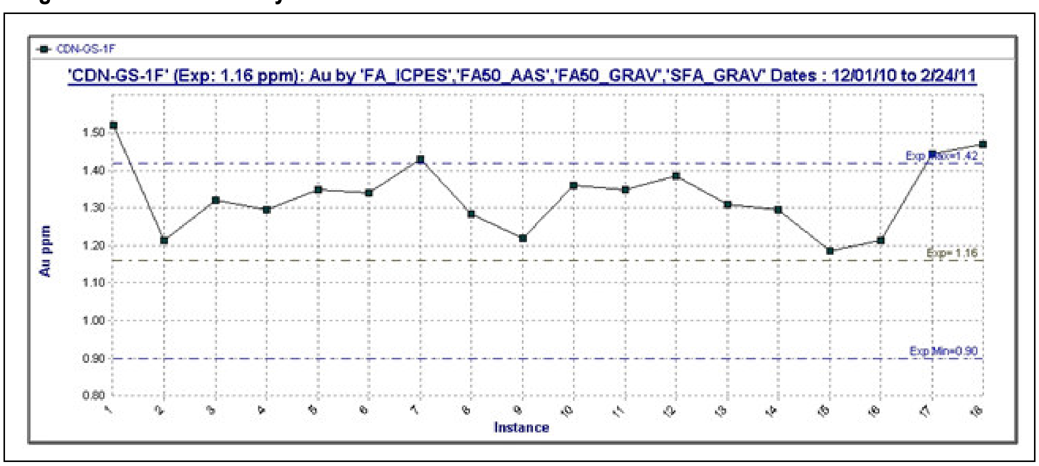


Figure 13.5 Gold assays for standard CDN-GS-2E

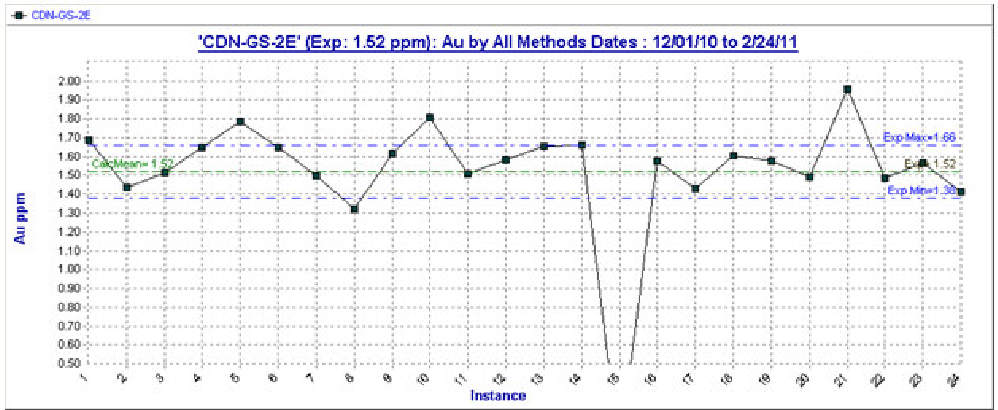


Figure 13.6 Gold assays for standard CDN-GS-6A

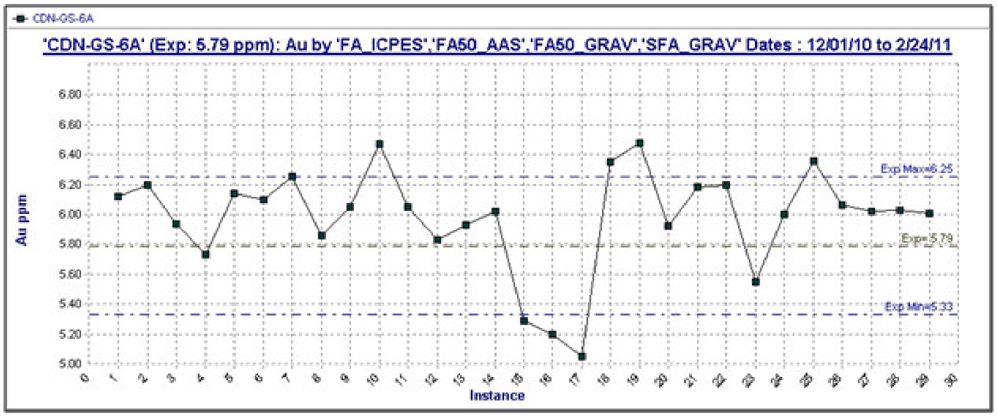
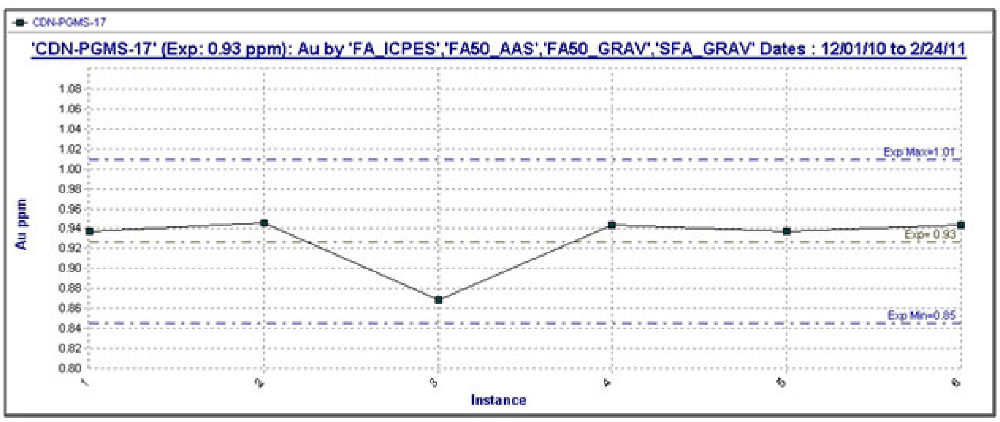


Figure 13.7 Gold assays for standard CDN-PGMS-17



Assays are performed on an extra split sample to monitor precision. Results for 30 "repeats" show that precision is within acceptable limits for the grade range from 0 to 10 g/t Au for 70% of samples tested. Thus far there are insufficient results for the grade range from 10 to 50 g/t Au.

13.7 Author's opinion on 2010 sample preparation, security and analytical procedures

Procedures undertaken in 2010 have been under the supervision and security of the issuer's Qualified Persons, as far as drill core sampling prior to dispatch. Laboratory sample reduction and analytical procedures have been conducted by independent accredited companies with acceptable practices.

Prodigy ensures quality control is monitored through the insertion of blanks, certified reference materials and duplicates.

14 Data verification

Since the introduction of National Instrument 43-101 in 2000, the Magino drilling and sampling database has been re-compiled from first principles, updated as necessary and reported as verified by independent Qualified Persons on several occasions, as follows:

- 2000 (Reddick, 2001b)
- 2002 (Reddick, 2002)
- 2004 (Burns & Reddick, 2004)
- 2008 (Turcotte & Pelletier, 2008)
- 2009 (Turcotte & Pelletier, 2009)

The current drilling and sampling database is an update of the 2008 recompilation by Turcotte & Pelletier. In that exercise, Turcotte & Pelletier conducted the following (excerpted from Turcotte et al (2010):

The purpose of an earlier mine site visit by author Carl Pelletier in December 2007 was to conduct a general review of the site. The visit was led by Gilles Provost of Golden Goose, field geologist for the Magino Project. Carl Pelletier reviewed some of the mineralized zones from five (5) Golden Goose diamond drillholes. Sample tags were still present in the core boxes and it was possible to validate sample numbers and gold grades for each of the samples in the mineralized zones. Not all of the diamond drill core was stored on the mine site, and some holes were therefore not available for verification. Geological logging was generally done using the standard logging codes for the Magino mine (i.e., the geological legend). These codes are amenable to management in a computer database.

The result was coded lithological and mineralogical descriptors and brief descriptive columns. Unfortunately, the mine's geological legend did not provide any codes for alteration, structural elements or mineralization, and the resulting level of detail is barely adequate for basic interpretation, especially in logs before 2000. Structural geology logging was also inadequate prior to 2000 (e.g., shears are observed but their orientations are consistently missing), but descriptions by geologists from 2000 to 2007 are more detailed. Many of the original paper logs and/or copies of logs are present at the Magino mine site. Paper logs for all surface and underground diamond drillholes from 1981 to 2010 were available for consultation. Only partial diamond drillhole information is available before 1981 (typically location and assays). No geotechnical logging was performed, therefore none of the diamond drillhole logs have records of fracture frequency or RQD (Rock Quality Designation).

The data supplied by Golden Goose for the Magino mine were in the form of a GeoticLog and Gemcom software database. The Gemcom software database came from the Technical Report published by Snowden Mining Industry Consultants in 2004 (Burns and Reddick, 2004).

Snowden used this database to produce resource estimation work in compliance with National Instrument (NI) 43-101. The GeoticLog software database only contained data for Golden Goose's last diamond drillholes carried out in 2006-2010. InnovExplo transferred the GeoticLog software data into a Gemcom software database, and validated and corrected the data.

InnovExplo carefully reviewed the database before generating cross-sections and carrying out the Mineral Resource Estimate. The integrity of the database was checked by Bruno Turcotte and Pierre Gauthier of InnovExplo. All surface and underground diamond drillholes were retained. The drilling database consists of 1,286 diamond drillholes totalling 124,118 m. Only the 2006 to 2010 diamond drillhole casings were surveyed in the field using a Sokkia GPS.

Measurement precision and position accuracies were plus or minus five centimetres (±5 cm). Casings of earlier diamond drillholes were surveyed with traditional surveying equipment using the mine grid or a small GPS. Coordinates for pre-2006 surface diamond drillholes and all underground diamond drillholes are preserved as handwritten entries on summary log sheets. The data from location and orientation surveys for diamond drillholes from 1972 to 2007 were checked by Pierre Gauthier (InnovExplo) using available summary log sheets and old crosssections. Many mistakes were found and corrected by InnovExplo personnel. Generally, both tropari and acid tests were done for surface holes, but only acid tests were performed for underground holes. All drilling data are available as a computer database (Excel and Gemcom software).

InnovExplo went to the Magino mine site to recover all historical information from past mining operations. Most of the information was available on paper, such as longitudinal sections, crosssections and level plans showing geological mapping and channel sampling. InnovExplo also recovered information from old back-up (Bernouilly) disks containing data from a 1991 survey of the ramp, drifts and stopes. More recent information from 1991 to 1993 was not found.

All assays from the drilling database were verified by Bruno Turcotte and Pierre Gauthier of InnovExplo. In all, they reviewed 136,953 samples with assay certificates and/or log sheets. Unfortunately, there are no original assay certificates remaining for a large number of diamond drillholes, specifically between 1972 and 1991, and as such, the gold assay results are preserved only as handwritten entries on log sheets. A lot of missing assay data was found on log sheets and old drilling reports on the Ministry of Northern Development and Mines website (http://www.mndm.gov.on.ca/mines/default_e.asp). InnovExplo calculated an average gold value (g/t Au) for each sample with one or more re-assays. InnovExplo used these average gold values when calculating the Mineral Resource Estimate. All assays from the drilling database are now available in a computer database (Excel and Gemcom software).

InnovExplo geologists noticed that the mine grid on the old set of cross-sections was not oriented for optimum geological interpretation. Using the information on geological maps from several levels, they adjusted the direction to create a new grid and generate another set of crosssections, which were used to produce a new geological interpretation. InnovExplo oriented these cross-sections to be as perpendicular as possible to the auriferous structures. The resulting trend for the set is N075°, with each cross-section oriented at N345°.

Channel samples were taken from each development for grade control purposes. The channel sampling in drifts was mapped out on a mapping sheet. Sample locations were drawn on the sheet (scale 1" = 20') with the length (feet) and gold grade (oz/t) indicated. There were no geological descriptions for the samples, and the channel sampling data were not provided in a computer database. In addition, data were not available for all levels, sub-levels and raises, although the majority of the samples were present on the mapping sheet.

The Gemcom software database containing old mine working data was obtained from the Technical Report published by Snowden Mining Industry Consultants in 2004 (Burns and Reddick, 2004). This database was reviewed by Serge Morin of InnovExplo before generating the new cross-sections and carrying out the Mineral Resource Estimate. Missing data were found on old plans stored at the Magino mine site. Length data were missing for some drifts and sublevels, raises and stopes, as were numerous assay results. When missing information was found, it was added to the Gemcom software database. Unfortunately, InnovExplo was unable to find the survey data for many of the raises. Consequently, the information for many raises is not present in the Gemcom software database.

Lastly, InnovExplo discovered a survey error on one back plug at the start of the ramp. This error displaces the old mine workings by about one to five m (1-5 m) in plan and elevation. Consequently, the current survey coordinates for underground drillholes are not accurate.

In December 2010 the author restored the 2004 Snowden Gemcom database that is archived in Snowden's office in Vancouver, and conducted cross-checks with the 2008 InnovExplo Gemcom database and finally with the Gemcom database supplied by Prodigy.

Internal validation and integrity checks were conducted on the Prodigy database by Snowden's geologist David Hope and reviewed by the author.

The outcomes from these cross-checks and integrity checks were reported to Prodigy's geological team for rectification where necessary. The items requiring checking were:

- Easting and northing co-ordinates swapped for one hole
- 25 drillholes without assay records
- 32 drillholes without lithology records
- 7 drillholes where the end-of-hole record did not match the drillhole length
- 892 drillholes where the end-of-hole record did not match the down-hole survey record
- 6 survey records without an azimuth
- 2 assay records with overlapping intervals
- 532 "below-detection" assay records requiring a value
- 8,672 "zero" assay records requiring checking
- 369 lithological intervals without a code
- 5,398 gaps in the assay records, likely intervals that remained un-sampled.

Prodigy provided Snowden with an updated Gemcom database on 7 January 2011, following checking of the above items.

14.1 Site verification

In February 2011 the author visited site and inspected drill core laid out for the 2011 drilling program currently underway for Prodigy. The following items were verified:

- Locations of drill rigs and operation, however operations were suspended due to a driller's accident.
- Cross-check of Prodigy drill logs with drill core.
- Core handling, storage and security.
- Core logging process, alignment, recovery, mark-up and core sawing, sampling.
- Insertion of blanks, certified reference material.
- Core farm at the mine site where Prodigy are conducting an inventory, for subsequent re-sampling consideration.
- Density measurements using water displacement weighing method.
- Cross-check of low grade and high grade assays against alteration and visible gold in drill core.
- Review of drill logs and assay sheets at the mine office.

The author has not undertaken a complete data verification study, however sufficient checks have been completed to satisfy the author that the Magino drilling and sampling data is suitable to use in estimating a Mineral Resource to support a preliminary economic assessment.

15 Adjacent properties

There is no information from adjacent properties applicable to the Magino project for disclosure in this report.

16 Mineral processing and metallurgical testing

Prodigy has not undertaken any metallurgical testing.

The only available data for process design is sourced from metallurgical data from the historical work by Lakefield Research (Lakefield) in 1997 as part of the Prefeasibility Study for a 2.6 Mtpa open pit mine and leach plant prepared by BLM Bharti Engineering Ltd. for Golden Goose in 1997, and Kappes Cassiday & Associates (KCA) in 1999. There has been no other metallurgical testing since then on Magino mineralization. The samples tested in Lakefield Research were taken from drill core and surface bulk samples by BLM Bharti Engineering as representative for future operations (BLM Bharti Engineering Limited, 1997).

16.1 Available test data and reports

In 1997, Lakefield conducted ore hardness, gravity concentration, column leach and bottle roll tests on a core and a surface bulk sample. The results are contained in the report, "An Investigation of the Recovery of Gold from Magino Project Samples".

In 1999, KCA conducted further column leach and bottle roll tests on a mafic volcanic sample and a granodiorite sample. The results are reported in (Kappes, Cassiday and Associates, 1999).

The Lakefield work showed low levels of gravity recoverable gold. Both Lakefield and KCA reported low recoveries from column tests, hence the ore is not amenable to heap leaching but high recoveries from bottle roll tests, indicating that grind-CIL is the preferred process.

16.1.1 Grindability and CIL Efficiency

Lakefield conducted one standard Bond ball mill work index test on each of the core and bulk sample. The results in Table 16.1 showed similar and relatively low ore hardness for both samples, indicating relatively low grinding energy requirements.

Table 16.1 Grindability data

	Bond ball work index	
	Imperial	Metric
Core sample	11.5	12.6
Bulk samples	11.7	12.8

The results of the direct cyanidation bottle roll tests are shown in Table 16.2 (Lakefield) and Table 16.3 (KCA).

Table 16.2 Bottle leach results

	% -200 mesh	Reagents, kg/t		Calc. Head g/t Au	Residue g/t Au	% Au Extraction	
		NaCN	CaO			24 h	48 h
Core sample	84	0.30	0.48	1.34	0.03	85.0	97.8
	72	0.13	0.46	1.03	0.08	75.0	92.2
	60	0.13	0.50	0.95	0.07	71.0	92.6
Bulk sample	84	0.37	0.57	0.75	0.06	83.0	92.0
	72	0.15	0.48	0.90	0.04	81.0	95.6
	59	0.14	0.51	0.76	0.05	77.0	93.4

(Lakefield)

Table 16.3 Bottle leach results – samples at minus 150 microns

	Reagents, kg/t		Calc. Head g/t Au	Residue g/t Au	% Au Extraction	
	NaCN	CaO			24 h	48 h
Mafic volcanics	0.49	0.76	0.73	0.05	91.9	93.2
Grano-diorite	0.45	0.61	1.57	0.05	96.1	96.8

(KCA)

17 Mineral resource and mineral reserve estimates

17.1 Summary

Mineral Resource estimates for the Magino property are reported in categories of Indicated and Inferred, in accordance with the CIM Definition Standards - For Mineral Resources and Mineral Reserves (CIM Code), as follows:

Table 17.1 Indicated Mineral Resource estimate – February 2011

Category CIM Code	Reporting cut-off grade g/t Au	Density	Tonnes X 1,000	Grade g/t Au	Gold grams X 1,000	Gold ounces X 1,000
Indicated	0.35	2.87	51,633	1.16	59,850.0	1,924.2

Table 17.2 Inferred Mineral Resource estimate – February 2011

Category CIM Code	Reporting cut-off grade g/t Au	Density	Tonnes X 1,000	Grade g/t Au	Gold grams X 1,000	Gold ounces X 1,000
Inferred	0.35	2.87	17,494	1.04	18,260.4	587.1

In the above Mineral Resource tables there may be inconsistences due to rounding. Estimates are rounded since the figures are not precise calculations.

There are no Mineral Reserves reported in this Technical Report. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserve.

17.2 Disclosure

Mineral Resources reported in Section 17 were prepared by the author, Mr. A. F. Ross, Senior Principal Consultant, an employee of Snowden Mining Industry Consultants Inc. The author, by way of experience and qualifications, is a Qualified Person as defined by NI 43-101 and is independent of Prodigy.

17.2.1 Known issues that materially affect mineral resources

The author is not aware of any permitting, legal, title, taxation, socio-economic, and marketing or political issues that could materially affect the mineral resource estimates.

There are a number of items that will require addressing by Prodigy in order to update mineral resource estimates for use in feasibility studies.

These are discussed below:

Lithological records, interpretation of alteration zones and vein structures

The current database has incomplete and inconsistent records for lithology and alteration. A revised 3D interpretation of quartz-sericite-pyrite alteration zones and mineralised veins will be required for future mineral resource estimates.

Density measurements

A tonnage factor of 2.87 gm/cc for granodiorite is used in reporting of Mineral Resource estimates. This is based on laboratory density determinations for 10 samples (Turcotte, B., and Pelletier, C., 2009). Prodigy have since made approximately 700 additional determinations at site that indicate a lower factor of 2.71 for the Webb Lake stock, however the determinations require confirmation under laboratory conditions (Table 17.3).

Table 17.3 Prodigy density data

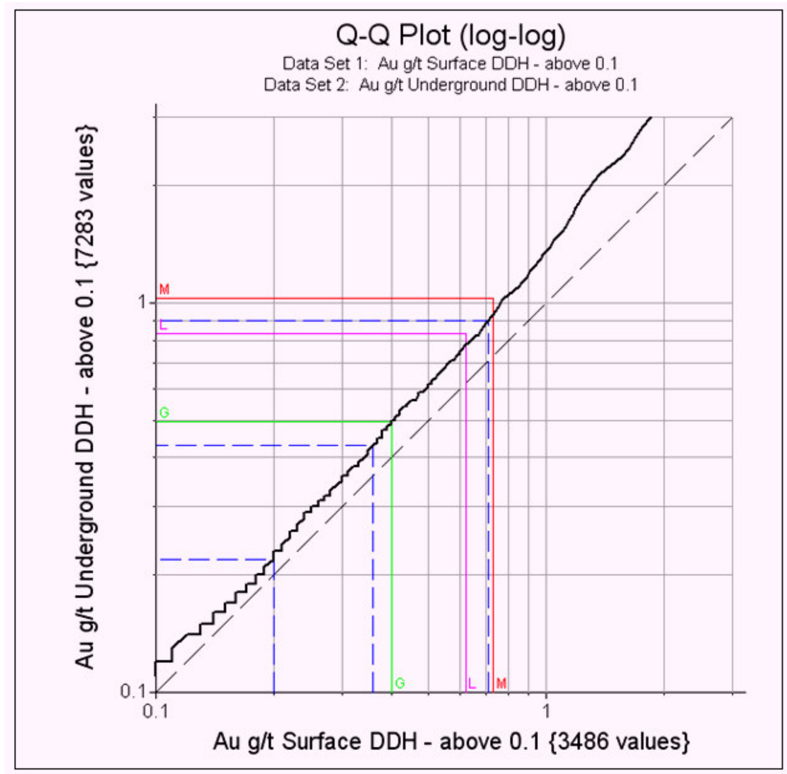
Lithology	# Samples	Average SG Value
Mafic meta-volcanics	68	2.81
Intermediate meta-volcanics	34	2.78
Chemical meta-sediments	23	3.03
Synvolcanic Felsic to Intermediate Intrusive	513	2.71
Felsic to Intermediate Intrusive	5	2.71
Mafic Intrusive	12	2.81
Diabase Dyke	60	3.01
Quartz Vein	1	2.64

Historical data

There are uncertainties in respect of pre-Golden Goose historical data that remain unverifiable (Section 6 History). The current estimates have not incorporated any of the sample grades from underground channel and core drilling, as the descriptions of mine laboratory sample preparation and quality control methods in the period 1988 to 1992 do not conform to current industry standards. The small diameter core samples obtained from underground drilling would appear to be unrepresentative as well.

A comparison was made between the underground and surface drillhole assay data after compositing to 5 m intervals (Figure 17.1). The data was declustered within a region measuring 650 mE by 600 mN, and occurring within 295 m and 165 m relative elevations. The study indicated that underground drilled composites were approximately 30% higher in grade than the surface drilled composites.

Figure 17.1 Comparison of declustered composites – surface drilling vs underground drilling



The lithological information from underground core drill logs, however is relevant and can be used for geological interpretation.

Many historic (predating Golden Goose) surface drillholes with adequate core diameter remain in the database and are incorporated into the Mineral Resource estimates. Intervals from these holes have been subjected to re-sampling and assaying, however this task is incomplete. Prodigy has embarked on an in-fill drilling and sampling program and it is expected that much of the historic assay information will be superseded for use in subsequent feasibility studies.

Prior resource estimates for Magino have included a component of the Measured category. No Measured resources are currently categorised by the author to reflect the uncertainties described above.

17.3 Assumptions, methods and parameters

The estimates were prepared in the following steps:

- Data validation. This is described in Section 14 Data Verification.
- Data preparation – this and subsequent steps are summarised below.
- Exploratory data analysis of gold data.
- Geological interpretation and modelling.
- Establishment of block models.
- Compositing of assay intervals.
- Consideration of grade outliers.

- Variogram analysis.
- Derivation of kriging plan.
- Grade interpolation of gold values.
- Deduction for prior mined volume.
- Classification of estimates with respect to CIM Definition Standards.
- Resource tabulation and resource reporting.

17.3.1 Data provided

Prodigy has focused its geological and resource evaluation program on assessment of the wide zones of quartz-pyrite-sericite altered granodiorite that host the former underground mine workings at Magino. Throughout 2010 Prodigy has re-logged existing core, taken samples of previously intact core to provide fuller coverage of sampling throughout the alteration zones, and updated the drillhole and sample database accordingly to ensure consistency. Drilling commenced by Prodigy in 2011 has not been included in the current mineral resource estimate.

The database used by the author contains 386 surface diamond drillholes (for a total of 76,000 m; average length 200 m) and 980 underground diamond drillholes (for a total of 60,200 m; average length 60 m) (Figure 17.2 and Figure 17.3).

Ninety-four surface drillholes were completed in the period from 1997 to 2010 and comprise HQ and NQ diameter core. All underground drillholes were completed in the period 1984 to 1991 and are dominated by AQ diameter core with some BQ diameter core, clearly clustered around the underground workings and, in some cases subsequently stoped out. Since the sample volumes of the underground drill cores are markedly less than the surface drill cores, and assays were performed at the mine laboratory, the author elected to use only the assays from the surface drillholes in the grade estimates. Assay information from the underground drill cores however was used to develop the geological interpretation through a categorical indicator method.

Prodigy also provided geological interpretations in the form of wireframes for the major rock units at Magino, namely:

- Overburden
- Webb Lake granodiorite stock, and internal synvolcanic felsic and intermediate sills
- Late stage diabase dyke

Wireframes for the surface topography and underground mining areas were also provided.

Figure 17.2 Distribution of underground drillholes

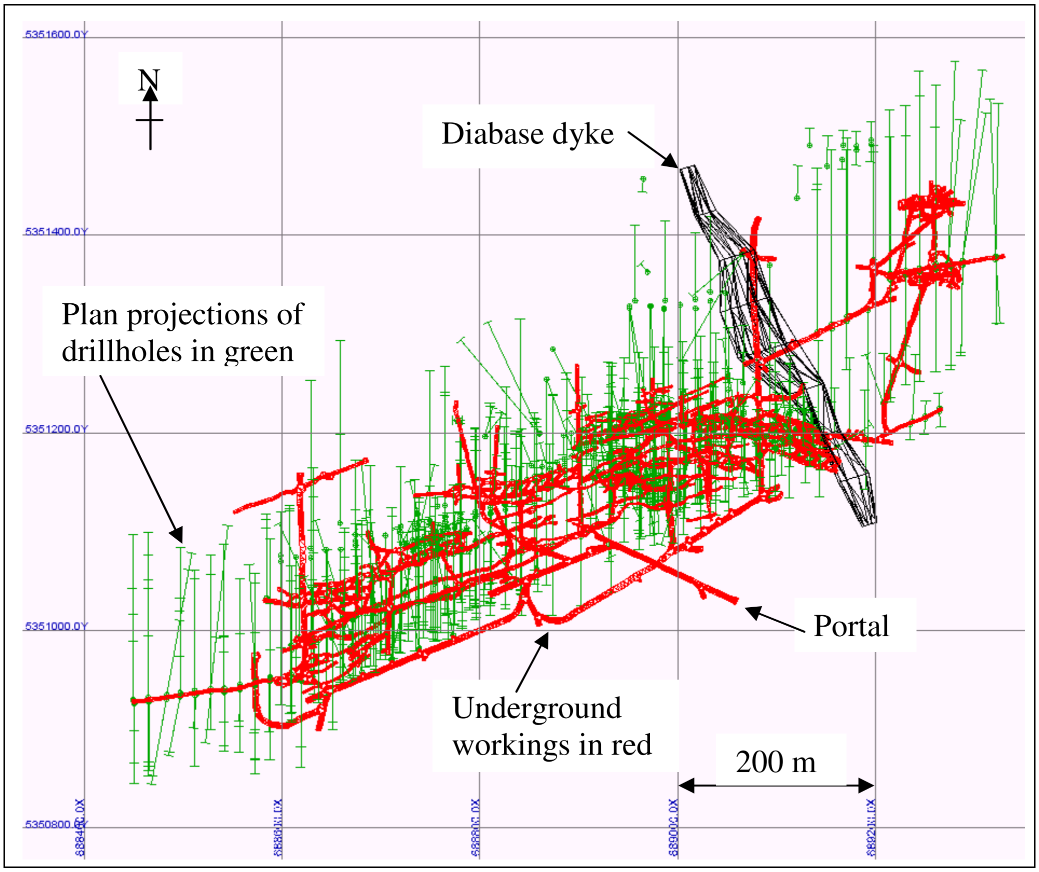
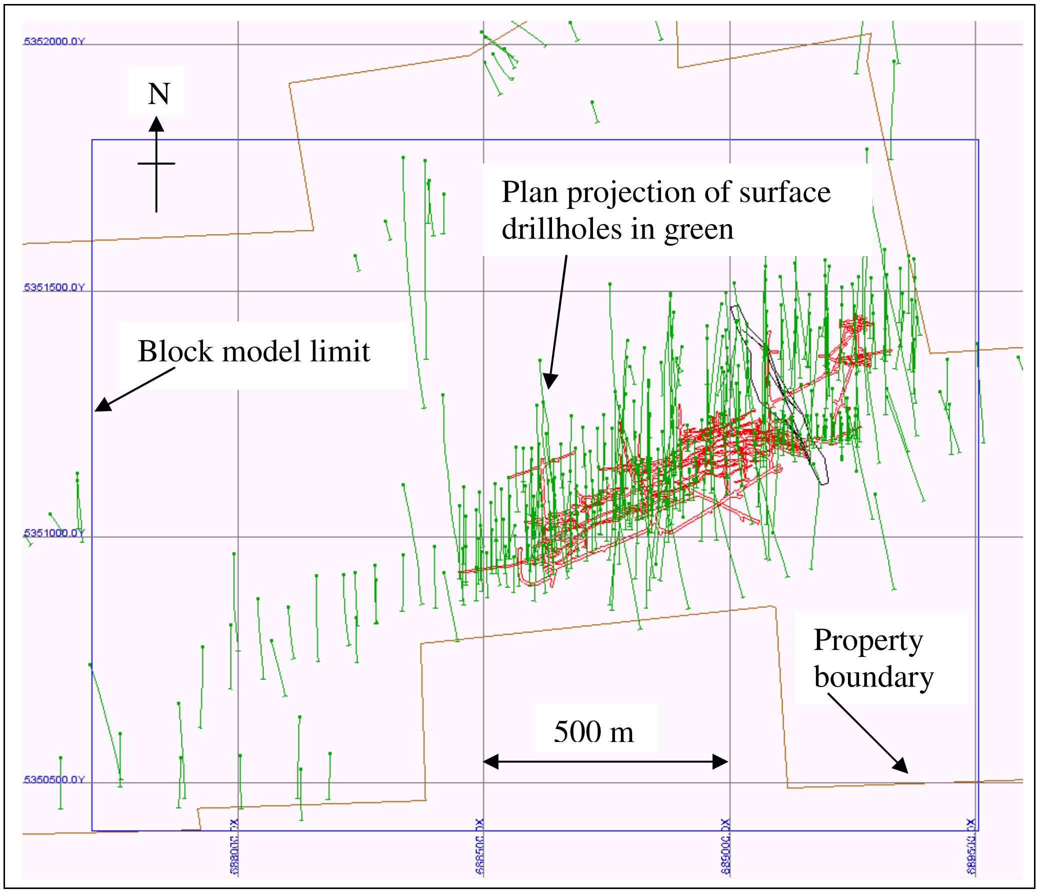


Figure 17.3 Distribution of surface drillholes

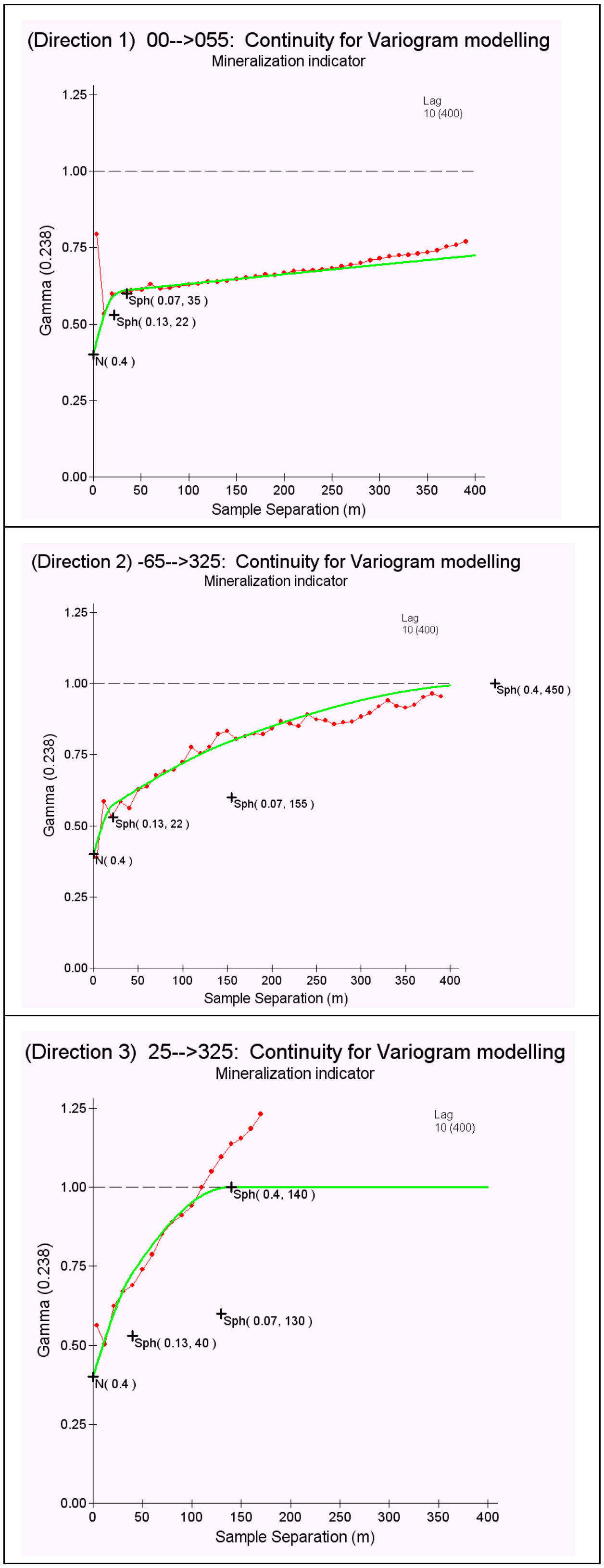


17.3.2 Geological interpretation and modelling

The area of interest covers 1,350 m parallel to the Goudreau deformation zone. The 075 degree trending Webb Lake grandiorite stock and the alteration zones that aggregate up to 300 m width, dip steeply to depths of up to 600 m. At Magino the Webb Lake stock is covered by up to 30 m thickness of fluvio-glacial material. The felsic and mafic volcanic country rock surrounding the stock does contain examples of low grade mineralization encountered by drilling, however the main focus remains the broad low-grade alteration zones. A late stage diabase dyke transects the stock.

A threshold grade of 0.1 g/t Au was found to generally identify the broad zones of mineralization in the drill cores and was used as a proxy for identifying alteration. This grade threshold was then used to generate a 3D categorical indicator model of the mineralized zones, after describing the mineralization continuity by indicator variography of 5 m composites for surface and underground drill core samples (Figure 17.4). The extents of the mineralized zones were constrained by ensuring any un-sampled drillhole intervals were assigned a "zero" gold grade. Mineralized blocks were further limited by ensuring that the amount of extrapolation was set to a maximum of 60 m from samples and that any blocks not achieving an 80% probability (of being at least 0.1 g/t Au) were subsequently re-categorised as "barren".

Figure 17.4 Variogram models used to control categorical model



17.3.3 Compositing of assay intervals

The dominant sample interval is 1 m and this interval was applied for compositing surface cored drillholes only.

Basic statistics for the surface cored gold composites are presented in Table 17.4 and Figure 17.5. Basic statistics for the composites located within the mineralized zones as modelled in Section 17.3.3 are presented in Table 17.5 and Figure 17.6.

This sub-set was subsequently used for grade estimation.

Table 17.4 Statistics for all 1 m composites

Number of samples	Min g/t Au	Max g/t Au	Mean g/t Au	CV
76,138	0.0	299.00	0.43	6.86
Distribution		g/t Au		
10%		0.00		
20%		0.00		
30%		0.00		
40%		0.02		
50%		0.04		
60%		0.09		
70%		0.17		
80%		0.34		
90%		0.74		
95%		1.38		
97.5%		2.54		
99%		5.76		

Figure 17.5 Log histogram of all 1 m composites

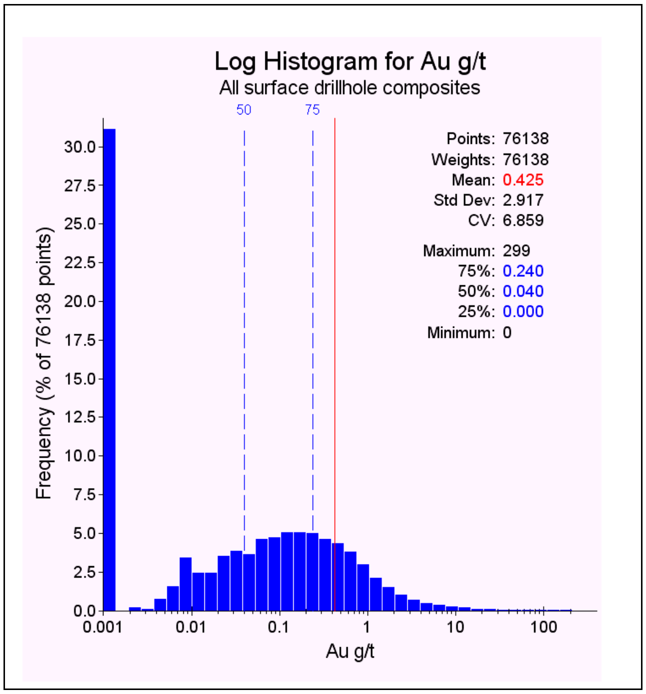
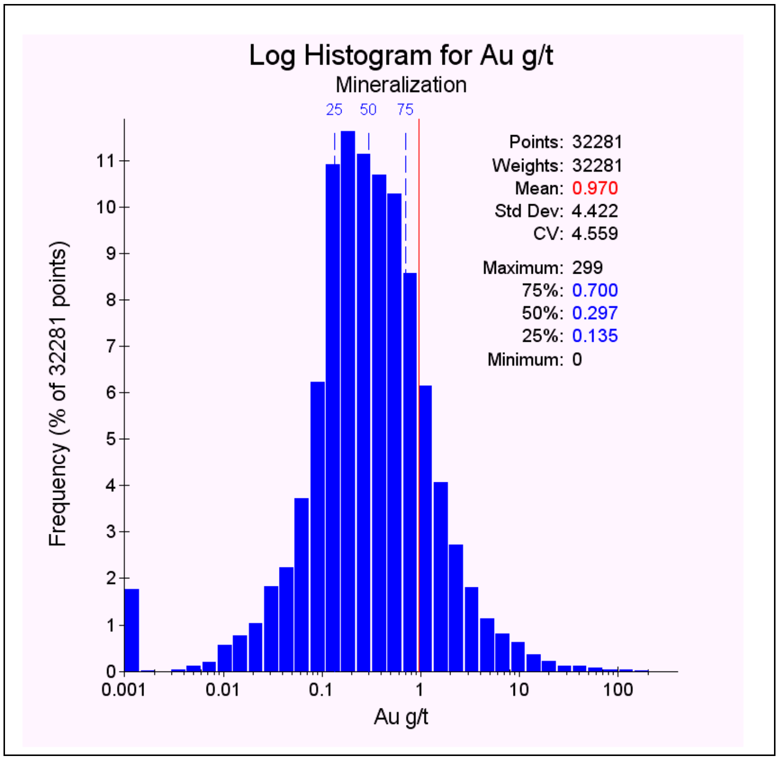


Table 17.5 Statistics for mineralised composites

Number of samples	Min g/t Au	Max g/t Au	Mean g/t Au	CV
32,281	0.0	299.0	0.97	4.56
Distribution		g/t Au		
10%		0.06		
20%		0.11		
30%		0.16		
40%		0.22		
50%		0.30		
60%		0.41		
70%		0.59		
80%		0.87		
90%		1.61		
95%		2.92		
97.5%		5.46		
99%		11.42		

Figure 17.6 Log histogram of 1 m gold composites for mineralized zones



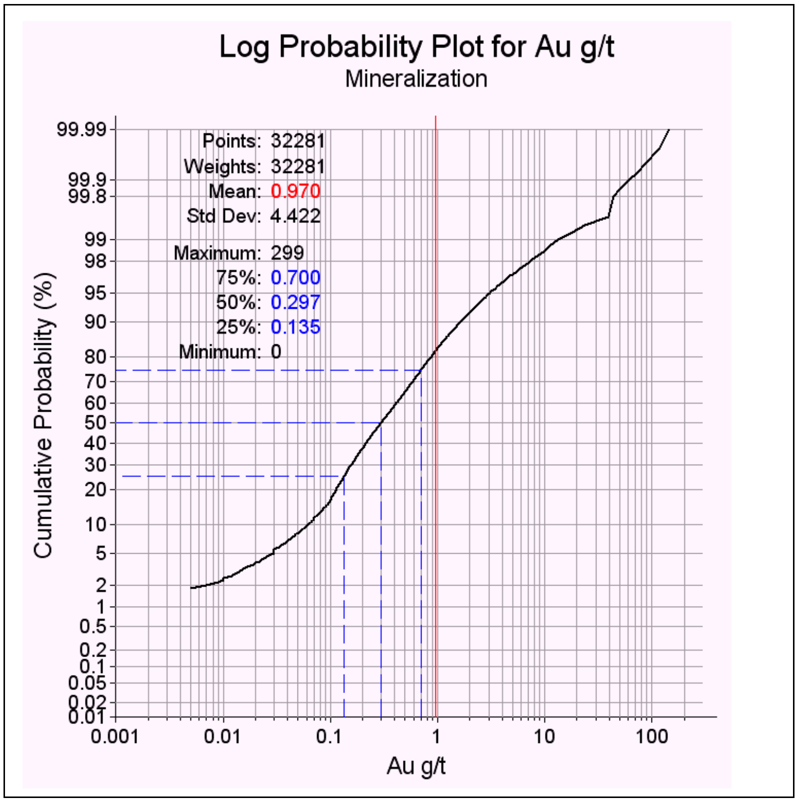
17.3.4 Consideration of grade outliers and estimation method

Assay populations from gold deposits are generally skewed and contain high grade outliers that can introduce bias to mineral resource estimates. Estimation practice is to use grade caps or top cuts when using estimation methods such as inverse distance weighting or ordinary kriging.

In the Magino case, the zones of mineralization are characterized by mixing of background low grade disseminated regions and higher grade vein styles (Figure 17.7). The author elected to use the multiple indicator kriging (MIK) grade interpolation method to address the mixed grade populations and grade outliers.

The impact of high gold grade outliers was controlled by using restricted search dimensions for high indicator bins; a combination of "sample per hole" restrictions; octant search and maximum distance extrapolation restrictions for grades above 7 g/t Au and 12 g/t Au. Grades were not capped further.

Figure 17.7 Log probability plot indicating mixed populations



17.3.5 Variogram analysis

Grade continuity across a range of gold grades was investigated using variogram analysis in Snowden's Supervisor software. Experimental variograms were modelled for the 40, 50, 60 and 70 percentiles of the distribution (Table 17.5) and then adapted for the remaining percentiles. The spherical model parameters that were fitted to the variograms are provided in Table 17.6.

Table 17.6 Parameters to describe grade continuity for a range of indicators

Percentile	Component – increment	Angle 1 Z rotation	Angle 2 X rotation	Angle 3 Z rotation	Range 1 (m)	Range 2 (m)	Range 3 (m)
30	C0 – 0.30	15.0	-85.0	0.0	-	-	-
	C1 – 0.33				2.5	2.5	2.5
	C2 – 0.19				10.0	4.5	4.0
	C3 – 0.18				120.0	70.0	25.0
40	C0 – 0.35	15.0	0.0	0.0	-	-	-
	C1 – 0.28				2.5	2.5	2.5
	C2 – 0.19				10.0	4.5	4.0
	C3 – 0.18				85.0	15.0	50.0
50	C0 – 0.35	15.0	0.0	0.0	-	-	-
	C1 – 0.28				2.5	2.5	2.5
	C2 – 0.19				10.0	4.0	4.0
	C3 – 0.18				55.0	9.0	40.0
60	C0 – 0.40	15.0	0.0	0.0	-	-	-
	C1 – 0.41				5.5	3.0	3.5
	C2 – 0.10				12.0	6.0	4.0
	C3 – 0.09				35.0	16.0	25.0
70	C0 – 0.45	15.0	45.0	0.0	-	-	-
	C1 – 0.29				6.0	3.5	2.5
	C2 – 0.26				7.0	19.0	4.0
80	C0 – 0.45	15.0	45.0	0.0	-	-	-
	C1 – 0.29				6.0	4.5	2.5
	C2 – 0.26				7.0	19.0	4.0
90	C0 – 0.50	15.0	45.0	0.0	-	-	-
	C1 – 0.09				2.0	4.5	2.5
	C2 – 0.41				5.0	19.0	5.5
95	C0 – 0.50	15.0	45.0	0.0	-	-	-
	C1 – 0.09				2.0	4.5	2.5
	C2 – 0.41				2.5	10.0	2.7
97.5	C0 – 0.50	15.0	45.0	0.0	-	-	-
	C1 – 0.50				2.5	4.5	2.0

17.3.1 Establishment of block models

A Gemcom GEMS Project block model with cell dimensions of 5m (X) 5m (Y) 5m (Z) was coded to reflect the surface topography, base of overburden, Webb Lake granodiorite contacts, and the late stage diabase dyke.

17.3.2 Grade interpolation parameters

Gold grades were interpolated from 1m length-weighted un-cut composites into the interpreted mineralized blocks by multiple indicator kriging, using parameters established from multiple indicator variography (Table 17.6). Any target blocks that remained uninformed after the first pass search were identified as “Inferred”. Grades for these blocks were subsequently estimated in a second pass using a broader search ellipse and different high grade restrictions.

The interpolation was controlled by:

- Minimum / maximum numbers of composites: set to 12 / 40 per block (Pass 1 & 2)
- Discretisation: 3 x 3 x 3
- Octant search type
- Maximum samples per octant: 5
- Minimum number of octants: 2
- Maximum number of composites per hole: 10 (5 for Pass 2)
- High grade transition value: 7 g/t Au (12 g/t Au for Pass 2)
- Search restriction for high grade: 5 m (10 m for Pass 2)
- Search ellipse: 120 m x 25 m x 70 m (170 m x 25 m x 120 m for Pass 2)

17.3.3 Density assignment

Density factors of 2.87 and 2.77 were assigned to blocks coded as granodiorite and mafic – felsic country rock, respectively.

17.3.4 Prior mining

A 3D wireframe model of the underground development and stopes was stored as percent volumes in the block model to ensure that the reported mineral resource estimates are depleted for prior mining.

17.3.5 Resource classification

The resource classification definitions used for this estimate are those published by the Canadian Institute of Mining, Metallurgy and Petroleum in their document "CIM Definition Standards".

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

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

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

In order to identify those blocks in the GEMS block model that could reasonably be considered as a Mineral Resource, the block model was filtered by a conceptual pit shell wireframe. A conceptual pit shell was developed using Whittle software in order to identify those parts of the block model that have reasonable prospects for eventual economic extraction. Parameters used were: 50º (overall pit slope); $1.25 /t mining cost; $1400 per oz gold price; 95% process recovery; $7 /t process cost.

The blocks occurring within the pit shell were classified as either Indicated or Inferred. Mineralised blocks lying outside the pit shell are too low grade to be considered as part of a Mineral Resource estimate.

After considering the distribution of composites in the deeper parts of the pit shell through the examination of kriging variance, the author has applied an Inferred Classification to all blocks in the Mineral Resource that lie beyond depths of 300 m but within the limit of the conceptual pit shell.

Above 300 m, resource blocks that lie within the search ellipse and have been estimated by at least 12 samples have been classified as Indicated Resource blocks. The author has not classified any Measured blocks after considering the uncertainty in geological interpretation; the high nugget environment; short ranges of gold grade continuity; use of assigned densities and the current drill spacing.

17.3.6 Resource reporting

The Mineral Resource estimates are reported for a range of cut-off grades in Table 17.7 and Table 17.8. A gold cut-off grade of 0.35 g/t Au for mineral resource reporting is recommended as it reflects the parameters used in the pit shell construction and is reasonable, given that there are existing open pit operations in similar geological terranes in Québec that are currently reported at cut-off grades of 0.30 to 0.32 g/t Au.

Table 17.7 Indicated mineral resource reported for a range of cut-off grades

Reporting cut-off grade g/t Au	Tonnes X 1,000	Grade g/t Au	Gold grams X 1,000	Gold ounces X 1,000
2.00	6,991	2.86	19,969.2	642.0
1.50	11,635	2.41	28,036.5	901.4
1.00	20,192	1.90	38,336.9	1,232.6
0.75	31,532	1.53	48,105.6	1,546.6
0.50	46,939	1.23	57,785.4	1,857.8
0.35	51,633	1.16	59,850.0	1,924.2

Table 17.8 Inferred resource reported for a range of cut-off grades

Reporting cut-off grade g/t Au	Tonnes X 1,000	Grade g/t Au	Gold grams X 1,000	Gold ounces X 1,000
2.00	1,807	2.79	5,043.9	162.2
1.50	2,711	2.43	6,599.3	212.2
1.00	5,854	1.77	10,343.1	332.5
0.75	10,113	1.39	14,017.8	450.7
0.50	15,579	1.12	17,422.9	560.2
0.35	17,494	1.04	18,260.4	587.1

18 Interpretation and conclusions

An updated Mineral Resource estimate has been prepared for Prodigy's Magino gold property located near Wawa in Ontario. The Indicated and Inferred estimates are intended for use in a preliminary economic assessment of an open pit mining scenario.

In the process of preparing the estimates, it was concluded that:

- The supplied database contains 386 surface diamond drillholes (total of 76,000 m) and 980 underground diamond drillholes (for a total of 60,200 m). The author elected to use only the assays from the surface drillholes in the grade estimates.
- All underground drillholes were completed in the period 1984 to 1991 and are dominated by narrow AQ diameter core with some BQ diameter core, clearly clustered around the underground workings as expected and, in some cases subsequently stoped out. Most underground core was sampled in its entirety. Sample volumes of the underground drill cores are markedly less than the surface drill cores and are likely unrepresentative given the incidence of coarse gold. Assays of underground core were performed at the mine laboratory during operations in the period 1987 to 1991, and are unverifiable. Comparisons of underground core assays with surface core assays indicate a bias.
- Ninety-four (94) surface drillholes were completed in the period from 1997 to 2010 and comprise HQ and NQ diameter core. Intervals from these holes have been subjected to re-sampling and assaying, however this task is incomplete. Prodigy has embarked on an in-fill drilling and sampling program and it is expected that much of the historic assay information will be superseded for use in subsequent mineral resource estimates.
- The geological interpretation used in the resource estimates will require updating to better reflect the distribution of quartz-sericite-pyrite zones and mineralised veins.
- The mineralized zones were modelled using a categorical indicator method to identify regions of greater than 0.1 g/t Au. Blocks within these zones were estimated using multiple indicator kriging of 1 m composites and reported for a series of cut-offs above 0.35 g/t Au, using Gemcom GEMS software.
- The resource reporting was constrained by a conceptual pit shell to identify those regions of the model that have reasonable prospects for economic extraction.
- Eventual drill spacing of 25 m or less should be considered for categorisation of Measured Mineral Resource estimates, and a bulk sampling program completed to validate this category.

19 Recommendations

The author makes the following recommendations:

- Undertake an in-fill drilling and sampling program so that all of the historic assay information can be replaced for use in subsequent mineral resource estimates. It will be possible to re-sample existing core and to ensure QAQC programs are in place, thus making use of much of the historic core.
- Update the drillhole and sample database with consistent lithogical, alteration and structural records.
- Repeat at least 30 density determinations of representative drill core specimens under certified laboratory conditions to validate the results obtained in the field.
- Complete a new series of 3D interpretations to map the distribution of quartz-sericite-pyrite alteration and veins. Consider multi-element assays to assist in characterization of alteration zones and geological interpretation.
- Use the current resource block model for a preliminary economic assessment.
- Compile exploration data for the Gould property and develop a budget and schedule for an exploration program.

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21 Signature page

Technical Report title:

"Mineral Resource Estimate,

Magino Gold Project,

Ste. Sault Marie Mining District, Ontario"

Date: 28 February 2011

Prepared for:

Prodigy Gold Incorporated

Suite 1205 – 700 West Pender Street, Vancouver, BC

Prepared by:

[signed]

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Snowden Mining Industry Consultants Inc.

Date: 12th April 2011

22 Certificate of author

(a) I, Andrew F. Ross, Senior Principal Consultant of Snowden Mining Industry Consultants Inc., 600 -1090 W. Pender St., Vancouver; do hereby certify that:

(b) I am the author of "Mineral Resource Estimate, Magino Gold Project, Ste. Sault Marie Mining District, Ontario", dated 28 February 2011 (the 'Report').

(c) I graduated with an Honours Degree in Bachelor of Science in Geology from the University of Adelaide in 1972. In 1985 I graduated with a Master of Science degree in Geology from James Cook University of North Queensland. I am: a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy; a member of the Australian Institute of Geoscientists; licensed as a Professional Geoscientist with APEG (British Columbia). I have worked as a geologist continuously for a total of 39 years since graduation. I have been involved in resource evaluation consulting for 16 years, including resource estimation of primary gold deposits for at least 5 years. I have been involved in gold exploration and mining operations for at least 5 years. I have read the definition of 'qualified person' set out in NI 43-101 ('the Instrument') and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements of a 'qualified person' for the purposes of the Instrument.

(d) I visited the Magino property from 23 February to 24 February, 2011.

(e) I am responsible for the preparation of the Report.

(f) I am independent of the issuer as defined in section 1.4 of the Instrument.

(g) I have had prior involvement with the property that is the subject of the Report. I reviewed the technical report prepared by Burns & Reddick (Snowden, 2004).

(h) I have read the Instrument and Form 43-101F1, and the Report has been prepared in compliance with that instrument and form.

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

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

Dated at Vancouver BC this 12th Day of April, 2011.

[signed]

Andrew F. Ross